

# **Fraud!!!! Audit report recommends dismissal of NDIA boss Lionel Wordsworth and Senior Engineer Aneel Chowbay**

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President Donald Ramotar



NDIA boss, Lionel Wordsworth

An audit report on the operations of the National Drainage and Irrigation Authority (NDIA) has recommended the immediate dismissal of the entity's boss Lionel Wordsworth and the Senior Section Engineer, Aneel Chowbay, after several instances of fraud and conflict of interest were unearthed.

The report on fuel consumption and equipment operations and maintenance, was conducted between May and September. It was completed and submitted to the Chairman of the NDIA Board of Directors on September 26, and carbon copied to President Donald Ramotar.

This newspaper was reliably informed that His Excellency has instructed the NDIA boss to respond to the report.

Up to yesterday, Wordsworth had not responded.

The report concluded that fraudulent acts were committed by Lionel Wordsworth and Senior Section Engineer (SSE) Mr. Aneel Chowbay, in breach of the Procurement Act 2003.

It speaks of conflict of interest and sole sourcing of services such as the supply of fuel and the awarding of contracts to relations of senior NDIA operatives, in breach of national procurement procedures.

The audit and subsequent report came in the wake of declarations that millions of dollars are allocated to the National Drainage and Irrigation Authority for which questions of value for money and accountability have been raised.

The report noted that there was a major breakdown of internal control over the fuel system which lends itself for possible fraudulent activity since it cannot be fully tested and relied upon that fuel ordered was received in part at the pump station and used for its required purposes.

According to the report, fuel consumption and pump efficiency were inadequately

monitored by the NDIA Mechanical Engineer Department who should have assisted in implementing steps to minimise risk exposures and losses.

It is the opinion of the auditors that the NDIA contract for fuel transportation and payments recommended was poorly managed and verified by the Senior Section Engineer and ultimately the Mechanical Department.

The audit revealed that contracts for fuel already supplied were deliberately deemed as urgent and were solely awarded to one Michael Seeram, sanctioned by the National Procurement and Tender Administration Board (NPTAB) illegally, breaching the procurement act instead of utilizing the open tendering process which would have enabled the NDIA to pay a competitive price for the contracted service.

The auditors also expressed the opinion that 99 per cent of fuel delivery was not emergencies as stated in the NPTAB'S letter of requests by Lionel Wordsworth for approval of such contracts.

"These acts of sole sourcing were deliberate, fraudulent and in breach of the procurement act," the report stated.

In one glaring case, after receiving quotations from the contractor, Seeram, the Engineer's Estimates for the supply of fuel were prepared by the SSE Chowbay, who subsequently explained that he had factored in variable increases, resulting in varying prices for similar activities in the bill of quantities prepared.

Further, the date when the estimate was prepared was deliberately left out by Chowbay to facilitate the approval of contracts by the Procurement and Tender Board as "emergencies", based on the advice of CEO Wordsworth.

"It is audit's opinion that the SSE poorly performed his functions and unethically conspired with the CEO, committing acts of procurement fraud," the reports stated. It added that despite the centralized procurement functions, the Senior Section Engineer performed the function of requesting quotes which were sent to and evaluated by Wordsworth, instead of the procurement department.

The audit noted that quotations for all contracts were submitted to the CEO, who acts as an evaluator, and approves all contracts.

According to the auditors, the quotations which were seen were not dated upon preparation by the contractor, nor were they date stamped upon receipt by Wordsworth's office, "which was an indication of deliberate acts by the contractor and Wordsworth."

This "deliberate act" the auditors found, breached accepted procurement procedures and lacked transparency.

Additionally, the report was scathing in its assessment that SSE Chowbay did not declare a conflict of interest and continued to prepare contract documents, certify payments for his uncle, one Kaydar Persaud, who was carrying out work for the entity.

This newspaper understands that Persaud, the contractor for NDIA works totaling \$19M, is the uncle of the entity's Senior Engineer.

The engineer's brother, Keshav Chowbay, is also an engineer working with his uncle, the contractor.

The audit found that all the Bill of Quantities were prepared by and requests for payment verified and certified by the NDIA Senior Engineer for all contracts awarded to his uncle.

"This situation presents a conflict of interest and a great risk of the SSE's primary interest being unduly influenced by a secondary interest," the report stated.

It however deferred the evaluation of the Bill of Quantities/Engineers Estimates for possible corruption and financial gain to the Contract Audit for a more detailed test.

The report recommended that Chowbay should cease all functions relating to excavators including preparation of scope works, bill of quantities and verification of payments. It further advised that he should be written to for not declaring a conflict of interest.

The auditors, in their recommendation, submitted that both Wordsworth and Chowbay be fired.

"the CEO and SSE's services should be immediately terminated for committing the fraudulent acts and a full investigation of all awarded contracts for 2011 and 2012 be done... The procurement functions performed by the CEO should be relinquished immediately to the Procurement Department for strict adherence with professional procurement guidelines," the report recommended.