

**REPUBLIC OF VANUATU
OFFICE OF THE OMBUDSMAN**

PMB 9081
Port Vila
Vanuatu

**PUBLIC REPORT
ON THE
ALLEGED MISUSE OF COMMUNITY
DEVELOPMENT FUND**

19 June 2003

8103/2003/13

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OF
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SUMMARY

The Ombudsman is issuing this Public Report to show how some leaders could misuse their offices and positions for their own benefit.

In 1996, Honourable Serge Vohor ("Hon. Vohor") was Prime Minister of the Republic of Vanuatu. The Prime Minister's Office was responsible for the Community Development Fund ("CDF").

The CDF was established as a Special Fund in accordance to Section 13(1)(b) of the Casino Control Act No.6 of 1993 and section 20(2) of the Betting (Control) Act No.1 of 1993.

These laws provide for ten percent (10%) of the income earned through the gambling operations in Vanuatu to be paid into the Revenue Fund of the Government. The Prime Minister controlled the fund and it was used for developments in the communities on request.

The Government had opened an account for the CDF with the Bank of Hawaii and the only authorized signatories to the account was the Prime Minister himself, and/or in his absence, the Minister of Finance.

In 1996, Tawareka Community from South Tanna in Port Vila made a request to the Prime Minister's Office for a bus for the community. When this request was approved by the Prime Minister, one member of that community, Mr. Mathias Teku ("Mr. Teku"), decided to use this opportunity to gain personally. So he met privately with Mr. Antoine Pikioune ("Mr. Pikioune"), former Political Secretary to the Prime Minister about the request. When the Prime Minister approved the request, Mr. Pikioune made the cheque for Vt1.000.000 and gave it to Mr. Teku instead of the Tawareka community.

Mr. Teku deposited the cheque with AGC Financial Limited and purchased a car which he used as a private taxi.

This enquiry found that Hon. Vohor assisted in the decision by providing funds to Mr. Teku, a supporter of his political party. Hon. Vohor's action was contrary to the Leadership Code under Article 66 of the Constitution by using his office as Prime Minister to donate Vt1.000.000 from the public fund (CDF) to benefit his party supporter.

The enquiry also found that the former political Secretary, Mr. Pikioune may have also breached the Penal Code when he assisted in the decision to give public funds to a political supporter for his personal benefit. Mr. Pikioune handed the cheque to Mr. Teku, knowing that Mr. Teku would use this public fund personally.

The Ombudsman found that Mr. Teku has misused public fund for personal use. Such action is against Section 122 of the Penal Code.

Following these findings, the Ombudsman makes these recommendations:

- That, the Police Commissioner orders an investigation into the misuse of this fund in order to recover the public money taken improperly by Mr. Teku.
- That the State Law Office recover from Hon. Vohor, Mr. Pikioune and Mr. Teku the funds that have been used by Mr. Teku.

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1. JURISDICTION

- 1.1 The Ombudsman made this enquiry in accordance with Articles 62 and 66 of the Constitution and Section 11 (1)(d) of the Ombudsman Act. These laws allow the Ombudsman to enquire into the conduct of persons working in the Government and government related bodies on their alleged improper actions. The Ombudsman could enquire into the conduct of the Prime Minister and political secretaries.

2. PURPOSE, SCOPE OF INVESTIGATION AND METHODS USED

- 2.1 The purpose of this report is to present the Ombudsman's findings as required by the Constitution and the Ombudsman Act.
- 2.2 The scope of this investigation is to determine:
- whether the conduct of the Prime Minister, Hon. Vohor was proper in allowing public fund to be taken by an individual supporter?
 - whether the purpose of CDF was to assist individuals or communities?
 - whether Hon. Vohor and Mr Pikioune breached the laws.
- 2.3 This Office collected information and documents by informal request, summons, letters, interviews and research.

3. RELEVANT LAWS, REGULATIONS AND RULES

The full text of relevant laws, regulations and rules can be viewed in "**Appendix L**".

4. OUTLINE OF EVENTS

- 4.1 The CDF was established as a Special Fund in accordance to Section 13(1)(b) of the Casino Control Act No.6 of 1993 and section 20(2) of the Betting (Control) Act No.1 of 1993.
- 4.2 On **15 September 1997**, a complaint was lodged to the Office of the Ombudsman against Messrs. Antoine Pikioune, William Tari and Noel Tabiusu, the political secretaries in the Prime Minister's Office.

It was alleged that:

- the South Tanna Community (Tawareka) in Port Vila made a request to the Prime Minister, Hon. Vohor to donate a bus for Tawareka community. This request was taken up to the Prime Minister's Office by the Committee and was approved.
- when funds were made available for the purchase of the bus, another member of Tawareka community, Mr. Teku met privately with Mr. Pikioune where the cheque was given to him instead of the Tawareka community as requested. The amount was Vt1.000.000. (Refer to the copy of the cheque in "**Appendix A**").
- Mr. Teku deposited the cheque with AGC Financial Ltd and purchased a car to be used as a private taxi.
- in August 1997, Mr. Teku made the arrangements with Mr. Mahit to drive the taxi and the Island Property to manage the funds of the vehicle.

- the Tawareka community, who made the request for assistance was left out totally from the original request made to the Prime Minister's Office. The Tawareka community then requested that the taxi/car be removed from the management of AGC Financial Ltd and Island Property and given back to them (Tawareka community) to manage.
- It was alleged that Mr. Teku personally approached Mr. Pikioune for the cheque to be given to him.

4.3 On **13 November 1997**, the former Ombudsman, Mrs. M. N. Ferrieux Patterson, wrote to Mr. Pikioune, in the Prime Minister's Office to inquire into the wrongful donation of Vt1.000.000 to Mr. Teku instead of the Tawareka Community who claimed to have applied for it. The Ombudsman also requested Mr. Pikioune to send copies of the LPO or GPV that were made to Mr. Teku with his response. The Ombudsman also asked for the copy of the Tawareka Community's request to be attached with Mr. Pikioune's response.

A letter was also sent to Mr. Ian Wright ("Mr. Wright"), the Manager of AGC Finance (Vanuatu) Ltd ("AGC") to confirm whether AGC has any account with Mr. Teku for financing the car to be used for taxi purposes.

4.4 On **26 November 1997**, the Ombudsman received the response from Mr. Wright. He confirmed that Mr. Teku has entered a lease for a vehicle to be used as a taxi with AGC Finance (Vanuatu) Ltd. It is the AGC's policy for someone leasing a vehicle from the company for the vehicle to be transferred to the lessee at the expiry date of the lease. There was a deposit of VT910.000 which was paid in cash by Mr. Teku. A copy of this receipt is attached in "**Appendix A1**". There was no reference at all of the Tawareka Community.

4.5 On **27 November 1997**, Mr. Pikioune responded that:

- Mr. Teku made a request to the Prime Minister at the beginning of 1996 as the representative of the community of Tawareka.
- He stated that all Government cheques are made out by a computer and are signed by the Director of Finance. This was to answer to the allegation that he wrote out the cheque that was given to Mr. Teku.
- He also stated that due to the fact that most of the communities in Vanuatu are not constituted by law or are not legally represented, they do not have bank accounts, therefore, the cheque for one million Vatu (Vt1.000.000) was made to Mr. Teku.

