The Virgin Islands Consortium

Attorney General Moves To Remove Violet Ann Golden From Casino Commission

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ST. CROIX -- Attorney General Claude Walker has filed suit in the Superior Court seeking to remove Virgin Islands Casino Control Commission Chairperson Violet Ann Golden, who recently was the subject of a damning audit report conducted by the Office of Inspector General, from her positions at the V.I.C.C.C.

The audit alleges a flabbergasting array of questionable actions by Ms. Golden, whom the audit casts as running the operations of the commission as if she were the sole authority, making major financial transactions with no secondary signatory.

The audit lists a myriad of questionable findings. And it found that the Casino Commission was not effectively utilizing its resources to carry out its administrative functions in accordance with established laws, rules and regulations, policies and procedures and best practices.

In his complaint, Mr. Walker cites Virgin Islands Code Title 32, Section 406 (g), which reads: "A commissioner may be removed from office for misconduct in office, willful neglect of duty, or other conduct evidencing unfitness for this office, or for incompetence. A proceeding for removal may be instituted by the Attorney General in the Superior Court.... Each commissioner or employee of the commission shall be subject to the duty to appear and testify and to removal from his office, position or employment in accordance with the provisions of Title 3, chapter 25 of this Code."

Strengthened by the above section of local law, Mr. Walker charged in his suit that, "Based on recent audit findings, Chairperson Violet Ann Golden must be removed from her position as the chairperson and member of the commission as her actions and/or inaction has shown that she is unfit for office or incompetent."

In a statement provided to The Consortium Friday afternoon, the attorney general said action had to be taken to remove Ms. Golden as the optics of the situation is damaging to the territory, and that individuals found wanting must be held accountable for their actions.

“Under my statutory authority, I am seeking to remove Commissioner Golden from the casino commission. The integrity of the commission must be protected as the commission has oversight responsibility of our casinos, and this is the first step," Mr. Walker said. "We do not want any harm to come to St. Croix’s growing casino industry and the public has no tolerance for the type of behavior detailed in the IG’s report. We must be mindful of the harmful trickle-down effect on the Virgin Islands and its casino industry. Therefore, I intend to stand up for what is right as so many small businesses, and hundreds of casino employees on St. Croix depend on the casinos to make a living.”

The Consortium also reached out to a number of senators -- Myron Jackson, Nereida Rivera-O'Reilly, Novelle Francis and Kurt Vialet for comment. Mr. Francis, Mr. Vialet and Mrs. Rivera-O'Reilly responded, with Mr. Francis and Mrs. Rivera-O'Reilly's comments aligning with the attorney general's action, while Mr. Vialet's words were guarded.

"The casino industry relies on the financial integrity of both casino operators and regulators. I would encourage the attorney general to take whatever actions are needed to ensure the integrity of our industry is maintained and protected," Mr. Francis said.

"I have stood for transparency and accountability in government. The audit findings are very disturbing. I respect the Attorney general and his role in ensuring the laws of the territory are upheld. This matter is now in the hands of the court and any further comments from me would be inappropriate," said Mrs. Rivera-O'Reilly.

"I am presently evaluating the report and the Casino Commission will testify before the Finance Committee on September 18. All relevant questions in reference to the IG report will be asked at that time. Based on the regulatory powers of the commission, we must resolve any issues of alleged improprieties immediately," Mr. Vialet said.

The suit, seen here, states that "Defendant Golden was in a position of trust and loyalty and had a fiduciary responsibility to administer the various commission accounts and credit cards in a prudent manner by ensuring appropriate use of hinds, putting in place financial controls and policies, implementing checks and balances, and maintaining adequate supporting documentation to verify expenses.

"As a result of the Chairperson’s actions, the public trust and confidence has been undermined to such an extent that removal, as a member of the Commission and its Chairperson, is warranted."

According to the report, released publicly Thursday, during Fiscal Years 2013 through 2016, the Casino Commission expended $680,172 in travel and travel-related expenses without having established formal travel policies and procedures; it ignored the government-wide travel policy while it did not implement a formal travel policy of its own; the commission did not provide supporting documentation for $488,674 of these expenses; and it did not implement internal procedures to ensure that travel expenses were properly controlled and accounted for.

