

Governor agrees to leave any criticisms of Mario Hoffmann out of Commission's final report while Mario Hoffmann appeals against court's ruling.

Turks and Caicos Islands, 18 June, 2009

Sitting in Providenciales, Mr Justice Gordon Ward, Chief Justice of the Turks & Caicos Supreme Court, having given leave to Mario Hoffmann to apply for Judicial Review and finding that there had been, 'significant departures both from the procedure and the requirements of natural justice and the Salmon principles in the initial stages [of the inquiry]', today finally rejected Mario Hoffmann's submission that potential criticisms of him should be removed from the Turks & Caicos Commission of Inquiry's final report because of serious failings in the Inquiry process.

Mr Hoffmann has instructed his legal team to appeal against this judgement.

Mr Hoffmann, a Slovakian businessman and banker planning to invest hundreds of millions of US\$ in the Turks and Caicos Islands (TCI), welcomes the fact that the Judge also found that he was entitled to be treated in the same manner as others of interest to the Commission, and yet he was not.

Further, the Court has found that it was 'difficult to comprehend' why the Commission made no attempt to contact Mr Hoffmann before 20/1/09 with regard to his participation in the Inquiry. Mr Hoffmann believes that the subsequent need for 'speed' in delivering the final report cannot justify ignoring natural justice and riding roughshod over an individual's right to a fair and public hearing, particularly when the Commission failed to contact Mr Hoffmann for more than 5 months after it began its investigations.

The Judge has accepted that The Six Salmon Principles (designed to ensure fair treatment of individuals in Inquiries) applied, and he found that they had not been strictly applied (as is required) during the Commission's dealings with Mr Hoffmann: in particular the Commission did not supply Mario Hofmann with the core documents (supplied to all other witnesses in advance of the hearings) until after the oral hearings had finished, and did not afford him a full opportunity to cross-examine other witnesses.

Mr Hoffmann, said, 'I feel I have been let down by the British government and the judicial system. From the 'Salmon Letter' that I received, I believe that certain allegations may be published about me which are wrong, completely unsupported by evidence and based upon unjustified inference. I also still believe they have been reached in breach of the requirements of natural justice owed to me.

'However, I am relieved that the Judge has accepted that this case is of great public importance and one that the court of appeal should look into.

'I also welcome the Governor's agreement not to publish any part of the report containing references adverse to me, clearly acknowledging that it would not be fair for this to be done until the court of appeal have ruled on my appeal.

'I am convinced there is no reason for any criticism of me in the Final Report at all, as I provided the Commission with facts rebutting all the allegations made during the Inquiry. But even if the Final Report doesn't contain any of these untrue allegations, they have already been published and I believe that the process of Inquiry has to be revised. I hope that the 'double standards' applied by the Commission are not a basic principle of British justice.

'From the beginning of my dealings in Salt Cay, an island in TCI, I have acted in good faith and always considered my investment as an investment in a UK territory, with all the protection and fairness of UK law and British style legal system. I have never received any advantage and am still demanding, the same rights and privileges as any other investor in the TCI.

'I wish to make it clear that I totally deny any wrongdoing. I cooperated fully with the Commission. I offered myself for oral interview. I voluntarily provided full and comprehensive statements to the Commission, at my own volition and later a second statement in response to the Salmon letter, to refute allegations made during the course of the Commission's Inquiry. The Commission has never asked me any questions about or sought any clarification of the evidence I have presented to them. This felt more like an inquisition than an Inquiry.

'The allegations made against me during the oral hearings are still posted on the Commission web-site, but the Commission has refused to publish my written evidence despite my repeated requests that they should do this. The Commission of Inquiry owes me the right to be publicly heard. If that was permitted, then the people of TCI would hear a very different story. I continue to believe the Commission stepped outside the scope of its legal authority and that I was not given a proper opportunity to take part in the Inquiry and present my case fairly and openly.'

Dr Kinay presented a similar case simultaneously to the effect that he was not given a fair treatment by the Commission – a case the Judge accepted - and Mr Hoffmann believes the same findings should apply in his case.