There were no enclosures with Mr. Pikioune's response.

4.6 On **3 February 1998**, the Ombudsman sent another letter to Mr. Pikioune to enquire about the enclosures stated above.

The Ombudsman also sent letters to the Director-General of the Ministry of Finance and Economic Management, Mr. Jeffrey Wilfred ("Mr. Wilfred"), and the Prime Minister, Hon. Vohor, to inquire about the establishment of the CDF and the policy to use it.

4.7 On **23 October 1998**, a reminder letter was sent to Hon Vohor, Prime Minister referring to the above letter.

4.8 On **26 October 1998**, the Office of the Ombudsman wrote to the Director of Finance, Mr. John Luan ("Mr. Luan"), and enquired:

- if the government funds have been used or spent improperly and not in line with the Financial Regulation?
- whether any advice was received from the Attorney General that such a scheme was legal and why was it allowed to continue and why was it stopped?

- when did the Finance Department become aware of the existence of CDF account with Banque d'Hawaii Limited?
- 4.9 On **27 October 1998**, a reminder letter was sent to Mr. Pikioune enquiring about the enclosures as stated in our letter of 3 February 1998.
- The Ombudsman also wrote to Island Property Consultants Ltd (IPCL) to enquire about the arrangement made in August 1997 between Mr. Teku and Mr. Mahit. The arrangement allowed Mr. Mahit to drive the taxi and for the Island Property to look after the financial management of the taxi. IPCL was requested to provide information or documents in regards to the arrangement made.
- 4.10 On **2 December 1998**, Mr. Luan responded by saying that they have looked through their records but they were unable to locate any information on the vehicle that was purchased from the "CDF". It could be that the vehicle was purchased after the account at Bank of Hawaii was opened.
- 4.11 On **4 January 1999**, another reminder was sent to Hon. Vohor, Prime Minister referring to two of our letters of enquiry dated 3 February 1998 and 23 October 1998.
- 4.12 On **5 January 1999**, a reminder letter was sent to IPCL in regards to our letter dated 27 October 1998 in which the Ombudsman requested specific information and documents in connection with the investigation.
- A reminder letter was also sent to Mr. Pikioune regarding three letters of enquiry dated 3 February 1998 and 26 and 27 October 1998 that were addressed to him.
- 4.13 On **18 January 1999**, Mr. Pikioune responded by saying that:
- he did not have a copy of the request that Mr. Teku made to the Hon Prime Minister, however, he stated that a copy of it may be in the archives at the Prime Minister's Office (at this stage Mr. Pikioune was no longer the Political Secretary at the Prime Minister's Office).
 - he stated that Mr. Teku made a request to the Prime Minister's Office and Hon. Vohor dealt with the request.
 - the request was later referred to the Finance Department to process the cheque. It was at this point that Mr. Teku's name appeared on the cheque instead of the Tawareke Community. He knew nothing about Mr. Teku's status in UMP.
- 4.14 On **24 March 1999**, another letter was sent to the AGC to get more information on Mr. Teku, the vehicle that was purchased and the details of the existing loan. We also enquired about Mr. Teku's taxi licence with the Customs Department.
- 4.15 On **14 April 1999**, Mr. Wright, AGC Manager responded that the vehicle was purchased with an amount of VT1,987,000 which includes a 3-year insurance of VT291,000. The taxi number is Rego T2245 and it is a Daewoo Racer model. The balance of the loan then was VT363,840 and he stated that the repayment of this loan is not up to date (see "Appendix B").
- 4.16 On **22 April 1999**, the Ombudsman requested Mr. Mahit to visit the Office of the Ombudsman on 6 May 1999 to find out from him as a witness, what was his arrangement concerning Mr. Teku's taxi.
- 4.17 On **23 April 1999**, the Office of the Ombudsman received the Customs Department's response by saying that they have checked their Business Licence Register Book in their office but Mr. Teku's name does not seem to appear in their records.
- 4.18 On **28 April 1999**, in an interview with Mr. Mahit, he stated that there had been an arrangement between Mr. Teku, the Island Property and himself after Mr. Teku had problems in paying back the loan for the taxi. He asked Mr. Mahit to pay back

his loan and to date Mr. Teku has not refunded his money. He also stated that after paying for the loan, he had employed a driver for the taxi but Mr. Teku came and took the vehicle back. The taxi was later involved in an accident, and was repaired at the Socometra. (Interview note can be seen in "Appendix C").

- 4.19 On **7 May 1999**, the Ombudsman received a response from Mr. Wilfred. He stated that the CDF was authorized under the Casino Control Act No. 6 of 1993 (Section 13) attached as "**Appendix D**" and the Betting (Control) Act No. 1 of 1993 (Section 20) attached as "**Appendix E**" to receive half of all commissions payable by operators to the Government.

This fund (CDF) was established as a "Special Fund" according to the Public Finance Act by the Minister of Finance as per his instructions of 11 August 1995 (refer to "**Appendix F**"). The instruction was for an account to be opened with the Bank of Hawaii. Prior to this, the account was managed by the Department of Finance, and all payments were made by government GPV. This fund did not need parliamentary approval because under the Public Finance Act Section 9.(2), Special Funds did not form part of the Revenue Fund therefore it was not obligated for such approval.

On 14 August 1995, Mr. Wilfred expressed his concerns to the Minister of Finance in a memo that under some conditions, the transactions of this fund needed to be controlled. A copy of that memo was forwarded to the Auditor General. While the account was still operating, Mr. Wilfred sought its bank statements but he was refused on the grounds that he was not a signatory to the account.

This fund was stopped in 1996 by the Casino Control (Amendment) Act No. 7 of 1996 (refer to "**Appendix G**") and the Betting (Control) (Amendment) Act No. 8 of 1996 ("**Appendix H**"), which redirected all commissions to the Government to be paid into the Revenue Fund.

These amendments were prompted by recognition of the need to utilize all government revenue for recurrent purposes in order to limit recurrent budget deficits.

- 4.20 On **11 May 1999**, the Ombudsman requested Mr. Teku to visit the Office on 21 May 1999 to discuss the allegations on the misuse of public funds in relation to the purchase of a taxi using community funds.
- 4.21 On **26 May 1999**, Mr. Teku was summoned because he did not respond to any of the Ombudsman's letters.
- 4.22 On **8 June 1999**, at the interview, Mr. Teku said that he had made a request to the Hon Prime Minister that he wanted a 4x4 truck for his own personal use. He never made the request on behalf of the South Tanna community. (A copy of the letter that Mr. Teku had written to Hon Prime Minister requesting a vehicle for his personal use can be viewed in "**Appendix I**"). Hon. Vohor gave him a cheque of VT1,000,000 at a small kava ceremony at his house. There were some members of the Tawareke community there but they were not there because the money was only given to him. His name was on the cheque and not the name of the South Tanna Community. He deposited this amount of money with AGC and they loaned him an amount of VT600,000 in which he used to buy his taxi. ("**Appendix J**" is a copy of the Interview Note).