“In addition, we found that $556,851 or 82% of the travel and travel-related expenses were incurred using Casino Commission credit cards,” reads the audit. “These charges consisted of: (i) $190,508 in airline tickets, including non-employee and business/first class travel; (ii) hotel charges of $272,249; (iii) transportation charges of $28,120; and, (iv) meals and entertainment charges of $65,974. Most of these charges lacked supporting documentation and are questionable in relation to the operations of the Casino Commission.”

Travel Advance/Claim For Reimbursement

According to the report, a review of the checks issued for travel advances shows that only Ms. Golden was given travel advance payments. However, even though she was advanced travel payments totaling $19,150 from the Casino Commission’s checking account, there was no supporting documentation to show how Ms. Golden used the advanced funds.

“Although we were not provided with support for these advance payments, we were able to match the advance payment with travel expenses incurred on the chairperson’s credit card during the same travel period,” reads the O.I.G. report.

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According to the report, as seen above, Ms. Golden was advanced $7,650 on March 23, 2016. On March 27 –April 6, 2016, she took a 10-night trip to Florida. In addition to this $7,650 advanced payment, expenses totaling $13,194 were incurred on the Casino Commission credit card. These costs covered airline, hotel, and transportation, some meals, and other charges, according to the report.

Similarly, on June 22, 2016, Ms. Golden was advanced $4,500 for travel on June 22, 2016, through July 1, 2016, to St. Kitts for a 9-night trip. In addition to this $4,500, the credit card assigned to her shows travel costs during the same period for hotel, airline tickets, and other expenses. These expenses totaled $10,987.

Again, on July 9, 2016, Ms. Golden was issued an advance travel payment of $4,000.

On July 9 to July 19, 2016, she took a 10-night trip to New York. Likewise, in addition to the $4,000, expenses totalling $21,004 were incurred on the Casino Commission credit card. The credit card charges covered expenses such as airline, hotel, transportation, and entertainment, the report says.

“We did not see evidence that the chairperson returned any unspent cash advance funds nor was an expense report filed,” said the O.I.G.

$190,508 in Airline Tickets, but for who?

According to the audit, the commission incurred, approved and paid airline travel tickets totaling $190,508 on its credit cards during Fiscal Year 2013 through Fiscal Year 2016. A review of the travel itineraries that were provided by the airline companies shows that many of the airline tickets were purchased for individuals who were not employees of the Casino Commission.

“We were not provided with supporting documents for many of the travel expenses,” reads the audit. “We obtained the airline records from the airline companies to substantiate some of the expenses. One company could not provide passenger information for 2013 and 2014 based on only ticket numbers. The ticket numbers were the only information we had available from credit card records.”

The audit says many of these expenses are considered questionable relative to the daily operations of the Casino Commission. For example, through records obtained from one of the airline companies, “we were able to identify 78 travel itineraries for which tickets were purchased. After the preliminary draft report was issued, the Casino Commission provided additional information from which we were able to identify an additional 9 itineraries. We were, therefore, able to identify a total of 87 travel itineraries. The costs of these tickets were $83,345. Of this amount, $60,967, or 73% of the itineraries, was for individuals who were not regular employees of the Casino Commission.”

A review of the itineraries for another airline shows that only 2%, or $734, of the $31,428 in airline ticket purchases was incurred by someone employed at the Casino Commission, according to the report. The rest were not regular employees of the Casino Commission.

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According to the audit, in one of the trips shown above, the Casino Commission paid for airline tickets totaling $959 with travels dates of 6/24/15 – 7/4/2015 to St. Kitts for a contractor and that contractor’s dependent. Not included in the above schedule, but shown on a credit card statement, were hotel expenses for Marriott St. Kitts totaling $7,332 during the same travel period, the audit says. However, a look at the contract entered into with this individual, shows an execution date of June 30, 2015. Hence, airline tickets were purchased and paid for by the Casino Commission before the individual was issued a contract.

Additionally, Ms. Golden incurred $23,342 in travel expenses for a trip to Orlando, Florida on December 30, 2015, through January 12, 2016. After the preliminary draft report was issued to the Casino Commission, Ms. Golden provided information associating the charges to a National Council of Legislators from Gaming States Winter Meeting (NCLGS). The NCLGS meeting was for 3 days held on January 8 – 10, 2016, according to the report.

