

The Virgin Islands Consortium

Former Senator Wayne James Found Guilty On Wire Fraud And Embezzlement Of Government Funds

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ST. THOMAS -- Wayne James, 56, formerly elected to the 28th Virgin Islands Legislature, was found guilty by a federal jury of wire fraud and theft of federal program funds, United States Attorney Gretchen Shappert announced today. District Judge Curtis Gomez remanded Mr. James into the custody of the U.S. Marshals after setting his sentencing for December 20, 2018.

In 2008, Mr. James was elected by the people of St. Croix to serve in the 28th Legislature of the Virgin Islands. The evidence at trial showed that shortly after taking office, Mr. James received approval from the Legislature to conduct research on the 1878 Fireburn, an historic, post-slavery uprising that occurred while the territory was under

Danish rule. The “Fireburn” was a workers’ rebellion where four women, led by Queen Mary, set ablaze 50 sugarcane plantations to bring an end to poor working and living conditions of the plantation workers. In April 2009, then-Senator James began submitting requests to the Virgin Islands Legislature for funds, ostensibly to pay for research, copying, and translation of Fireburn documents housed at the Danish National Archives.

Here, the defendant exploited a precious piece of Virgin Islands history for his own purposes. And a Virgin Islands jury held him accountable. - United States Attorney Gretchen Shappert

Though Mr. James initially used the funds to pay for the research project, he soon thereafter began to defraud the people of this territory using an elaborate scheme of submitting fake invoices to secure funds. The trial evidence further established that Mr. James’s fraudulent scheme was precipitated by his serious financial hardship, including garnishment of his Legislative salary. As a result of a \$197,000.00 tax levy, the Internal Revenue Bureau began garnishing Mr. James’s wages thereby reducing his bi-weekly \$2,057.00 take-home pay to \$509.00. During the course of Mr. James’s fraudulent scheme, he caused the Legislature to pay him over \$90,000, approximately \$70,000 of which he kept for himself. The evidence at trial also showed that Mr. James diverted the misappropriated funds to pay \$20,000.00 for his re-election campaign expenses, and other personal expenses.

Though Mr. James received over 1,600 pages of Fireburn documents from the Danish National Archives, trial testimony demonstrated that he never delivered the documents to the Legislature of this territory. Instead, Mr. James kept the historical documents in order to further his future plans of becoming a screenwriter of the Fireburn movie.

“The United States Attorney’s Office for the Virgin Islands is committed to rooting out fraud and corruption in our government,” said United States Attorney Shappert. “The defendant’s betrayal of the people and his elected office is intolerable, and we will continue to pursue such abuses of the public trust. Here, the defendant exploited a precious piece of Virgin Islands history for his own purposes. And a Virgin Islands jury held him accountable. ”

This case was investigated the Federal Bureau of Investigations and the Virgin Islands Office of Inspector General, and was prosecuted by Assistant United States Attorneys Delia Smith, and Trial Attorneys Amanda Vaughn and Luke Cass of the Criminal Division’s Public Integrity Section.