



General Audit Chamber

Algemene Rekenkamer

# Administrative Appointments Part 2

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An audit into the legitimacy and integrity of  
administrative appointments of directors.

July 2017





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# INTRODUCTION

In October 2016, we published our report entitled “*Administrative Appointments: An audit into the legitimacy and integrity of administrative appointments of supervisory board members*”. In this report, we stated that of the 44 persons reviewed, we were unable to confirm whether the representative minister correctly applied the required appointment procedure for 22 persons.

During that audit, we found that there is little, if any, transparency concerning the appointment procedure, politically motivated appointments are possible, supervisory board members are often involved in important decision-making and security screenings for these functions are not applicable.

Based on the results of the audit, the Board of the General Audit Chamber decided to conduct a follow-up audit in 2017. We chose to investigate the appointment of directors. These persons are responsible for the daily operations of entities that represent major economic and strategic value. The process of administrative appointments should seek to appoint the most qualified persons to appropriate functions.

The results of our report illustrate the existence of non-transparent political appointments. Only 1 of the 23 appointments reviewed, proved to be transparent and in keeping with the law. One could question the added value of the appointment procedure whereby ministers can appoint their preferred candidate, without the benefit of a profile or absent substantiation for their decision.

Although the General Audit Chamber has no authority regarding the choice of a person, we do have a responsibility to report about legal compliance to ministers, Parliament and the public. The rules are clear: abide by the law when applicable. Not acting in accordance with an advice of the Corporate Governance Council is allowed; however, the appointment procedure must be substantiated and transparent. When a minister acts contrary to these principles, s/he should bear the consequences. It is up to Parliament, with the aid of this report, to call ministers to account.

# SUMMARY

In our report: *"Administrative Appointments: an audit into the legitimacy and integrity of administrative appointments of supervisory board members"*, we determined that a lack of transparency in the process of administrative appointments of supervisory board members is possible, and as such, constitutes a threat to the integrity of government. The subject of this report is an investigation of whether the representative minister correctly applies the administrative appointment procedures for directors of entities falling within the collective sector and government-owned companies. The appointment procedure described in the National Ordinance Corporate Governance is the same for both members of supervisory boards and directors.

Like in our previous report, the findings paint a worrisome picture. Based on the respective articles of incorporation, the appointment procedure stipulated in the National Ordinance Corporate Governance is applicable for 9 of the 20 entities under review. Those 9 entities represent 23 directors. We determined that advice from the Corporate Governance Council for the function of director was present in 7 of the 23 appointments. Furthermore, we found that in 4 of 7 cases, the minister did not follow the advice of the Corporate Governance Council. We were unable to establish whether the minister provided a reason, in writing, for failing to follow the advice in those 4 cases. It should be noted that the 4 appointments in question, occurred after publication of our first report on administrative appointments, published in October 2016.

For 2 of the 7 appointments, the Corporate Governance Council requested additional information or substantiation from the minister. We were unable to establish whether the minister provided the Corporate Governance Council with the requested information or substantiation in writing.

In terms of the entities we investigated, and for cases where the National Ordinance Corporate Governance appointment procedure is applicable for directors, we conclude that between January 2015 and May 2017, only 1 appointment was made in accordance with the rules and in keeping with principles of transparency.



# SUMMARY

By means of our reports, we strive to contribute to the improvement of the process of administrative appointments, and by extension, improved financial-management of the country. In accordance with article 26 of the National Ordinance General Audit Chamber, a legal obligation exists to disclose information.

Despite repeated requests, information from the (then) acting Minister of Tourism, Economic Affairs, Traffic and Telecommunications, was not provided. On June 16, 2017, following the conclusion of our investigation, we received a reaction from the Minister of Education, Culture, Youth and Sports about our information request. We expected the minister to respond earlier during the investigation given that the minister had the opportunity to provide the requested information starting on February 9, 2017, the date of the announcement of our audit. The same is true for the Minister of Minister of Health, Social Development and Labour (VSA), who provided information on July 17, 2017, that we requested in February. When information is absent or requests are simply ignored, it is difficult to examine weaknesses and propose improvements.

During this audit, we also investigated the security screenings required for directors. Our results show that all screenings were initiated and completed. We learned that Princess Juliana International Airport (PJIA) introduced a C-level management structure.<sup>2</sup> We were unable to confirm whether the security screenings for these C-level functions were instituted.<sup>3</sup>

Furthermore, our report includes a chapter entitled "other findings". The audit results justify such a chapter. According to the Minister of Health, Social Development and Labor, the Director of Sint Maarten Laboratory Services was appointed by the Supervisory Board, even though the articles of association stipulate that the minister appoints the director. In his correspondence of July 17, 2017, the Minister indicated that he stated this by mistake and that the "then" Minister of VSA appointed the director. The mandatory consultation with the CGC regarding the appointment of the director, however, did not take place. In addition, we note that Annual Reports for fiscal year 2015 from the Stichting Overheidsinstituut Justitiële Inrichtingen and the Volunteer Corps Sint Maarten, were the only such reports made available to us. This is disappointing. It is up to the representative ministers to change this situation.

In our report, we indicate that the lack of transparency and the associated lack of integrity regarding the appointment of directors, is worrisome.

1. Letter of the Minister of Education, Culture, Youth and Sports, dated June 16, 2017, in reaction to our report.

2. A C-level manager is a director, responsible for the daily management of (a branch) of the company. A C-level manager reports to the supervisory board or the shareholder. C-level functions are, for example, CEO (Chief Executive Officer), CFO (Chief Financial Officer), or COO (Chief Operational Officer).

3. Reference date: May 23, 2017.

# RECOMMENDATIONS

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We advise adoption of the recommendations contained in the report “Administrative appointments: an audit into the legitimacy and integrity of administrative appointments of supervisory board members”.

Based on our findings of this ‘follow up’ audit, we issue additional recommendations to the respective ministers:

- review the system regarding administrative appointments in its entirety. Ensure the presence of strong safeguards that require compliance, transparency and integrity of administrative appointments;
- analyze the possibility of making the representation of a government-owned company a collective responsibility. Currently, representation is the responsibility of an individual minister. Consider amending the National Decree LB/13-0820.<sup>4</sup> This could be a component of the review of the system of administrative appointments;
- ensure that the process of appointments is transparent, and that information regarding an appointment is always available; and
- make certain that entities provide documentation (such as annual reports and annual financial statements) to the representative minister in a timely manner and in accordance with the law and articles of incorporation.

In terms of Parliament, we issue the following recommendations:

- ensure that the minister representing a government-owned entity is using the appointment procedure correctly. The communication and advices from the Corporate Governance Council should be used to support this effort; and
- hold a minister accountable when the rules of corporate governance are not followed.

4. A minister is designated as the representative of the country through National Decree LB/13-0820. S/he represents the country as shareholder a government-owned company.

