

logo not found or type unknown

Whistleblower Lawsuit by Former RTPark CEO Reveals Alleged Retaliation and Statutory Violations

Former RTPark CEO claims forced removal for opposing alleged violations of territorial law, accusing the board of retaliation and unethical decisions in a lawsuit filed in federal court

Technology / **Published On November 27, 2024 08:30 AM /**

Janeka Simon **November 27, 2024**

Image not found or type unknown



Former RTPark CEO Peter Chapman. By. RTPARK

On Tuesday, Peter Chapman – former chief executive officer and executive director of the UVI Research and Technology Park – filed suit in the District Court of the Virgin Islands, naming the company and board chair Edward Thomas as co-defendants. Mr. Chapman claims that he was essentially forced out of the job due to his resistance against “illegality and conflicts of interest” on the board's part.

Mr. Chapman began his tenure at the RTPark in August 2018. “Mr. Chapman was a clear choice to take the RTPark to the next level in growth and development,” [said board chair Thomas at the time](#). “His national and international experience, knowledge of economic and community development, and his ability to manage and lead were the reasons we selected him from several great candidates.”

Over the course of Mr. Chapman's time at the RTPark, the company grew significantly, expanding its portfolio and providing increasing numbers of startup businesses with development support. In 2020, RTPark received the [Economic Development Organization of the Year](#) award from the International Economic Development Council.

In the legal filing, Mr. Chapman documents his successful stewardship of RTPark by noting that the company “has generated over \$15 million in financial support for UVI educational programs, which represents more than 90% of what the RTPark has generated for the University since the RTPark's inception.” Annual contributions to the University of the Virgin Islands went from approximately \$780,000 each year in 2017 to over \$3 million today. A direct line can be drawn from these successes to “Mr. Chapman's implementation of a best practices-centered economic development model,” the lawsuit contends. The document also notes a “more than 250% revenue increase” from a “growing portfolio of almost 100 affiliated enterprises, most of which pay fees to the Corporation.”



RTPark Board Chairman Edward Thomas (Credit: The University of the Virgin Islands)

Despite the initial optimism surrounding Mr. Chapman's hiring and the subsequent performance growth by RTPark, the relationship between RTPark's board and the company's then-executive director reportedly began to sour when Mr. Chapman began pushing back on alleged attempts by Mr. Thomas to violate RTPark's founding statute – Title 17 Virgin Islands Code, Section 483. “While the RTPark may exist, in part, to benefit UVI, pursuant to the statute, there are limitations based in corporate law,” his lawsuit argues. “Given that the RTPark is formed as a corporation, it must take affirmative measures at the Board level to ensure compliance with strict corporate fiduciary duties to avoid loyalty questions or the appearance of impropriety,” the complaint continues.

According to the lawsuit, “the UVI representatives serving on the RTPark board and their principal advocate, Chairman Edward Thomas, repeatedly made attempts to secure unreasonable sums of money from the RTPark – funding that exceeds the mutually-agreed-upon level of financial support generated for UVI via the RTPark's increasingly effective business attraction platform,” the lawsuit alleges. Mr. Chapman “often found

himself in the unenviable position of having to fend off efforts by members of the board...to divert large additional sums of RTPark money for UVI's myriad interests, including the medical school project," the filing claims.

While the RTPark's board is supposed to comprise seven members, there were only five during Mr. Chapman's tenure – two appointed by UVI and three by the governor. Mr. Edwards, the lawsuit noted, was first appointed to the board in 2011 by the university, and in 2016 was tapped to fill one of the governor's seats. The UVI appointees – and Mr. Edwards – have reportedly “been willing to attempt to restrict funding for core RTPark needs, including the hiring of new staff and the initiation of salary increases...explicitly in order to maximize the amount of additional financial support available for UVI,” according to the lawsuit. This behavior, the filing says, “is in clear violation of their fiduciary obligations as RTPark officials under Title 17 and represents a major conflict of interest.”

These efforts, Mr. Chapman alleges, were justified by former UVI President David Hall and RTPark Chairman Thomas under something known as the Guiding Principles, a “non-statutory, non-contractual document...drafted by UVI officials in 2002 prior to the establishment of the RTPark as a functional organization with any staff or operational infrastructure.”