Mr. Teku made an arrangement with Mr. Mahit because he (Mr. Mahit) claimed to have a company with the Island Property. The agreement was made for Mr. Mahit to run the taxi business and give Mr. Teku VT10,000 each month as well as pay back the loan with AGC.

Mr. Mahit operated the taxi for two months but he did not honor the agreement so Mr. Teku removed the taxi from Mr. Mahit. The taxi was however, involved in a very bad accident and it was taken to the Socometra garage to be fixed.

- 4.23 On **15 November 1999**, the Office of the Ombudsman requested the bank statements on the Community Development Fund account from the Banque d'Hawaii (Vanuatu) Ltd between August 1995 when it was opened, to sometimes in 1996 when it ceased to exist, to assist with the Ombudsman's enquiry.
- 4.24 On **25 November 1999**, Mr. Constantin submitted the Bank Statements to the Office of the Ombudsman. This can be viewed in "**Appendix K**".
- 4.25 On **2 December 1999**, the Office of the Ombudsman wrote another letter to Hon. Vohor concerning the same issue. This is because, the Ombudsman did not receive any response to any of the letters written to Hon. Vohor. By this date, Hon. Vohor was appointed as the Minister of Foreign Affairs.
- 4.26 On **11 October 2001**, the Office of the Ombudsman sent another letter to Hon. Vohor but he has never responded to any of the Ombudsman's letters.

5. RESPONSES BY THOSE WITH COMPLAINTS AGAINST THEM

- 5.1 A Working Paper was issued prior to this public report to give the individuals mentioned in this report another opportunity to respond pursuant to Article 62(4) of the Constitution. Only two responses were received to the working paper:
- On 5 May 2003, Mr. Jeffery Wilfred, Director General (Ministry of Agriculture, Quarantine, Forestry & Fisheries) confirmed in his response that he has no comment to make.
 - On 12 May 2003, a response was received from Mr. Douglas R. Patterson, Director, Island Property. He stated in his response that it is totally false for Mr Sam Mahit to claim having a company with Island Property and also claim to anyone that he has connection with their company. A copy of Mr. D R Patterson's response can be viewed in "**Appendix M**".

6. FINDINGS

- 6.1 **Finding 1: Former Prime Minister, Honorable Serge Vohor may have breached Article 66 (1) & (2) of the Constitution.**

The Ombudsman found that the former Prime Minister, Honorable Serge Vohor may have breached Article 66 (1) & (2) of the Constitution when he decided to give public money to his political supporter. His actions to give Vt1.000.000 to Mr. Teku, to purchase a car and used it as a personal taxi may have placed his position in which he could have a conflict of interest in which the fair exercise of his official duties might be compromised. Also, Hon. Vohor as a leader, used his office for personal gain when he allowed Mr. Teku to get public money and use it for personal purposes.

- 6.2 **Finding 2: Alleged Misuse of Public Funds by former political secretary, Mr. Pikioune.**

The Ombudsman also found that Mr. Pikioune has assisted to give public money illegally to an individual (Mr. Teku) for his own benefit. Mr. Pikioune may have breached Section 122 of the Penal Code Act.

- 6.3 **Finding 3: Mr. Teku may have breached Section 122 of the Penal Code.**

The Ombudsman found as well that Mr. Teku has intended to make the request on behalf of the South Tanna Community for his own benefit. His actions have revealed that he intentionally took public money and used it for his own benefit, and therefore he has breached Section 122 of the Penal Code.

7. RECOMMENDATIONS

The Ombudsman makes these recommendations following the above findings to resolve this complaint and prevent such practices to occur again in the future.

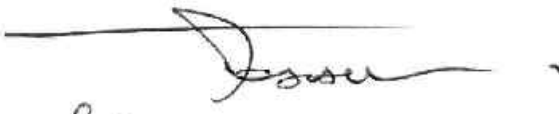
7.1 Recommendation 1:

The Police Commissioner should consider this report and instruct an investigation into the misuse of public money by Mr. Vohor, Mr. Pikioune and Mr. Teku.

7.2 Recommendation 2:

The State Law Office recovers from Hon Vohor, Mr. Pikioune and Mr. Teku the funds that have been used by Mr. Teku

Dated the 19th day of June 2003.



Hannington G ALATOA
OMBUDSMAN OF THE REPUBLIC OF VANUATU

8. INDEX OF APPENDICES

- A** A copy of the cheque
- A1** A copy of AGC receipt
- B** A copy of AGC letter
- C** A copy of Mr Mahit's Interview Note
- D** Casino Control Act 6 of 1993
- E** Betting (Control) Act 1 of 1993
- F** Minister of Finance instruction letter – 11 August 1995
- G** Casino Control (Amendment) Act No.7 of 1996
- H** The Betting (Control) Amendment Act No.8 of 1996
- I** Copy of Mr Teku's personal request to Hon Vohor, Prime Minister
- J** Copy of Mr Teku's Interview Note
- K** Bank Statements
- L** Relevant laws, regulations & rules
- M** Copy of the Island Property's response to the Ombudsman's Working Paper

S^{IE} BB N^o 702787

Banque d'Hawaii (Vanuatu) Ltd.
P.O. Box 29 - Kumitl Highway - Port Vila - Vanuatu

VT - 1,000 - 000
Somme en chiffres Amount in figures

Payez contre ce chèque
Pay against this cheque

One million

Somme en lettres - Amount in words

À l'ordre de *Bash*

To Nom du bénéficiaire Name of beneficiary

PAYABLE

BANQUE D'HAWAII
(VANUATU) LTD
PORT VILA

THE COMMUNITY DEPT. FUND
VT 16297 202 83

le 20. 11. 19 95

(SV) *[Signature]*

Appendix A

DATE	REC. No.	RECEIVED FROM	CASH	CHEQUE	ACCOUNT No.
23/1/97	C10009	Mathias Teku	900.000	—	N/volume
			10.000	—	Dec. Fee
			910.000		



PER PRO **A.G.C. FINANCE (VANUATU) LIMITED**
(Incorporated in Vanuatu)

All cheques are accepted
subject to clearance

S 8160

C N^o 010009



AGC Finance (Vanuatu) Limited

(Incorporated in Vanuatu)

A member of the Westpac Group

"Appendix B"

P.O. BOX 1101
PORT VILA, VANUATU

TELEPHONE : 23951 FAX : 24255

14 April 1999

The Ombudsman

Your Ref : 2114/8103/L01/wm

Office of the Ombudsman
P.O.Box 126
Port Vila Vanuatu

Dear Madame


Re: Mathias Teku

We apologise for the delay in responding earlier to your request. Please find following the information as requested.

1. Mathias Teku, Nambatu, Port Vila.
2. The vehicle purchase price was Vt1,987,000 including 3 years insurance of Vt291,000.
3. The taxi number is Rego T2245.
4. The car is a Daewoo Racer. Color is unknown.
5. We are unsure of this question. If it is to mean, are the payment up to date then the answer is no.
6. The current balance of the loan is Vt363,840.
7. Nil.

Should you require further information on this matter please contact this office.

