

REPORT

By the

*Special Presidential Committee to investigate an alleged Carbon
Credit Concession Agreement Between the Liberian Government and
Carbon Harvesting Corporation of the United Kingdom*

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ABBREVIATIONS & ACRONYM

Acronym	Description
BM	BioMass
CC	Carbon Credit
CHC	Carbon Harvesting Corporation
CEO	Chief Executive Officer
EPA	Environmental Protection Agency
FDA	Forestry Development
GEMAP	Governance Economic Management Assistance Program
GIS	Geographic Information System/Remote Sensing
GW	Global Witness
IMCC	Inter-Ministerial Concessions Committee
LBDI	Liberian Bank of Development and Investment
MD	Managing Director
MIA	Ministry of Internal Affairs
MOA	Ministry of Agriculture
MOP	Ministry of Planning
NIC	National Investment Commission
PPCC	Public Procurement Concession Commission
PPPC Act	The public procurement and concession law of Liberia
REDD	Reducing Emissions from Deforestation and Degradation
SDI	Sustainable Development Initiative

1. **BACKGROUND AND SCOPE OF INVESTIGATION**

1.1 In June 2010, President Ellen Johnson Sirleaf appointed a three-member Committee to investigate a proposed Carbon Concession agreement between the Forestry Development Authority (FDA) and a UK Company, Carbon Harvesting Corporation. Those appointed by the President to the Committee are:

- a) Cllr. T. Negbalee Warner Chairperson
- b) Ms. Rose Stryker Member
- c) Mr. William N. Massaquoi Member

1.2 The constitution of the Committee was announced immediately after publication of a dossier prepared by a UK-based resource governance campaigner group, Global Witness, which alleged, inter alia, that:

- a) A carbon credit concession agreement exist between the Government of Liberia thru the FDA and CHC, covering about one-fifth of Liberia's non protected forest;
- b) The agreement was negotiated in violation of the PPCC Act of Liberia;
- c) Bribes were offered, solicited, paid or promised to several current and former government officials for the purposes of procuring their consent and support in connection with the award and negotiation of the agreement; and
- d) The agreement had little or no benefits for Liberia, but exposed the country to significant potential liabilities and concession administration/enforcement challenges.

1.3 In the letter appointing the Committee, the President referred to the assertions made by Global Witness and directed that the Committee investigate the alleged carbon credit trading concession. The Committee was specifically mandated:

- a) To determining whether specific procedures of the PPCC Act were duly followed in the conduct of this concession agreement.
- b) To determining the basis upon which the deal was structured and the reasons for single sourcing this proposed concession to Carbon Harvesting Corporation.
- c) To determining whether any act of impropriety, such as corruption, conflict of Interest: bribery or any form of irregular payment was made directly or indirectly to any official of FDA, members of the inter-ministerial concessions committee, the Board of Directors of FDA or any official of Government.

1.4 The Committee neither reviewed nor passed judgment on the substance of the CHC proposal because it was not necessary for discharging the mandate of the Committee as stated in Paragraph 1.3 of this Report. The Committee understands and considers its mandate as an investigation of process. The Committee therefore focused on how (i) the CHC proposal was reviewed and accepted by FDA, (ii) the proposed contracted between CHC and the Government was negotiated, and (iii) how participation of officials of Government in the entire process complied with applicable laws and policies of the Government.

2.0 A NOTE ON CARBON CREDITS

- 2.1 In carrying out its work, the Committee reviewed relevant literature and talked to experts on carbon credits. One of the many documents reviewed by the Committee is a very insightful unpublished article written by Dr. Eric Walker of the Harvard Business School and Mr. Chris Neyor, Energy Advisor to the President of Liberia, entitled “**Low Carbon Opportunities in Liberia**”, which the authors kindly provided the Committee and agreed to be cited for the limited purpose of its work.
- 2.2 In their article, Walker and Neyor begin discussion of carbon credits by giving the following scenario: “Imagine trying to sell a product that you can’t see. Imagine if the product has no value to the buyer. Imagine if what you are selling is not actually anything you produced, but rather something that you did *not* produce. Now imagine that it is very difficult for your buyer to know that you in fact did not produce this product... Welcome to the strange market of carbon credits”. According to Walker and Neyor, efforts to reduce greenhouse gases demand coordination because of a “free-rider” problem: “if I unilaterally reduce my carbon emissions, I have helped reduce the likelihood of global warming...but it also helps every other person on this planet equally, since the benefits of reduced climate change cannot be restricted to paying customers.” Hence, the need for coordination.
- 2.3 The need for coordination has led to numerous international conferences aimed at, among other things, deciding how much carbon countries should be allowed to emit. “Once a maximum amount of emissions has been agreed on for any one country, scarcity is created, and no a product as abstruse as a reduction in emissions can actually have value.” The question of how this “abstract value” for reducing a country’s green house emission (or for keeping green house emission below the agreed maximum for the country) depends largely on the country and other factors such as a reliable system of verification of reduced emission. A number of European countries already have markets that presently trade in carbon emissions. An example of carbon trading offered by Walker and Neyor is this: “If one factory in Germany wants to pollute more than it has permission to, it has to pay someone else to pollute less—due to the scarcity phenomenon described above. Since the market for these reductions has been created in Europe, all that German factory has to do is purchase the quantity of “carbon credits” that it needs” from the one that pollutes less.
- 2.4 What CHC therefore wanted was an agreement with the Liberian Government whereby (1) Liberia would pollute less-i.e., reduce its carbons emission-by way of not carrying on logging, farming or any activity that would result in cutting down the rainforest in the concession area; and (2) CHC would buy the reduced emissions from Liberian order to sell it on the international market. Obviously, a prerequisite to FDA’s meaningful evaluation and informed action on the CHC proposal was good understanding of carbon credits and the trade therein. The Committee found, and the FDA confirmed, that this prerequisite was never satisfied.

3.0 EXECUTIVE SUMMARY

- 3.1 In late January, 2008, Mr. Michael Foster, Chief Executive Officer (CEO) of a UK Company called Carbon Harvesting Corporation (CHC) along with another officer of CHC visited Liberia to pursue CHC's interest for an agreement with the Liberian Government under which CHC would harvest carbon credits to be accrued from preserving 500,000 hectares of virgin rainforest in Rivercess and other areas in Liberia. During the visit, Mr. Foster met with the President of Liberia and the Management of FDA where, at both meetings, he explained the above-mentioned interest of CHC. Prior to, during, and after the February 2008 visit to Liberia, Mr. Foster and CHC offered, paid, and promised to pay significant sums of money and other consideration to a number of government officials for the purpose of procuring the necessary concession from the Government of Liberia for CHC to trade in carbon credits obtained from Liberia.
- 3.2 CHC is a very new company, which was established in 2008 as an offspring of a bankrupt firm that used to sell games to theme parks. At the time of its proposal, it had no established business office or genuine contact numbers; repeated calls placed to the telephone numbers listed on its proposal submitted to FDA went unanswered. Additionally, neither CHC nor Mr. Foster and any member of the management team of CHC had any experience in carbons trade. The lack of critical minimum experience in carbon credits and trade apparently led CHC: (1) to request a two-year carbon contract with the Government when a much longer contract was required; and (2) to present to the FDA a cost-benefit analysis of carbons trading in Liberia, which plagiarized a 2001 report of a US Forest Service study entitled "Benefit-Cost Analysis of Santa Monica's (California) Municipal Forest" prepared by E. Gregory McPherson, James R. Simpson, Paula J. Pepper and Qingfu Xiao.
- 3.3 What CHC lacked in experience, it made up for by its overwhelming desire and hurry to make money, even if that meant plagiarizing the technical studies of others and bribing public officials. It turned out that the strong but questionable money-making desire of CHC overcame the integrity of nearly all the persons and the processes responsible for award and negotiation of forest concessions in Liberia. This exposed the vulnerabilities of Liberia's forest concession process and also imperiled the national interests. Thus, CHC succeeded in having:
- A. Senator Jonathan Banney of Rivercess County paid in order to secure an appointment by which the CEO of CHC, Mr. Michael Foster and another CHC officer met President Ellen Johnson Sirleaf in February 2008, thereby providing CHC with a very strategic and handy marketing point-that the President supported their proposal;
 - B. The Managing Director of FDA unexplainably ignore the fraud, plagiarism, and manifest deficiencies of CHC and agreed to negotiate with the company a contract to engage in carbon credits that both CHC and FDA knew little or nothing about;
 - C. The FDA Managing Director and the Legal Counsel of FDA along with the help of the then Minister of Internal Affairs and Member of the Board, Mr. Ambulai Johnson withhold details of discussions and negotiations between FDA and CHC, while records were created falsely representing the approval of the contract by the FDA Board;
 - D. The Minister of Planning and Economic Affairs, Mr. Amara Konneh issued a concession Certificate for the very complex and non-familiar matter of carbon credits without complying with the prerequisites clearly established by the PPCC Act, especially Section 89(1)© of the Act which requires the Minister to ensure that the "barriers or bottlenecks that needed to be addressed prior to or in the course of the concession

procurement process have been clearly identified by the Concession Entity or by the Ministry responsible for Economic Affairs and brought to the attention of the Entity.”

- E. The Executive Director of the Public Procurement and Concession Commission (PPCC), Mrs. Peggy Varflay Meres along with her immediate predecessor, Mr. Joseph Neufville, to grant approval for the single sourcing of the CHC Contract although they had no authority to do so and were never authorized by the Commission; and
- F. Contract negotiations commenced by FDA with the said CHC before constitution of the Inter-Ministerial Concession Commission which is authorized by law to negotiate all concessions on behalf of Liberia.

- 3.4 The allocation or award to CHC of 400,000 hectares of forest supposedly located in Rivercess for harvesting of carbon credits was therefore not entirely in honest advancement of Liberia’s interest and in keeping with the PPCC Act. Rather, it was a product of fraud, misrepresentation, bribery, influence peddling and other improper and criminal acts.
- 3.5 At the center of CHC’s scheme of fraud and bribery were Messrs. Michael Foster and George Antwi, as well as Senator Jonathan Banney. Mr. Foster was the master planner and overseer of all aspects of the strategy, including sourcing funds from investors and paying Senator Banney and other public servants directly or through intermediaries for their “assistance”. He hired Mr. George Antwi as the local liaison of CHC in Liberia, and also ensured the recruitment of Senator Jonathan Banney of Rivercess County and Honorable Ambulai Johnson.
- 3.6 Senator Banney was hired by CHC to (1) enable them meet with President Sirleaf and the FDA Management, and (2) also perform a number of tasks including obtaining the acceptance of the CHC proposal by the elders and citizens of Rivercess County. In consideration for the services of Senator Banney CHC agreed to pay him the amount of US\$10,000.00 (Ten Thousand United States Dollars).
- 3.7 Accordingly, Senator Banney succeeded in having Mr. Michael Foster and other CHC meet with President Ellen Johnson Sirleaf at her offices at which time they reportedly explained their proposal to the President. Senator Banney’s securing of the meeting with the President was an important task because it provided an important marketing point for CHC, which thereafter always made it a point to let everyone knows that they met the President and she was in support of their proposal. Further, Senator Banney wrote CHC, on his official letterhead, and informed them that he had secured the consent of the elders and citizens of Rivercess County for CHC proposal. Senator Banney also met with CHC officials in London where, in addition to significant hospitality provided him by CHC, he requested CHC to pay him US\$6,500.00 he incurred by chartering a boat to facilitate a study for CHC. The Senator also requested CHC to (1) buy spare parts for his vehicle VIN: SALPV1442TA325310 Range Rover Complete valve Block ASSY, and (2) help him with some money for the medical treatment of his wife who he said was in Ghana taking treatment for breast cancer. Documented payments made to Senator Banney by CHC exceeded US\$2,000.00, and these payments and other inducements were in consideration of the following services he rendered or was to render CHC: (1) securing for them a meeting with the President of Liberia; (2) Securing approval of the CHC concession by the elders and citizens of Rivercess; (3) running of errands for CHC such as receiving and transmitting communications between FDA and CHC, and (4) pressuring Mr. Woods and others to grant carbon credits concession to CHC. Further, Senator Banney joined

Augustine Johnson, and Mr. Michael Foster to draft and or send communications to the offices of the Prince of Wales, which were addressed to the attention of Jonathan Hellewell, Assistant Private Secretary to the Prince of Wales and Duchess of Cornwall in respect of alleged “Ground breaking Contract between Carbon Harvesting Corporation and the Forestry Development Authority”. One of such communication referenced the Prince’s letter dated 2nd June 2008.

- 3.8 Besides Senator Banney, another politician hired by CHC and who was critical to their scheme of things was Honorable Ambulai Johnson, then Minister of Internal Affairs and Member of the FDA Board. Mr. George Antwi said that he lobbied Minister Ambulai Johnson to help CHC when it was discovered that a number of persons were placing obstacles in the way of CHC. Speaking of the terms of Mr. Minister Johnson’s engagement, Mr. Michael Foster said Minister Johnson requested at least Two Millions United States Dollars in order to deliver the contract. Minister Johnson reportedly informed CHC that the amount would be shared with members of the IMCC. The Committee found that Minister Johnson did not disclose his engagement or contacts with CHC to either the FDA Board or to law enforcement officers. He maintained his policy of persistent non disclosure even when his own cousin, Mr. Kendrick Johnson, as Acting Managing Director of FDA, requested his advice concerning what to do or say to Mr. Foster and other CHC officers and agents that were demanding him to advance the CHC Contract.
- 3.9 Although there is no direct evidence of bribes paid to Mr. John Woods, the Committee found that CHC offered a vehicle to Mr. John Woods as an incentive for him to support the CHC in its quest to obtain carbon credits concession from the Liberian Government. Mr. Woods admitted in a conference with the Committee that Mr. George Antwi of CHC drove an old vehicle in his (Mr. Woods’) yard and offered it to him in connection with the CHC contract. Mr. Woods also suggested to the Committee that he heard and was in fact told that other officials of Government were receiving bribes. Significantly, Mr. Woods did not disclose this offer of bribe or reports of bribes payment to either the Board, members of management, or law enforcement officers. In fact, Mr. Woods refused to admit this to the Committee until the second of two separate interviews held with him, and then not until he realized that the Committee had knowledge of the fact of the vehicle offer. Intelligence gathered by the Committee established that CHC earlier believed that Mr. Woods was their principal obstacle that had to be “sorted out”. The Committee also found that by late 2009, CHC was satisfied that Mr. Woods was on their side. CHC officers and agents would therefore make later assure themselves: “The MD has been paid and is on our side as he is dependent on us in the future.”
- 3.10 Mr. Woods never explained his sudden shift from original opposition to the proposal of CHC (at least until the beginning of his illness in early 2009) to a new strong support for the proposal upon his return to work late 2009. It is established, however, that Mr. Woods’ sudden shift of positions on the CHC contract was (1) **made after** CHC had engaged the services of Minister Ambulai Johnson, a cousin of the President of Liberia who was also an influential member of the Cabinet and the FDA Board; and (2) **in total disregard** of written and verbal advice from Thomas Downing, GEMAP Financial Advisor assigned to FDA, SDI’s Executive Director, Silas Siakor, and others. The Committee also found that at the time of the decision to seek concession certificate and also single source the carbon concession, Mr. Woods and other FDA officials knew that there were other proposals for payment of money to Liberia for reduced carbon emissions, and that these proposals came from the Prince of Wales, Norway, and other companies that Mr. Augustine Johnson said included Disney and Eco-Securities. It appears that Mr. Woods knew more than he was willing to share with the Committee. Either Mr. Woods was bribed, as CHC claimed, or he was

pressurized to support the CHC contract through other means that he could not resist. In any case, He failed to disclose to proper authority an attempt to bribe him and information he heard that bribes were being paid to other officials.

- 3.11 Further, CHC paid and or offered money, computer, and other consideration to Mr. Augustine Johnson, Manager of GIS of FDA on the basis that he was “the resident expert” at FDA on carbons matter and also to have him provide technical justification for the viability of the proposal submitted by CHC. The Committee found evidence ending to show that Mr. Benedict Sargbeh was also bribed by CHC for (1) disclosing deliberations and decisions of the FDA Board (Cllr. Sargbeh records minutes of the Board) and (2) for writing communications like the June 10, 2010 letter of invitation to negotiate that Mr. Woods sent to Mr. Michael Foster. Mr. Augustine Johnson and Cllr. Benedict Sargbeh in fact provided confidential information of FDA to CHC and also allowed CHC to draft FDA documents that they would have Mr. Woods and other FDA officials sign. In this connection, Mr. Augustine Johnson claimed authorship of a biomass study, but allowed CHC to revise it substantially with content favorable to CHC. Mr. Augustine Johnson also joined Senator Banney and Mr. Foster to communicate with the Office of the Prince of Wales in respect of alleged “Ground breaking Contract between Carbon Harvesting Corporation and the Forestry Development Authority”. Cllr. Sargbeh also provided CHC with updates regarding deliberations and decisions at FDA Board meetings. On one occasion, he informed CHC that a sub-committee of the Board had been appointed to review and recommend action on CHC proposal, and that the Committee was headed by Honorable Ambulai Johnson. The Committee also found evidence that in response to a demand from staff of the FDA, CHC agreed to pay the amount of US\$2,000.00 for preparation of the letter of invitation to negotiate that FDA ultimately sent to CHC in January 2010. Cllr. Sargbeh admitted to the Committee that he drafted the letter of invitation in question.
- 3.13 Corrupt and unofficial payments by CHC to Liberian public servants extended to staff of the PPCC and the Ministry of Planning & Economic Affairs. Either or both Mrs. Peggy Varflay Meres, Executive Director of the PPCC and Mr. Joseph Neufville, immediate past Executive Director of the PPCC received at least US\$2,000.00 as inducement to write a favorable response to a pending communication from the FDA requesting the approval of the Commission for single sourcing a carbon concession contract to CHC. The two staff of the PPCC prepared a letter, signed by Mrs. Peggy Varflay Meres and addressed to FDA, which advised the FDA that the PPCC found their request to be in compliance with the PPCC Act. As a matter of fact, the Commission had not discussed or approved the single-source request of FDA. The Committee found credible evidence that CHC was informed that “the only way to secure the letter of no objection from the PPCC and the Concession Certificate from the Minister is to pay the people involved.” CHC was informed that the amount required for the two documents would be in the range of US\$6,000.00-7,000.00. CHC tried to get the demanded amount discounted but to no avail. Mr. Neil Warwick of CHC would therefore express his frustration in a written communication to his colleagues: **“The Problem I have here is trying to find out the exact fees asked for and what the Senator and Koffi are including for themselves. I try to keep all the figures to a minimum with the pair of them however, they will never tell the truth as they are Africans.”**(emphasis added) The Committee found that US\$6,000.00 was finally agreed with the officials at the PPCC, FDA and the Ministry of Planning, and that CHC did send the amount purpose of procuring the two documents. While there is yet to be any direct evidence of whom in the PPCC was paid, the Committee found as strong circumstantial evidence the following facts: (1) That “No objection” to sole sourcing was granted, as CHC wanted and apparently paid for, by the Executive Director of the PPCC without any authorization of the Commission, and (2) that glossy literature (specifically described in

internal communications of CHC for purpose of impressing Liberian policy maker) were found in the possession of Mr. Joseph Neufville who could not explain how he obtained them.

3.14 The Committee also received credible evidence that a staff of the Ministry of Planning requested and or was paid bribes in connection with the issuance of a concession certificate for the CHC Contract. The exact identity of the dishonest MOP's staff is yet to be established. Meanwhile, the Committee found the conduct of Mr. Edward Eesiah, Chief of Staff to the Minister of MOP is not entirely blameless, especially as it relates to (1) his inadequate recollection of his meeting with Mr. Thomas Downing, and (2) his unreasonable failure to have disclosed to either his principal, the Board or other authority the very important matter that Mr. Downing discussed with him-i.e., that CHC lacked financial and technical capacity, and was perpetrating fraud in its dealing with FDA.

3.11 In sum, the Committee found that the CHC carbon concession was:

- A. Not approved by FDA based on a proper understanding of its nature, and the value it would offer Liberia;
- B. Not duly approved by the FDA Board, contrary to fraudulent misrepresentations to the contrary;
- C. awarded and or negotiated in violation of the PPCC Act; and
- D. could not be enforceable because it was tainted by corruption, fraud and other illegalities.

3.12 The Committee also found that the following individuals offered, paid, promised and or received bribes in connection with the CHC Contract:

- 1. Senator Jonathan Banney of Rivercess County
- 2. Honorable Ambulai Johnson, Former Minister of Internal Affairs
- 3. Augustine Johnson, Manager of GIS, FDA
- 4. Joseph Neufville, Technical Advisor, PPCC
- 5. Mr. Michael Foster, CEO, CHC
- 6. Mr. George Antwi, Liaison, CHC

3.13 The Committee also found that the conduct of each of the following individuals was (1) improper, negligent, wanting, and probably criminal, and (2) in fact contributed to the fraudulent award and or initial negotiation of the CHC carbon credits concession:

- 1. Mr. John Woods, Former Managing Director of FDA
- 2. Mr. Amara Konneh, Minister of Planning and Economic Affairs, Republic of Liberia
- 3. Edward Eesiah, Chief of Office Staff, Ministry of Planning and Economic Affairs
- 4. Cllr. Benedict Sargbeh, Legal Counsel, FDA
- 5. Mrs. Peggy Varflay Meres, Executive Director, PPCC

3.14 The Committee recommends:

- a. That Senator J. Jonathan Banney of Rivercess County be (1) impeached for violating Article 3 of the Liberia Constitution and several provisions of the Penal law of Liberia, **and or** (2)

prosecuted for soliciting, receiving and paying bribes plus other criminal conduct detailed in this Report, including Section 138(2) which establishes as an offense the act of “directly or indirectly influencing in any manner the procurement or concession process to obtain an unfair advantage in the award of a procurement contract”;

- b. That Mr. Ambualai Johnson, former Minister of Internal Affairs and former member of the FDA Board be prosecuted for soliciting, accepting and or receiving and also for other violations of law as stated in this Report, including violation of Section 138(2) of the PPCC Act which establishes as an offense the act of “directly or indirectly influencing in any manner the procurement or concession process to obtain an unfair advantage in the award of a procurement contract”;
- c. That Mr. Augustine Johnson, Manager of GIS at the FDA and Mr. Joseph Neufville, Technical Advisor at the PPCC be immediately dismissed and then prosecuted for soliciting, accepting and or receiving bribes and also for violation of the PPCC Act, especially Section 138(2) which establishes as an offense the act of “directly or indirectly influencing in any manner the procurement or concession process to obtain an unfair advantage in the award of a procurement contract”.
- d. That Mr. Michael Foster and Mr. George Antwi be prosecuted for acts of bribery, fraud and criminal conspiracy in violation of the Penal Law of Liberia;
- e. Mrs. Peggy Varflay Meres, Executive Director of the PPCC be immediately dismissed, and then prosecuted for violation of the PPCC Act, especially Section 138(2) which establishes as an offense the act of “directly or indirectly influencing in any manner the procurement or concession process to obtain an unfair advantage in the award of a procurement contract”;
- f. That Mr. John Woods, Former Managing Director of FDA, Mr. Amara Konneh, Minister of Planning and Economic Affairs, Mr. Edward Eesiah, Chief of Staff in the Office of the Minister of Planning and Economic Affairs, and Cllr. Benedict Sargbeh, Legal Counsel of FDA each be reprimanded, and such further actions taken as may be deemed necessary in keeping with the Government’s Anti-corruption policy, including, at a minimum, formal criminal investigation of their knowledge and role in respect of the entire CHC Carbon Credits Concession.

