

The Virgin Islands Consortium

The VI Government Is Not Actually Paying Its Employees All What Is Due, A Court Revelation Makes Known

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ST. THOMAS -- When the Government of the Virgin Islands pays its employees, not all the funds reflected on the check stub is actually there. Simply put, the government is not being honest with its employees relative to the funds that are reflected on the biweekly check stubs.

That's what was revealed during a court hearing brought against the Government of the Virgin Islands by the Government Employees Retirement System, at the District Court of the Virgin Islands in St. Thomas on Tuesday.

District Court Judge Curtis V. Gomez was so intrigued by the revelation, brought to light by Department of Finance Payroll Director Grace Fahie-Lindo, that he considered summoning Dept. of Finance employees who are over the VI Treasury to explain in more detail the government's finances.

Judge Gomez sought to understand from Mrs. Fahie-Lindo why wasn't the government remitting payments to G.E.R.S. in a timely fashion. She confirmed that the government was indeed deducting the employee contributions from the employees' checks, but has not been remitting those payments to G.E.R.S. within the 10-day period permitted by law because the funds, she said, were not available.

But how can funds not be available when the government is deducting the funds directly from the employees' paychecks? Mrs. Fahie-Lindo explained to Judge Gomez that the funds being deducted are not actually available, but those amounts are instead calculated, totaled and a check is secured in a safe area until the funds become available.

Let's put it this way: If your paycheck reflects \$100 and there is a deduction for G.E.R.S. of \$10, while your net income then becomes \$90, your gross income of \$100 is never actually paid to you. Judge Gomez questioned the practice and ran other scenarios where other deductions are concerned, including health insurance, and questioned the government's priorities relative to its obligations.

The revelation also immediately raised the ethics issue, and brought to the fore whether the government was being deceitful with such actions.

During testimony at the hearing, G.E.R.S. Administrator and CEO, Austin Nibbs, said he was told by Mapp administration officials during a recent meeting, including Dept. of Finance executives, that the government was experiencing cashflow problems and that, "they have priorities." The comments suggested that remitting payments to G.E.R.S. was not atop the priority list.

But what else would be deprioritized without government employees' knowledge, by apparent deductions reflected on a pay stub but that were actually never there to begin with? As the government faces a budget deficit of \$300 million, and continues to manage tight a cashflow situation, these questions become more pertinent.

When asked about the government's current cash-on-hand situation, Mrs. Fahie-Lindo said Dept. of Finance employees over the VI Treasury would better answer such queries. She said Laurel Payne is over the Treasury branch with information relative to the question, but added that Ms. Payne was out. (Mrs. Fahie-Lindo did not say whether Ms. Payne was out of the territory or out on leave.)