

**REPUBLIC OF VANUATU  
OFFICE OF THE OMBUDSMAN**

**PUBLIC REPORT  
ON THE  
MANAGEMENT OF NORTHERN  
ISLANDS STEVEDORING  
COMPANY LIMITED  
(NISCOL)**

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**PUBLIC REPORT ON THE MISMANAGEMENT OF  
NORTHERN ISLAND STEVEDORING COMPANY  
(NISCOL)**

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## 1. JURISDICTION

- 1.1 Under the Constitution the Ombudsman has jurisdiction to enquire into the conduct of Government and related bodies. This includes NORTHERN ISLANDS STEVEDORING COMPANY LIMITED (NISCOL) since the shareholders are four of the provinces and the Government of Vanuatu.
- 1.2 The Ombudsman Act No 14 of 1995 continues to apply in this case as if it had not been repealed in accordance with section 11 of the Interpretation Act [Cap 132] because the investigation began while the Act was in effect. This Act allows the Ombudsman to look into any body or agency that is wholly or partially supported out of the public money of Vanuatu.

## 2. SUMMARY

- 2.1 On 8 November 1991 a company known as Northern Islands Stevedoring Company Limited (NISCOL) was incorporated as a local company. The shareholders in the company were Sanma Province, Penama Province, Torba Province, Malampa Province and the Vanuatu Government. The shares are divided into 250,000 shares at Vt100 each. They are made up as follows:

Sanma (100.000 ordinary shares)	40%
Penama (50.000 ordinary shares)	20%
Malampa (50.000 ordinary shares)	20%
Torba (25.000 ordinary shares)	10%
Vanuatu Government (25.000 ordinary shares)	10%

- 2.2 Since the initial operation of NISCOL in 1992 different Directors have been appointed each time to the Board (**Appendix A**). The Board was made up of individuals, most of whom held political and public service positions in the Government, and the Sanma Provincial Council.

Mr. Kalmer Vocor, the current General Manager of NISCOL stated that Board members of NISCOL are appointed by the directors and/or the shareholders of the company.

Mr. William Tari stated that when NISCOL was set up the government appointed the directors who should have the power to determine the strategy of the company and to rebuild it. This was because NISCOL faced difficulties in carrying out its activities after the purchase of old equipment from the former management. He further stated that there was no law at the time to prohibit these appointments.

- 2.3 The principal activity of NISCOL is to provide stevedoring services and storage facilities and equipment hire in Luganville. The major clients of NISCOL are the Vanuatu Commodities Marketing Board (VCMB) and the northern island business community in Luganville.
- 2.4 Since the provinces and the Government hold shares in the company, each year they are paid dividends from the profits made by NISCOL. Although the company's turnover was high in the years 1993 to 1997 the net profits have gone down considerably each year. Profits decreased from VT27.8 million in 1993 to a VT247,000 in 1997. The low profits affected the amount of dividends that was paid to each of the Shareholders annually.

## 3. PURPOSE, SCOPE OF INVESTIGATION AND METHODS USED

- 3.1 The objective of this investigation was to establish whether NISCOL was being managed properly and in the best interests of the shareholders, namely the provinces and the Government.

#### 4. RELEVANT LAWS

- 4.1 The Companies Act [Cap 191], Section 40, Section 201 and Section The Ombudsman Act No 14 of 1995. S14(1) (iii) (A) and Article 66 of the Constitution 202. See "Appendix B."

#### 5. OUTLINE OF EVENTS AND FACTUAL INFORMATION

##### 5.1 Turn over and Profits

Since 1993 NISCOL has made a substantial turnover during its operations as set out below:

Year	1993	1994	1995	1996	1997
Turn Over/Million VT	139.8	152.0	143.7	163.1	196.7

Despite this turn over in each year the net profits have decreased. They dropped from VT27,000,000 in 1993 to VT247,000 in 1997. The lowest periods were in 1995 (VT317,000) and 1997 (VT247,000) respectively.

Year	1993	1994	1995	1996	1997
Net profit/Million VT.	27.8	11.7	.317	10.6	.247

- 5.2 Our investigation targeted only specific areas outlined below:

- Salaries and wages
- Advances
- Donations and sponsorships
- Directors fees
- Motor vehicles

- 11 Fuel costs.

#### 6. BUDGET

- 6.1 During the enquiry, the Ombudsman requested Mr. Vocor to provide copies of NISCOL's annual budget for the years 1994 to 1997.

In reply Mr. Vocor stated that NISCOL does not prepare an annual budget. He explained that NISCOL is a private company, and it operates differently from Government departments. He further stated that since private businesses operate differently, they do not have yearly budget to work on.

#### 7. SALARIES AND WAGES

- 7.1 There has been a steady increase in the salaries paid from 1993 to 1997. This is reflected in the increases as shown in the audited financial statements of the company and are as follows:

Year	1993	1994	1995	1996	1997
Salaries/Million VT.	39	43	56	57	64

Since there is no budget it is not possible to estimate how much this is representative of NISCOL'S total budget.

- 7.2 In April 1995, the Board decided that the General Manager's annual salary would be increased to VT1,800,000. In April 1996 the Board decided to increase the General Manager's salary by another VT200,000 bringing it to VT2,000,000 per annum. At the same time it was decided that each year the General Manager's salary be increased by 5%.

- 7.3 In September 1996 the Board agreed to increase the salary of twenty-one staff members of NISCOL. The increase meant an annual additional cost of VT720,000 to the company.
- 7.4 In response to the working paper Board member Mr. William Tari stated that the increase in the staff salaries was justified as the previous salaries and wages were too low, thus affecting NISCOL'S ability to hire qualified staff.
- 7.5 Salary and wage increases in 1996 were made despite the Board having been told on 19 December 1995 that sales in July were low. The Company also suffered a loss in September 1995 as indicated by the accountant's report. Furthermore, the Board was aware that NISCOL made a net profit of only VT317,200 in 1995.
- 7.6 In response to the working paper Board member, Mr. William Tari stated that the increase in salaries did not contribute to the low profit of the company as there are other factors like demurrage charges and maintenance to old equipment.

Salaries are an expense in a company such as NISCOL, an increase in which will affect the overall profits. Here, the Board was already aware that the company suffered losses in two months in 1995 and that its profit margin was only VT317,200 at the end of 1995.

Although maintenance to old equipment was carried out in the early 1990's when NISCOL took over the management of the company, despite this profits were high in 1993 and 1994.

## 8. DIRECTOR'S BENEFITS, FEES AND ADVANCES

### 8.1 Sitting Allowances

Year	Month	Original Amount (VT)	% Increase	New Amount (VT)
1995	August	3,000	66%	5,000
1996	May	5,000	100%	10,000
1996	September	10,000	200%	30,000
1997	October	30,000	100%	60,000

It is evident from the Board of Director's minutes that the directors of NISCOL have been regularly increasing certain benefits. From 1994 to 1997 the Board increased their various allowances three times (**see above and Appendix C**).

- 8.2 When the Board met the members received their daily sitting allowance of Vt10.000 on top of their fixed monthly allowance of Vt60,000. If the Board did not meet the members still got the monthly sitting allowance and the increase in the allowance. This was made regardless of whether the Board met for only a few hours, for a full day or had no meeting at all during the month.
- 8.3 The directors were informed during the Board meeting on 21 May 1996 that in 1995 NISCOL made a profit of Vt317,000 but agreed to grant the increases in spite of this fact. The majority of the Board members were also public servants occupying political positions in the Government and earning government salaries. In addition to their salaries they also got paid this monthly allowance. These Board members were:

Antoine Pikioune	- 1 <sup>st</sup> Secretary, Prime Minister's Office
Tom Bakeo (Permanent Officer)	- Director, Local Government Department
Theodore Solong	- 2 <sup>nd</sup> Secretary Ministry of Agriculture, Livestock, Forestry & Fisheries
Irene Bongnaim	- 1 <sup>st</sup> Secretary Ministry of Industry & Commerce
Havo Moli	- Executive Officer, Sanma Province

## 9. SEVERANCE AND GOODWILL PAYMENTS

9.1 The directors granted themselves severance and goodwill payments. These were paid at the end of each year they served as members of the Board. Following this decision they were to receive the following amounts at the end of every year, as severance and goodwill payments (**Appendix F**):

1994 VT240,000 each (backdated to the commencement of operations)  
 1995 VT200,000 each (when a member ceased to be a Board member due to change in the Government)  
 1996 VT2,500 per month for the period served as a Board member

9.2 In December 1994 the directors agreed that each Board member be given a good-will payment backdated to the time when the company commenced its operations (1992). Pursuant to such decision, seven directors received VT240,000 each totaling VT1,680,000. This was for the period 1992/1993 and was approved by the shareholders on 1 September 1995 during their meeting. Under section 31 of the Companies Act (CAP 191) the remuneration of the directors shall be determined by the company in general meetings.

In 1995 no severance and good will payments were made as all the directors remained as members of the Board.

9.3 Under section 202 of the Companies Act (CAP 191) it is unlawful to give any director of a company any payment by way of compensation for loss of office or as consideration for or in connection with his retirement from office unless the amount paid is disclosed to the members of the company and the proposal is approved by the company. These payments were not disclosed to the shareholders of the company.

9.4 Mr. Kalmer Vocor stated that the backdated directors' fees of VT240,000 was approved by the shareholders at their annual general meeting of 1 September 1995. According to the minutes of the meeting the amount was not disclosed to the shareholders as required by the Act. The matter was discussed generally and was endorsed by the shareholders without disclosing the amount.

9.5 In two instances the Board of Director's fees have been increased retroactively. These were later put forward to the shareholders meeting for approval. The shareholders approved the increases. Both Mr. Pikioune and Mr. Vocor were present at the shareholders meetings when the increases were approved.

9.6 During the various Board meetings in 1995 the Board discussed the company accountant's monthly report on the profits and losses made each month.

Meeting dates	Months losses made	
19 December 1995	September 1995	Company made losses (amount not stated)
9 August 1995	June 1995	Net loss VT590,162
6 July 1995	March 1995	Loss of VT2,893,726
6 July 1995	April 1995	Loss of VT1,893,139
11 April 1995	December 1995	Total losses for 3 months
11 April 1995	January 1995	VT1,200,784
11 April 1995	February 1995	

9.7 In contrast to Government owned statutory bodies and companies, the NISCOL Board of Directors are entitled to severance and goodwill payments when they cease to be directors at the rate of VT2,500 per month for each year served. The Office of the Ombudsman was informed that the directors of these statutory bodies and companies do not get any benefits when they cease to be members of their various Boards:

- Vanuatu Broadcasting and Television Corporation

- Air Vanuatu
- National Housing Corporation (NHC)

## 10. ADVANCES (MONEY ADVANCED TO BOARD MEMBERS)

10.1 From 1994 to 1997 considerable advances were made to members of the Board of Directors. This followed a decision by the Board at a meeting in August 1995 in Sydney, Australia. During this period the members of the Board's total advances were VT2,442,012. In 1997 a total of VT1,124,851 in previous advances remained to be repaid by all the Board members. Despite not having repaid their previous advances, management continued to grant advances to those who requested them (**Appendix G**).

