

ORAL ANSWER TO QUESTION**UNREVISED****MAURITIUS PORT AUTHORITY – CHAIRPERSON –
ALLEGATIONS OF CORRUPTION**

The Leader of the Opposition (Mr P. Bérenger) (*By Private Notice*) asked the Minister of Tourism, Leisure and External Communications whether, in regard to the allegations of corruption involving the Chairperson of the Mauritius Port Authority –

- (a) he will, for the benefit of the House, obtain from the Authority, information as to –
 - (i) if international bids were called for the dredging works in the port, indicating the value thereof received;
 - (ii) if a credit card of the Authority was used for personal business transactions;
 - (iii) the other countries the Chairperson visited while on official missions, and
 - (iv) the letters sent by the Chairperson concerning MPA land and lay copies thereof, and

- (b) he will state if he is aware of payments, if any, effected by Boskalis International Ltd. to UTV Communications and Yash Raj International.

The Deputy Prime Minister, Minister of Tourism, Leisure and External Communications (Mr X. L. Duval): Mr Speaker, Sir, right from the outset, I wish to state that this Private Notice Question gives me the opportunity to reaffirm my commitment to uphold the highest standards of management practices in organisations falling under my responsibility.

Mr Speaker, Sir, the House may wish to know that since I took over the portfolio for Port matters in July 2005, I have put in place guidelines within which the Mauritius Ports Authority (MPA) should operate with regard to certain strategic matters. These guidelines are based on the need for the MPA to abide by the principles of good governance, transparency and best management practices.

In this regard, I have written to the MPA to the effect that all applications for land in the port as well as all overseas missions should be cleared beforehand by my Ministry.

Mr Speaker, Sir, as regards part (a)(i) of the question, I must inform the House that I had already provided the required information in my reply to PQ No. B/1051 at our sitting of 05 August 2008. However, I am providing the same information anew.

Mr Speaker, Sir, I am informed by the MPA that bids for the Port Louis Harbour Dredging Works Project were launched in the press by the then Central Tender Board through a tender notice dated 26 August 2005. As at the closing date, that is, 11 January 2006, bids were received from the following potential international dredging contractors –

- (i) Jaisu-Sotravic Ltée (Joint Venure);
- (ii) Boskalis Internaitonal b.v;
- (iii) Dredging Internatinal n.v, and
- (iv) European Dredging Company SA.

The bids were evaluated by the MPA Consultants, Messrs Consulting Engineering Services (Pty) Ltd (CES), India, and the proposals by Boskalis International b.v and Dredging International n.v were assessed to be technically responsive and retained for financial evaluation. The financial proposals of the latter two companies were subsequently opened by the then CTB on 22 June 2006.

The amount quoted by the two technically responsive bidders is as follows –

Company	Amount (Rs) (Exclusive of VAT)
(i) Boskalis International b.v	439,660,763
(ii) Dredging International n.v	468,908.590

Taking into consideration the fact that the price quoted by the most competitive bidder, that is, Boskalis International b.v was substantially higher than the approved budget of Rs350 m., the MPA consultants recommended that the MPA negotiate with the company for a reduction in the contract price of the project.

With the approval of the CTB, the MPA in the presence of the consultants, Messrs CES (Pty) Ltd, negotiated with Boskalis International on 21 July 2006, for a reduction in the quoted price for the project. The meeting was chaired by the then Director-General of the MPA, namely, Capt. Wong Chun Toi. Were also present Mrs A. Bunwaree-Ramsaha, Finance Manager, Mr O. Goburdhone, Port Engineer, Mr R. Seelochun, Assistant Port Engineer and Mr C. Rogbeer, Internal Audit Manager. Two representatives of the MPA consultants, Mr S. Dhar and Mr P. K. Panigari were furthermore in attendance. Boskalis International, on the other hand, was represented by Mr P. Boer and Mr R. Lagesse.

Following discussions, Boskalis International consequently agreed to reduce the contract value of the project to Rs380m. (exclusive of VAT), that is, a discount or reduction of about Rs59.7 m.