Yours sincerely



Ian Wright
Manager
AGC Finance (Vanuatu) Limited

OMBUDSMAN - MEDiateur

INTERVIEW NOTE

Case Ref:3251/8103/IN57

Date:28 April 1999

Date of interview:28 April 1999

Person interviewed: Sam Mahit

Address: Freshwater

Phone:

Interviewer:MNFP/MK

Subject of interview: Taxi Business Arrangement with Mathias Teku

1 What work do you do?

Farmer - Freshwater.

2 Did you make any arrangements with Mr Teku about a taxi?

Yes, mifala emi mekem arrangement long Tico, white car with Teku and Island Property. Mathias Teku gat one problem long bank blong payem loan long AGC. Emi askem mi suppos mi payem loan blong hem, other vatu I could keep. Mi takem one driver for one driver after Mathias emi tekem back truck. Mi no save Mathias before. Mathias emi one friend wetem Edward Melsul, MP. Tufala come luk me to wok long taxi blong Mathias.

3 Wanem political pati long Melsul?

Emi UMP. Mathias Teku emi one supporter blong UMP. After mi payem bank blong hem, emi no repayem mifala.

4 Wanem tingting blong yu abot long taxi?

Tingting blong mi emi taxi blong Mathias. Wanem emi stap, truck emi gat plenti problems.

(1) Problem blong taxi, emi no save payem bank;

(2) Mathias emi drive mi no save wanem emi mekem wetem money.

5 Mathias i stap long wea?

Mathias emi stap behind garage long Socometra - No 3. Mathias emi one man Tanna. Island blong mi Paama.

6 Wanem status blong Mathias?

First taem, mi ting emi one leader blong community, after me findem emi one cranky man.

7 How much money was the taxi making at the time?

May be one taxi emi save mekem 7 or 8000vt per day.

8 Do you know where the taxi is now?

OMBUDSMAN - MEDIATEUR

9 Do you have any other information?

I heard rumours that the taxi was from a community fund, but he is using it for himself.

SERMENT

MOI, JE FAIS LE
SERMENT DE DIRE LA VÉRITÉ, TOUTE LA VÉRITÉ, RIEN QUE LA VÉRITÉ AU
COURS DE MA DÉPOSITION DEVANT LE MÉDIATEUR ET DEMANDE À DIEU DE
ME VENIR EN AIDE.

SIGNATURE:.....

DATE:.....

PROMIS

MI. Sam ndiul Fresh wote SWEA SE
BAIBAI MI TOKTOK STRET, MI NO KIAMAN, MI TALEM TRU TOKTOK NOMO
LONG OFIS BLONG OMBUDSMAN, MO MI ASKEM LONG GOD BLONG HELPEN
MI.

SAEN: Am

DEIT: 28/04 99

OATH

I..... DO SWEAR
THAT THE EVIDENCE THAT I GIVE BEFORE THE OMBUDSMAN IS THE TRUTH,
THE WHOLE TRUTH AND NOTHING BUT THE TRUTH. SO HELP ME GOD!

SIGNATURE:.....

DATE:.....

REPUBLIC OF VANUATU

CASINO CONTROL ACT No. 6 OF 1993

Arrangement of Sections

PART 1 - PRELIMINARY

1. Interpretation.

PART 2 - LICENSING OF CASINO

2. Grant of licence by the Minister.
3. Lawfulness of casino operation.
4. Application for a casino licence.
5. Agreement to precede grant of a casino licence.
6. Suitability of casino licensee
7. Form of the casino licence.
8. Duration of casino licence.
9. Surrender of casino licence.
10. Suspension or cancellation of casino licence - grounds.
11. Suspension or cancellation of casino licence - procedures.
12. Casino licence fee.
13. Tax.
14. Payment of fee and tax where casino licence suspended.
15. List of persons excluded from casino.
16. Application of Liquor Act.

PART 3 - ADMINISTRATION

17. Appointment of the collector.
18. Powers of the collector.
19. Appointment of officers.
20. Delegation of powers.
21. Rights of officer on casino premises.
22. Powers.

PART 4 - GENERAL

23. Investigations.
24. Self incrimination.
25. Secrecy.
26. Appointment of administrator.

- (i) by notice in writing, give such direction as the Minister considers appropriate; or
 - (ii) suspend for such period as the Minister thinks fit, or cancel, the casino licence.
- (4) Where a direction given by the Minister under subsection (3)(c)(i) is not complied with within the time specified in the notice, the Minister may suspend for such period as he or she thinks fit, or cancel, the casino licence.
- (5) Where a casino licence is suspended under this Part, the Minister may, by notice in writing given to the casino licensee, at any time terminate, or reduce the period of, the suspension of the licence.
- (6) Where a casino licence is suspended or cancelled under this Part, the Minister shall, by notice in writing, inform the casino licensee of the suspension or cancellation and of the grounds for the suspension or cancellation.

CASINO LICENCE FEE

12. (1) A fee of VT 1,000,000 shall be paid by the licensee to the Minister on the issue of the casino licence and on the first day of each subsequent year during the currency of the licence.
- (2) A daily penalty at the rate of 20 percent per annum shall be payable by the casino licensee on any principal amount of the casino licence fee that remains unpaid after the fourteenth day after the relevant time for payment of the fee.
- (3) The daily penalty payable under subsection (2) compounds at 3 monthly intervals.
- (4) The Minister may, for any reason the Minister thinks fit, remit any part, or the whole, of the daily penalty payable under this section.
- (5) The casino licence fee and daily penalty payable under this section are debts due to the State and may be recovered by action in any court of competent jurisdiction.

TAX

13.

- (1) (a) The casino licensee shall pay tax on the gross profit derived in each month in connection with the operation of the casino.
- (b) The tax payable under subsection (1) shall be a sum equivalent to 20 percent of the gross profit out of which 10 percent shall be paid into the Government Revenue Fund and the remaining 10 percent to the Community Development Fund.

- (2) The tax is payable to the Minister by the casino licensee on or before the last working day of each month following the month in respect of which the gross profit was made.
- (3) For the purposes of subsection (1) the "gross profit" derived in any month from gaming shall be calculated -
 - (a) by deducting from the total amount received by the casino licensee in that month from gaming in the casino the amount paid out during that month as winnings in respect of the gaming; and
 - (b) if the value of unredeemed chips at the end of that month is greater than the value of unredeemed chips at the beginning of that month by adding to the amount so ascertained under paragraph (a) the difference between those values; or
 - (c) if the value of unredeemed chips at the end of that month is less than the value of unredeemed chips at the beginning of that month, by deducting from the amount so ascertained the difference between those values.

PAYMENT OF FEE AND TAX WHERE CASINO LICENCE SUSPENDED

14. The liability of the casino licensee to pay the casino licence fee or the tax is not affected by a suspension of the casino licence and -
- (a) that fee continues to be payable by the casino licensee to the Minister in respect of any period of suspension of the licence; and
 - (b) that tax continues to be payable by the casino licensee to the Minister.

