

STATEMENT ON THE ORDER OF GARBAGE BINS
FOR THE ROSEAU CITY COUNCIL

Fellow Citizens and residents,

Over the last few days, much has been said about residential garbage bins purchased by the Government of the Commonwealth of Dominica on behalf of the Roseau City Council.

Some of you have expressed genuine concern, untainted by partisanship or political bias, about the cost of the bins. This, I believe, you have the unbridled right to do.

A true and vibrant democracy requires its citizens to raise questions and demand answers from its duly elected Officials and Government.

As Minister for Finance, I have heard and understood your genuine concerns.

However, there are others, though not many, who, without the slightest knowledge of the facts, were content not merely to express concern or raise questions. They were not content to await investigation or explanation. Instead, they were intent on using the media and Internet to launch salacious, unfounded and vague allegations of corruption against me and the government I have the honour to lead.

Let me be clear and unequivocal. I categorically deny and reject allegations of corruption in this matter.

As Prime Minister and Minister for Finance I considered the request made to the Office of Prime Minister by the Roseau City Council for the Government to purchase garbage bins, as the Council did not have the necessary funds. A decision was made to grant approval for the purchase of the consignment.

My decision was based on the information presented to me and the public interest requirement that garbage bins should be

readily available, at an affordable price, to the inhabitants of the City of Roseau.

The subsidization of products or services for the public welfare and health of our people is an acceptable practice and obligation which we must at all times fulfil.

Based on the reports I have read, and information I have collated, I am satisfied that the public officers in the Office of Prime Minister performed their duties with competence and due diligence. The public officers were, like me, entitled to rely on documentation and information given and conveyed to them.

There was, at the various stages of this matter, nothing to cause any of us to question the documentation or information or any other matter relating to this transaction.

The correspondence, some of which I will read, discloses that the Public Officers and Secretary to the Cabinet acted diligently throughout and were in constant communication with Logistical Supply Solutions Inc.

Indeed, available data would show that the transaction was the subject of ongoing discussion between the Government of Dominica and Logistical Supply Solutions, up to the point of my requesting an official inquiry. It is therefore against that backdrop that the allegations of political activists should be viewed.

Permit me, Ladies and Gentlemen, to provide some needed background to this matter, so that the chain of events could be better understood.

Last year the Roseau City Council launched a programme for the improvement of the City of Roseau. This programme also included the provision of garbage bins to the residents of the city to eliminate garbage bags from the streets especially during the year of Reunion.

The Roseau City Council, in furtherance of its programme, approached the Office of Prime Minister to purchase garbage bins for the city. A Pro forma invoice from Logistical Supply Solutions Inc. was submitted to the Office of the Prime Minister.

Once approval for the purchase of the bins was granted, I referred the matter to the Senior Administrative and Accounting officers in the Office of Prime Minister for processing.

On the request of the Office of Prime Minister, an invoice was prepared requiring billing and shipment to the Office of the Prime Minister. This was done because the Government of the Commonwealth of Dominica was effecting the transaction and making the payment on behalf of the Roseau City Council.

The invoice was numbered #03110-00857 and dated 22nd April, 2008. It related to the supply of 2,700 garbage bins with an item code of 0486 and unit cost of \$102.19 at a table cost of \$275,909.90. It will be observed that other than for a code number 0486, there was no description of the bins on the invoice.

To effect procurement of the bins and shipment thereof, payment of the aforementioned sum was made in two tranches, one on the 9th of May, 2008 and the other on the 18th of June 2008. In both instances the monies were wire transferred to the business account of Logistical Supply Solutions Inc, and not to a private individual. This money was paid from the Contingencies Fund.

The total amount of US\$275,909.90 was, as required by Law, taken to Parliament in October 2008 for approval by Parliament. This is important, because the name of the supplier, subject matter of the purchase and total cost were disclosed to the Parliament of Dominica.

