

1 IN THE GRAND COURT OF THE CAYMAN ISLANDS
2 CRIMINAL SIDE
3

4 Ind. No: 0049/15 – CANOVER WATSON
5 Ind. No: 0049/15 A – CANOVER WATSON
6 Ind. No: 0049/15 B – CANOVER WATSON
7 Ind. No: 0049/15 C – CANOVER WATSON & MIRIAM RODRIGUEZ
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9 ~~Ind. No. 0008/2015 – MIRIAM RODRIGUEZ~~
10 Ind. No: 0104/2014 – CANOVER WATSON
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12
13
14 THE QUEEN

15 V

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17
18 CANOVER NORBERT WATSON
19 &
20 ~~MIRIAM REBECCA RODRIGUEZ~~
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23 Appearances:

Mr. Patrick Moran, DDPP for the Crown

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25 Mr. Trevor Burke Q.C. with Mr. Ben Tonner
26 of Samson & McGrath for Canover Watson
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28 Before:

Mr. Justice Michael Mettyear (Actg.)

29 Heard:

5th February 2016

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31 Judgment Delivered:

5th February 2016
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HEADNOTE

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36 *Criminal Law – Fraud – Conspiracy to Defraud – Conflict of Interest – Breach*
37 *of Trust – Sentence – High Culpability – Grade 'A' harm.*
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42 SENTENCE JUDGMENT
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1 1. Canover Norbert Watson, you have been convicted by the jury of two counts of
2 Conspiracy to Defraud, a count of failing to disclose a Conflict of Interest, a count of
3 Fraud on the Government, and a count of Breach of Trust.

4 2. The evidence against you was overwhelming. You conspired with Jeffrey Webb to
5 steal money from the Cayman Islands Government through the Cayman Islands Health
6 Services Authority and the Cayman Islands National Insurance Company. You were
7 able to succeed because of your position of power and trust as Chairman of the Health
8 Services Authority. You must have had very little regard for the abilities of others to
9 think that you could get away with your dishonesty in the long term. On the other
10 hand, you were supremely confident of your own abilities. You used your position and
11 your reputation to ensure that the staff, including senior officials, would simply accept
12 your word and not question your conduct.

13 3. In the autumn of 2010, there was great optimism in Government circles that a solution
14 had been found to the serious financial problems being suffered by the Health Services
15 Authority. I have no doubt that you too shared that optimism, but at the same time you
16 were planning with Jeffrey Webb how you could personally share in the money that
17 would flow. You did so by increasing the implementation fee by half a million dollars,
18 and transaction fees by one percent.



1 4. In 2011, when you knew that the system was experiencing real problems, you
2 nevertheless pretended things were going well and deceived the authorities into
3 thinking that further lump sums were payable. The result of it all was that public
4 funding totaling nearly US\$5 million was spent on the *CarePay* contract, public
5 funding totaling \$1,000,792 was spent on the national rollout, and public spending of
6 nearly US\$150,000 on the pharmacy contract.

7 5. You are a certified accountant, yet you behaved shamelessly – falsifying presentations,
8 e-mails, letters, contracts, references, and a signature. You fooled a number of senior
9 civil servants and possibly a minister. You tried to fool the jury, but there you failed.
10 You were already a wealthy man when this started. It was sheer greed and contempt
11 for your fellow Caymanians that caused you to act as you did. I am prepared to accept
12 that, to some extent, as between you and Jeffrey Webb, Webb, a convicted racketeer
13 and former vice president of FIFA¹, was, in some ways, the senior partner, controlling,
14 as he did, the bank account. But you played your part in full, and I am satisfied that, of
15 the two, you are the cleverer.

16 6. A great deal of money was obtained. The Crown have done a calculation that the actual
17 loss on Count 1 was half a million dollars; in transaction fee uplift, one percent, which
18 I have mentioned already, \$862,000; and then also, that the intended loss on that count
19 totaled over \$3 million. The figures on Count 2 are more speculative, but must have
20 included a very substantial amount.



¹ Fédération Internationale de Football Association (FIFA)

1 7. It is a great shame that you did not have the courage to admit what you had done and
2 plead guilty; that is particularly so following the discovery of the missing flash drive
3 documentation just after Christmas. Instead, you twisted and turned and invented a
4 complicated and detailed web of lies. You have not shown a jot of remorse. You do not
5 get any additional sentence because of the way you have conducted your case, but it
6 does mean you have lost the chance of any reduction for plea. You know that only
7 custody could be justified for such offending.

8 8. In determining the length of sentence, I have been guided by the *Definitive Guideline*
9 issued by the Sentencing Council of England and Wales for Fraud, Bribery and Money
10 Laundering Offences.

11 9. I agree with the submission of Mr. Moran, which is also agreed by your own counsel,
12 that Count 1 and Count 2 are offences of high culpability and grade "A" harm. The
13 level of gain anticipated puts these counts in Category 1 – with a sentencing range of
14 5-8 years' imprisonment, with a starting point of seven (7) years — based, that is, on a
15 \$1 million figure. There are further aggravating features, but, in my view, the range
16 already mentioned is enough for me to operate within.

17 10. I have also been referred to other authorities, but I haven't found those particularly
18 helpful in view of the fact of the comprehensive guideline issued by the Sentencing
19 Council.



1 11. You are a man of good character. At the start of the case, Mr. Moran said you have
2 been an inspiration to many young Caymanians. What on earth must they think now?
3 You yourself were given the Young Caymanian Leadership Award in 2007. You were
4 a successful businessman. I accept that you have done a great deal of worthwhile work
5 with various projects over the years and that, initially, at least, you were a successful
6 Chairman of the Health Services Authority. Those things are certainly not irrelevant,
7 but, in deciding the length of sentence, they count for comparatively little in a fraud
8 which was as determined and as carefully planned as this.

9 12. I accept Mr. Burke's submission that you have suffered and will continue to suffer a
10 good deal because of factors aside from the sentence I impose. You will lose money,
11 property, status. I accept also his submission that my sentence will impact upon your
12 family. For them I feel very sorry. You may also lose the possibility of running a
13 business in the future and of following your chosen profession.

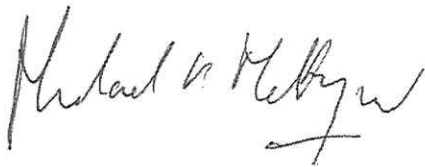
14 13. For conduct such as this, a substantial period is inevitable. But these are, I remind
15 myself, non-violent, non-sexual offences, and the sentence does not need to be so long
16 that it crushes all hope for the future.

17 14. In my judgment, on the conspiracy counts, which are the most serious of those on the
18 indictment, the appropriate sentence is seven (7) years' imprisonment, concurrent on
19 each of those counts. The other counts are intimately connected to the conspiracy
20 counts and will each attract sentences of three (3) years' imprisonment, concurrent with
21 each other and concurrent with the sentences I have passed already. That is a total of
22 seven (7) years' imprisonment. One day spent in custody so far will count towards that
23 sentence.



1 15. I recommend that the Cayman Islands Monetary Authority look carefully at their
2 criteria and make a decision as to the future of any license for which you might apply. I
3 also request that the Crown contact the relevant professional body for certified
4 accountants.

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7 **Dated this the 5th day of February 2016**

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9 **Honourable Mr. Justice Michael Mettyear (Actg.)**
10 **Judge of the Grand Court**