There were no arrangements made by management for the recovery of the outstanding advances.

10.2 On 26 July 1996 the Board decided and unanimously agreed that the advances be written off. The Directors present at the meeting were:

Mr Antoine Pikioune	Chairman of the Board
Mr Kalmer Vocor	General Manager
Mr William Tari	Director
Mr Theodore Solong	Director
Mr Leon Ova	Director
Mr Samuel Turoget	Director

10.3 Their decision was submitted to the shareholder's meeting on 20 December 1996. The shareholders agreed to write off the individual accounts. The total amount written off was VT513,677 (**Appendix H**). The individual amounts are as follows:

Mr Samuel Turoget	VT36,000
Mr Theodore Solong	VT71,000
Mr William Tari	VT48,520
Mr Kalmer Vocor	VT59,597
Mr Leon Ova	VT10,000
Mr Havo Moli	VT57,000
Mr Antoine Pikioune	VT231,560

10.4 The members of the Board who were present at the shareholder's meeting when it was approved that the advances be written off were:

Mr Antoine Pikioune  
Mr Kalmer Vocor  
Mr Tom Bakeo  
Mr Erere Bongnaim

10.5 The Chairman of the Board, Mr. Antoine Pikioune introduced the issue of writing off the advances and elaborated on it before the matter was discussed by the shareholders. After the shareholders had written off the advances the same Board members continued serving as Directors. They were:

Antoine Pikioune	Kalmer Vocor
William Tari	Leon Ova
Theodore Solong	(removed as director on 11 October 1996)
Samuel Turoget	

## 11. ALLOWANCES PAID TO THE CHAIRMAN

11.1 On 16 April 1996 the Board discussed and agreed that the Chairman of the Board Mr. Antoine Pikioune, was to receive a responsibility allowance of VT30,000 and a duty allowance of VT20,000. Also it was agreed that a telephone was to be installed at his house and NISCOL would meet the cost. There were no records showing what duties and responsibilities the Chairman had apart from chairing the Directors' meetings.



- 11.2 These allowances were granted in addition to his fixed monthly allowance of VT30,000. The Chairman was based in Port Vila at the time and was getting paid his normal salary from the Public Service. Also he was not a full time employee of NISCOL. The Chairman's monthly allowances were:

Responsibility Allowance	Vt30,000
Duty Allowance	Vt20,000
Director Monthly Allowances	<u>Vt30,000</u>
	Vt80,000

- 11.3 In December 2000 the General Manager, Mr. Kalmer Vocor, stated that the Chairman of the Board receives Vt90,000 per month, (an extra VT10,000).

- 11.4 In March 2001 the Ombudsman received confirmation from Telecom Vanuatu Limited (TVL) that since 1998 the telephone has not been used. However, Niscol continued paying the monthly rental charge of VT1,350 to date<sup>1</sup>.

## 12. TRAVEL & ACCOMODATION

- 12.1 Expenses for travelling and accommodation have been increasing since 1993. According to the audited accounts the annual increases were as follows:

(VT Million)	1993	1994	1995	1996	1997
	1.5	2.8	5.3	5.0	6.7

- 12.2 One of the reasons that the travel and accommodation costs increased in 1995 was because the Board traveled to Australia on a familiarization visit to see how large wharves operate. At the same time it held a Board meeting in Sydney.

- 12.3 From 1994 to 1997 the Board had been holding a number of meetings outside Luganville where the company's head office is based (**Appendix I**). During this period it held nine Board meetings in Port Vila and one in Sydney. It is noted that some of the meetings were held in restaurants in Port Vila.

- 12.4 Mrs. Lydia Lui ( a former employee of NISCOL), stated that on many occasions management had been complaining about certain trips made by the manager and directors as they were unnecessary. It is alleged that these trips were for political matters but that the company had been meeting the costs. These included rental cars, restaurant bills and accommodation costs.

## 13. BOARD VISIT TO SYDNEY

- 13.1 Between the 6<sup>TH</sup> and the 16<sup>th</sup> of August 1995 the Board members visited Sydney on a familiarization tour. On 9 August the Board held a meeting at Mr. William Longwah's Guesthouse. The meeting lasted for a few hours and closed at 1:43 p.m. Members present at the meeting were:

Mr.Tom Bakeo	Mr.Havo Moli
Mr.Leon Ova	Mr.William Tari
Mr.Theodore Solong	Mr.Kalmer Vocor (General Manager)
Mrs. Lydia Lui (Minute Secretary)	

- 13.2 Out of the ten days that the Board spent in Sydney, the Board took three days to visit wharves and container depots while the remaining seven days were spent sight seeing and shopping. The total cost to NISCOL for the trip to Australia was VT2,556,339.

<sup>1</sup> A telephone was installed in April 1996 at Mr Pikioune's house in Port Vila with full monthly expenses paid by Niscol.

In May 1999 the General Manager informed this office that the main reason for the Board members going to Australia was to see how large wharves operate and that the knowledge gained from the trip would help them make necessary improvements to the Company.

Mr. William Tari stated that after the trip to Sydney the position of NISCOL improved by having its system computerized and its administration became more efficient.

Mrs. Lydia Lui stated that she went to Sydney to take the Board minutes. She was there but returned during the first week immediately after the Board meeting. The rest of the Board members returned on 16 August 1995.

Following the Sydney visit the financial position of NISCOL continued to deteriorate. In 1995 the Company made a mere profit of VT317,000 and in 1997 it fell to VT247,000.

#### 14. TRIP TO TAIWAN

14.1 In early 1995 the General Manager Mr. Kalmer Vocor and Alex Bodiam of Auto, Marine & Heavy Equipment Services made a trip to Taiwan to purchase two trucks and a loader. The cost of the trip was borne by NISCOL. The total cost of the trip was VT1,152,354.

Mr. Kalmer Vocor stated that he did not go to Taiwan and he has never been there. However, the following is an extract from the Board meeting on 11 April 1995.

14.2 *"K Vocor stated that he and Alex Bodiam had made a trip to Taiwan to purchase (2) trucks and a loader. Pamphlets of these were shown and K Vocor said the loan had already been approved by the Development Bank. Tom Bakeo asked about spare parts, K Vocor said they were available in Australia"*

#### 15. FUEL

15.1 The expenses on fuel from 1993 onwards have been increasing. They were as follows:

Year.	1993	1994	1995	1996	1997
(VT. Million)	5.1	5	5.5	7.7	12.0

During the Directors meeting on 19 December 1994 comments were raised by a Board member that it was good to note a drop in the cost of fuel. The General Manager Mr. Kalmer Vocor stated that in 1995 measures would be taken to decrease costs on fuel spending. However, despite this assurance by the General Manager there was no reduction in the cost of fuel. Instead, fuel costs rose to VT7.7 million (1996) and to VT12 million(1997). This was a huge increase of over VT.4 million.

15.2 On 30 November 1995 a national general election was held to elect new members of Parliament.

During the Board meeting on 19 December 1995 a member of the Board of Directors raised the point that the cost of fuel was very high and there was a lot of misuse of company vehicles. The General Manger Mr. Kalmer Vocor explained that because it was a busy month for the election this caused the cost of fuel to increase (**Appendix J**).

15.3 During the Board meeting on 26 July 1996 a Board member also stressed that company vehicles be driven only by authorized officers of the company to avoid criticisms from the general public. This indicated that vehicles belonging to NISCOL were being driven by people who may not be employees of the company or who were not authorized to drive the company's vehicles.

- 15.4 During the general election in March 1998, eight hundred and ninety nine (899) liters of fuel belonging to NISCOL was authorized and used for transport to South and East Santo for UMP political party campaign teams. The total cost of the fuel was VT84,237. Although invoices were sent to UMP to settle the bills, no settlement has been made to-date. **(Appendix K)**.
- 15.5 In May 1999 Mr. Vocor informed this office that NISCOL only had an indirect role during the election. This was because the staff at the Company and Board members were supporters of various political parties. He further stated that he personally approved the issue of fuel to the South and East Santo UMP campaign teams and that the outstanding debt is an insignificant amount when compared to the total value of the company's assets. The amount has not been repaid and has been treated as a donation to UMP.
- 15.6 In her reply to the working paper Mrs. Lydia Lui stated that the Manager and the Chairman were allowed to draw fuel for their personal use at any time whether on official business, personal or on political party business including political campaigns. The costs were being met by NISCOL.

## 16. DONATIONS

- 16.1 During the period from 1993 to 1997 NISCOL was giving donations to different communities and sports clubs. The figures for donations have been increasing steadily over these periods as follows:

Year.	1993	1994	1995	1996	1997
(VT Million)	.2	.3	.9	.8	2.7

- 16.2 During the Directors' meeting in Sydney on 9 August 1995, the Board went through the list of debtors. During the meeting the Board agreed that the advances under Mr. Antoine Pikioune's name totaling VT370,980 were in fact for the UMP. Subsequently, the Board decided to write off the debt as a donation to the party **(Appendix L)**. The board members present at the meeting were; Mr. Antoine Pikioune, Mr. Tom Bakeo, Mr. Havo Moli, Mr. Leon Ova, Mr. William Tari, Mr. Theodore Solong and Mr. Kalmer Vocor.
- 16.3 Mr. Kalmer Vocor stated that there is nothing wrong with the donations because these are spread around the provinces that are shareholders of NISCOL. However, he did not comment on the decision of the Board in Sydney regarding the VT370,980 that was written off as a donation to a political party.
- 16.4 In reply to the working paper Mr. William Tari stated that donations were part of the Board's decision to assist various communities in the respective provinces and many communities are happy with the decision. However, he did not comment on the decision the Board made in Sydney regarding the VT370,980 that was written off and taken as a donation, not to a community, but to a political party.

