

### ***Use of Government and leased aircraft***

4.54 One of the most contentious and hotly debated issues before the Commission was the use by the Hon Michael Misick of privately leased aircraft and of Government funded aircraft. He and his wife gave evidence to the Commission about their use of private aircraft. After they met in mid-2005 they conducted a courtship from afar, flying between Los Angeles and the TCI, initially on scheduled aircraft. They quickly decided that a privately leased aircraft would give them more time together. He provided the funds; she said that she did not, at first, know the cost, but later learned that each one-way trip cost about \$50,000. They adopted this mode of travel from about July or August 2005, and continued, with two or three round trips per month, up to and beyond their marriage in April 2006. Assuming private leases were always at the level and rate mentioned by Ms McCoy-Misick, the Premier would have spent between \$200,000 and \$300,000 per month between August 2005 and March 2007, when they began to consider a different arrangement. This represents expenditure of between \$4 million and \$6 million. Conspicuous and lavish expenditure of this nature is precisely the reason why there was such widespread public concern at the behaviour of the Premier, and a legitimate concern as to how he could possibly afford it.

4.55 In 2007 the Government acquired a 1976 King Air 200 aircraft<sup>271</sup> for local and regional transport. It bought the plane for just over \$1 million from a company called TCI Export LLC based in Boise, Idaho with a mailing address in Chicago.<sup>272</sup> The only named manager on the corporate documents is a man named Paul Brassington, whose likely relative, Michael Brassington, became its regular pilot, once the Government had purchased it. The Hon Michael Misick proposed the purchase at Cabinet Meeting on 30<sup>th</sup> May 2007.<sup>273</sup> Cabinet approved the purchase, and the following week, 6<sup>th</sup> June, they approved payment for the employment of two pilots.

4.56 The aircraft of greater interest, however, was a Gulfstream III jet aircraft, capable of international and trans-Atlantic travel. From about the middle of 2007 they began to use

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<sup>271</sup> Registration number N884PG.

<sup>272</sup> The Hon Michael Misick Bundle 3, pp 1077 - 1081

<sup>273</sup> Core Volume 6, tab 1, p 114 - 116

another Gulfstream III Jet.<sup>274</sup> Their evidence differs as to how that came about. He said that he had been interested in leasing a plane to *save the government money*. She recalled that she had jokingly said to him that they needed a plane and he started looking into it and eventually they acquired one, and she used it. She recalled that on one occasion they had borrowed [REDACTED]'s private aircraft for a trip to the USA. Michael Brassington suggested he look at a jet being offered for sale by Wealth Aviation of Las Vegas. It was flown to Los Angeles whilst he was there on a visit, for him look at. Although an *Offer to Purchase* was drawn up in his name with a view to outright sale of the jet for \$6.25 million, his interest, he said, was only in leasing, so he did not continue with the transaction. However, Jeffrey Watson, a US citizen, a friend of his and Washington DC lawyer, knew of his interest, and bought the plane in the name of Indigo Transportation Partners, a company based in Miami. That company then offered to lease it to the TCI Government for \$165,000 per month based on a total of 400 hours flying time. In July 2007 the Cabinet, before whom the matter was raised by the Hon Floyd Hall, approved the purchase on those terms. In evidence to the Commission, the Hon Floyd Hall maintained that he had at the time disagreed with the purchase, but had not spoken out against it. He told the Commission that the deal had been done by the Hon Michael Misick without reference to him as Minister for Finance. The Hon Michael Misick was unable to explain to the Commission how it was that Mr Watson had bought the aircraft he had been looking at in Los Angeles. Soon after, in October 2007, Mr Watson was given Belonger status.

