



29 April 2022

PRESS STATEMENT

FROM GOVERNOR OF THE BRITISH VIRGIN ISLANDS

MR JOHN RANKIN CMG

Let me welcome you all to this morning's press conference.

I, like many of you, have been shocked by the arrest of Premier Fahie with whom I have worked as Governor over the past 16 months. I know this community is a small but proud one, and I know you care deeply about the reputation of this great Territory. Rule of law, transparency, accountability and good governance are and must be the foundations of a Territory's reputation.

As you are aware, I previously planned to publish the Commission of Inquiry Report in June following discussions in London between UK Ministers, the BVI Government and the leaders of the other political parties represented in the House of Assembly. However following



yesterday's events and the news of the detention of Premier Fahie and others on charges related to conspiracy to import a controlled substance and money laundering I have decided that it is now in the overwhelming public interest for me to publish the Commission of Inquiry Report at this point.

This I believe will help to end speculation that the arrests which occurred in Miami are somehow linked to the COI Report. That is not the case. The COI was not a criminal investigation into the illegal drug trade. Nor, I should stress, was it an investigation into the BVI financial services sector. I continue to welcome and support the work of the Commercial Court, the Financial Services Commission and the other regulatory bodies in the BVI who continue to operate as normal, acting as they do in compliance with international regulatory standards and a robust English common law framework. And I also welcome BVI's continued good cooperation with law enforcement agencies in the financial field and the steps being taken with regard



to the introduction of publicly accessible beneficial ownership registers.

The remit of the COI was governance. In his terms of reference Sir Gary Hickinbottom was asked to inquire into whether serious dishonesty may have taken place in relation to public officials in BVI and to make recommendations on improving the standards of governance and the operation of the agencies of law enforcement and justice in the Territory.

The Commission held hearings from April to November 2021, available for the people of the Territory to watch live on YouTube, and the Commissioner's report was sent to me on 4th April 2022.

The Commissioner's report is long and detailed running to over 900 pages. In it the Commissioner reports in detail on each of the areas he investigated and I will briefly summarise these areas.



The Report addresses the requirement under the Constitution and statute law for members of the House of Assembly to register their interests, and the failure of most members to do so.

It also addresses the distribution of grants by members of the House of Assembly, where the Commissioner concludes that corruption, abuse of office or other serious dishonesty may have taken place in recent years. And it examines the distribution of grants by Government, including for example the “Farmers and Fisherfolk” programme established in 2020, where the Commissioner concludes that serious dishonesty may have taken place in the distribution of \$5.1m of grants.

Government contracts awarded both by the previous and current Government were looked at in detail by the COI, including:

- The school wall project which was worth over \$1m and was split between 70 contractors, 40 of whom had no constructors licence;



- The project to establish BVI Airways. Payments made by the previous Government for the project totalled \$7.2m, but the venture collapsed;
- Spend on over \$1m from 2007-2011 on a harbour development project at Sea Cows Bay before it was abandoned, with no public benefit;
- A series of contracts amounting to almost \$1m awarded to a former special adviser to Premier Fahie. The contracts were not performed and the Commissioner concludes on the evidence that some of them were, on their face, false;
- And the deployment in 2020 on the instruction of the Premier of shipping radar barges, done without the approval of either the National Security Council or Cabinet, and without a written contract.

The Commissioner also investigated appointments to statutory boards and in particular the policy adopted by the incoming Government in 2019 that the entire membership of statutory boards



should be revoked and each board reconstituted. The Commissioner concludes that there was overt manipulation by the executive of institutions which are established by the legislature to perform public functions as independent bodies. He found overwhelming evidence that the independence of such boards has been “severely – and, at times, cynically and with apparent disdain – eroded.”

The Commissioner inquired into the disposal of Crown land by the Government and in particular the granting of one lease in which he concluded that serious dishonesty may have taken place which requires further investigation.

The granting of residence and belongingship is devolved to the BVI Government. The Commissioner concluded that the Government’s application of a 20 year continuing ordinary residence threshold for belonger status, contrary to the 10 years stipulated in BVI law, was and is unlawful. He also found that in 2011 at least 224 individuals were granted belonger status outside of the framework of the law.



Rather they were simply added at Cabinet level on personal recommendations by members of the Cabinet without any due diligence or process. And the Commissioner addresses more recent cases in which Cabinet has appeared willing to act in a legally arbitrary manner in relation to residence and belonging rights.

A central plank of the submissions put forward by the BVI Government to the COI was that any failings in good governance were primarily attributable to failings in the public service, their lack of policy planning and capability, and that the blame for this should lie at the door of Governors and the FCDO. I do not shirk my responsibilities for the Public Service, but in his report the Commissioner found the submissions by the Government to be anything but compelling, noting that under the Constitution it is the BVI Cabinet that is responsible for policy and welcoming the steps taken by the Governor and Deputy Governor to promote public service transformation.



