

The Virgin Islands Consortium

Mapp Administration Forms Task Force To Aggressively Collect Owed Taxes

Business / **Published On April 19, 2017 09:41 PM /**

Ernice Gilbert **April 19, 2017**



ST. CROIX -- Governor Kenneth Mapp -- flanked by Attorney General Claude Walker and Bureau of Internal Revenue Director Marvin Pickering -- announced today the creation of a task force to be helmed by Mr. Walker and Mr. Pickering, with the sole goal of collecting some \$430 million that the government has determined is owed to it.

The announcement of the task force to collect owed taxes -- made during a press conference at Government House here this morning -- places on display the administration's continuing challenge to maintain liquidity for the operations of government, while other sources of funding are either unavailable, or have yet to come into effect.

"I am here to report to the people of the Virgin Islands that within ten years prior to today's date, the outstanding monies owed in income taxes, gross receipt taxes, hotel occupancy taxes to the people of the Virgin Islands is now at \$324 million," revealed the governor. "That means that we have approximately \$430 million on the streets of the Virgin Islands that are owed to the people of the Virgin Islands." The governor mentioned his prior announcements of potentially furloughing government employees and cutting short work weeks because of the lack of funds, in an apparent effort to remind residents that the government is still struggling to maintain operations. He also mentioned the inconsistencies in issuing tax refunds -- again, pinning the uneven delivery of refunds on those who owe taxes, but have refused to make good on their obligations.

With D.O.J. and B.I.R. working together, "we're going to form a task force dealing with fraudulent taxpayers," Mr. Mapp said. He highlighted what he later referred to as "non-taxpayers", as residents who submit W2 and 1099 forms to B.I.R., "for which there are no concomitant tax returns filed," the governor said.

The task force will target persons who live in the territory, receive income and payments but do not file tax returns; it will also target those who file tax returns with outstanding balances but fail to make payments; and it will target those who file, enter into a payment plan and fail to make good on the covenant, according to the governor.

Additionally, the task force will pointedly go after residents of the Virgin Islands who work in the territory but file their taxes on the U.S. mainland. Mr. Mapp called the practice a violation of law.

The task force's bellicose agenda to collect the hundreds of millions of dollars is indelible to the territory's well-being, Mr. Mapp said. He added that taxpayers, the financial services sector and the business community have been saying to the government that before it attempts to borrow more money, "pickup the low-hanging fruit."

"Four hundred and thirty million dollars owed to the people of the territory is low-hanging fruit, and this administration will exercise all of its efforts by law to make a dent in the collection of these monies," Mr. Mapp said.

The governor has asked Mr. Walker and Mr. Pickering to put serious effort into collecting at least 15 percent of the \$324 million -- approximately \$48.6 million -- by the end of this fiscal year, which is September 30. The governor has also requested monthly reports on the task force's efforts, in a sign of his seriousness in collecting the owed taxes. "I've made it clear that I'm not interested in the names of who they may go after," Mr. Mapp said.

Revealing that he owes the government taxes, Mr. Mapp said just as he continues to make his payments -- "I've seen the light at the end of the tunnel, he said," -- he expects everybody else to do the same, and would give little thought whether he knew any of those who will be targeted by the task force. "If I am at the front of the line paying my obligations, then all of my good friends have to pay theirs," he said.

Both the attorney general and the B.I.R. director have told the governor that the task force calls for additional resources -- revenue agents, auditors, prosecutors who specialize in income tax evasion cases -- and Mr. Mapp has asked that they submit their

formal request, which the governor intends to approve.

Mr. Walker, a stern attorney general, said prosecutions would be forthcoming, so those who owe the government understand that the task force will be humorless in its collection efforts.

"The position of the Department of Justice is to hold everyone accountable," Mr. Walker said. "Once we get the cases referred to us from Director Pickering, we will move expeditiously on those cases. We're not going to send out further notices or invite people to come in. There will be no special letter [stating] that you have to pay your taxes -- we all know that we have to pay our taxes. So we'll go forward with our cases and let the chips fall where they may. As the governor said, this is a very serious job for the Department of Justice, and unfortunately I expect that we will have to prosecute a number of persons in order to make it clear that it is a new day in the Virgin Islands when it comes to tax obligations."

Feature Image: From left to right: Marvin Pickering, Governor Kenneth Mapp and Claude Walker. (Ernice Gilbert, VIC)