## 17. DEBTORS

- 17.1 From 1993 the total of trade and other debtors has been increasing steadily. Provisions for write off to cover debts have also increased between 1994/1996. The figures for both trade and other debtors were as follows:

Year	1993	1994	1995	1996
Trade Debtors (VT million)	21	16	23	36
Other Debtors (VT million)	2	2	3	5

- 17.2 On 31 May 1996 the Board of Directors approved and wrote off various bad debts totaling VT1,015,041. The debts owing to various individuals, Santo/Malo Sports Association and Santo/Malo Local Government Council. The Board also decided to write off advances totaling VT370,980 under the name of Antoine Pikioune. The Board

decided during the meeting to transfer this amount under the name of Mr. Pikioune to UMP Party and approved that the amount be written off.

17.3 In February 1997 the company's auditors wrote to the General Manager Mr. Kalmer Vocor and commented that the ratio of doubtful debts to debtors was extremely high. He stated that the Company (NISCOL) must put in place new procedures to better control the level of doubtful debts. The Auditors recommended that:

- adequate checks be made on the customer's ability to pay before giving credit;
- outstanding bills must be followed up promptly;
- they put a credit limit on slow paying customers, and
- smaller customers must not be given credit but must pay cash.

Despite the Auditors' recommendations, the Company took no notice and appeared to continue giving credit to customers. Some customers had not settled previous debts. This was particularly noticeable in regard to inter-island traders.

17.4 In June 1999 the Ombudsman was informed by the accountant of NISCOL that the total owing by UMP party of VT731,155 was written off during the Board meeting on 9 August 1995 in Sydney. This written off amount was treated as a donation. During that meeting the Board decided that the UMP debt be written off and treated as donations. But with regard to the other debtors, the Company was directed by the Board to write warning letters followed by a threat to take legal action if they do not settle outstanding debts.

Those present at the Board meeting were:

Messrs.	Antoine Pikioune	Chairman
	Tom Bakeo	Director
	Havo Moli	Director
	Leon Ova	Director
	William Tari	Director
	Theodore Solong	Director
	Kalmer Vocor	General Manager

In July 1999 the General Manager advised the Ombudsman that a complete review of the debtor's system had been put in place following the auditor's recommendation.

17.6 In August 1999 the Assistant Manager of NISCOL Mr. J Jondy Bule informed this Office that the Company may not have followed up on these debts because it was too much of an effort to chase up such small amounts. He went on to state that the amount owed by Santo/Malo Local Government Council was not followed up because it changed its name to Sanma Provincial Government.

## **18. DISCOUNT TO SANTO VENEERS AND TIMBERS LTD**

18.1 On 16 April 1996 the Board of Directors agreed that Santo Veneers and Timbers Ltd. be given a 10% discount on stevedoring fees on the volume of logs more than 500 cm<sup>3</sup> exported by the company. If the company exported more than 500 cm<sup>3</sup> the discount would be increased to 20%. On 2 May 1996 the Board of Directors further agreed that NISCOL accept a 40% discount for a period of one year after which it would be reviewed. At the meeting Mr. Vocor stated that if the Company was offered a 50% discount this would make a container worth VT22.135. On 12 June 1998 the Board agreed to reduce the discount to 25%.

18.2 The Directors' decision resulted in NISCOL losing quite a substantial amount in revenue. On 17 April 1998 the accountant brought the matter to the attention of Mr. Kalmer Vocor. In his letter he stated that because the Company gave a 40% discount this was equivalent to a VT11.186.056 loss in revenue.

## 19. FORKLIFTS

- 19.1 On 10 September 1996 the Directors approved the purchase of a new 7 ton forklift at a cost of around VT6.5 million. The machine arrived in Vila and was cleared at customs by Bodiam Auto, Marine and Heavy Equipment services on behalf of NISCOL.

According to the Custom's declaration records the value of the forklift was USD 38,349,00 which is equivalent to VT4,189,628 at CIF. Bodiam paid a total of VT293,274 for service tax as the machine was exempted from duty.

- 19.2 In 1996 the Chief mechanic was sent to Korea for training. The cost to NISCOL was VT120,000 whereas all the expenses for the trip were paid by Bodiam.

- 19.3 In February 1997 an invoice was sent to NISCOL by Bodiam showing that the total cost of the machine plus service tax and turn over tax was VT7,309,995. NISCOL completed the payment to Bodiam over various dates.

- 19.4 Mr. William Tari stated that the purchases of the new equipment were justified and that the Office of the Ombudsman did not know the condition of the equipment when it was purchased from the previous management nor did the office know its condition when in operation.

- 19.5 In November 1997 the Board approved the purchase of two new forklifts for NISCOL.

- 19.6 On 12 January 1998 the General Manager Mr. Kalmer Vocor accepted a quotation from Bodiam Auto Marine & Heavy Equipment Services (**VT27,608,315**) for two Daewoo forklifts of different sizes (D40S and a D150 forklifts). During the same month (January) the first payment and installment of VT13,804,157 was made to Bodiam. The second payment of VT8 million and last payment of VT8,286,899 was made in May of the same year.

The total costs including Cost Insurance and Freight (CIF) for the two forklifts from the supplier in Korea was USD118.766.00. This was equivalent to VT14.888.505 (**Appendix M**).

- 19.7 In 1998 the following payments were made to Bodiam for the forklifts: (**Appendix N**).

27 January 1998	VT13,804,157 (first payment)
8 May 1998	VT8,000,000 (second payment)
23 May 1998	VT8,286,899 (third/final payment).

The payment in January 1998 was made prior to the arrival of the forklifts. The machines arrived in May 1998.

The total cost of the machines at CIF from the supplier was VT14,888,505 whereas NISCOL paid Bodiam the total of VT30,091,056 including his Service Tax refund of VT2,484,742.

- 19.8 On 25 May 1998 Bodiam informed NISCOL that he had paid the service tax on the two forklifts and he was to be refunded an amount of VT2,484,742. According to the calculation on the Custom's declaration form, Bodiam only paid a total of VT1,042,195 in service tax whereas the Company paid the total of VT2,484,742 for service tax. (**Appendix O**).

During an interview with the Office of the Ombudsman Mr. Alex Bodiam indicated that it is standard business practice for him to maximize the amount of profit he can obtain. This is normal practice for the business. He advised that he will make money any where he can.

In May 1999 Mr. Vocor informed the Office of the Ombudsman that NISCOL did not invite tenders for the supply of forklifts as it is not usual NISCOL practice nor does the company have any obligation to invite tenders. The Company used Bodiam because he has the experience and knows what the company needs. Bodiam continues to maintain and provide services to NISCOL heavy-duty equipment whenever he is asked to.

## **20. PURCHASE OF A GENERATOR (for personal use).**

- 20.1 On 7 July 1994 Mr. Vocor purchased a generator allegedly for personal use from Vanuatu Auto Suzuki at the cost of VT100,000. The cost of the generator was included and paid for by NISCOL to Vanuatu Auto Suzuki totaling VT420,000. The cheque was issued by the Company bearing the signature of Mr. K. Vocor. This amount is still outstanding and owed by Mr. Vocor. **(Appendix P)**. In addition, this office has received confirmation from the Chief Mechanic of the Company that NISCOL has only one generator which has been used as a standby generator since 1980.

The General manager stated that he has paid for the generator by deductions from his wages. He did not however, submit any documents showing the deductions.

## **21. PURCHASE OF SPARE PARTS**

- 21.1 In 1997 and 1998 NISCOL placed orders with a New Zealand firm for spare parts. At the same time Mr. Vocor also placed orders for spare parts for his private vehicles from the same supplier. The costs of Mr. Vocor's spare parts were included in the invoice to NISCOL and subsequently the Company paid for both orders. The Accounts Clerk at the time prepared an invoice for **VT 316,459** and sent it to the General Manager to settle the amount with NISCOL. To date, there is no evidence to show that Mr. Vocor has refunded this amount and settled the account with NISCOL **(Appendix Q)**.

In the meantime, Mr. Vocor stated that he has paid for the spare parts by deductions from his wages. However, he did not submit any documents showing the deductions from his wages to support this claim of repayment.

## **22. PURCHASE OF TIMBER WITH MONTHLY ENTITLEMENT FUNDS.**

- 22.1 In November 1997 the Assistant Manager Mr. J. Jondy Bule wrote to Santo Veneers & Timber Ltd. to supply various sizes of timber to NISCOL. The total cost of the timber was VT534,539 and was paid for by NISCOL **(Appendix R)**. However the Office of the Ombudsman was advised by the Assistant Manager that NISCOL paid only VT518,500 for the timber.
- 22.2 In June 1999 the Assistant Manager Mr. J Jondy Bule advised the Office of the Ombudsman that the timber paid for by NISCOL was for the two directors namely Mr. Samuel Turget and Mr. Leon Ova. NISCOL paid for their timber instead of giving them their cash entitlement. This amount was deducted from the payment owing to NISCOL by Santo Veneers and Timber company.
- 22.3 On 19 December 1996 the Directors agreed that each director be entitled to VT2,500 per each month they served as director. Both directors were appointed to the Board on the following dates:

Samuel Turget	19 December 1995
Leon Ova	16 January 1992

Following this decision in 1996, the two directors would have been entitled only to these amounts up to end of 1997 respectively:

Samuel Turget	VT60,000 (1996 & 1997)
Leon Ova	VT120,000 (1994 to 1997)

The total amount was VT.180,000 for both members. The total cost of timber was VT518,500. They gained an additional VT338,500 in entitlements by the purchase of this timber.

The payment of the timber costing VT518,500 was more than their earned entitlement from the date they were each appointed to the Board to December 1997.

### **23. USE OF NISCOL FUNDS FOR POLITICAL CANDIDATES FEES**

- 23.1 On 10 February 1998 leading up to the March 1998 general election, the Second Secretary of the Office of the Prime Minister Mr. William Tari, wrote to General Manager of NISCOL (Mr. Kalmer Vocor) asking him to negotiate on his behalf the amount of VT1.5 million. The money would be used by the UMP Party to pay for the candidates' fees during the general election. Mr. Tari further stated that the money would be refunded in February of the same year.
- 23.2 Following this request, Mr. Vocor and his Assistant Mr. Jacobson J Bule issued a Company cheque for the amount of VT1.5 million (**Appendix S**). The cheque was paid into an account called Sons & Transport at the National Bank of Vanuatu. In May 1998 the Board decided that the General Manager write to UMP and ask that the money be paid back. The Board also agreed that this money be treated as a loan (**Appendix T**). The amount represents thirty (30) candidates' fees at VT50,000 each.
- 23.3 On 11 May 1998 the General Manager Mr. Kalmer Vocor wrote to the President of UMP asking that the money be paid back to NISCOL but his attempt was unsuccessful. The money is still outstanding and has not yet been repaid to NISCOL (**Appendix U**).
- 23.4 On 21 July 1999 Mr. Vocor advised the Office of the Ombudsman that the payment of this money did not have the prior approval of the Board. The Board was advised of the payment to UMP at a Board meeting in May 1998.

