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Honourable Philip J. Pierre
Prime Minister of Saint Lucia
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Prime Minister,

Over the last few months several deeply alarming revelations have come to light about the manner in which the affairs of our country are being conducted. As the Opposition Leader I have shared with you and the general public my concerns with the GPH agreement, the Halls of Justice project, the guarantee of 80 million dollars for the National Lotteries Authority loan, the decision to spend an additional \$265 million on the old St Jude's hospital and the staggering amount of debt with which you are saddling our country. I am also at a loss as to your apparent inability to see the urgent need to implement policies to combat the impact of inflation and our crime problem which continues unabated.

Added to these woes is the chaos currently taking place at the CIP Unit - the resignation of the Chairman, the serious questions surrounding the capability and integrity of the CEO, the conflicting facts between the Minister and the CEO, the allegations of collusion and corruption, the naming of both the minister and CEO in a RICO case and the breach of the CIP Act where no audited reports have been made public or tabled in the House of Parliament for the last two years. Prime Minister, your urgent and immediate action is required. The most immediate action calls for the resignation of the Minister responsible for CIP and the CEO of the CIP Unit, and all Galaxy applications should be frozen until an independent and proper audit and reconciliation of the escrow account is completed. In addition, the so called 'Infrastructure Option' should be postponed immediately and the appropriate Regulations passed to ensure it is properly governed. Instead of personal attacks and racial slurs on me and the UWP, you should direct Reprimands, investigations and terminations towards those who are responsible for this most egregious scandal. This problem will not go away by ignoring it and protecting the wrongdoers based on blind party loyalty. This situation has presented you with a dilemma in choosing between Party and Country. This is a test of your leadership.

Rather than hiding behind the refrain that you will not make further comment on this scandal until the RICO is concluded, the public is owed an immediate explanation as to the true intention of this 'Infrastructure Option' especially when the Donation Option along with the established and

regulated Economic Fund, can facilitate all infrastructure projects, just as easily, and more importantly, transparently. The new option, whether deliberately or not, has no enabling legislation to determine how it operates or how it will be regulated. This option was never officially launched or publicized in Saint Lucia, but seemingly was done in secret, giving Galaxy the sole permission to sell the Infrastructure Option.

The Minister misled the nation in his address to the Nation when he said Cabinet approved this option in December 2023 and the programme was launched in March of 2024. I have obtained a copy of a Cabinet memo approving the Infrastructure Option in March 2023 and a memo from the CIP Unit announcing the start of this new option on February 5th, 2024. I have also been provided with an invoice dated January 2024 for the Infrastructure Option at a discounted price of US\$80,000. These facts show that Mr. Hilaire continues to engage in more secrets, lies and propaganda.

The CIP Minister, Ernest Hilaire, in this same address, failed to properly explain how the programme actually operates. He stated that Galaxy will be contributing through the Programme US\$100 million towards infrastructure but avoided the issue of how they will be reimbursed or who will collect the funds from the sale of our passport or where. He deliberately did not mention that Galaxy has been allocated 7000 files and that each file can have multiple applicants, up to six passports. We must also note that Galaxy has already, been allocated 7000 files under the real estate option by your government. He cleverly said no files have been approved but neglected to say how many applications were pending approval, which projects are proposed to be constructed or how much they will cost, and who the contractor will be or where the projects will be put out to tender.

How can it be that you claim to operate a transparent government yet still the Infrastructure Option has no regulations or guidelines defining the role of a Developer, how a Developer is to be selected and how much a Developer is to be paid? Where are payments by the approved applicants to be deposited? What are the safeguards to provide accountability and prevent abuse? Even more alarming is the latest press statement by Galaxy that they are collecting the funds and all fees. Why would you as the Minister of Finance allow public funds to go directly to a private entity in contravention of both our Finance and CIP Act?

Instead of addressing these serious issues your Government has instead in typical fashion, chosen the course of misdirection and deflection, and preferred to make a pathetic and weak attempt to connect me to the MSR Media claim. The fact is I never heard of this company nor its principal Philippe Martinez until April of this year when he also attempted to contact you about evidence he has in his possession re a pending court matter. The suit alleged collusion related to the CIPs in Saint Kitts & Nevis and Saint Lucia and any federal lawsuit would have to have been in the works for months or maybe even years. Any merits of their case will be for a judge to adjudicate. What is of relevance to me, however, are the revelations presented by MSR about a proposed prison project in St Kitts. The prison was supposed to cost US\$50 million, and the same Galaxy was granted 5500 shares valued at \$US1 billion to raise funds to pay for the construction.

According to both MSR and the newly elected Government of St Kitts, the funds went directly to Galaxy and all the shares were sold but the project was never completed. The lawsuit poses the

question as to whether the Government knowingly colluded with Galaxy to create this inequitable deal or whether the Government and by extension, the citizens of St Kitts were inadvertently duped. It is disturbing that you were so quick to reject the opportunity to obtain evidence and to take corrective actions if necessary. Instead, you, blinded by your enmity toward me and the UWP, inexplicably but predictably, resorted to demeaning Mr. Martinez and concocting a conspiracy. Prime Minister, you need to consider the possibility whether the so-called Infrastructure Option may have been deliberately designed to emulate the St Kitts Prison fiasco and whether your Minister and CIP Board were complicit or duped.