The fact that Parliamentary approval was sought, in the face of the Opposition and during live broadcasts of the proceedings of the Parliament, establishes that the Government and the Office of the Prime Minister were transparent in this matter and had nothing to hide.

The shipment of bins was supposed to have arrived in Dominica on the 21st of August, 2008. When it did not arrive, calls were made to the supplier by the Senior Administrative Officer in the Office of the Prime Minister, further to which the Officer wrote Logistical Solution Company Inc on the 1st day of September 2008 to enquire about the shipment.

The letter reads:

"Dear Sir / Madam,

Re: Status of Order of Garbage Bins

By letter dated 29th July, 2008, you informed the Office of the Prime Minister that the shipment of trash bins was expected to arrive on 21st August, 2008.

To date, we have not received any shipment documents or information as to the status of the order.

Please provide this Office with the latest update on the status of the order.

Your urgent attention to this matter is appreciated.

Yours sincerely,

OFFICE OF THE PRIME MINISTER
(SGD) JISELLE ALLPORT

.....
FOR SECRETARY TO THE CABINET

By letter dated 2nd of September, 2008, the Company responded, and explained why the shipment was delayed, and advised that the shipment would arrive in Dominica within one (1) week.

The letter reads:

"Mrs. Allport,

I received your fax correspondence dated September 1, 2008 regarding the status of the garbage bins order. We could not reply yesterday because Sept. 1st is a national Holiday (Labour Day) and our office was closed.

I would like to inform you that the bins were shipped and are due to arrive in Dominica sometime this week. The delay in shipment was due to the hurricanes that hit the Gulf Coast

Region within the past three weeks. All freight shipment from that area experienced lengthy delays.

Accompanying this letter is a fax copy of the Bill of Lading. The original has been mailed to you via FedEx overnight. This document is needed for clearing the containers from the Port of Entry.

The Shipping Agency in Dominica is Whitchurch & Co. Inc. The vessel name is MSC Nicole, Voyager #719. We do apologise for any inconvenience that you may have incurred because of the shipment delay.

Thank you

Andre Dopwel
Logistical Supply Solutions"

In the course of the discussions between the Senior Administrative Officer and Logistical Solution Company Inc, it was agreed that the company would be responsible and pay for all freight charges. This agreement was made notwithstanding that the invoice stated that the consignment was Free On Board.

In October 2008, two (2) 40 ft containers with the bins arrived in Dominica. However, the containers were not cleared because the shipper had not paid the freight charges as agreed with the Senior Administrative Officer.

On the 21st of October, 2008, the Office of the Prime Minister wrote to the Company on the matter and insisted that the freight charges be paid by Logistical Solution Company Inc.

The letter reads:

"Dear Sir

Re: Status of Order of Garbage Bins

We are in receipt of the Bill of Lading for the consignment of garbage bins which are presently in Dominica. However, the Office of the Prime Minister is unable to receive delivery from the

ship's agent because they claim that the shipper is owing the shipping line for the consignment.

Grateful for your assistance in verifying same and to make the necessary arrangements to have this matter rectified as soon as possible. This delay has resulted in additional storage charges at the Port.

Your urgent attention in this matter is greatly appreciated.

Yours sincerely,

OFFICE OF THE PRIME MINISTER
(SGD) JISELLE ALLPORT

.....
FOR SECRETARY TO THE CABINET"

The freight was eventually paid by Logistical Supply Solutions Company Inc.

Following the payment of the freight charges by Logistical Supply Solutions Company Inc, and the payment of Value Added Tax (VAT) to the Customs and Excise Department by the Government, the bins were cleared from the Port on the 21st of April 2009 and delivered to the Roseau City Council on the same day.

After the container was cleared, and bins tallied, it was ascertained that only 2,192 bins were received instead of 2,700. The shipment was therefore short by 508 bins. On the 5th of May 2009, the Senior Administrative Officer in the Office of the Prime Minister wrote to the Company demanding that the missing bins be shipped at the company's expense.

