

SCENARIO

INDICTMENT

Three accused are to be jointly tried on the following charges (extracted from the indictment):

Count 1: Between 1 March and 25 August 2022 **George Reuben** being employed in the Public Service as the Secretary of the Department of Works and charged by virtue of that employment with the duty of supervising generally the operation of the Department, including the procurement of goods and services, corruptly agreed to receive property to the value of \$200,000 for himself on account of awarding twenty contracts in favour of Super Fix Ltd to a total value of \$9.7m, in the discharge of his duty.

Count 2: Between 1 March and 25 August 2022 **Evelyn Masi** being employed in the Public Service as the Chair of the Central Supply and Tenders Board and charged by virtue of that employment with the duty of managing the work of the Board and implementing its decisions, corruptly received a benefit for herself, namely the employment of her daughter, **Gracie Peters**, with the Department of Works, on account of issuing twenty certificates of inexpediency in respect of contracts issued in favour of Super Fix Ltd to a total value of \$9.7m, in the discharge of her duty.

Count 3: Between 1 March and 25 August 2022 **Sam Ono** corruptly gave to **George Reuben**, then employed in the Public Service as the Secretary for the Department of Works, property to the value of \$200,000 on account of him awarding twenty contracts in favour of Super Fix Ltd to a total value of \$9.7m in the discharge of his duty.

Count 4: Between 1 March and 25 August 2022 **George Reuben** and **Sam Ono** dealt with criminal property in the sum of \$9.7m by receiving it into the account of Super Fix Ltd when they knew or ought reasonably to have known that it was criminal property. (The State allege that Sam Ono received the property and George Reuben aided him to do so.)



STATEMENT OF FACTS

That State alleges that:

Mr Reuben, CBE, was the Secretary of the Department of Works. He has an Engineering degree and more than 30 years of experience in the public sector, including 20 years in senior management positions at the Department of Works. He had been Secretary for the past 10 years. His annual salary is \$500,000.

Ms Masi was the Chair of the Central and Supply Tenders Board (CSTB), a statutory authority established under the Public Finance Management Act. She is an accountant with an MBA and a former partner at an international accountancy firm based in your capital city. She was appointed to the Board in January 2022.

Mr Ono is a dual citizen of your country and Australia. He is the sole director of Super Fix Ltd, a company registered in your country. He is a 51% shareholder and the sole signatory to the company's local bank account. The balance of shares are held by Hard Work Australia Ltd, a company registered in Australia of which Mr Ono is also a director and shareholder.

Mr Reuben was responsible for overseeing the Department of Works, including its procurement. As Secretary of the Department he had delegated financial authority under the Public Finance Management Act to approve expenditure up to a value of \$500,000. Procurement for greater amounts was to be managed by the Central Supply and Tenders Board in accordance with the Act. The Financial Instructions under the Act directed that as a general rule large procurements to a single supplier were not to be split.

On 5 March 2022 **Mr Reuben**, in his capacity as Secretary, executed twenty contracts on behalf of the Department with Super Fix Ltd for the supply and delivery of pothole patching materials in ten provinces to a total value of \$9.7m. The value of each contract was for a sum between \$480,000 and \$490,000.

The purchase of the road repair products was approved outside the normal procurement process. It was not done with the knowledge or at the request of the Operations Division responsible for maintenance, in the normal manner, that is following requests by Provincial Works Managers to the First Assistant Secretary, in response to need, and from one of several approved local suppliers. The product was not tested by the Department and a similar product could be purchased from one of the approved suppliers at a similar price.

The contracts were not drafted or vetted by the Office of Legal Counsel. They were poorly drafted and contained obvious typographical errors. The contracts were not "minor works" contracts as described but contracts for the purchase and delivery of stores.

There was no tender process in accordance with the Public Finance Management Act. In every case the contracts fell just below the delegated authority of the Secretary and in every case two contracts per province were executed.

Each of the twenty contracts was supported by a Certificate of Inexpediency from Tender under s 59 of the Public Finance Management Act executed on 10 March 2022 by Ms Masi as Chair of the Central Supply and Tenders Board. The certificates were in the usual form and stated that they were made upon resolution of the Board.

The certificates were issued by **Ms Masi** without Board approval. The Board had not met or resolved to issue the certificates. The certificates failed to state the nature or basis of the urgency as required



under the Act. The certificates were not supported by any application from the Department of Works or other supporting documentation.

On the day the certificates were issued **Mr Reuben** invited **Ms Masi** to send her daughter to see him at the Department of Works. A month later Ms Masi's daughter, Gracie Peters, a recently qualified lawyer, was appointed to the Department's Office of Legal Counsel at the direction of the Secretary and without any recruitment process.

On 15 March 2022 **Mr Reuben** approved 20 requisitions for payment to Super Fix Ltd. Attached to the invoices in each case was a copy of the contract, certificate of inexpediency, and invoice in corresponding amount. Accompanying the requisitions was a memo from Mr Reuben to the Director Finance directing immediate payment in accordance with the certificates of inexpediency and noting that the materials were urgently needed in the provinces by the Provincial Works Managers.

On 20 March 2022 \$9.7m was paid to the account of Super Fix Ltd at Country Bank by the Department of Works. The daily limit for international transfers by companies is K1m.

Between 20 March and 25 March 2022 \$4.95m was transferred by **Mr Ono** to a bank account in the name of Hard Work Australia Ltd in Australia in amounts of \$999,999. Other large withdrawals of cash were made from the account.

Mr Reuben and **Mr Ono** met and exchanged text messages several times during the relevant period. During one meeting on 22 March **Mr Reuben** received a document folder from **Mr Ono**.

On 25 August 2022 \$200,000 was transferred from Hard Work Australia Ltd to the personal bank account of Mr Reuben.

The pot hole patching product was delivered in various quantities to each of the provinces between April and July 2022. The Operations Manager, **Mr Simon Jack**, became aware of the contracts following reports from his Provincial Works Managers that the product had been delivered. He reported the matter to police.