4. **METHODOLOGY**

- 4.1 **Focus:** Based on its mandate, the Committee investigated the process by which the CHC carbon Concession or agreement was initiated and negotiated by FDA. The investigation did not investigate the substance (1) the CHC proposal, (2) the draft carbon contract CHC submitted in 2008; and (3) the subsequent Agency Contract that CHC submitted and was

the subject of the negotiations between CHC and the FDA along with other agencies of Government, which was also subsequently forwarded to the IMCC.

- 4.2 **Combination of Methods:** specifically, the committee conducted its investigation through a pragmatic methodology that combine (1) Desk review of literature; (2) holding of interviews and conferences with individuals known or believed to have had knowledge of the transaction; and (3) intelligence gathering through formal and informal means, including contacts with other law enforcement agencies.
- 4.3 **Review of Literature on carbon credits:** The Committee undertook a desk review of literature on carbon credits and spoke with a number of experts on the subject. In this regards, the Committee benefited from the insights of Mr. Eric Walker, a Professor at Harvard Business School; Mr. Christopher Neyor, Energy Advisor to the President; Honorable Florence Chenoweth, Minister of Agriculture who herself is an academic, and Mr. Silas Siakor, Executive Director of Sustainable Development Institute (SDI).
- 4.4 **Basis of Decision:** As in most cases of corruption, the participants made serious efforts to conceal their dealings, although some were not all that successful. Direct evidence cannot therefore be the sole means to establish involvement or culpability. The Committee therefore based its findings and recommendations not only on direct evidence but, in a number of cases, also on credible indirect and circumstantial evidence. Thus, where there is evidence of bribes paid but no records of such payment, the Committee considered whether the intended objective of the bribe was achieved, and if so, by whom and at what time was the objective achieved.

5. **Timelines for Submission and Negotiation of CHC Proposal**

- 5.1 July-September, 2007: CHC hired one George Antwi, a Ghanaian national also known as Koffi (who had his offices on Gurley Street near the Ministry of Commerce) to assist with the company's desire to obtain an agreement in Liberia for trading of carbons. Mr. Antwi and determined that they would need senior politicians in Liberia to assist them. Kofi reportedly met Senator Jonathan Barney at a car wash in Monrovia where he introduced himself and also explained the CHC proposal to the Senator. The proposal of CHC impressed the Senator who, according to his own testimony, developed interest in the business proposition because of its potential benefits to his constituency
- 5.2 December 21, 2007: Mr. George Antwi met with Mr. Michael Foster and other executives of CHC in Liverpool, United Kingdom where he explained that (1) The President of Liberia was very interested in moving the proposal forward, (2) that Senator Jonathan Banney of Rivercess County is keen to "move things forward", and (3) that a sum of money of at least US\$500.00 would need to be paid to the paramount chiefs of Rivercess County as goodwill gesture in order to secure their agreement and support for the CHC Contract.
- 5.3 January 30 or 31, 2008: Mr. Michael Foster, CEO of CHC and another colleague travelled to Liberia and are met upon arrival at the airport by Senator Banney and another person said to have been an elder of Rivercess County. Senator Banney used his influence to get Mr. Foster and colleague through VIP channels. He also met with them the same evening at their hotel where they discussed for at least half an hour.
- 5.4 February1, 2008: Mr. Foster and his colleague met with Mr. John Woods, Managing Director of FDA at the offices of Mr. Woods. Following introductory preliminaries, Mr. Foster explained in general terms the proposal of CHC, which included preserving from

logging activities at least 500,000 hectares of forests that could be used for carbon credit trading from Liberia. Mr. Foster's explanation emphasized the huge amount that was to be made by all parties-the Government and CHC. Mr. Woods thanked CHC for the interest expressed in Liberia. He also informed the CHC executives that the FDA was working with the World Bank towards the development of some carbon harvesting scheme to be implemented over the next couple of years.

- 5.5 February 1, 2008: Senator Banney and the CHC delegation discussed the terms and conditions for his “**assistance**” to the CHC, and they agreed, among things, that: (1) CHC would pay him US\$10,000.00, payable in two installments; (2) that the first half would be paid before the delegation left Monrovia while the second half would be paid within five days of the delegation return to the UK; and (3) that the minimum requirements from Senator Banney included ensuring (i) CHC meeting with the President; (ii) the President's endorsement of CHC proposal; (iii) endorsement of the CHC proposal by the people of Rivercess.
- 5.6 February 2 or 3, 2008: Mr. Foster and his colleague along with Senator Banney met with President Ellen Johnson Sirleaf at her office at which time they briefed the President of the interest of CHC and also secured a photo opportunity with the President.
- 5.7 February 4, 2008: Three days after the February 1, 2008 agreement between CHC and Senator Banney, the Senator wrote CHC, on his official stationery, confirming that “the elders, traditional leaders, including the chiefs and the other citizens of Rivercess with consensus of the Senior Senator of the said County and the representatives of Electoral District Number one welcome the proposal made by Carbon Harvesting Corporation (CHC) to invest in our forest to harvest carbon on 500,000 (Five Hundred thousand) hectares to offset carbon emissions without extraction of any mineral resources.” In the same letter , Senator Banney proposed a Memorandum of Understanding (MOU) between CHC and the people of Rivercess , which had the following terms and conditions: “(1) that the precise GPS coordinate of the 500,000 hectares of rain forest would be provided in due course; (2) the period of the concession for the hectares of rain forest under discussion , aforementioned, would be for a minimum of one year and for a maximum of two years; (3) the price to be paid for the carbon offsets by CHC shall be negotiated between the Liberian government and CHC; (4) that the Memorandum of Understanding (MOU) shall be binding upon the aforementioned parties and ratified by the Liberian Government in due course, and that the entire citizens of Yarnee Statutory District, Rivercesss County will lobby for its agreement on behalf of CHC.”
- 5.8 February 19 2008: Senator Banney wrote Mike Foster and said among other things: “I received the CHC brochure... We have done everything about finalization of the contract. Please understand Koffi when he requests operational funding for tax (sic) purposes and others. Mike, I need some money because my wife is sick. She is in Accra, Ghana presently undergoing medical treatment for breast cancer. I shall be leaving Liberia by Saturday, the 21st instant for Ghana. I hope to hear from you asap. Regards, Sen. J. Jonathan Banney”.
- 5.9 March 10, 2008: By a letter dated March 10, 2008 and addressed to Jonathan Banney, Senator, Rivercess County, the Managing Director of FDA, Mr. Woods forwarded a budget of US\$14,949.20 (Fourteen Thousand Nine Hundred Forty-Nine US Dollars) to CHC for the purpose of funding a biomass study earlier discussed with CHC by FDA during their meeting of February 1, 2008. Senator Barney reported that he scanned the letter and sent it from his E-mail box to Mark Foster

- 5.10 April 3-8, 2008: Mr. Foster sent the amount of **US\$14, 662.72** to Senator Jonathan Banney through two transfers made on April 3, 2008 and April 8, 2008. The first transfer in the amount of US\$4,662.72 was by Money Gram while the second transfer was through Senator's Banney account at Ecobank Liberia Limited.
- 5.11 May 12, 2008: Senator Banney paid to FDA, on behalf of CHC, the amount of US\$7,500 towards the US\$14,949.20 budget submitted by FDA for the study, and was accordingly issued a receipt evidencing the amount paid. There is no record that any other payment was made by Senator Banney towards the study, notwithstanding the amounts he verifiably received from CHC.
- 5.12 May 16 and June 13, 2008: Mr. Foster remitted to Senator Banney two additional payments totaling US\$6,262.35 through Money Gram, thereby bringing the total amounts received from Mr. Foster by Senator Banney, as at June 13, 2010 to over US\$20,000. Other payments besides those named above were made to Senator Banney.
- 5.13 May-June 2008: Using the US\$7,500 paid by CHC, a team of FDA staff, including Augustine Johnson, visited Rivercess County where they conducted a so-called biomass study.
- 5.14 July 2008: Senator Banney visited London where he met with Mike Foster, Andrew Graham and other CHC staff and informed them that the Biomass study would be completed and the report available within days of their meeting. Senator Banney said that the study was being done by Mr. Augustine Johnson who was "the resident expert in Liberia (also the President's nephew)". The Senator also advised CHC that the FDA would be seeking the advice of Johnson on biomass and the ultimate price to be paid. He therefore recommended the payment of US\$2,000.00 to Augustine Johnson immediately. The Senator also requested CHC (1) to reimburse him the amount of US\$6,500.00 additional cost for the study which he personally incurred for such things as chartering a boat to cross the river to the place where the study was conducted, and ((2) to assist him with purchase of parts for his vehicle VIN: SALPV1442TA325310 Range Rover Complete valve Block ASSY.
- 5.15 July 2008: CHC submitted its "Limited Proposal" dated July 11, 2008. In its proposal, CHC said that it "sponsored socio-economic survey of the virgin rainforest in RiveCess" for the purpose of supporting the discussions and negotiations for the sale of carbon on "400,000 hectares for a two year period." CHC also disclosed that it planned to "sell the carbon from Rivercess and other counties in the unregulated, unverified voluntary carbon market...Although in the draft carbon contract supplied, it was envisaged by CHC that some carbon tonnage would be verified under one of the standards for the 2nd year." CHC proposed selling "below the Chicago Climate Exchange of US\$4 per metric ton" because of several drawbacks that it would face in selling carbon from Liberia, one of which was the fact that rainforest is not recognized by Kyoto protocol.
- 5.16 September 29, 2008: CHC submitted to FDA a Cost Benefit Analysis **post dated October 15, 2008**, which the company claimed was prepared by an independent consultant. The Cost Benefit Analysis plagiarizes a US a 2001 report of a US Forest Service study entitled "Benefit-Cost Analysis of Santa Monica's (California) Municipal Forest" prepared by E. Gregory McPherson, James R. Simpson, Paula J. peper and Qingfu Xiao. The CHC Cost benefit Analysis also concluded that carbon trading represented a better option for Liberia because it would provide Liberia substantial revenues compared to revenues from logging over the same area of 400,000 hectares.

- 5.17 October 16, 2009: Mr. John Woods, MD of FDA wrote a letter to Mr. Foster acknowledging the cost benefit analysis submitted by CHC. He subsequently gave copies of the cost benefit analysis to Mr. Thomas Downing, GEMAP Advisor to FDA to review it. He also asked other FDA staff members to review the Analysis and provide him comments.
- 5.18 October 19, 2008: Tom Downing presented a memo to MD Woods, at his (MD's) home, explaining that the CHC study is fraudulent, did plagiarized a USFS study, and was based on false statistics and dangerous economics. The MD and Mr. Downing went over the memo, and compared the CHC study with the USFS Study that it plagiarized.
- 5.19 October 25, 2008: Mr. Woods, while in the United States, called Mr. Downing and requested that he forward him the USFS study that CHC Plagiarized in order that he (MD Woods) would review it along with Augustine Johnson who was incidentally in the United States with the MD at the same time. Mr. Downing obliged, and again forwarded to Mr. Woods a copy of the same USFS Study that he had earlier presented to him twice in Liberia on October 19 and 22, 2008. There is no record of any action Mr. Woods took in respect of the reported fraud, although Minister Ambulai Johnson informed the Committee that Mr. Woods believed that the report was plagiarized.
- 5.20 September, 2008: CHC engaged the services of Honorable Ambulia Johnson, then Minister of Internal Affairs of the Republic of Liberia and a member of the Board of Director of FDA. In a written statement submitted to the Committee, George Antwi admitted that he engaged **"the Minister of Internal Affairs of the Government of Liberia to see if assistance could be given to CHC in achieving a carbon contract with the FDA. This was undertaken as it seemed that the non-Liberian parties with clear vested interests who had considerable influence were successfully disparaging CHC to the FDA and other Government officials."** Mike Foster and George Antwi then sent directly to Minister Johnson the CHC proposal and many of the documents they had earlier sent to FDA. Mr. Foster and Mr. Antwi subsequently met with Minister Johnson, individually and collectively, on several occasions.
- 5.21 December 2008: At a meeting of the FDA Board MD Woods passed out to members of the Board a draft contract between CHC and FDA and orally advised, according to one of those in the meetings, that "this was the sort of relationship that FDA might want to pursue."
- 5.22 December, 2008: Cllr. Benedict Sargbeh, Legal Counsel at FDA and officer responding for drafting minutes of the FDA board, informed CHC that the Board of Directors of FDA had constituted a three-person subcommittee headed by Minister Ambulia Johnson to review, analyze and recommend to the Board a decision on the CHC proposal.
- 5.23 February 16, 2009: The FDA, through its then MD, Mr. E. Ekema Witherspoon, wrote Mr. Keith Jubah, Chairman of the PPCC requesting the permission of the PPPCC to single source the 400,000 hectares to CHC for two (2) years to conduct carbon pilot activities. The same letter dated the same day was sent to Honorable Amara Konneh, requesting a certificate of Concession in favor of CHC. About half of the content of the letter by Mr. Witherspoon was about Mr. Augustine Johnson's selection and sponsorship by Mc Call Bain Foundation to undergo training at Clark University and South Dakota University, and the deliverables he had to produce. While the relevance of this information to the request for single sourcing to CHC is doubtful, the additional act of the acting MD in copying Mr. Johnson (a junior officer at FDA) on such important outgoing communication is apparent conformation of information received by the Committee regarding Mr. Johnson's influence in procuring the letter as part of his general support to CHC.

- 5.24 February 26, 2009: At a meeting of the FDA Board, the managing Director, Mr. John Woods advised the Board that within two weeks he would be asking PPCC for permission to enter a sole source contract with CHC. In fact, the letter to the PPCC had already been sent on February 16, 2009 (ten days earlier) upon the instruction of the MD. There is no record that the Board discussed the advice of the MD relative to single-sourcing the CHC contract.
- 5.25 March 2009: Tom Downing met for an hour or more with the Chief of Staff of the Minister of Planning in his office where Downing laid out the CHC fraud at the request of the Planning Minister.
- 5.26 April-October 2009: Mr. Woods suffered stroke in the United States and remained there for several months receiving medical attention, and Mr. Kendrick Johnson is appointed as Acting MD of FDA.
- 5.27 May or June, 2009: CHC Met with Kendrick Johnson three times. The first meeting was at the FDA; the second meeting was at the Office of Minister Amulai Johnson; while the third meeting was again attended by Minister Amblai Johnson and at Mamba Point (Hotel). According to Mr. Kendrick Johnson the CHC executives tried everything during those meetings to have him conclude the contract with them.
- 5.28 October, 2009: John Woods returned to Liberia from the SUSANA where he had been recovering from stroke.
- 5.29 November, 2009: Mr. John Woods wrote the PPCC, requesting for a single source of the CHC contract, without any reference to the previous communications sent by Mr. Witherspoon on February 16, 2009.
- 5.30 December 15, 2009: The Executive Director of the PPCC, Mrs. Peggy Varflay Meres, wrote the FDA and acknowledged Mr. Woods letter referenced MD/177/09/01 and advised the PPCC interposed no objection to the single-sourcing of the CHC contract.
- 5.31 January 10, 2010: The FDA, through Mr. John Woods, wrote Mr. Michael Foster, informing him that the PPCC has interposed no objection to the single-sourcing of the contract and that he should come to Liberia to negotiate the contract.
- 5.32 January 17, 2010: Mr. Foster acknowledged the invitation to negotiate from Mr. Woods.
- 5.33 January 20, 2010: Mr. Woods wrote Hon. Richard Tolbert, Chairman of the National investment Commission and also Chairman of the Inter-ministerial Concession Commission (IMCC) and provided an overview of the CHC proposal, including approval granted by the PPCC for single sourcing the contract. He further stated that in view of the foregoing, the FDA proposed that the IMCC inclusive of the EPA, sit as the negotiation Team to discuss the terms/conditions of the carbon contract between GOL and CHC.
- 5.34 January 20, 2010: Mr. Woods wrote Mr. Foster, with copy served Finance Minister Augustine Ngafuan and then EPA Executive Director, Alfred N. Amah whereby he informed Mr. Foster that the Board of Directors had given approval to consider the project as a pilot and that the PPCC imposed no objection to awarding the project contract to CHC on a single-source basis, considering the proposal and baseline survey commissioned by CHC. Mr. Woods mentioned that the negotiation was well on course, but views from other sectors of Govt. on the size of the investment seemed to compel them to send the entire

process before the IMCC. He said that the recommendation for the backing of the IMCC was most appropriate. He informed Mr. Foster that the FDA had submitted the entire process to the IMCC for review and subsequent appointment of a Negotiation Team to move the process forward quickly.

- 5.35 January 22, 2010: Dr. Richard Tolbert wrote Mr. Woods with copies to the Ministers of Justice, Finance, Labor who are all member of the IMCC. **Significantly, Dr. Tolbert also copied Minister Ambulai Johnson** who is not a member of the IMCC. In his letter to Mr. Woods, Dr. Tolbert stated that while he had no objection to calling an IMCC meeting to evaluate or “negotiate” the proposal, but before a Negotiation Team could be appointed he believed the IMCC needed to hear the full details of the proposal. “I note however from CHC’s communication of 1/17/10 to you [John Woods], that you have already commenced negotiations with them. (I assume that IMCC constituted by the President for forest Management Contracts is the same body empowered to act on this matter).” Dr. Tolbert then suggested that the proposal be sent to all members of the IMCC, and that Mr. Woods should work with his SA, Mr. Varney Baker to schedule an appointment time to hold the IMCC meeting.
- 5.36 January 26, 2010: Mr. Woods informed Mr. Tolbert that the **original attached proposal submitted by CHC had been rejected because the FDA wanted to ensure that enough information had been gathered on the new subject before executing a long-term contract**. It was resolved, he added, “That we entered a carbon pilot project for two (two) years under which CHC would invest US \$2 million. **Note: CHC never requested any period beyond two (2) years; the company correspondence with Senator Banney and its proposal as well as draft carbon contract all mentioned a contract for two years.** Mr. Woods noted that the FDA thought of completing preliminary evaluation and negotiations before forwarding an informed report to IMCC for final determination. He attached the principles that guided the entire process as well as other instruments relative to the concerns triggered by this management. He added that the FDA’s cooperation with the IMCC is paramount and they as members of the IMCC will never engage in conducts that will undermine its functions. We are willing, he said, to furnish the IMCC all background information relevant to this negotiation.
- 5.37 January 27-April 11, 2009: No action taken on the CHC proposal by the IMCC or any authority, although it is obviously clear that Mr. Woods explanation for FDA entering into negotiations with CHC before constitution of an IMCC is untenable and in violation of the PPCC Act
- 5.38 April 12, 2010: Mr. Moses Wogbeh, Managing Director of FDA wrote Dr. Tolbert, forwarding what he described as negotiating principles and an agency agreement (and Not a Carbon Concession contract) that was now being considered for execution between CHC and FDA-(subject to further negotiations) subsequently developed. Mr. Wogbeh requested again, that the IMCC Negotiation Team be constituted to further discuss the terms and condition of the CHC contract with the Government of Liberia.
- 5.39 April 13, 2010: Dr. Richard Tolbert wrote to President Sirleaf and requested that she kindly constitute an Inter-ministerial Concession Committee based on a request received from FDA concerning a “carbon Harvesting Concession.”
- 5.40 April 27, 2010: President Sirleaf Johnson acknowledged Dr. Richard Tolbert’s letter of April 13, 2010, requesting her to constitute an Inter-ministerial Committee (IMCC) to negotiate a Carbon Harvesting Concession. The President stated that she considers her responsibility

to constitute an IMCC more than a perfunctory one. She therefore instructed Dr. Tolbert to submit for Cabinet consideration a proposal that would facilitate the start of negotiations on a carbon Harvesting Concession.

- 5.41 April 29, 2010: Dr. Tolbert writes Mr. Moses Wongbeh, advising him that the in connection with the request made by FDA to NIC to constitute an Inter-ministerial Concession Committee on Carbon Harvesting Corporation, the President requested that the entire Cabinet be briefed on the issue. Therefore, they (FDA) should submit an original copy for her Excellency as well as copies for all members of the IMCC.
- 5.42 April 30, 2010: Mr. Wongbeh wrote Dr. Tolbert forwarding seven (7) copies of the negotiating Principles in favor of Carbon Harvesting Corporation (CHC).
- 5.43 June, 2010: Mike Foster was arrested by the City of London Police, and information of the arrest is published by Global Witness.
- 5.44 June 2010: The president appointed the Committee to investigate alleged CHC carbon concession agreement.

6. **STATEMENTS & TESTIMONIES**

6.1 The Committee received statements, through mail and in person, from the following persons:

1. Mr. John T. Woods, Former Managing Director FDA
2. Mr. Moses Wogbeh, Managing Director, FDA
3. Mr. Bernard Bropleh, Finance Manager, FDA
4. Mr. Augustine Johnson, Manager, GIS, FDA
5. Mr. Kendrick Johnson, Assistant Managing Director, FDA
6. Cllr. Benedict Sargbeh, Legal Counsel, FDA
7. Mr. Thomas Downing, GIMAP Advisor to FDA
8. Senator Jonathan Banney, Senior Senator, Rivercess County
9. Mr. Richard Tolbert, Chairman, NIC
10. Mrs. Florence Chenoweth, Minister of Agriculture & Chairperson FDA Board
11. Mr. Ambulia Johnson, Former Minister, Ministry of Internal Affairs, and Member, FDA Board
12. Mr. Amara Konneh, Minister of Planning and Economic Affairs, and member, FDA Board
13. Mr. Francis Dennis, President of LBDI, and member of the FDA Board
14. Mr. George Antwi, Agent for CHC in Liberia
15. Mrs. Esther Paygar, Commissioner, PPCC
16. Mrs. Peggy Varflay, Executive Director, PPCC
17. Mr. Joseph Neufvielle, Former Executive Director and presently Senior officer, PPCC
18. Mr. Christopher Neyor, Energy Advisor to the President of Liberia
19. Mr. Silas Siakor, Executive Director, SDI

6.2 We also received statements from the following bodies and organizations:

1. Global Witness
2. UN Panel of Expert on Liberia.

6.3 A summary and relevant portions of interviews conducted and statements received by the Committee is attached as Annex-1 To This Report.

