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Mon Ethos Founder Pleads Guilty to Wire Fraud and Bribery in VIPD Corruption Scheme

Bribery charges involve over \$66,000 paid to a VIPD official for restaurant development, luxury trips to Boston with personal butler service, and tickets to local sporting events, in exchange for contract favors and priority invoice payments

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Mon Ethos founder David Whitaker

Founder — and until recently owner — of Mon Ethos Pro Consulting has pleaded guilty in the Virgin Islands District Court to charges of wire fraud and bribery of a government official identified by prosecutors as an “agent” of the Virgin Islands Police Department.

The information filed in May of this year alleges that around February 2021, Mr. Whitaker “did knowingly devise a scheme to defraud or to obtain money or property by materially false or fraudulent representations or promises with the intent to defraud.” His guilty plea admits that communications made on February 3 2021 from a computer in the Virgin Islands and transmitted through servers in Oregon were made to advance, further, or carry out the scheme he had concocted.?

Starting around November 2022, prosecutors say Mr. Whitaker began to give cash payments to Public Official One, the aforementioned “agent” of the VIPD, in order to corruptly influence the individual in question. At the time, the VIPD was in receipt of a not-insignificant amount of federal funding. Around November 23, Mr. Whitaker transferred over \$60,000 from New York to Puerto Rico in furtherance of his scheme.

Although not mentioned in this matter, and with names redacted from the report providing a factual basis for Mr. Whitaker’s plea, developments reported by the Consortium earlier this month make it almost trivial to connect the dots. Former police commissioner Ray Martinez was in receipt of a [target letter](#) in June of this year, informing him that he was the subject of a federal investigation into VIPD contracts allegedly give to Mon Ethos in exchange for the company funding a restaurant project that Mr. Martinez was working on. While the Consortium can report that Mr. Martinez has since met with federal authorities, he has not been arrested in connection with this or any matter. The former commissioner resigned shortly after receiving the target letter.

The plea agreement’s factual basis describes the first interaction between Mon Ethos and the VIPD, when the company was hired to investigate allegations that covert surveillance equipment had been placed in government offices. “This engagement led to the discovery of a miniature spy camera in the office of the Commissioner of the Virgin Islands Department of Personnel,” the document reads. A subsequent investigation resulted in the discovery of 13 more surveillance devices hidden in various government offices. However, investigators found that Mr. Whitaker planted 12 of them. He then proceeded to bill the VIPD a total of \$130,195 for the “work” done in finding these devices.

Prosecutors also outline a fraudulent PPP loan application by Mr. Whitaker on behalf of Mon Ethos. Submitted around February 2021, the application requested \$469,903 in PPP loans from the Small Business Administration, but included “false statements about prior wages and compensation and associated tax payments allegedly paid to the IRS,” according to the documents submitted in court.

Finally, prosecutors detail, with names redacted from the version of the document in the public domain, the bribes paid to the VIPD “agent” in exchange for priority payment of outstanding invoices and additional contracts awarded to Mr. Whitaker. “Specifically, at the outset of the scheme, Defendant discussed and agreed with [redacted] that if Defendant paid [redacted] and provided financial assistance to a restaurant owned by [redacted], [redacted] would use his position as the [redacted] to make sure that Defendant’s outstanding invoices would be paid by approving and signing the final invoices and instructing others to sign off on the final invoices,” the document reads. In total, the unnamed VIPD official received over \$66,000 worth of bribes, which included restaurant supplies and equipment, trips from St. Thomas to Boston for the unnamed individual and other people, and cash payments to the official and his family. “The expenses associated with the Boston trips included, but were not limited to, staying at the Encore Hotel, personal butler service throughout the stay, and tickets to local sporting events,” the document says.

Mr. Whitaker's plea agreement, meanwhile, acknowledges guilt for two counts of wire fraud and one count of bribery concerning programs receiving federal funds. The wire fraud charges carry a maximum sentence of 20 years and a fine of \$250,000 or twice the pecuniary gain or loss, while the bribery charge carries a maximum sentence of 10 years in prison, along with a similar fine structure as for wire fraud. However, the final sentence will be determined based on a number of factors.

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