4.57 Ms McCoy-Misick remembered the details of the acquisition somewhat differently. She had been shown the *Offer to Purchase* document whilst on board the aircraft from Miami to Providenciales. They had, she said, bought the plane; she knew that because her husband had told her so. She and he had made arrangements to personalise or *customise* the inside of the aircraft, to the extent of her designing a personal crest to be woven into the carpet. They had also chosen colours and fabrics for the interior design; she provided the Commission with documentation from a designer, quoting for work on the aircraft which had been faxed to *Captain Mike*. She knew Jeffrey Watson as a friend of her husband, who would stay at the house with them in TCI, but was unaware of his connection with the aircraft. At no stage during her marriage did she suspect that they did not own the aircraft.

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<sup>274</sup> Registration number N165G

She had accompanied her husband in it on a working trip to Dubai for a tourist conference, but most of her use of it was personal, including many trips to the USA, including Los Angeles, Europe, including Switzerland to visit her daughter in school there, Milan, Prague, and a holiday in Africa. Her husband would send the plane to collect her from the USA, if she could not make scheduled flight connections.<sup>275</sup>

4.58 The Hon Michael Misick, in his written statement at the outset of the oral proceedings, maintained that Jeffrey Watson had leased it to the Government and others for government use for set periods of time, and to himself for personal use. However, there is no doubt that the Hon Michael Misick had almost exclusive use of the aircraft. The Hon Floyd Hall told the Commission that he had not travelled on it and had never even stepped on board. I have seen no evidence of other ministerial or other governmental use of it. Nor have I seen any evidence of payments made by the Hon Michael Misick to Indigo Transportation Partners for his personal use of the plane, nor any evidence of reimbursement by him to the Government for that use.

4.59 These circumstances of the acquisition and the Hon Michael Misick's use of the Gulfstream raise a number of matters, worthy of criminal investigation as to possible corruption and/or other serious dishonesty in the form of misfeasance in public office and/or dishonest misappropriation of public funds, namely:

- 1) the fact that Mr Watson, a friend of the Hon Michael Misick, purchased the jet and then leased it to the Government after the Hon Michael Misick had viewed the same jet, which suggests a much closer involvement of the Hon Michael Misick in its acquisition and/or beneficial ownership than he has admitted to the Commission;
- 2) the fact that he made no mention of Mr Watson in Cabinet or to a possible conflict of interest, when the government leased the jet at a very high rental, which suggests a desire to keep his connection secret;
- 3) If the Hon Floyd Hall is correct, the transaction was completed without advance reference to the Cabinet, and its approval was a mere formality, and

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<sup>275</sup> Transcript, Day 14, p 87

4) the exclusive use of the aircraft by the Hon Michael Misick and his wife, for the most part, for their personal use.

4.60 By way of postscript, there is conflict as to whether the leasing charges for the aircraft were still being paid and, if so, by whom at the time of the oral proceedings in January and February of this year. The Hon Floyd Hall, who was still Minister of Finance at the time, was under the impression that the Government was paying for it. The Hon Michael Misick's evidence was that the contract had been terminated and that payments had ceased. I still do not know the truth of the matter.

**11 – I find that the Hon Michael Misick behaved in a possibly seriously dishonest manner, including misfeasance in public office and dishonest misappropriation of public funds, by his possible misuse of government funds and facilities for his personal purposes in his use of aircraft chartered or leased by the Government for official purposes.**

**I, therefore recommend criminal investigation by the police or others in relation to him of possible serious dishonesty, including misfeasance in public office and/or dishonest misappropriation of public funds in relation to his personal use of such aircraft.**

#### ***Casablanca Casino and the Windsor Investment Group Ltd***

4.61 The Commission received undocumented information suggesting that the Hon Michael Misick and Mario Hoffmann, the Chief Executive Officer of Salt Cay Development Co Ltd, both had an interest in the Casablanca Casino. The Hon Michael Misick had declared no such interest in his declarations to the Register of Interests. But evidence given to the Commission was to suggest that he, the Hon Floyd Hall and the Hon McAllister Hanchell each owned 10% of Windsor Investment Group Ltd, the holding company of the land on which it stood, and that Chal Misick owned the other 70%.