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NEWS RELEASE:

INTEGRITY COMMISSION CONCLUDES INVESTIGATION OF COMPLAINT MADE BY THE CONGRESS OF THE PEOPLE

The Integrity Commission has concluded an in-depth investigation of a complaint made by Mr. Roy Augustus, a former Chairman of the Congress of the People against Mr. Louis Andre Monteil, a former director of the Housing Development Corporation (HDC), the Education Facilities Company and the Trinidad and Tobago Mortgage Finance Company Limited, alleging breaches of the Integrity in Public Life Act.

In accordance with its decision to publish sections of legal opinions which have guided the Commission in making decisions on important national issues which come before it, the Commission now quotes the concluding section of Senior Counsel's advice in this matter.

The facts before the Commission, as supported by Senior Counsel's advice, can be summarised as follows:

- (i) "HDC invested \$60 million in CIB deposit instruments. The decision to do so was made by HDC's Financial Controller Ms. Natasha David after consultation with the HDC's Managing Director, Mr. Noel Garcia. Although Mr. Monteil was the Chairman of HDC at the time, there is no evidence that he had any part to play in this decision and indeed Natasha David indicated that he did not;
- (ii) By round robin, the board of directors of CIB decided to lend \$78 million to SSCL. Mr. Monteil's claim that SSCL was in good standing with CIB and that Mr. Richard Trotman who was at that time the Chief Executive Officer and President of CIB satisfied himself that SSCL was good for the loan has not been contradicted. There is no evidence that Mr. Monteil participated in or influenced the decision to grant the loan. There is therefore no evidence that the transaction was other than at arm's length;
- (iii) There is no evidence to contradict CIB's claim that it was a loan from CLICO which facilitated the loan to SSCL. There is also no evidence to contradict Mr. Trotman's claim that CIB had sufficient funds to make the loan to SSCL, without the injection of cash from HDC.

There is accordingly no evidence that it was the HDC deposit which was used to facilitate the SSCL loan, far less that Mr. Monteil had manipulated the two;

(iv) There is no evidence that Mr. Monteil provided the HMB financial statements on the basis of which the valuation of the shares was conducted;

(v) There is nothing to suggest any wrong doing on Mr. Monteil's part in not informing the HMB board of his intention to purchase the HMB shares. In any event, any failure on his part in that regard, taken by itself, would not have been in his capacity as a Person in Public Life.

After a review of the investigators' report Senior Counsel advised the Commission as follows: "There is also no evidence that Mr. Monteil had anything to do with HDC's decision to make the investment. His involvement is denied by the actual decision maker. Because of his association with the CL Financial group and his chairmanship of CIB, it was safe to assume that he would be in a position to influence the decision made by CIB to grant SSCL the loan and CLICO's decision to sell the HMB shares to him. Your investigators refer to a memo prepared by Monteil putting forward reasons why it was in CLICO's interest to sell the shares, but that in itself is not incriminatory. In fact, Geoffrey Leid (Corporate Secretary of CLICO) stated that CLICO sold the shares because it needed cash. Mr. Trotman has also denied any undue influence. He says this was a decision of the CIB Board and the loan was only disbursed after a due diligence exercise was performed on SSCL. Mr. Monteil was in a position to provide HMB's financial statements to facilitate a valuation of the HMB shares but there is no evidence that he did. There was, in other words, every reason to speculate that, because of the many positions he held, Mr. Monteil influenced the various decisions made leading to the acquisition of the HMB shares. But no hard evidence has been uncovered by the Commission's investigators to establish such influence. While the investigation was justified while it lasted and there was a sufficient basis to call upon Mr. Monteil to explain himself, now that he has provided answers which have not been contradicted, the investigation cannot be taken further. To the extent therefore that your investigators are satisfied that no stones have been left unturned, it is time to bring this investigation to an end."

The Commission has accepted Senior Counsel's advice.

August 29th 2013