It is critical that the CIP Programme operate with the utmost transparency and integrity and this unregulated infrastructure option must be terminated. If the alleged statements by the CEO of CIP are true, and Galaxy has been allocated 7000 files at a value of US\$700 million to finance only US\$100 million of projects, every right-thinking person will appreciate the absurdity of this formula and will want a clear answer as to where the other US\$600 million is going. To make matters worse, if as was confirmed by the minister in his address, our Citizenship is being sold at a price below the legally authorized price this would be considered fraud and when these funds are then transmitted through the international banking system, this will constitute money laundering.

With regard to the escrow account set up in Hong Kong by the CIP Unit during my term in office, I am heartened by the Minister's statements, "When our government came in, we requested statements of the escrow account of Caribbean Galaxy, and we ensured that these statements are reviewed by the CIP Unit monthly. They monitor the deposits into the escrow account to ensure the prescribed minimum investment amount of \$200,000 is deposited into the account for every application." This statement confirms that the escrow account, regardless of if it is in Saint Lucia or not, gives the Government through the CIP Unit, the ability to monitor how much money was collected and to reconcile all payments. The Minister's statements can also be taken to conclude that when the new government came in, all the money collected by Galaxy was duly accounted for. Therefore, the only way that the Real Estate Option could have been undersold is if the CIP Unit was colluding with Galaxy.

Mr. Hilaire also evaded the most pertinent questions about the Galaxy hotel development funded by CIP monies. The original agreement with Galaxy under my Government was at US\$300,000 per file and Galaxy had proposed to make an equity contribution of US\$150 million to start a hotel project in Cannelles. It was your administration that reduced the price to US\$200,000, diminishing the value of our passports. It was reported that your CEO said in a recorded meeting that Galaxy was given permission to sell 7000 files or potentially 28,000 passports. Mr. Hilaire confirmed that Galaxy has had 1367 files approved as of March this year which means they have collected in excess of US\$270 million or EC \$730 million dollars. He repeatedly said that all the hotel shares have been sold. Again, if you are monitoring the escrow account as you should and are assuring all of us that \$200,000 is being collected why are you allowing Galaxy to collect US\$1.4 billion for a hotel estimated to cost only US\$400 million? What is the extra amount of money being used for? Is Galaxy still making an equity contribution or are they building the hotel entirely using CIP funds? These questions need to be answered honestly and immediately.

Prime Minister if this fiasco is not handled seriously and urgently it will have grave legal implications that can jeopardize our Visa-free arrangements, our correspondent banking

agreements, our country's reputation and raises worrying concerns about the management of State funds. The Chamber of Commerce, private sector and the Bankers Association, among others, i expect are anxiously awaiting your decisive action, as are our foreign state partners, who have entrusted us to respect the privilege of the visa free access, which if abused can lead to dire consequences for their national security.

In the last couple of weeks, we have been informed of five Chinese nationals who have obtained citizenship from St Kitts and Dominica who were arrested in the United States, England and Singapore for criminal acts. The United Kingdom has already terminated visa-free access for Dominicans. The European governments are in the process of empowering their Commission to terminate the Schengen visa free access to any country that has a CIP Programme. They have also sternly warned the OECS and have demanded that they harmonize and strengthen their programmes by June 2024. St Lucia, after much duress, has now indicated that it will sign the MOA. Your government's procrastination suggests that you are not taking heed of these clear signals of danger and your recklessness is likely to cost us dearly. These secret projects, the lies and relentless propaganda all designed to protect the victory and to allow Party favorites to plunder State resources is a recipe for disaster.

The Opposition therefore cannot sit idly by and watch this disastrous situation unfold. Once again, we call for Minister Hilaire's removal from your Cabinet while the investigation is ongoing, the termination of the CEO of the CIP Unit Mc Claude Emmanuel, the replacement of all current Board members of the CIP Unit who are implicated in this, and the suspension of the Infrastructure Option or its amendment via formal regulations. In addition, all further applications from Galaxy must be suspended pending completion of an independent audit, and Galaxy itself must be suspended as a marketing agent of the program.

Prime Minister, if you do not take action, we will be left with no other option but to take this matter to the Courts and to solicit the support of civil society and the public to prevent further threats to the integrity of our CIP Programme and our country as a whole.

Sincerely,



Allen M. Chastanet
Leader of the Opposition

- c.c. President, Saint Lucia Bar Association
 Executive Director, Saint Lucia Chamber of Commerce
 Executive Director, Saint Lucia Manufacturers Association
 President, St. Lucia Industrial and Small Business Association
 President, St. Lucia Civil Service Association
 President, St. Lucia Medical and Dental Association
 Secretary General, National Workers Union
 Executive Director, Saint Lucia Employers Federation
 General Secretary, Saint Lucia Seaman, Waterfront and General Workers Union
 President, Saint Lucia Christian Council