

The Virgin Islands Consortium

Former Hospital Executives Face Second Trial in Fraud and Embezzlement Case; Meanwhile Senate Faces Backlash Over Failure to Fund DOJ's White Collar Crime and Corruption Unit

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Robert Moore **October 15, 2019**



The high-profile retrial of three former Schneider Regional Medical Center executives has drawn additional scrutiny to Virgin Islands lawmakers' decision to cut funding for a white collar crime unit in the VI Department of Justice.

Testimony in the second trial against Amos Carty Jr., Peter Najawicz and Rodney Miller Sr. is expected to resume in VI Superior Court this week. The original 2011 trial ended in a mistrial. The men were charged with multiple counts of embezzlement, fraud, grand

larceny and violations of the Criminally Influenced and Corrupt Organizations Act.

The trial gets underway just as Gov. Albert Bryan, Attorney General Denise George and even some senators called out lawmakers for rejecting a FY2020 budget request to reconstitute a White Collar Crime and Corruption section in the prosecutor's office.

"I am very disappointed that the 33rd Legislature chose to reject and redirect the funding necessary to reestablish and rebuild the previously dismantled *White Collar Crime and Public Corruption Section* of the VIDOJ," Ms. George said in a written statement last week.

The budget decision means the justice department does not have the money for the "aggressive prosecution of white collar crime and corruption," the attorney general said.

Governor Bryan's proposed VIDOJ supplemental budget funded the new positions necessary to begin rebuilding the unit.

"While the Legislature controls the purse strings of this government, it was my hope that it would have chosen to fund the white collar crime and corruption unit as a priority," Ms. George said. "I believe it is unwise to let white collar crime and corruption go unchecked within our government."

Senator Kenneth Gittens expressed similar concerns. He said that a local program to aggressively fight white collar crime would most likely pay for itself.

"When we go after crimes like fraud, corruption and tax evasion it often means we also curtail losses to the government or even gain new revenue," Mr. Gittens said. "For this reason, it is completely counter intuitive to cut funding for programs to combat white collar crimes."

"I commend my colleagues on the Finance Committee for their hard work," Mr. Gittens added. "... (However) cutting funds to fight this kind of wrongdoing is a huge misstep, particularly at a time when we have all these big dollar public and private hurricane recovery projects in play."

The senator said he was "quite concerned" about the lack of adequate funding for the Virgin Islands Inspector General's Office as well, stating that the audits and investigations conducted by the Inspector General's office remain among the most useful tools available in assuring accountability throughout the government.

"We simply can't afford not to fund those entities that are going after waste, fraud, abuse and corruption," Mr. Gittens said.

In the trial of the ex-hospital executives, prosecutors say the trio used secret slush funds and shielded payments in order to embezzle more than \$5.8 million over five years.