

The Virgin Islands Consortium

Exclusive: Sen. "Nellie" O'reilly Says UVI's \$30 Million Med School Gift May Not Be Real

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Senator Nellie Rivera O'Reilly

Every time we've asked about the details of the gift, we've been told that the agreement is confidential and that they are not able to share.

These words would set the tone of an exclusive, hour-long interview the *VI Consortium* conducted with St. Croix Senator Nereida "Nellie" Rivera-O'reilly regarding the \$30 million gift that was given to the University of the Virgin Islands from Chicago-based New Generation Power, LLC (NGP) on behalf of its chairman, Dr. Chirinjeev Kathuria. The

funds are slated to be the seed money for the construction of what would be the first LCME-accredited medical school in the English-speaking Caribbean.

The 'we' Senator Rivera-O'reilly is referring to are her and her colleagues in the 30th Legislature. She said that over the course of a series of private meetings held between the Senate and UVI--which she is making public for the first time through the *VI Consortium*--regarding the construction of the medical school, there were more questions than answers when it came to understanding the specific details of Dr. Kathuria's gift.

"I started asking questions and the fact that they kept saying it's confidential, it started making me doubt that this was going to be an outright gift, so I started researching [Kathuria], and every website I found, emails that I've sent and phone numbers that I've called have really led to just a skeleton," the senator said. "It hasn't led to real bodies, real people answering telephones."

Rivera-O'reilly went on to say that in time UVI President Dr. David Hall arranged a conference call with the senators and Dr. Kathuria, but again, no answers were given about the conditions or validity of the \$30 million gift.

"They said the conditions of the gift were confidential, but that there were no conditions as to where the school should be [built]," she said. "The only condition was that [the medical school] be an accredited school which would be tied to a hospital."

Rivera-O'reilly further revealed that it was in the Senate's last tele-conference with the NGP team that her suspicions were confirmed about whether or not the money was actually there.

"It was only then that it was revealed that the donor was not giving a \$30 million outright gift; that he had chosen to give this money in installments through the course of...no one knows how many years...three years, four years, five years," she explained.

And it got more complicated.

"In order to begin the operations of the medical school, \$10 million would be required," the senator said. "And so that [UVI] would be borrowing \$10 million and [Kathuria] was going to be co-signing on this loan. And that would be the first \$10 million that would be utilized."

Rivera-O'reilly recalled when it was first announced that a \$30 million gift would be given to the University to construct a medical school, it was agreed that \$10 million would be used for "the operation of the institution and that \$20 million would be set aside as an endowment."

But this new scenario of having UVI first secure a \$10 million loan to get the project underway, puts both the institution and the Virgin Islands' government at a disadvantage, the senator said.

"In this case, they're borrowing \$10 million, so I'm not sure if this is the \$10 million that was supposed to be an upfront cash and then [Dr. Kathuria] is going to find the other \$20 million," she questioned. "But what was clear is that [UVI] is borrowing \$10 million dollars, and Kathuria is cosigning, and that the university may have to put up collateral to secure

that \$10 million."

Rivera-O'reilly said when Dr. Hall was asked what kind of collateral the university has in order to secure the sizable loan, "he said there's land and other assets." Just this month, the university received a 65-acre donation of land in the Sorgenfri area of St. Thomas, making it the largest gift of land the institution has received in its history.

"And, they have some land here [on St. Croix], on the south side also heading west that's available," she said. "So, I'm not sure which land they're going to be putting up for collateral."

But, Rivera-O'reilly said she wanted to know more.

"I asked the question, if you had done a background check on the donor, did you look at other places where he's done this and he'd delivered, have you checked his net worth." However, she said her inquiries were met with a cool shoulder, which gave her the impression that it was "none of your business."

Dr. Kathuria: the man and his businesses

A May 2005 [article on the NBCnews.com website](#) describes Dr. Kathuria as "a physician who made his fortune in a series of businesses ranging from medical technology to Internet and telecom services." The article also touted his million-dollar investment in Russia's now-defunct Mir space station through MirCorp, where Kathuria is a founding director, and which was instrumental in signing California multi-millionaire Dennis Tito as the world's first space tourist. Tito [enjoyed eight days in space](#) after blasting off on April 28, 2001.

But just two years before the NBCnews.com article, the *Chicago Tribune* published a [scathing front-page report](#) in its weekend edition on Oct., 12, 2003, about then GOP Illinois Senate candidate Kathuria, who was 38 at the time, accusing the businessman--whose net worth was said to be between \$30-\$100 million during his Senate run--of unscrupulous business practices and alleging that Kathuria's "campaign is built on highly embellished claims of success as an international business tycoon."

However, Kathuria swiftly refuted the claims leveled against him, and [filed suit against the newspaper and two of its reporters](#) on the grounds of defamation. He said the writers had "deliberately distorted" information "in order to turn positive achievements into negative schemes."

Will UVI really get a \$30 million gift?

What is Dr. Hall saying about UVI potentially not receiving a full \$30 million gift from Kathuria? Rivera-O'reilly suggested Hall and the university's Board are trying to keep up appearances.

"They're trying to make this appear as though there's \$30 million sitting in the bank and the only thing that's getting in the way is a decision as to where the school should go," she said. Just last week, after conducting a series of town hall meetings to receive public input, UVI announced it would construct its medical school simulation center on St. Croix and classroom facilities on St. Thomas.

Rivera-O'reilly continued, "I want to believe that Dr. Hall wants to leave a legacy, that he did something transformational for the institution and a medical school, I think, brings prestige to a university. I'm not sure about revenues because it's a public institution, it's not a private medical school."

The senator further added that the university's leadership may be choosing not to see the full picture with the lure of \$30 million being talked about.

"Sometimes, people wear blinders and sometimes we place a lot of faith in other people," she said. "We want to believe the best and perhaps because there is no experience with [Dr. Kathuria]...this gentleman literally dropped from the sky."

The senator pointed out she is basing her relentless inquiry into the matter as part of her duty as a "responsible policymaker."

"Since the decision was made to put the medical school on St. Thomas, now I just have to be a responsible policymaker and ensure that whatever investment the [Virgin Islands] government makes, that it's an investment that will generate a return," she said.

And, she said the Virgin Islands Government has already invested in the project with cover-over revenue from St. Croix's rum production.

"The only reason the government is authorizing the use of the cover-over revenues to pay the debt service is because there is a \$30 million donation that actually is supposed to be what creates this medical school," the senator said.

The *VI Consortium* is scheduled to meet with Dr. Hall to discuss these matters. We have also reached out to Dr. Kathuria and New Generation Power for comment, but have yet to hear back from the company.

In Part II of VI Consortium's exclusive interview with Senator Rivera-O'reilly, she reveals more about the \$30 million gift, NGP's stalled 2013 solar microgrid project for UVI, her recommendation for where the simulation center could be housed on St. Croix without constructing a new building and much more.

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