The Virgin Islands Consortium

St. Thomas-St. John Chamber Of Commerce Condemns Recent Joint Action By D.O.J. And D.O.L.

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ST. THOMAS -- Speaking on behalf of the territory's private sector employers, the Board of Directors of the St. Thomas-St. John Chamber of Commerce condemned what it called the "heavy-handed" approach of Labor Department Commissioner Catherine Hendry and Attorney General Claude Walker in sending generic 'dunning' letters to employers throughout the Virgin Islands, demanding unspecified payment of Unemployment Insurance Fund contributions.

The St. Thomas Chamber's response came one day following a swift rebuttal from the St. Croix Chamber, which has already forced D.O.L. to admit that some letters were indeed erroneously issued.

The letters were signed by Mr. Walker but contained no detailed information on the amount owed or the time period involved, although each letter accused the recipient of being "significantly delinquent" in contributions and threatened that they could "face legal action," according to the release. It says the Government of the Virgin Islands contends that over 3,000 active employers in the territory owe more than $32 million in delinquent Unemployment Insurance Fund contributions dating back to the 1980's, and argued debts that old may not be lawfully collected. Further, if the former commissioner of Labor is correct, the vast majority of the legally collectible debt is owed by the government itself, according to the release.

"Such a letter from a private organization wouldn't stand muster under the Federal Fair Credit Reporting Act, which requires, at the minimum, notice of the type of debt and the amount owed. In fact, the sender of such dunning letters could face fines and penalties. The position of the Attorney General to universally assume everyone is guilty appears to be consistent with the current posture of the Department of Justice in a number of areas in which recognized standards of procedure mean nothing," said Chamber of Commerce Board President Sebastiano Paiewonsky-Cassinelli in response to D.O.J. and D.O.L.'s action.

He continued: "The Attorney General can expect the Chamber, on behalf of employers throughout the territory, to vigorously push back in instances in which it believes he has overstepped his authority or engaged in an abuse of power. As appalling is that the Department of Labor appears to be abdicating its record-keeping obligations and expect the businesses of this territory to line up and prove their innocence by June 10, all under the threat of legal action by the Department of Justice.

"This current move is similar to those taken by other government agencies in demanding proof of payment, and is based on deplorable government record-keeping that must be corrected over and over again by business owners and taxpayers. We wonder if the same letter was sent to government agencies that owe money to the Unemployment Fund or are we to accept that the Government of the Virgin Islands is current on its payments.

"How much more difficult does this government wish to make operation of business in this territory? It is already difficult to start and operate a business in the Territory. Nothing short of an apology and a retraction of all the dunning letters is in order. The Chamber realizes that there are probably some employers who have not paid their fair share of Unemployment Insurance or perhaps have miscalculated what that amount should be.

"In those instances, we support the Department of Labor's efforts to collect outstanding debts. However, such collection efforts must be done within the bounds of law and with the civil decency we would normally extend to our neighbors, which in this territory we all are, government and private enterprise alike."

Feature Image: From left to right: A.G. Claude Walker and D.O.L. Commissioner Catherine Hendry.