The Virgin Islands Consortium

$2.3 Million In Missing WAPA Funds Wired To Offshore Account; FBI Investigates

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The legislative body's Committee of the Whole met in St. Thomas on Wednesday to receive testimony from various agencies regarding Bill No. 33-0072, which appropriates specific sums of money to various government agencies from a $39,467,909 retroactive Medicaid fund paid to the Virgin Islands Medical Assistance Program (V.I.M.A.P.) for the territory's medical facilities.

During the session, when Senator Kenneth Gittens questioned WAPA Executive Director and CEO Lawrence Kupfer about a major financial loss at W.A.P.A., some disturbing information came to light. It was revealed during the session that $2.3 million of WAPA funds had been wired to an offshore account and the Federal Bureau of Investigation (F.B.I.) had been notified and was investigating.

Mr. Gittens acknowledged that while the legislative body and testifiers were there to discuss the bill, “Pandora’s box had been opened.” He asked W.A.P.A. officials to expound on the matter, and the authority’s general counsel, Lorelei Farrington, explained to Mr. Gittens that the incident had been reported to the F.B.I. and there was indeed an ongoing investigation. When Mr. Gittens pressed further, Ms. Farrington explained that approximately $2.3 million was unaccounted for; it had been wired to an offshore account.

“Approximately $2.3 million sent to an offshore account that we cannot account for?” Mr. Gittens asked incredulously. “It was reported to the authorities and is being actively investigated?” he asked. Ms. Farrington confirmed it yet again.

When given another opportunity, Mr. Gittens referred additional questions to Mr. Kupfer. He asked when was the $2.3 million wired to the off-shore account, and Mr. Kupfer said the funds had been wired in two separate transactions to an offshore account in May and June of 2018 respectively. Mr. Gittens asked if W.A.P.A. executives had picked up immediately on the missing wired money. W.A.P.A. general counsel was initially reluctant to respond, but Mr. Gittens assured them that he was not asking any questions that would jeopardize their ongoing investigation.

Ms. Farrington then explained that they were not immediately aware of the May wire to the offshore account, but the June wire was noticed straightaway. She did not specify the amount of each wire, and because there is an ongoing federal investigation in the matter, further questions were tabled. However, Mr. Gittens expressed further on his Facebook page, a social medium he uses to keep his constituents informed, “It is now a full year since these transactions took place and we have very little information. I am urging WAPA to aggressively pursue the return of these funds and work to see that such a thing does not occur again. This is a serious matter. We must take all steps necessary to eliminate waste, fraud and abuse of our resources.”

When Senator Javan James was given the opportunity, he asked Mr. Kupfer if W.A.P.A. had any outstanding lawsuits at the moment. The authority’s general counsel stepped in and expressed that W.A.P.A. was definitely facing a number of outstanding lawsuits, but she did not mention what the lawsuits were about or who the litigants were. Mr. James then told Mr. Kupfer that he knew of a gentleman named Julio Fung that had made cost-saving suggestions to W.A.P.A. executives and inquired as to whether or not the authority had considered any of Mr. Fung’s suggestions.

The Consortium was first to break the news on a lawsuit against W.A.P.A. involving Mr. Fung.

Mr. Fung is one of two W.A.P.A. employees levying serious accusations against W.A.P.A. determining that the semiautonomous entity had lied to the Public Services Commission (P.S.C.), had taken retaliatory action against whistleblowers, and had made bad decisions that caused costs to increase 20-40 percent annually.

Lee Rohn is the attorney representing the two W.A.P.A. employees, Mr. Fung and another litigant, Dwight E. Nicholson (a former lieutenant governor candidate with Soraya Diase Coffelt during the 2018 General Election). Their allegations against W.A.P.A. come at a time when the authority could least afford being painted as a company that harasses employees who don't fall in line with the favored agenda.

Mr. Kupfer was flanked by members of the authority's management team: Noel Hodge, chief operating officer of water systems; Gregory Rhymer, special advisor and assistant to the executive director; Clinton Hedrington, chief operations officer of electrical systems; Lorelei Carrington, general counsel; Debra Gottlieb, chief financial officer; and Joan Fahie, director of pricing and rates and strategic planning.

The $39,467,909 stipulated in the bill is retroactive federal funds resulting from a multi-year account reconciliation and review of several of the territory's health care agencies that V.I.M.A.P. received from Medicaid for fiscal years ending September 30, 2011 through September 30, 2013.

According to the bill, W.A.P.A.'s portion of the appropriated funds total $14,216,200.00 ($9,903,746 from Governor Juan F. Luis Hospital & Medical Center and $4,312,454 from Schneider Regional Medical Center), $8,673,800.00 less than Mr. Kupfer anticipated. He said that the authority is requesting the additional balance. However, Mr. Gittens and the rest of the legislative body were focused on more pressing matters at hand; the missing $2.3 million, bad decisions made by W.A.P.A., and waste, among other things.