The letter reads:

"Dear Sir,

Re: Status of Order of Garbage Bins

The consignment of garbage bins which was shipped by your company was cleared from the Port last week.

However, it was discovered that each of the two (2) containers contained 137 packages of 8 bins. This is a total of 2,192 bins. The payment to your company was for 2,700 bins. Therefore there is a shortage of 508 bins.

We are requesting your assistance in rectifying the discrepancy and to make the necessary arrangements to have these bins shipped at your company's expense as soon as possible.

Your urgent attention in this matter is greatly appreciated.
Yours sincerely,

OFFICE OF THE PRIME MINISTER
(SGD) JISELLE ALLPORT
.....
FOR SECRETARY TO THE CABINET"

The Company, by letter dated the 7th of May 2009, acknowledged the short shipment and undertook to ship the balance of bins as a matter of urgency.

The letter reads:

"Mrs. J Allport,

Re: Order Shortage

This letter is in reference to your fax received on 05/05/2009 regarding the shortage on the shipment order.

Please be informed that we are aware of the situation regarding the short order supply. We are currently in the process of finalising the remainder of the items requested which will be shipped to you very soon.

We are sorry for any inconvenience this may have caused. You will be notified promptly of the shipment details when completed, which will finalise the order.

Yours truly

Andre Dopwell

Logistical Supply Solutions”

Regrettably, the outstanding bins have not arrived in Dominica. Following the inquiries which I requested, I have been advised that the shipment of the residential garbage bins delivered to the Roseau City Council do not meet the expectations of the Government. Much larger bins with wheels and secure covers were expected.

Accordingly, the Secretary to the Cabinet wrote to Logistical Supply Solutions Inc and it has been agreed that Logistical Supply Solutions Inc will compensate the Government of Dominica.

I will read the exchange of correspondence, which explains the basis and terms of the compensation and consequential commitment of reimbursement.

The letter from the Office of the Prime Minister, dated May 28, 2009 reads:

“Dear Sir,

As you are aware, the Office of the Prime Minister has already written to you regarding the shortage with respect to the shipment of garbage bins, and you responded accordingly.

I also wish to advise that the shipment of residential garbage bins shipped by your company does not meet the expectations of the Government of Dominica. We expected larger bins.

Grateful for your urgent action on this matter please.

Yours Sincerely,

OFFICE OF THE PRIME MINISTER

.....
FELIX GREGOIRE
SECRETARY TO THE CABINET”

The letter from Logistical Supply Inc, dated June 1, 2009 reads:

" Dear Cabinet Secretary:

This correspondence serves to confirm our acceptance that the shipment of residential garbage bins shipped by us to Dominica was not consistent with what was expected by the City Council or Government, and that a reimbursement or compensatory mechanism is required.

If the client is not happy with the shipment or product supplied, then it is my responsibility as the supplier to do something about it.

Accordingly, I am offering to have the shipment valued at the known market price plus 10 percent service charge and other expenses, such as freight and assurance.

I will deduct this net cost from the funds that were wired to my company by the Government of Dominica and shall reimburse the government of Dominica the balance within fourteen (14) working days.

Also, kindly let me know the Government's position in relation to the bins which were short shipped. I need to know whether they are still required or whether a refund is required in relation to these.

I hope that this will help to remove any concerns or uncertainty which may exist over this transaction.

Please convey to the members of the Council and to the Government of Dominica my sincere regrets at any embarrassment or inconvenience this matter may have caused.

Yours Faithfully

Andre Dopwell Sr.
Manager"

Fellow citizens, Ladies and Gentlemen, I have gone to great lengths in providing the background to this issue, because it is important to recognise and appreciate the manner in which this transaction was handled from the outset.

The continuous correspondence between the Government and the supplier shows that this transaction and consignment was not simply ignored, but was being dealt with on behalf of and to the satisfaction of the government.