Neither Mr. Kalmer Vocor nor Mr. William Tari submitted any comments on this matter in their responses to the preliminary report on this case.

### **24. LOAN TO EAST SANTO UMP COMMITTEE**

- 24.1 On 16 February 1998 the Mr. Kalmer Vocor issued a Niscol cheque for VT50,000 to the East Santo UMP Committee (**Appendix V**). In May 1998 the Board agreed that the money be classified as a loan (**Appendix W**). At the meeting the General Manager informed the Board that the money had been paid. The money was repaid sometime in March 1998.

### **25. FUNDING A POLITICAL MEETING ON PAAMA.**

- 25.1 At the request of VP Sub-committee in Luganville for assistance, Mr. Kalmer Vocor issued a NISCOL cheque for VT20,000 on 7 September 1998 to the Sub committee of the VP Congress on Paama. (**Appendix X**).
- 25.2 In a letter to the Ombudsman, Mr. Vocor stated that he found it extraordinary that the Office of the Ombudsman was wasting time on such an insignificant amount of money.

### **26. HIRE OF COMPANY VEHICLES FOR ELECTION CAMPAIGN**

- 26.1 During the Board meeting in May 1998 it was agreed by the Board that the hiring of vehicles during the election be classified as a donation (**Appendix Y**). There is no figure given for the hiring charge or for the cost to NISCOL.

In July 1999 Mr. Vocor informed the Office that the Prime Minister at the time Mr. Serge Vohor made a request to NISCOL to use one of its vehicles during the campaign and since he was a high ranking politician, a Company vehicle was given to him. Mr. K.Vocor authorized the loan of the vehicle to Mr. Serge Vohor without charge.

## 27. HOUSING ALLOWANCE

- 27.1 On 4 August 1994 the Board approved housing allowances to the staff of the company. Those who were housed by the company were now receiving VT12,000 each month while those who were not housed by the company were getting VT15,000 per month. Employees who were not on contract were receiving VT5,000 per month. The General Manager's monthly housing allowance was VT50,000.

It is not clear why staff who were provided accommodation by the company were entitled to a housing allowance. They each were receiving VT12,000/month despite being housed by NISCOL.

## 28. PURCHASE OF PROPERTY (OFFICIAL RESIDENCE OF GENERAL MANAGER)

- 28.1 In 1995 the Board decided to purchase a property in Luganville for the official residence of the General Manager of NISCOL. The property cost VT7 million. During the Board meeting on 6 July of the same year, the Board was informed that VT5 million was borrowed from a bank and the other VT2 million was paid by NISCOL.

Following the purchase, the General Manager did not use the building but went to live in his own house. During the time he lived in his own house he was getting VT50,000 each month as housing allowance. The newly acquired property that was then rented out at VT50,000 per month.

- 28.2 Mrs. Lydia Lui informed this office that after purchasing the building the General Manager continued living in a rented house paid for by NISCOL. The General Manager vacated the rented building and went to live in his own new house. NISCOL continued to pay rent to the General Manager for living in his own house. In the meantime, the building that was purchased was rented out monthly for VT50,000. Even though NISCOL received this monthly rental, the company did not benefit as the rent received was offset by the monthly housing allowance paid to the General Manager.

## 29. FINDINGS

**Finding 1: The Board of Directors had a conflict of interest and used their positions for personal gain. It is a breach of Article 66(1)&(2) of the Constitution. Numerous board decisions through the years were based on party politics as opposed to sound business management principles and ethics. Management and Board Members used NISCOL financial resources for political and personal gratification.**

From December 1994 to December 1996 the Directors increased their daily sitting allowance from VT5,000 per day to a fixed amount of VT60,000 per month. This increase was done without due regard to the financial position of the company. If the company was not making a profit the Board members still got paid the allowance. Even if the Board meeting only lasted a few hours they would still be paid the monthly allowance. This indicates that they were more interested in their own benefit than maximizing profits for the shareholders of the company.

The Board of Directors Fees was an item included in the agenda and was approved in the shareholders meeting on 5 September 1995. The amount to be paid out was not disclosed to the shareholders as required by Section 202 of the Companies Act.

**Finding 2: The General Manager, Mr. Kalmer Vocor acted irresponsibly by issuing NISCOL fuel to a political party for campaign purposes. He misused Company fuel under his care and management.**

Mr. Vocor's action was blatantly irresponsible. He used his position to support a political party of which he is a member at the expense of NISCOL and the shareholders. He used the fuel belonging to the Company to support his political party and later took part in the discussion to write off the amount owing. Mr. Vocor was



appointed to the position as general manager to manage NISCOL and its affairs on behalf of and in the best interests of the shareholders. Any decision taken has to be in the best interest of NICOL and especially the shareholders. As a result of his action NISCOL lost VT84,237 worth of fuel. His action constitutes a misuse of NISCOL energy resources in the form of fuel.

**Finding 3: Mr. Kalmer Vocor misused the company's money by purchasing a generator for personal use without refunding the money. He used his position for personal gain and as such is in breach of the Leadership Code**

Mr Vocor used his position to sign a company cheque to Auto Motor Suzuki to purchase a generator at the cost of Vt100,000 with the full knowledge that the generator was for his personal use. He further allowed his personal account to be paid from NISCOL funds. His action constitutes a misappropriation of NISCOL funds.

**Finding 4: Mr. Kalmer Vocor and Mr. William Tari's actions are blatantly unreasonable in misusing and misappropriating NISCOL funds. They directed and used company money for political gain.**

Mr. Vocor and Mr. Tari used their positions as directors to access NISCOL funds without the consent of the shareholders. They used the VT1.5 million at the expense of the shareholders to gain political support for the political party of which they are members. After giving the money to the political party they failed to recover the money. Their actions constitute a misuse and misappropriation of funds and demean the positions they held (Board Member and General manager respectively).

**Finding 5: Mr. Kalmer Vocor misused and misappropriated NISCOL funds. He used Company money on political matters without the prior knowledge of the Shareholders of NISCOL.**

On 10 February 1998 Mr. Vocor issued a cheque worth VT50,000 to East Santo UMP committee. Also on September 1998 he issued another cheque worth VT20,000 to the Luganville VP sub-committee. The use of NISCOL funds for political gain and support is blatantly unreasonable and constitutes a misuse and misappropriation of company financial resources. This money belongs to the people of Vanuatu through their shares in NISCOL. Such funds should not have been used in this manner. As the General manager of a company owned by the people of Vanuatu, Mr. K Vocor has a duty to ensure that company money is spent in the best interest of NISCOL and the Shareholders. The Board's approval had not been sought. His comment to the Ombudsman during enquiry that he was wasting his time in this insignificant amount was unprincipled.

**Finding 6: Mr. Kalmer Vocor's action in giving away a NISCOL vehicle to Mr. Serge Vohor, President of UMP and then Prime Minister without charging any hiring fee is blatantly unreasonable and constitutes a misuse and mismanagement of company asset.**

NISCOL belongs to the 5 Shareholders, namely the four provinces **Torba, Sanma, Malampa, Penama and the Vanuatu Government represented by the Director of Provincial Affairs**. Rather than the shareholders, a single political party, UMP, gained from the free use of the vehicle.

**Finding 7: Mr. Vocor and Mr Tari's actions have resulted in a substantial loss of VT1.5 million of the Shareholders' money and a financial gain by a political party of which both men were or are members.**

The directors' actions in giving away the shareholder's money to the UMP party has resulted in a loss of profit for the shareholders. Both Messrs. Vocor and Tari misused the positions they held as Board members by having access to the shareholders money and using it to support a political party. Their actions constitute a misappropriation of NISCOL funds.

**Finding 8: Mr. Kalmer Vocor failed to publicly call for tenders for the purchase of heavy equipment (two forklifts). Instead, he did business directly with only one importer/company (Bodiam Auto, Marine, & Heavy Equipment Services) in Port Vila.**

Mr. Vocor's decision to allow only Bodiam to import heavy machinery and to pay Bodiam **over VT30 million** was blatantly unreasonable and could be considered in breach of Government Tendering procedures. He failed to call for competitive tendering from suppliers of heavy machinery by not tendering publicly. As a result of this action, NISCOL had no choice but to pay whatever price was being charged by Bodiam Auto, Marine, & Heavy Equipment Services.

The Office of the Ombudsman is concerned of the way in which NISCOL Management went about the heavy equipment and machinery was purchased. Since the total cost of this equipment was very high and expensive, it is a normal statutory requirement for agencies using public funds to tender for the supply of the same. That would have allowed NISCOL the ability to select the most reasonable price for the heavy equipment that best meets its needs.

**Finding 9: Mr. Kalmer Vocor and the NISCOL Board of Directors failed to ensure that the Company operated on a sound and realistic budget which sets out its targets on income and limits on its expenditures. Their failure to draw up a proper budget for the company to operate constitutes a lack of sound management practice and lack of proper corporate strategic planning to promote NISCOL objectives.**

A company cannot operate efficiently without having a proper budget drawn up by its Management and subsequently approved by its Board. It is an important control mechanism, because it sets out the company's targets in terms of income and also places a limit on expenditures. To operate without a budget is bad management practice.

**Finding 10: The decision of the Board to award themselves a visit to Australia was blatantly unreasonable, thus constituting an unnecessary company expense.**

The General Manager Mr. Kalmer Vocor and the Board members used their positions to travel to Australia at the expense of the shareholders. The spending of VT2.5 million on the trip was a waste of NISCOL funds. It was not worth sending the whole Board to Sydney. Out of the ten (10) days that the Board spent in Sydney, three (3) days were spent in visiting container depots and wharves while seven (7) days were spent in sight seeing and personal shopping. As such, this action was blatantly unreasonable.

**Finding 11: The Board members had a conflict of interest in deciding to write off a debt owing to NISCOL by the political party to which they belong, while at the same time they pursued other debtors. This is in direct breach of Article 66(1)(a) of the Constitution which places a duty on a leader not to place himself in a conflict of interest situation.**

The action and decision of the Board members in writing off the debt of VT731,155 owed by the UMP political party to NISCOL and to pursue the other debtors was biased. The Board members allowed their political party to obtain advances from NISCOL at the expense of the Shareholders while they decided to pursue other debtors.

