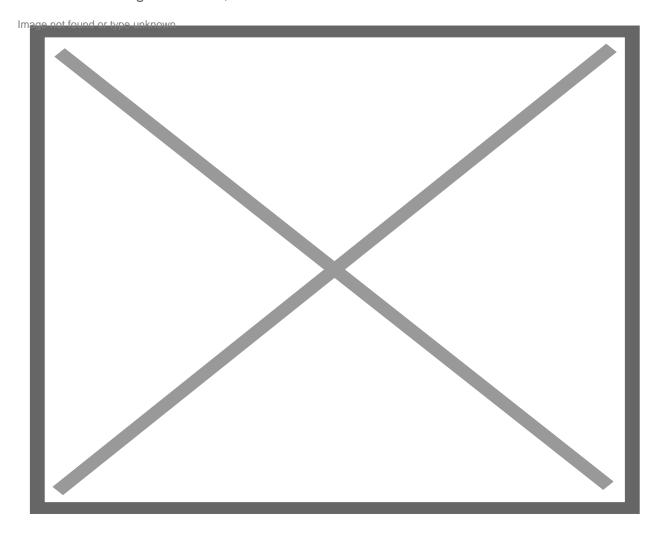
V.I. Government Grapples With \$2.2 Million Bounced Check Problem

Department of Finance reveals a staggering \$2.2 million in invalid payments, with urgent measures called for by lawmakers

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In a revelation that startled legislators, the Department of Finance disclosed that it has amassed a total of \$2.2 million in bounced checks, creating a massive cash flow problem for the department, and the government of the Virgin Islands. Finance officials made the shocking disclosure during their scheduled appearance before the Senate Committee on Budget, Finance and Appropriations on Tuesday.

Of that \$2.2 million, \$1.7 million were from checks paid to the Bureau of Internal Revenue, and subsequently to the Department of Finance. Invalid checks made out to the Office of the Lieutenant Governor and the Department of Planning and Natural Resources—all identified as high

revenue drivers for the GVI-are also contributing to the financial strain.

"We cannot have \$2.2 million in bounced checks on the street," Senator Donna Frett-Gregory said. Despite admitting that this is not a new issue, the committee chair professed bewilderment at the situation.. "How did that get to be okay?" she asked.

The Department of Finance has seemingly had minimal success in encouraging various agencies to use TeleCheck, a check acceptance company that promises to guide merchants on "whether to accept check transactions by analyzing information about check transactions that previously have been sent through its system." For Ms. Frett-Gregory, encouraging words are not enough. Instead, decisive action is needed. "We gotta figure how to mitigate… to ensure that every dime that is ours, we get it."

Additionally, Finance Commissioner Kevin McCurdy reported that the check acceptance company will guarantee a check that passes through its system only up to \$25,000. "If that's the case, why are we accepting checks that are not certified above \$25,000," queried Senator Frett-Gregory. A new way of doing things, she said, was absolutely necessary. "You need to issue a policy today - when you leave from here," she urged Mr. McCurdy.

"Send out a policy effective immediately. All checks that are over that threshold must be certified. That's simple." Her suggestion involved the refusal of any uncertified checks above \$25,000. "Otherwise, don't bring it to us. We need our money." It's something that the Department of Finance wishes to address, however as Mr. McCurdy explained, he is "trying to honestly tackle one thing at a time."

Apart from issuing an immediate policy on checks over \$25,000, Senator Frett-Gregory suggested pursuing legal remedies for checks issued with insufficient funds to honor them. "There are laws around bouncing checks. These are intentional bounced checks that were paid," she noted. "We can't take this stuff lightly...Our community feels as if we have all this money and we are not managing it well, when in fact, we have members of our community who are not doing their part."

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