

TO THE NATION

By **Andrés Dauhajre hijo**

As a result of the publication in the Miami Herald on June 25 signed by Sasha Chavkin and the broadcast the next day of *El Informe de Alicia Ortega*, I consider it necessary to offer the following explanations.

First of all, the role of the Fundación Economía y Desarrollo in the economic offer evaluation process during the bidding of the two thermoelectric units known as Punta Catalina, was similar to that performed by the firms BNP Paribas Securities Corp. and Deloitte DR. The highest score given to the Odebrecht-Tecnimont-Estrella Consortium ("OTE Consortium"), 50 points, was awarded by BNP Paribas; Deloitte awarded 48 points and the Fundación Economía y Desarrollo 48.23. The economic evaluation model, if only one Consortium passed the Technical Evaluation stage, required the firms evaluating the economic offers to award 50 points to said participant. Given that the OTE Consortium was the only one that obtained 40 or more points in the Technical Evaluation carried out by the renowned US company Stanley Consultants, the three firms hired to carry out the Economic Evaluation asked CDEEE to allow a virtual competitor to be included in the evaluation: the price of a similar technology estimated by the US Energy Information Administration. The recommendation was accepted and the three evaluation firms assigned the scores mentioned above. Consequently, the scores awarded by the three firms that conducted the Economic Evaluation were not determinant in the choice of the bid winner; since only one Consortium passed the Technical Evaluation stage, it should have received the full 50 points in the Economic Evaluation, a score that was only granted by BNP Paribas.

Actually, the company that determined the winner of the bid was the US firm Stanley Consultants, which awarded the technical offer of the OTE Consortium a score of 48.95 points. The rest of the consortiums received a score below the minimum of 40 points required to pass to the Economic Evaluation stage. In the Report presented by the US forensic investigation firm FTI Consulting, on June 29, 2017, it is indicated that "FTI found that the general quality of Odebrecht's technical proposal was superior to that of the the other three bidders. The representatives of Stanley Consultants, in an interview with FTI, said that Odebrecht's proposal was the best offer they had seen in comparison to any other proposal in any project in which they had ever been involved. "

Secondly, in January 2014, two months after the bidding process was completed, Odebrecht executives asked me to provide financial consulting services to elaborate a series of options and alternatives that would restructure the original financing proposal that was submitted during the bidding process. These financing options would be used by the Consortium to fulfill its role of assisting the Government in finding the funding for the Project. They explained to me that this restructuring was necessary, given the unexpected withdrawal of the main funding source they had proposed: the US Eximbank, an entity that had committed to lend US\$847 million (US\$741 million for direct investment) for the execution of the Project. On December 12, 2013, the Obama administration announced that the Eximbank would suspend the granting of new financing for coal plants. The original financing proposal

submitted by the OTE Consortium during the bidding process, in addition to the US\$741 million from the Eximbank, included US\$656 million from Brazil's BNDES and US\$337.7 million from KFW/HERMES, for a total of US\$1,734.7 million, equivalent to 85% of the total cost of the Project. Of those three facilities that were initially proposed, the Punta Catalina Project did not receive a single cent.

In late January 2014, Baker Street Financial Inc., a company incorporated on February of 2003 and of which I am the sole beneficiary, and Fincastle Enterprises Ltd., a subsidiary of Odebrecht, signed the contract for the provision of financial consulting services. The services were rendered with efficiency during the years 2014 and 2015. Most of the options prepared by Baker Street Financial were presented by the Consortium's leading company to the Government, which in turn adopted the ones it considered convenient. The payments made by Odebrecht to Baker Street Financial originated in the professional services provided.

The undersigned was not at that time, nor has he been in the last 18 years, a public official. Therefore, it had no impediment to provide a private consulting service to a private company that maintained commercial and contractual relationships with many companies and service providers around the world. For the undersigned, it was an honor and a privilege to provide consulting services to Odebrecht, which was at that time the largest and most prestigious global engineering and construction company in Latin America and the Caribbean, with a payroll of more than 168,000 employees around the world. Based on my experience working with experts from international organizations such as the World Bank, IDB, IMF, UNDP, USAID and with global investment banks such as JPMorgan, Morgan Stanley and Goldman Sachs, among others, I can affirm that the technical staff at Odebrecht, with whom I interacted during the time I gave the consulting services, was world class.