**Finding 12: The Board of Directors of NISCOL has allowed UMP to use the Company as its private lending institution where party officials can borrow money without having to pay it back.**

Since 1994, Board members have been taking personal advances from NISCOL funds. Some have refunded their advances while others have not. They have been using NISCOL as their own lending institution where they can take advances at the expense of the shareholders in the company. The money is rarely repaid and is usually written off. Their personal interest cost the shareholders VT513,677.

**Finding 13: The Board members abused and misused the positions they held by making advances from NISCOL Funds. They breached Article 66(2) of the Constitution and Section 201 of the Companies Act.**

Article 66(2) of the Constitution prevents leaders from using their office for personal gain. In addition, under section 201 of the Companies Act (CAP 191) it is unlawful for a company such as NISCOL using public funds to make loans to its directors. The advances made contravene the Act.

**Finding 14: The Board's decision to grant increases in the salaries during the time when the profit was down shows a lack of proper decision-making process based on sound management consideration and practice.**

The Board should have taken the Company's financial status into consideration before deciding on these increases. It would have been better if these increases were made when and if the financial position of the company had improved. The decision to increase the salaries at a time when the company's profits were down showed a serious lack of comprehension of simple financial management decisions by the directors.

**Finding 15: The Board members have breached Section 202 of the Companies Act by approving and granting themselves severance and goodwill payments.**

The Board of Directors made the decision to pay themselves severance and goodwill payments without due regard to the requirements of the Companies Act. The increase was also decided upon despite their having been informed by the accountant that the company had net losses and minimal profits. These increases were granted at the expense of the shareholders.

**Finding 16: Messrs. Pikioune and Vocor's presence in the shareholders meeting where it was decided that the director's advances, including their own, be written off shows a conflict of interest. Both directors should have declared their interest and taken leave of absence from the meeting. This was in direct breach of Article 66(1)(a) of the Constitution.**

Their presence at the Shareholder's meeting amounted to a conflict of interest as they both were present and took an active part in the discussion and decision that was subsequently made in their favor.

**Finding 17: The decision of the Board members to allow 40% discount for stevedoring fee to Santo Veneers & Timbers Ltd. was blatantly unreasonable and without justification.**

The decision of the Board indicated that the Board members had very little idea of what they were in effect approving. Their decision resulted in a direct loss of revenue to NISCOL that amounted to over VT11 million. This resulted in a marginal profit of only VT247,706 in 1997.

**Finding 18: The action of the Assistant Manager, Mr Jacobson J Bule, in requesting timber for the two directors at a cost of VT518,500, (more than their earned entitlements) which was then paid for from NISCOL funds was improper.**

The Assistant Manager failed to spend NISCOL funds correctly. As a result of his action VT338,500 was unreasonably spent. This matter was never brought up at the Board meetings for approval. The unauthorized amount spent was not refunded by the two directors.

### 30. RECOMMENDATIONS

**Recommendation 1: The Minister for Internal Affairs must ensure immediately that all the Shareholders are properly represented on the Board of Directors of NISCOL**

The past Board of Directors consisted of people who were allegedly appointed on the basis of political party affiliation. As a result of such an arrangement the provinces of Torba, Malampa and Penama were not represented on the NISCOL Board. The members of the Board were mainly from Sanma Province and the Government. The Minister of Internal Affairs must ensure fair representation of all the Shareholders on future Boards.

**Recommendation 2: The Presidents of the four Provinces and the Government should make changes to the Memorandum and Articles of Association of the Northern Island Stevedoring Company Limited (NISCOL) to ensure and safeguard company interest, reduce discretion and increase compliance within Management.**

A review leading to changes in the Memorandum and Articles of Association would allow the Shareholders to recruit a General Manager who is not a nominated member of the Board. The appointment of a general manager should be made on merit. There should be a clear direction for NISCOL to follow on its social organizations portfolio, sponsorships and contributions.

**Recommendation 3: The Police Commissioner is to conduct an investigation on the alleged misappropriation and granting of NISCOL funds to non-company employees and political parties by the General Manager.**

The action of the manager in using NISCOL assets in an arbitrary fashion is not proper and may constitute misappropriation. He is acting on behalf of the shareholders and is to ensure that the assets of the company are used in their best interests. Giving NISCOL funds to friends and political parties by the manager without the approval of the Board of Directors constitutes misuse and misappropriation of company funds.

**Recommendation 4: The Shareholders review the current Board members' excessive fixed monthly allowance of VT60,000 with the view to replacing such with sitting allowances only.**

It would be in the best interests of the shareholders to ensure that their provinces (and constituents) get the best return on their investments. Since all travelling and accommodation expenses of the Board members are met by NISCOL during Board meetings, it would be prudent to pay only sitting allowances. Public servants who are appointed as directors should only be paid sitting allowances but not monthly allowances. Being a public servant who is being paid by the citizens of Vanuatu each month and at the same time getting paid VT60,000 per month for being a member of a board in a company (which is owned by the citizens of Vanuatu) is not proper and unethical by any account. Board members are not employees of NISCOL, therefore they should not be entitled to such monthly allowances.

**Recommendation 5: The Shareholders should launch a civil suit against the following directors and the General Manager who approved the write off of their own outstanding advances on 26 July 1996.**

Mr Antoine Pikioune  
Mr William Tari  
Mr Theodore Solong

Mr Kalmer Vocor (General Manager)  
Mr Leon Ova  
Mr Samuel Turget

The directors who advanced from NISCOL funds and later made the decision to write off the advances showed a conflict of interest and disrespect for the Shareholders. Even though the individual amounts were written off, the same members continued to serve on the Board as directors and continued to receive sitting and monthly allowances. They did not make any effort to settle their outstanding advances with the Company.

**Recommendation 6: The Shareholders should recover all money allegedly owned to NISCOL to include the VT338,500 for the timber paid by NISCOL and given to Messrs. Samuel Turget and Leon Ova.**

The two Board member's entitlement amounted to less than the total cost of the timber. Since NISCOL paid for their timber, the difference should be recovered by NISCOL forthwith.

**Recommendation 7: A proper tendering procedure based on Government Tendering Laws for purchasing heavy machinery must be put in place by the NISCOL Management. This procedure must be recommended to and approved by the Board of Directors.**

It would be in the best interests of the Shareholders to invite tenders to supply and maintain heavy machinery to NISCOL. By restricting the ordering of heavy machinery to Alex Bodiam Auto Marine & Heavy Equipment Services, there is no competitive pricing. As a result of this restriction NISCOL has spent excessively and extravagantly for its machinery and equipment over the years.

**Recommendation 8: The Police Commissioner should launch a criminal investigation into the misappropriation of funds against Board members with respect to the excessive granting of severance and goodwill payments to themselves.**

The Police Commissioner should consider launching a criminal investigation against Board members who misappropriated company funds in granting severance and allowance payments to themselves.

**Recommendation 9: The Police Commissioner should launch a criminal investigation into the actions of Mr Vocor and Mr Tari in giving VT1.5 million to the UMP without the approval of the shareholders.**

A criminal investigation should be launched into the actions of Mr. Vocor and Mr. Tari for the misappropriation of VT1.5 million of shareholder's money. As directors, they had full knowledge of their responsibility to the Shareholders. The internal arrangements they made in giving the money to the UMP constitute a misappropriation of funds.

**Recommendation 10: The Police Commissioner should launch a criminal investigation into Mr. Vocor's purchase of a generator and spare parts for personal use at NISCOL's expense.**

The Police Commissioner should launch a criminal investigation into Mr. Vocor's use of NISCOL funds to purchase a generator for his personal use. Mr. Vocor purchased a generator for VT100,000 and did not refund the money to NISCOL. He spent a further VT316,459 of company money on spare parts for his personal vehicle. Despite having an invoice sent to him by the accounts clerk, Mr. Vocor did not settle the account.

**Recommendation 11: The Shareholders should meet within the next three months to reconsider the present composition of the Board and the position of the General manager with the view to replacing those concerned forthwith.**

### **31. CONCLUSION**

- 31.1 NISCOL is not a private company as claimed by the General Manager, Mr. Kalmer Vocor. It is a company owned by the four provinces and the government of the Republic of Vanuatu using public funds to purchase shares in the company. Since the provinces and the government hold shares in the company, the company must conduct its business in the best interest of the Shareholders.
- 31.2 As NISCOL was set up with public funds, the Ombudsman has jurisdiction to investigate the working of the company pursuant to the Ombudsman Act of 1995 as per Section 11 of the Interpretation Act (Cap132).
- 31.3 For the proper management of the company NISCOL requires annual budgets and regular audit of accounts. A balance sheet showing company funds should be made available to NISCOL's shareholders and the general public as a matter of policy.
- 31.4 There should be a tendering procedure put in place for the purchase of heavy equipment and other services costing Vt.5 million and over.
- 31.5 Most importantly, NISCOL must nominate a General Manager on merit, one who is free from political influence and whose sole purpose it is to improve the company's performance. It is the duty of management to ensure that NISCOL is well run, efficient and profitable to benefit the shareholders, the citizens of Vanuatu.

Dated the 20th day of April 2001.



**Hannington G. ALATOA**  
**OMBUDSMAN OF THE REPUBLIC OF VANUATU**

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## APPENDIX A

### History of appointment of Directors

<u>Name</u>	<u>Date of Appointment</u>	<u>Date of Resignation or Removal</u>
Samuel Turgot	28.11.91	17.01.92
John Path	28.11.91	20.01.92
Havo Moli	16.01.92	31.05.96
Leon Ova	16.01.92	
Gavin Brown	16.01.92	01.12.92
William Tari	22.02.92	
Antoine Pikioune	20.01.92	
Kalmer Vocor	24.04.92	
Tom Bakeo	19.02.93	
Theodore Solong	11.02.94	11.10.96
Samuel Turgot	19.12.95	
Irene Bongnaim	11.10.96	



# APPENDIX B (1)

## RESTRICTION ON ALTERATION OF ARTICLES

40. (1) A company, being a private company, may not alter its articles in such manner and for the purpose that the company shall cease to be a private company except in accordance with the provisions of subsection (2).
- (2) A company, being a private company, which seeks to alter the provisions of its articles in order that the company shall cease to be a private company shall submit to the Minister details of the alteration and of the reasons therefor together with such further information as the Minister in his discretion may require, for the approval of the Minister and, unless the approval of the Minister thereof is signified in writing, any resolution purporting to alter such provisions shall be null and void.

