The Virgin Islands Consortium

Controversy Brews Over More Than $100K Lump-Sum Paid To G.E.R.S. By P.F.A. For Employee

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For most of Wednesday, the overriding conversation on talk radio was about a certain government employee close to Governor Kenneth Mapp "double-dipping". Double-dipping, relative to the Virgin Islands, is when a government employee, who was retired, comes out of retirement and goes back to work for the government, and continues to receive a pension while receiving a salary.

The practice is not illegal, but it can only be done for a short period of time, according to Virgin Islands Code, Title 3, Section 706, paragraph C. It reads in part: "Any member receiving a service retirement annuity who reenters the service of the government may continue to receive his annuity while in receipt of salary from the Government, either by appointment or on a contractual basis, for a period of time not to exceed a total of 600 hours in any one-year period not to exceed two years. At the end of such period, the service retirement annuity shall be cancelled and the member shall thereupon again become a contributor to the system."

This matter has become a topic of discussion because a copy of a check obtained by The Consortium and other publications on Wednesday, showing that in July 2016, the Public Finance Authority (P.F.A.) made a payment to the Government Employees Retirement System for Juel Molloy -- a former Department of Human Services Commissioner and current special assistant to the P.F.A.'s chairman, Governor Kenneth Mapp -- of $106,759.36. The check listed three line items, two for employee contributions of $79,472.19 and $10,137.71 respectively, and one for employer contributions of $17,149.46.

The payments appear to mean that Ms. Molloy had been double-dipping longer than is permitted by law, which G.E.R.S. Board Chairman Wilbur Callendar told The Consortium Wednesday night has happened before with other individuals. When this occurs, he said, G.E.R.S. informs the person of the issue, and of the amount needed to be paid back to the system.

"There's a rule that the government has that once you become a retiree and you receive an annuity, you can only work up to 600 hours or 75 days. If you work beyond that then you have to forfeit something -- either your retirement or you quit the job. The person involved apparently had a full-time job and continued to receive her annuity, and when it was brought to the attention of the system, she was notified that she owed, she needed to repay the monies that she had received for her annuity, and the system subsequently received a check from the P.F.A.," Mr. Callendar said.

"We didn't ask the P.F.A. for any money; the individual was responsible for the employee's portion contribution. The check that came included the employee's contribution. And anything from the government should only have the employer's contribution," Mr. Callendar added.

Asked if knew how the check was leaked, Mr. Callendar said, "I have no idea how it came out."

Ms. Molloy, according to Public Finance Authority Executive Director Valdamier Collens, is an employee of the P.F.A. Notably, Mr. Collens said though the payment was made to G.E.R.S., the check making the rounds was a forged document. "It is the P.F.A.'s fervent predilection and policy not to discuss employee matters in a public forum. In addition, the document -- purported to be a negotiable instrument issued by the P.F.A. -- is patently forged and therefore does not merit any comment on said document. Finally, since the document was issued by a third-party payroll servicer directly to G.E.R.S., it follows that only G.E.R.S. could have divulged the document in the public domain," Mr. Collens said.

Ms. Molloy, who it appeared was being paid by the P.F.A. as an employee from the onset of her time with the current administration -- from January, 2015 -- had received her pension while receiving pay from the P.F.A. for a year and a half.

To dissect the $106,759.36 payment, it appaers that the P.F.A. paid the funds it owed G.E.R.S. for Ms. Molloy's employment -- including the employee and employer contributions that it should have paid, as well as, questionably, the funds that G.E.R.S. had overpaid Ms. Molloy.

The three line items in the check were for separate payments. The first, $79,472.19, was for employee contribution obligation. This appears to be the amount that Ms. Molloy had received from the G.E.R.S. from the beginning of her employment with the P.F.A. in 2015, until July 18, 2016 -- which is a year and seven months, minus the roughly three months that she was allowed to double-dip, according to Virgin Islands law.

The second payment of $10,137.71 was for employee contributions past due. This payment appears to be contributions that the P.F.A. should have paid into the system as part of Ms. Molloy's employment with the P.F.A., upon the expiration of her 75-day double-dip period.

And the third item, which shows employer payment of $17,149.46, appears to be the employer contribution that the P.F.A. should have paid into the pension system for Ms. Molloy during the 1-year, 4-month period beginning April 2015 -- three months after she started work with the governor in 2015, which falls in line with VI Code that double-dipping for government employees should last not more than 75 days.

But there are some lingering questions. First, while the employee past due and employer contributions are understandable, why did the P.F.A. pay G.E.R.S. the $79,472.19 of what appeared to be monies that G.E.R.S. had overpaid Ms. Molloy while she was working at the P.F.A.?

And what exactly is Ms. Molloy's role at the autonomous entity, notwithstanding her title of special assistant to the chair?

On December 6, 2014, Ms. Molloy was announced as a co-chair of the Mapp-Potter transition team. She was also named as a senior policy advisor to the governor, and later was said to be on Mr. Mapp's financial team, playing an influential role in hospital matters in 2016. A lot of this work would ostensibly fall under Government House obligations -- not the Public Finance Authority. Even her office has been at Government House.

Yet still, she has been on the P.F.A.'s payroll from January 2015 to present day.

Feature Image: From left to right: Frankie Johnson, Juel Molloy, Celestino White, Governor Kenneth Mapp and Lieutenant Governor Osbert Potter. (Credit: Ernice Gilbert, VIC)