The Virgin Islands Consortium

Bryan's Financial Team Fails To Deliver Information To Senators; 'This Is Not At Good Look,' Frett-Gregory Says

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"Still trying to get our heads around it; new administration, new financial team. We spent a lot of time even trying to gather the data for today. So, you know, now that we're getting more data and you guys are pressing us for more data, this will definitely raise our awareness of the magnitude and really start to dig into the root cause."

Those were the words of the Kirk Callwood, who was chosen by the Bryan administration as commissioner-nominee for the Department of Finance. During a Finance hearing on Tuesday in St. Thomas, Mr. Callwood and other members of Mr. Bryan's financial team failed to provide detailed and pertinent information when posed with inquiries from lawmakers. And Mr. Callwood's excuses were not accepted either, as senators said the team should have had detailed information from the Bryan administration's transition documents, which saw individuals retrieving data from each government arm so as to give the administration an understanding of the government's condition.

Senator Donna Frett-Gregory, chair of the Committee on Finance, acknowledged that the team was new, but reminded them that transition reports were produced and should have been read. She asked the testifiers -- including Office of Management and Budget (O.M.B.) Director-nominee Jenifer O'Neal, Bureau of Internal Revenue Director-nominee Joel Lee, Tom Vouzakis, acting director of the Public Finance Authority, and Acting Tax Assessor Edwin Francis -- whether they had reviewed the transition reports. Mr. Francis said yes, Mr. Callwood said yes, and Mr. Lee said yes. Mr. Vouzakis, who has been with the P.F.A. for a while, said he had not seen the reports. Ms. O'Neal also said she had not read the reports.


Senator Allison DeGazon

"I Behoove you to read the transition reports because the responses that you all are providing are a little vague, and the transition reports should be assisting you all with giving us the information that we need," Mrs. Frett-Gregory said. "It's very concerning that transition reports have not been read to date."

Mrs. Frett-Gregory added, "This is not a good look. There's a transition team that's put together for every agency in this government, and it is mission critical that transition reports are read. I mean, what would be the necessary purpose to conduct and talk about transitions and all those good things if we're not going to read them? If we are going to change course as we've been talking about, then it is critical that we review the transition reports to ensure that we move forward with making the necessary decisions... That's a little disappointing."

In his testimony, Mr. Callwood said the territory had $36 million cash on hand, which equates to 16 days. However, Mrs. Frett-Gregory, who chairs the Committee on Finance, said that figure was concerning. "It's concerning to me because we are not paying our vendors, so I'm not impressed with the fact that we have $36 million on hand... If we're not paying our vendors, then this is not a true perspective of what we truly have on hand. That's something we really need to look at.

Senator Donna Frett-Gregory

The Government of the Virgin Islands (G.V.I.) has been lagging behind in paying its vendors, which has placed a lot of local operations under pressure. As of September 2018, the G.V.I. owed $30 million to vendors. "We're talking about us being in dire straits, these vendors pay gross receipt taxes so we must figure this out and we must figure it out now," Mrs. Frett-Gregory said.

Senator Allison DeGazon, who indicated that she had spent the last six weeks getting little sleep readying her office and doing research in preparation for hearings, expressed her dissatisfaction with the lack of detailed information that was furnished.

"I too am disappointed at the vagueness of what's going on here this morning," she said. There's so much information that we need so that we as a body can move forward, and I'm almost afraid to ask questions because I believe I will be told you don't have that information," Ms. DeGazon said.

Ms. DeGazon, noting that there was an increase in projection of revenue collection for fiscal year 2019, asked the financial team to provide information on the areas that is fueling the growth. The team, however, did not have the information. She than asked Ms. O'Neal a status update on O.M.B.'s efforts in pursuing federal grants available to the territory. Ms. O'Neal said the office was severely lacking in that area, which led Ms. DeGazon to request through the chair that a solid plan be furnished by O.M.B. on its grants efforts.


Senator Alicia Barnes

Senator Alicia Barnes joined her colleagues in expressing her own disappointment, stating that the presentation lacked specificity," though Ms. Barnes said she was cognizant of the fact that the financial team is made up of mostly new individuals.

A theme among 33rd Legislature senators, especially the new women, was the intention to "revoke" the responsibility of controlling the government's purse strings that they contend was abdicated by the Senate some 30 years ago and placed within the jurisdiction of O.M.B. It was also a clear demonstration of the women's assertiveness, and a inarguable indication on what to expect from the body during hearings.

Numbers

Mr. Callwood said the government received a total of $215 million in Community Disaster Loan funding. He said as of September 2018, the government had collected $737 million, an improvement of $28 million year-on-year. Revenue forecast for 2019 was raised to $808 million, an improvement of $81 million year-on-year. (Mr. Callwood was not able to list the areas of potential growth causing the projected rise in revenue collection.)