

The Virgin Islands Consortium

Potter Schedules New Property Auction For September 2016 In Light Of Questionable Bidding Practices By Former Administration

Business / **Published On October 08, 2015 10:52 AM /**

Staff **October 08, 2015**



ST. THOMAS -- Lieutenant Governor Osbert Potter held a press conference in the territory's capital on Wednesday to inform the public of actions taken by his office as a result of a September 15, 2014 Inspector General [audit report](#) relating to real property auctions conducted throughout the territory between 2012 and 2013.

The report, a damning 49-page document, 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, and occurred "as a result of procedural changes made in real property auctions by officials at the Lieutenant Governor's Office. They include the following:

(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."

According a press release Potter's office issued late Wednesday, a specialized team at his office conducted a thorough investigation into the matter, which revealed that there were administrative and constitutional irregularities. As a result, in July 2015, Potter made the decision to [void 105 of the 153 property sales](#) where owners had not redeemed their properties.

Of the 105 transactions, 33 are currently under investigation by the Office of the Inspector General. The remaining 72 transactions will be refunded to the auction buyers. Potter's office has 42 refund checks that have been printed and are ready for immediate distribution, the release further stated.

A new auction has been scheduled for September 2016, and Potter has issued an urgent plea to property owners or their heirs to come forward to contact his office to begin to address the outstanding real property tax liens.

Property owners who do not resolve the disputes will risk having their properties listed on the September 2016 auction block, according to the release.

A list of names of owners and their real property will be widely circulated in the territory at post offices, courthouses, and on the Office of the Lieutenant Governor's website. Potter is also asking for the public's help in identifying owners or their heirs to ensure that they retain their property.

Anyone with questions or concerns should call the Legal Counsel Office within the Office of the Lieutenant Governor at 340-774-2991.