“We also obtained documentation to show that there was another 2-day conference, the Florida Gaming Conference, held from January 6 -7, 2016. Travel information showed that the chairperson traveled with a contracted individual and the contractor’s dependent on December 30, 2015 and returned on January 12, 2016. All travel expenses were paid with the Casino Commission’s credit card. A review of these costs show purchases at Disney World and other questionable entertainment charges.”

Twenty-two cellphones for who?

According to the audit, the Casino Commission paid $67,819 for Casino Commission phones and wireless-related expenses. Credit card payments totaling $29,123 were made, and the balance of $38,696 was paid with checks. These payments included amounts billed for 22 cellular numbers all listing the Casino Commission as the financially liable party, the audit says. It says all the numbers were listed as active during the period under audit. However, only four employees had been assigned a cell phone during Fiscal Year 2013 through Fiscal Year 2016: the chairperson, the executive director and two inspectors.

According to the audit, none of the two other Casino Commission members were assigned a cell phone. “We requested information on the users assigned to cell phone numbers attached to the Casino Commission account. After repeated requests for the information, the current executive director provided information stating that on March 24, 2017 five cell phone numbers were canceled, and on March 27, 2017 another five cell phones were canceled,” the report reads.

It goes on to say that on July 6, 2018, additional information was provided showing that Ms. Golden maintained three data card numbers. The two former executive directors were responsible for two of the numbers and two data card numbers assigned to electronic devices. In addition, the additional information provided showed that a part-time (non-contracted) employee had been assigned a cell phone. The additional eight cell phone coupled with the four previously known helped determine who 12 of the 22 phones numbers were assigned to. In addition, the information provided showed that three of these numbers were canceled on March 22, 2017, the report says, “but we are still unable to determine who seven of the ten cancelled phones were assigned. Furthermore, we do not know who three of the remaining wireless phone numbers are assigned to.”

In a release contending the audit report, Ms. Golden said she could not furnish all the requested documents because she is sick and has been on the mainland receiving care.

She said the commission had commenced an internal audit when the Inspector General made known to the commission that the O.I.G. would also be conducting an audit. On July 27 at 10:00 a.m. an audit entrance conference was held, Ms. Golden said. She said the commission was faced with halting its audit and the implementation of said audit's recommendations, to allow the O.I.G.'s effort — which she said was requested by the governor — to move forward.

"We were conducting our own internal review so the commission did not have time to identify timely the documents needed by the auditors so it took us additional time to locate all the requested documents for their review," Ms. Golden said. "It also took time to locate documents which were never properly filed by previous administrations which was a finding in our own internal review. This entire ordeal disrupted the business of the commission for four long years but cooperation was of paramount concern to us."

She added, "I am therefore publicly objecting to the release and publication of the Inspector General's Audit of the Virgin Islands Casino Control Commission on August 24th, 2018 without first being allowed to personally respond to its serious and egregious errors, findings and conclusions. As Chairman/CEO, I was denied an extension of time once for the exit interview with the IG team, and another for the extension of time to offer my comments to the final report, notwithstanding the fact that I have been on the mainland United States, disabled and recovering from major surgery.

"I also object to the IG's insistence that two sitting commissioners who were not even employed by the commission during the audit period are being asked to respond to the audit, accept the findings, and offer their recommendations without having any prior knowledge or information about the findings in the audit. This is malpractice at its worst. This strong-arming by the IG is truly sad and this conduct I believe is contrary to the principles that established the IG's office in the first place.

"I was always of the opinion that the IG existed to help make agencies better through its reviews, not "slash and burn" entities with findings that are erroneous, selectively analyzed, and unfounded. We cannot permit our public servants to weaponize government agencies to "punish" political enemies or prepare reports with interpretation bias that damage the reputation of certain public servants to achieve devious ends.

"I have served the people of the Virgin Islands for almost 30 years and on the eve of my retirement, an audit report that seeks to discredit my 10 years of hard work at the commission, and casts aspersions on the decisions I made is not the treatment one expects from its government."

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