The contractor was able to offer a reduction in the contract price as the dredging equipment was idle during the period September to December 2006.

The contract was accordingly awarded to Boskalis International b.v at the negotiated price of Rs380 m. on 27 July 2006, following the clearance of the CTB.

Mr Speaker, Sir, as I mentioned in my reply to PQ No. B/1051 whereas the contract value of the project was Rs380 m., the total certified payment made to Boskalis International b.v was less than the contract price. The project was completed with savings of about Rs7.5 m. on mainly on contingency items.

With regard to part (a)(ii) of the question, I am informed that it used to be the policy of the MPA to put at the disposal of the Chairman of the Board, a credit card with a ceiling of Rs125,000 for official business. The current Chairman was therefore granted similar privileges. However, it came to light that he had utilized the card for non-official use, that is, personal travel and hotel expenses. The Chairman was asked to reimburse the amounts thus used which he did on 26 October 2006.

In the light of the above, the card was cancelled on 26 October 2006.

There is, however, no indication that the credit card was used for transactions relating to his personal business.

Mr Speaker, Sir, regarding part (a)(iii) of the question, at our sitting of 12 August 2008 and in reply to PQ No. B/1162, I had tabled a list of the official missions undertaken by the Chairman of the MPA Board since his appointment to date. I wish to reiterate that the Chairman undertook six missions to the following countries –

- (i) Mumbai in April 2006;
- (ii) Guangzhou and Taipeh in 2006 - I don't have the exact date;
- (iii) Dubai in May 2007;
- (iv) Mumbai in September 2007;
- (v) Chennai in January 2008, and
- (vi) Marseilles in July 2008.

I am informed by the MPA that during his last mission to Marseilles from 23 to 26 July 2008, the Chairman of the MPA proceeded first to Mumbai on Sunday 20 July on a private visit and from there to Marseilles.

I must, however, point out that the private trip was at no extra cost to the MPA.

Mr Speaker, Sir, as regards part (a)(iv) of the question, I am tabling a copy of a letter dated 21 February 2008 issued to Messrs Patel Engineering Ltd, India (Pty) by the Chairman of the MPA Board regarding the proposed reservation of a plot of land of the extent of approximately 25ha at Les Salines. It was stated in the letter that the reservation was subject to such terms and conditions as may be approved by the MPA and the Government of Mauritius.

As that was not in line with the usual practice, that is, the letter was signed by the Chairman and not the Director-General, the explanations of the Chairman were sought thereon and my Ministry was informed that the promoters were pressing for an urgent response whilst they were still in Mauritius. Hence, the letter was issued under his signature as the Director-General was not available.

Mr Speaker, Sir, I wish to inform the House that in view of the scope and complexity of the project, that is the Patel project, and since neither the MPA nor my Ministry had the necessary in-house expertise to deal with a project of such a dimension, I sought the agreement of Cabinet for MPA to lease the land in question to the Ministry of Housing and Lands for its future development.

Cabinet also agreed that the land should be leased at commercial rate as per the rental assessed by the Chief Government Valuer.

Mr Speaker, Sir, as regards part (b) of the question, I wish to refer the hon. Leader of the Opposition to the reply I made to PQ No. B/1100. As I had mentioned, as soon as I took cognizance of the press report relating to the alleged payment of a sum of USD 25,000, I caused an inquiry to be conducted by the MPA on the nature of such payment into the Bank Account of the Chairman of the MPA Board by Boskalis International b.v. At the same time, I personally sought the written explanations of the Chairman on the said allegations.

The Chairman again denied such allegations. As the House is aware, the whole matter is now in the hands of ICAC which is conducting its inquiry.

Given that an investigation is under way, it would not be appropriate for me to make any further comment or otherwise make any further statement on the matter which could in any manner be viewed as influencing or adversely affecting the smooth pursuit of the ongoing investigation. I also understand, Mr Speaker, Sir, that the Attorney-General's Office has sought foreign assistance in connection with the investigation under our Mutual Assistance in Criminal Matters Act.

