

Birdgrade, July 24, 2015

Dear Colleagues,

My team and I have investigated the Ferrowind Case and collected pieces of evidence of the bribery paid to the public officials involved in the public tender process. I hereby share with you the story line of the investigation and the relevant evidence. We did not analyze all of the evidence obtained, therefore we advise you to check all the information and the proof provided.

#### Birdgrade railroad tender process

On May 1, 2015 Country Daily published an article denouncing irregularities in the public tender No. 25478/13 for the reparation of Birdgrade railroad awarded to Ferrowind S.A., a joint venture between the multinational enterprise, Le Cheminer, with headquarters in France, and a private company from Countrylandia, EFA S.A. The news reported that the tender process was in charge of an Evaluation Committee that included officials from the National Secretary of Transportation, the Under Secretary of Transportation, the National Direction of Railway Planning and the National Transport Regulatory Commission (NTRC). The Committee qualified the offers made in accordance with the tender specifications established by the Secretary and awarded the contract to Ferrowind S.A.

The news also pointed out that Ferrowind's competitor, the British enterprise T-Trains, decided to close its subsidiary in Countrylandia due to the lack of transparency in the way business is conducted in the country. The company's representative in Countrylandia implied that the tender process was rigged for Ferrowind to win and suggested that Mr. Benjamin Domenech, National Secretary of Transportation, was involved in the scheme. He mentioned that since 2013 the Secretary has been navigating a yacht which flies a Côtier Islands' flag<sup>1</sup>, valued in more than USD 300.000, to hang out with his family around the Birdgrade coast on the weekends.

First, we started the investigation verifying the facts mentioned in the news.

We requested information about the tender process, the bids made by the enterprises which participated on it, and the contract awarded to Ferrowind by the National Secretary of Transportation. We also requested Ferrowind's statute to Countrylandia's Enterprise Register. We analyzed the bids made by T-Trains and by Ferrowind, and we noticed that the only difference between them was that Ferrowind's bid includes a point named "consultancy" provided by T&M Consultancy Group Ltd. We did not receive the contract

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<sup>1</sup> In Côtier Islands offshore finance, manufacturing and a shipping registry generate jobs and tax revenues. Côtier Islands's services-based economy also benefits from a free trade zone, home to some 2,000 companies and the second largest in the world.

awarded to Ferrowind, but we have a copy of the resolution through which the tender was awarded to that company.

At the same time we asked for information about every public official involved in the Birdgrade railroad tender to Countrylandia's National Identity Register, asking them to include data about their parents, children, wives, brothers, sisters, aunts and uncles.

### T&M Consultancy Group

We requested information to Countrylandia's Enterprise Register regarding T&M Consultancy Group Ltd., and to Countrylandia's Central Bank asking for T&M Consultancy Group bank accounts in Countrylandia. We also requested information to the Central Bank concerning Ferrowind S.A. bank accounts.

Countrylandia's Enterprise Register sent us T&M Consultancy Group's bylaws. This allowed us to know that the company was created by Nicholas Barthe and Martin Barthe. The police, upon our request, questioned Nicholas Barthe who informed them that he had no knowledge about the enterprise and that his brother Martin Barthe died a year ago. Besides, he stated that on 2013 his lawyer made him signed some documents for the renovation of a social plan.

Countrylandia's Central Bank responded our request concerning T&M Consultancy Group Ltd. informing that the company has a bank account at Coin Cambio S.A. in Countrylandia. With that information, we contacted the bank and asked for T&M Consultancy Group's bank records from December 2013 to May 2015 and the information provided by T&M when it opened the bank account. We couldn't thoroughly analyzed T&M bank records, but skimming through them we found three transfers, two of USD 50,000 and one of USD 55,000 to Alfa Consultancy and System which caught our attention. One of our investigators had a phone conversation with an employee of T&M pretending that he was calling from Alfa Consultancy and System and the employee replied that they have had no business with Alfa Consultancy and System. Consequently, we requested information about this company to Countrylandia's Enterprise Register.

Countrylandia's Enterprise Register replied to our requests a few days ago and we had no time to examine that information, but it is available in the evidence file.

Furthermore, we requested the collaboration of Countrylandia's FIU to find out if there was any suspicious transaction or activity report (STR/SAR) about Coin Cambio S.A. or T&M Cosultancy Group Ltd. The FIU replied a few days ago and the report is in the evidence file.

Regarding Ferrowind S.A., Countrylandia's Central Bank informed that it has a bank account at City Bank, Countrylandia's branch. We asked City Bank for Ferrowind's bank records since December 2013 and all the information submitted by Ferrowind S.A. when they opened the account.

## The yacht

The news pointed out that the National Secretary of Transportation, Benjamin Domenech and his family have been using a yacht which flies a Côtier Islands' flag, valued in more than USD 300.000. We started by requesting information about the yacht's mooring to Countryland's Coast Guard. The Coast Guard informed us that the yacht was moored at Birdgrade Harbor. The man in charge of the security of the yacht's mooring, Peter Dominglade, informed us that the name of the vessel is "King of Seas" and confirmed that the yacht flies a Côtier Islands' flag and that Mr. Domenech and his family have been navigating it since December 2013.

We consulted Côtier Islands' Shipping Registration Office online and discovered that the yacht is registered under the name of Success, a Côtier Islands international business company. Later, we contacted Côtier Islands' Public Enterprise Register and requested information regarding Success IBC. They replied that the information concerning IBC's statute, composition and administration was not public and that we had to show a legit interest on the matter. We decided to insist with the request through Interpol, and we finally obtained Success statute which shows that Success IBC is administered by Lockhart & James Law Firm.

We assumed that the Law Firm was not going to give us any information about Success, so we asked to Birdgrade 11th Judicial Circuit to send an MLA request to a Côtier Islands' judge to compel Lockhart & James to inform the identity of Success' beneficial owner/s and to send documentation about the administration of this IBC.

At the same time, some of our investigators interviewed Mr. Castillo, the manager of Sunrise Shipyard where the yacht was bought. Mr. Castillo explained that Mr. Francis Domenech, a citizen from Countrylandia, had negotiated the purchase of the vessel and that the payment was made through a bank transfer from a Deutsche Bank account of an enterprise named Bicent. Mr. Castillo gave us a copy of the transfer. The branch of the account was in Switzerland, therefore we required Deutsche Bank (Switzerland) information about Bicent IBC.

The National Direction of International Legal Assistance received Lockhart & James' information regarding Success IBC and Deutsche Bank Switzerland's information regarding Bicent IBC yesterday; therefore, all the documents are in the evidence file. We noticed that Bicent is an international business corporation from Offshore Islands<sup>2</sup>.

We also requested to Countrylandia's Anticorruption Office the last sworn declaration of assets submitted by each of the public officials involved in the public tender.

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<sup>2</sup> Offshore Islands is one of the world's largest financial centers and a well-known tax haven. More than 9,000 mutual funds, some 260 banks and 80,000 companies operate through the islands. The industry has come under scrutiny and the government has enforced stricter banking regulation to counter money laundering. Recently, Offshore has signed agreements on sharing tax information with many economies.

Do not hesitate to contact me to the e-mail address below if you have any doubts regarding the investigation.

A handwritten signature in black ink, appearing to read 'William George', with a stylized, looping flourish at the end.

William George

Prosecutor

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