



URCA Board Strongly Refutes Allegations of Conflict

An article appeared in *The Nassau Guardian* on 23rd of February 2011, alleging that a Cable & Wireless (“C&W”) Executive is an URCA advisor. The article makes reference to URCA’s on-going role as the competition authority responsible for reviewing and adjudicating on the transaction to privatise BTC, and questions URCA’s integrity in relation to its performance of that function. URCA’s Board issues this press release in response.

URCA engaged LCI Inc (LCI), a HR consultancy based in Barbados and headed by Ms Marsha Lewis, in August 2009 to provide assistance and advice in relation to URCA’s on-going development of its Human Resource capacity. LCI’s selection by URCA’s then CEO was through an introduction of LCI by Mr Saadat. URCA’s Board endorsed the decision to engage LCI.

URCA has engaged LCI to assist in achieving the goals set by the URCA Act and Communications Act, which include the implementation of measures to ensure that URCA is providing regulation that is effective, fair, non-discriminatory, and provides value for money. Hiring experienced industry professionals is an important component of this. The article stated that Ms Lewis is still a C&W executive. This was based on information obtained from a professional online network site which had regrettably not been updated. We note that C&W has already issued a statement to this effect and confirmed that the company has no connection with Ms Lewis who left C&W in March 2009 and now operates her own consultancy firm.

The URCA Board since inception put into place measures to protect the institutional integrity of URCA, including, in particular, policies and rules governing conflict of interests (real or apparent) by its members, employees and advisors. Such policies would require, in appropriate circumstances, that a person excludes himself or herself from participation in a particular matter. The Board is satisfied that URCA’s CEO and LCI have acted, and continue to act, in a professional manner, and are providing independent and objective advice. The integrity and independence of URCA is paramount and is being safeguarded.

The Guardian article also repeats certain public statements, which assert that because Mr Saadat is a former C&W employee, the approval of the BTC privatisation by URCA is a foregone conclusion. There is no nexus between former C&W employees now at URCA either in management or advisory capacities, and the ability of URCA to objectively discharge its duties as the competition regulator that must review and make a decision on the change in the control of BTC to CWC. URCA’s internal regulatory and governance processes necessitate that case work is carried out by a multi-disciplinary team including qualified legal counsel, and recommendations and decisions are reviewed by the Board. It is impossible for one Executive to make such a decision in isolation, without consultation with the team, or with a bias towards a former employer. Any suggestion or conclusion to the contrary is baseless, and entirely without merit.

It is worth noting that Mr Saadat left Cable & Wireless in July 2008 at which time he relocated, together with his family, to Australia. Mr Saadat's move to The Bahamas nine months later was the result of global search done on behalf of the Government of The Bahamas to recruit for the new role of Director of Policy and Regulation at URCA. Public announcements by The Government have disclosed that C&W did not participate in the Government's initial search for a strategic partner in the privatisation of BTC, and was therefore not under consideration as a possible purchaser of BTC until 2010. From URCA's perspective, there was no actual or perceived conflict arising out of the recruitment of Mr Saadat or the engagement of LCI in 2009.

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Chairperson

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