LIST OF PERSONS EXCLUDED FROM CASINO

15. (1) The casino licensee shall maintain, in writing, a list of names of persons in respect of whom directions to exclude the persons from the casino are in force under subsection (1) of section 38.
- (2) The casino licensee shall make available to the Minister and the Collector a copy of the list referred to in subsection (1).
- (3) Any person who contravenes or fails to comply with the provisions of this section shall be guilty of an offence and shall be liable on conviction -
- (a) if the offender is a body corporate, to a fine not exceeding VT 500,000;
 - (b) if the offender is a natural person, to a fine not exceeding VT 100,000.

REPUBLIC OF VANUATU

BETTING (CONTROL) ACT NO. 1 OF 1993

Arrangement of Sections

Part 1 - Preliminary

1. Interpretation.

Part 2 - Totalizator Betting

2. Establishment, and use and operation of totalizator or totalizator betting facility to be lawful.
3. Betting by means of a totalizator betting facility to be lawful.
4. Betting events to be prescribed or approved.
5. Applications for a totalizator operator's licence.
6. Grant of totalizator operator's licence.
7. Approval of the premises and equipment etc.
8. Licence holder to comply with relevant laws.
9. Renewal of licence.
10. Any agreement or arrangement to be approved by the Minister.
11. Rules of licence holder.
12. Cancellation or suspension of licence.
13. Licence fee.
14. Acceptance of bets by the licence holder.
15. Application of amounts not paid into totalizator.
16. Credit accounts.
17. Offences related to premises.
18. Totalizator betting by young persons to be an offence.
19. No investment in respect of totalizator betting after starting of race.
20. Commission on totalizator betting investments.
21. Dividends.
22. Return of money received through totalizator betting.
23. Unclaimed dividends.

Part 3 - Bookmaking

24. Bookmaking to be lawful subject to this Act.
25. Bookmaker's permit to be held by the bookmaker.
26. Bets to be made on prescribed betting event.
27. Applications for permit.
28. Grant of permit.
29. Approval of the premises by the Minister.

(c) not being a person lawfully managing or controlling or being employed in any approved premises of a licence holder sells or offers to sell any ticket or acknowledgment purporting to be issued by a licence holder in respect of a bet; or

(d) purchases any such ticket or acknowledgment from any person not authorized to sell the same,

shall be guilty of an offence and shall be liable on conviction for a first offence to a fine not exceeding VT200,000 or to imprisonment for a term not exceeding 3 months, and for a second offence to a fine not exceeding VT1,000,000 or to imprisonment for a term not exceeding 6 months, and for any subsequent offence to a fine not exceeding VT2,000,000 or to imprisonment for a term not exceeding 12 months.

TOTALIZATOR BETTING BY YOUNG PERSONS TO BE AN OFFENCE

18. (1) Any person under the age of 18 years who bets by means of totalizator betting shall be guilty of an offence and shall be liable on conviction to a fine not exceeding VT100,000 for a first offence, and to a fine not exceeding VT500,000 for each subsequent offence.

(2) A clearly printed copy of subsection (1) of this section shall be affixed over every door or opening in every approved premises at which money is paid or received in respect of totalizator betting and any licence holder who permits totalizator betting without having a copy of subsection (1) of this section affixed as aforesaid shall be guilty of an offence and shall be liable on conviction to a fine not exceeding VT500,000.

NO INVESTMENT IN RESPECT OF TOTALIZATOR BETTING AFTER STARTING OF RACE

19. Any licence holder who receives or permits to be received any investment in any totalizator betting in respect of any race after the starting of such race shall be guilty of an offence and shall be liable on conviction to a fine not exceeding VT500,000 or to imprisonment for a term not exceeding 2 years or to both such fine and term of imprisonment.

COMMISSION ON TOTALIZATOR BETTING INVESTMENTS

20. (1) Every licence holder shall deduct as commission out of the moneys invested in a totalizator or with a totalizator betting facility in respect of each betting event, 10.8%.

(2) Out of the percentage deducted pursuant to subsection (1) every licence holder shall pay to the Minister ten per cent, half out of which to be carried to and form part of the Government Revenue Fund and the balance to be paid into the Community Development Fund.

(3) The amount payable to the Minister under subsection (2) shall be paid to the Minister within 14 days after the holding of each relevant betting event.

(10) After making payments to the Minister, under subsection (3), the licence holder shall apply the residue to the commission in accordance with the prescribed manner.

(11) For the purposes of this section, moneys invested in a totalizator or with a totalizator betting facility shall be taken to refer to moneys paid or invested less any amount payable to any investor by way of refund of persons making bets or investing in that totalizator or with that totalizator betting facility.

PAYMENT OF DIVIDENDS

21. (1) The licence holder shall, after making the deduction referred to in the preceding section pay by way of dividends and refunds all money invested in any totalizator or with a totalizator betting facility.

(2) The

(2) A licence holder who makes, authorizes or permits the payment to any person dividend which is not calculated in accordance with the rules or in the prescribed manner shall be liable to a fine not exceeding VT500,000.

RETURN OF MONEY RECEIVED THROUGH TOTALIZATOR BETTING

22. (1) Within 14 days after the holding of any betting event which is the subject of totalizator betting, every holder of a totalizator operator's licence shall deposit with the Collector of Rates and Taxes full and true statement of -

(a) all monies paid to the licence holder in respect of each race event with such details, if any, as are prescribed; and

(b) the commission deducted by the licence holder out of such monies pursuant to this Act.

(2) If any licence holder contravenes or fails to comply with the provisions of subsection (1) such licence holder shall be guilty of an offence and shall be liable on conviction for a first offence to a fine not exceeding VT500,000 and for a second offence to a fine not exceeding VT1,000,000.

UNCLAIMED DIVIDENDS

23. All monies payable by way of dividends and refunds which are unclaimed for 1 month by any person entitled to the payment thereof shall be dealt with in such manner and subject to such conditions as may be prescribed by the Minister.

PART 3

BOOKMAKING

BOOKMAKING TO BE LAWFUL SUBJECT TO THIS ACT

24. Notwithstanding anything in any Act to the contrary but in accordance with the provisions of this Act, it shall be lawful for any person to act as a bookmaker in Vanuatu.

GOVERNEMENT DE LA
REPUBLIQUE DE VANUATU

MINISTERE DES FINANCES

San Postal Prive No. 058, Port Vila



GOVERNMENT OF THE
REPUBLIC OF VANUATU

MINISTRY OF FINANCE

Private Mail Bag 058, Port Vila

YOUR REF:
V/REF:

OUR REF: 600/6/2/WJ/jn/MOF/1246
N/REF:

FROM: Honourable Minister of Finance
DU:

TO: Director General of Finance
A:

DATE: 11th August, 1995

MEMORANDUM

**Subject: Community Development Fund is Considered as
Special Fund under Section 9 of the Public
Finance Act (Cap 117)**

My view to ten percent (10%) income received through gambling operation and charged to Community Development Fund which comes directly under the control of the Prime Minister should now be separated from the Department of Finance immediately.

I have decided that an account should be opened under "Community Development Fund" with the Bank of Hawaii and the authorise signitures to the account should be the Prime Minister himself, or in his absence, the Minister of Finance, can sign the cheque on his behalf to pay for the projects which had been approved by the Prime Minister himself earlier on.

