The Virgin Islands Consortium

DOJ Says Golden Locked Herself In Office In Apparent Attempt To Evade Being Served

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The Virgin Islands Department of Justice issued a statement Friday afternoon confirming a Consortium story published earlier that day about Casino Control Commission Chairperson Ann Golden, who was holed up in her office refusing to be served court summons documents to show cause why she shouldn't be removed from her position at the C.C.C. Ms. Golden's term as a C.C.C. commissioner ended in April, but Governor Albert Bryan has yet to name a nominee to replace her.

In the statement, Attorney General Designee Denise George-Counts said Ms. Golden was served at 11:30 a.m. with a summons and complaint filed by the Attorney General's office on Sept. 7, 2018. The A.G. added that the complaint "seeks the removal of Ms.

Golden from office as the chairperson and member of the Virgin Islands Casino Control Commission for misconduct, neglect of duty and unfitness for office, pursuant to Title 32 of the Virgin Islands Code, Section 406(g)."

Ms. George-Counts stated that Ms. Golden was served by V.I. Department of Justice Director of Investigations, Leonardo Carrion and Special Agent Dale Jeffers.

C.C.C. Commissioner Usie Richards told The Consortium Saturday morning that he had spoken with Ms. Golden by phone at 11:30 a.m. Friday, asking her to allow the D.O.J. investigators to come into her office -- "in which she had locked herself for several hours in an apparent attempt to evade service of process," according to A.G. George-Counts. Mr. Richards said he told Ms. Golden that the situation "had become a public spectacle." He said Ms. Golden then unlocked the door and told Mr. Richards that he could open it so the D.O.J. officials could enter.

"Now that she has been served, the V.I. Department of Justice will proceed to notify the court that she has been served through filing a return of service and summons with the Superior Court of the Virgin Islands," the D.O.J. statement concluded.

Ms. Golden is the subject of a D.O.J. investigation launched by former Attorney General Claude Walker, following an Inspector General audit that found out-of-control and questionable spending at the commission by Ms. Golden, whom the audit portrayed 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.

According to the report, released publicly on September 6, 2018, 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.

Immediately after the release of the audit, Mr. Walker filed suit in the Superior Court seeking to remove Ms. Golden. In his complaint, Mr. Walker cited 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 on September 7, 2018, the attorney general said action had to be taken to remove Ms. Golden as the optics of the situation was 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 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," it says.

During the time Mr. Walker was leading the investigation, Ms. Golden was away for medical attention. She has since returned to the territory, however.

The audit report’s executive summary says the following:

Internal Controls:

- There were no formal procedures for authorizing, processing, recording, reviewing, and reconciling financial transactions.
- Casino Commission members incurred $851,534 in credit card transactions and made $808,229 in payments to the credit card issuer without any formal review or approval process in place.
- The Chairperson processed $1,062,860 in electronic fund transfers without another employee or Casino Commission member reviewing or authorizing the payments.
- The Casino Commission allowed the Chairperson to process $2,660,163 in check payments, reconciled bank statements and maintained sole custody of financial records.
- The Casino Commission did not submit required financial reports timely to the Department of Finance and the Virgin Islands Legislature.

Operating Expenditures

- The Casino Commission expended $3,772,803 in operating costs; however, $1,315,635 was not supported with proper documentation.
- Questionable non-travel expenditures included: (i) $17,785 in education expenses; (ii) $13,046 in payments to financial institutions; (iii) $18,243 in payments to a grocery store vendor; (iv) $148,408 in leasehold improvements; (v) $67,819 in payments to a wireless communications company; (vi) $197,060 in payments for various goods and services; (vii) $44,071 in payments for a gaming conference; and, (viii) $138,413 in payroll advances.

Travel Expenditures

- The Casino Commission expended $680,172 in travel and travel-related expenses without having established formal travel policies and procedures.
- The Casino Commission ignored the Government-wide travel policy, while it did not implement a formal travel policy of its own.
- Supporting documentation for $488,674 in travel and travel-related expenses were not provided.
- Internal procedures were not implemented to ensure that travel expenses were properly controlled
- and accounted for.
- The Casino Commission incurred $556,851 or 82% of the travel and travel-related expenses using Casino Commission credit cards.
- 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.

Professional Services

- The Casino Commission did not follow the procurement laws of the Government in obtaining
  professional services.
- Payments were made to 14 individuals and businesses for which no contract or scope of work was
  provided.
- Six professional service contracts totalling $825,956 were awarded for which there was little
  evidence of competition.
- The terms of the contracts did not comply with the recommended language established by the
  Department of Property and Procurement.
- There was one instance where the funding source stipulated in the contract to pay a contractor for
  providing training to casino employees did not meet the requirements of the law.

In a glaring example of waste and the need for controls at the commission, the Casino Commission paid an electrician $112,700 for electrical services for 11 days of work. This sum only included labor costs, not material. The commission expended another $35,708 at a local electrical supply store for materials. Furthermore, there was no contract for the work, and the O.I.G. said it was not provided with justification and support for over half the payments made to the electrician.

In another stunning case, from August 2015 through May 2016, the Casino Commission decided to pay newly-hired employees $138,413 in advance salaries from the Casino Commission's operating account. The employees' Notices of Personnel Action (NOPA) were not finalized until 3-18 months after they were hired, according to the O.I.G. A NOPA is required before an employee could be paid from the government's ERP payment system. According to the O.I.G., the Casino Commission did not notify the Department of Finance (D.O.F.) of the advance payments, and when the employees' NOPAs were signed and executed, D.O.F. issued retroactive payments to these employees from their effective date of hire.

As a result, employees were overpaid by $52,360 from the Casino Commission's operating account, the O.I.G. said. Months later, the Casino Commission still had not made an effort to collect the overpayment from employees. As of February 10, 2017, none of the employees interviewed had repaid the advances, even though they had received their retroactive payment in May 2016.

Ms. Golden responded to the O.I.G. report last year, diminishing it as a political hit job by former Governor Kenneth Mapp, who she said used the Office of the Inspector General as a tool to "punish" political enemies.

At the time, Ms. Golden said she could not furnish all the requested documents because she was sick and had 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, 2018 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."