## LOANS TO DIRECTORS

201. (1) It shall not be lawful for a company, other than a private exempted company which is not a subsidiary of a public company, to make a loan to any person who is its director or a director of its holding company, or to enter into any guarantee or provide any security in connection with a loan made to such a person as aforesaid by any other person:

Provided that nothing in this section shall apply either—

- (a) to anything done by a subsidiary, where the director is its holding company; or
  - (b) subject to subsection (2), to anything done to provide any such person as aforesaid with funds to meet expenditure incurred or to be incurred by him for the purposes of the company or for the purpose of enabling him properly to perform his duties as an officer of the company; or
  - (c) in the case of a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the company in the ordinary course of that business.
- (2) Proviso (b) to subsection (1) shall not authorise the making of any loan, or the entering into any guarantee, or the provision of any security, except either—
- (a) with the prior approval of the company given at a general meeting at which the purposes of the expenditure and the amount of the loan or the extent of the guarantee or security, as the case may be, are disclosed; or
  - (b) on condition that, if the approval of the company is not given as aforesaid at or before the next following annual general meeting, the loan shall be repaid or the liability under the guarantee or security shall be discharged, as the case may be, within 6 months from the conclusion of that meeting.
- (3) Where the approval of the company is not given as required by any such condition, the directors authorising the making of the loan, or the entering into the guarantee, or the provision of the security, shall be jointly and severally liable to indemnify the company against any loss arising therefrom.
- (4) It shall be lawful for a private exempted company which is not a subsidiary of a public company to make a loan to any person who is its director or a director of its holding company, or to enter into any guarantee or provide any security in connection with a loan made to such person as aforesaid by another person, if—
- (a) the loan or the amount guaranteed or the value of the security provided does not exceed VT1,000,000; and
  - (b) particulars of the loan, or the guarantee or the security, as the case may be, have been disclosed to the members of the company and the members have by special resolution approved the making of the loan, or the entering into the guarantee or the provision of the security, as the case may be; and
  - (c) the company is able to pay its debts in full as and when they become due out of its own monies.
- (5) Any director authorising a loan, or authorising the giving of a guarantee or authorising the provision of a security in breach of subsection (4) shall be guilty of an offence and liable on conviction to imprisonment for a term not exceeding 6 months or to a fine not exceeding VT100,000 or to both; and such a director shall in addition be liable to indemnify the company against any loss arising therefrom.

# APPENDIX B (iii)

## LAWS OF THE REPUBLIC OF VANUATU

CAP. 191.]

## COMPANIES

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### APPROVAL OF COMPANY REQUISITE FOR PAYMENT BY IT TO DIRECTOR FOR LOSS OF OFFICE, ETC.

202. It shall not be lawful for a company to make to any director of the company any payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office, without particulars with respect to the proposed payment (including the amount thereof) being disclosed to members of the company and the proposal being approved by the company.

## APPENDIX C

### Increase in Board Members Allowances

9 August 1995	An additional Vt2,000 increase in Board members allowances.
31 May 1996	Increased Directors subsistence allowances from Vt5,000 to Vt10,000 per day as from 31 May 1996.
10 September 1996	Directors fees increased to Vt30,000 per month from 1 October 1996.
19 December 1996	Directors fees increased to Vt30,000 per month from 1 September 1996 not 1 October 1996.
3 October 1997	Board members to receive Vt60,000 per month to replace the sitting allowances from 1 October 1997.

## APPENDIX D

### Directors meetings after increases of daily sitting allowances to monthly allowances

#### Dates

<u>1996</u>	<u>Start</u>	<u>Finish</u>	<u>Estimated No. of hours</u>
11 October	10.10	11.15	1
6 November	4.10	5.15	1
19 December	11.15	12.30	1.15 mins.
<u>1997</u>			
28 February	9.45	11.40	2
24 March	2.50	3.50	1
25 April	10.00	12.00	2
2 May	10.45	12.45	2
24 June	2.30	3.25	55 mins.
8 July	10.00	11.35	1.35 mins.
14 August	3.05	4.00	55 mins.
3 October	10.00	12.30	2.30 mins.
28 November	10.15	12.05	1.50 mins.
<u>1998</u>			
3 April	2.30	3.50	1.20 mins.
8 May	10.50	12.30	1.40 mins.
12 June	10.10	11.40	1.30 mins.
3 July	10.30	11.55	1.25 mins.
28 July	10.00	11.45	1.45 mins.
6 August	2.00	2.50	50 mins.
13 August	2.00	3.10	1.10 mins.
25 September	10.00	11.30	1.30 mins.
12 October	10.45	12.15	2.30 mins.

## **APPENDIX E**

### **Cost to NISCOL in term of Board Members Allowances from October 1996 – December 1998**

1996	(7 Directors x 30,000Vt x 3 months)	630,000Vt
1997	(7 Directors x 30,000 x 9 months)	1,890,000Vt
	(7 Directors x 60,000 x 3 months)	1,260,000Vt
1998	(7 Directors x 60,000 x 12 months)	<u>5,040,000</u>
		8,820,000

## APPENDIX F

<u>Date of Directors meeting</u>	<u>Discussion and resolutions</u>
11 February 1994	Directors Mr W. Tari i talem se taem contract blong kampany i finis bambae yumi ol board of Directors i kat benefit long end blong contract or nomo. Chairman i talem se agenda ia bambae board oli jas lukluk long em next board miting.
19 December 1994	Goodwill payment to director of 10,000Vt to each Director per month for year 1992 and 1993 (10,000 x 12 = 240,000Vt/Director). Directors to receive Vt240,000 each for the past two years and that this privilege to be effective as from 19 December 1994.
19 December 1995	K. Vocor said that due to change of Government it was possible that there was going to be changes in the directors. The Chairman moved that those who were finishing will get a small present of Vt200,000 each. Leon Ova seconded the mention. Accepted by W. Tari and seconded by L. Ova.  NB – Shareholders meeting on 20 December 1996 approved the Directors fees of Vt30,000 and also Directors retirement allowance of Vt2,500 per month.

## APPENDIX G

### Advances to Board of Directors

<u>Years</u>	<u>Names</u>	<u>Total advances</u>	<u>Outstanding balances</u>
<b>1994</b>	Leon Ova	100,000	100,000
	Samuel Turget	33,000	11,000
	Antoine Pikioune	305,090	295,290
	Theodore Solong	35,000	25,000
	William Tari	30,000	30,000
<b>1995</b>	Samuel Turget	33,000	-
	Antoine Pikioune	144,420	144,420
	Theodore Solong	136,000	71,000
	William Tari	68,720	28,520
	Havo Moli	68,000	58,000
	Kalmer Vocor	112,000	72,000
<b>1996</b>	Antoine Pikioune	108,996	98,996
	Kalmer Vocor	14,890	14,890
<b>1997</b>	Havo Moli	8,000	8,000
	Antoine Pikioune	401,696	61,800
	Kalmer Vocor	630,350	83,085
	Leon Ova	60,000	20,000
	William Tari	50,000	-
	Samuel Turget	<u>2,850</u>	<u>2,850</u>
		<u>2,342,012</u>	<u>1,124,851</u>

Leon Ova	120,000
S. Turget	13,850
T. Solong	96,000
A. Pikioune	600,506
W. Tari	58,520
H. Moli	66,000
K. Vocor	<u>169,975</u>
	<u>1,124,851</u>





# NORTHERN ISLANDS STEVEDORING COMPANY LIMITED

P.O. Box 226,  
Luganville,  
Santo,  
Vanuatu

Tel: 36085 (G. Manager)  
36084 (Office)  
36086 (Supervisor)  
36087 (Chief Mech)  
36088 (S. What?)  
Fax: 36085

## NORTHERN ISLANDS STEVEDORING COMPANY LIMITED

### MINUTES OF SHAREHOLDERS MEETING

Place : SANMA Province Conference Room  
Date : Friday, 20th December, 1996  
Time : 11.00am

Present :

John Lum	- President SANMA Province
Willie Iiu	- Private Secretary to President of SANMA Province.
Jean Claude Tabe	- President, MALAMPA Province
Liatlatral	- Secretary General, MALAMPA Province
Ham Lini	- President, PENAMA Province
Roger Bole	- Asst. Sec. General, PENAMA Province
Malachi Rua	- Commissioner for TORBA Province
Antoine Pikioune	- Chairman, NISCOL Board of Directors
Kalmer Jocor	- General Manager, NISCOL
Tom Bakao	- Board Member
Irene Bongniam	- Board Member

Also Present : Jacobsen J. Bule - Asst. Manager NISCOL.

#### Approval of Agenda

Additions :  
5. Other Business  
- Shareholders Privileges

John Lum moved to accept Agenda. H.Lini seconded.

#### 1. Directors Advances

The chairman introduced the subject and elaborated on it. Discussions continued on the subject and it was agreed to write off director's fees thus a resolution was passed to do so.

Ham Lini moved to accept. Jean.C.Tabe seconded.

All shareholders agreed.

## APPENDIX I

### Board of Directors Meeting Venues

<u>Date</u>	<u>Venue</u>		
11 February 1994	Ministry of Finance Conference room		
10 June 1994	Lonnoc Resort – Hog Harbour		
4 August 1994	Sanma Council Conference room		
19 December 1994	Ministry of Finance Conference room		
11 April 1995	Jaranmoli Bungalows		
6 July 1995	Economic Affairs Conference room		
9 August 1995	Sydney Australia		
5 September 1995	Niscol Office		
10 December 1995	Harbour View Restaurant		
13 March 1996	Sanma province Office		
16 April 1996	Harbour View Restaurant		
31 May 1996	Harbour View Restaurant		
26 June 1996	Sanma Province Office		
26 July 1996	Sanma Province Office		
10 September 1996	El Gecko Restaurant		
11 October 1996	Prime Minister's Office		
18 November 1996	Provincial Affairs Department		
6 November 1996	Prime Minister's Office		
19 December 1996	Santo Chinese Restaurant		
20 December 1996	Niscol Office		
28 February 1997	Santo Chinese Restaurant		
24 March 1997	El Gecko Restaurant		
25 April 1997	Sanma Province Office		
2 May 1997	Royal Garden Restaurant		
24 June 1997	PM's Office		
8 July 1997	Santo Chinese Restaurant		
14 August 1997	PM's Second Secretary's Office		
3 October 1997	Niscol Office		
28 November 1997	PM's Second Secretary's Office		
Restaurants -	10	Santo	8
Outside Luganville	10		
(Vila, Australia)			

3. ACCOUNTS

L. Ova i bringim up cost blong fuel wei i high. Hemi se i kat tumas mis-use long ol company vehicle. K. Vocor i explen se due long busy manis blong election nao mekem se fuel i high.

