The Virgin Islands Consortium

Citing Multiple Errors, Mapp Vetoes GERS Bill

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ST. THOMAS -- Governor Kenneth Mapp has vetoed the Government Employees' Retirement System (GERS) bill sponsored by Sen. Neville James, president of the 31st Legislature, pointing out "substantive errors that the Virgin Islands Code does not allow me to make corrections to," Mapp said, while raising concerns his administration has with the measure.

Senators rushed bill No. 31-0146 through the Senate, which was delivered to the governor by the Legislature's secretary on September 29. It reduces GERS' authorized investment amount in common and preferred stocks from 60 percent to 7 percent upon the governor's approval. Even if it's an error, such a reduction, Mapp said, "would have the GERS investing and selling investment securities "unlawfully by having invested 53 more basis points of investments in common and preferred stock that the law would allow."

"What would investors currently holding these securities do if I were to sign this bill into law?" asked the governor. "I cannot simply insert a "0" behind the "7" and assert that the Senate intended to increase the portfolio of risk rather than reduce it. Additionally, the bill provides that "1o percent" of the GERS investment portfolio may be replaced in foreign investment securities," Mapp argued.

The governor said although he could replace the "o" with "0", because it appears to be a typographical error, the bill also came with other mistakes, including the increase of foreign stock investments from 10 percent to 35 percent, when the Senate actually voted to allow an increase in foreign investment be capped at 25 percent. "This increase was not approved or voted on by the Senate," said the territory's chief executive.

Mapp said he met with Senate President Neville James on October 1 to discuss the discrepancies, however a version of the bill that was supposedly corrected and resent to him did not include a cover letter signed by the Senate's secretary, as required by law.

In ending his remarks in regards to the veto, Mapp said he intends to meet soon with James and other 31st Legislature senators to discuss these problems along with other important inclusions that his administration recommends.

"The errors and veto do present another opportunity for us to work together on concerns that I have about some of the provisions in the bill and other reforms that my administration would ask the Senate to consider," Mapp said.

The James measure did not provide a funding source for the $600 million that GERS board members and officials said was needed to save the beleaguered pension system. And Commissioner of Finance Valdamier Collens in mid-September told senators that the Government of the Virgin Islands does not have enough collateral to expend over half a billion dollars on one government-owned entity. And even if it did, expending that amount on one firm would severely hurt every other branch of government — including essential services indelible to the daily operations of the territory.