# 1. THE AUDIT

With this report, the General Audit Chamber (hereinafter: Audit Chamber), addresses the subject of appointments of directors of government-owned companies and entities that fall within the collective sector. The Audit Chamber investigated whether the representative minister(s) correctly applied the procedure as stipulated in the National Ordinance Corporate Governance (hereinafter: NOCG)<sup>5</sup>.

The frame of reference used for our audit “Administrative Appointments” of October 2016, was maintained for this investigation. In other words, we investigated whether the NOCG appointment procedure is applicable, and we reviewed the degree of compliance with the NOCG. We focused on the execution of the authority of the responsible minister(s), and not on the authority of the entity or the individual director.

## 1.1 THE BASIS FOR THE AUDIT

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In cases where the NOCG appointment procedure is applicable, the minister must comply with the ordinance. That means that a minister is legally obligated to request the advice of the Corporate Governance Council (hereinafter: CGC) before an appointment can be made. The minister may ultimately deviate from the recommendation of the Corporate Governance Council. In accordance with the rules of good governance, it is important that the minister substantiate this deviation in writing.<sup>6</sup>

The legislature and the Joint Court of Justice demand that the appointment procedure remains transparent.<sup>7</sup> In so doing, it is possible to investigate whether actions are in accordance with the principles of integrity. We therefore address the subject of good governance. In the end, it is the prerogative of the minister to appoint a person of his choosing because he is entitled to deviate from the advice of the CGC. This investigation is therefore an integrity audit<sup>8</sup> that includes regulatory aspects.

## 1.2 OBJECTIVE OF THE AUDIT

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During this audit, we identified the persons who serve/served as directors in the period from January 2015 through May 2017. Based on that overview, we studied the applicability of the NOCG appointment procedure, as well as compliance with said procedure. The required security screening is included in the audit. Our review allows us to establish the level of transparency of the procedure.

We have used the most up-to date information available to us.

5. In this report we used AB 2013, GT no. 19, which is the former Island Ordinance Corporate Governance.

6. Article 9, fifth paragraph of the National Ordinance Corporate Governance.

7. Case of the Common Court of Justice, number: AR1215/07-H-505/09. We also refer to paragraph 4.3

8. Article 33, first paragraph, of the National Ordinance General Audit Chamber



## 1.3 AUDIT QUESTIONS

We attempt to answer to the following questions:

1. Who are the directors of government-owned companies and organizations falling within the collective sector, for the period January 2015 until May 2017?
2. Did the representative minister act in accordance with the laws and regulations related to the appointment of the directors?

## 1.4 AUDIT FRAMEWORK

The following entities were reviewed:

- Entities of the collective sector: every two years, the Minister of Interior and Kingdom Relations and the Minister of Finance of St. Maarten designate certain legal entities as belonging to the collective sector.<sup>9</sup> Together, these legal entities form the collective sector. Establishment of the collective sector is important for the borrowing capacity of St. Maarten. Figure 1 provides an overview of the entities falling within the collective sector for the period 2015-2016.<sup>10</sup>

**Figure 1: overview of the entities falling within the collective sector**

Entities falling within the collective sector		
SZV Social & Health Insurances	Sint Maarten Student Support Services	Stichting Overheidsgebouwen Sint Maarten
Foundation Upkeep Sports Facilities <sup>11</sup>	Voluntary Corps St. Maarten	Small Business Development Foundation
Stichting Justitiële Inrichtingen Bovenwinden	Sint Maarten Laboratory Services	Sint Maarten Development Fund
Mental Health Foundation	Bureau Telecommunicatie & Post	Gouvernement Opvoeding Gesticht
Stichting Sport Ontwikkeling <sup>12</sup>	Marven	Sint Maarten Medical Center

- Government-owned companies: are companies in which government holds an interest. The 2015 financial statements of the country contain an overview of the government-owned companies.<sup>13</sup> Figure 2 provides an overview of the companies and the percentage of shares owned by Sint Maarten.

9. Article 23 of the Kingdom Act Financial Supervision Curaçao and Sint Maarten.

10. *Collective Sector Report 2015, establishing the Collective Sector and interest expense norm of Sint Maarten*, published by the Department of Statistics. The collective sector was last established on February 16, 2016.

11. In the letter, dated June 16, 2017, the Minister of Education, Culture, Youth and Sports mentions that the Foundation Upkeep Sports Facilities is presently being dissolved by way of merger with the National Sports Institute.

12. In the letter, dated June 16, 2017, the Minister of Education, Culture, Youth and Sports mentions that the Stichting Sport Ontwikkeling is a non-existing foundation.

13. Sheet 6: government-owned companies in the 2015 financial statements of the country. Marven and St. Maarten Laboratory Services are government-owned companies that fall within the collective sector as well.

**Figure 2: Overview of the companies, in which government has an interest (in %)**

Company name	Shares owned by the country (in %)	Company name	Shares owned by the country (in %)	Company name without statutory seat in St. Maarten (excluded from the audit)	Shares owned by the country (in %)
GEBE	100	St. Maarten Economic Development Corporation	100	C-Post	25
Luchthaven Veiligheid Financiering Maatschappij	100	St. Maarten Harbour Holding Company	100	DC-ANSP	18.75
Marven	100	St. Maarten Laboratory Services	100 <sup>14</sup>	Ontwikkelingsbank Nederlandse Antillen	9.81
PJIA Holding	100	St. Maarten Telecommunication Holding Company	100	Saba Bank Resources	28.23
Postal Services Sint Maarten	100	Windward Airways International	92.05	UTS Telecommunication Services	7.83

Entities in the gray section of Figure 2 do not maintain a statutory seat on Sint Maarten. The NOCG appointment procedure is therefore not applicable. For this reason, these entities are not included in the audit. Marven N.V. and Luchthaven Veiligheid Financiering Maatschappij are existing, though, inactive companies.<sup>15</sup> Due to their dormant status, no appointments have been made since 2015, and these entities are omitted from the investigation.

## 1.5 CONTENT

In chapter 2, we provide an overview of the directors. Annex 1 is an essential element in this regard. In addition to the names, we cite the source of our information and, where possible, we indicate the date of the appointment and resignation of directors. We mention whether we have taken note of an advice from the CGC for directors.

In addition, we discuss the security screenings. We briefly explain the procedure related to a security screening, and report on the number that have been completed.

Chapter 3 provides an explanation of Corporate Governance. The role of the minister and the CGC is discussed in relation to the NOCG.

14. The Minister of VSA states in his letter of March 3, 2017 that the country owns 51% of the shares of SLS. We repeatedly requested information to substantiate this statement. However, we received no response. Therefore, our report uses the information from the 2015 financial statements of the country which report that the country owns 100% of the shares of SLS.<sup>15</sup> Jaarrekening 2015 van het Land, Staat 6: Deelnemingen.

15. 2015 Financial Statements of the country, Sheet 6: government-owned companies.

