

The Virgin Islands Consortium

AG Walker Announces Arrest Of Four St. Thomas Men Involved In Fraudulent Property Auction Scheme

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ST. CROIX -- Attorney General Claude Walker, flanked by Inspector General Steven van Beverhoudt and Deputy Attorney General Renee Gumbs Carty, announced the arrest of four St. Thomas men he said created a scheme to fraudulently obtain property through government auctions dating back to 2012-2013. The announcement, made at about 12:40 [this afternoon at the Department of Justice building in Castle Coakley](#), follows a September 2014 Inspector General [report](#), that found rampant fraud, noncompliance and manipulation of real property auctions conducted through the Office of the Lieutenant Governor, Tax Assessor's Division.

The four St. Thomas men are Paul Sabers and Ed McKenzie, two businessmen, former Chief Enforcement Officer for the Tax Assessor, Calford O. "Cappy" Charleswell, and Sylvester Warner of the Waste Management Authority.

"We allege that between 2012-2013, these four men were involved in a scheme to defraud the government of the Virgin Islands, while manipulating the public bidding process for the auction of real property due to delinquent property taxes," Mr. Walker said.

The men were charged with conspiracy, forgery, obtaining property by false pretenses, fraudulent claims upon the government, conversion of government property, grand larceny, embezzlement by public and private officers and embezzlement or falsification of public accounts.

"These arrests are the result of an extensive investigation conducted by the Office of the Virgin Islands Inspector General into the alleged fraudulent sale of real property at tax auctions conducted by the Lieutenant Governor's Office, Tax Assessor's Division," Mr. Walker added.

"The allegations are that between 2012 to 2013, these four men were involved in a scheme to defraud the government of the Virgin Islands as a result of manipulating the public bidding process for the sale of real properties auction for delinquent property taxes," he said.

The acting attorney general said Mr. Charleswell, in his official capacity, "manipulated the bidding process by creating summary sheets; recording the names, addresses, telephone numbers and bids of the top three bidders for the auctions."

He then described a specific case in which the men were found wanting.

"With respect to this particular case, an auction was held on August 30, 2012 in St. Thomas, and the property in question, is 97 Estate Frydenhoj.

"We allege that these four men, working in concert, intentionally inflated the bid on this property to cut off the bidding process; thereby excluding other valid bidders, and then conspired to ensure that Sabers received this property after the default high bidder did not follow through to buy the property," he added.

The AG said Lewis "Lolo" Willis, who was [sentenced to five years in federal prison](#) on four counts of federal programs, bribery and extortion under color of official right in May, was at the center of the real property scheme.

"One year after the auction, which is on or about August 30, 2013, Charleswell prepared a certificate of purchase to transfer the property to Willis. On September 25, 2013 or around that time, Willis transferred 97 Estate Frydenhoj to Sabers. Sabers either owns or controls several adjacent properties in that area, Mr. Walker said.

"We allege that these four men conspired to cheat honest potential bidders out of a fair chance to bid on the real property; many of whom are Virgin Islanders. Many trying to achieve the American Dream of owning their first home," he added.

Mr. Walker said as with anyone accused of crime in the territory, all suspects are deemed innocent until proven guilty.

Feature Image: From left, Deputy Attorney General Renee Gumbs Carty, Acting Attorney General Claude Walker, and Inspector General Steven van Beverhoudt.

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