The Commissioner noted the challenges in policing and law enforcement in the Territory. Responsibility for the Virgin Island Police Force rests with me. The Commissioner notes corruption in the police force among a minority of officers but welcomes the commitment of the current Police Commissioner to tackle corrupt conduct, with full support from me. The Inquiry did not conduct an in-depth investigations of HM Customs, but the report notes serious concerns expressed by a number of individuals about its operations. The Commissioner concludes that in both HM Customs and the Immigration Department - but particularly in Customs - there is an environment conducive to corruption. He recommends independent vetting of all Customs and Immigration officers and that officers appointed by the Police Commissioner investigate possible corruption in Customs.

The Commissioner notes the independence of BVI's courts, but also evidence that the absence of processes to allow for witness



anonymity severely undermines the criminal process. He also notes concern about the small size of the jury pool and the view that consideration should be given to judge only criminal trials in certain cases.

The Commissioner concludes that with limited exceptions, governance in areas under the control of Government Ministers is, at best, very poor, with principles such as openness and transparency not simply absent, but positively shunned. Proper procedures, checks and balances are absent, or patently inadequate, or ignored or bypassed. He states that the evidence in this regard is overwhelming and extends to almost all areas of government. He notes that recent good governance measures such as the Whistle Blower Act and the Integrity in Public Life Act, neither of which are yet in force, have to a large extent been reactive to the work of the COI and states that “in my very firm view the people of the BVI can have no confidence, as



things currently stand, that these recent measures will be pursued and implemented effectively”.

Overall, the Commissioner in his Report finds that the elected government, in successive administrations, has sought to avoid good governance. He says that in terms of governance the people of the BVI have been served very badly in recent years and that almost everywhere the principles of good governance such as openness, transparency and the rule of law are ignored. He concludes that it is highly likely that serious dishonesty may have taken place across a broad range of government and that there is information that a substantial number of elected officials may be involved. He makes recommendations for further investigations and possible criminal prosecution in several areas.

The Commissioner makes 45 specific recommendations on how to address each of the areas of concern that his report identifies and I know that people in the BVI will wish to look at these in detail.



But the Commissioner also makes four overarching recommendations. Decisions on these recommendations are yet to be made and will be the subject of discussions in the coming days.

First, he has concluded with a particularly heavy heart that unless the most urgent and drastic steps are taken, the current situation with elected officials deliberately ignoring the tenets of good governance will go on indefinitely. He notes that the people of the BVI deserve better and that the UK Government owes them an obligation to protect them from such abuses and assist them to achieve their aspirations for self-government as a modern democratic state. He states that the continuation of the current situation will adversely affect those aspirations and that the only way in which the relevant issues can be addressed is for there to be a temporary partial suspension of the constitution. He accordingly recommends dissolution of the House of Assembly and the cessation of Ministerial Government for an initial period of two years. During that period he



recommends a Governor led administration with such assistance as the Governor consider appropriate, for example an Advisory Council to advise him on the formulation of policy and the exercise of his official functions. The Advisory Council should reflect BVI civic society and the Commissioner also urges the Governor to draw primarily on the pool of Public Service talent in the BVI to advise and aid him. The Commissioner recommends a return to Ministerial Government and an elected House of Assembly as soon as practicable, with the Governor taking regular advice from the Advisory Council and others on the earliest practicable date on which such government can resume.

Secondly, the Commissioner recommends an early and speedy review of the Constitution with the purpose of ensuring that abuses of the type he has identified do not recur, establishing a Constitution that will enable the people of the BVI to meet their aspirations



including those in respect of self-government within the context of a modern democracy.

Thirdly, he recommends a curtailment of the open-ended discretionary powers held by public officials including Cabinet, and fourthly he recommends a series of audits and investigations which may give rise in due course to further steps, including in relation to criminal investigations.

Ladies and Gentleman, those are the conclusions and recommendations of the Commissioner which are for myself as Governor, members of the BVI Government and members of the House of Assembly, and Ministers in the United Kingdom, to consider. Most of all, they are for the people of the BVI to consider.

As I said above, decisions on the recommendations in the COI Report are yet to be made and will be the subject of discussions in the coming days. Minister for the Overseas Territories, Amanda Milling,



will therefore shortly return to the BVI to have these discussions with the BVI Government, members of the Opposition and other key individuals.

For myself as Governor I pledge that the best interests of the people of BVI will continue to be my overriding concern, ensuring transparent, honest and open governance in accordance with the rule of law to strengthen the foundations of the British Virgin Islands. I believe that the COI Report is a vital and hugely valuable contribution towards the achievement of better governance in the BVI in the interest of the people of the Territory, and I commend it to you.