We present our audit results in Chapter 4. The profiles for directors are also included in the results. After all, it is critical that the right person is placed in the appropriate position. We present our findings on compliance with the appointment procedure. We conclude the chapter with other findings resulting from the audit.

At the end of the report we have included a list of abbreviations. This list provides the complete names of all entities and other abbreviations used in this report.

On May 24, 2017, the Minister of General Affairs provided a reaction to our report. He had no substantive comments regarding the content of the report. In his response, he also expresses the hope that the report will be published as soon as possible. Additionally, we received a brief response from the Minister of Education, Culture, Youth and Sports, in which she provided information about the Foundation Upkeep Sports Facilities and the Sports Development Foundation. On June 16, 2017, we received a reaction from the Minister of Health, Social Development and Labour. In his letter, the minister reports that he has no substantive comments regarding the content of the report. He states his commitment to follow-up on recommendations presented in the report. We provide an epilogue based on the reactions of the ministers in Chapter 5.

# 2. DIRECTORS AS OF 2015

In chapter 2, we provide a listing of directors for the period January 2015 through May 2017. We base our findings primarily on data derived from annual reports, financial statements, information from the Chamber of Commerce and other public sources. In cases where no annual report was available, we approached the entity directly and requested documentation and/or the names of the directors.

## 2.1 THE DATA-ANALYSIS

The listing of persons holding positions as director is presented in Annex 1 of this report. The annex includes, where available, information on who serves/served as a director from January 2015, and whether advice was issued by the CGC.

## 2.2 THE CONFIDENTIAL FUNCTIONS

The position of director in the collective sector and in government-owned companies are often designated as confidential functions. Persons who perform such functions are required to undergo a security screening. The National Security Service of Sint Maarten (hereinafter: VDSM) carries out the security screenings. The addendum to the National Decree establishing confidential functions and the conduct of security screenings (herein after: the National Decree confidential functions), includes the confidential functions.<sup>16</sup>

### 2.2.1. What is a confidential function?

Confidentiality functions are functions on Sint Maarten, that carry a risk of potential harm to national security. Performance of a confidential function is only permitted if a security investigation has been instituted for the person who intends to perform the relevant function and for which a declaration of no objection has been granted.<sup>17</sup> The confidential functions that fall within the scope of our investigation are listed in Figure 3.

**Figure 3: The confidential functions that fall within the scope of our investigation**

Functions for which a security screening is applicable			
1	Management Telem	4	Management Harbour
2	Management Gebe	5	Director USZV
3	Management PJIA		

16. National Decree containing general measures, AB 2012, no. 9.

17. Article 2 of the explanatory notes of the National Decree confidential functions.

C-level management functions<sup>18</sup>, are designated as confidential functions. Telem, GEBE and the Harbour have C-level management structures and fall within the scope of our investigation. Inquiry at the VDSM confirms that all confidential investigations have been instituted and completed. During our investigation, we learned that PJIA introduced a C-level management structure.<sup>19</sup> We were unable to verify whether the security screenings for those functions were initiated.<sup>20</sup>

### **2.2.2. WHAT IS A SECURITY FUNCTION?**

A security screening is an examination aimed at establishing whether any objections exist, in the interests of national security, that prevent an individual serving in a confidential function.<sup>21</sup> The screening focusses on:<sup>22</sup>

1. judicial data;
2. police data;
3. support for activities or organizations that pose a threat to the country's security or integrity of public administration; and
4. personal behavior and circumstances, which may cause misgivings as to whether the person will perform the job faithfully.

### **2.2.3. WHAT IS THE SECURITY SCREENING PROCEDURE?**

The security screening procedure begins as soon as a person is eligible for the execution of a confidential function. The employer informs the head of VDSM, in writing, about the person designated to perform the confidential function. The application contains a declaration stating that the person agrees to undergo a security screening.<sup>23</sup> The security screening is then initiated.

Within 8 weeks after the initiation of the screening, the Minister of General Affairs decides whether a declaration of no objection will be issued.<sup>24</sup> The time necessary for taking the decision can be extended with a maximum of 4 weeks due to exceptional circumstances. The employer and the person in question are informed of the decision.

If a person does not agree to the initiation of a security screening or when a declaration of no objection is not issued, that individual must vacate the position within 8 weeks.<sup>25</sup> The security screening procedure is depicted in Figure 4.

18. A C-level manager is a director, responsible for the daily management of (a branch) of the company. A C-level manager reports to the supervisory board or the shareholder. C-level functions are, for example, CEO (Chief Executive Officer), CFO (Chief Financial Officer), or COO (Chief Operational Officer).

19. <http://smn-news.com/st-maarten-st-martin-news/26020-exclusive-larry-donker-remains-consultant-for-pjiae.html>

20. Reference date: May 23, 2017.

21. General section of the explanatory notes of the National Decree confidential functions

22. Article 5, third paragraph of the National Decree confidential functions.

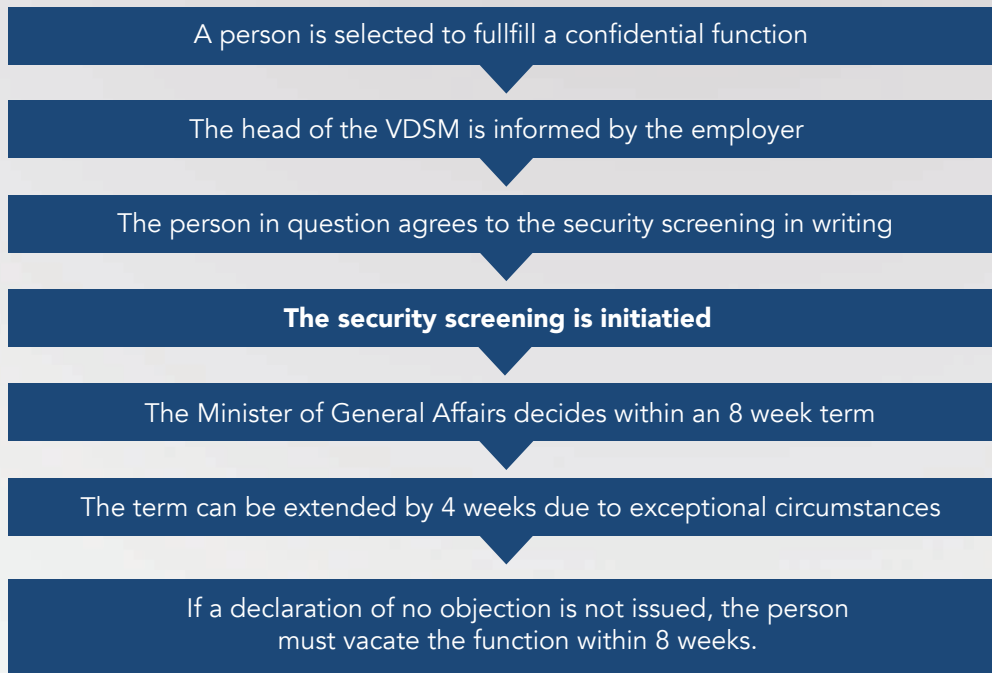
23. Article 4 of the National Decree confidential functions

24. In practice, the head of VDSM is authorized to decide whether a declaration of no objection is issued, in accordance with the Ministerial Decree of October 17, 2012, with number 2012/1827. This decree can be found in the National Gazette: 2015, no. 28.