You are hereby instructed to arrange with the Bank of Hawaii Limited to open an account under the name "Community Development Fund" and have the necessary documents forwarded to Prime Minister for his signiture at the earliest opportunity possible.

The current balance of three hundred and forty thousand Vatu (VT. 340,000) should be transfered immediately as an opening balance of the above account and forward the cheque Book to Prime Minister's office.

This account should also be subject to Auditor General at any time if and when, he decides to examine the records of transactions that will be going through this account and report his findings in the normal procedures as any other reports recorded in the Auditor General's Report.

.... /

I have discussed this proposal with the Prime Minister and he had agreed to it. This will relief the Department of Finance to monitor the account in the future. The only responsibility that remain is to make sure to transfer at the end of each month this ten percent (10%) revenue to the Community Development Fund account as soon as it is received by the Department of Finance.

Yours faithfully,



Honourable Willie Jimmy (MP)
MINISTER OF FINANCE.

c.c : To Honourable Prime Minister

REPUBLIC OF VANUATU

Assent: 30.12.96

Commencement: 1.1.97

CASINO CONTROL (AMENDMENT) ACT NO. 7 OF 1996

An Act to amend the Casino Control Act No. 6 of 1993.

BE IT ENACTED by the President and Parliament as follows: -

AMENDMENT OF SECTION 13 OF ACT NO. 6 OF 1993

1. Section 13 of the Casino Control Act No. 6 of 1993 is amended in subsection (1) by repealing paragraph (b) and substituting the following paragraph -

"(b) The tax payable under subsection (1) shall be a sum equivalent to 20 percent of the gross profit and shall be paid into the Revenue Fund."

COMMENCEMENT

2. This Act shall come into force on the 1st day of January, 1997.

REPUBLIC OF VANUATU

Assent: 30.12.96

Commencement: 1.1.97

BETTING (CONTROL) (AMENDMENT) ACT NO. 8 OF 1996

An Act to amend the Betting (Control) Act No. 1 of 1993.

BE IT ENACTED by the President and Parliament as follows: -

AMENDMENT OF SECTION 20 OF ACT NO. 1 OF 1993

1. Section 20 of the Betting (Control) Act No. 1 of 1993 in this Act referred to as the "principal Act" is amended by repealing subsection (2) and substituting the following subsection -

"(2) Out of the percentage deducted pursuant to subsection (1) every licence holder shall pay to the Minister ten percent to be deposited into the Revenue Fund."

AMENDMENT OF SECTION 33

2. Section 33 of the principal Act is amended by repealing subsection (2) and substituting the following subsection -

"(2) The sum deducted under subsection (1) shall be paid to the Minister by the permit holder to be deposited into the Revenue Fund."

COMMENCEMENT

3. This Act shall come into force on the 1st day of January, 1997.

"Appendix I"

ERIKU MATTHIAS

Port-VILA-13/01/96

UNESCO VANUATU

B. P. 216

P. VILA

VANUATU.

- To M^r L' honorable PREMIER
MINISTRE SERGE VOHOR
- M^r Le VICE PRESIDENT de L'U.M.P
PATI KAWAI THOMSON
- M^r Le SECRETAIRE PRIVE du
PREMIER MINISTRE ANDRIEN. M.
- M^r Le Premier secretaire du
Premier MINISTRE ANTOINE PIKIOUN
- M^r Le Premier secretaire du
MINISTRE de La GRICULTURE
ALFRED MALIU.

Chers Collegues.

Fes samting mi wantem plem Happy niu ya 1996 long
you fala mo family, and mi Hope se you fala ibin
pasem kut fala taem. Mi long saet blong mi ioraet
namo. YES, ol Big man, mi mekem leta ia folem
namo ol wok blong you mi long U. M. P. Pati,
specialy groupe blong youmi, mi ~~Neva~~ askem ol
salem Wan ~~se~~ samting long you fala blong
suite →

meikem blong mi, or family blong mi,
isaed long last Kavman. Today, mi wantem
alemaot long youfala se, mi stap olsem HONEST
apota blong U.M.P. Pati olsem we youfala isave.
I bin meikem security plenty long ol big fala
nan blong youmi long Pati U.M.P, long ol
eleksen we oly pase finis, mo las Coalition Kavman
iu, we MAXIME CARLOT Hemi bin premier ministre.
Mo mi bin stap wetem youfala long Coalition
Kavman we today MR SERGE VOHOR hem i kam
Premier MINISTRE. So today WOK BAOUT blong youmi
IKAT fruit blong hem finis. Wan long big fala
ACHIVEMENT blong U.M.P. we mi PRAUT long hem,
Hemi taem U.M.P i formem wan Kavman blong
Coalition wetem nup NAZ FALA we i stap NAOIA
we President blong Pati i kam olsem Premier
MINISTRE "special mi, mi klate tumas long hem". MI SAVE
Talem se wanem we youmi wantem i kam TRU or iful
ful NAO. MI luk long youfala olsem "HEROS"
Blong U.M.P. Pati, no mata wanem situation
youfala i still stanap blong fesem.
Leta blong mi ia blong talem wan big fala tank you
blong mi mo family long straket blong meikem
se stability mo social PROGRES i kut oltaem long
Kaontry ia VANUATU.

suite ->

Long Finisim leta blong mi ol bigman mi watem
Talem long youfala se, mi kat wan "NID" blong
Recommandem long youfala olsem Best Friend
blong Pati. actually long Socometra ol prais
blong Pickup L200 4x4 MITSUBISHI oly taonem
Prais blong ol Vehicle ia emi 3.600.000 VT.
NAOia iko TAON long 3.150.000 VT - Duty mo Taxe
emi includem. Mi bin meikem wan leta finis iko
long Kastom blong save kat exemplaire long Duty
mo Taxe. Possibiliti We mi save kat 5% NAO mo
5 vice taxe We mi save pem, So prais emi
2.700.000 VT. So mi no wantem go tumas long leta
blong mi, mi plis long youfala ol bikman blong
Peim wan trak ia blong mi, bambai mi wok mo long
Hem blong Helpem pati blong yumi
NID Blong mi ia, mi askem long youfala and luck
FORWARD long Hem -

Mi talem big fala tank you long youfala and
hope blong Kasem wan positiv ANSA.
"NID" 74 Bambai istap NAO bitwin youfala mo mi

TANK YOU.

Teku Mathias

 Mathias

INTERVIEW NOTE

Case Ref: 4359/8103/157

Date: 8 June 1999

Date of interview: 8 June 1999

Person interviewed: Mathias Teku

Address: Nambatri

Phone:

Interviewer: Maima/Alfred

Subject of interview: Alleged misappropriation of public funds

Mi talemaot se toktok ya we mi mi mekem mi bilif se hemi tru mo, taem mi mekem toktok ya, mi save gud se mi save pas long kot sipos mi talem wan samting we mi save se hemi kiaman o sipos mi no bilif se hemi stret.

Saen

Mathias

1 What is your current occupation?

No work. I used to work for Unelco but finished in 1996.

2 Are you a member of the Tawareka community (Sth Tanna)? Are you a chief?

Yes, I am a member of the Tawareka community, but I am not a chief.

