

SN Council asks for audit into GRM finances

by Mark McEachern

Continued from front page

council, but it is not accountable to Six Nations council.

Last Tuesday, SNEC chairman Phil Monture told the Teka that he wondered if the community's "debacle" at the political liaison meeting the night before hadn't cost Six Nations the entire project.

"I think we may be out 80 jobs," said Monture of the projected employment that the yarn factory was going to provide for the community. "That may be the bottom line.

"I mean, would you put up with that?" asked Monture. "Business is business and politics is politics and you can't mix the two. Sure, there were some things that should've been done. But you get a hand that's dealt to you and you have to make the best of it."

The Grand River Mills textile plant, billed as the crown jewel of the new Oneida Industrial Park on Hwy#6 and Fourth Line, has been the subject of damaging speculation for weeks as details of Six Nations' over extended financial position in the project have surfaced.

On Saturday, members of Six Nations council again attempted to clear up some of the worst fears raised by community members, many of whom have forced council to open closed meetings in recent days to discuss the GRM and those responsible for spearheading the project since its inception.

Many of the questions on the GRM project surround Mr. Balbir Ahluwalia, the promoter behind the troubled \$31 million yarn factory, who has been listed as a 40 percent shareholder in GRM through his presidency in 1320168 Ontario Ltd.

Ahluwalia recently admitted to the Six Nations community that he was a convicted felon at Six Nations Council's political liaison meeting held last Monday night. At the meeting, Ahluwalia also confirmed that

he worked on bringing this project to Six Nations with former Six Nations economic development officer Sam Hill, who is now the operations manager for Aboriginal Business Canada (ABC) in Toronto. It was revealed at the meeting that the two men first became acquainted with one another while both were serving prison sentences together in the Beaver Creek minimum security prison in Gravenhurst in 1996. Hill was sent to prison in '96 for his part in a fatal traffic accident but was later transferred to Six Nations for the remainder of his sentence.

A local newspaper reported last week that Ahluwalia had also received a 7 1/2 year sentence in '97 after pleading guilty to four counts of trafficking cocaine and heroin and one count of possession of property obtained by crime.

"Two weeks ago, I asked Balbir directly about these allegations and he told me that he was charged with money laundering that he said was under appeal," said Staats. "He did not mention anything about the drug conviction."

Staats said that no decision has been made on dis-continuing the partnership with Ahluwalia and his associates.

"The community is probably asking 'why are we waiting on this' but it is not quite that simple," said Staats.

Bob Dickson, the director for Aboriginal Business Canada in Ottawa, told the Teka on Tuesday that ABC is prepared to provide some insurance on some part of the debt for financing the GRM project but nothing else.

"What we're proposing is to insure part of the loan, and what that would do would be to cover up to 85 percent of the losses," said Dickson. "So if we were to guarantee up to 30 percent of the debt, after all the assets were realized or sold off, what you had left over is what we would cover — up to 85

percent. It's like house insurance and we pay a premium on that insurance, so it's not a guarantee at all in terms of a loan from a bank."

"Are we still supporting it? We don't know what's happening with their management, which I understand is changing," he added. "We don't know what's going on with the audit report or the debt financing — they haven't even got that together so we can't even talk about whether we're going to support it or not. It's a ways from being ready to sit down and decide if we'll support it."

Dickson says that once the audit is complete, a third party or group wishing to become involved in the project may come to ABC for the type of financial insurance that they offer.

"The debt will have to be lined up, that's the first part," said Dickson. "Then the issues raised in the audit will have to be addressed. Thirdly, there would have to be sound management and a board in place, all that kind of stuff. So it's not just one issue, a business is looked at wholistically; debt, equity, community support all have to be there."

Among some of the other controversies that have surfaced at council meetings in recent weeks involving the GRM project is the alleged business involvement of Six Nations District #6 councillor Ken Hill with Balbir Ahluwalia and Sam Hill.

The three became inter-connected after reports about Kodu Corporation, a company who received \$241,000 last April from Six Nations economic development department to pay for start up costs associated with the GRM project.

The Kodu Corporation was recently re-born two months ago as Roxborough Restaurant Ltd, a dining establishment on

Yonge Street in Toronto.

Both Sam Hill and Ken Hill, along with Ahluwalia's live in friend Kimberley Dawn Parr are listed as directors of Roxborough Restaurant Ltd. Parr had been listed as an officer of Kodu.

During a political liaison meeting held last week, Councillor Hill informed council and community members who were at the meeting that Ahluwalia owned a "zero" percent share of this restaurant business.

Staats says that he does not believe that any members of council are profiting from the GRM project.

"Not to my knowledge," said Staats. "What I have been told is that they own this business and I don't have the authority to tell any of my councillors they can't own a business. I don't think this is really council's affair."

Staats says that council is on the hook for a \$6 million loan for the proposed GRM building at the Oneida Business Park site, which he says will still be the drawing card that will bring other business to Six Nations down the road.

"If we hadn't pushed ahead with this GRM project, we would still be having meeting after meeting and still nothing would be accomplished," said Staats. "What we have is an industrial park with space to bring business here. And everyone realizes the advantage of bringing economic development to our community."

Staats says he doesn't feel the community has lost faith in his council because of the controversies surrounding the GRM project.

"The discussions that I have had with people from the community is that they want to see the factory go," said Staats. "They want to see business come to our community."