25. Article 8 of the National Decree confidential functions.



**Figure 4: The security screening procedure**



For directors serving in a confidential function before the National Decree confidential functions entered into force, a security screening must be initiated within 2 years of the entry into force of the decree.<sup>26</sup> This period was extended by one year, after it was determined that initiation of all security screenings was not feasible within the prescribed two-year period.<sup>27</sup> We note that initiating a screening does not mean that the screening has been completed. However, the VDSM confirmed to us that the security screenings for the applicable directors were initiated and completed.<sup>28</sup>

An individual is not allowed to hold a confidential function without a declaration of no objection issued by the Minister of General Affairs.<sup>29</sup>

In Figure 4 above, we presented the procedure in general terms. The figure does not include the so-called renewed or recurrent security screenings. For the sake of completeness, it is worth noting that a renewed screening is applicable in the event there are proven facts or circumstances that warrant a new screening. A recurrent security screening takes place every five years for persons already serving in confidential functions.<sup>30</sup>

26. Article 11 of the National Decree confidential functions.

27. AB 2014, no. 57.

28. Letter of VDSM of February 16, 2017.

29. Article 44, first paragraph, of the National ordinance security service.

30. Article 45, first paragraph, of the National ordinance security service.

# 3. THE APPOINTMENT PROCEDURE

We identified persons serving as directors for the period starting January 2015. The directors are listed in Annex 1. In chapter 3, we turn our attention to the appointment procedure. Corporate governance plays a key role when it comes to the appointment procedure. Corporate governance regulates the relationship between directors, supervisory boards and shareholders.<sup>31</sup>

## 3.1 THE ROLE OF THE CORPORATE GOVERNANCE COUNCIL

The National Ordinance Corporate Governance regulates, among others, the establishment of the Corporate Governance Council which, as an independent body, is tasked with providing solicited and unsolicited advice to government.<sup>32</sup> The CGC advises on the dividend policy, acquisition or disposal of shares and the appointment or removal of (managing) board members.

## 3.2 THE ROLE OF THE MINISTER

By National Decree LB/13-0820, ministers are designated as representatives of St. Maarten. A minister represents the country as a shareholder of a government-owned company. The National Decree LB/13-0820 states, for example, that the Minister of General Affairs is the representative of the country for Telem. The Minister of VROMI is designated as the representative for Gebe NV.

Ministers are authorized to take decisions as shareholders on behalf of St. Maarten. It is interesting to note that article 7 of the National Decree seeks to limit certain important authorities of the minister's role as shareholder. For example, according to that article, the minister is not allowed to amend the articles of incorporation, determine the annual budget nor nominate managing directors and supervisors.

In our opinion, article 7 is superfluous and conflicts with the stipulations of the Civil Code. Book 2 of the Civil Code states that the shareholder is authorized to amend the articles of incorporation of a limited liability company (naamloze vennootschap) and to appoint directors, insofar as the articles of incorporation do not stipulate otherwise.<sup>33</sup>

It was the intent of the Council of Ministers to amend the National Decree in 2014. The Council of Ministers wanted to collectively decide on matters concerning government-owned companies. The decision of the Council of Ministers demonstrates the will of Government to amend the National Decree.<sup>34</sup> However, a decision of the Council of Ministers cannot be considered as a formal amendment of the National Decree. The National Decree therefore remains in force.<sup>35</sup> As such, we recommend formal amendment of the National Decree LB/13-0820.

31. "Doing the right things right", report of the Committee for Integrity in public administration, July 2014, chapter V.

32. Article 4, second paragraph, of the National Ordinance Corporate Governance.

33. Article 2:134 and 2:136 of the Civil Code.

34. Decision of the Council of Ministers of January 2, 2015, number: MR30122014, agenda point 5c.

35. Verification by the Department of Legal Affairs & Legislation indicates that National Decree LB/13-0820 has legal force.

### 3.3 APPLICABILITY OF THE NATIONAL ORDINANCE CORPORATE GOVERNANCE

To determine whether the NOCG is applicable, we reviewed the articles of incorporation of each entity. We conclude that based on the articles of incorporation, the NOCG applies to most of the entities that fall within the scope of our investigation.<sup>36</sup> The articles of incorporation could also indicate whether the minister has a (co-)decision authority regarding the appointment of the director(s).<sup>37</sup> When the NOCG application procedure is applicable, the CGC must be consulted for advice prior to a director being appointed.

Figure 5 illustrates the applicability of the NOCG and the appointment procedure. It concerns the appointment procedure regarding directors.

**Figure 5: Entities for which the appointment- and profile procedure of the NOCG for directors is applicable.**

	Number of entities investigated	(Co-)decision authority of the minister regarding the appointment of a director (CGC advice required)	(Co-)decision authority of the minister regarding the profile (CGC advice required)
Government-owned companies	8	8	1
Foundations	10	1	2
Other entities (SZV and BTP)	2	0	0
<b>Total</b>	<b>20</b>	<b>9</b>	<b>3</b>

Based on the articles of incorporation, we determined that the minister has a (co-)decision authority regarding the appointment of the director(s) for all eight government-owned companies that fall within the scope of our investigation. We determined that the (co-)decision authority exists for a single (1) foundation (SMMC). In the case of SMMC, it is the supervisory board of SMMC who decides, in consultation with the Minister, on the appointment of the director.<sup>38</sup>

The minister has a (co-)decision authority regarding establishment of the profile for directors in the case of 3 entities. It concerns 1 government-owned company (PSS<sup>39</sup>) and 2 foundations (SDF<sup>40</sup> and SMMC<sup>41</sup>). Information from PSS<sup>42</sup> indicates that profiles have not been drafted, though directors were appointed.

Regarding the other foundations under review, appointments are made by the supervisory board (or related body). In our report: "Administrative appointments: an audit into the legitimacy and integrity of administrative appointments of supervisory board members"<sup>43</sup> we reported that the members of supervisory boards are often appointed by the representative minister.

36. Annex 1 states the legal basis for the applicability of the National Ordinance Corporate Governance.

37. The minister is designated as shareholder representative of the country, for government-owned companies.

38. Article 5, paragraph 2 of the articles of incorporation of the Sint Maarten Medical Center, dated April 25, 2008.

39. Article 8, paragraph 3 of the articles of incorporation of Postal Services Sint Maarten, dated October 8, 2010.

40. Article 6, paragraph 3, of the articles of incorporation of the Sint Maarten Development Fund, dated May 30, 2012.

41. Article 5, paragraph 2, of the articles of incorporation of the Sint Maarten Medical Center, dated April 25, 2008.

42. Letter from PSS to the Minister of General Affairs dated March 20, 2017 (with number: ARO 0-217 / 035), wherein PSS recommends, among others, to hold a shareholders meeting in the short term to establish the legally required profiles for the director.

