The Virgin Islands Consortium

Inspector General Audit Finds Fraud, Non-Compliance And Manipulation

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In a damning 49-page report issued early this morning, the Office of the Virgin Islands Inspector General laid bare its findings on inspections of government-sanctioned real estate auctions. The report confirmed there was "validity to the allegations of questionable bidding practices and a lack of compliance with statutory regulations governing real property auctions conducted by the Lt. Governor's Office."

The categories of unscrupulous practices were many, specifically that "as a result of procedural changes made in real property auctions by officials at the Lieutenant Governor's Office:

- (a) individuals were allowed to manipulate the bidding process, to fraudulently restrict other potential individuals from making legitimate bids on properties offered for auction,
- (b) questionable and inaccurate bid recording and record keeping brought into question several of the reported highest bids for several properties that were sold,
- (c) properties were not properly researched to ensure that they were eligible for sale,
- (d) payment time frames established by the Code were not properly adhered to,
- (e) adequate documentation of the Notice of Attachment process, as required by the Code, was not always maintained to ensure that taxpayers' constitutional right of due process was followed, and
- (f) auction costs and fees were not assessed and collected once properties were sold or redeemed."

Click here to read the full report.

The *VI Consortium* will bring you more on this developing story.

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