The Virgin Islands Consortium

Anne Golden, Stephanie Barnes, Arrested By Feds On Money Laundering And Racketeering Charges; Hearing Set For Wednesday Morning

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Violet Anne Golden, longtime chair of the Casino Control Commission, was arrested Tuesday morning by federal investigators on money laundering and racketeering charges, three people with knowledge of the matter confirmed to The Consortium late Tuesday. An advisement hearing has been set for Wednesday morning at the District Court.

Stephanie Barnes, also employed at the C.C.C., was arrested as well. She too will face her advisement hearing Wednesday.

Ms. Golden's woes began to mount following a damning 2018 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 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 even as 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 audit, in one of the trips, 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. 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.

[Related: Damning Audit Report Shows Casino Commission Paid Electrician $112,700 For 11 Days of Work]

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

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.”

The day after the IG's audit report was released, then-Attorney General Claude Walker filed suit in the Superior Court seeking to remove Ms. Golden from her positions at the C.C.C.

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.”

Then in May, Ms. Golden was holed up in her office refusing to see Department of Justice investigators who were at the C.C.C. to serve her summons documents.