

The Virgin Islands Consortium

USVI In Corruption Crisis; AG Walker Says, Many More Arrests To Come

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ST. CROIX -- The arrests of four men -- Paul Sabers and Ed McKenzie, two businessmen, former Chief Enforcement Office for the Tax Assessor, Calford O. "Cappy" Charleswell, and Sylvester Warner of the Waste Management Authority -- that the Department of Justice accused of creating a fraudulent scheme to obtain prized property through a government-sanctioned auction, was only the beginning of a crackdown that Acting Attorney General Claude Walker has called a "corruption crisis" in the Virgin Islands.

That's what Mr. Walker said during a press conference held at the Department of Justice building in Castle Coakley on Friday afternoon, adding that while he understands that

residents may be weary of knowing that rampant corruption exists in a U.S. jurisdiction this small, they should not lose hope, as DOJ, along with the Office of the Inspector General, intend to go after perpetrators and bring them to justice -- a move Mr. Walker hopes will dissuade others with mal intent from attempting to defraud the government.

"We are aware that there are a number of cases," Mr. Walker revealed. "If you look at the last few months, the public can be a bit weary. It's clear that we do have a corruption crisis. When you look at the number of cases that have been taken both federally and locally, at times it's almost disgusting when you have a small U.S. jurisdiction such as the Virgin Islands, where you have this many cases.

"But what I can tell the public is not to be weary; the Department of Justice and Inspector General's Office have only begun the fight. We intend to continue to aggressively investigate these cases to restore hope to the people of the Virgin Islands, and it does not have to be this way. It's not something that we should have expect to endure," Mr. Walker said.

Friday's arrests follow 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.

"Unfortunately, these four arrests are only the beginning," Mr. Walker continued. "This is the first set of arrests, and others are there to come, as this scheme was widespread. We know that other people have received properties through this similar type of fraudulent scheme. We have special agents from the Department of Justice and the Inspector General's Office actively working these cases. We are making progress, as some of the persons involved have found it in their best interest to fully cooperate with us."

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.