43. The report: "Administrative appointments: an audit into the legitimacy and integrity of administrative appointments of supervisory board members" was published in October 2016.



## 4. THE AUDIT RESULTS

This chapter contains the results of our audit. We present the cases where the appointment procedure and the profile procedure are applicable. In addition, we discuss the instances where we could not secure information. The results present a worrisome picture.

### 4.1 THE PROFILE

As we have noted in our report: *“Administrative appointments: an audit into the legitimacy and integrity of administrative appointments of supervisory board members”*, we consider the drafting of profiles to be a good practice. Profiles apply to director’s positions within a government-owned company or other entity affiliated with government. After all, directors play a critical role in making important (financial) decisions and should therefore, in our opinion, meet the requirements outlined in a profile.

Despite this, we conclude that within our audit scope, only 1 government-owned company and 2 foundations incorporate a profile for a director in the respective articles of incorporation.<sup>44</sup> In practice, however, we found that profiles were drafted by several other entities, even though their respective articles of incorporation do not require a profile.

Except for general conditions (age, exclusion of certain dual functions, nomination of at least two persons for the position of director, etc.), specific and/or technical qualities for a director are not required in the articles of incorporation. As a result, the CGC cannot provide a comprehensive advice. Advising whether an individual meets technical qualities is complicated due to the absence of specific job requirements. The CGC addressed this issue on several occasions to the Minister of General Affairs.<sup>45</sup> In addition, the Corporate Governance Code (hereinafter: Code)<sup>46</sup> ) states that each supervisory board is required to draft a profile. It is explicitly stated that profiles are public documents. More specifically:

***“The supervisory board of the relevant corporations shall draw up a profile of the Managing Board and its members, assess the determined profile periodically and draw its conclusions for the composition scope, tasks and manner of proceeding of the Managing Board. New developments also, e.g. in connection with technology and financial innovations, shall be taken into consideration.  
The written profile is a public document.”***

44. It concerns the company Postal Services Sint Maarten and the foundations Sint Maarten Development Fund and SMMC.

45. For example: CGC advice of December 17, 2012 reference number: 2012/122, in which the CGC indicates the importance of profiles.

46. Corporate Governance Code for Island Owned Companies Sint Maarten.

It was quite a challenge to secure profiles for the entities under review. We were unable to confirm the existence of profiles for most entities. Publicly available profiles appear to be absent, which is contrary to requirements of the Code. The profiles that we could confirm, are mentioned in Figure 6.

**Figure 6: Entities where a profile has been drafted for the function of director**

Profile	Source confirming the presence of profiles
Director SZV	Letter of the Minister of Health, Social Development and Labour, dated March 3, 2017
Directors Gebe	CGC advice dated September 12, 2016
Director SMMC	CGC advice dated August 3, 2013
Director SDF	Report of SDF dated March 2, 2017 regarding this investigation

Postal Services Sint Maarten (PSS) acknowledged that despite the requirement contained in the articles of incorporation, profiles have not been drafted.

In the letter from the Minister of Health, Social Development and Labour, dated March 3, 2017, he states that only highly qualified professionals can be appointed as director of Sint Maarten Laboratory Services (SLS), in accordance with the Medical Laboratory Policy. According to that policy, the director is a 'clinical chemist' with 'postgraduate training'. Despite repeated requests, we did not receive the Medical Laboratory Policy including a profile during the research phase of this audit. Interestingly, the advice/decision sheet, attached to the letter of March 3, 2017, indicates that, probably, there are no profiles.<sup>47</sup> Only four months after our initial request, in correspondence dated July 17, 2017, did the minister provide us with the policy.<sup>48</sup> The policy contains requirements for the management of medical organizations, though not specifically for the position of the director of the SLS. Moreover, despite the requirement stipulated in article 8 of the NOCG, we were unable to establish that the CGC issued advice regarding the profile.

Profiles were drafted for the Harbour, PJIA and Telem.<sup>49</sup> We were unable to determine whether the profiles have since been established and/or adapted. For Telem, we took note of the existence of profiles for C-level management. However, these profiles are undated and we have not been able to determine whether the profiles were approved by the supervisory board or by the CGC.

47. The advice / decision sheet, dated March 1, 2017, and signed by both the Minister and the Secretary-General of Health Social Development and Labour, (attached to the Minister's letter dated March 3, 2017) states: "No function profiles appear to be available / established for the SLS director and deputy director, which would be recommendable".

48. Letter from the Minister of VSA dated July 17, 2017, reference number 8308/A, including the document entitled "Lab policy- Policy on quality requirements and standards for existing and new medical laboratories."

49. The letter from the CGC to the Prime Minister dated December 17, 2012 (with number: 2012/122), states that profiles of PJIA, Harbor and Telem were drafted. We have not received information whether these profiles have since been formally established.

Regarding the SJIB, we received a draft-function book, which also mentions the profile for a 'Department Head'.<sup>50</sup> Based on this profile, one could assume that SJIB uses the system of civil service appointment decrees. However, this is not the case. Board members receive labour agreements instead of appointment decrees.<sup>51</sup> According to SJIB's articles of association, there is no head of department. Instead there is a director/official. This is also evident from the annual report 2015.<sup>52</sup>

## 4.2 ADVICE OF THE CORPORATE GOVERNANCE COUNCIL

To obtain advice from the CGC, we maintained the same methodology used in our 2016 audit regarding the legitimacy and integrity of administrative appointments of supervisory board members. We requested the advices issued by the CGC. Additionally, we reviewed CGC's annual reports. We also requested information from Parliament. In accordance with article 4, third paragraph of the NOCG, Parliament receives copies of all the CGC's advices.

Having reviewed the above-mentioned information, we found that in cases where the appointment procedure is applicable, CGC advice was available for 7 of 23 appointments. Our results are presented in Figure 7.


**Figure 7: Number of advices issued by the CGC from 2015 until May 2017, regarding administrative appointments for directors.**

Name of the entity	Number of directors since 2015	Number of directors since 2015, without a CGC advice	Number of directors since 2015, with a CGC advice.
Economic Development Corporation	1	1	0
Gebe	7	3	4
Harbour Holding	3	3	0
SLS	1	1	0
SMMC	1	0	1
Telem Holding	4	3	1
PJIA Holding	2	2	0
Postal Services Sint Maarten	2	2	0
Winair	2	1	1
<b>Totaal</b>	<b>23</b>	<b>16</b>	<b>7</b>

50. Draft-function book dated October 13, 2010, drafted by the Department of Personnel and Organization, on request of the SJIB.

