

Any reply or subsequent reference to this communication should be addressed to the Contractor-General and the following reference quoted:-

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MEDIA RELEASE

CONTRACTOR-GENERAL ANNOUNCES INVESTIGATION INTO AIR JAMAICA

Contractor-General, Greg Christie, has announced his decision to commence an investigation into the procurement and contract award practices of the national airline, Air Jamaica.

In a letter to the President and CEO of Air Jamaica, dated May 23, 2006, the Contractor-General told the airline that his decision follows his receipt of a letter from the Ministry of Finance and Planning, in which it was confirmed that "the company's procurement activities are not currently in compliance with the Government's Procurement Policy and Procedural Guidelines (the Handbook)".

Mr. Christie said that this was despite the fact that the Ministry's letter also admitted that "the airline's management is aware of the requirement for adherence to the Handbook".

The Ministry's letter, which is dated May 16, 2006, was written in response to a number of requisitions and questions, regarding Air Jamaica's procurement practices, which were directed to the Financial Secretary by Mr. Christie during the course of the past 5 weeks.

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"We are concerned that a Public Body of the operational and budgetary magnitude of Air Jamaica and one which falls under the direct control and supervision of the Ministry of Finance and Planning, could be operating, as alleged, in open and admitted breach of the very procurement procedures which have been sanctioned by the Ministry of Finance and Planning itself", the Contractor-General said.

"The OC-G's investigation will therefore seek to identify and document, among other things, the extent and depth of the alleged breaches. In the interest of transparency and public scrutiny, once this is done, a report on our findings, together with appropriate recommendations for remedial and corrective measures, will be tabled before Parliament," Mr. Christie said.

The Contractor-General has also stated that upon the conclusion of the investigation, the OC-G will begin to monitor the airline's on-going procurement and contract award activities to ensure that full compliance is not only secured but is maintained.

And the Contractor-General is appealing to all Public Bodies to take the requisite measures to adhere to the Government's procurement procedures and the directives of the Office of the Contractor-General.

"Despite the OC-G's severe lack of resources and an operational field staff of only 8 inspectors and investigators, who are required to monitor and investigate all Governmentmore



contracts and works sites island-wide, the OC-G will leave no stones un-turned in ensuring that Public Bodies are brought into strict conformance with the procurement rules".

"Tax-payers must be assured that the public sector procurement process produces contracts which are awarded solely on merit. They must also be assured that the process delivers value for tax dollars spent, that it is fair, transparent, efficient and competitive and that it is free from impropriety, irregularity and corruption," the Contractor-General said.

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