

STATEMENT BY THE GSLP/LIBERAL OPPOSITION

34/2010

18 March 2010

The GSD Government's decision, announced by Mr Caruana in Parliament, not to provide information on the amounts of PAYE and Social Insurance owed by Bruesa in Gibraltar, is another indication of the GSD's new policy of not providing information to the public on issues of clear public interest and importance.

The Opposition believes that the GSD is taking this position in order to avoid putting information into the public domain that is damaging to them, as it highlights they have allowed PAYE and Social Insurance debts to Government to run into millions of pounds in arrears for some companies. This is bad enough in any sector, but it is particularly unacceptable when the companies in question are in fact working for the Government and getting paid by the taxpayer.

The Opposition therefore renews its call for Government to conduct a full forensic audit into the affairs of Haymills, given the amount outstanding in respect of PAYE and Social Security and the amount of public money paid to that company in respect of development projects in the South District and public projects such as the Trafalgar Interchange.

The Opposition considers that at the same time the Government should therefore also conduct a public forensic audit to allow full transparency in respect of the payments to Bruesa (in particular payments under its new name Gibralcon 2004). This is especially relevant given the negative press comment in Spain about corruption affecting that company in respect of the public procurement projects in which it has been involved in that country.

The GSD Government have awarded very high value public contracts for the development of Government housing and road works to two entities that have failed to complete the works, left debts to local suppliers and owe massive amounts of PAYE and Social Security.

It is now imperative that the GSD Government holds its administration of taxpayers money to account by allowing forensic audits - the results of which should be available to the public - into its dealings with these companies and how every penny of the public money paid in respect of the projects with these companies has been accounted for. Moreover, the Opposition now also understands that massive arrears in respect of PAYE and Social Security have been built up by at least one entity in the financial services sector for which Mr Caruana himself holds ministerial

responsibility. Opposition spokesman for financial services Fabian Picardo said:

"It is simply incredible that both of the companies with some of the most expensive Government contracts going now find themselves in liquidation. A full and detailed accountability has been forthcoming and put in the public domain by the developers of Ocean Village in respect of its dealings with Bruesa. Nothing, however, has been forthcoming from the Government in answer to Parliamentary questions from the Leader of the Opposition at this sessions of Parliament in respect of its dealings with that company subsidiary for Gibraltar and the debts that it appears to have built up in respect of PAYE and Social Insurance. This is absolutely unbelievable. The fact is that the public are crying out for the Government to make itself accountable for the manner in which it has made payments of taxpayer's money to these companies which should have ensured that they completed projects on time.

Instead these companies have become insolvent holding some of the largest Government contracts going. The public needs to understand exactly how this has happened, where the financial shortfalls have arisen and how the GSD Government has allowed the PAYE and Social Insurance debt from these companies to have accumulated in such a manner.

We all need to understand what has gone wrong and the Government should not be running scared of a forensic audit into the way in which our money has been used. The sooner a forensic audit covering the Government's dealings with Haymills and Bruesa (or an independent public enquiry in respect of each) is set up, the better. Until then, those employers and employees who regularly made their PAYE and Social Insurance contributions without fail will be entitled to say that the GSD has allowed a massive imbalance to arise in respect of paying the costs of doing businesses. This situation requires explanation. "

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