

INVESTIGATION



Major question marks hang over contractor Sun Land's ability to raise capital for roads required for Euro 2012, discovers **Andrew Jennings**

UKRAINE'S hopes of successfully co-hosting the European Championships in 2012 could be about to hit the buffers after a Sunday Herald investigation revealed that the company responsible for transport infrastructure projects has yet to raise the \$7 billion it promised the Ukrainian government.

Sun Land Group, owned by Daniel Mejia, a Miami-based Dominican businessman, last year promised to raise \$7bn to invest in 2000km of new roads and bridges needed for 2012. As he signed the contract, Mejia said: "We believe our experience and knowledge of credit resources positions Sun Land to successfully complete these projects on time." Asked last week, 13 months later, if this is still the case, he said it was now "dependent on the [Ukrainian] government".

After the signing ceremony, Mejia issued a press release trumpeting the presence of "Mr Motoo Kusakabe from the European Bank of Reconstruction and Development".

This was encouraging. If the contract was backed by such a prestigious institution, surely it was bound to succeed. But last week the EBRD denied "any formal or informal relationship with the Sun Land Group Corporation" and said Kusakabe was not from their bank. He worked for a Japanese bank official and attended in his private capacity. Mejia explained last week that "Mr Kusakabe is our distinguished friend".

Has the \$7bn been raised? Mejia replied: "The Ukraine government must complete all approvals." Then the money will flow, he insists, through a "private placing structure, directly handled by our company". However, Mejia declined to identify banks likely to provide the money.

Mejia's Sun Land business took off in the Dominican Republic with a \$76 million deal in 2000 to supply military equipment. His good relationship with president Hipolito Mejia there secured a \$115m public works contract the following year. Worries about Sun Land soon surfaced in local newspapers and there was uproar when it was revealed how the money was being raised for its projects. Critics claimed officials were creating financial notes – a kind of IOU – that Daniel Mejia could sell abroad, pocketing commissions, according to the contract, of nearly 14%. This caused upset when the country allegedly broke public spending promises to the IMF. The Miami Herald termed it one of the Dominican president's "major scandals".

Sun Land's dealings were soon being described as "controversial" and "questionable" and even "jeopardising the state". It was then uncovered that Sun Land was charging \$130m to re-equip the country's police and other services. Two companies Mejia said were supplying equipment couldn't be traced. Critics said cars and motorbikes were overpriced and alleged Daniel Mejia was charging \$10,000 for \$1000 computers.

Jorge Pineda, Editor of Dominican Today said: "We had never heard of the Sun Land company. There was no public tendering and we couldn't understand how they got the contracts. Because



Stadium construction in Ukraine is well underway but the need for new roads is pressing Photograph: AP

COLD COMFORT FOR UKRAINE

of robust reporting by our media and the public outcry that followed, the government had to cancel Sun Land's last contract."

Daniel Mejia rejects all criticisms, denies his prices were inflated and insists: "The contract is not dead. That would require an act of Congress."

Mark Blinder, confirmed by Daniel Mejia's Miami office as the company's agent in Ukraine, claims that 40% of Sun Land is owned by the State of Florida. But there's no evidence of that in the company's filings. They admit to just four employees and annual sales of only \$260,000. Blinder also claims that former Florida Governor Jeb Bush, brother of the American president, will be a "consultant" to the project.

"I am one of the people who came up with this project," says Blinder. "Sun Land's participation is the result of selection work on the world financial markets."

Blinder's relationship with Daniel Mejia was unearthed by Kiev reporter Vlad Lavrov who tracked him to an apartment in one of the city's most prestigious developments. "He was surrounded by fine art and paintings," says Lavrov, "and souvenirs from Odesa, his home town. Blinder was very confident about Daniel Mejia and his Sun Land company. Then I showed him the company's Florida records. He went red and started mumbling. He seemed lost for words."

When Lavrov raised the criticisms of Sun Land in the Dominican Republic, Blinder replied: "They hate Sun Land. Daniel Mejia has a good relationship with the president. Those who are against Sun Land oppose the president. "Sun Land has been recommended



Platini will make a decision next month on whether sufficient progress has been made

to Ukraine by the US government," Blinder insisted.

Lavrov adds: "When I asked him about allegations in Germany and Spain that he was Russian Mafia and involved in money laundering – and more – he stood up and went out to his balcony. It was December and very cold. He smoked a cigarette then came back in and spoke in a self-pitying way."

He explained to Lavrov: "I lived in Spain for quite a long time. This story caused me a lot of headaches. It was in the summer when journalists usually have nothing to write about. At that time any Russian who had more than one million dollars on his account, a private house and guards, especially in Basque country where they don't like foreigners, would automatically be considered connected to mafia."

Blinder says a new business, Sun Land Ukraine, will be set up "with 100% foreign capital and my direct participation". Companies who want a share of the business will have to play "by local rules".

Recently Daniel Mejia has teamed with a two-man business, the Las Vegas based Bioolio Group which promotes a "\$10 million Biodiesel Project". When the company registered two years ago annual earnings were estimated at less than \$10,000. Nevada officials closed them down because they failed to file adequate information, but now they claim "sustainable and consistent growth" and an "enhanced place in the marketplace".

Meanwhile the clock is ticking to Euro 2012. Uefa president Michel Platini is due to visit Ukraine next month for a final decision on whether the country is making sufficient progress and while stadium construction may be running on schedule, the need for roads could yet prove enough to scupper Ukraine's hopes.



THE FOOTBALL QUIZ

- 1 Who has made most appearances for Scotland in World Cup final tournaments?
- 2 Which was the last club to win the Scottish Cup on three successive occasions?
- 3 Who is the only man to have won all three domestic honours (League, League Cup and FA Cup) in Scotland and England?
- 4 Who was the manager of Aston Villa when they won the European Cup in 1982 beating Bayern Munich 1-0?
- 5 In 2007, from which club did Hibernian sign goalkeeper Yves Makalambay, pictured?



- 6 Who is the only man since the inception of the Premier League/SPL to be top league goalscorer with three different clubs?
- 7 In August 1966, which future Scotland captain became the first official substitute in Scottish football while playing for St Mirren?
- 8 Who remains the only St Johnstone player to score in a domestic final?
- 9 Which three players from the Ukraine have been voted European Player of the Year?
- 10 Who was the first player to score in a Scottish Cup final and a League cup final?

ANSWERS

- 1 Jim Leighton, nine, 1986, 1990 and 1998.
- 2 Aberdeen 1982, 1983 and 1984.
- 3 Kenny Dalglish, Celtic and Liverpool.
- 4 Tony Barton.
- 5 Chelsea.
- 6 Tommy Coyne, Dundee and Motherwell.
- 7 Archie Gemmill, 1994/95.
- 8 Nick Dasovic, League Cup 1998/99, Rangers 2.
- 9 St Johnstone 1, Oleg Blokhin 1975, Igor Belanov 1986 and Andrei Schevchenko 2004.
- 10 Torry Gilllick, Rangers.