7. FINDINGS OF THE COMMITTEE

- 7.1 The Committee has made a number of findings and other determinations based on (1) information provided by person interviewed; (2) statements obtained through mail from several persons and bodies; (3) documents reviewed, and (4) intelligence gathered. The Findings of the Committee address the specific tasks given the committee as per its terms of reference. The tasks specified by the Committee TOR are stated in Section 3 of this Report, and include determining whether the PPPC law was followed in respect of this transaction, and whether bribes were paid, offered or solicited.
- 7.2 **The CHC contract was subject to the PPCC Act:** Section 73 (1) of the PPCC Act defines concession as meaning “the grant of an interest in a public asset by Government or its agency to a private sector entity for a specialized period during which the asset may be operated, managed, utilized or improved by the private sector entity who pays fees to or royalties under the condition that the Government retains its overall interest in the assets and that the asset will revert to the Government.” Section 73(1) also names “joint ventures” and “Management contract/Service Contract” as forms of concession. Either or both the carbon contract first submitted by CHC and the Agency Contract subsequently submitted are all concessions under Liberian law, and therefore governed by the provisions of the PPCA.
- 7.3 **The Concession certificate issued in respect of the Contract, did not comply with the PCC Act:** Section 88 of the PPCC Act provides that no concession shall be commenced without the issuance of a concession certificate issued by the Ministry of Planning and Economic Affairs. Section 89 states that prior “to issuing the certificate for concession under Section 88 of this Act, the Ministry responsible for Economic Affairs shall ensure that that specific criteria established by the Act are complied with. Section 89 (1)© require the Minister to ensure that the “barriers or bottlenecks that need to be addressed prior to or in the course of the concession procurement process have been clearly identified by the Concession Entity or by the Ministry responsible for Economic Affairs and brought to the attention of the Entity.”

The Committee found that the Ministry of Planning & Economic Affairs failed to comply with the requirement of Section 89(1) of the PPCC Act in that it issued a concession certificate to FDA although (1) it had substantial doubts (and reconfirmed those doubts to the Committee) about the feasibility or viability of the carbon credits scheme at the time, (2) it was advised that CHC was inexperienced, lacked necessary technical skills and financial means, and had also perpetrated fraud, and (3) there was neither a concession procurement plan developed by FDA as required by Section 79 of the PPCC Act nor was there an approval of the project by the FDA Board of which the Ministry is a member. The conduct of the Ministry was therefore wrongful, and in violation of the PPCC Act. It is significant, and the Committee found it very troubling, that the Minister failure to have complied with the PPPCC Act in respect of the CHC Contract was after his response to a January 12, 2009 letter from Mr. John Wood, requesting certificate of concession for six (6) TSC and three (3) FMcs. In Minister Konneh’s response dated January 21, 2009, he informed Mr. Woods that in **order “to ensure compliance with Article 89, Section 1 and 2 of the Public Procurement and Concession Act (PPCA) of Liberia, I hereby request a statement indicating that the contractors have met the criteria herein prior to the issuance of the certificate.”** (emphasis added) Ordinarily, one expected that the Minister would have maintained the same insistence on compliance with Section 89 of the PPCC Act in respect of the CHC Contract just as he did in his January 21, 2010 letter to Mr. Woods. Also of pertinence is a March 30, 2009 communication that the UN Panel of Experts on

Liberia sent to Minister Konneh for information regarding a certificate of concession for a sole source carbon concession to CHC.

- 7.4 **FDA Violated PPCC Act by not developing Concession Plan:** The Committee found that the FDA did violate the law (1) in not developing the procurement plan required by Section 77 and 79 of the PPCC Act, and (2) by taking action in the concession process in violation of the clear prohibitory requirement of Section 77 of the PPCC Act. Section 76 of the PPCC Act provides that any entity issued “with a certificate for Concession in accordance with Sections 88 and 89 of this Act shall be a Concession Entity for the purposes of this Act and shall be responsible for the concession process”. Subsection (2) of Section 76 provides that “the head of the Concession entity shall be held accountable and responsible for any action taken in pursuit of his or her responsibilities under this Part and shall not be absolved from accountability because he or she delegated the function.” The statutory responsibilities of the Concession Entity (to be performed through its procurement unit required by Section 29 of the Act), according to Section 77 of the PPCC Act include preparing a “concession procurement plan”, and to “plan and administer concession up to but excluding evaluation and award of concession contracts.” Section 79(1) requires that the Concession Procurement Plan include the following: (a) allocation of responsibilities and deadlines for all pre-implementation activities necessary for the concession procurement process including the engagement of consultants to advise at any stage of the concession process; (b) arrangements to ensure coordination with other institutions where necessary; and (c) the methods to be employed in the procurement of the concession indicating whether it is a national competitive bidding or an international competitive bidding.
- 7.5 **FDA usurped the functions of the IMCC:** The Committee found that (1) the decision to award of the contract to CHC; (2) the letter of invitation to negotiate sent to CHC by FDA, and (3) the so-called preliminary negotiations commenced by FDA with CHC in January 2010 each constituted a usurpation of the functions of the IMCC in violation of the PPCC Act, and therefore void. Section 81 of the PPCC Act established an Inter-ministerial Concession Committee comprising of the NIC as Chair and the Ministries of Finance, Justice, Planning and Economic Affairs, etc. with the head of the specific Concession Entity serving as a non-member Secretary. Section 82 of the PPCC Act states the functions of the IMCC as including: (a) review and approve concession bid documents prior to the invitation of bids; (b) Review the Evaluation reports to ensure that procedures were in strict conformity with the criteria, the Act and relevant regulations; (c) approve the minimum benchmarks for the negotiations with the concessionaire as proposed by the concession entity. Subsection (2) of Section 81 states that “the purported performance of the functions of the Inter-Ministerial Concession Committee by any other person or entity shall be void.” Many, if not all, acts of the FDA in respect of the CHC concession were therefore void.
- 7.6 **Single-Sourcing of Contract in Violation of the PPCC Act:** Both FDA and the PPCC violated the PPCC Act by single sourcing of the CHC Contract. The PPCC Act expressly states that it is intended to eradicate “monopolies and promote competition in the concession procurement process” Because of the Statutory preference for competitive concession process, the PPCC Act provides in Section 101 the specific and limited conditions under which a concession may be sole-sourced. According to Section 101, “a concessionaire may be sole-sourced if one of or more of the following conditions prevail: (a) the concession requires specialized expertise that is available only to one specific bidder; (b) the concession involves an innovation the patent for which is held by one particular bidder; (the concession requires specialized research, or experiment that only one person is prepared to undertake; and (d) the concession is in respect of strategic national interest or national defense and security and it is not in the national interest to have more than one

bidder. Section 102 of the PPCC Act also provides that in “all instances other than ...bidding, the method to be used shall receive the express **prior approval of the Commission.**” The CHC concession should therefore have been subject to competitive bidding as a default procedures since none of the statutory conditions for sole-sourcing existed.

- 7.7 **Justification for single sourcing on untenable:** The Committee found that the FDA cited, and the PPCC Executive Director agreed, that Section 101 © provided a justification for single-sourcing of the CHC contract. The Committee disagrees because the facts clearly show that it was not only CHC that was interested in doing carbon credits in Liberia. Others companies did show interest. And so were the Price of Wales and the Norwegian Government. The justification of the FDA was therefore appears intentionally misleading, and its acceptance by the regulator of procurement and concession processes questionable.
- 7.8 **Other legal defects of decision to single source:** The approval obtained from the PPCC regarding single sourcing of the Contract was also in violation of the PPCC Act for the following reasons: (1) no statutory reason existed for approving single sourcing of the contract, and (2) The approval was granted by the Executive Director without the authorization of the seven Commissioners of the PPCC who, by virtue of Section 5 of the PPCC Act, have the authority to (1) “monitor compliance with this Act by all parties and persons to whom this Act applies; and (b) review procurement and concession s documents and or inspect records as and when necessary to prevent corruption of the process or any intended process”, and (3) because there is credible evidence that the unauthorized conduct of the Executive Director of the PPCC was procured by CHC through payment and or offer of bribes. Section 14(2) states that the “functions of the Executive Director of the Commission shall include but not be limited to the day to-day administration of the Commission, implementing the decisions of the Commission, keeping accurate records of proceedings and decisions of the Commission and such other functions as the Commission may direct.” The Executive Director did not show records that she was ever authorized to make critical decisions as to method of concession procurement, which the Act expressly entrusts to the Commission working as a body. In this regards, the Committee note the provisions of Section 131 which provides that public official involved with concession process should “always act in the public interest and in accordance with the object and procedures of this Act”, “not commit or abet corrupt or fraudulent practices, coercion or collusion, including the solicitation or acceptance of any inducements.”
- 7.9 **Mrs. Peggy Varflay Meres and Mr. Joseph Neufville violated PPCC Act:** The Committee found that the conduct of Mr. Joseph Neufville and Mrs. Peggy Varflay Meres of the PPCC in granting the FDA approval to single source the CHC Contract was an illegal usurpation of the statutory functions of the seven persons comprising the commission and was therefore constitutes a contravention of the PPCC Act. Section 138(1) of the PPCC Act states that “any person who contravenes any provision of this Act shall, upon summary conviction, be liable to a fine or a term of imprisonment not exceeding two (2) years or both.” Subsection (2) of Section 138 provides that in addition to other offences under this Act, “the following shall also constitute offences under this Act: (a) Entering or attempting to enter into a collusive agreement, whether enforceable or not with any other bidder; and B) Directly or indirectly influencing in any manner or attempting to influence in any manner the procurement or concession process to obtain an unfair advantage in the award of a procurement contract.”
- 7.10 **CHC Carbon Concession procured by fraud, bribery and other acts of corruption:** The Committee found that CHC, through Mr. Michael Foster, George Antwi and others, paid

and/or offer bribes and other consideration to officials of government as inducements for the granting of the Concession in favor of CHC. Mr. Michael Foster was the master planner and overseer of all aspects of the CHC scheme of forge and bribery. He source funds from investors in Europe and paid Senator Banney, Mr. Augustine Johnson and other public servants for their “assistance” with the CHC Contract. Mr. Foster and his CHC colleagues are therefore in violation of Section 12 of the Penal Law of Liberia particularly Chapter 12 dealing with offenses against Government integrated.

- 7.11 **Senator Jonathan Banney violated the Constitution and Penal Law of Liberia:** Senator Banney was hired by CHC to (1) enable them meet with President Sirleaf and the FDA management, and (2) also perform a number of tasks, including obtaining the acceptance of the CHC proposal by the elders and citizens of Rivercess County. As consideration, CHC agreed to pay Senator Banney the amount of US\$10,000.00 (Ten Thousand United States Dollars). In keeping with his contractual obligations to CHC, Senator Banney secured an appointment and had Mr. Michael Foster and another colleague met with President Ellen Johnson Sirleaf at her offices at which time they reportedly explained their proposal to the President. Senator Banney’s acceptance of money for the purpose of having the President to meet foreign investors and also to obtain the consent of the elders of Rivercess relative to CHC proposal was in violation of Section 12.52 of the Penal Law of Liberia. Section 12.52 of the Penal Law of Liberia states “A public servant has committed a first degree misdemeanor if he solicits, accepts or agrees to accept a thing of pecuniary value as compensation for advice or other assistance in preparing or promoting a bill, contract, claim or other matter which is or is likely to be subject to his official action.”

Additionally, Senator Banney’s acts in (1) proposing and negotiating a Memorandum of Understanding with CHC on behalf of the citizens and elders of Rivercess County for the award of 500,000 hectares of forest in the County d (2) communicating and or facilitating communications on behalf of the Liberian Government with the Office of the Prince of Wales were violation of Article 3 of the Liberian Constitution which states: “consistent with the principles of separation of powers and check and balances, no person holding office in one of these Branches shall hold office in or exercise any of the powers assigned to either of the other two Branches.”

- 7.12 **Senator Banney received and solicited bribes:** The Committee found abundant evidence of money paid to and requested by Senator Banney for his role in facilitating the CHC contract. Over US\$20,000 was found paid to Senator Banney by CHC. In addition to (1) hospitality including guided city tour and fine dining in London, UK; (2) purchase of spare parts for his Range Rover vehicle; and (3) purchase of clothes and other accessories. The committee also found that Senator Banney made the following solicitation from CHC: (1) a request to pay him US\$6,500.00 (Six Thousand Five Hundred Dollars) he allegedly incurred by chartering a boat to facilitate a study for CHC; and (2) a request to help him with some money for the medical treatment of his wife who he said was taking treatment for cancer in Ghana. The Committee found that total documented payments made to Senator Banney by CHC exceeded US\$20,000.00 and that these payments and other inducements were in consideration of the following services he rendered or agreed to render CHC: (1) securing for them a meeting with the President of Liberia; (2) Securing for CHC the consent of the elders and citizens of Rivecess for the concession; (3) running of errands for CHC such as receiving and transmitting the FDA budget for the biomass study and making payment in person to FDA of the 1st half of the money; (4) pressuring Mr. Woods and others to grant the concession to CHC, etc.

- 7.13 **Hon. Ambulai Johnson solicited and/or received bribes from CHC:** The Committee found that CHC engaged Minister Ambulai Johnson for the purpose of having him assist the company to obtain its Carbon Credit Concession Agreement. While the amount requested by Minister Johnson for his services is yet to be established, the Committee agreed that he did provide assistance to CHC on commercial terms that included a payment or an offer to pay significant sum of money to him. Minister Johnson. Mr. George Antwi also said that he lobbied Minister Ambulai Johnson to help CHC when it was discovered that a number of persons were placing obstacles in the way of CHC. Speaking of the terms of Mr. Minister Johnson's engagement, Mr. Michael Foster said Minister Johnson requested at least Two Millions United States Dollars in order to deliver the contract, which he (Minister Johnson said) was to be shared with members of the IMCC. The Committee found that Minister Johnson did not disclose his engagement or contacts with CHC to either the FDA Board or to law enforcement officers. The persistent non disclosure was maintained by Minister Johnson even when his own cousin, Mr. Kendrick Johnson, as Acting Managing Director of FDA, requested his advice concerning what to do or say to Mr. Foster and other CHC officers and agents that were demanding him to advance the CHC Contract.
- 7.14 **Mr. John Woods was offered or paid bribes by CHC:** The Committee found that CHC offered a vehicle to Mr. John Woods as an incentive for him to support the CHC in its quest to obtain carbon credits concession from the Liberian Government. Mr. Woods admitted in a conference with the Committee that Mr. George Antwi of CHC drove an old vehicle in his (Mr. Woods') yard and offered it to him in connection with the CHC contract. Mr. Woods also suggested to the Committee that he heard and was in fact told that other officials of Government were receiving bribes. Significantly, Mr. Woods did not disclose this offer of bribe or reports of bribes payment to either the Board, members of management, or law enforcement officers. In fact, Mr. Woods refused to admit this to the Committee until the second of two separate interviews held with him, and then not until he realized that the Committee had knowledge of the fact of the vehicle offer. Intelligence gathered by the Committee established that CHC earlier believed that Mr. Woods was their principal obstacle that had to be "sorted out". The Committee also found that by late 2009, CHC was satisfied that Mr. Woods was on their side. CHC officers and agents would therefore make this boast among themselves: "The MD has been paid and is on our side as he is dependent on us in the future." Mr. Woods never explained his sudden shift from original opposition to the proposal of CHC (at least until the beginning of his illness in early 2009) to a new strong support for the proposal when he returned to work late 2009. It is established, however, that Mr. Woods' sudden shift of positions on the CHC contract was (1) **made after** CHC had engaged the services of Minister Ambulai Johnson, a cousin of the President of Liberia who was also an influential member of the Cabinet and the FDA Board; and (2) **in total disregard** of written and verbal advice from Thomas Downing, GEMAP Financial Advisor assigned to FDA, SDI's Executive Director, Silas Siakor, and others. The Committee also found that at the time of the decision to seek concession certificate and also single source the carbon concession, Mr. Woods and other FDA officials knew that there were other proposals for payment of money to Liberia for reduced carbon emissions, and that these proposals came from the Prince of Wales, Norway, and other companies named by Mr. Augustine Johnson as Disney and Eco-Securities. It appeared that Mr. Woods knew more than he has willing to share with Committee. Either Mr. Woods was bribed, as CHC claimed, or he was pressurized to support the CHC contract through other means that he could not resist. In any case, he failed to disclose to proper authority an attempt to bribe him and information he heard that bribes were being paid to other officials.
- 7.15 **Augustine Johnson and Cllr. Benedict Sargbeh requested and or received bribes:** The Committee found that Mr. Augustine Johnson and Cllr. Benedict Sargbeh requested or

received money, computer, and other consideration. The payments to Mr. Augustine Johnson was on account of the representation that he was the resident expert” at FDA on carbons matter and also to have him provide technical justification for the viability of the proposal submitted by CHC. The Committee found indirect evidence that Mr. Benedict Sargbeh was also bribed by CHC for (1) disclosing deliberations and decisions of the FDA Board (Cllr. Sargbeh records minutes of the Board) and (2) for writing communications like the June 10, 2010 letter of invitation to negotiate that Mr. Woods sent to Mr. Michael Foster. Mr. Augustine Johnson and Cllr. Benedict Sargbeh in fact provided confidential information of FDA to CHC and also allowed CHC to draft FDA documents that they would have Mr. Woods and other FDA officials sign. In this connection, Mr. Augustine Johnson claimed authorship of a biomass study, but allowed CHC to revise it substantially with content favorable to CHC. Cllr. Sargbeh also provided CHC with updates regarding deliberations and decisions at FDA Board meetings. On one occasion he informed CHC that a sub-committee of the Board had been appointed to review and recommend action on CHC proposal, and that the Committee was headed by Honorable Ambulai Johnson. The Committee also found evidence that in response to a demand from staff of the FDA, CHC agreed to pay the amount of US\$2,000.00 for preparation of the letter of invitation to negotiate, which FDA ultimately prepared and delivered to CHC. Cllr. Sargbeh admitted to the Committee that he drafted the letter of invitation in question.

- 7.15 **The conduct of the Minister of Planning and his Chief of Staff suspects:** The Committee found that the concession certificate issued for the CHC Contract by the Minister of Planning and Economic Affairs was in violation of the PPCC Act. The Committee found that the concession certificate issued by Minister Amara Konneh was not based on compliance with the statutory procedure established by the PPCC Act. The Committee found the failure of Minister Johnson to have insisted on compliance with the PPCC Act to be unreasonable. His issuance of the Concession Certificate was in violation of Section 89 of the PPCC Act. Section 138 (1) of the PPCC Act states that “any person who contravenes any provision of this Act shall, upon summary conviction, be liable to a fine or a term of imprisonment not exceeding two (2) years.” The Committee also received credible evidence that a staff of the Ministry of Planning was paid bribes in connection with the issuance of a concession certificate for the CHC Contract. While the exact of identity of the dishonest MOP’s staff, the Committee found the conduct of Mr. Edward Eesiah, Chief of Staff to the Minister of MOP as suspect, especially as it relates to duration and discussions of his meeting with Thomas Downing, and the unreasonable failure to have failed to disclosed the very important matters discussed in that meeting to either or both his principal and the Board.

8. CONCLUSION AND RECOMMENDATIONS

- 8.1 The Committee concludes that the CHC contract was a product of fraud and corruption.
- 8.2 The Committee found that several persons were involved in the scheme of bribery and corruption regarding the CHC contract, but most of them carefully concealed their activities that direct evidence is hard to obtain against them.
- 8.3 Based on a review of sample minutes of the FDA Board, the Committee found that (1) inadequate and misleading information was provided the FDA Board by the FDA management, and (2) The FDA Management paid inadequate attention to the carbon credits proposal of CHC. The record showed that Mr. Foster made a presentation to the Board on carbon credits and the proposal of CHC. The records also showed that the Board,

acting on the presentation and other information, requested that a study be done into the matter. However, there is no records in the minutes reflecting any subsequent meaningful discussion of the subject-not even a question of the findings of the study. Annex II to this Report is a schedule of references made about carbon credits in minutes of the FDA Board along with comments about action or no action taken by the Board.

- 8.4 The problem with the CHC carbon concession could have been discovered and probably corrected earlier if (1) the FDA Board was a little more pro-active, (2) the Ministry of planning and Economic Affairs had not issued the Concession certificate; (3) the PPCC had not granted Non-Objection to sole source the concession, and (4) the IMCC had acted quickly in January 2010 when Mr. Woods informed Dr. Tolbert that FDA had commenced negotiations with CHC in contravention of the rules on concession.

9. **RECOMMENDATIONS**

9.1 The Committee recommends that:

- a. That Senator J. Jonathan Banney of Rivercess County be (1) impeached for violating Article 3 of the Liberia Constitution and several provisions of the Penal law of Liberia, **and or** (2) prosecuted for soliciting, receiving and paying bribes plus other criminal conduct detailed in this Report, including Section 138(2) which establishes as an offense the act of “directly or indirectly influencing in any manner the procurement or concession process to obtain an unfair advantage in the award of a procurement contract”;
- b. That Mr. Ambualai Johnson be prosecuted for soliciting, accepting and or receiving and also for other violations of law as stated in this Report, including violation of Section 138(2) of the PPCC Act which establishes as an offense the act of “directly or indirectly influencing in any manner the procurement or concession process to obtain an unfair advantage in the award of a procurement contract”;
- c. That Mr. Augustine Johnson, Manager of GIS at the FDA and Mr. Joseph Neufville, Technical Advisor at the PPCC be immediately dismissed and then prosecuted for soliciting, accepting and or receiving bribes and also for violation of the PPCC Act, especially Section 138(2) which establishes as an offense the act of “directly or indirectly influencing in any manner the procurement or concession process to obtain an unfair advantage in the award of a procurement contract”.
- d. That Mr. Michael Foster and Mr. George Antwi be prosecuted for acts of bribery, fraud and criminal conspiracy in violation of the Penal Law of Liberia;
- e. Mrs. Peggy Varflay Meres, Executive Director of the PPCC be immediately dismissed, and then prosecuted for violation of the PPCC Act, especially Section 138(2) which establishes as an offense the act of “directly or indirectly influencing in any manner the procurement or concession process to obtain an unfair advantage in the award of a procurement contract”;
- f. That Mr. John Woods, Mr. Amara Konneh, Mr. Edward Eesiah and Cllr. Benedict Sargbeh each be reprimanded, and such further actions taken as may be deemed necessary in keeping with the Government’s Anti-corruption policy, including, at a minimum, formal criminal investigation of their knowledge and role in respect of the entire CHC Carbon Credits Concession.

9.2 The Committee also recommends that the Government takes such further steps as would strengthen the processes involved in (1) issuance of concession certificate; (2) the granting of non-objection to sole sourcing, (3) effective oversight of the FDA and other public authorities or corporations by their board of directors; and (4) the coordination between the institutions involved in the concession process.

Signed: _____

The Special Presidential Committee to
Investigate alleged Carbon concession between
The Liberian Government and Carbon
Harvesting Corporation of the United Kingdom

“Annexes”

Annex I

Summary of Statements with relevant portions of interviews conducted

Statement by Mr. John Woods

Mr. Woods explained that in 2008 Mr. Michael Foster and Senator Jonathan Banney approached him at his FDA's Office concerning a concession for 500,000 hectares of land in Rivercess county. He said that he told Mr. Foster and Senator Banney that the laws of Liberia did not provide for a concession of 500,000 hectares but rather 400,000 hectors.

Mr. Woods further explained that because the FDA had no employee who possessed the requisite knowledge about Carbon harvesting, he informed the CHC executives that he would instruct a technical person to do a research on carbon as a commodity coming out of the forest of Liberia. After several arrangements, it was agreed that Augustine Johnson would be the best person to conduct the research. Mr. Woods said that Mr. Johnson carried on the research on **four(4) plots**, and it revealed that the carbon content in the area was high and met the standards of the UNFCCC.

Based on the positive findings of the Study, the FDA decided to enter into negotiations with CHC. Mr. Woods said that while the FDA was in preliminary discussions with CHC, the company placed a false advertised on its website to the effect that it already had agreement with the Liberian government for the forest in question. The statement placed on CHC web r read as follows: "Some 500,000 hectares of Upper Guinea rainforest has been secured by CHC in conjunction with Liberian Government and administered by the Forestry Development Authority." When the false advertisement was discovered, CHC was demanded to shut down the website or remove the false information. Mr. Woods said he was not sure whether the website was actually shut down but, "according to Mr. Foster, he did shut the web site down."