51. Email of the acting Director of the SJIB to the Secretary-General of the Ministry of Justice, dated March 24, 2017.

52. Annual Report 2015 of the SJIB.



In 4 of 7 cases, the minister deviated from the advice issued by the CGC. The minister may deviate from a CGC advice, but such a deviation should be substantiated in writing. This is done to promote transparency and integrity. Transparency and insight into the appointment process should always be present. We were unable to confirm whether the minister provided a written substantiation regarding his deviation in the case of the 4 CGC advices.

The CGC requested additional information or substantiation in 2 of the 7 cases. We were unable to establish if in those two cases, the minister provided the CGC with the requested additional information or substantiation.

Annex 1 of this report lists whether the CGC requested additional information or substantiation from the minister. Those cases are labelled with a blue dot. We conclude that, for the period between January 2015 and May 2017, the entities, where the NOCG appointment procedure for directors is applicable, the procedure was correctly applied and transparent only once (1 appointment).

### 4.3. OTHER FINDINGS

In our opinion, a few of our findings deserve a separate mention.

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- In correspondence, dated March 3rd, 2017, the Minister of VSA stated that the director of the SLS was appointed by the supervisory board.<sup>53</sup> According to article 7 of the articles of incorporation of SLS N.V., the shareholder (in this case the minister, as shareholder representative of the country), is the person authorized to appoint the director.<sup>54</sup> In subsequent correspondence dated July 17, 2017, the minister indicates that his initial statement was incorrect. He goes on to state that in 2014, the 'then' Minister of VSA appointed the director. The mandatory consultation with the CGC regarding the appointment of the director, however, did not take place.
- Article 6 of the articles of incorporation of the Voluntary Corps Sint Maarten (VKS) states that the board is authorized to nominate a director to carry out the work of the foundation.<sup>55</sup> Article 6 of the National Decree VKS states that the commanding officer is responsible for the operational affairs. It seems that the function of director and commander can conflict with each other. The hierarchy between these functions is unclear and, there is ambiguity in terms of which function bears final responsibility. The commander is responsible for the 'operational affairs', while the director is responsible for the 'performance of the foundation'.
- During our audit, we tried to acquire 2015 annual reports for all entities under review. Those annual reports are expected to be available in 2017. We were only able to acquire annual reports for fiscal year 2015 from the SJIB and the VKS.

53. Letter of the Minister of Health, Social Development and Labour, dated March 3, 2017.

54. Articles of incorporation of SLS N.V., dated October 20, 2005

55. Articles of incorporation of the Voluntary Corps Sint Maarten, dated July 19, 2013.

## 5. OUR EPILOGUE

With our reports, we strive to contribute to the improvement of the process of administrative appointments, and by extension, an improved financial-management for St. Maarten. The disclosure of information is a legal obligation, in accordance with article 26 of the National Ordinance General Audit Chamber. We announced our audit regarding the appointment procedure for directors in correspondence (addressed to every minister appointed as shareholder representative) dated February 9, 2017. In the letters, we requested information we deemed necessary to carry out the investigation. We requested information that, in accordance with articles of incorporation and Book 2 of the Civil Code, should be in the possession of the minister as representative of the country.

Even after repeated requests, we did not receive, in any form, a response from the (then) acting Minister of Tourism, Economic Affairs, Transportation and Telecommunication (TEATT). Based on an inquiry at PJIA Holding, we learned that PJIA had not been informed by the Minister of TEATT about our request for information.<sup>56</sup> At the conclusion of the investigation, on June 16, 2017, we received a reaction from the Minister of Education, Culture, Youth and Sports about our request for information.<sup>57</sup> We expected the minister to respond earlier during the investigation, given that the minister had every opportunity to provide information from the time of the announcement of our audit on February 9, 2017. When requests for information are absent or are simply ignored, it is difficult for us to properly examine weaknesses and recommend improvements.

Because of the importance both transparency and integrity represent in the process of administrative appointments, we again (as we did in our first report on administrative appointments) reference the ruling of the Joint Court of Justice:<sup>58</sup>

***“In any case, after the appointment, the responsible parties should be able to give insight in the nature and manner in which the appointment procedure was conducted (...) and furthermore should be able to substantiate why the particular candidate was chosen”.***

The lack of cooperation, transparency and legal compliance is disappointing. Except for the 2015 annual reports for SJIB and VKS, it is likely that ministers do not possess up-to-date documentation (such as annual reports and yearly statements) which they should have as representatives of the country. Without up-to-date documents, it is impossible to understand the (financial) situation within government-owned companies.

56. Email from the Chief of Administration dated March 10, 2017, stating that PJIA has not received any form of correspondence regarding the request for information.

57. Letter of the Minister of Education, Culture, Youth and Sports, dated June 16, 2017, in reaction to our report.

58. AR 1215/07-H-505/09 (third-party proceedings). In the case (see verdict of February 11, 2008 no. 2007/594), that this verdict was based on, the Court noted that it was not clear why the Executive Council deviated from the public application procedure, as proposed by the STIP (the Curaçao equivalent of the CGC). The Court identifies a purely political appointment, partly because the person in question had not even applied for the position, nor was it established whether the person was suited for that function. The Court ruled to revoke the decision, which conflicted with good governance, citing the need for reasonableness and fairness. With that ruling, the appointment was reversed.

## LIST OF ABBREVIATIONS

Abbreviation	Name
AP	Appointment Procedure
Aol	Articles of incorporation
Min GA	Minister of General Affairs
BTP	Bureau Telecommunication and Post
CGC	Corporate Governance Council
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CTO	Chief Technical Officer
Code	Corporate Governance Code
DC-ANSP	Dutch Caribbean Air Navigation Service Provider
FS	Financial Statements
FUSF	Foundation Upkeep Sports Facilities
GOG	Government Opvoedingsgesticht
Min JUS	Minister of Justitie
CoCI	Chamber of Commerce & Industry
LB	National Decree
NOCG	National Ordinance Corporate Governance
MD	Ministerial Decree
Min ECYS	Minister of Education, Culture, Youth and Sport affairs
PFP	Profile procedure
PJIA	Princess Juliana International Airport
PSS	Postal Services Sint Maarten
SB	Supervisory Board
SBDF	Small Business Development Foundation
SDF	Sint Maarten Development Fund
SJIB	Stichting Justitiële Inrichtingen Bovenwindse eilanden
SLS	Sint Maarten Laboratory Services N.V.
(SM) EDC	Sint Maarten Economic Development Corporation
SMMC	Sint Maarten Medical Centre
SSO /NSI	Stichting Sport Ontwikkeling / National Sport Institute
TEATT	Minister of Tourism, Economic Affairs, Transportation and Telecommunication
USZV	Social and Health Insurances
VKS	Voluntary Corps Sint Maarten
VROMI	Minister of Public Housing, Spatial Planning, Environment and Infrastructure
VSA	Minister of Health, Social Development and Labour
VDSM	Security Service Sint Maarten



## ANNEX 1: THE LIST OF NAMES OF DIRECTORS

Caption:	● = advices where the CGC requested additional information or substantiation from the minister
● = reviewed CGC advice	● = the appointment procedure is not applicable
● = unable to review CGC advice	- = the person is still in function (reference date: May 23, 2017).