3 Did you as a member of the Tawareka community apply to the Prime Minister (Serge Vohor) for a bus? How did you know about the fund?

No, I did not apply as a member of the Tawareka community. I applied to the Prime Minister for myself. I wanted a 4x4 truck for my own personal use, not the community, so I just asked Mr Vohor to give me one truck. I did not know about the fund, I just asked the Prime Minister for a truck as I have been (still am) a loyal supporter of UMP. I used to do campaign works for the party.

I brought a copy of my application to the Prime Minister (Mr Vohor) for a 4x4 truck. As you can see from my letter to Mr Vohor, I made the request on my own and not as a member of the Tawareka community.

4 Who are the people in the Tawareka community (chiefs/ reps) in Port Vila/Tanna?

Charlie Koiata, George Naio, Jack Nauka and Morsen Solomon. We are all UMP supporters. Mr Koiata has gone back to the Tanna. Mr Naio I know used to live at Namburu but I am not sure if he is still there. Jack Nauka works for Unelco and Mr Solomon works for an engineering company opposite Fung Kuei.

We are all UMP supporters and we had worked for UMP during campaign times.

MT

OMBUDSMAN - MEDiateur

- 5 Did you receive Vt1,000,000 from the Prime Minister's Office? Who gave you the cheque?

Yes, Mr Vohor gave me the cheque.

- 6 What did you understand the money was for? Did you believe it was for the Tawareka community bus?

The money was for me. My name was on the cheque, not the community's.

- 7 What did you do with the money?

I used it to deposit a car with AGC. The price of the car was 1.6 million, so they loaned me 600,000vt. I used the car as a taxi. It was my taxi, not the community's taxi.

- 8 Did you make any arrangements with Mr Mahit re the running of the taxi?

Yes, I did make arrangements with Mr Mahit to run the taxi. I did not know Mr Mahit very well, he used to drive me home sometimes. He told me that he has got one company in the Island Property complex and that he can look after my taxi for me ie run it and pay off the loan. I agreed to it. We agreed that he would run my car as a taxi and then give me Vt10,000 every month. He was also suppose to use the money from the taxi to pay the AGC loan.

- 9 Is Mr Mahit still driving the taxi. If no, why not?

No. Mr Mahit took the taxi for two months (day and night). I did not see the taxi (my car) for two straight months and he never gave me any money nor pay the loan as we agreed. After two months, I just took my car back.

- 10 Who is the taxi registered to (owner)?

Me, as I am the owner.

- 11 How much money does the taxi make per week? What do you use the money for? Do you have any other source of income? Where from?

About 30,000vt per week. I use this money for living expenses and to pay off the loan. I also have a 3 bedroom house rented out in Nambatri for 15,000vt per room.

- 12 Where is the taxi now?

In the Socometra garage. It was involved in a bad accident, so I took it there to be fixed.

MT

OMBUDSMAN - MEDIATEUR

- 13 Was there a special ceremony for the handing over of the cheque? Who attended?
What is your relationship to former PM Vohor?

MT Yes, we had a small kava ceremony at my house. The Prime Minister gave me the cheque then. Charlie Koiata and Morsen Solomon were amongst the few people that attended the ceremony, but they were not there because the money was for the community. **The money was for me from the Prime Minister, Serge Vohor, because of my loyalty to the UMP Party.** Mr Vohor gave me the money as a reward of my loyalty to his Party.

SERMENT

MOI, JE FAIS LE
SERMENT DE DIRE LA VÉRITÉ, TOUTE LA VÉRITÉ, RIEN QUE LA VÉRITÉ AU
COURS DE MA DÉPOSITION DEVANT LE MÉDIATEUR ET DEMANDE À DIEU DE
ME VENIR EN AIDE.

SIGNATURE:

DATE:

PROMIS

MI, Felk Mathia SWEA SE
BAIBAI MI TOKTOK STRET, MI NO KIAMAN, MI TALEM TRU TOKTOK NOMO
LONG OFIS BLONG OMBUDSMAN, MO MI ASKEM LONG GOD BLONG HELPEM
MI.

SAEN: Mathia

DEIT: 8-6-99

OATH

I, DO SWEAR
THAT THE EVIDENCE THAT I GIVE BEFORE THE OMBUDSMAN IS THE TRUTH,
THE WHOLE TRUTH AND NOTHING BUT THE TRUTH. SO HELP ME GOD!

SIGNATURE:

DATE:

"Appendix K"

[illegible]

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395. PHONE NUMBER
396. FAX NUMBER
397. E-MAIL ADDRESS
398. OTHER INFORMATION
399. SIGNATURE
400. DATE
401. PRINTED NAME
402. TITLE
403. COMPANY
404. STREET ADDRESS
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406. STATE
407. ZIP CODE
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411. OTHER INFORMATION
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424. OTHER INFORMATION
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442. COMPANY
443. STREET ADDRESS
444. CITY
445. STATE
446. ZIP CODE
447. PHONE NUMBER
448. FAX NUMBER

[illegible]

VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	133.674
4/01/96	CHQ	CHEQUE N.	PV 0702764	4/01/96	D	7.760	CG	125.974
5/01/96	CHQ	CHEQUE N.	PV 0702765	5/01/96	D	30.000	FC	95.974
5/01/96	RCH	RETRAIT CHO N.	PV 0702791	5/01/96	D	1.000.000	AI	904.026
8/01/96	VCC	VERST CHO/AUTRES BOUTES LOC.	8/01/96	C	1.000.000	FA	95.974	
25/01/96	CHQ	CHEQUE N.	PV 0702792	25/01/96	D	100.000	FD	4.026
26/01/96	FCK	FCKS.CHO.REFOUL.702792	26/01/96	D	500	CH	4.526	
26/01/96	RCI	REJET CHEQUE N.702792	26/01/96	C	100.000	CH	95.474	

DEBIT - NB	5 MONT.	1.138.200	CREDIT -NB.	2 MONT.	1.100.000	NOUV.SOLDE	95.474
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VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	95.474
2/02/96	RCH	RETRAIT CHO N.	PV 0702793	2/02/96	D	30.000	AP	65.474
23/02/96	CHQ	CHEQUE N.	PV 0702794	23/02/96	D	200.000	FD	134.526
26/02/96	FCK	FCKS.CHO.REFOUL.702794	26/02/96	D	500	CL	135.026	
26/02/96	RCI	REJET CHEQUE N.702794	26/02/96	C	200.000	CL	64.974	

DEBIT - NB	3 MONT.	230.500	CREDIT -NB.	1 MONT.	200.000	NOUV.SOLDE	64.974
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VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	64.974
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VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	64.974
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VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	64.974
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VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	64.974
5/06/96	VCC	VERST CHO RGS	VUT GVT	5/06/96	C	2.000.000	FA	2.064.974
5/06/96	FCK	FCKS.CHO.REFOUL.702794	5/06/96	D	500	CI	2.063.474	
6/06/96	CCH	CCUT CHEQUIER	GVT-CHOS.TA	6/06/96	D	1.000	CC	2.063.474
13/06/96	CHQ	CHEQUE N.	PV 0798802	13/06/96	D	85.000	FD	1.977.974
17/06/96	RCH	RETRAIT CHO N.	PV 0798801	14/06/96	D	150.000	AA	1.827.974