RECEIVED

DATE: 25/05/98

Appendix K(i)

# NORTHERN ISLANDS STEVEDORING COMPANY LIMITED

PO BOX 228  
Loganville  
Santo  
Telephone 36084  
Fax 36085

Client: WAGOR

Invoice No: 10362

Date: 28/05/98

Vessel: ✓ Voyage: ✓

Arrival date: ...../...../..... Departure date: ...../...../..... Storage commences: ...../...../.....

B/L no. and port	Wharfage	Toll Tax	Storage Tax	
<u>TUEL (USED) B/L Q.M.P. COMMITTEE - EAST SANTIAGO</u>				
<u>20/2/98</u>				
<u>23/2/98</u>				
<u>205 LITRES DIESEL FUEL X 93,7VT</u>				
<u>5/3/98</u>				
<u>560 LITRES DIESEL FUEL (GREEN TRANSPORT) - JOMAIL</u>				
<u>410 LITRES DIESEL FUEL (BLUE TRANSPORT) - TIMOILE</u>				
<u>X 93,7VT</u>				
<b>TOTAL AMOUNT PAYABLE</b>				<u>418,630VT</u>

- Cash
- Accounts

Credit invoices must be paid in full by the 15th of the following month, otherwise the credit facility will be terminated.

CUSTOMER ||||





It was noted that the advances under Antoine Pikioune's name were actually for UMP and that these should be transferred to UMP advances. Then the total UMP owed as at 31 March of VT370,980 (VT260,560 + VT110,420) be written off to donations.

There being no further business. T. Solong moved the meeting be closed. Tom Bakeo seconded.

<b>DECLARATION DE MISE A LA CONSOMMATION</b> DÉCLARATION DE MISE À LA CONSOMMATION		C.E.C. 0/1	1693
Name of importer Nom de l'importateur BECIAM AUTO	Name of shipper Nom de l'expéditeur HO BOON KHAN	Date of registration Date d'enregistrement VSO	Date of arrival Date d'arrivée 22/05/98
Address Adresse PORT VINA	Page No. 1	Total number of pages Nombre total de pages 1	Receipt Number Numéro du reçu 81501-78
689	(Air port) (Aéroport)	SANTO	Receipt date Date du reçu 22/5/98

**TOTAL DECLARATION** - to fill in if the number of pages is more than one / à compléter si le nombre de pages est supérieur à un

C.E.C. VARECIPAC	DUTY DROIT DE DOUANE	SERVICE TAX DROIT D'ETIMBRE	TOTAL PAYABLE DROITS TOTALS	Receipt Number Numéro du reçu 81501-78
				Receipt date Date du reçu 22/5/98
possible remarks / observations éventuelles				RATES OF EXCHANGE / TAUX DES CHANGES US\$ 125.36

Note: Do not complete shaded areas / Ne pas remplir les parties grisées.

Description of goods / Description des marchandises GBH 3E10ST000 1050	Quantity / Quantité 2 UNITS	C.E.C. X	C.E.C. X	C.E.C. X	C.E.C.
Description of goods / Description des marchandises FORKLIFT TRUCKS	Quantity / Quantité 2 NO				
Description of goods / Description des marchandises 84270000	Weight / Poids 21300 kg				
Description of goods / Description des marchandises DOREA					
Description of goods / Description des marchandises DOREA					
Description of goods / Description des marchandises 118766.00					
Description of goods / Description des marchandises 14888.505					
Description of goods / Description des marchandises FREE					
Description of goods / Description des marchandises 7					
Description of goods / Description des marchandises 1042195					

Name of importer / Nom de l'importateur 14888505	Duty / Droit de douane FREE	Service tax / Droit d'étiquetage 1042195	Total payable / Droits totaux 1042195
---	--------------------------------	---	--

Two

DATE 22 05 98



**COMMERCIAL INVOICE**

IV8317546

1) Exporter <b>DAEWOO CORPORATION</b> CPO BOX 2810 SEOUL KOREA	8) No. & date of invoice <b>HABES30120A01</b> <b>MAR. 30, 1998</b>
2) For Account & Risk of Messrs. <b>ALEX BODIAM TRADING AS BODIAM</b> <b>AUTO MARINE AND HEAVY DUTY</b> <b>EQUIPMENT SERVICES</b> P.O BOX 1548 PORT VILA	9) No. & date of L/C <b>9033/461817</b> <b>FEB. 06, 1998</b>
3) Notify Party <p align="center">- DITTO -</p>	10) L/C issuing bank <b>WESTPAC BANKING CORP.</b> VILA P. O. BOX 32 VILA REPUBLIC OF***
4) Port of loading <b>BUSAN, KOREA</b>	5) Final destination <b>SANTO, REP OF VANUATU</b>
6) Carrier <b>CORAL ISLANDER</b> <b>050</b>	7) Sailing on / about <b>APR. 04, 1998</b>

11) Remarks:  
 \*\*\* VANUATU

* MODEL	CHASSIS NO.	E/G NO.
D40S	EMO21-01302	863351
D150	EMO86-00012	800011

12) No.	and numbers of PKGS	13) Description of goods	14) Quantity/Unit	15) Unit-price	16) Amount
	DAEWOO	D40S DAEWOO FORKLIFT TRUCK	1 UNIT	USD32,407-00	
	SANTO	D150 DAEWOO FORKLIFT TRUCK	1 UNIT	USD86,359-00	
		<b>TOTAL</b>	<b>2 UNITS</b>	<b>USD118,766-00</b>	

CIF SANTO  
 \*\*\*\*\*  
 AS PER PRO FORMA INVOICE DATED 2 FEBRUARY 1998.

\* SAY ; U. S. DOLLARS ONE HUNDRED EIGHTEEN THOUSAND SEVEN HUNDRED SIXTY SIX ONLY.

Appendix M(iii)

7) - C. P. O. 2810 SEOUL, KOREA  
 CABLE: DAEWOO SEOUL  
 TELEX: DAEWOO K23341/4, K24295  
 TELEPHONE: 759-2114

18) Signed by \_\_\_\_\_  
  
**DAEWOO CORPORATION**

# Appendix N

ATTN: K. Sepe

Handia de copies blony  
Cheque books

1/6/98

1<sup>st</sup> PAYMENT

Date:	27.01.1998
To:	Bolhem
	Engineering
	Deposit For
	Flights
Forwd:	
Amount:	13,804,157
Bal.:	
008364	

3<sup>rd</sup> PAYMENT

Date:	23.05.1998
To:	Bolhem
	Engineering
	Deposit
	New Flights
Forwd:	
Amount:	8,286,819
Bal.:	
008620	

2<sup>nd</sup> PAYMENT

Date:	8/5/1998
To:	
	blank
	to GPC
	etc
Forwd:	
Amount:	8,000,000
Bal.:	
008670	

<b>DECLARATION DE MISE A LA CONSOMMATION</b> <small>DECLARATION OF MISE A LA CONSOMMATION</small>		<b>CEC</b> 01 1693
Name of Importer <b>BODIAM AUTO</b>	Name of Carrier <b>FD BOU 1548</b>	Date of registration <b>22/05/98</b>
Address <b>PORT VINA</b>	Name of the voyage or the vessel <b>VSO</b>	Page No. 1
689	date of arrival <b>PORTO</b>	total number of pages <b>1</b>
(Air port / Aéroport)		Number of pages

<b>TOTAL DECLARATION:</b> to be filled in if the number of pages is more than one / à compléter si le nombre de pages est supérieur à un				Receipt Number / Numéro du reçu: <b>81501678</b>
DUTY / DROIT DE DOUANE	SERVICE TAX / DROIT DE TIMBRE	TOTAL PAYABLE / DROITS-TOTAUX	receipt date / date du reçu: <b>22/5/98</b>	

possible remarks / observations éventuelles

Note: Do not complete shaded areas / Ne pas remplir les parties ombrées.

RATES OF EXCHANGE / TAUX DES CHANGES  
**US\$ 125.36**

Description of Goods / Description des Marchandises <b>^ GBH 3E1BSTE0001050</b>	Quantity / Quantité <b>As Addressed</b>	Unit / Unité <b>2 UNITS</b>	CEC <input checked="" type="checkbox"/>	CEC <input checked="" type="checkbox"/>	CEC <input checked="" type="checkbox"/>	CEC <input checked="" type="checkbox"/>
<b>FORKLIFT TRUCKS</b>						
<b>84270000</b>						
<b>DORCA</b>						
<b>DORCA</b>						
<b>21300 kg</b>						
<b>2 NO</b>						
<b>US\$</b>						
<b>118766.00</b>						
<b>14888.505</b>						
<b>FREE</b>						
<b>7</b>						
<b>1042195</b>						

VALUE / VALEUR <b>14888505</b>	DUTY / DROIT <b>FREE</b>	TOTAL / TOTAL <b>1042195</b>	OTHER / AUTRES <b>1042195</b>
Packages / colis (en lettres)			
<b>Two</b>			
<b>22 05 98</b>			

EXTENSION (PAP 3/PT) REF #9/98.  
**BODIAM**

AUTO, MARINE  
&  
HEAVY EQUIPMENT SERVICES

APPENDIX (ii)

P.O. BOX 1548, PORT VILA, VANUATU  
Telephone: (678) 24297 Fax: (678) 26138

INVOICE

NISCOL  
P.O. BOX 226  
LUGANVILLE  
SANTO

Invoice # 00008047

Date: 25/5/98

Page: 1

Description	Amount
Service Tax paid by Bodiam for: 1 x Unit D150 Forklift 1 x D40S Forklift	
Service tax payments	V12,484,742
Please note. Machines were Duty free.	

**PAID**  
CHEQUE. No. 008620NBV  
DATE 25.05.98

Attn: Mr. Kalmer VOCOR

ECB CARD NO.

NB. All parts remain the property of Bodiam until full cost of parts is paid.  
No vehicle to leave premises before payment unless prior arrangement with Manager.

Total Amount: V12,484,742  
Amount: V10  
Balance Due: V12,484,742



# Appendix P (ii)

✓

№ 502

Recu 350,000 ✓

de M. NISCOL

VANUATU AUTOMOTO SUZUKI

la somme de TREIS CENTS

vingt mille Vatu

B.P. 68 achat 15 125 500

SANTO 3 12 19 77

Pau

Ch. NBV n° 5027

B.P.F. [REDACTED] ✓

Recu de:

M. Camer VOOB

Ch. NISCOL

VANUATU AUTOMOTO SUZUKI

SE 2500 K

H. ZROUX

no "Suzuki"

B.P. 68 [REDACTED]

SANTO [REDACTED]

Pau

Ch. NBV n° 5027 N° [REDACTED]

# Appendix

# Q

## NORTHERN ISLANDS STEVEDORING COMPANY LIMITED

P O. BOX 226,

Luganville,

Santo.