Entity	Minister	Source	Number of directors required according to the AoI or the law.	NOCG applicable	AP applicable	PFP van applicable	Function	Name	Date of appointment	Date of resignation	CGC advice?
<b>Government-owned companies</b>											
GEBE N.V.	VROMI	GEBE Financial statements 2014 and 2015	1-3 <sup>59</sup>	yes, art 21	yes, art 7 paragraph 2	no	CEO	Romelio Maduro	beginning of 2014	May 31, 2015	●
							CFO	Rene Gartner	Sept 2014	March 1, 2016	●
		GEBE Financial statements 2015 Memo supervisory board <sup>61</sup>					CEO	William Brooks <sup>60</sup>	Dec 3, 2015	Jan 29, 2016	●
							CEO	Andrew Zagers	Feb 1, 2016	Aug 23, 2016	●
							CEO	Kendrick Chittick <sup>62</sup>	Oct 2016	-	●
		CFO					Iris Arrindell	Oct 2016	-	●	
		COO <sup>63</sup>					Veronica Jansen-Webster	Oct 2016	-	●	
PJIA Houdstermaatschappij	TEATT	Annual report 2010 PJIA	1 or more	yes, art 21 <sup>64</sup>	yes, art 8, paragraph 1	no	Managing Director	Regina Labega	July 1, 2011	June 30, 2016	●
		Email PJIA dated March 10, 2017/Media <sup>65</sup>					(deputy) Managing Director	Larry Donker	Nov 6, 2015	May 15, 2017	●

<sup>59</sup> Articles of incorporation of GEBE N.V. dated May 12, 2012.

<sup>60</sup> CGC advice dated April 19, 2016.

<sup>61</sup> Memo in which the supervisory board indicates that Mr. Andrew Zagers will be deprived of his post as CEO and Mr. Kendrick Chittick and Ms. Iris Arrindell as interim CEO's as of 23 August 2016. Later, in October 2016, Mr. Chittick is formally appointed as CEO and Ms. Arrindell as CFO.

<sup>62</sup> CGC advice dated September 12, 2016 regarding the appointment of the CEO, CFO, COO of GEBE. The advice states that it is up to the Minister to proceed with the appointment, however, a written motivation why the Minister deviates from the CGC advice is required, in accordance with the NOCG. We have not been able to take note of such a written deviation from the Minister.

<sup>63</sup> Idem.

<sup>64</sup> Articles of incorporation Princess Juliana International Airport Holding, dated August 10, 2009.



Entity	Minister	Source	Number of directors required according to the AoI or the law.	NOCG applicable	AP applicable	PFP van applicable	Function	Name	Date of appointment	Date of resignation	CGC advice?
Postal Services St. Maarten	GA	Letter of PSS to the Min GA dated, March 20, 2017 (number: ARO 0-2017/035)	1 or more	yes, 23	yes, art 8 lid, 3 <sup>66</sup>	yes, art 8, lid 3	Managing Director/ Director operations & Commerce	Antonia Wilson	Jan, 2013	-	●
		Management structure for PSS dated Nov 13, 2013					Director Finance	Alex Richardson	Nov 2013	-	●
Economic Development Corporation	unknown	CoCI extract dated April 19, 2017	1 or more	yes, art 17	yes, art 6, paragraph 6 <sup>67</sup>	no	Managing Director	Ursel Gumbs	unknown	-	●
Sint Maarten Harbour Holding	TEATT	Harbour Financial statements 2011 and 2012 and media <sup>68</sup>	1 or more	yes, art 21	yes, art 7, paragraph 2 <sup>69</sup>	no <sup>70</sup>	CEO	Mark Mingo	unknown	-	●
							CFO	Ton van Kooten	unknown	-	●
							COO	Richard van der Mark	2012	-	●
Sint Maarten Laboratory Services (SLS)	VSA	Letter of the Minister of VSA dated March 3, 2017.	1	yes, deriving from art 1	yes, art 7, paragraph 1 <sup>71</sup>	no	Director	Nasser Ajubi	unknown	-	●

<sup>65</sup> "Donker resigns as acting CEO airport" The Daily Herald, dated April 20, 2017.

<sup>66</sup> Articles of incorporation Postal Services Sint Maarten dated October 8, 2010.

<sup>67</sup> Articles of incorporation Sint Maarten Economic Development Corporation dated August 10, 2009.

<sup>68</sup> <http://smn-news.com/st-maarten-st-martin-news/25275-port-st-maarten-management-sets-up-enterprise-risk-assessment-committee-third-party-contracts-to-be-screened-as-per-recommendations-of-ernest-young.html>, dated March 12, 2017.

<sup>69</sup> Articles of incorporation Sint Maarten Harbour Holding dated August 2009.

<sup>70</sup> The profiles of the Harbour Holding are included in a letter from the CGC to the Prime Minister, dated December 17, 2012, with number: 2012/122. The letter mentions that concept profiles have been drafted in the past. We have not been able to confirm whether the profiles have been established since.

<sup>71</sup> Articles of incorporation Sint Maarten Laboratory Services dated October 20, 2005.

Entity	Minister	Source	Number of directors required according to the AoI or the law.	NOCG applicable	AP applicable	PFP van applicable	Function	Name	Date of appointment	Date of resignation	CGC advice?
TELEM Holding	GA	Resolution supervisory board dated Jan 12, 2017	2, accompanied by 1 or more directors	yes, art 20	yes, art 8, paragraph 1 <sup>72</sup>	no	CEO	Kendal Dupersoy <sup>73</sup>	Feb 1, 2017	-	●
		Resolution SB dated July 2016			yes	no	CFO	Helma Etnel	2010	-	●
		Resolution SB dated July 2016			yes	no	CTO	Eldert Louisa	2010	-	●
		Resolution SB dated July, 2016					COO	Brian Mingo	2010	-	●
Windward Islands Airways International	GA	CoCI extract dated April 10, 2017	2 minimal	yes, art 22	yes, art 14, paragraph 1 <sup>74</sup>	no	Managing Director	Michael Cleaver <sup>75</sup>	unknown	-	●
		CoCI extract dated April 10, 2017			yes	no	Managing Director	Roberto Gibbs	unknown	-	●

<sup>72</sup> Articles of incorporation of Sint Maarten Telecommunication Company dated June 21, 2010.

<sup>73</sup> CGC advice dated August 15, 2016 where the CGC requests for additional motivation. We were unable to verify if the Minister of General Affairs provided a response.

<sup>74</sup> Articles of incorporation of Windward Islands Airways International dated December 19, 2011.