Further explaining, Mr. Woods said that Mr. Foster disappeared for a while. He subsequently reappeared and resumed pressure for the concession. Mr. Woods said that the negotiations started with a "carbon credit Contract" which CHC had submitted in support of its proposal. Contract was bulky and did not conform to any of the contracts and licenses authorized under the Forestry law. Mr. Woods said he suggested a simpler contract based on the TSC (Timber Sales Contract), but this was also not accepted. Hence, it was later agreed that an Agency Agreement be drawn up whereby CHC would serve as an agent of FDA.

The agency contract was a subject of negotiations by the FDA and others including the Ministry of Finance, EPA in January 2010. Mr. Woods claimed that because the whole transaction did not meet the approval of EPA, the Ministry of Finance, the Ministry of Planning, and himself it was finally resolved that the IMCC should handle such concession. He therefore wrote the Chairman of the NIC and turned over turned over all documents relating to the concession.

Mr. Woods stated that in 2007, Liberia qualified as a REDD Country and stands to benefit \$200,000 but this grant was never disbursed. He also said that REDD was restrictive, and aims at gaining control of all your forest and to prohibit the country from any form of logging or framing activities.

In response to questions from the Committee, listed some of the procedures and requirements for the awarding of a Timber sales contract as follows:

- Registration of the Timber company
- Pre-qualification by a panel of experts
- Identification of areas so as to conduct a Social- Economic characteristics of the area
- Information gathered from the survey is then compiled into a justification document
- This document is then transferred to a bid and is advertised and bided upon.

He admitted that FDA did not do formal due diligence or comply with the normal procedures required by the PPCC Act because the CHC deal was not a concession but a pilot research contract. He did not explain the “pilot” nature of the contract.

Mr. Woods categorically stated that he never requested or received any money or thing of value, and none of such thing was ever offered him.

In a follow-up meeting held with Mr. Woods maintained his earlier position, denying taking bribes or ever being offered bribes. However, when the Committee, using intelligence received, asked whether any car was ever offered him, Mr. Woods admitted. He said yes, Mr. George Antwi offered him an old car in connection with the CHC deal but he turned it down.

Below is a portion of a follow-up interview held with Mr. Woods

Question: Mr. Woods. You were opposed to the CHC project, but then you changed. why the sudden change?

ANS: First time, I knew very little about carbon. I thought it would be a good idea to pursue it but on the basis of a pilot. I got a letter from the PPCC which said that they have no objection to using this as a pilot project. We could not go into a full concession because we knew very little about the carbon issue. I told them plainly, unless we get the letter to go ahead with the pilot, I will not continue with the project.

Question: Did you hold the same position when you went to America, that you didn’t think that proceeding with CHC was the right thing to do?

ANS: Yes, that was my position when I went to America.

Question: You returned to Liberia in September or October, you had the interim MD, Kendrick Johnson proceeding with the CHC negotiations in your absence?

ANS: I did not know about that.

Question: Did Kendrick Johnson give you any briefings when he turned over to you? At that point, did you feel you knew enough to extend an invitation to CHC?

ANS: Augustine Johnson, the technician briefed me and that gave me adequate information to go ahead with CHC.

Question: What did Augustine Johnson provide/tell you that brought you up to speed that resulted in a change of position between October and December, when your letter of invitation was extended to CHC?

ANS: The information I got was based on the research of the four (4) sample plots in Rivercess. Based on the study provided, I decided to go with the pilot. I cleared this project out of my personal conviction that I needed to know more, not because of Augustine Johnson’s advice.

Question: You would have had to see the results of the study. Did you see it?

ANS: Not the results, not in great detail.

Question: But the results did not say much about CHC but more about Liberia's forest and what Liberia has to offer...didn't it?

ANS: Yes, it said enough about the carbon content of the forest based on the measurements of 3cm above and below ground bio. At first, Mike Foster had posted on the web that he had secured 500,000 hectares, which was not correct. That information was taken down. This was before I left. That why I said, if we deal with this man, we cannot deal with him on a full scale concession but a pilot for five (5) years for 100,000 hectares.

Question: Other than the survey that was paid for by CHC and conducted by Augustine Johnson, what other studies were conducted?

ANS: No other studies. Just that one study which was not adequate to give us an overall idea.

Question: You did not consider the option of a pilot project before you went out. When you came back, it looks like you said, maybe we can change or define the scope of this project and do a pilot. What prompted the change? Did someone approach you with this idea?

ANS: No, I still have questions about the REDD program and how it would play in the different markets. It is still a great deal of uncertainty.

Question: Were there other companies lobbying to do the same thing as CHC?

ANS: Yes, Conservation International. They are here; they lobbied before CHC. In fact, Walt Disney and Eco Security were interested in carbon here. Plus the REDD Program coming in 2012.

Question: Did you do background research on these companies. My question is, if you had these many interested companies vying for the deal, why not opt for competitive bidding? Why go with just CHC? Why engage a virgin company?

ANS: That was not a virgin company by our contract. We had done the research.

Question: Why CHC?

ANS: They were the only ones dealing with marketable carbon. Competitive bidding is covered under our law for timber contracts, but this was carbon credit production we were dealing with.

Question: Again, what did Augustine Johnson say to you to make you change your position?

ANS: If you are getting at the fact that Michael Foster may have offered me something to induce me to give them that contract the answer is no. No company can say that they ever gave John Woods any money. Mike Foster never gave me a dime from him or his people. Not one coca cola did he ever give me. The only thing that they gave was the \$15,000.00 for the survey and I made sure to have Augustine Johnson and the comptroller handle it.

Question: Did Senator Banney approach you at all?

ANS: Senator Banney was in my office every other day asking about the company

Question: We are not asking if you ever received anything from CHC because you have emphatically said you did not. I want you to be totally honest with me Mr. Woods. I respect you

and I respect your position; In the process, did anyone including Senator Banny, Mike Foster, George Antwi (Kofi), Neil Warwick, at anything time offer or imply that they would give you money for this deal to go through? They referred to it as, public relations, goodwill gesture and PRO. I am sure you have heard those words?

ANS: Yes. I have heard those words. Kofi told me that people were asking him for something.

Question: Did he by any chance say who those people are?

ANS: I don't want to get into any Chi Chi polay business; it's not professional. I told him that I was not interested and if I hear that they gave anybody money, I would dropped it. Warwick took me to dinner one night at a Chinese restaurant trying to negotiate a price and I refused.

Question: Mr. Woods, were you ever offered a car by anyone from CHC?

ANS: As a matter of fact, I don't have a car. I asked the President to let me use the old one I had. Kofi came into my yard one day with an old car. I drove him out and told him to take it away. I didn't want it.

Statement by Ambulai Johnson

In an earlier e-mail statement provided the Committee, Honorable Ambulai Johnson recalled participating in a discussion of the CHC proposal at a meeting of the FDA Board. "I accepted a subsequent request for a meeting from CHC where we discussed some of the concerns I had relative to the impact on the affected communities. I did not solicit nor was I offered a retainer for the promotion of CHC in the Government. Our discussions were limited to understanding why such a huge margin between normal logging activities and carbon harvesting."

In a subsequent face-face interview with former Minister of Internal Affairs, Ambulai Johnson at his home off the Robertsfield Highway, Minister Johnson said he never heard of the background information and media reports referred to by the Committee Chair in his introductory remarks. Honorable Johnson said that from his recollection of the whole situation, he first came to know of the CHC proposal from a meeting of the FDA Board where Mr. Foster made a presentation. He had come from another meeting and therefore joined the Board in the middle of a presentation about Carbon Harvesting Corporation (CHC). What struck him was the enormous amount of money that the presenter said could be made from the whole initiative of carbon harvesting. Honorable Johnson said he became a little interested for two (2) reasons:

- a. Is it true that you can make that kind of money from carbon harvesting against the background of a country who is trying to concession out forest?
- b. And can you make this much money to preserve your forest?

These two questions prompted him to want to get a better understanding of the carbon credit situation. Additionally, since the project was taking place in the rural community, there was a keen interest about the life of the people in the community. "For anyone taking over, there is the issue of denial of certain rights of the inhabitants. When you talk about forest, you talk about farming, hunting; the issue of livelihood becomes key." It is in the purview of the Ministry of Internal Affairs. Minister Johnson said he therefore he invited or encouraged a meeting between the people of CHC and himself. He doesn't recall if the meeting was requested by Senator Banney, but the meeting took place in his office and it was for him to get a better understanding.

He stated emphatically that the meeting held in his office was the only meeting that he ever held with CHC. There may have been four (4) persons at the meeting. He could not really recall if it was

Senator Banney and two (2) other persons, but they had a thorough discussion on the subject. The meeting lasted approximately 30-35 minutes, or so. There were some references made to how the carbon project was coming along against the backdrop of the Kyoto Convention, inter alia.

He stressed that the Board's position was that they needed to have a survey done of the forest in question to actually ascertain if there was enough carbon relative to the discussion in the presentation. He had a discussion with the Managing Director (John Woods), who advised that CHC had made a presentation and he (Woods) was not convinced about their (CHC) capacity to deliver on the project. Mr. Woods said that there was trickery in the document that CHC presented. It looked like CHC had lifted findings from another report and just pasted it in their document. There was a lot of cut and paste in the document. Besides that, Minister Johnson explained, "Let's look at the issue here, can CHC really provide the services or type of resources/revenue that they were claiming? Whether or not there is money in terms of the magnitude that they are talking about; the Board needed to look at this more seriously." He furthered that the Board had other discussions on the subject and the issue died off. A few months later, the Acting Director at the time, Kendrick Johnson approached him and said, he [Kendrick], had received communication from CHC requesting that they conclude their discussion on the carbon deal. At the time, Mr. Woods was out or absent. Minister Johnson said he instructed Kendrick Johnson to refer the matter to the Managing Director, John Woods. Minister Johnson proceeded to state that to the best of his knowledge, that was the extent of his involvement in the whole carbon or CHC project.

During questioning, Minister Johnson responded that the Board meeting and the meeting in his office with Senator Banney, were the only two meetings he ever participated in relative to the CHC deal (these took place about two years ago).. He stated categorically that "If there have been allegations of offers made in my name, maybe they were made to someone else in my name, I don't know. Did they ever offer it to me...no. Did I ever solicit compensation for services...no. I did not receive a penny from anyone, nor did anyone offer me a penny. I did not receive \$45,000.00 or 45 cents.

Minister Johnson stated that he has no recollection of ever meeting anyone from CHC. He is not familiar with a gentleman by the name of George Antwi aka Kofi.

Minister Johnson further stated that he never presided over any of the Board meetings Involving discussions on CHC. Hon. Chris Toe was the Chairman at the time, therefore he would have been the one to chair the discussions. Minister Johnson also stated that his memory does not allow him to recall if he was a member of the Board's sub-committee heading the CHC discussions. He informed that he was a member of the following sub-committees: Administration and Finance. The only committee that he took the lead on was the one that dealt with "bid premium." He stressed that the Board does not have the authority to issue out concessions. He wanted people to understand that the whole CHC issue was not an issue of agreement for the Board, it was something relatively new; CHC was a new contract. **He said he did not remember the Board authorizing the MD to conclude the contract with CHC.**

Minister Johnson also stated during questioning that Senator Banney approached him and asked if it was possible for him [Minister Johnson] to talk to people from CHC (names unknown). He agreed and invited them to a meeting in his office. He went on to state categorically that other than Senator Banney, he did not speak with anyone else in government. He informed that due to his medical condition, he eats at home; therefore, he would not have gone out to dinner with people from CHC. **He also does not remember writing CHC or receiving mail from them.**

Below is a short portion of a follow-up interview held with Minister Ambulai Johnson at his residence off the Robertsfield Highway:

Question: Hon. Johnson, you mentioned that you encouraged or invited the meeting with CHC after hearing about how much money the country could make from selling carbon, how did you come to hear about CHC in order for you to invite them to a meeting?

ANS: Like I said, they had made a presentation to the Board. The discussions began at the Board. I don't know the full amount of money. As Board members, we were having difficulties concessioning out the forest. We were asked if we could concession out the forest for intense logging; the CHC could provide an excellent alternative. If that money was available, what are the implications in that the people in the community would have access to it?

Question: To add to my question, since you clarified the first, who did you contact to invite CHC to the meeting?

ANS: Senator Banny approached me and said that they wanted to talk to me. Given the interest that I had developed out of the discussions, I encouraged the meeting that took place in my office.

Question: Let me just ask a few other questions, It is my understanding from your statement that the first time you heard about CHC was in that Board meeting. You probably had gone to the meeting late and you met the presentation on... were there CHC people at the meeting?

ANS: There were discussions on the table, whether there were CHC people there. I doubt if any CHC people were at the meeting. I don't recall, but there were discussions on the table led by the then MD. Like I said, I got to the meeting late. I had come from another meeting. I got there after 20-25 minutes or so. The meeting was already in progress. The meeting was at that level that I could gather the substance of the discussions.

Question: I just want to establish whether or not you met CHC personnel in the meeting?

ANS: No, I don't have any recollection.

Question: Do you remember who presided over that meeting of the Board at the time? It is our understanding that you presided over the meeting.

ANS: I did not preside over that meeting. The Chairman of the Board, Hon. Chris Toe presided over that meeting. Since it was a Board meeting, I am certain that he must have presided over the meeting.

Question: It is important, we just want to let the record show that you must have presided over some of those meetings, and not only that, you were a member of the Board's sub-committee; that you were actually the Chairperson of the sub-committee.

ANS: If I were a member of that sub-committee my memory doesn't allow me to recall. I was a member of the sub-committee for Administration and I was a member of the sub-committee on Finance but I did not chair any of those committees. The one I took the lead on and took particular interest in, was the one that had to do with some intricate financial analysis. That had nothing to do with CHC, it had to do with... I want to put it in the right phrase, when foreign concessions are issued, they make a onetime payment... Pay Premium. This was the one that I chaired, because of my own expertise in that area.

Question: This sub-committee was a three (3) member sub-committee that may have been chaired by you; created specifically to analyze, review and ensure that the CHC contract was signed.

ANS: First of all, I don't think the Board would take such a position. Now let's be realistic, the Board does not have the authority to issue out concessions. We need to understand here that the whole CHC issue was not the issue of agreement in the Board, it was something new, relatively new; CHC was a new contract.

Question: Let me move to the next level of questioning. After the Board meeting, you had a subsequent meeting with Senator Banney and folks who were from CHC...you didn't know their names, my question is, how did Senator Banny contact you? We just want to clarify.

ANS: Senator Banney approached me and asked if it was possible for me to talk to these people and I decided to meet them.

Question: Can you tell us, we have spoken to Senator Banney and others concerning this whole CHC thing. During the meeting, did you all discuss people who were supporting this project, inside or outside of government?

ANS: The only person I spoke with was Senator Banny. I told you that I didn't speak with anyone from government.

Question: Did you know that these people met with the President?

ANS: Not to my knowledge.

Question: They did not inform you during their meeting or when they were trying to reach you that they had scheduled a meeting with the President?

ANS: Not to my recollection, no.

Question: After these people met you, you mentioned that the MD, John Woods, then met with you and you people discussed CHC, your own impression of the proposal?

ANS: That was not a meeting per se. The issue of the trickery came up. It was discussed; I think it was John who brought it up. It was a concern. When you lift information from one document to another document, it is fraud.

Question: How many times did you go out to dinner with people from CHC?

ANS: Never, due to my condition, I normally eat at home.

Question: When Kendrick Johnson told you that CHC had come back and wanted to express interest, did Kendrick call you or did he visit you?

ANS: I suspect it may have been a phone conversation

Question: You don't recall whether you contacted the MD?

ANS: I don't recall. The issue here is that John was still in position, so, I asked Kendrick to refer the matter to him.

Question: These people brought a technical proposal and wanted to talk to you. So what were some of the few details that they would wish to share with you? When the meeting was held, the objective was to seek your help and the fact that 2.5 million dollars was solicited by you. That \$45,000.00 was then paid to you and others and \$2 million dollars were to come. You have to account for this, so that everything can be reflected in the report. What did they discuss with you and why did they seek you out?

ANS: First of all, I don't have any indication or any knowledge that they had met with the President and had a meeting. None whatsoever, as I said, they may have had an objective and they may have been in the position to state those objectives. All I wanted to do was get a better understanding. To my recollection, I did not request a penny from anyone, neither did anyone offer me a penny, \$45,000 Or .45 cents.

Statement by Mr. Moses Wongbeh

Mr. Wongbeh stated that he was nominated as managing Director of FDA on February 15, 2010 by president Sirleaf. He was confirmed and inducted into office a month later. According to him, before assuming the office of the Managing Director he worked as Technical Manager for the Department of Community Forestry and as chairperson for the REDD technical working group. He said it was in his position as Technical Manager for the Community Forestry that he first noticed few people discussing the carbon harvesting transaction.

Mr. Wongbeh stressed that his knowledge of the CHC transaction is limited to a discussion he had with Mr. Woods in 2008 (at the invitation of Mr. Woods) to discuss the CHC proposal and plan for the Rivercess study. He said he recalled recommending too Mr. Woods at the time that in order to get the best result of the research it was necessary that it be done with a larger team.

He said that at one of the meetings he attended before he became Managing Director, the Ministry of Finance raised objection to the Contract because the Ministry said that 500,000 hectares was too huge a piece of land to be used for piloting.

Mr. Wongbeh said that besides the two or so occasions he outlined above, he never heard of CHC until in 2010 when, as MD, Mr. Vanii Baker of the NIC informed him that Dr. Tolbert would like to see a copy of the procedures of the CHC negotiations. Mr. Wongbeh said that he wrote a letter forwarding the procedures to Mr. Tolbert. He said that claim that Dr. Eugene Shannon, Minister of Lands, Mines & Energy, also called him and informed him that the president wanted a presentation made to the Cabinet on the CHC proposal to determine if CHC is genuine and what would be the benefits to the country from this contract. The FDA agreed to make the presentation and should have made the presentation, but it was not done when the President stopped all action on the CHC contract until completion of this Committee's work.

In response to a normal question posed to every interviewee regarding offer, solicitation, promise or receipt of bribe(s), Mr. Wongbeh denied receiving anything from CHC. He said that apart from seeing their representative Koffi at the FDA offices, he never interacted with CHC nor negotiated with anyone from CHC.

Statement by Mr. Bernard Bropleh

Mr. Bropleh stated that in 2008, the Research Department of the FDA approached the Finance Department to make a deposit of US\$ 7,500.00 paid by one company that wanted for FDA to do a research on Carbons. He said the Research team also presented a budget of US\$ 15,000.00, and the amount they deposited was used for partial funding of this budget based on duty request forms they presented bearing the signature of the Managing Director, Mr. John Woods..

Mr. Bropleh narrated that Thomas Downing, the GEMAP Advisor to FDA, advised the need for a contract with CHC to establish clearly that whenever the research was completed its findings would be shared by the FDA with the public and other third parties. Mr. Downing suggested that the contract be drawn up by the Legal department.

Mr. Bropleh said that this is the only dealing that the FDA Accounts Department had with CHC.

Below is an excerpt of the interview held with Mr. Bropleh:

Question: On what basis were you convinced to draw up a receipt in the name of a company when it was being paid by an individual?

ANS: The individual who brought in the money said that it was from CHC and he presented a budget to substantiate that claim. I also saw the approval of the Managing Director on the duty form.

Question: Did the Accounts department fund the total US\$ 15,000.00 budget?

ANS: NO only US\$ 7, 500.00.

Question: Did you disburse the entire US\$7,500.00 to the Research team?

ANS: Nearly all the amount was disbursed, disbursed. If there was any amount left it would not be more than US\$300.00.

Question: If the Research team made a budget of US\$15, 00.00 and the balance US\$7, 500.00 was never made available, did the Accounts department make any further inquiries as to when the balance of the amount would be paid.

ANS: This was not a normal Accounts transaction. Hence, it was not in our purview to make such inquiries.

Questions: Did anybody raise a concern about what would have happened if the balance of the budget was not received?

ANS: Account had a concern as to how the research would be completed, but this concern was never voiced out.

Question: What form does money that is received by the Account department on behalf of FDA come in?

ANS: Funds come mainly from GOL in a form of a check.

Question: Is it normal for an entity like FDA to receive amount such as US\$7,500 in cash?

ANS: FDA has a cashier. Hence, it receives cash and issues receipts. The magnitude of these receipts ranges from US\$200.00 -1,000.00 dollars.

Question: Was the US\$ 7,500.00 recorded in the EITI's report?

ANS: I don't think so.

Question: Do you know why?

ANS: Because CHC was not registered under the EITI, It could have been mentioned in the miscellaneous collections but this would have to be clarified.

Question: How many cases have you had where a transaction did not qualify as a concession and was therefore not included in the EITE's report?

ANS: Just this one, this is a peculiar case.

Question: Did you seek guidance on this issue?

ANS: No.

Question: So this was a unilateral decision to omit the US\$7,500.00 from the EITI Report?

ANS: No, it was not, it just was not taken into consideration as being a reportable item. This decision was made as a team, my partner Thomas Donnie and I met that decision. We had a conversation about the work that was being done and the manner in which it was being handled.

Statement by Mr. Augustine Johnson:

Mr. Johnson began with a detailed explanation of his achievements. He explained that he is an expert in geographic systems and remote sensing, and one of a few Liberian in this business. He is responsible to give the Liberian people an update about the state of the Liberian forestry, and responsible to demarcate all boundaries lines including Proposed Protected area, protected area, concession areas, community forest, and Private dealer land. Mr. Johnson said he represented Liberia in 2007 at the UN Conference on climate change in Bali, Indonesia and did a very good presentation on Liberia. Because of his presentation, Liberia received numerous proposals from different companies including CHC, Eco-securities, and Disney. He further narrated that he did an inventory on all the different forests in Liberia; he has also done inventory on 1 million hectares of forest which was used by the Government of Liberia to grant several forest concessions.

Mr. Johnson said that he did not know anything about the CHC deal.

Mr. Johnson said that he was instructed to lead a delegation to Rivercess County with a specific mandate to derive an inventory of the carbon bio-mass content. He selected four different plots in Rivercess County and used that to do the study. A report of the Study was submitted right after that inventory to the FDA. This was all he knew about the CHC deal.

Below is an excerpt of interview held with Mr. Augustine Johnson during the first of two interviews held with him:

Question: How is carbon inventory done?

ANS: First, all tree and animal species- living or dead, above or beneath- are inventoried. Instruments and equations are use to determine how much carbon mass is found. Several plots are identified and each tree in theses plots are measured to determine the mass of the larger forest. This process is done on a tree by tree basis, and then summarized to get the total carbon content of the area. The FDA/CHC research was done on a smaller scale thus it cannot be used to

determine the total carbon content of Liberia's forest. Four permanent plots were established, two in central Rivercess district and another two in Cestos city between the Senquen and the Cestos river. From the survey, it was discovered that the tonnage per hectare ranged from 150 to 1400 ton of carbon and this varies from pool to pool.

Question: How much Carbon content is in Liberia?

