The Virgin Islands Consortium

Letter Detailing HOVENSA's Dwindling Finances Revealed

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In sworn testimony at a Committee of the Whole hearing Wednesday in St. Thomas, Attorney General Vincent Frazer highlighted a letter issued by HOVENSA attorney George Dudley detailing the dire financial straits of the defunct refinery, which is being used as an oil storage facility since February 2012.

Dudley's letter was addressed to Governor de Jongh and Senate President Shawn-Michael Malone, and dated November 11--the day after Frazer and ABR VI representatives first testified before the Senate about the HOVENSA purchase and when Senators expressed skepticism about the deal. It said HOVENSA's cash will be depleted by mid-December and that the refinery's owners, Hess Oil Virgin Islands Corp. and

PDVSA V.I., will no longer provide the funding to subsidize continued operation of the plant. Thus, HOVENSA will begin the process of permanently shuttering the plant if a new buyer is not decided upon.

Frazer testified as part of the review process of the Operating Agreement entered into between the Virgin Islands Government and Atlantic Basin Refining, Inc., the company slated to purchase HOVENSA. The document is currently before the Senate for ratification.

To read the full contents of Dudley's letter, go here.