So far, Mr Hoffmann has spent a total of \$50 million on the proposed Salt Cay Development project, as well as providing \$400,000 worth of hurricane relief to the island. The project is committed to investing at least \$15 million on public infrastructure on Salt Cay – including a dock, an airstrip and roads, which expenditure is to be controlled and approved by the TCI authorities. The total infrastructure investment if the project is allowed to proceed, including a renewable energy park, waste water and solid waste treatment plant, will be at least \$80 million.

If the development goes ahead, it is estimated it will bring inward investment to TCI of between \$500 million and \$1 billion in total, providing hundreds of new jobs and new business opportunities on Salt Cay during the construction phase. Once complete, it will

offer about one thousand new jobs in hospitality and public services. Turks Islanders will be given priority at all times both as employees and contractors. Training will also be offered to Turks and Caicos Islanders and where, initially Turks Islanders are not able to take up positions, succession planning will allow for Turks Islanders to fill these roles in the longer term. The increased number of tourists coming to Salt Cay will provide additional business opportunities for both the island and the TCI in general, enabling an improved quality of life for existing and future residents.

The project will provide millions of dollars in import and cargo duty revenue during construction, tens of millions of dollars in import and stamp duties once completed and subsequent ongoing accommodation tax revenue estimated to be worth about \$10 million a year. This is all money for the benefit of TCI.

Mr Hoffmann added, 'I am deeply disappointed that political issues surrounding the Commission's Inquiry have blocked progress on a proposed development that would bring such significant economic benefits to TCI. As I talk to the island's people who share my vision, we are collectively frustrated by the maelstrom that has engulfed every citizen and every genuine person committed to the island's future financial growth.

'Despite my frustrations with the legal system so far, I sincerely hope that the Governor will provide a real way forward and enable swift progress to resume on the stalled Development for Salt Cay. This is something we initiated and it will be the first sustainable development plan in the TCI. We cannot move forward until it is in place.

'Even now, in the height of the global economic meltdown, I remain fully committed to the project and I look forward to working with the new administration to ensure the project can move forward swiftly, bringing in the investment and sustainable development that the Turks and Caicos Islands needs.'

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Notes to editors:

Salt Cay Devco's plan is to build an ultra low-density, energy efficient, and environmentally sensitive resort which preserves the island's unique history. More than 95% of the land owned or leased on Salt Cay will remain free of buildings and only 1.8% will be built up with low rise structures. 3% will be used for infrastructure. The project contains a hotel (40 rooms to be built in the first phase and potentially a further 80-100 in the second phase), up to 39 residences, an Audubon International Gold Signature golf course (a 'kite mark' for the highest environmental level of construction and operation of golf courses), a marina, a spa and a sports centre.

There have been three key focus areas in planning this project. First, to protect the historic nature of the island and the unique environment that can be found there. Second, to involve fully the community in the development. Third, to ensure long term profitability and economic benefit for all the parties involved. This includes the community, the Government, developers, operators and property owners.

The plan incorporates restoring and re-energizing the existing cultural and historical buildings and entire historic centre of the island whilst cleaning and maintaining the Salinas and renewing salt raking in reasonable scale as an essential part of Salt Cay's history.

On the environmental side, key ecosystems such as the primary dunes, mangroves, coral reef, freshwater and tropical dry forest have been identified as requiring protection. The South Creek, North Creek mangroves, East Point ponds, tropical dry forest areas and primary dunes will all be protected and specific species lists will be identified via studies so that plans can be implemented to re-establish the original value and biodiversity of these key habitats.

Community involvement and participation is essential for the project. Salt Cay has been slowly dying since the salt industry collapsed in the 1970s. There were more than 500 people living on Salt Cay 50 years ago and now there are less than 60. There are no jobs, no opportunities and no-one has invested in infrastructure over the last decades.

As well as the infrastructure and economic benefits outlined above, there will also be the provision of new services missing on the island now – such as medical facilities, a pharmacy, a bank branch and ATM, a grocery, and a mini fish market serving both Salt Cay residents and guests.