ANS: On an average, about 5 billion tons. This amount cannot be calculated in terms of price because the CHC deal was done in the voluntary market and there are no set or regulatory price.

Question: What was the conclusion of your research?

ANS: Liberia has a rich potential (Carbon content) to enter the Carbon market.

Question: How did you arrive at the 5 billion tons of Carbon in Liberia since this research was done on four small plots and cannot therefore reasonably be used as a basis to determine the carbon contents in the whole country?

ANS: I did that in South America, and I multiplied the total volume in an equation that is set by the inter-governmental panel on Climate change.

Question: During your research, did you know the total size or volume of forestry/timber or did you get it from any statistical report?

ANS: Liberia has been doing Forestry inventory since the sixties.

Question: When did you do this study?

ANS: Some four to five years ago (2005)

Question: Where did you do this study or research?

ANS: Initially I studied in America, (South Dakota), then I went to South America (Ecuador).

Question: You seem to be an acute person with a lot of experience in carbon issue. How is it that you did not read and comprehend what the CHC proposal was actually about?

ANS: My workload is heavy and does not permit me to thoroughly scrutinize any carbon proposal. I am very busy and must be officially notified to do any extra work. I told Mr. Woods and the FDA Board at a board meeting some two, three years ago that I had to be compensated for any extra job been done for the FDA.

Question: If you made this statement some two, three years ago then this means that the CHC deal was in existence then?

ANS: I meant the REDD, not the CHC.

Question: Since you read the CHC proposal, have you met with anyone from the CHC?

ANS: NO.

Questions: Do you know Mr. Koffi? George Antwi?

ANS: Yes, before the first inventory I met him at the Managing Director's office along with Mr. Foster, and Senator Banney.

Mr. Johnson continued that when he met Mr. Foster and Senator Banney at the MD's office, he did not know Mr. Foster then and never knew that the proposal of CHC was one of the proposals he

had received. He further explained the he received the proposals sometime in March or April of 2008.

He said he never met Mr. Foster or anyone from CHC after the meeting in the office of the MD.

He admitted preparing the budget of about US\$15,000, but he did not sign it. He also admitted doing a duty form for the Rivercess trip just as everyone on the trip did. He said he received around US\$700.00 to 800.00 dollars.

Finally, he said that it was in January 2010 that he got to know about the CHC deal. When he got the proposal he discovered some problems and highlighted this within the document.

In a follow-up interview, Mr. Johnson contradicted most of what he told the Committee during the first conference.

Statement by Dr. Richard Tolbert

Dr. Tolbert began by quoting section 83.1 of the PPCC law, which gives the NIC the power to form an inter-ministerial committee to evaluate investment proposal that are received by Ministries or Agencies of government. He said that FDA met that requirement when it's MD, Mr. Woods wrote to him on January 20, 2010 asking him to constitute the IMCC.

Dr. Tolbert said he replied on Jan. 22, 2010 and requested a full detail of the proposal before constituting the IMCC. On Jan. 26, 2010, Mr. Woods wrote back **specifying that the FDA had started preliminary investigation into this deal and that this was done in no way to undermine the work of the IMCC but in good faith.**

On April 12, 2010, Mr. Woods sent him another letter summarizing what he had been doing and urged Dr. Tolbert to constitute an Inter-ministerial Concession Committee to negotiate the CHC concession. Dr. Tolbert said on April 13, 2010, He wrote to the president requesting that she kindly constitute an IMCC under section 83.1 of the INCC Act. The president replied on April 27, 2010 and advised that she needed more information, and that in fact the cabinet needed to be briefed on this issue before she would set up the IMCC..

Dr Tolbert said that this is all he knew about the CHC proposal. He said it is not his job to investigate proposals before forming the IMCC.

Finally, he emphatically denied meeting with anyone from CHC nor negotiating any CHC Deal. He said it is not his job to investigate proposals before forming the IMCC.

Below are excerpt of interview held with Dr. Tolbert:

Question: When you received the Negotiation Document, did you have an opportunity to review it?

ANS: I had the opportunity but I did not review it.

Question: Is it the role of any Ministry or Agency to negotiate a concession deal?

ANS: No. The IMCC appoints a panel to negotiate concessions agreement on behalf to the government. **That is why I was surprised when I heard that FDA had been Negotiating with CHC on this deal.**

Question: What kind of documents would the line Ministry need to submit to the IMCC to request this negotiation?

ANS: Just the basic investment proposal. When the IMCC meet it will determine whether there was any due diligence done on the investors Financial, Technical, Reputational standing.. This is normally done by the negotiating panel. It is unusual for the lying Ministry or Agency to get involved in any negotiation. The PPCC is specific about who performs the negotiation, no entity other than the IMCC shall perform the functions of the IMCC.

Statement by Senator Jonathan Banney of Rivercess County

Senator Banney said that Mr. Foster came to Liberia early 2008 based on an invitation he extended him following consultations with President Sirleaf concerning the interest of CHC to harvest carbon from the rainforest in Rivercess. He said that when Mr. Foster and his entourage arrived, he immediately took them to see President Sirleaf where Mr. Foster explained his interest to invest in Carbon credits by having a Carbon contract with the Liberian government. According to Senator Banney, President Sirleaf embraced the proposal, but advised CHC that they had to go to the FDA to commence discussions as FDA was the agency of government responsible for the forestry sector.

Senator Banney emphasized that as Senator of Rivercess County, he was enthusiastic about the deal because of the opportunities it would bring to his County and Liberia as a whole.

He said he also took Mr. Foster to FDA offices where he met with Mr. Woods and other officers of the FDA and again explained the interest of CHC. Mr. Woods promised to look into the proposal, but also suggested a study in Rivercess. Senator Banney said he later received a communication from FDA with an attached budget of US\$ 15,000.00 indicating that the purpose of that budget was for a team to go to Rivercess (Yahni district) to do a survey. Mr. Foster immediately sent the amount of US\$ 15,000.00 to Senator Banney.

Senator Banney said he paid the US\$ 15,000.00 to FDA to conduct the survey. He said after the survey, he assumed the report was sent to the President. He also said that his involvement was not with a different intention but rather for the good of Rivercess. The Senator said he was very annoyed. He said the citizens of Rivercess are disappointed because they were supposed to get 60% from this deal but since then, there has never been any contract signed to this effect. .

Senator Banney said that besides taking Mr. Foster to see the President, He knows nothing more of this deal.

Below is excerpt from interview held with Senator Banney:

Question: How did you become familiar with CHC?

ANS: I met Mr. George Antwi, commonly known as Koffi. We met at a car wash where he went to wash his BMW/ Mercedes. He said to me, "Senator I have been knowing you but I have some friends who in Europe and they are interested in XYZ and your county being a virgin county with forest" we think we can do business here. That is how I got the information. I have not known Mr. Antwi personally before I met him at the car wash.

Below is a portion of the interview held with Senator Banney:

Question: After you got the information what did you do?

ANS: I told Kofi that I like the idea about investment in my constituency. Koffi informed Mr. Foster about my eagerness of wanting investment to go to Rivercess. Thereafter, I got an email. I informed the President about this investment proposal and that I wanted to extend invitation to the investors. She agreed.

Question: When Mr. Foster came to Liberia, did he explain what his company was all about and how long he has been involved in carbon dealing?

ANS: Frankly speaking, I did not go into the technicalities because I do not have the knowledge about carbon; I was only interested in the benefit to be accrued by Liberian. That is why I took them to FDA, which is responsible for the technical aspect of the deal. I also did not go through due diligence because I felt it was not within my purview. The appropriate government authority was responsible for that. All I had to do was to recommend them because if anything as a Legislator, when government do their due diligence and found that a concession was fit it would come to the Legislator.

Question: How did you receive the US\$15,000.00?

ANS: After I received the budget that FDA sent to me, I attached it and emailed it to Mr. Foster. Based on this, Mr. Foster sent the money. The money was wired to my personal account and I paid it to FDA.

Question: How did you make the payment to FDA?

ANS: In cash, the first payment was US\$ 7,500 and the second Payment was US\$ 7,500.

Question: Do you have receipt(s) of the payment(s) you made to FDA on behalf of CHC?

ANS: If you check the record of FDA, you will find them. The first was receipted and the second was paid directly to FDA after they said they wanted the balance of the money. The second was paid through Mr. Augustine Johnson at FDA's office.

Question: Why didn't you get a second receipt for the second US\$7,500?

ANS: Because I trusted the authorities that were involved.

Question: Why was the money not paid to the MD or anyone else, why Johnson?

ANS: Because Johnson was in the full front, he is the person that was leading the survey.

Question: Do you have a copy of the first receipt?

ANS: I submitted it to Mr. Foster along with the report of the survey.

Question: Do you remember anything like financial data attached to this report?

ANS: No. Only the pictures of the participants of the survey were attached to the report.

Question: Did you at any other time over the two years period received money from Mr. Foster or Mr. Koffi?

ANS: No, only the US\$15,000.00.

Question: Did you receive any money for facilitating this survey?

ANS: No, only the US\$15,000.00.

Question: Do you have any documents relating to this transfer?

ANS: No I did not keep records. I did not think of any foul play. I could go to the bank to get a copy.

Can you make available the withdrawal slips?

ANS: No, because it is a checking not a saving account.

Is it normal to take monies that are intended for government use and deposit said into a private account?

ANS: No. As I said, the money was not money for government. Maybe I need to get my Lawyer. If we are going into legal technicalities then I may have to reserve all comments because I do not want say something that I may have... It is my constitutional right.

Comments from Chairperson: It is your right. If you do not feel comfortable to answer certain questions you do not have to answer.

Question: Who else was represented at the meeting with the president?

ANS: From my side; my representative from electoral district number one, Mrs. Elizabeth T. Williams. From Mr. Foster's side; they were three guys (all foreigners), Neil, Koffi, and another guy who came with Mr. Foster. The president took picture with the delegation. When the delegation left, the president registered her dislike with the photo taking, saying that these investors normally misrepresent such photos to other people. I do not have the photos they took with the President. On the other hand, the photos taken in Rivercess during the survey are attached to the report.

Question: How many meetings have you been involved in concerning the CHC deal either with Mr. Foster or the FDA authorities?

ANS: No formal meetings, just few telephone calls to Mr. Woods concerning the status about the transaction. Others were some informal meetings at the MD's FDA office.

Question: Did you have any of these informal meetings with Mr. Wongbeh since he became the new MD?

ANS: No, as I said the nothing has materialized.

Question: Are you willing to give some emails between you and Mr. Foster.

ANS: I will not go through that exercise. In fact, the laptop that I have been using was stolen. Frankly, being interrogated at this point makes us the Legislator feel that only the Executive is allowed to do these things. I think we have the constitutional right, we are elected by our people and whenever we travel and bring any investor to this country, it is like a crime we have committed. I will tell my colleagues about this.

Question: Tell us a little bit more about your relationship with Koffi.

ANS: Normally on phone, and sometimes he came to my office but to discuss only CHC Matters I do not have any personal dealings with him. I have visited him at his Gurley Street office.

Question: Did Koffi at any time give you money for anything and said that Mr. Foster sent you this money? Let's say about a thousand dollars.

ANS: NO, Never.

Question: How would you define Koffi's role in the CHC?

ANS: I really do not know, what I assume is that because Neil and Koffi had a company therefore Mr. Foster decided to deal with them. The office is on Gurley Street.

Question: Since you send Mr. Foster the receipt of the first US\$7,500, why hasn't he asked you for the receipt of the second US\$7,500?

ANS: Mr. Foster was informed about the second US\$ 7,500 and how it was paid.

Senator Banney refused the Committee's request for a follow-up meeting to discuss the inconsistencies found in his responses to our first interview.

Statement by Mr. Kendrick Johnson:

Mr. Johnson explained that he joined the FDA in March of 2009 and somewhere in April of 2009, he became Acting Managing Director when Mr. John Woods became ill. He said sometime in May, June of 2009, he saw a group of people walked into the FDA, wanting to see him. The following is the transcript of his testimony:

"they came and made me to understand..... because then I was serving as Acting Managing Director, and made me to understand that they have interest and they had send some documents to the FDA concerning acquiring a portion of Forest to harvest carbon. So I told them ok, I did not know anything about it, I had no instruction, I had no knowledge about what had happened, whether there were documents. I said ok but I had to find out more what was happening. So I setup a time for them to come back and then I consulted with some of my senior staff to find out what was unfolding and what was the issue if there was any. Because the managing Director had now gotten sick and there was no instructions left with me, whether there was scheduled appointment for them to come back and if they were to come back what we were to be doing with them.

So when I spoke to some of my staff, I was made to understand yes these people had submitted some documents to FDA but the then Managing Director Honorable Woods had put a hold on it and he was looking into it. So when the group came back the following day or day or two or so..... I told them look my boss honorable woods who is sick has put a hold on your proposal or whatsoever so there was nothing I could do about it. However, I decided to consult a senior government official for fear that I did not want to be an obstacle to revenue because this is how they put it to me that their group was suppose to be bringing in huge amount of money in term of revenue generation to Liberia. So I said ok " let me talk to somebody in government and find out because I did not want to be the one to be blocking this thing. So they left and I called the then I called the then Minister of internal Affairs and told him there's a group that has met me here and my boss is not here and they are talking that they should be investing so much money in Liberia, I Can't say anything and I don't want to call Mr. Woods because he has been sick in the states and recovering from stroke. So he said ok schedule a meeting and let meet them and then I schedule a meeting and we met and honorable Ambullia Johnson at the time told them to wait until he talked to Mr. Woods and see if there was any instructions that he wanted to give to his deputy. Unfortunately, Ambullia never contacted Mr. Woods, I myself never talked to Mr. Woods again, and I told these guys there was nothing that I could do until my boss had given me instructions or told me what to do. I told them, I would not call this man because he's sick, I cannot call him in the hospital because of job related issues and that was just the end of the story from my side. And then they did everything to get me and I said I will not call and Ambullia Johnson never called to find out as to how Kendrick Johnson the then acting to go on with this thing. So upon the return of Mr. Woods somewhere in October....., November..... I cannot remember the exact month; the group came back to FDA or to Liberia I don't know whether they had left the country at the time. They came back and I noticed that there were meetings again they and the then Managing Director, Mr. Woods was back in office from that point I never attended any of the meetings again. I don't know what was being discussed, I don't know what happened. So I only heard the people were back and they had several meetings at the FDA's office, and then I heard again it had been send over to the IMCC for them to probe into it. So basically that's it I know and even one time when this group was coming up and down, the GEMAP comptroller came and told me Kendrick these people are not

the right people for you people to deal with. I asked him why? He said they are liars, they are not straight. I said well I don't want to judge anything right now. I don't know what was the decision or the discussion with Mr. Woods, so I'm not going to take any decision right now. And I'm going to hold on until he gets here. That how far my involvement in this deal that's how far I remember except something else happened and I don't remember. Except questions come up then I can address it."

Below is an excerpt of interview by Mr. Kendrick Johnson:

Question: Did it occur to you that someone else at the FDA may have known about this deal?

Kendrick Johnson: Well, I won't know because when they came I called the lawyer. Because normally I will call them and ask how far did Mr. woods go with this thing, what was the decision and they only told me the old man had put a hold on it. Basically that was what I tried to inquire because I did not want to be the one to drive people that I thought would be investors. Because first of all I had to consult with the staff for the fact that I was new, I did not want to take unilateral decisions. That was my understanding, if there were other people that knew, I don't know.

Question: Besides the visit that these people paid to you, did you hear anything about this deal?

Kendrick Johnson: Well like I said I don't know now because when these guys came To see Mr. Woods they decided to see me, I told them I cannot do anything because Mr. had put a hold on this deal and he wanted to do more investigation on it. And I also heard that they had send people on the field from the FDA to either consider some demarcation that was I think a year ago before I even got in. I did not get that picture very clear but I know there had been some assessment of the area. I'm not too clear on that, but the major thing is that they submitted some documents. In addition, the Managing Director went through the documents.

Question: Did you meet and discuss the CHC deal with anyone before the delegation came to your office?

Question: I know there was a guy who came to my office because they would come to Mr. Woods and because he was not there they would come to see me.

Question: Was he a Liberian Guy? Does he speak with a Liberian accent?

Kendrick Johnson: Something like that, I don't know whether he is Liberian but he said the people are coming to meet your boss so we need to meet. So they came and I told them my position.

Question: So you don't know his name or any other thing like that?

I know the owner of the company, the white guy. He's Mike Foster and another person involved was Senator Barnnie, from my own understanding that was the day that we all met together.

Question: So Senator Bannie was with them?

Kendrick Johnson: Yes.

Question: During that meeting when you informed them that the managing director John Woods who was ill at the time had put a hold on their documents did they say anything, did senator Bannie say anything? Please explain that meeting.

Kendrick Johnson: The thing is, I don't know whether "put hold on" is the right word or phrase. Mr. Woods just did not do anything. There was on instructions to me so I couldn't do anything. I was not briefed about anything that was why I decided to speak to a senior government official to kind of advise me as to what he thinks I could do. He told them look this man has given this position, he didn't know anything about it and there was nothing he could do. And I still insisted that I was not going to call Mr. Woods. So Mr. Ambulliah Johnson then said ok let me make a follow up with Mr. Woods and then I will advise you what to do. And that was just it.

Question: Ok let me take you back to the meeting when you met with these people. Did senator Banney attempt to brief you about their prior meeting with Mr., Woods?

Kendrick Johnson: No. They only told me that Mr. Woods knew about it and he was working on it that was all.

Question: Why did you call Ambulia Johnson. is he related to you?

Kendrick Johnson: Yes, he is my cousin.

Question: Why did you decide to call him?

Kendrick Johnson: Well, first of all I have confidence in him and I think he's a very sharp person in government. He would have told me if he saw that these were real good investors, he would have advised me "Look do not hold down progress." And I think that was the role he was trying to play that is why I called him and he said ok let me talk to John and then I will get back to you.

Question: So at that point you had reason to believe that he was familiar with the CHC deal

Kendrick Johnson: From my own understanding, I don't think he knew. I call him into it because a lot of issues I would relate to him because I being a forester I did not know what was going on in politics. He would have advised me.

Question: Did you try to contact anybody at FDA or did you look for any documents or do any research on your own before calling Ambullia Johnson?

Kendrick Johnson: I talked to the staff but they only told me that Mr. Woods started this thing but he did not do anything further he just put it down that was the first thing I did before even talking to Ambullia.

Question: Did you at any time meet with CHC outside of the FDA?

Kendrick Johnson: Yes. We met at Ambulai Johnson's office

Question: when and why?

Kendrick Johnson: On the same issue we scheduled a meeting with Ambullia so that he would meet these people and know exactly what they were opting for. In my presence they explained about the carbon Harvesting thing and tried to give some projection about how much money would be coming into the country.

Question: So when was that meeting held, and about how many people attended that meeting?

Kendrick Johnson: Around May or June. It was the same Carbon Harvesting people, about three or four of them.

Question: Was there anybody from the Liberian side?

Kendrick Johnson: No!

Question: So Senator Banney was not present at that meeting?

Kendrick Johnson: I cannot recall whether senator Banney was present at that meeting.

Question: Did you take anyone with you to do minutes?

Kendrick Johnson: No

Question: So you don't have a recollection of who all was in the meeting?

Kendrick Johnson: No

Question: Did you meet with them after working hour at anytime?

Kendrick Johnson: No

Question: So you did not have dinner with them at any time?

Kendrick Johnson: we met during the day.

Question: So you are saying you did not have dinner with them at any time?

Kendrick Johnson: I know we met and we met about twice. We met again.

Question:: You met again where?

Kendrick Johnson: We met at the Mamba Point when Internal Affairs was there. We met out there and they were still trying to follow up and that was just it.

Question: So you were never told that you would receive payment or gift for anything from CHC?

Kendrick Johnson: No

Question: Can you explain a little more about your encounter with Mr. Tom Downing in your office.

ANS: It was a board Meeting and Tom was on his way out or something when he came to my office and said Kendrick, be careful with these CHC people they are not the right people to deal with. And I said well I do not even have dealing and I cannot even take a decision without any instructions from Mr. Woods, I have not even seen their proposal. I said tell me, he said their proposal they send was just not right because they wrote something in the proposal where it looked like they were writing about some group in America and claiming that they were writing something about Liberia.

Question: Was this before or after you met with them for the second time with Ambullia Johnson?

ANS: It was during their coming into the office that was where Tom Dawning apparently met them.

Question: That was apparently before they had the meeting with Ambullia Johnson.

ANS: I do not know whether it was before the meeting or after the meeting but I know Tom came to advise me. I can't really recall whether it was before or after any of those meetings.

Question: Did you tell Minister Johnson any of those things Tom had told you?

ANS: No.

Question: Why not?

ANS: That's why I said I cannot recall whether it was before or after any of those meetings if it was after then I wouldn't have told him. For me I was trying for Ambullia Johnson to contact Mr. Woods and Mr. Woods would tell me what to do.

Question: But you were the acting Managing Director don't you think it would have been your responsibility for you to contact Mr. Woods?

ANS: On so many issues I decided not to call Mr. Woods because he was sick, the made had develop stroke I couldn't keep bothering him with work issues.

Question: But then you thought I would be ok to let Ambullia call him.

Kendrick Johnson: Well I did not tell him to call Mr. Woods, I just went and got his advice on how to do this thing, and he said well hold on and let me contact Mr. Woods. I was his choice but I did not tell him to call Mr. Woods.

Question: Are you also related to Augustine Johnson of FDA?

ANS: Yes. His father and I are cousins.

Question: If you are related to Augustine Johnson and Ambullia Johnson then you must also be related to the president.

ANS: Yes, she is supposed to be my cousin.

Question: Is she as close as Ambullia, or as close as Augustine Johnson?

ANS: Well you can be related to someone and still not close to them. For me personally, I don't think one's relationship to the President is a competition and I just don't know how it come into this.

Question: Well, you could have spoken to anyone in government since your concern was you did not want to be a stumbling block so giving that as a back ground you could have consulted for example Dr. Richard Tolbert who is INC's Boss. He is responsible for foreign companies coming to invest into the country. You could have talked to Finance or Planning people. All of these people were possible people you could have spoken to. Why did you go to your cousin who you trusted?

Question: I was not relating to him because of cousin.

Question: Did you have an opportunity to speak with Mr. Wood concerning the CHC deal after he returned from America?

ANS: No

Question: Did you at anytime during your tenure as Managing Director write to anyone on anything concerning the CHC deal?

ANS: I cannot remember.

Question: Would you have written to honorable Richard Tolbert for any reason anyone that you may be able to supply us with documents

ANS: From me, I cannot remember.

Question: It is hard to believe that these people would come to FDA as a corporation and the only person you will contact is Ambullia Johnson. When Ambullia Johnson did not make a call to Mr. Woods, that was the end of it. You said you did not want to be a stumbling block to prevent Liberia from getting money. Do you think that you did everything within your professional power to have extended these people the courtesy that they may have deserved?

Question: Yeah.... When you say courtesy is one and then secondly when we had some financial advisors trying to warn and advise me about these people, I think the precaution I could have taken is to put a hold on it.

Question: But you never told Ambullia Johnson that you talked this matter with Tom Dawning?

ANS: The talk with Tom Dawning or when Tom came to me, it was like some Email or he came to my office, he even brought me a piece of paper. Normally Tom Dawning would sent you an Email and even print it and hand it over to you, now whether it was before or after Tom Dawning discussed it with Ambullia , I can't remember but this is why I didn't even persuade it any further.