Mr Speaker, Sir, I wish to inform the House that the Chairman of the MPA Board has offered and, Government has accepted, that until the end of the investigation, he will not sit in or participate in any discussion of the Board.

Mr Bérenger: Mr Speaker, Sir, the first part of my question, I think, was rather clear: if international bids were called for, for the dredging works, indicating the value of each bid. I listened to the hon. Minister of Tourism, he said that tenders were called for in the press. My point is: was it in the international press, in what publications and on how many occasions?

Mr X.L. Duval: I do not have this information. Perhaps I will get it in a moment, but I presume there were international bids as we received international offers.

Mr Bérenger: The Minister does not know in which international press anything appeared and he does not even know if it appears and on how many occasions. Can I know how many firms which tendered were disqualified because from what I heard only two finally were found to be technically qualified? How many were disqualified?

Mr X.L. Duval: Sir, regarding the international bids - I presume there were international- but the hon. Leader of the Opposition did not ask about which press etc...

(Interruptions)

As far as the bids received are concerned, I gave the information; I will give it again. There were four bidders, two were disqualified and two were accepted.

Mr Bérenger: Mr Speaker, Sir, the Minister of Tourism is a professional. Does he not find it strange that two are qualified, both of them are way above what is finally paid for the works and the Boskalis International Ltd. comes in with Rs440 m. brings it down to Rs380 m., then it costs less than Rs370 m. Has the hon. Minister of Tourism inquired into this whole matter? How can two be disqualified, we remain with two only and the two are way above what finally is paid for?

Mr X.L. Duval: Mr Speaker, Sir, firstly I must state that the whole process was under the control of the Central Tender Board and, therefore, not of my Ministry. They were disqualified for whatever technical reasons the Central Tender Board sought fit. I did inquire, Mr Speaker, Sir, especially as to how it came about that an original quoted price of Rs440 m. was reduced to Rs380 m. and I was informed that during the negotiations, we were able to take advantage, for the benefit of Mauritius, I must say, of a

slot in which the particular dredging machine which is a very expensive piece of equipment was free in the region. It was available at that time, in September onwards and the discount was granted on the basis that we would use the dredging for that period of time.

Mr Bérenger: On the next part of my question, we are told that the Chairperson used, for wrong purposes, for private personal usage, credit card given to him - property of the Mauritius Port Authority - and that was wrong and that he has agreed to refund. Can we know what was the sum refunded?

Mr X.L. Duval: Mr Speaker, Sir, the total amount of private expenditure was Rs313,000 and the whole amount has been refunded.

Mr Bérenger: From the information that I have, it is to the effect that this was used to purchase, among other things, DVDs to be used in his business. The hon. Minister responsible for tourism, the harbour and so on, but not Deputy Prime Minister, said that there is no evidence ...

(Interruptions)

What's in a name! *To pou conné astère là !*

Mr Speaker: Order now! No comment, please!

Mr Bérenger: He said that there is no evidence that credit card was unlawfully used by the Chairperson to purchase items for his own business. How has this been checked and has it been checked, as I said, that this has been used, in fact, to purchase DVDs?

Mr X.L. Duval: Mr Speaker, Sir, I hope that the hon. Leader of the Opposition was not threatening me in any way.

As far as the information concerning expenditure on his business card is concerned, I must say here that when it came to light – in fact, the Prime Minister brought it to light and mentioned it to me – I immediately inquired from the MPA and we took action not only to have the full amount reimbursed, but we also took back the credit card. We took the necessary action in this case. As far as the breakdown of the expenditure is concerned, there was an amount which was drawn in cash and the other was travel expenses etc., but we did not see any payment for films, DVDs etc. This is the information that I am giving to the House. What the amount of cash has been used for, I do not know.

Mr Bérenger: I am talking about that credit card, property of the Mauritius Port Authority, being used used to purchase DVDs and other such equipment and I am sure that that went through Customs without paying the duties that should have been paid also.

(Interruptions)

Cunningham zotte fine amarre li!

