

## **Press Statement**

**By**

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### **Subject: Bahamas Mortgage Corporation Saga Continues**

Two weeks ago, I exposed the naked abuse of the public purse by the awarding of a Government audit at The Bahamas Mortgage Corporation (BMC) to a company headed by Mr. Reece Chipman of Catsan & Chipman Limited for \$152,000 as compared to the lowest bid of \$57,500 and various bids by larger, more experienced accounting firms ranging between the highest and lowest bids.

Mr. Chipman, the unsuccessful FNM candidate for St. Thomas More in the last general election, is also the President of The Bahamas Institute of Chartered Accountants.

I also disclosed that Mr. Kenyatta Gibson, the Member of Parliament for the Kennedy Constituency is the Chairman of The Bahamas Mortgage Corporation who awarded that contract to Mr. Chipman's firm and Mr. Chipman were business partners in a company by the name of Braxton Wheels Limited.

It is very interesting that Mr. Gibson did not satisfactorily address the award of a grossly inflated contract to an FNM crony. On that occasion, I called on the Prime Minister, in the spirit of transparency and accountability which he often says is the

hallmark of his administration to address his Chairman's behavior in this matter. We can only assume that from the deafening silence of the Prime Minister who is famous for preaching about public officials whose hands are caught in the proverbial cookie jar, **that he has lost his tongue, a singularly unique event.**

Since those revelations, Mr. Chipman made a feeble attempt to address the accusations of conflict of interest against him. He responded that there was no conflict of interest with Mr. Gibson, and indeed that he and Mr. Gibson were "**estranged**". Apart from his choice of words, several other matters have come to my attention.

1. Mr. Chipman and Mr. Gibson must not be *so estranged* because Mr. Chipman attended Mr. Gibson's wedding on February 12, 2010. Letters were sent to the unsuccessful firms who had submitted bids of the Mortgage Corporation audit on February 22, 2010. It is very strange that persons who are supposedly **estranged** would commune in such a social manner. Wedding invitations in The Bahamas are usually reserved for close friends, colleagues and associates, business or otherwise. I also understand that Mr. Chipman sat in the "reserved" seating section at the wedding reception, which is normally saved for close friends, dignitaries and VIPs.
2. Mr. Gibson's wedding took place around the same time that the audit was awarded to Mr. Chipman's firm.
3. It has also come to my attention that Messrs. Gibson and Chipman both rent offices in Maritime House on Frederick St. and that they both signed their leases for such rental spaces around the same time.  
**Could this be a mere coincidence?**

I now ask whether these two gentlemen really expect intelligent Bahamians to believe that they are really "**estranged**" as Mr. Chipman would have us believe and more importantly, whether Mr. Chipman can actually act as an independent

auditor regarding his audit of The Bahamas Mortgage Corporation. **Has Mr. Gibson inadvertently compromised the audit process and corrupted the independence and credibility of the audit?**

Once again, I call on the Prime Minister to investigate the entire matter concerning the awarding of the audit of the Mortgage Corporation and advise the Bahamian people whether he believes that the awarding of this contract constituted an abuse of the public purse, and of equal importance whether this matter was handled with the degree of transparency and accountability that he has so often come to espouse.

Finally would Minister Kenneth Russell and MP Kenyatta Gibson inform the Bahamian Public and more specifically approved Mortgage Holders, why the BMC is currently unable to provide funds as agreed under their Mortgage Agreements? Is BMC on the same course as the Bahamas Development Bank?