Question: Professionally, do you think that was the right thing to do? Because these people may have been very serious, they may have been able to bring money into the country but because you knew that small bit of information, you decided to do nothing and decided to consult no one else except Ambullia Johnson.

Question: The fact here is that Mr. Woods who was the Managing Director had gotten sick and they had been on this for more than a year. If Mr. Woods who had some information on these guys got back he would have done better than probably than what I would do.

Question: But then you said you never even discussed it with Mr. Woods.

ANS: No I never

Question: So when turning over that office that would have been something you would have briefed him on.

ANS: I don't know whether it was the wrong thing I did but I never discussed it with Mr. Woods.

Question: So did you call Ambulai Johnson and said "look, you told me you were going to call Mr. Woods, you have not called him what should I do?" Did you ever have that conversation or you just let that die too?

ANS: Well not that it died, but I didn't follow up with that again, especially when I was getting these warnings that these people were not the right people to deal with.

Question: you got one warning and you did nothing to substantiate it.

ANS: Well, Tom will not warn you one time, he would come to your office and tell you..... so I said hey, I did not want to appear as I was bringing in some bogus group that I was coordinating. Honestly, I did not do anything about it further. Because I got frightened too.

Question: It is rather surprising Mr. Johnson that we wrote you the first letter, and a second letter and you've actually been in contact with our committee chair wanting to come and speak to us about what you know. So I find it little surprising or confusing that you probably could have at least go back and see what was your actual involvement. For example if you had dinner with anyone, had meetings with anyone or received..... because according to what you are saying , you don't even remember whether you received an Email from Tom Dawning or a verbal warning .

Kendrick Johnson: No let me correct that, with Tom Dawning, he handed me a document and probably an email in writing.

Question: Did you discuss that email with Tom Dawning?

Kendrick Johnson: I said he came to my office he himself.

Statement by Amara Konneh

Mr. Konneh said that because of his busy schedule he rarely attend Board meetings. **Here is his statement before the Committee:** I have a proxy who attends these meetings on my behalf. The report I got on this carbon discussion was when the former FDA Managing Director, Mr. Woods as director and a presentation was made to the board. The board was presented with the presentation where Liberia would be involved in carbon harvesting. The Minister of Finance was present at that meeting. Anyways, the board said that it sounded too good to be true, maybe we need to learn more. It was then that a group, I don't even know them, started consulting with key agencies.

That case was never brought back to the board as far as I am concern. I asked for all the minutes because I wanted to make sure that we were not involved in any decision making that was questionable. So this issue was never brought back to the FDA board to which we were invited until we heard about the irregularities in the press. That is what I know about this. Really, I did not talk to any of the CHC People. The meetings they held with key government Ministries did not involved the Planning Ministry. They did not talk to me, they did not talk to anyone from my Ministry. All we know about this is through the board meetings and as far as I'm concerned, I also do not recall any meeting convened by the chairman of the IMCC Richard Tolbert that involved the Ministry of Planning. I checked with my assistant to see if there was any meeting that he went on my behalf but he said no. So this is all I know.

Below are excerpts from our interview with Minister Konneh

Question: What is the role of the Ministry of Planning when it comes to concessions? What do you do? What Licenses or certificate do they issue?

Konneh: Absolutely Not. The entire government certificate we issue is to NGO's. When it comes to concessions our role is to keep the group focus on particularly the development aspect of this. When we talk about economics in terms of money, it is the Ministry of Finance. We sort of bring the big picture to the table, to say "Ok this is the direction we are going." In this case, of all the concessions we have been having we focus on the PRS, these agreements we sort of enhance its certification.

We have also introduced a concept, called the growth concept so that whenever natural resources, be it oil under the sea or wherever, we are putting them in cluster zones so that we can spread the wealth in the country. So we come to the table with this sort of technical high level focus. For example if you are going to negotiate with say METTAL Steel, then in addition to extraction , what else can we put here and negotiate on the social side. We also look at the physical side, for example when Finance is ending its case then we begin to see how the investments that are necessary to make the intervention happen in the corridor. So far that's what we have been doing even though on this particular concession, we did not do these but that is what happens to all other concessions. We get involve on the physical side.

Question: So since Carbon Credit was a new idea, it seems you was not just interested, you participated? You probably talked to the MD, probably researched the concept, or spoke with people. Did you do any of these?

Konneh: Absolutely not. The decision in the board room was for the FDA to do more study and due diligence on the subject, to do cross country comparison before I came up with the Economic aspect. That never happened. I never got involved, the board never got any report back

as far as the IMCC is concerned. Quite frankly, I felt at that time, without doing the particular sort of analysis, I didn't feel that this proposal was viable, and till today's date I still don't think so.

I just came from a meeting where I had the opportunity to engage some people on this environmental issue. I put the question to them "our Economy is 64% agriculture, we are projecting that we leave 24% of our forest GDP for the future use, now if you are asking us to preserve our forest how much can the international community give Liberia to compensate. He said well, I wish I could answer your question but I don't have an answer. I still do not believe in this carbon harvesting, I believe government needs to put in place programs that will help us use the forest, but they need to do it in a way that will help us so that we do not abuse the forest but at the same time creating job opportunities for the country, particularly for adding value to the country. I'm not a big fan of Carbon Harvesting that is why honestly, I did not entertain the meetings and that is why I did not pursue this with the FDA from the Economic stand point. Mr. Woods is still here, and there are no records of any meetings or phone calls none whatsoever. Of the record I want to say that for a post conflict country, for a fragile country, this is not right. Forestry is our traditional revenue generating sector, we need to use it, we are not there yet when it comes to this carbon thing.

Question: There are indications that one Koffi who worked for the company did actually make contact with your office.

Konneh: Did he give a date?

Rose Stryker: Sometime around February 2009.

Konneh: Who did he make contact with?

Rose Stryker: I don't know.

Konneh: I have a copy of all my schedule, my schedule are well documented. If he made contact with my office maybe it was personal, but there was never an official meeting between me and any Koffi or George Antwi.

Question: Back to the board issue, you actually at some point informed this company that the board had give approval that PPC interposed "No Objection" but you also did say that the board had actually approved moving forward with the negotiations of this deal. It seem like you are suggesting that it should have never happened?

Konneh: As far as I know, the board did not unanimously endorsed this idea, Minister Gafuan said this sounded too good to be true on the revenue said and that we should look more into this. This was the last time I got briefing on this issue. Even this morning before I came here I quarantined all the records and did not see anything on the records giving me that the Board approved this. If it was approved, then we need to dig further into it but I was not a part of that and I have seen any minute suggesting this.

Question: Do you remember receiving any communication to your attention from anyone in the FDA?

Konneh: FDA? I will have to check my records, I do not want to say yes or no, I'll have to check my records.

Question: Would a Corporation have to purchase concession certificate.

Konneh: No, the way it works is they do a technical sort of work in the initial stage, the technical group sends its recommendations to the IMCC or the board of the corporation and then they send us this request that they have reviewed this, and that they find it worthy of moving it forward. But

to do this they need a concession certificate. We have done this with the Free Port of Monrovia and all other concessions in the country. We give the certificate to start the process but not to award the concession. That is done after all the negotiations. It is basically to start the process, with in that process is due diligence and everything that goes after that. But the certificate is not meant to award the concession.

Question: So it is at a virgin stage?

Konneh: Precisely, It is free, zero money. It is just to certify that the technical work Has been done and the potential of such concession is to bring economic benefits. This is done on based on an official letter from the head of the entity and the chair of the technical committee. We act based on that, sometimes we say yes and sometimes we say no.

Question: There has to be supporting documents?

Konneh: Yes.

Question:: So in this case it will have to be FDA?

Konneh: Basically it would have to be FDA, to say “ you may go ahead and look at the deal.” That would be based on a request from either the head of the entity or the chair person of the technical committee depending on the committee that was set up to say “look we have gone through this and we think it is a viable thing, please issue the certificate.

Question: Would it be a normal operating procedure for anyone in your office to demand money, or public relation for doing work to facilitate a concession deal?

Konneh: Not to my knowledge. I have not heard of anything like that but it is possible.

Question: Have you had any discussion with anyone from PPCC about single sourcing from a board member point or a Planning point.

Konneh: Never, I became aware of this whole carbon thing on the internet and then I immediately forwarded it to my boss and she immediately appointed this committee. I called Chris Neil and asked what is this thing here? Everything I know is from the briefings I got from my proxy, press and the internet. I’ve not talked to anyone from the PPCC.

Question Do you remember having any contact with Tom Dawning? He was the GEMAP comptroller at the FDA. In his testimony he said he made contact with you at some point concerning this whole deal.

Konneh: Tom and I had several conversations. I really don’t remember any particular ones on this deal. If he made any contact with me through emails I will have to check and share that with you. It’s possible that he may have raised some issues around this but again like I told you from the beginning, I’m not a big fan of carbon harvesting and so anything that I came across on the carbon credit was just not a priority for me

Note: At this stage, Mr. Edward Eesiah, Chief of Staff to Minister Konneh joined the interview.

Question: We understand that you may have served as proxy for the Minister at several meetings, we asked the minister to appear and he decided to bring you in to get any account of the CHC operation, your involvement or any knowledge that you may have had about the concession deal

or just about any information that you may have had about the concession deal or just about any information that you may have that will be helpful to this committee.

Eesiah: I do recall at some board meeting, I don't remember when but I guess it will reflect from the minutes at the FDA's office. Mr. Foster was n that meeting and basically, they talked about the carbon credit issue. That meeting was also attended by Finance Minister Gafuan and former Minister Ambullia Johnson. I don't recall if it was Minister Toe that may have chaired that meeting but the concept that was discussed appeared too good to be true. The government of Liberia will accrue enormous revenue from the carbon credit. The finance Minister laughed and said we got to pursue it but we need to get additional information to determine our next course of action. After that board meeting, I'm told there were other meetings Held with people from EPA, Finance, and NIC but Planning was never invited in any other subsequent meetings after that FDA board meeting. So what was discussed and what level, Planning was not involved.

Question: What year was this meeting held?

Eesaih: Quite frankly, except I look at records but I don't remember. It had to be a year back because if I'm not mistaken, Minister Toe was sill agriculture Minister.

Question: Do you know George Antwi commonly known as Koffi?

Eesaih: I don't remember meeting him. I don't think I know him. The Minister is very adamant about not meeting with business people; he said that they should go to NIC. So if he was a business man then I never him. He may have met me briefly but he never met the Minister.

Question: Did you remember having any meeting with Tom Dawning?

Eesaih: Yes, it was about some senator that wanted some....., it probably was around this same CHC deal that some senator was pushing. Senator Banney!

Konneh: Ok! Let me come in here, Senator Banney came to my office one morning and said that I am stalling the creation of jobs for his people. Yes! We did issue the certificate; it's now getting back to me. So I said no, he said well we will have to take this out to the economic affairs committee of the Legislature. They invited me and I went. I told them that we had not received the due diligence from the technical committee to warrant the issuance of this certificate. It went several months until Dr. Woods came to my office one morning and recommended that I issue the certificate. I told him that my position was still the same with the Senator. I asked him "are you sure this thing is legitimate enough?" I told him "whenever you see those Senators running back and forth then you know there's something behind the scene. Mr. Woods told me he can put his neck on the line that the deal was legitimate and we issued the certificate to Mr. John Woods and not the company. I think we did write a letter concerning this, we will check our records and get back.

Question: Subsequent to that did you have any contact with any one about the CHC deal?

Eesaih: No except Tom Dawning and he was basically trying to throw some light, he was saying that the documents that were produced were cut and paste and so he didn't think it was legitimate.

Question: That was after the concession certificate was issued?

Eesaih: I don't know, I don't remember the time line.

Konneh: We will check our records and give you everything with dates and everything we have done on this issue.

Question: Forgive me if this sounds disrespectful or blunt, but did anyone approach you offering money or public relations for any work done for CHC?

Eesiah: No.

Question: You met Tom Dawning, how long could this meeting have taken.

Eesiah: 15 minutes

Question: This meeting was on whose behalf?

Eesiah: It was Tom that insisted that we meet. He actually wanted to meet with the Minister but I told him that the Minister was busy and that he could talk to me.

Question: So your discussion with him was prior to the issuance of the certificate?

Eesiah: This is where I do not remember.

Question: I guess you may also not be remembering whether it was before Mark Foster made his presentation?

Eesaih: It had to be after, because the first time I got to know about this whole carbon credit deal was back when Mark Foster talked about it at a board meeting.

Question: You always represent the Minister most often on the FDA's board, since your discussion with Tom Dawning, has there ever been a board meeting where the CHC deal was discussed?

Eesaih: No not where it was discussed to reach decision level.

Question: We will ask because we are wrapping up our investigation, if you could have any reflection like Minister Konneh says he's going to come back, to make all efforts to have the documents available.

Eesaih: Yes, Thank you.

Question: I just want to clarify; you said that it was only at that one meeting that you represented the Minister that the whole CHC deal was discussed and from that you do not remember going to any other meetings?

Eesaih: No! No other meeting, planning was not involved in any other meetings.

Question: You are regular in the board meetings?

Eesaih: Yes

Question: The Minister did say that there are no fees for concession certificates
Do you remember is there a time that you or maybe someone from the office have been offered some sort of payment for concession certificate?

Eesaih: No not me and definitely not the Minister.

Question: Let me ask you again, do you remember meeting Senator Banney just like you met with Tom Dawning? Maybe he's seeking to meet with the Minister and then he met you.

Eesiah: Yes I think he came to the Minister's office one morning like the Minister said; he basically stormed in to the office. You know the Senator shows up what can you do?

Question: besides that meeting?

Eesiah: Besides that meeting, no. If you put three people here I probably would not remember him. I would not know who Senator Banney is.

Question: Did you meet with anybody from FDA, besides the Minister Woods to talk about this concession certificate?

Eesiah: No

Question: Nobody from the board met you after that one meeting?

Eesiah: No.

Statement by Cllr. Benedict Sargbeh

Cllr. Sargbeh began his statement as follows " I'm Cllr. Benedict K. Sargbeh, actively in the practice of Law and giving consultancy to the FDA and sometimes the Ministry of public works. It's a pleasure to be here before this committee to tell this committee all that I know in my certain knowledge and all.

The Carbon study that went on including the FDA and other sectors or Government consistent with the National Forestry Reform Law of Liberia, there are so many licenses or contracts that are issue for assessing forest Products. It all started in 2008 when a British Corporation called the Carbon Harvesting Corporation, the one that came to Liberia is a subsidiary of Carbon Harvesting England. They had written a proposal through a form of letter to the Management of FDA requesting permission to do carbon trade within 500,000 hectors of forest. Management wrote back rejecting the request for giving out 500,000 hectors and that the FDA does not give out any excess above 400,000. So In response to that request, they accepted to do a pilot of 400,000 hectors. It was like a project that was commissioned by the CHC Liberia with an initial amount of 7,500.00 to carry on an investigative survey on 7polts of land in Rivercess County. A team from the scientific research department of the FDA went ahead and took four sample plots of land, one hector each to study the Biomass. Biomass is the content of carbon beneath the earth and above. It was just a sample, a random search. So based on that the study revealed that Liberia had a carbon credit of about 500 to 1000 metric ton of

Carbon per hector and in further comparison done with a research done earlier in Guinea, by an American expert our carbon content was about 3 to 4 times higher.

CHC wrote some proposal I can say a learning curve and send it to the box of MD Woods he then forwarded it to me to see what was in it beneficial to the nation. There were so many new terminologies. Then the head of CHC Liberia, Mark Foster came. We always wanted to hear from him what was it how much did it cost, what the mechanism would be like, who will control this thing, how will we benefit? Then finally, we took it to the board of directors. We said this is a new thing and commercial logging had started but the process being so long we had anticipated that within months commercial logging would start and that would provide funding for the national budget. We put this before the board of directors and they said it sounds good, because comparison was made between New Guinea and Guyana but it did not work. So the board of directors said if this was done in other countries why don't we see how it is done, but let's give it

a pilot project for 2 years and see how we will come out. So every now and then Mark Foster was coming in and lecturing us to see how this thing works. We even called in the Conservation International to give us their standards. We kept on going back and forth, there was no understanding, and nothing was consummated until we got a letter from NIC and the Minister of Finance saying that the acreage was too much. So that kind of contract was cognizable before the IMCC.

Question: Let me ask you, while you were still negotiating, NIC and the Ministry of Finance wrote you to say that this was cognizable the IMCC?

Cllr. Sargbeh: Yes, we had not done anything we were still learning, for me personally I did not to agree because it was just a novelty. Just within that time we responded that we were bundling everything any turning it over to IMCC. We wrote Richard Tolbert, all documentation that we had to this things were given to the IMCC for onward transmission because their argument is the IMCC is made out of a full body of government Ministers, like a sub cabinet committee. When they take decision, it is binding. From that point we lost jurisdiction on the whole thing. We did not hear about any carbon until this thing happened in the Financial Times that triggered the setting up of this committee to look into this and further inquire what had happened. That's what I know.

Question: My understanding is that you guys were still exploring and trying to understand this issue when the Minister of Finance and Dr. Tolbert wrote you and therefore you packed everything and gave it to them. The other point you said is that when the proposal came you presented it to the board. Let me ask you who takes minutes of the board?

Cllr. Sargbeh: I take Minutes of the board

Question: So can we have assesses to the set of this minute of the board?

Cllr. Sargbeh: yes no problem. Let me say something about my minutes taking, my minutes taking, I just do the resolution of what everybody has said. I don't do this person says this and this person says this.

Question: These are shared with them during subsequent meetings?

Cllr. Sargbeh: Yes of course.

Question: The point is after you did this, did you share this with them so that they may have the opportunity to review it and affirm it saying yes this reflects our view?

Cllr. Sargbeh: Yes I subsequent meetings, in fact we had over 2,3, 4, 5, meetings discussing this carbon deal. It was coming every now and then until one day the Minister of Finance said look if I'm the Minister of Finance and I'm responsible to collect revenue, we've give out almost 7FMC and if this carbon thing will be very fruitful, why don't we give it a trial?

Question: That would be Minister Gafuanh?

Cllr. Sargbeh: Minister Gafuanh himself yes. But the resolution was yes let us go and do pilot, but you will not see it in my minutes Minister Gafuanh Said let us do pilot.

Question: Like you said about three to five meetings were held, what period are we talking about?

Cllr. Sargbeh: Early 2009.

Question: That means this spent two chairpersons of the board, Chris Toe And this other new Ministerbecause by 2009 Chenoweth must have been there, do you recall whether she attended any of these meetings?

Cllr. Sargbeh: I don't think Dr. Chenoweth presided over any meeting touching on the issue of carbon because she had been very active in our meetings. But at that time there was a low in the carbon issue, it died down until I think mid last year was the time the NIC wrote. I can't remember Dr. Chenoweth presiding over any of our board meetings which an item was there discussing carbon. It was discussed during the term of Minister Toe.

Question: The Minister of Finance attended this meeting along with the Minister of Internal Affairs, was the Minister of Planning also present?

Question: The Minister of Planning is active through its proxy, because since my tenure as one of the secretaries of the board taking minutes, I've not seen the Minister of planning proper attending any of these meetings. Edward Eesiah attends for Minister Konneh.

Question: How did the NIC and Finance get to know to write, and did they write jointly?

Cllr. Sargbeh: They wrote separate letters at about the same time, this was because we were still in the learning process it was shortly after Honorable Woods had send for experts from the CI to come and deliberate on this thing. It was Eric Walker and a white lady from the Legal department of the Ministry of Finance, and some people from the EPA to all sit and understand this issue. Mark Foster was gave his presentation, and shortly after that the letters came.

Question: But that was between 2008?

Cllr. Sargbeh: It was not 2008, it was 2009.

Question: All these discussions did it reach contract level?

Cllr. Sargbeh: No, he was proposing and making offers and we did not understand these offers that is why we keep calling him back and forth to explain. You cannot go into a contract when it's one sided.

Question: It's our understanding that there was actually a contract.

Cllr. Sargbeh: Well I would call that a proposal.

Question: As a Lawyer for FDA, did you have the chance to read the contract?

Cllr. Sargbeh: Yes I told you and didn't understand it because the terminologies were all new, because the contract had almost hundred terminologies in there something totally new. I didn't understand it, you cannot go in to contract when you cannot understand it's terms and conditions.

Question: So as a legal person what was your advice to Mr. Woods/FDA?

Cllr. Sargbeh: I advised him that we needed time to learn this is the reason why we were on it for almost two years. We did not just rush to sign the contract.

Question: As a legal person do you feel that you understood the contract after you called in all these experts to explain these terminologies?

Cllr. Sargbeh: I didn't feel like understood the contract because CI was saying different things and Mark Foster was saying different things and there was no meeting of the mind. So there was no need to advise anyone to give any consideration to such proposal.

Question: Are you saying that the contract should be nullified or the negotiation should not take place at all? Did you advice that to the managing director?

Cllr. Sargbeh: I advice the managing director for us to give ourselves time and to satisfy ourselves. By letting this man explain this proposal.

Question: Do you know any Koffi? George Antwi?

Cllr. Sargbeh: George Antwi, I think I saw him one or two times. He was always in the office with Mr. Foster.

Question: The question is whether you met him personally?

Cllr. Sargbeh: No. Apart from the two or three times I've met him at the office, I've never met him anywhere else.

Question: Did you meet Senator Bannie any where?

Cllr. Sargbeh: Senator Bannie came to our office on two occasions to meet the managing Director? He said he had met Mark Foster and that they got to know each other from England. He said that he had even introduced Mr. Foster to the Executive Mansion.

Question: Cllr. Here is the question that we want to ask so that we can be clear. Did you at any time meet Senator Bannie as official of the FDA?

Cllr. Sargbeh: No!

Question: Did Koffi and you met at any time, whether in office or out of office to discuss this matter?

Cllr. Sargbeh: No, He used to come with Mr. Foster as some sort of agent or driver. I never met with him.

Question: Did you at any time have a conversation with any one from CHC, whether by Phone, or Email?

Cllr. Sargbeh: No!

Question: If you have to reflect and let us know, are you categorical that you have never had a conversation with any one from CHC, whether through Email, or phone? Anyone in CHC, George Antwi or anyone?

Cllr. Sargbeh: No!

Question: You have said that you are a consultant with the FDA, do you have an office inside the FDA?

Cllr. Sargbeh: Yes I have an office there, on the same floor with the managing director, we are adjacent each other.

Question: As a Lawyer and a consultant, I know you you've said vaguely what your role was in this but what do you really do for the Managing Director?

Cllr. Sargbeh: I advice the Managing Director on Legal issues.

Question: Do you consider the CHC deal something that is of Legal nature? That your advice would be important and critical to that?

Cllr. Sargbeh: Of course the CHC deal was a legal deal but like I said I did not understand the terminologies so I could not from an opinion.

Question: If you could not give the managing director a legal advice because of your lack of knowledge, what do you think you could have done as far as due diligence is concern? Did you do any research about the CHC, did you inform anybody, were you involved in any of these?

Cllr. Sargbeh: No I did not do any research on CHC, we were just interested in knowing they were talking about.

Question: Now as far as the contract that FDA wrote for the CHC, you called it a proposal, were you involved in the drafting? Did you read it after it was drafted? Did you have an opportunity to give your opinion after it was drafted?