It is therefore false for anyone to suggest or even intimate an attempt at cover up. Far from it!

In the intervening period, detractors have clouded and confused the discussion by introducing 'red herring' issues, one of which I would like on this occasion to address.

It may well be that Logistical Solution Company Inc is not a registered company. But that is not the end of the matter.

There is a well settled and accepted practice of persons doing business as or in the name of a business even though there is no registered incorporation. Such a practice is neither unlawful nor illegal.

Persons are fully entitled to trade in their own name or in a business name. However, it is important that I again make the observation that the monies were transferred and paid to Logistical Solution Company Inc.

It has been said that Mr. Andre Dopwell of Logistical Solution Company Inc. is the half brother of the Honourable Dr. John Colin McIntyre. This is so. But let me first of all state that there is no law, which precludes a person or his business from doing business with a statutory board or ministry.

I have spoken with the Honourable Minister and he has also written to me. In direct contrast to what transpired under the previous UWP Government, the facts are that Minister McIntyre had, and has, no involvement whatsoever with Logistical Supply Solutions Inc; never dealt with Logistical Solutions or Andre Dopwell regarding the supply of the bins or any other commodity; and never used his office as minister to secure a

personal gain for himself, Andre Dopwell or Logistical Supply Solutions Inc.

Fellow Citizens and residents, having discussed the transaction and nature of compensation, it is important that we take steps to minimise if not prevent a reoccurrence.

I have consulted with officials in the various departments of government and it is agreed that we must effect measures to ensure that all transactions and procurements by the various Councils and statutory boards, over a certain limit, are governed and regulated by proper procedures and guidelines.

I could easily engage in finger pointing by identifying several similar occurrences under previous administrations, but that is not the focus of this intervention. My goal is to confront and correct procedures, processes and the overall system to ensure that we avoid errors or mistakes.

Accordingly, I have asked the Honourable Attorney General to review the matter and advise on appropriate procedures and guidelines, which may be enacted into law by amendment, to ensure that the Roseau City Council and all other Councils and statutory boards are required to hold tenders, subject to such conditions as the Minister for Finance may direct, before procurements and purchases over a prescribed limit are made. I will have a bit more to say about this in the upcoming Budget.

My fellow Dominicans, your government is determined to ensure that taxpayers get value for money at all times. That is why we pursued the matter with Logistical Supply Solutions Inc and negotiated an outcome, in which a sizeable refund will be made to the government.

Further, as I mentioned earlier, we will ensure that all necessary procedures and guidelines are put in place to guarantee that a situation like this does not reoccur.

My Government has a proud record of delivery of goods and services to the people of this country. We have, in the face of a

challenging world economic environment, made considerable progress together, but we will not stop there. We have a lot more work to do.

Our goal is to continually improve the lives of every citizen of this Commonwealth of Dominica.

Every day I walk into the Prime Minister's Office, I am determined to find innovative, and more efficient, ways to ensure that this Government does its very best to provide for and lift the daily lives of the ordinary people of this great country of ours.

This philosophy of providing for the ordinary people is rooted in equality and the fundamental principles of the Dominica Labour Party that all shall eat, be educated, have access to better health care, have jobs, proper housing and the fundamentals of a better life. This philosophy and the fundamental principles of Labour will continue to guide this government.

Thanks to your great help and patriotic co-operation, we have come a long way from the precipice of economic collapse after 2000. We are far better off today as a nation than we were in 2000. But we must not become complacent.

We must build on the foundation that we have created, and continue on the path of sustainable economic growth and development that will make us all, and the generations to come, proud.

It is my intention to continue the work I started to provide a safe and prosperous environment for all. I thank you for your prayers and your expressions of appreciation and support.

I will have several opportunities in the coming weeks to address you on other issues of interest and concern to residents of Dominica.

Until then I wish you God's speed in your endeavours.

Good night and may God Bless all of us!

02/06/09