My third point is that on 12 August the hon. Minister himself said: “I understand that he was meant to spend a few days in the port of Marseilles and before and after his mission, he visited other countries”. Is the Minister saying that he was wrong on that day and that, according to his information, he went to, lost his passport there, travelled to Marseilles and did not travel after Marseilles to any other destination?

Mr X.L. Duval: Mr Speaker, Sir, I must say that where the Chairman of the MPA went when he is not on official business is not of my concern, neither can I verify it - maybe I would not like to know either. However, I would tell the hon. Leader of the Opposition that my information is that he travelled both before and after. This is my information and I do not have it from any official source. This is what, I understand, happened,.

Mr Bérenger: Is the hon. Minister giving the guarantee to the House that this extra expenditure to travel from the place he was on official visit at to elsewhere, has not been paid for by the Port Authority?

Mr X.L. Duval: Mr Speaker, Sir, I am informed by the MPA that - as everybody knows - when somebody travels, he does so on a *per diem* and the cost of the air ticket is paid for by the MPA. Now, what he does with the air ticket, whether he changes it or whatever, is another issue of which I am not aware of, but the cost of the MPA was in respect of the official mission.

Mr Bérenger: The next part of my question, Sir, is that the hon. Minister has made reference to one letter signed irregularly by the Chairperson of the MPA, and which is tabling, granting land belonging to the MPA to one operator. Has he checked that there has been only one letter and not several such letters?

Mr X.L. Duval: I am not aware, Mr Speaker, Sir. I am aware of one letter that came to my notice and, again, we took action, not particularly, because it was illegal, but because it was irregular. I am even informed by the State Law Office that it is not illegal for the Chairperson to do so, but it is irregular. As it is irregular, that is how we came about to query it.

Mr Bérenger: Mr Speaker, Sir, as the hon. Minister said himself, it should have been signed by the Director-General and not by the Chairperson. This is where it was irregular. Did he refer that to the Board before signing?

Mr X. L. Duval: Mr Speaker, that is a good point. The Board actually had agreed the principle of the transaction with Patel Engineering and I understand that they were in Mauritius, they were leaving at night, and there was an urgency in dealing with this project. It is quite a huge project. We should not look down on every single project that comes to Mauritius, otherwise, we will never go forward. I say huge project because, I think, it is about Rs15 billions. There was urgency in the matter and the Chairperson thought it proper to sign the letter, the principles having already been agreed by the MPA Board.

Mr Bérenger: If we come to the payments by the firm concerned. Boskalis International Ltd. We have referred already to the payment of 25,000 dollars by Boskalis International Ltd. to Blockbuster Video Limited, being a Mauritian firm, in which the Chairperson of the MPA has direct interest. The hon. Minister has told us that this has been referred to ICAC as usual. Is the hon. Minister aware of other payments, 25,000 dollars, 60,000 dollars and other payments paid to two UK firms, Yash Raj International, UTV Communications, being two firms that deal with the Chairperson's firm here in Mauritius, that is, Boskalis Video which I just referred to. Now, Boskalis pays directly several huge sums to these two UK firms that deal in business with the firm Blockbuster Video Limited of the Chairperson of the Mauritius Port Authority. Is the hon. Minister aware of that and does he find it regular?

Mr X. L. Duval: I cannot say I am aware of it. I have read through the press like, I presume, everybody here, about the first alleged payment and the other two alleged payments. The Chairperson has denied that. We have written to Boskalis. It has replied to us, saying that the person was on leave, he was coming back. We wrote back to them again saying his period of leave is over and we have not got a reply back. In this reply, they have not denied it, but they have not either told us that this happened. However, the

whole issue is with ICAC. If it was such a simple issue, I presume ICAC would have done the necessary. So, I presume we cannot say for certain so far and what we are saying in Government, Mr Speaker, Sir, is that if there is a *prima facie* case made against the Chairperson, then the Government will act immediately.

Mr Bérenger: May I ask the hon. Minister whether he has sought advice from the State Law Office asking Boskalis to incriminate itself? As the law is, if they say yes, they have paid a bribe to so and so, they are incriminating themselves, that is probably why the person concerned at Boskalis is on leave. Has the hon. Minister sought advice that this is not the way at all to do it?