Cllr. Sargbeh: Well like I said, they brought in this proposal that we couldn't understand because there were so many new terminologies that were all new to me and then we just couldn't understand it. When he came, we were having a conference.

Question:: Were you aware that CHC had been granted single sourcing of this contract?

Cllr. Sargbeh: Yes I'm aware that a letter was written to the PPCC, PPCC responded in the positive for CHC to be single sourced.

Question: Was that before or after Mark Foster made his presentation?

Cllr Sargbeh: It was an ongoing process, I think far before Mark Foster made his presentation.

Question: Once you find out about the single source, you as a legal person, you said you wanted to know more, you were not satisfied at that point, what was your advice to Mr. Woods? Were you satisfied that it was single sourced?

Cllr. Sargbeh: Well they being the only one that presented the proposal, the only way to have granted them this proposal was to single source.

Question: So then Liberia could have been going in the wrong direction but you as a lawyer and consultant for FDA said nothing, did nothing?

Cllr. Sargbeh: All we could have done to have committed ourselves was to affix our signature, but that we didn't do. So in essence we were not satisfied and did not want this thing to go on else we could have gone through it. That is why we kept on dragging it for almost two years until we pass it over to IMCC for further discussion with CHC Liberia.

Question: Cllr. To be honest with you, I'm a little frustrated, because I feel like you need to be saying more than you are saying. Forgive my being blunt with you, but you need to be a little more forth coming with the information. Because my understanding is, forgive me I'm not a lawyer, my understanding is you are not a decision maker in the FDA, you are only an advisor to the MD. You sit as a legal person and when issue of legal nature comes to FDA are then referred to and asked to give your opinion because even when you are a consultant you are providing a service and you are paid. My Frustration with you is that you are not telling us exactly what your recommendations were. Given your eloquence on the whole carbon harvesting deal and all the technical ramifications, I would think that with that kind of knowledge you would be in the position to advice but here you are so far I feel that you are not telling us the truth. I think you know more than you are telling us.

Cllr. Sargbeh: From the point of the proposal, we sought advice from the board. Then MD Woods explain everything to the board and the board said we should give it a try as a pilot project. As I said we were learning, I could not have given any advice to FDA to take any decision.

Question:: You could not because you did not do any research to improve or increase your own knowledge so as to be able to adequately advice the FDA. Now when MD Woods went out sick, did you have an opportunity to talk to the new MD Kendrick Johnson?

Cllr. Sargbeh: When Kendrick got there, we never talked about any carbon business until Mr. Woods came from sick bed that was the last time we pas everything over to the IMCC. When Kendrick took over we were doing evaluation of the latest Manager contracts, we were busy with the legislature explaining why we should go ahead with the four forest management contract. After the contracts were signed, Mr. Woods came in and he resigned in October. Kendrick during his intern as managing director, basically he was busy with those four forest management contract.

Cllr. Sargbeh: Let me conclude in this manner. CHC Liberia came in, advanced this proposal, in a form of contract, voluminous that was not accepted. Who is what, who could monitor the flow of money, How could it be regulated by email, what could be our reliance, whether we could sell in the British market or Chicago? The whole thing was confusing. We met mark foster on two or three different occasions, then after that the first proposal came in a form of agreement; he came in with an Agency. Whether he could serve as agent for FDA, while we serve as principal. I looked at the Agency but it was not still satisfactory. Then he was trying to propose a management contract to manage the affairs of the carbon in an aggregate of plots, not only in Rivercess, some was proposed in Nimba, Lofa. This was not satisfactory and so he proposed a management contract again and that was the time we all sat down to look at it as a group. Looking at this proposal to see which one would be best to enter into. There was no meeting of the minds and Mark Foster left and went back to England. We never heard from Mr. Foster again in his absence this was the time we bundled everything and send it to IMCC.

Question: Can you clarify, when you saw the original agreement you said it was not satisfactory, when you saw the Agency agreement, it was not satisfactory, how did you expressed dissatisfaction? Was it a written Memo to Management?

Cllr. Sargbeh: Well there was no written Memo, we met as a group, the sticky issue was how much was going to be accrued, what could be the agent's fee, what would be the principal's share?

Question: I am talking about the first agreement that you say was rejected because it was not satisfactory. How did you indicate that it was not satisfactory before they moved to the second level? Either you said it orally or you wrote it.

Cllr. Sargbeh: I said it orally, I didn't have any written opinion on it. Because the proposal suggested that a website should be opened and then the variation in the price of carbon would be shown hourly and it means that we were going to be on the net 24 hours and we were going to get our share on approval of one month, we should ensure that the funds given should not be interfered with, we should ensure that the forest given should not be interfered with we should ensure that not a shrub should be taken out of the forest we should be responsible to get the Police that would be in the bush. All these were complications.

Question: So we move to the Agency, how was this rejected too, and the first agreement, did you do it as a group or an individual?

Cllr. Sargbeh: The second one was done as a group, the chair of the meeting was MD Woods and then Mark Foster spoke and the EPA, Ministry of Finance and CI objected to its terms and conditions. So there was no concession.

Question: Did you object? What was your position?

Cllr. Sargbeh: We objected but there are no written records.

Question: My point is writing these letters to the PPCC, you being a lawyer; did you take part in this?

Cllr. Sargbeh: No I did not take part in writing this letter

Question: Did you take part in the writing of a letter requesting concession certificate?

Cllr. Sargbeh: I have never written letter for concession certificate but we've got concession certificate for all our concessions running.

Question: Did you take part in inviting Mark Foster for a signing ceremony or invitation letter for them to come and negotiate with you?

Cllr. Sargbeh: MD Woods instructed me to write a letter to Mark Foster.

Question: Do you have copy of that letter?

Cllr. Sargbeh: I can find it.

Question: What time was the letter drafted?

Cllr. Sargbeh: Well, between September or October of 2009.

Question: Well we'll like to receive copies of all relevant board minutes where these things were discussed, also the letter that you drafted for Mr. Woods inviting Mark Foster to come into the country. The Third one will be any other correspondence that you must have written in respect to these, either signed by yourself or anybody in management.

Question: You mentioned in your earlier statement something about 7,500 dollars can you elaborate on that?

Cllr. Sargbeh: The 7,500 got to my attention when the GEMAP comptroller came in to me and asked me whether I knew about some Carbon Harvesting company on grounds, I said I do not know. He said but they've given some money to go and do some study in Rivercess, did you write any contract? I said no, not knowing the study had already been done. They started with the GIS section the proposal when to MD Woods and he may have authorized the GIS to do some research and they went ahead and did so. It was Mr. Johnson and other people that went.

Question: So did this research cause 7,500?

Cllr. Sargbeh: I was told that the proposed amount was some 15,000 but they said 7,500 was received. I did not know anything then

Question: So why didn't you do the contract then?

Cllr. Sargbeh: The payment was made and they had done the research, I think it was a month or so after before the comptroller asked me.

Question: What was your reaction to the point that there was some money being paid, what did you do to know who would have benefitted or how is it done. What did you do to know these?

Cllr. Sargbeh: Well, when the GEMAP Comptroller came to me it was one month after the fact and he wanted to find out the result from the GIS department and they gave me the result. Our Carbon content was about 500 to 1000 metric ton per hector.

Question: My Point is, when Mark Foster came and senator Banney brought him he met with you and the MD on all of this. Let me be opened with you and say that in our some other discussions the need was there and then recognized that a study had to be done.

Question: You are very definite you never placed a call to Kofi, Banney or write any of them?

Cllr. Sargbeh: Apart from this letter of invitation that I was directed to by director Woods to write, I do not know any email address or anything else to communicate with CHC.

Statement by Honorable Florence Chenoweth:

Cllr. Warner: This is a committee set up to investigate the carbon credit concession that is believed to be negotiated by the FDA and the CHC, a British firm. We know and as you saw us talking to the PPCC people. We are about to wrap up and in the final stage proceeding to make our final report. As you must have read there are allegations that carbon credit concession was given probably not in keeping with our public procurement laws, probably not with the full understanding of the authorities, whether it's the president, or the board. A lot of things have been alleged and more importantly there must have been money paid to some individuals. The team is made up of three persons along with a technical person and I am the chair. We will now give you an opportunity to introduce yourself and briefly explain all that you know about Carbon Harvesting Corporation, it's negotiations, an alleged contract that was signed, the role that the board played as we understand you are the chairperson of the board and any other information that may help us.

Florence Chenoweth: Thank you very much. Unfortunately I cannot be very helpful to you because all of this happened long before I came back to the ministry and to the position as chair for the FDA. As we engaged the Forestry on the extraction of logs, we've been negotiating with the European commission on exporting logs to the European Market and there is a strong commitment on the part of those European Countries. They are holding together jointly like they will not have any log coming into the community except the exporting country can prove beyond that the log is legal. So there is something called the voluntary partnership that we are working

along with the EU. So it is in that context of working with the FDA on the log extraction side that I got to hear about the carbon credit and being an environmentalist myself I'm also an agriculturist and I have been trying to learn this whole thing about this global warming about climate change. I tell you the truth we are all learning and there are some people who claim to be experts but we are all learning. I've spent many years trying to follow the trend. I've been to and been associated not only with the UN, but after I left UN in 2007, I went back to academic, the University of Wisconsin. In fact the University of Wisconsin was one of those groups who got the price with former vice president Al Gore, so of course I was really interested in this whole climate thing because it was a big subject. The thing about buying and selling, carbon credits, who benefits, who loses, is a new field. We are all learning it but when I came home I did hear about the study, that area had been earmarked some time ago for assessment of the carbon host and what potential it held for Liberia to gain in terms of if we ever enter the market. Then of course the whole world was preparing for the Copenhagen meeting I started working from outside I lost interest because I knew it was going to be a talk shop. When I saw that the people who had caused the problems were not really willing to pay, when they came up with something million I knew that they were not serious. So that's where my knowledge is; just trying to play catch up. I do not really believe that we had the competency or that we were at the point in our assessment and understanding of the whole carbon market. This is my personal view to enter into a negotiation; I think it's much easier to hear somebody who wants to come with their investment, sell their investment and talk about what they could give monetarily is a whole different story on the other side of the table understanding the fine grains. My personal view is we were not prepared then and I don't think we are prepared now to enter into any carbon sale. I think what we should be doing is protecting, like I told you about the investment in the East, protecting these areas of bio diversity and whatever virgin forest we can hold on to. I agree that we should be doing that but I really don't think we are ready to enter into any business on selling credit, now some people take the other view. They say if you don't do it now and others jump ahead of you, you're left behind and you are playing catch up. I think it's better for us to slow down and catch up with the technology and the whole concept. My feeling is the minute we enter into that kind of agreement like we did with this CHC we are out there exposed and we don't have the muscles that we need to negotiate, because I think we have done it from a stand point of not being properly knowledgeable of what we were doing. I could be very wrong but I don't think that FDA or any of us have that competency now. I think we should be studying and following it and trying to understand it.

Question: Thank you very much for those points I think that even shorten our conversation. I would like to get an idea about when you assumed the position as chair person of the board of FDA?

Florence Chenoweth: My confirmation was towards the end of **July 2009**.

Cllr. Warner: Can you say since maybe from August last year to this year, has there been any board meeting where the authority have formally submitted any

Florence Chenoweth: I came right in the middle of all of the planning for or talks about Forest timber extraction that was for sale and how companies had been granted and what were they granted. We were holding discussion with companies that were interested and that was the **focus, however I had gone through the FDA files and I did see that there were many references to the study that was done, the area that was demarcated and I think the emphasis was more on that. There was also an assessment on how the carbon was to be measured. I was surprised at how advanced we were when I comes to this because I am coming from an academic institution that has very strong participation in this whole climate change and carbon credit. I was kind of surprised that we were at that stage already in to it. I did ask**

questions and because I wanted to know where we were. I also did have some briefings from the then chair Mr. Woods and people in FDA that were involved in the study. I did have that kind of briefing because I went after it, not that it was not the table, it was never a subject on the table for us. Our concentration has always been forest concessions and trying to get them to pay.

Question: Did you see in the review or understand from the briefing that was provided you whether the board had in any way authorized the management to enter in to contractual discussions or agreement proceedings?

Florence Chenoweth: I know that in the briefings it was clear to me that the study was been done but it was not clear to me maybe because I was so interested in the study and particularly in the assessment of what was there in that area and if we worked, we were likely to gain. The actual details of negotiating with a particular company, I did not reach to that.

Question: Madame, You said you were concerned and wanted to know more about the research. did you ever speak with any one from the FDA? Maybe Augustine Johnson?

Florence Chenoweth: No, I just wanted to know as I said I came back from an institution where we had celebrated being part of the world prize on climate change and I was shocked that Liberia was at the point where we were already talking about carbon credit sale. I was shocked that we had already reached there. Because I did not think that in our efforts to revamp, I was shocked that we were already engaged in this very highly scientific technical area and then as chairman of the board I don't see where the competency of that board would have come from to decide on something like this. I think if something like this was put before the board with me as chair knowing the composition of the board, I would have had to rely heavily on people who really knew about this to educate the board. I don't know what process they did, maybe they educated them enough but it's not the kind of decision that even as an agricultural scientist I would have given because I feel so naïve in the field.

Question: Did you ever ask John Woods or express your concern about that?

Florence Chenoweth: No as for me the emphasis was on our study or assessment of what was there, for me what I remembered was the emphasis being on the fact that we were assessing our capability to enter into this market. I think they said it was a German, I think perhaps mapped out an area for study. I am very fuzzy on that study part, which is fine to map up because we have to try to catch up with the technology. I don't understand because it was not clear on how we moved from that assessment to an actual engagement on this. I didn't get that knowledge from reading the files and from my conversation I was happy to hear that somebody was studying it.

Question: I just want to know whether you can tell us how many of the board meetings you have personally attended or chaired?

Florence Chenoweth: I do not think I missed more than two, I was always there and if I happen to be out of the country, I remember Minister Logan... but that was way towards the beginning part of this year so it would not be something discussed. But I can tell you that we have been trying to get these concessions that were granted, operationalized so we could put people to work mainly from the employment part, the revenue part was there but its mainly employment in these areas. I don't think I missed more than two meetings.

Question: The reason I asked the question was because we are seeing communications from the then managing director who actually said that he was authorized by the board.

Florence Chenoweth: So when did he that?

Committee: Probably in 2009.

Florence Chenoweth: Maybe he was doing it retroactive, because I do not know and I definitely would not have been the one who chaired a meeting where the board discussed carbon credit. Except like I said on the briefings, but with this company our emphasis was on getting these companies to do their work. We did talk about it but I don't even remember this. The person who is said to have done the study on the carbon credit I don't even remember them making a presentation. They could have in a meeting when I was not there; I remember many presentations when I was there on community forest but on that study carbon credit, I don't remember.

Question: This proposal was actually done on the level of the IMCC, I just want to know if you knew anything about that?

Florence Chenoweth: Yes that is as I said by going through facts that we were asking the IMCC to set up a committee, but you know when those things come to the IMCC first we spent so much time educating the people in the IMCC about what this is all about and definitely if that was discussed at the IMCC I would have been there but I don't think it was ever discussed as a subject in the IMCC. I know that toward the end of the year there was an attempt to rush through a lot of things like the call for proclamation of protected areas, even the bush meat things but somehow this one just pass on. It is such a subject that I'm interested in it is not one that I would let pass. I'm interested in it for many reasons, I'm interested in the whole climate change or issue and how it impacts more seriously on Africa than any other place. So I can tell you I would have been very engaging in this one.

Question: Madame Minister, were you ever informed at any point that CHC the company had been granted single sourcing maybe by PPCC?

Florence Chenoweth: No... all of my own knowledge is about the assessment but actually going into buying, I would have been asking questions because I am one of those scientist that have been writing and saying that if we are going to engage Africa, which we know will be the continent most seriously affected and yet it contributes the least to Global Warming that we have to set prices that will be a pay back. We did a paper and I am a coauthor at the University, we did an assessment of what the community cost would be. So I am telling you if I had been a part of this I would have been very engaging. I would have wanted to know, how much could this be and what is the implication.

Florence Chenoweth: Let me just make one statement, I am so concerned about Liberia's readiness to deal with our total agriculture sector and the impact in the forestry because you see the agreement we just signed on Monday for oil palm it will provide 35 to 40 thousand jobs. These are on the highest skill we are not talking about people digging hole and planting we are talking about how many scientist. We want to put the ministry of Agriculture on display. We are the first one to have a man power assessment taking what we need to drive the sector. We need people who have gone through the rigorous thing of research . I am very worried about how we switch to train our people to cope so we do not have to draw expertise from abroad. It hurt me very much when I needed a Micro-Biologist and I advertised that position for three months here. I had to give it to a

Ghanaian for international salary so I am trying as much as I can to massively trying to send people abroad for study.

Statement by the Public Procurement Commission

The Committee met with the PPCC twice. During the first meeting, the PPCC was represented by then Acting Chairperson, Mrs. Esther paygar and Mr. Joseph Neufville, immediate past Executive Director and currently technical Advisor to the PPCC. The Acting chairperson asked Mr. Neufville to give the Committee an explanation of what the PPCC knew of the CHC transaction.

Mr. Neufville explained that the CHC proposal and a request for single sourcing of the contract arrived at PPCC about two years ago when he was Executive Director. Because carbon credits was new and the PPCC did not know much about it, the Commission tried to find out from the FDA what it was all about. The PPCC asked for additional information from the FDA, the FDA gave PPCC a study, which they said, had been undertaken in Rivercess county for approximately one thousand acres/ hectares. The PPCC reviewed the study report but did not respond to the FDA because after a while **the Commission got indication that the CHC deal had been abandoned.**

According to Mr. Neufville, the FDA later reactivated its request for single source last year. The FDA justified its request on the basis that CHC had made payments and so much work had been done concerning this deal and because the technology was new and people may not apply for this easily.

Mr. Neufville said that the PPCC concluded that they would grant the request for single sourcing given the fact the FDA had said that their laws gave them the authority to give out pilot projects.

Below is some pertinent portion of the interview had with the PPCC:

Question: When you received the communication from FDA, did you have any verbal or telephone communication from any one from the FDA to discuss the matter?

ANS: Yes, I made contact with Ekema Witherspoon who was then the Assistant Managing Director of the FDA. I told him that we had received this request but we did not have sufficient information and he offered to send some documents. He also asked me to met Mr. Alfred Kortio at FDA. I also talked with Mr. Lawrence Greene, who said that this was a highly technical matter that he himself could not understand. Mr. Green said that he had notes on this matter and would do some research and present the notes to PPCC. I went back to FDA and was told that there was a Mr. Johnson who had been attending a lot of conferences on this issue and he had a wealth of knowledge to brief us. Each time we went to FDA for the briefings, Mr. Johnson was out on some trip hence, I never met him or Kortio.

QUESTION: Did you receive any call from the MD concerning questions about the CHC that would go along with their request?

ANS: It was FDA that send the communications and obviously they were concern about our own stands. We did a communication to them and the FDA Managing director wanted was to write in the letter that PPCC interposes “NO OBJECTION” to them granting this. We said no, the NO OBJECTION is not our place to give but we will take note of the information given and go along. We cannot give NO OBJECTION because it will be sharing in your decision making process.

QUESTION: Did you communicate this in writing?

ANS: yes.

QUESTION: If the PPCC was asked to give a waiver on something that is as strange and new as the CHC venture, what is the process to make sure that your waiver or the decision that goes into the waiver is informed by information and knowledge about what in fact is being discussed?

ANS: what has happened is that the decision making about whether to grant a concession or to award a procurement contract rests with the entity. In the case of concession, because it is a right of government that she lends out for a period, the law provides that an inter-ministerial concession committee be constituted so that they will give approval to a;; of the technical workings of a technical committee that will be set up. The inter-ministerial concession committee has the authority to secure the services of expert to work along with them in this process. We do not have that expertise to give out all of these technical pieces of advice.

Question: Do you always hedge your responses with the language "WE NOTE THIS," or do you clearly state that "based on our authority, you are hereby granted authority to single source this contract"?

ANS: In a lot of instances where we have a clear view of what is going on, especially in respect of procurement, we give the rationale and then say based on this "the PPCC interposes NO OBJECTION". In the case of concessions, what have come to us has been by way of complaints. With respect to concession, the CHC deal was the PPCC has first shot.

Question: Is it true that the Kendejah Hotel concession was given by a process of waiving competitive bidding?

ANS: Yes, we did grant permission for the project to go ahead. **In the past, when there was a "NO OBJECTION" given, the commissioners insisted that they must deliberate on it to make a unanimous decision. The Executive Director was then directed to do the communication in line with the decision reached. The communications from the FDA was brought to the full commission at that time Keith Jubgeh was the chairperson. The Commissioners built consensus on these matters.**

During the last of the two conferences held with the PPCC, the Commission was represented by Commissioner Esther Paegar, Co-chair of the PPCC, Mrs. Peggy Varflay Meres, Executive Director of the PPCC, and Mr. Joseph Neuvile, technical policy advisor to the PPCC.

Commissioner Paegar began the statement of the Commission by stating that the commission did receive a request for single sourcing, but the communication that was sent in response to said request was actually not the decision of the commission. She then asked Mr. Neufville to speak in terms of how it all unfolded.

Mr. Neufville explained that the process started in 2009, somewhere around February when the PPCC received a communication at that time when he was serving as Executive Director. "I called up the chairman, then Keith Jubah, and told him we did have the document but how do we go along with it. Then we received a letter in March, withdrawing this letter. Then another letter came in November as the same letter that came February, with the same content was sent to us but as this time signed by the managing director. The first one was signed by Mr. Ekemah Witherspoon who was then acting managing director. So when it came this second time in November the ED came to me and said well have this come let's look at it and draft a reply for me. So I looked at it and I looked at other documents that were submitted by FDA. One of the

documents they submitted was the cost benefit analysis which showed that if they were to give this place out or Forest management or Timber sale as compare to giving it out for carbon sale where they would be getting it for about 855,000.00, the trees will not be fell and there will be job creation for the people there, because there will be rangers to guide the area and this will come from the people there. So we looked at all of these analysis, we also made representation that they had form a group of the FDA to do some work that will Liberia meeting several protocol. One of the protocols was the KEYOTO protocol which I understand was being sponsor by the World Bank, in good faith we wrote FDA and said well all of this you are explaining to us we are taking notes of them. They had said this would be in the best interest of government and they had also said that they had constituted several other boards that would do the technical work. This falling in the line of concession or before concession is granted there is an inter ministerial concession committee that is set up, there is a technical evaluation that is established and against that background, we said ok we will go ahead. Because in keeping with their laws of 2005 section 5.5 something gives them the authority to give out part of the forest for pilot work for some time. Our law also in section 101 in our law said that if this is a technology that is limited, meaning where you have a lot of research and other things going on yes you can go ahead and single source it. So against that authority we said we took note of this and we congratulated them for the direction they were carrying the country in so that we be in compliance with what the rest of the world is doing. That is to fight some carbon emission and preserve the forest.

Below is a portion of the interview held with the PPCC:

Question: You said that they withdrew the letter and this other letter came in November? This letter that you are responding to when did it come?

Mr. Neufville: This letter came in November 18, 2009.

Question: So it means that the letter that came in February, 2009 was not acted upon?