Telephone : 36084

Fax: 36085

Client:

MR KALMER VOCOR
THE MANAGER
NISCOL COMPANY LIMITED
SANTO

A/c No: .....

Invoice: 20566

Date: 22 / 05 / 98

Vessel: .....

Voyage: .....

Arrival date: ..... Departure date: .....

Storage commences: .....

B/L no. and port	Wharfage	Toll Tax	Storage Tax	Total
EXPRESS DIESEL SERVICE LTD INV. 8321 Dated 29/05/97				
DAIHATSU 1000 Spares - (NZ\$69.04 rate as at 22.05.98)				
Overhaul GKT Kit 04111-Gen		=	NZ\$187.20	VT 12.924
Rings - STD G11-13011-87727		=	186.00	12.841
G/Belt S85 13568-87708		=	76.45	5.278
Standard Bearings G11 13202-87703		=	62.96	4.347
Rods & Pistons Secondhand		=	270.00	18.641
EXPRESS DIESEL SERVICE LTD INV. 09466 Dated 23/01/98				
Injectors SR2 99/274		=	490.78	33.883
Joint Set SR2 1-65710764		=	174.52	12.049
EXPRESS DIESEL SERVICE LTD INV. 09519 Dated 13/02/98				
DAIHATSU - Lock/Key S/85V- Rear		=	109.00	7.594
Air Filter S/85V		=	65.67	4.534
Windscreen S85V 111Jet		=	375.00	25.890
S/Hand " Rubber S85V/ Handles S/85V		=	25.00	1.726
" Handle S/85V		=	52.00	3.590
" Regulator S/85V		=	178.80	12.344
EXPRESS DIESEL SERVICE LTD INV. 09623 Dated 10/03/98				
NISSAN SUNNY B13 - RR Reg. MTR 82730-55Y03		=	776.45	53.606
LR " " 82731-55Y03		=	776.45	53.606
LF " " 80731-55Y02		=	776.45	53.606
<b>TOTAL AMOUNT PAYABLE</b>				<b>316.459</b>

Printed by Sun Productions

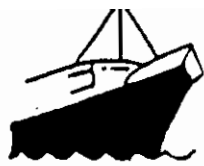
Cheque no. ....

Cash

Accounts

Credit invoices must be paid in full by the 15th of the following month, otherwise the credit facility will be terminated.

ORIGINAL



# Appendix R (i)

## NORTHERN ISLANDS STEVEDORING COMPANY LIMITED

P.O. Box 226,  
Luganville,  
Santo,  
Vanuatu

Tel: 36085 (G. Manager)  
36084 (Office)  
36086 (Supervisor)  
36087 (Chief Mech)  
36088 (S. Wharf)  
Fax: 36085

19 November 1997

The Manager  
Santo Veneer & Timbers  
PO Box 157  
Santo

To: Obed,

p/s make the  
arrangement.

Attention : Thomas Goh

Dear Sir,

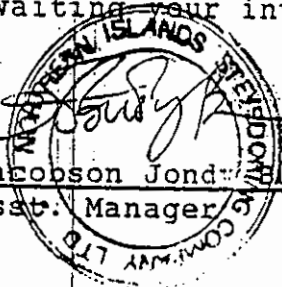
Sub : Timber Order

Timber order for the Company as follows;

Quantity	Dimensions	Notes
✓ 20 pcs	4 x 4 x 3m	350: T/W No Stock
✓ 24 "	6 x 2 x 5m	
60 "	8 x 1 x 6m	
160 "	4 x 2 x 250m	
300 "	8 x 1 x 250m	
24 "	4 x 2 x 5m	
✓ 48 "	3 x 2 x 4m	MIX Timber (SQUARE SIZE)
24 "	6 x 1 x 4m	
60 "	2 x 2 x 4m	T/W

Thomas  
3/11

Awaiting your invoice. Thank you.

  
 Jacobson Jondy Bule  
 Asst. Manager



# SANTO VENEERS & TIMBERS

ACCOUNT COPY

P. O. Box 157, Santo, Vanuatu.  
Tel : (678) 36548 Fax : (678) 36372

**POSTED**  
No. 6577

## INVOICE

Your P/O No. 3655/C  
Our D/O No. 13/1/98  
Date 13/1/98

M/K  
SANTO VENEERS COMPANY  
SANTO

	Species	Grades	Description	Qty	Cubic Meter	Unit Price	Amount	
1			4 x 3.00	20	0.6194	43,000	26634	VT.
2			6 x 5.00	24	0.9290	55,000	51095	VT.
3			8 x 4.00	60	1.2387	48,000	59458	VT.
4			8 x 4.50	9	6.1858	48,000	8919	VT.
5			8 x 5.00	16	0.4124	55,000	22710	VT.
6			2 x 2.50	160	2.0645	43,000	88832	VT.
7			8 x 2.50	300	3.8710	43,000	166453	VT.
8			4 x 2 x 5.00	24	0.6194	55,000	34067	VT.
9			2 x 3 x 4.00	48	0.7432	43,000	31958	VT.
10			6 x 4.00	24	0.3216	48,000	17837	VT.
11			2 x 4.00	60	0.6194	43,000	26634	VT.
12								
13								
14								
15								
16								
17								
18								
19								
20								
				744	11.6749 m <sup>3</sup>		534539	VT.

E. & O. E.

All Cheques must be crossed & made payable to SANTO VENEERS & TIMBERS

*(Signature)*

13/1/98

*(Signature)*  
90  
Authorized Signature

Appendix R(ii)

# Appendix 5(i)



**UNION DES PARTIS MODÉRÉS**

P.O. 324  
PORT VILA,  
VANUATU

**UNION OF MODERATE PARTIES**

P.O. BOX 324  
PORT VILA,  
VANUATU

10<sup>th</sup> February 1998

Mr Nalmer VOHOR  
Luganville  
Suva

Dear Sir

Re: Urgent Financial Assistance

This note is to formally request you to negotiate on my behalf the amount of 1,500,000 Vatu to be used by UMP Party to pay for candidate fee today. This amount if advanced from anybody will be reimbursed tomorrow February 11, 1998.

Treat this letter as a guarantee from me on behalf of the President of UMP Party. I attach a mandated letter which gave me the authority to negotiate funds on behalf of the President.

This urgent assistance must have a response before mid-day today.

Your sincerely,

A/c No: 50-184140-30

A/c NAME: Louis Tansila

NBV

William TASI  
Second Secretary  
Prime Minister's Office

cc

Hon. Rialuh Serge VOHOR - Prime Minister  
President - Union of Moderate Parties

# Appendix S (ii)

**NBV** National Bank of Vanuatu

008403

10.02.1997

for SONS & TERESA PER

Amount in words One Million

Five Hundred Thousand

Vatu only

VUV 1,500,000

NORTHERN ISLANDS

STEVEDORING CO LTD.

*New*

008403 050-050 50-063584-01

# Appendix T

\* Board Minutes of 8 May 1998.

W. Tari - suggested:

- Kalmer write a letter to UMP asking for the VTI,500,000 advance to be paid back and that this be classed as a loan.

L. Ova - moved to approve the above suggestions.

Col I. Bongnaim - seconded.



Appendix U

23/9/99

# NORTHERN ISLANDS STEVEDORING COMPANY LIMITED

P.O. Box 220,  
Luganville,  
Vanuatu

Tel: 36085 (C. Wharf)  
36084 (Office)  
36086 (Supervisor)  
36087 (Chief Mech)  
36088 (D. Wharf)  
Fax: 36085

11 May 1999

The President  
MP  
P O Box 381  
PORT VILA

Dear Sir,  
On 10 February 1998 we advanced the UMF Party in Port Vila a sum of VT1,500,000. This was only a short term advance and should have been paid back by now. Could you please repay the VT1,500,000 we advanced you by the end of this month.

Yours sincerely

Kalmer Vocer  
General Manager

*Copy*  
*K3 ds*  
 With: See copies of  
 information requested

008421 050-050 50-063564-01  
 STEVENSON CO. LTD.  
 NORTHERN ISLANDS  
 ACCOUNT NO. 500  
 PAYEE NAME: *Mr. [unclear]*  
 PAYEE ADDRESS: *[unclear]*  
 PAYEE CITY: *[unclear]*  
 PAYEE STATE: *[unclear]*  
 PAYEE ZIP: *[unclear]*  
 PAYEE PHONE: *[unclear]*  
 PAYEE FAX: *[unclear]*  
 PAYEE EMAIL: *[unclear]*  
 PAYEE WEBSITE: *[unclear]*  
 PAYEE TYPE: *[unclear]*  
 PAYEE STATUS: *[unclear]*  
 PAYEE CREDIT RISK: *[unclear]*  
 PAYEE RISK RATING: *[unclear]*  
 PAYEE RISK FACTORS: *[unclear]*  
 PAYEE RISK MITIGATION: *[unclear]*  
 PAYEE RISK MONITORING: *[unclear]*  
 PAYEE RISK REVIEW: *[unclear]*  
 PAYEE RISK APPROVAL: *[unclear]*  
 PAYEE RISK EXPIRY: *[unclear]*  
 PAYEE RISK REVIEWER: *[unclear]*  
 PAYEE RISK REVIEW DATE: *[unclear]*

DATE: 10-02-98  
 CHECK NUMBER: 5421  
 CHECK NUMBER: 5421  
 PAYEE: Cash  
 PAYEE AMOUNT: VISA, 000  
 DESCRIPTION: (in what it was for)  
 EAST ISLAND UNIT (Cash)  
 (Cash)

CHECK/DEBIT REQUESTION FORM

Appendix  
 NORTHERN ISLANDS STEVENSON COMPANY LIMITED

# Appendix W

- Advance to Santo East UMP Committee be classed as a loan as K. Vocor advised it had been paid back.

\* Board Minute of 8 May 1998

Appendix X

009007

**NBY** National Bank of Vanuatu

7.09.98

Rev. Vanuatu Party (Luganville) Sub-committee or Secretary

Amount in Words Twenty Thousand Vanuatu notes only

VUV 20,000

Kevin S...

*Not a receipt*

NORTHERN ISLANDS  
STEVEDORING CO. LTD.

009007 060-030 50-063584-01



# Appendix Y

- The hire car used during the election to be classed as a donation.

\* Board Minutes of 8 May 1998