Mr X. L. Duval: Mr Speaker, Sir, I am not a lawyer, but I presume that when you ask a question, even a no answer is important. It is important that Boskalis had not say 'no' so far. They have said they give us three weeks. They have not denied it, but they have not accepted either. Let ICAC do its work; the necessary has been done very quickly and once we have the information, maybe one week or two weeks, whatever time it may take, we will take action. In the meantime, as I mentioned, the Chairperson is no longer sitting on the Board until this matter is resolved.

Mr Bérenger: Well we already have this information about payments by Boskalis International Ltd. to the firm where the Chairperson is involved, Blockbuster Video Limited; then we have information about several payments to Yash Raj International and UTV Communications; but all indications are that there have been many such payments. Is the hon. Minister aware of another payment at the beginning of February – I think, it is 05 February 2007 - by Boskalis International Ltd. to Dr. Chady again and another person? The letter reads -

‘ Subject: payment confirmation

Please find attached the payment confirmation(...)

This time it is in Euro, it is a bit more than in dollars.

‘ (...) for the 25,000 EUR

With the EM number’

I am going to table it. They can trace the payment.

‘ Kind Regards

Boskalis International’

It is addressed in the plural: ‘Dear Sirs’. But concerning the addressee, the name has been deleted. Attention: Dr. Chady. Is the hon. Minister aware of that document, of that payment in euro this time?

Mr X. L. Duval: I must say, Mr Speaker, Sir, if I had been aware I would have given straight away the document to ICAC. I am not aware of it and I will suggest either the hon. Leader of the Opposition gives it to me or directly to ICAC.

(Interruptions)

Mr Speaker: Order!

Mr X. L. Duval: Mr Speaker, Sir, I must say, in strongest terms, that it is in no way my intention or the intention of Government to condone in anyway whatsoever corruption. That is not our intention, Mr Speaker, Sir. However, we must also look at the other side of the picture, that we do not want to unduly penalise people that are innocent. This is why there is a demarcation line that has been set by Government as soon as a *prima facie* is established, whoever it is, not just the Chairman of MPA, the Government will act. Apart from that, I am not personally aware of that particular letter or any other letter that may exist, but I will use my offices so as to speed it to the right persons for enquiry.

Mr Bérenger: As I said, Mr Speaker, Sir, it is addressed in the plural: ‘Dear Sirs’, but somebody has taken the precaution of deleting the name of the addressee, but ‘attention to Dr. Chady’ has been left behind. Is the hon. Minister aware that, in fact, there were two documents? One is a fax, explaining that, and the other is the bank transaction, giving the details, and in that, the other name has not been deleted. Is the hon. Minister aware that the other name - we are still talking about the same sum of 25,000 EUR and because it was ‘Dear Sirs’ in the plural - mentioned is Mr George M. Gilbert Philippe?

Mr X. L. Duval: Mr Speaker, Sir, let us have the information. Let us use it and let us trust ICAC, as I do, to do the necessary. What else can I say? This may be true, this may be not true. I grant the Leader of the Opposition is of good faith. Let us use the information.

Mr Bérenger: Is the hon. Minister aware that just under the name of Mr Gilbert Philippe who, according to my information, is still a senior adviser at the Prime Minister's Office, appears for the payment of the 25,000 euros 'service fees'?

Mr X. L. Duval: I don't understand this: 'service fees', Sir.

Mr Bérenger: If the hon. Minister does not understand that, I don't know what he will understand. Therefore, Mr Speaker, I am tabling copy of that document. With all the information that has surfaced, will the hon. Minister agree that just not chairing is not enough, that he should be made to step down until a full enquiry has been carried out?

