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Veterans Affairs Starved of Legally Owed Funds as Outreach Shrinks and Complex Construction Advances

With lottery and taxi medallion funds never received, Veterans Affairs has been forced to scale back outreach while trying to maintain burial and travel benefits, pushing forward on cemetery expansion and the partially designed Veterans Complex.

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VA Director Patrick Farrell. By. V.I. LEGISLATURE.

The Office of Veterans Affairs has been forced to downscale outreach activities as allocations legally owed to it by the V.I. Lottery and Taxicab Commission remain outstanding for yet another fiscal year. That information was shared by VA Director Patrick Farrell as he presented its

FY2026 budget request before the Committee on Budget, Appropriations, and Finance on Monday.

Typically, the Office of Veterans Affairs receives “\$100,000 of non appropriated funds from the V.I. Lottery for operational expenses.” However, the Office has not received an FY2025 contribution despite that entity processing a payment and releasing it to the Office of Management Budget in 2024. Per Mr. Farrell’s testimony, it simply “did not get to our office.”

Pressed for more detail from lawmakers, Mr. Farrell indicated that he wrote to the OMB but was informed by then-director Jenifer O’Neal that the funds had been “redirected within the government into the general fund.”

Meanwhile, the local VA has not received its legally mandated contribution from the Taxicab Commission medallion auctions since 2021. “The proceeds of those auctions, 20% by law, are supposed to come to the Office of Veterans Affairs,” Mr. Farrell explained. “The starting bid on St. Thomas and St. John is \$20,000 and the starting bid on the island of St. Croix is \$8,000.” With payments outstanding for several years, Senator Ray Fonseca wondered whether auctions were not being held consistently. Mr. Farrell responded in the contrary.

“The veteran taxi medallion auctions happen every year. They are consistent,” he stated. It was Mr. Farrell’s testimony that funds have not been received since 2020. Senator Carla Joseph was incensed. “We have an administration that is breaking the law,” she stated. “They’re taking your little pittance. That’s for our veterans who put their lives on the line to maintain our freedom.”

“I actually project that somebody is going to make sure that we get all of our money in 2026,” Mr. Farrell told Senator Marvin Blyden, who wondered how the Office will address the shortfall. Exactly who Mr. Farrell believes would ensure this occurs, was unclear.

Notwithstanding, the Office of Veterans Affairs is hoping to use its \$1,219,369 general fund allocation to continue providing its usual services to those who have served, including VA Medical Travel and burial benefits. The budget breakdown includes \$506,347 for combined personnel and fringe benefits, \$263,022 for operating expenses and \$450,000 collectively earmarked for medical travel and burial benefits.

The Office also intends to continue work on the Clarence Beverhoudt. Sr. Veterans Complex. Some \$1.5 million has been set aside for its construction in St. Thomas. Per Mr. Farrell, “\$237,160 has been encumbered from that amount for the design portion of the project, which is being facilitated by NV5 Incorporated.” The design is 50% complete. “There will be a time in the very near future when we will present another request for additional funds to complete the project,” he warned. The Office will explore the legality of renting out space within the Complex for events, thereby “freeing the general fund from the financial responsibilities of this building.”

Although the Office of Veterans Affairs does not receive any federal grants, plans were in place to apply for the United States Department of Veterans Affairs Cemetery Grants Program. However, federal priority has since shifted to “the expansion of existing cemeteries versus standing up new cemeteries.” Therefore, Mr. Farrell is recommending constructing additional multi-vault crypts and columbaria. He suggested that the \$350,000 set aside as matching funds for the grant be used for that purpose.

In the coming fiscal year, the Office expects to “start the solicitation of bids process for the construction of a third multi-vault crypt in the veterans section of the Eastern Cemetery on the island of St. Thomas.” He told Senator Angel Bolques Jr. that “it is a growing necessity. For

example, the one that we just opened, I think last year, is already 50% capacity on St. Thomas.”

Moving forward, the Office has signaled its intention to propose legislation to move the Franklin D. Roosevelt Veterans Memorial Park and the Verne L. Richards Park from the oversight of the Department of Sports, Parks, and Recreation to the jurisdiction of the Office of Veterans Affairs.

Responding to Sen. Francis’s query about their capacity to manage the sites, Mr. Farrell indicated that “it is the intent of the office to hire general maintenance workers, at least one on each island that will be able to upkeep both facilities and the veterans’ section of our cemeteries as well.”

Lawmakers have promised to drill down on the failure of the Taxicab Commission to produce legally mandated contributions to the territory’s veterans. The monies owed by the V.I. Lottery system remain “in oblivion,” as Senator Francis described it.

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