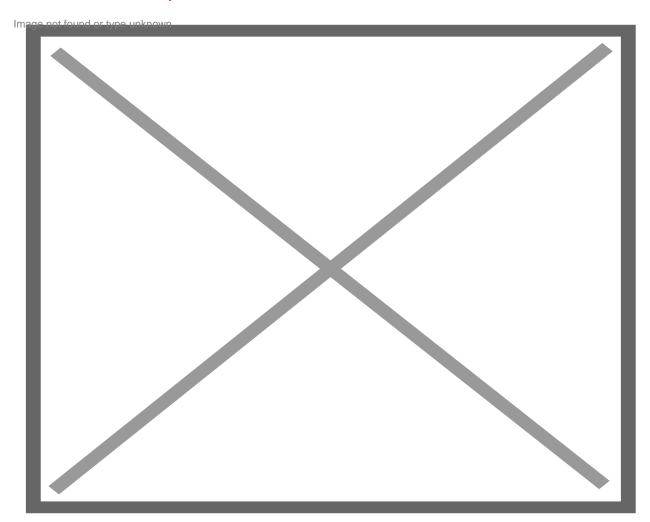
West Indies Petroleum, the New Owner of Limetree, Under Scrutiny in Home Country

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The West Indies Petroleum facility in Jamaica. By. JAMAICA SPECIAL ECONOMIC ZONE AUTHORITY

The tumultuous auction process for St. Croix's troubled refinery is seemingly settled for now, with Jamaica-based West Indies Petroleum, called WIPL, snatching the prize from the grasp of St. Croix Energy, or SCE - the firm previously declared winners.

The move came after bids closed on November 18 with SCE's \$57 million offering coming out on top. In early December, Limetree filed a motion to reopen the auction proceedings a day before the final sale date, as a new bid had come in - WIPL was offering \$62 million all told. The WIPL bid was the second matter to challenge the outcome of the auction, as a few days before a separate firm had argued that its bid was a better deal than SCE's.

However, it was the WIPL offer that caught the attention of the Limetree officials and that of their creditors. On December 18th, WIPL won the new auction, and the following week, in the face of overwhelming support from Limetree execs and two key creditors - Goldman Sachs and Unsecured Creditors Committee, who Limetree owes over \$100 million, the bankruptcy court judge approved the sale to the new owners. During that hearing, Limetree's attorney testified that the company was satisfied by due diligence done on WIPL, and that the buyer had already put \$10 million on the line since the auction had closed.

Despite the sale's approval, which occurred largely on the strength of the support of the debtor and its creditors, questions surfaced during the hearing about WIPL's ability to perform according to the terms of the agreement. During the hearing on December 21st, WIPL CEO Charles Chambers admitted that the company did not have the \$30 million cash it said it had on Dec 5, which was one of the main reasons the bankruptcy court judge approved the motion to reopen the auction. The court also saw documentary evidence to suggest that WIPL was only worth roughly \$8 million in December 2020. Additionally, the documents showed a company whose debt-to-equity ratio is considered risky, with razor thin profit margins, and a low return on assets. There are also numerous loan defaults on the books, raising questions about the organization's ability to finance the over \$60 million needed to meet its commitments to Limetree.

In addition to the questions over WIPL's internal financial health, a brewing storm in Jamaica over the company's domestic operations could raise additional concerns about its ability to navigate a complex acquisition.

Jamaican press has for the past 90 days or so reported on a troubling report from Auditor General Pamela Monroe Ellis, which was submitted to the House of Representatives in mid-November. In it, she documents a series of lapses and irregularities surrounding the movement of fuel through the country's Special Economic Zone by an entity named in the report as Bunker Fuel Operator 1, or BFO1.

Many Caribbean countries have established these Special Economic Zones, or SEZs. Goods imported into the SEZ are allowed to be stored for a period of time without attracting duty, as the goods are likely to be re-exported. Should those goods be required for sale on the local market, or should the duty-free time period expire, the importer then pays the accumulated duties, fees and other charges, and can then sell the products in-country. The special audit, which focused on the operations of private bonded warehouses and bunkers under the control of the Jamaica Customs Agency from 2016 to 2021, found that JCA failed to authenticate exports from BFO1's special economic zone.

The customs agency also failed to validate the authenticity of 765 export entries for BFO1 which were all paid up to eight months late. The auditors were unable to verify that the almost 300 million liters of fuel represented by these entries were even exported. If some or all of that fuel was actually instead disposed of on the local market, it could mean that customs missed out on the duties which would have been assessed on the fuel's over 78 million dollar value. The auditors found violations of the Customs Act and the Special Economic Zones regulations, which require customs declarations to be made before, or when goods arrive at the port. Ellis' report documents five shipments of a total 50 million liters of fuel, for which customs import entries remained outstanding for up to 3 years, only being submitted after the auditors had begun making inquiries.

Because the Office of the Auditor General is only empowered to conduct oversight investigations on state agencies, the special audit report did not identify the company it referred to as BFO1. However, reliable information received allowed us to make the connection - BFO1 is West Indies

Petroleum.

Our efforts to reach WIPL CEO Charles Chambers for comment on the matter has thus far been unsuccessful. Auditor General Ellis is scheduled to return to Parliament in the upcoming days, to testify further on the serious discrepancies uncovered under the report. Meanwhile, the weir of the first, overturned Limetree auction, SCE, has reportedly filed an appeal with the Texas bankruptcy court. All this as an end-of January deadline for WIPL to finalize the sale quickly approaches.

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