Thirdly, the investigation carried out by Chavkin and Ortega point out that in articles published in *El Caribe* during 2017, I stated that the price offered by the OTE Consortium during the bid was not overvalued. That is a position that I maintained, continue to maintain and will always maintain. We do not know why the investigative journalists, having the Report at hand, omitted to point out in the Herald and in *El Informe*, the conclusion reached by the US firm FTI Consulting, when it noted in its report of June 29, 2017 that: "Based on our study, we found that the cost of Punta Catalina is 6% lower than the average of our sample of similar plants in Latin America. FTI concludes that the proposal for the construction of Punta Catalina was within an acceptable range of costs compared to other similar plants." They also overlooked the response regarding the price offered by the Consortium led by Odebrecht, given by the representatives of the US firm Stanley Consultants during the interrogation of February 2, 2017 carried out by the Investigative Committee of the Bidding and Award Process of the EPC Contract of the Punta Catalina Thermoelectric Power Plant: "After the consortium led by Odebrecht moved to the stage of the economic offers, CDEEE asked us if that price did not seem excessive to us. The answer we gave is that the price is reasonable. In our experience with plants that we have designed, we have had similar prices." It is evident that not only the Fundación Economía y Desarrollo and the undersigned considered the price offered by the OTC Consortium as reasonable; so did BNP Paribas, Deloitte, FTI Consulting and Stanley Consultants.

The Herald's report and *El Informe* program mention a 104 square meter apartment that Baker Street Financial bought in December 2015 in New York, paid with part of the savings accumulated during more than 30 years of my professional practice. Three of my four children were studying or working in New York at that time and I decided to make that investment. Baker Street Financial had bought a 122 square meters apartment in Miami in 2009, taking advantage of the financial crisis that plummeted real estate prices in the US; this was mentioned in a second Herald publication last Thursday, signed by Ben Wieder, Kevin Hall and Alicia Ortega, in which they claim that I come from a prominent family.

My name is Andrés Dauhajre, grandson of Salomón, a Syrian emigrant who arrived in the Dominican Republic in 1907, whose only assets were his desire and strength to work. His first savings were made by loading gasoline in the port of Santo Domingo. He gradually accumulated enough capital to establish *La Flor de Damasco* store in Mella Avenue and José Reyes street in 1911, which later gave rise to *Central Damasco* and finally, to the *Nueva Damasco*. I am the grandson of Laila, a Lebanese emigrant with the most Phoenician blood that ever arrived in this warm-hearted land and one of the most hard-working women that Duarte Avenue has ever known. Salomón worked tirelessly for 46 years to provide the best education possible to his children, including my father Andrés. Laila, Odette's mother, my mother, worked more, but circumstances prevented Odette from continuing her studies beyond the 6th grade; she began working before she was 10 years old. My father, a general surgeon specialized in the hospitals of New York University, had to abandon the profession he loved to dedicate himself to business so that he could give us the best education possible. My mother worked in the mornings and, in the afternoons, transformed herself into the best teacher in the world. That is where I come from. From a family, from a home, where hard work, education at the highest level and, above all, savings, were valued. I started working at La Novia de Villa, the retail business my parents founded in 1960, on the afternoons of 1971, while I was in high school at the *Colegio De La Salle*. I liked to sell upholstery fabrics and RD\$1.00 plastic tablecloths during the days before Christmas Eve. Sometimes I think that experience helped me sell the US\$500 million Dominican Republic inaugural global bond issue on September 20, 2001, a week after the terrorist attack that destroyed the World Trade Center. Sorry, I omitted that I obtained my Ph.D in economics at Columbia University in 1983, and was the first of my class to graduate.

I must correct the investigators. I do not come from a prominent family. I come from a hard working family that up to this date has accumulated 112 years of intense work, which will go on until God allows me to do so, because the word retirement does not appear in my family dictionary. Many in this country know what I am talking about and recognize that I have 35 years of professional practice offering economic and financial consulting services to dozens of national and international companies, international organizations and public sector entities; and promoting and defending the Nation that warmly welcomed my ancestors. Here I conclude. I have to go back to what I've done all my life: study and work.