DEBIT - NB	4 MONT.	237.000	CREDIT -NB.	1 MONT.	2.000.000	NOUV.SOLDE	1.827.974
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VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.827.974
18/07/96	RCH	RETRAIT CHO N.	PV 0798804	18/07/96	D	150.000	AE	1.677.974
19/07/96	RCH	RETRAIT CHO N.	PV 0798805	19/07/96	D	35.000	AD	1.642.974
22/07/96	RCH	RETRAIT CHO N.	PV 0798806	22/07/96	D	40.000	AE	1.602.974

DEBIT - NB	3 MONT.	225.000	CREDIT -NB.	0 MO		NOUV.SOLDE	1.602.974
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5/7

VT 16297202 80 THE COMMUNITY DEVPT FUND ACD 410010 ACC 411010 BCD 71500000 BCC 21140000 ANC. SOLDE 1.602.974
 12/08/96 RCH RETRAIT CHQ N. PV 0798808 12/08/96 D 100.000 AE 1.502.974

SIV355/ BIV360 *** LISTE DES MOUVEMENTS DE COMPTE *** 3/09/96 PAGE 564

NO. DE COMPTE	DATE OPE	CD OP	LIBELLE	DATE VAL	S	MONTANT	LOT	SOLDE QUOTIDIEN
	13/08/96	CHQ	CHEQUE N.	13/08/96	D	200.000	FB	1.302.974
	27/08/96	CHQ	CHEQUE N.	27/08/96	D	60.000	FC	1.242.974
	DEBIT - Nb	3	MONT.	360.000	CREDIT -Nb.	0	MONT.	NOUV. SOLDE 1.242.974

VT 16297202 80 THE COMMUNITY DEVPT FUND ACD 410010 ACC 411010 BCD 71500000 BCC 21140000 ANC. SOLDE 1.242.974
 2/09/96 CHQ CHEQUE N. PV 0798813 2/09/96 D 50.000 FC 1.192.974
 3/09/96 CHQ CHEQUE N. PV 0798812 3/09/96 D 60.000 CE 1.132.974
 4/09/96 FCK FKS. CHQ. REFOUL. 798810 4/09/96 D 50.000 CI 1.082.474
 20/09/96 CHQ CHEQUE N. PV 0798810 20/09/96 D 50.000 FD 1.082.474
 DEBIT - Nb 4 MONT. 160.000 CREDIT -Nb. 0 MONT. NOUV. SOLDE 1.082.474

VT 16297202 80 THE COMMUNITY DEVPT FUND ACD 410010 ACC 411010 BCD 71500000 BCC 21140000 ANC. SOLDE 1.082.474
 24/10/96 LIB FRS. S/ CPPDS. CHQ. 798811 24/10/96 D 1.000 MB 1.081.474
 DEBIT - Nb 1 MONT. 1.000 CREDIT -Nb. 0 MONT. NOUV. SOLDE 1.081.474

VT 16297202 80 THE COMMUNITY DEVPT FUND ACD 410010 ACC 411010 BCD 71500000 BCC 21140000 ANC. SOLDE 1.081.474

VT 16297202 80 THE COMMUNITY DEVPT FUND ACD 410010 ACC 411010 BCD 71500000 BCC 21140000 ANC. SOLDE 1.081.474

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VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	JAN 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	FEB 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	MAR 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	APR 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	MAY 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	JUNE 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	JULY 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	AUG 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	SEPT 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	OCT 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	NOV 97
VT	16297202 80	THE COMMUNITY DEVPT FUND	ACD 410010	ACC 411010	BCD 71500000	BCC 21140000	ANC.SOLDE	1.081.474	DEC 97

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Banque d' Hawaii (Vanuatu) Ltd.
P.O. Box 29
Port Vila, -- 00000

BANQUE D'HAWAII / VILA
Main: (678) 22412
Fax: (678) 23579

The Community Devpt Fund

Date: 17/11/1999

Welcome Desk

Period: 19/10/1998 to 17/08/1999
(302 days)

TIN:

Personal

Banker: Phoenix

ACCOUNT #: CK - 903162972021 VUV VUV Demand Deposit (Other)
202MT16297

Transaction Information

Effective Date	Entered Date	CK #	Description	Amount	Balance
19/10/1998	19/10/1998		DR Rate Change: 24.0000% To 21.2500%	VUV0	VUV1.081.474
03/12/1998	03/12/1998		DR Rate Change: 21.2500% To 18.2500%	VUV0	VUV1.081.474
01/06/1999	01/06/1999		Dormant Fee	VUV3.000	VUV1.078.474

Appendix L

CONSTITUTION OF THE REPUBLIC OF VANUATU

CONDUCT OF LEADERS

- 66.(1) Any person defined as a leader in Article 67 has a duty to conduct himself in such a way, both in his public and private life, so as not to-
- (a) place himself in a position in which he has or could have a conflict of interests or in which the fair exercise of his public or official duties might be compromised;
 - (b) demean his office or position;
 - (c) allow his integrity to be called into question; or
 - (d) endanger or diminish respect for and confidence in the integrity of the Government of the Republic of Vanuatu.
- (2) In particular, a leader shall not use his office for personal gain or enter into any transaction or engage in any enterprise or activity that might be expected to give rise to doubt in the public mind as to whether he is carrying out or has carried out the duty imposed by subarticle (1).

DEFINITION OF A LEADER

67. For the purposes of this Chapter, a leader means the President of the Republic, the Prime Minister and other Ministers, members of Parliament, and such public servants, officers of Government agencies and other officers as may be prescribed by law.



Island Property

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P O Box 2, Port Vila, Vanuatu, S.W. Pacific → E-mail : property@vanuatu.com.vu → Web : www.islandproperty.vu → A/H : (678) 22231

Ref: IPC/5-03/03-0768/DRP/jm

8 May 2003

Mr Hannington G. Alatoa
OMBUDSMAN OF THE REPUBLIC OF VANUATU
Office of the Ombudsman
Private Mail Bag 081
PORT VILA

Dear Sir

**RE: WORKING PAPER ON THE ALLEGED MISUSE OF COMMUNITY
DEVELOPMENT FUND**

We refer to your letter to us dated 25 April 2003.

We wish to point out the following:-

1. Section 4.21

It is utterly false for Mr Sam Mahit to claim that he has "a company with the Island Property" (whatever that is supposed to mean).

2. "Appendix J"

Again, it is entirely false for Mr Sam Mahit to claim to anyone that he has any connection whatsoever with our company.

We wish to make it clear beyond any shadow of a doubt that Mr Sam Mahit does not have now, nor has he ever had, nor will he ever have, any connection with Island Property Consultants Ltd.

A number of years ago we agreed to subdivide and sell a portion of land in Freswota that Mr Mahit had some interest in. That has been our only dealings with him, simply as a client, like any other, who we assisted with a land development

Yours faithfully

DOUGLAS R. PATTERSON
Director