Mr. Hall, who was serving on the RTPark Board at the beginning of FY2021, reportedly “demanded an annual...recurring donation of \$600,000 from the RTPark to fund a portion of the medical school project,” the lawsuit states. This requested donation was in addition to the almost “\$2.3 million the RTPark was on course to generate for UVI in 2020.” Despite Mr. Chapman's reported clear communication to Chairman Thomas regarding the impropriety of the request, Mr. Thomas reportedly attempted to recruit support for the donation from other board members, saying that Mr. Chapman was being “unreasonable” in his opposition to the additional sum.

Mr. Chapman says that his refusal to cooperate with the demands of the UVI-influenced board led to reprisals when it came time for his annual performance evaluation in early FY2021. “Rather than conduct a fair and objective evaluation process, the Board punished Mr. Chapman” by giving him a 70% rating for his FY2020 performance, the lawsuit says. This rating came despite meeting all performance goals, receiving the aforementioned award from an international organization, and exceeding revenue projection goals by over 35%, according to the lawsuit. The Board reportedly cited Mr. Chapman's failure to work collaboratively with UVI officials to increase funding as a main performance issue that led to the relatively low score, a claim that the former CEO rejects. In his self-evaluation that year, Mr. Chapman said he detailed efforts to develop a partnership agreement between the two entities, including numerous meetings and proposals; efforts the Board seemingly ignored in coming to its conclusion.

The board's apparent retribution, Mr. Chapman said, violated the terms of his employment agreement because it served to effectively deny him the bonus he rightfully earned after achieving all the objectives listed in his bonus plan. The low evaluation score resulted in Mr. Chapman losing 30% of his bonus compensation, the lawsuit says, forcing him to seek the assistance of attorneys. Earlier this year, his FY2020 score was raised from 70% to over 90%, but Mr. Chapman says he was still marked down for matters out of his control.

Ultimately, his contract – which expired on August 31, 2024 – was not renewed. “The Board effectively terminated him for failure to violate Virgin Islands Law and for challenging the Board's violation of Virgin Islands Law,” Mr. Chapman's lawsuit contends.

Apart from the requests for extra funds for UVI, Mr. Chapman claims that the RTPark board made other “unethical and potentially unlawful” decisions. Among them, the lawsuit says, was the extension of tax benefits for one client company of RTPark, “as part of what could be interpreted as a clear quid pro quo to secure a \$3 million grant from the business to be paid directly to UVI for its innovation center on St. Thomas.” This decision was made without the benefit of due diligence by RTPark staff, normally a “standard procedure when approving new or extended tax benefits for any company,” the complaint notes. Mr. Thomas, in a separate meeting, also presented a request for the RTPark's sponsorship of an activity being conducted by his church. “The Board fortunately voted the measure down after Mr. Chapman expressed both the potential legal and reputational damage to the RTPark of providing financial support to a Board member's religious institution, and for a purpose that is not consistent with the tenets of Title 17,” the lawsuit says.

Other violations of the law include Mr. Thomas continuing to serve on the Board despite the expiration of his term in 2021. The lawsuit alleges that votes have been taken in board meetings where attendance was below the legal quorum of five members. If true, it would mean that these two circumstances may have rendered several measures approved by the board legally invalid. If these legally invalid decisions include the granting of tax benefits to the RTPark's client companies, the lawsuit argues, “the RTPark Corporation, and possibly UVI, may be vulnerable to costly legal and financial action from several RTPark client companies, the USVI Internal Revenue Bureau, the USVI Legislature, and the U.S. Internal Revenue Service.”

An April 2023 email from Mr. Chapman to the board's legal counsel raised these and other concerns, the lawsuit says. “None of these problems were ever rectified.”

Accusing the RTPark of violating the Virgin Islands' Whistleblower Act, Mr. Chapman's lawsuit seeks “monetary damages, legal fees and costs, pre and post judgment interest, and such other relief as this Court may deem fair and just.”

RTPark and Mr. Thomas are both yet to reply to Mr. Chapman's complaint.