Mr. Neufville: No it was under discussion when another letter came in on the 23rd of March, withdrawing it because the first one was signed by the Acting Managing Director. When it came, we were concern and I went to FDA to find out whether the Managing Director himself was aware of it because it had on it CC and thinking administratively, there is a possibility that you write a letter and you CC someone but he doesn't get it. So I wanted to know and when I got there he said well we will get back to you. I left the scene as executive director. In March he wrote another letter withdrawing that letter. So we did not take the time to respond to it.

Question: So essentially you did not act on it, was there any substantial difference to that first letter and the one you responded to?

Mr. Neufville: No we did not act on it and there was no substantial difference in the letters, except for the date, the signature and the reference number. The content was exactly the same. This time it was signed by the managing director and in our mind we thought that those issues we wanted to be clarified, had been clarified and so we responded the way we did.

Question: What would be the basis for you to say those issues that we wanted to be clarified were clarified?

Question: well the fact the he wrote and withdrew and we asked for documents if they had any documents and then they gave us these documents which we reviewed.

Question: Please be clear to me, what was your discussion that the commission had on this. The first one the commission, directed it to the attention of the chair person, just that there was no

decision taken when it was withdrawn. The second one came and it would seem to me that you also presented it to the chairperson.

Mr. Neufville: Well the second one I was not sitting as Executive Director and I was not attending the commissioner's meeting. So my directive came directly from the Executive Director. So when it came, I do not know whether it went to the board.

Question: Well when it came did you carry it to the commission to be discussed?

Mrs. Meres: No. that is not the procedure, whenever we get single source request, we hand it over to the Secretariat then we inform the board, so when that came we did the back ground work, that is look at it, look at the laws that governs it, understand it, research the FDA law, compare it to the PPCC law that they did have the authority or the right to do it. We felt that we had enough information to be able to respond to this kind and that's what we did.

Question: Let me ask you at the time the letter came, how long had you been with the PPCC in that position?

Mr. Neufville: The letter came in November and I had been there since July.

Question: That seems to be four months. The point is you had have knowledge that there was a previous letter that was withdrawn and this second one came up. Yet you made this decision without much inquiry?

Mrs. Meres: That's why I deferred it to Mr. Neufville.

Question: so if you deferred it to Mr. Neufville, then Mr. Neufville must have told you "when the first one came we referred it to the chair person." How did you reach the conclusion that it was not the procedure to refer to the chair person?

Mr. Neufville: Well let me just put something in perspective, when I was there as executive director there were a lot of issues with respect to institutional arrangement. Setting up ourselves in keeping with the act and the commissioners felt that they were full time commissioners and that they should sign everything that went on to the PPCC. So they were signing everything as a result people out there felt that the letter should be addressed to the chairman. So when the letter came it was addressed to the chairman in question of Keith Jubah. And so he said bring the letter over to me and I took it to him and so he addressed it. There after we made some representation to the World Bank and then right there he said there was a need to do a research on your institutional involvement. When Miss Meres took over, the chairman in turning over the gavel of authority told her that he didn't have to be in the day to day running of the office.

Question: Is a decision to approve an exemption under the procurement law a day to day work or it is a policy decision to be made by the board?

Mr. Neufville: The exemption from a procurement law falls within the discretion of secretariat depending on the threshold. There are times when people are procuring one or two vehicles and they want an exemption from the process based on the nature of the procurement, yes the secretariat grants it. But in some instances where the government on national issues in most cases at the time I was there the board looked in to it.

Question: Are decisions regarding concessions bidding and request for single sourcing made by the secretariat or by the commission?

Mr. Neufville: well that is a very difficult question; candidly speaking the commission should be informed.

Question: So why you think then they were not informed? When she as a new person came to you why didn't you give her your advice?

Mr. Neufville: Well I don't know but let me let her talk a little.

Mrs. Meres: Well I just want to say one thing to what he was saying; I think it was more in line with the fact that Keith was involved in this process before. Keith had reviewed it, and I think they had gone to the board. We had that background information so when I got it; we were able to look into it maybe that's why he did not advice.

Question: Madame Commissioner, he understands my question but he does not want to answer, can you tell us if a company comes and say "we want to enter into maybe a single sourcing," is that decision for the secretariat or the commission to make?

Mrs. Paegar: As he rightly said, during the time this thing came to the commission I can recall the chairman saying given his background, because you know he studied the sciences. He said well I'm going to look in to it. I'm going to read this and get back to you. After this we did not hear anything from him again.

Question: So was Mr. Neufville in the meeting where the chairperson said he wanted to review it since he had scientific knowledge?

Mrs. Paegar: It was during Mr. Neville's time, because he is usually present during that meeting because it is he who has to present on behalf, so he was in that meeting.

Question: Ok . given what you now know, is this matter in the nature of things that should be decided by the commission or it is fairly acceptable for the secretariat to decide?

Mrs. Paegar: It all came to the commission, but then again it all boils down to as he said there was this thing accusing the commission about doing the work of the secretariat and then when she took over, the chairman said we need to let the secretariat do its work. And then that line of demarcation, for me I felt and I still feel that those things that have to do with policy should come to the commission, but that line was not properly defined. What should come to the commission and what should go to the secretariat?

Question: In making this decision what factors do you consider?

Mr. Neufville: Our law is clear as to what you should consider to grant single sourcing and as I as said I brought a copy of the act section 101 of the law. We reference 101-c in this exercise and our thinking, where there is a law and it doesn't clearly define where there are policies established, we go to the board and in this case, the laws are there backing it. But the question you asked as to whether the secretariat should have handled it alone is the one that we need some clarity.

Question: You said that when you reviewed their documents you noticed that they had something to comply with KEYOTO, they had to provide employment and that is why you gave in. Those are not statutory issues are they?

Mr. Neufville: No. But the statutory reason we have is in the law 101-C, now the representation made to us by FDA was that this carbon harvesting company have been doing a lot of work, the

research process that had been going on, they asked them to do a cost and then they were the ones to undertake the cost. And FDA's letter indicated that considering that we have done a lot of work here they were requesting to have this single sourcing given to them.

Question: Mr. Novell, it is one thing to say that someone is prepared to do this and it is another thing to say that someone is doing it. The language in the PPCC Act is saying that you've to look around and only if you determine that there is no other interested person. Did FDA provide you with information to say we looked all around and nobody will easily do this? Is that enough reason?

Answer: None

Question: Did you have a problem interpreting this statute? Did any of you receive any money or PR, public relation, offer for work you did on this no objection letter?

Mr. Neufville: I did not receive any money.

Mrs. Meres: Absolutely nothing! I am in this position and I understand the nature of my work and in my capacity I represent the commission, it's an institution of integrity and that I've held myself. I've never met with; spoke with anyone from any entity who has offered me anything, be it money or gifts or anything for a letter in favor of them.

Question: Did anyone lobby you at the PPCC that you know of to help to push this single sourcing, Senator Banney in particular? Do you know any George Antwi, commonly known as Koffi?

Mr. Neufville: Well I know on time while I was Executive Director, Mr. Banney came in but he only told me that they were interested in this at the time that this letter we received was turned over and I went to the Managing Director to find out the merits of it shortly thereafter we received the letter but I never met with Senator Banney again. I never met with Koffi either I didn't know George Antwi.

Question: is the single source approval from the PPCC sold at a price?

Mr. Neufville: No it is given for free.

Question: Would anyone in your office charge for service or anything that would be done to give a single source letter?

Mr. Neufville: No that is not to my knowledge, because it is not part of our way of operating. Usually we do not get anything from anybody?

Question: So no one tried to lobby you the PPCC to facilitate the granting of a single sourcing?

Mr. Neufville: To my knowledge Senator Banney came to the PPCC one time and that was all. I never saw him again.

Question: Do you remember Senator Banney coming to you close to the time the letter would have been signed?

Mr. Neufville: No I'm not aware. I know usually when a letter is written and an entity is interested they will come to the office to find out the status of the letter I know of that, but to say to lobby to influence the decision of the PPCC that will be made.

Question: So in this case will somebody come to follow up on this?

Mr. Neufville: Yes Ernest Massagoui, he used to come and stop at the desk of the office of the assistant.

Question: That's the time you were doing this letter, the most recent one, the one that was responsive. They were sending Ernest Massagoui to follow up on this, how did you know? Did you speak with him?

Mr. Neufville: Ernest Massagoui, I've known him for a long time, and he said oh we've got a letter at your office. I said ok if I see it then we will look at it. But we have not had any discussion leading to the form or shape the letter should take. I just looked at it and responded in that line.

Question: Did you request any additional documentation from CHC other than the letter? Didn't you get the cost and benefits analysis?

Mr. Neufville: Yes we got all the documents from the FDA, there's this document that was attached to the letter that was sent. I do not know all of the documents that were sent because, when the things came I received this document.

Question: Where did you get this document from (a glossy brochure)? Did you get it from your PPCC files? Did you ask for it or it came with the original letters submitted.

Mr. Neufville: I think I asked for it. I went to FDA and I asked and I think it must have been brought by Ernest. He must have brought it and turned it over to my assistant.

Question: How did this document come? Did you ask for the document?

Mr. Neufville: We asked for this because we wanted additional information.

Question: so the information in this glossy document you got, how was it useful.

Mr. Neufville: No the document was not useful in my analysis because what was contained in this letter was just what I saw in the cost benefit analysis.

Question: Did you talk with FDA for additional benefits?

Mr. Neufville: I talked to Ernest Massagoui and he took me to John Woods.

Question: Are those the only people that you talked with?

Mr. Neufville: At FDA, yes! When I went to FDA and Johnson I think or somebody he said that they had been sending on a lot of conferences on this carbon but I never met him.

Question: Sir, My question is when you were asking for this document, did you inform your principal?

Mr. Neufville: Yes I think we did.

Question: When you got this glossy document, did you show it to her?

Mr. Neufville: yes

Question: Madam Executive Director, when you received this document, did you have time to read this document?

Mrs. Meres: No honestly I do not recall getting this document. When I came back it was after I was briefed on this investigation. This morning I asked Darius to get me the file.

Question: Is it normal that while you make contact with the requesting principle you do not make contact with your boss, if you were Executive Director, would you have allowed this?

Mr. Neufville: Let me just reflect, When I was serving as ED, I had an advisor. Whenever documents came and I called the chairman and told the chairman it was discussed by the board. He would call and ask for supporting documents, now most of the time it had been in procurement. For concession, when the document came after the ED brought it to me to know the managing director own stand and that's how the managing director wrote the letter. No! It was the first time when it came to me was the time that I got to Ernest, and Ernest took me to the Managing Director. Then there after it was then that the Managing Director wrote this letter and withdrew it. The second time when the letter came that we said look this thing here is a new thing, we have a new person working on it. So we came back and we began working on it. So we got the document, you know, the draft prepared.

Question: Mr. Neufville, I hope I'm not beating a dead horse but you said that your reasoning for granting single source was based on and in keeping with the PPCC act, the cost benefit analysis, and also the fact that this was a company was a new idea to Liberia and it would be generating funds for Liberia. Was there any other company? What did you have to base this on? Did you have any other company like CHC or did you request from the FDA for any other company the same service that CHC was proposing. I think the cost benefit analysis was the only thing because anybody could have said "I can bring money into the country. Why CHC?"

Mr. Neufville: Well the representation made to us was only on CHC and we have the situation with the Kenedejah project, the recommendation that we got was for JLJ. We received telephone calls from around to try to invoke that. Usually when they say single source, it is only for one person. The technical duties rest with the concession entity, now our own thinking and understanding we have it as a concession. There is a whole ball game for concession; it is not a decision of the entity acting alone so even if we gave this "No Objection" as it is gets to the inter ministerial counsel. It's from that place that you are going to do the technical evaluation to have maybe the decision on it and then it will go back to the president who will constitute the negotiation.

Question: Based on the cost benefit analysis did you know how much was CHC going to generate for Liberia?

Mr. Neufville: Well, we were told from the exercise that if it went to forest management, they would generate somewhere between eight thousand for government per year. If it went carbon harvesting, it would generate around eight hundred and fifty thousand for government and that was added.

Question: Who told you that? Is it the in the FDA letter?

Mr. Neufville: No it was what I picked up from the cost benefit analysis.

Question: But don't think that that should have been in a letter somewhere else, because I think if you were going to be using it as a basis for making a decision then it had to be official. My question is, because I'm finding a little difference between your last testimony and this one. For example, you told us the last time that you didn't tell us about your meeting with Mr. Woods the last time and these documents. In fact the first time said you talked to one Alfred Koitio who name I've not heard today and Lawrence Greene, whose name I've not heard today. These are the people you said you met. Now I'm hearing about Koitio today, I'm not hearing about Lawrence Green today. I'm hearing different names. You also told us clearly that John Woods was clearly behind you to write in the letter that PPCC interposes no objection. In your last testimony you told us that you had rejected it. You said no you could not do that.

Mr. Neufville: Yes we said that, we said we could not do that. That decision was an entity decision. So they had written us that they had taken note of it, which he said that taking note of it is not the same as interposing "No Objection." But we never wrote another letter.

Question: You had to respond to these things, you knew all these things when the commission was here. Now you are calling different names, how they went to your office and you went to Mr. Woods's office. That the Executive Director that was helping you with all these things, you did not even tell her. These are significant, did he tell you about meeting with Koitio, and Greene?

Mrs. Meres: No! No I didn't know the names of these people.

Question: Do you think it was significant that he should have told you, or you think that it was in the implied authority that you gave him to help you?

Mrs. Meres: Well usually, we conduct due diligence. With respect to the name to the names of the individuals coming there, no, we did not have conversation about that and some happened before my time. And we had not spoken about the people who had gone to the officer.

Mr. Neufville: As I mentioned, Lawrence Greene was my neighbor and he works at FDA, so I went to him I said look, we have something which is carbon harvesting. He said yes I'm on the committee and he showed me this on his computer. We went on my own computer and I went into carbon harvesting and I did download some from Clark University. That was because I was searching for carbon information.

Question: Mr. Neufville had said that no one lobbied him, he did not meet with Koffi, I want to ask now the Executive Director directly, I know you've said emphatically that you received no money for anything. But let me ask, did anyone lobby you for the single source, be it Senator Banney, Koffi, anyone representing CHC?

Mrs. Meres: Other than the FDA, no. I don't know who Senator Banney is, I don't know who Koffi is, I don't know any of the names that are being mentioned here and I did not meet or speak or have any dealings with any of the names that have been mentioned.

Question: I just want to ask you, do you think that this is one of those cases where you had to refer to the board of the commission itself or do you still feel that this was something that was clearly within your preview.

Executive Director: Well when it is concession as it been discussed now, it is you know brought to the board. That is the process that is but as the vice chair said, when I took over Keith had given, may be the line was not clearly drawn or maybe I did not understand but again when this request came in and Mr. Neufville had been working on it with Keith there had been some preliminary work done. He had some information and the knowledge and we looked at it and he did the due diligence.

Question: But Madame Director, did FDA tell you that these were the only people that were willing to do this?

Mrs. Meres: That was my understanding.

Question: What is the basis of that understanding?

Mrs. Meres: Based on what Mr. Neville had done, Mr. Neufville had done the preliminary with Keith. So he had that knowledge.

Question: So you based your assessment on what Mr. Neufville had told you?

Mrs. Meres: Yes!

Question: Madame Director I'm sure you realize that this is a very serious issue?

Executive Director: Well I don't believe that! And again when the decision was made, it wasn't made believing that it was not substantial. Mr. Neville served in my capacity before, he's my predecessor, and he has a lot of knowledge. Again I wouldn't feel that the decision was been made lightly. I don't think he took the decision lightly; commission does not take these kind of decision lightly.

Question: I guess that is not something you would take lightly but my point is that I don't see what you did on your side to insure that, this is a decision that you were taking or at least on this basis of the fact that you were informed about all the necessary technicalities and all the necessary requirements that needs to be met. Forgive me but if I was the one, I would have made sure that this is in line with the law. That was what you were assigned to do, competitive bidding. Anything outside of that is a serious matter.

Mrs. Meres: Well things may have not gone the way it was supposed to go, but Mr. Neufville had done the preliminaries and I guess I counted on that. We had spoken to FDA, they had given the documentation, he had reviewed it, we looked at the FDA Prescription law, we looked at PPCC law we felt that we were within the limits of the law.

Question: Let me ask you, did you have a chance to have discussed it with your Lawyer, the compliance person in house? You should have a lawyer in house right?

Mr. Neufville: We have a legal person in house who is with the review process.

Question: Did he advise you as to the interpretation of the legal requirements?

Mr. Neufville: No we did not ask him.

Question: I guess my question to you both, not the commissioner will be, and did you seek some sort of advice whether it is formal or informal with any other person in making this important decision?

Mrs. Meres: No. We did not. And again I was new in the role, and I apologize because I keep repeating it but that is the reality, Mr. Neufville had done some preliminary on this and had the information and had done some work with the late chairman so I deferred to that. In fact, now it is not how it is done. We have a legal person there and he is involved in these kinds of discussions. so it is done different, if it reaches the level of the board.

Question: Let me ask you and we will be wrapping up. Was this one objection granted at the time that Keith Jubeh was still alive?

Mrs. Meres: Keith died the first of November. But the initial request came in February when Keith was alive.

Question: This matter of you asking Mr. Neufville to do some investigation and then draft this letter. How many other cases has he done that for you?

Mrs. Meres: Concession? I don't recall us having another concession.

Annex-II

References to Carbon Credits in FDA Board Minutes

N / 0	Date of FDA Board Meeting	Quoted language from Minutes of Meetings	Committee's Comment
1	Thursday, March 27, 2008	d. Carbon Credits The Ministry of Finance has forwarded REDD PIN to the World Bank. Once accepted, about US\$5,000,000.00 (Five Million United States Dollars) will be given to Monrovia. It has been estimated that there is about 7.6 carbon ton per hectare of forest in Liberia.	Significantly, the following information concerning events before the meeting was apparently not reported to the Board: (1)CHC CEO, Michael Forster's first visited Liberia and met with the president along with the FDA in February 2008. (2)John Woods, MD of FDA wrote CHC forwarding them a budget of US\$15,000.00 for a study in Rivercess.
2	Thursday, May 1, 2008	D. Status of Forest Carbon "Augustine Johnson is head of FDA Carbon Unit. He has participated in several conferences from which a formula for calculation of carbon emission has been developed and adopted. Internationally, the price of carbon per ton ranges from US\$10.00 to 28.00. Liberia's carbon emission is 250,000 times less than the United	There is no record of a formula developed at any of the few conferences attended by Johnson. No basis for the prices quoted for tone of carbon.

		States of America. Forest Carbon n short is another way of attracting incentives for reducing emission from deforestation and degradation (REDD). Carbon is emitted in the atmosphere at a rate equal to the number of trees cut down. In order words, global warming is directly proportional to the volume of trees severed at a given time. Presently, the FDA has been given US\$15,000 by a UK Company to undertake a carbon project in Rivercess County. The purpose of the project is to determine content of Co2 per hectare from which species composition, above ground biomass; below ground biomass and biodiversity content of the forest will be provided."	The records show that CHC gave US\$7,500.00; not US\$15,000. A receipt for the amount of US\$7,500.00 was issued on May 12, 2009 by the FDA Finance Dept in the name of Senator Jonathan Banney/Carbon Harvesting Corporation.
3	Thursday, July 3, 2008	D. Status of Forest Carbon "With formation of forest carbon working group at FDA, ground work for pilot forest carbon project has begun. FDA is soliciting US\$650,000.00 from the World Bank by submission of Readiness Project Information Notes (R-PIN). A pilot carbon project will soon be completed in Rivercess County. The biggest challenge is whether money from carbon projects will filter down to affected communities."	In the same July, 2008, FDA submitted to CHC its Report entitled Carbon sequestration Potential of Rivercess County, which is the report of the field study for which CHC provided them US\$7,500. Apparently, this Report was not immediately shared with the Board based on the minutes.
4	Thursday, July 31, 2008	D. Status of Forest Carbon "There was much achievement from the Paris Carbon Conference which was attended by Secretary Woods and Augustine Johnson. Liberia's Project Information Notes being accepted, gives her assurance of benefiting from US\$2,000,000.00 upon signing the REDD Country Participation Agreement in September later this year. A pilot carbon project has been concluded on four (4) forest plots (100mx 100m) in Rivercess County. If the selected forest in Rivercess is untouched for 30 years, 900,000,000 tons of carbon will be sequestered. Applying the carbon formula on 500,000 acres of reserved forests, Liberia will benefit nearly 3.2 billion United States Dollars over a period of 30 years."	We were unable to receive from FDA officers the so-called "carbon formula" . Other experts interviewed by the Committee questioned the technical and factual basis of the US\$3.2 Billion claimed here.
5	Thursday, September 4, 2008	v. Status of carbon Project FDA urged to be part of land identification process in association with Ministry of	

		Agriculture to ensure Carbon Project(s) are outside of : a. Protected areas b. TSC and FMC c. Designated areas for agriculture	
6	Thursday, November 18, 2008	AOB A. Carbon Trade Liberia is almost ready for forest carbon partnership facility. Carbon is one of the six (6) green house gases stored in Plants. The more forest reserved, the more carbon ton that is kept; on the other hand, the more forest is cut down, the more carbon that is released in the atmosphere, thereby contributing to climate change. Liberia is to benefit from US\$200,000.00 to prepare a readiness plan after which a grant of US\$2.3 Million will be given to implement the Plan. Study done on two hectares of forest in Rivercess County Showed that there are 1500 carbon ton in every hectare of forest land. Board Resolved that FDA present during next Board meeting on countries that have benefited from carbon trade.	Only Meeting where there is a statement of the action that the Board took on this subject: request for management to provide information on countries that benefited from carbon trade.
7	Thursday, January 4, 2009	AOB Status of Carbon Contract The Board Resolves discussion with PPCC as well as consultation with Panel of Experts should be initiated in order to run a pilot project of carbon sequestration in Rivercess, Liberia.	
8	Thursday, February 26, 2009	2. Norwegian/Prince of Wales Alternatives to Commercial logging The Norwegian Government and Prince of Wales are seriously advocating for suspension of the process of awarding commercial contracts and putting a halt to commercial activities in the forest sector. Taking into consideration the Guyana approach as to the opportunity cost for not engaging in logging, one has to make the following analysis on the aggregate cost that would have been accrued from: A. (i) ecosystem tourism (ii) standing trees; and (iii) after cut use of forest	While this Meeting was discussing the Norwegian and Prince of Wales alternatives to commercial logging, the FDA wrote the PPCC requesting to single source a carbon deal to CHC, when CHC and the other two-Norwegian Government and the Prince of Wales-could all have been requested to submit to a competitive process by which a pilot project could be undertaken.

	B. Economic benefit to the nation C. Economic benefit to the world Resolution: A consultancy contract should be drawn to study the Norwegian and Prince of Wales proposals 3. REDD Program Liberia is at the verge of becoming a REDD country after satisfying the requirements of preparing Project Idea Note (PIN0. The Redd program will be ignited by 2015 and only if commercial logging contracts are cancelled. The question arises whether or not the existing contracts remain in force and then the REDD program be applied to non contracted areas.	One also wonders why the negotiations with CHC were not brought up during the discussions of the Norwegian and prince of Wales on the same subject.
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Annex-III Correspondence within the FDA/GOL and also with CHC

Annex-IV CHC Proposal and Cost-Benefit Analysis