

The Virgin Islands Consortium

Lessing And Okolo Bypass Hospital Board; Pay Themselves Tens Of Thousands In Bonuses

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ST. CROIX -- A whirlwind Committee on Health, Hospitals and Human Services hearing -- which could best be described as a Committee of the Whole hearing as most members of the Senate were present -- held at the Fritz E. Lawaetz Legislative Hall here on Tuesday, unmasked manifold problems at the Juan F. Luis Hospital, as employees and board members, testifying under oath, revealed issue after issue that need to be addressed, painting a picture of a hospital that is without direction, despite what board members would lead the public to believe.

Among the many matters, one that constantly attracted the disdain of senators was the revelation that former CEO Ken Okolo, who was recently terminated by the board, and

current Chief Financial Officer Tim Lessing, who had submitted his resignation twice, had bypassed the board and gave themselves bonuses of \$25,000 and \$15,000 respectively.

The bonuses were given without the board's approval because of an addendum that was added in December, 2015 to a contract that was previously vetted and approved by the board under former CEO Dr. Kendall Griffith's tenure. The addendum removed the board in deciding the matter of bonuses for Mr. Lessing and Mr. Okolo -- an action that senators contended could be illegal, and which the Legislature's counsel confirmed to be against the law.

"I don't know how that is possible, but it was done," said J.F.L. Board Chairman Troy de Chabert-Schuster, responding to a question from Senator Kurt Vialet, chairman of the committee in which last night's hearing was held. Mr. Schuster attempted to give a long-winded explanation on why he signed the bonus request, but he was shutdown by Mr. Vialet.

"All of that is going around in a circle," Mr. Vialet said. "The board had to do a review process before making a determination as to whether or not the individual was going to receive the \$15,000. An addendum was signed removing the same board that approved the original contract that was offered to Mr. Lessing. Was this addendum circulated to the board members and approved by the board members for submission and signature by Mr. Lessing?" Vialet asked. Mr. Schuster said the addendum was not.

Mr. Vialet asked how could the board's input be eliminated. Mr. Schuster contended that he sought guidance from the board's legal counsel, Warren Bruce Cole, who said that the contract was binding. Yet, board member Vera Falu, who said she had recently learned about the bonuses, revealed that the contract was not signed during a board meeting; noting that she would have been present.

"There were no discussions prior to these bonuses being paid," Ms. Falu said.

Mr. Lessing prepared his own justification, and also signed and submitted all the paperwork -- without the board's consent -- for the \$15,000 bonus. And he attempted listing five metrics in an effort to justify the bonus; a move that infuriated Mr. Vialet.

"I'm not talking about justification," Mr. Vialet said, who had asked Mr. Lessing to produce documents supporting the bonus. He said everything that Mr. Lessing included in his justification were regular duties that should be included in any contract.

"There is nothing in that justification that goes above and beyond anything. He was hired to increase revenue. So I don't really understand how the board is just approving performance bonuses in the amount of \$15,000 and \$25,000, when we have a cash flow issue and one position (Mr. Lessing's) is already paying \$185,000; the next position (Mr. Okolo's) is paying \$300,000, and we just feel that somebody could just write up a justification.

"Someone went eight months [after the original contract] and create an addendum that got rid of the board being able to have oversight, and then included other language that has to do with termination and six months severance pay. We got to be careful with this," Mr. Vialet said. He then advised that decisions not be made without the board's consent.

According to Mr. Lessing, the addendum was created in the Human Resources department, and it was signed by Mr. Okolo and Mr. Lessing -- the only two beneficiaries of said addendum. But the Human Resources department does not generate contracts; leaving a sense of mystery as to who prepared the document. Part of the addendum included language that asked to omit the board from decision-making as they related to the bonuses, but Mr. Lessing said although he was the one who drafted the covenants of the addendum, he did not know who wrote the particular portion requesting that the board be omitted.

"That specific line came to my attention yesterday and I brought it to the chairman's attention," Mr. Lessing said. So in essence, Mr. Violet shot back, the strongest language in the addendum magically appeared.

Senators throughout the night said they did not believe that board members were being fully forthcoming. Senator Kenneth Gittens, visibly enraged by what was being revealed, unleashed his fury, calling for an Inspector General audit of the hospital and its operations, to include board members.

"This is sheer nonsense right about now," Mr. Gittens began, setting the tone for what would be an eight-minute chastising of the board. "What I'm seeing here is just sending me back in the days of being an investigator, because this is nothing but a bunch of white-collar fraud. And white-collar crime is noted to be worse than violent crime, because several foul public officials' actions can ruin thousands and millions of lives. And right now, we're messing with the lives of Crucians. And as I sit here, I'm not going to tell no lie, I am damn well upset."

Senator Positive Nelson also expressed frustration: "You all are highly paid and it's nonsense going on."

The hearing went into Wednesday morning, and Mr. Violet said he would schedule a behind-closed-doors meeting with hospital officials to get a status update on recommended changes in two weeks. He also ended the hearing on a positive note -- stating that the hospital would succeed in its primary goal of providing optimum care to residents -- in an effort to bolster employee morale.