

PRIVATE NOTICE QUESTION

To ask the Rt. Honourable Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit -

Whether, in regard to the discussions allegedly having taken place recently between, on the one hand, the Honourable Minister of Technology, Communication and Innovation, the Honourable Minister of Financial Services, Good Governance and Institutional Reforms and the Honourable the Attorney General and Mr Doomeswarsing Gooljaury, and the representatives of Dufry Ltd., the overseas supplier of Mauritius Duty Free Paradise Ltd., on the other hand, he will state if he has confirmed with the said Ministers whether same have indeed taken place and, if so, indicate –

- (a) the content of the discussions;**
- (b) the involvement, if any, of Mr Doomeswarsing Gooljaury in the said discussions; and**
- (c) if the two representatives of Dufry Ltd. have been prevented from leaving Mauritius?**

REPLY

Madam Speaker,

As the Honourable Leader of the Opposition is aware, this Government has been elected with a clear mandate to investigate into malpractices and irregularities with regard to all major Government contracts which have been entered into by the previous regime.

In fact the Honourable Leader of the Opposition, himself, has pledged to the Nation that he would clean such “pourriture”.

The people of Mauritius has witnessed that this Government has already unveiled serious malpractices and irregularities in many quarters including major Government contracts like Betamax, Neo Town, Jin Fei and Terre Rouge-Verdun.

A new Ministry of Financial Services, Good Governance and Institutional Reforms has been set up and accountability and adherence to the principles of good governance are clearly high on the agenda of this Government.

The newly created Ministry has been looking into processes and procedures in the awarding and performance of major contracts.

As the Honourable Leader of the Opposition is also aware, a lot has been said about the Mauritius Duty Free Paradise Ltd. The House will recall incriminating statements made in relation to procurement contracts of goods and services.

The second member of Moka-Quartier Militaire, Hon. P. Jugnauth had reported the matter to the Police

in January 2013 but nothing had been done under the previous regime. This Government will certainly not turn a blind eye to such malpractices.

Currently the Mauritius Duty Free Paradise Ltd falls under the aegis of the Prime Minister's Office. This was not always the case as the former Prime Minister decided to remove the Mauritius Duty Free Paradise Ltd from the portfolio of Ministry of Finance and Economic Development and brought it under his aegis.

My Office in collaboration with the Ministry of Financial Services, Good Governance and Institutional Reforms started a thorough review of the activities of the MDFP and two major contracts which have been signed with a foreign supplier, Dufry A.G., namely one exclusive supply contract for goods to be sold at the shops of Mauritius Duty Free Paradise Ltd in Mauritius and Rodrigues and a Management Service Agreement also for more than one billion rupees.

It is also worth mentioning that the Management Services Agreement provides that the CEO of MDFP is a representative of Dufry A.G.

The office of the Attorney General also collaborated in the review being conducted.

I was personally being kept informed of all the developments relating to the ongoing review including meetings and discussions which were being held with relevant stakeholders, and their outcomes.

With regard to part (a) of the question, I am informed that at one stage during the review, several documents were provided by Mr D. Gooljaury, with regard to another contract, which had been signed between the supplier Dufry A.G. and a company called Frydu which had been incorporated in Switzerland.

Mr D. Gooljaury had provided several emails exchanged between the top management of Dufry A.G. in Switzerland, Mrs Nandanee Soornack, Mr Laurent Obadia, a lawyer in Switzerland called Alexander Schwartz and himself relating to negotiations of the

setting up of a structure for the payment of commissions through the creation of an agency sales agreement.

A share purchase agreement was also provided which showed that the shareholders of Frydu, were Mrs Nandanee Soornack and D. Gooljaury had transferred shares to a company called Wigam Holdings Ltd set up in Nicosia, Cyprus.

A meeting was scheduled at the Prime Minister's Office on Monday 16 February 2015 at 15 hours in the office of Secretary for Home Affairs at which a senior member of Dufry A.G. top management from Switzerland and the local CEO, Mr Simo Carevic, had been convened. However, the senior member of top management did not turn up and instead delegated a junior member from his team, who was dispatched from Tunisia, Africa.