<sup>75</sup> CGC advice dated September 26, 2011 (number: 2011/67), which states that to be able to advise on the appointment, additional information is required. We were unable to verify if additional information has been submitted to the CGC.

Entity	Minister	Source	Number of directors required according to the AoI or the law.	NOCG applicable	AP applicable	PFP van applicable	Function	Name	Date of appointment	Date of resignation	CGC advice?
<b>Entities falling within the collective sector</b>											
Bureau Telecom-munication & Post	TEATT	LB-12/0849	1	no	no	no	CEO / Director <sup>76</sup>	Anthony Carty	Nov 1, 2012	-	●
		Email Director dated April 4, 2017					CFO	Judianne Hoeve	June 1, 2012	-	●
		Email Director dated April 4, 2017					COO	Giovanni King	March 15, 2011	April, 2016	●
Foundation Upkeep Sports Facilities	ECYS	AoI dated Aug 23, 2000, letter of the Minister, dated June 16, 2017 <sup>77</sup>	1 Bureau Manager	yes, art 12	no	no	unknown	unknown	unknown	unknown	●
Gouvernement Opvoeding Gesticht/ Ms. Lalie Center <sup>78</sup>	JUS	Letter Minister of Justice dated Oct 5, 2015 and MD dated Oct 14, 2016 (2016/2303)	unknown	no	no	no	Department head	Richenel Martina	16 Oct 2016	unknown	●
		MB dated Oct 14, 2016 (2016/2303)					Department head	Natasha Carty	Oct 5, 2015	Oct 16, 2016	●
St. Maarten Development Fund	GA	Resolution of the SB dated Dec 15, 2015 in which the Director is re-appointed	1 or more	yes, art 15 <sup>79</sup>	no	no	Managing Director	Keith Franca	1 Oct 2012	31 dec 2017	●
Sint Maarten Medical Center	VSA	Letter Minister of VSA dated March 13, 2017	1 of 2	yes, art 15, paragraph 1	yes, art 5, paragraph 2 <sup>80</sup>	yes, art 5, paragraph 2	Financieel Directeur	Kees Klarenbeek <sup>81</sup>	aug 2013 <sup>82</sup>	-	●

<sup>76</sup> In accordance with article 3 of the National ordinance Bureau Telecommunications and Post, the organization is headed by a director. Our investigation shows that there are several C-level manager active. For example, there is a function of CFO and a COO. For reasons of accuracy, these functions have been included.

<sup>77</sup> In the letter, dated June 16, 2017, the Minister of Education, Culture, Youth and Sports mentions that the Foundation Upkeep Sports Facilities at current is being dissolved by way of merger with the National Sports Institute.

<sup>78</sup> "Minors were placed in an educational center in Curaçao until 2010. After the constitutional changes, the facilities on Curacao were no longer accessible for youths of Sint Maarten. With the creation and designation of the Ms. Lalie Center as an educational foundation, Sint Maarten has taken the first step towards a criminal justice regime", *Justitiële jeugdrichting Sint Maarten Nulmeting bij het Miss Lalie Center*, report of the Council for Law Enforcement, December 2016.

<sup>79</sup> Articles of incorporation of the Sint Maarten Development Fund dated August 20, 2013.

<sup>80</sup> Articles of incorporation of SMMC, dated April 25, 2008.

Entity	Minister	Source	Number of directors required according to the AoI or the law.	NOCG applicable	AP applicable	PFP van applicable	Function	Name	Date of appointment	Date of resignation	CGC advice?
Mental Health Foundation	VSA	Inquiry with the Director dated March 14, 2017	1	yes, art 14, paragraph 2 <sup>83</sup>	no	no	Director	Pieter Lucas	January 1, 2015	-	●
Small Business Development Foundation	TEATT	CoCI extract of April 13, 2017	1 or more	yes, art 6, paragraph 3a <sup>84</sup>	no	no	Managing Director	Carmen Richardson	unknown	-	●
Stichting Justitiële Inrichtingen Bovenwinden	JUS	Annual report 2015 and sjib.net	1 or more directors	no <sup>85</sup>	no	no	Director	Gregory Thomson	unknown	unknown	●
Stichting Overheids-Gebouwen	GA	CoCI extract dated April 18, 2017	3-5 executive board	Yes, art 4 <sup>86</sup>	no	no	Chair	Kurt Ruan	Oct 3, 2006	-	●
							Secretary	Cylred Richardson	Oct 3, 2006	-	●
							Treasurer	Marco London	Oct 3, 2006	-	●
							Member	Curtis Haynes	Oct 3, 2006	unknown <sup>87</sup>	
Stichting Sport Ontwikkeling/ National Sports Institute	ECYS	Letter of the Minister dated June 16, 2017 <sup>88</sup>	1	Yes, art 11, section c <sup>89</sup>	no	no	unknown	unknown	unknown	unknown	●

<sup>81</sup> In the advice dated August 3, 2013 the CGC indicated that additional information is required. We were unable to verify if the Minister responded in writing.

<sup>82</sup> The financial director was appointed in August 2013, according to media. We refer to: <http://www.bearingpointcaribbean.com/st-maarten-medical-center-supervisory-council-says-it-will-no-longer-appoint-pereira>, dated August 2, 2013.

<sup>83</sup> Articles of incorporation of the Mental Health Foundation dated October 10, 2001, amended on August 18, 2009.

<sup>84</sup> Articles of incorporation of the Small Business Development Foundation dated May 21, 2014.

<sup>85</sup> Articles of incorporation Stichting Justitiële Inrichtingen Bovenwinden dated July 4, 2002.

<sup>86</sup> Articles of incorporation Stichting Overheids Gebouwen dated November 16, 2006.

<sup>87</sup> Mr. Curtis Haynes is not mentioned on the CoCI extract dated April 17, 2017. We were unable to verify if this person is still in function as a member of the executive board.

<sup>88</sup> In the letter, dated June 16, 2017, the Minister of Education, Culture, Youth and Sports mentions that the Stichting Sport Ontwikkeling is a non-existing foundation.

<sup>89</sup> Articles of incorporation of NSI dated April 10, 2014.

Entity	Minister	Source	Number of directors required according to the AoI or the law.	NOCG applicable	AP applicable	PFP van applicable	Function	Name	Date of appointment	Date of resignation	CGC advice?
Voluntary Corps Sint Maarten	GA	Email Secretary board VKS dated April 3, 2017	1 Director	yes, art 5, paragraph 1 <sup>90</sup>	no	no	Director	Not appointed	none	none	●
		Article 6 LB VKS and LB-14/0398	Commander	no	No	no	Commander	Antonio Rogers	June 1, 2014	-	●
USZV	VSA	LB-16/0164	1 Directeur	no	No	no	Directeur	Glen Carty	1 dec 2014	-	●

<sup>90</sup> Articles of incorporation of VKS dated July 19, 2013.