The Virgin Islands Consortium

Mapp Slams GERS Board, Calls For Resignation Of Austin Nibbs, Board Members

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ST. THOMAS -- Governor Kenneth Mapp at a press conference here on Tuesday, assailed the Government Employees' Retirement System's board members, calling for an overhaul of the board's makeup to represent a group that is versed in the field of investments. Mr. Mapp said on Tuesday the board needed to stop "throwing away" the people's money in risky bets, and also called for the resignation of Austin Nibbs, the well-known G.E.R.S. administrator that has caused much controversy in recent times.

The castigation came at a press conference held to discuss the governor's plan to reform the territory's health policy to include more wellness programs; he announced a partnership with The Biggest Loser on Tuesday, and said there was an effort afoot to build wellness centers aimed at encouraging residents to exercise. Mr. Mapp also spoke about the departure of his former chief of staff, Randolph Knight, whose resignation was first reported by The Consortium.

But Mr. Mapp pivoted after being asked about a lawsuit brought against the Government of the Virgin Islands by G.E.R.S., as the system seeks to force the government to pay the unfunded liability; some $1.2 billion in total. The governor, appearing perturbed, said G.E.R.S. could do whatever it wanted to do in court, and rebuked the board and Mr. Nibbs for withholding retirees' pensions when the government was making payments to the system "every pay week" to meet obligations.

"The question today is why the G.E.R.S. board of directors and Mr. Nibbs, who I am now convinced needs to be replaced as the administrator of the G.E.R.S., wasting time and holding retirees monies hostage on some premise that the government isn't paying them any money that is owed," the territory's leader said. The governor then pointed out that his administration has been making payments to the system every two weeks since he took office; a reality that was not realized during the Governor John P. de Jongh administration, he said.

Mr. Mapp said every time payroll is done, "we send a check to the Government Employees' Retirement System not only covering contributions removed from the employees paycheck, but paying the government's share as well."

"The G.E.R.S. did not enjoy that reality in the last administration," he added.

Further building his case relative to his administration's actions in making payments to the system, the governor said, "We pay the Social Security and other contributions of the government workers when we take that money out of their check, given our improved financial condition." He said the G.E.R.S. board, aware that the Senate had years ago authorized a bond of $600 million on the system's behalf for pension obligation notes, has wagered that if they continue to hold retirees' pensions hostage, Mr. Mapp said, and deny them the access to borrow their own money, "which 97 percent of those monies are paid on time, that somehow they would force the government to float the $600 million and give them the money so they could throw it away. That's not going to happen," the governor said as administration officials applauded.

The governor admitted that the government needed to make greater contributions into G.E.R.S. And as a former senator, he included himself as being among the group of lawmakers who voted for benefits that were given, but were not covered by the government. "I recognize that," he conceded.

"But the G.E.R.S. has to stop throwing our money away and demanding more," Mr. Mapp said. He was basing his comment in part on the system's numerous bad investments costing tens of millions in losses, and a recent comment by Mr. Nibbs, who reportedly said that the Senate's authorization of $100 million to bolster the beleaguered system was insignificant because it would only last for six months. "So you do the math," the governor offered. "If $100 million is going to last six months, that means $200 million is going to last a year; that means $600 million will last them three years and we'll be right back where we're at today."

"So is the solution that we just take up money and hand to Mr. Nibbs and the board to make foolishness with? Or we reform the system, change the trajectory for investments, put people on the board who understand investments, and find a credible and competent administrator to manage the system? Those are the reforms I want to see done," Mr. Mapp said.