Mr X. L. Duval: I mentioned the position of Government, Mr Speaker, Sir, regarding to what should be done with Dr. Chady in this respect. As I mentioned, concerning these letters, they may be true, they may be forgeries. ICAC is trying to find out. We have written to Boskalis International. The Attorney-General has done the necessary for the international angle regarding this matter. It is being taken care of very seriously and the view of Government, Mr Speaker, Sir, is that the Chairman should not be dealt with in any way apart from what has been proposed, that is, he should not sit on the Board. Let me also say that he is a part-time Chairperson and his main duty, his only duty, probably, is to sit and to chair such meetings. Therefore, not chairing the meetings is tantamount to him taking the leave until the matter is taken.

Mrs Hanoomajee: Mr Speaker, Sir, the very fact that the Chairperson did not of his own accord refund the amount regarding the credit card, doesn't the Minister think that this is very serious and that he had had to request him to refund that amount?

Mr X. L. Duval: Mr Speaker, Sir, I must say that it was not hidden that there were private expenditures. So, it was not as if trying to pass it off as being MPA expenditure. In fact, when we asked him, he refunded it.

Mr Soodhun: Mr Speaker, Sir, can the hon. Deputy Prime Minister inform the House whether the Chairperson is still having access to his office?

Mr X. L. Duval: Mr Speaker, Sir, yes, the Chairperson is still having access to his office. He is not chairing the Board, but the files with regard to Boskalis have now been sent to ICAC.

Mr Bérenger: I have two questions with your permission, Mr Speaker, Sir. The first one is the following. I am sure the hon. Minister responsible for Tourism and the Port and so on uses credit cards. When we come back, the bank sends us a statement giving the details of all the things that have been bought or paid for and so on. Has the hon. Minister obtained a copy of that statement? If not, will he obtain a copy of that statement and table it?

Mr X. L. Duval: Mr Speaker, Sir, I don't have any objection personally. I will consult and, if possible, I will table it.

Mr Bérenger: The hon. Minister should have already looked into it. Before saying that there is no evidence that this has been used to buy DVDs and so on, I would have thought that the hon. Minister would have looked at that statement himself.

Mr X. L. Duval: There are two things, Mr Speaker, Sir. I replied on tabling. And the hon. Leader of the Opposition is coming back as to whether I checked the card statement. I did not check it personally, Mr Speaker, Sir. I trust the officers who work for me. Because it is over some period of time, I was given an extract and that is good enough for me.

Mr Bérenger: I will end up with that question. I heard the hon. Deputy Prime Minister refer about a dozen of times to ICAC. I don't want to prejudge, but I know how this is going to end up. The Police in general are under the general policy control of the hon. Prime Minister - but we have rotten eggs and we have very good Police Officers - will the hon. Minister take it up with the hon. Prime Minister that this enquiry should be carried out by the Police, the best officers that the new Commissioner of Police can appoint and not by ICAC?

Mr X. L. Duval: Mr Speaker, Sir, I have got no problem – the hon. Prime Minister is here – to discuss the matter with the hon. Prime Minister. I must also say, Mr Speaker, Sir, in relation to all the questions about whether or not the Chairman should step down, that there are precedents. In the Port itself, there was, during the last mandate of the Opposition in Government, a Commission of Enquiry on the purchase of cranes. There was nothing wrong found at the end of the day. But, obviously, there was a mistake of interpretation and during that time the people were there. They remained in office and the Opposition did not ask for this removal. There is another issue also. There was a Commission of Enquiry on the sand at the Port and it was the same thing. The Inquiry was carried out and the people

responsible were still there. But in this case, we have arranged for the Chairman not to sit on the Board for this period of time. We are going further than was done previously.

Mr Bérenger: The hon. Deputy Prime Minister will agree with me that when we appoint a former Judge of the Supreme Court to chair a full-fledged Commission of Enquiry under the Commission of Enquiry Act, that's one thing, but when you are enquiring into the transactions of a Chairperson who still comes and goes in his office and at the Port Authority, this is a totally different matter.

Mr X. L. Duval: Mr Speaker, Sir, the two matters relate to allegations of corruption. The same thing had happened previously and the same thing now, and the same principle we used, except for this time, as I have said, the Chairman is not sitting on the Board.

Mr Speaker: Time is over!