At that meeting, several questions were put to them for which they could not provide any explanation.

Later, on the same day, the two representatives of Dufry A.G. who were apparently having dinner with Mr D. Gooljaury asked for a meeting that same evening as Mr Galet was flying out the next day. Accordingly, a meeting was held at the Attorney General's residence where his colleagues and himself were present and the two representatives agreed to meet at the Attorney General's residence.

The discussions revolved around full and frank disclosure of all documents from Dufry A.G. to the Government of Mauritius regarding the agency sales agreement which had been signed by Frydu and the transfers of shares to Wigam Holdings Ltd.

With regard to part (b) of the question, Mr D. Gooljaury had provided documents relating to transactions which had taken place prior to 2013 when he was apparently kicked out of the structure when part of the ownership was transferred to Wigam Holdings Ltd.

Mr D. Gooljaury asked the representatives of Dufry A.G. to provide to the Government of Mauritius all other documents from October 2013 to date. Both representatives of Dufry A.G. could not provide same and had to contact several representatives of their higher management to obtain relevant information regarding the structure of Dufry A.G., Frydu and Wigam Holdings Ltd post October 2013.

With regard to part (c) of the question, as no information or email were available for potential suspected offence that have been committed, the representatives of the Dufry A.G. were informed that the authorities had to be informed of the matter, which was done.

I am informed by the Commissioner of Police that on Tuesday 17 February 2015, an objection to departure was lodged to prevent the two representatives from Dufry A.G. from leaving Mauritius. Subsequently, Senior Management of Dufry Ltd in Switzerland provided to Government a number of documents evidencing the following:

- (1) with regard to the contract between the Mauritius Duty Free Paradise ("MDFP") and its supplier, Dufry Travel Retail AG, it has come to light that substantial commissions have been paid by Dufry in Switzerland to a company called Frydu, which has been set up in Switzerland as recipient of commissions of 4.2% of net sales of MDFP.
- (2) Frydu was initially 50% owned by Nandani Soornack and D. Gooljaury, each. A Swiss Bank a/c with VP Bank (Schweiz) AG in Zurich was opened for Frydu to receive commissions on the supply contract with MDFP as follows:
 - On 24 October 2012, EUR 431,000.
 - On 02 May 2013, EUR 211,351.
 - On 21 October 2013, EUR 464,179.

At that stage, Commissions paid on the MDFP supply contract amounts to EUR 1,106,530.

Madam Speaker,

On 12 October 2013, Nandanee Soornack and D. Gooljaury, then transferred their shareholding in Frydu to a company incorporated in Cyprus called Wigam Holding Ltd, which was apparently controlled and managed by an Irish national, resident in the UK.

A Share Purchase Agreement dated 12 October 2013 was signed by Nandanee Soornack and D. Gooljaury to change the ownership structure of Frydu apparently to accommodate one Laurent Obadia and Wigam Holdings Ltd. Nevertheless, Frydu continued to receive commissions from Dufry Travel Retail AG in the Swiss bank account during the year 2014, as follows:

- On 06 February 2014, an amount of EUR 389,558 was paid to VP Bank in Zurich, but then Frydu's bank account was changed to another bank in Geneva, called Union Bancaire Privee, UBP SA, Rue du Rhone, Geneva; and
- On 16 July 2014, commissions of EUR 337,134 were received in the new bank account.

Madam Speaker,

On 16 January 2015, a further amount of EUR 296,466 representing 4.2% of net sales of Mauritius Duty Free Paradise Ltd was paid to Frydu.

In total, Madam Speaker, Dufry has to date paid Commissions of EUR 2,129,688 to Frydu on the supply contract only with Mauritius Duty Free Paradise Ltd.

Madam Speaker,

This Government will have no stone unturned to clean up the country.