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Senators Call for Investigation Into WAPA for Deducting Money From Employees' Salary and Not Passing It on to GERS. 'It's Criminal.'

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Senator Kenneth Gittens wants to see a special investigation conducted into allegations of misappropriation of funds at the V.I. Water and Power Authority, after learning that WAPA had deducted Government Employees' Retirement System contributions from employees' checks and to date has not remitted those deductions to the pension system.

During a Monday hearing at the Earl B. Ottley Legislative Hall, it was revealed that WAPA owed \$2.65 million in employee contributions, including interest and fees. Meanwhile, the authority was behind \$4.9 million in employer contributions, with an outstanding loan balance of \$361,000 from the [suspended G.E.R.S. loan program](#).

Mr. Gittens and several other lawmakers during the Committee of the Whole hearing called the nonpayments criminal and sought immediate corrective action from WAPA.

The senators' angst follows multiple reports on the Consortium regarding the owed payments, including GERS's decision to [prepare a lawsuit against the authority](#), and a WAPA board member [calling the authority's actions illegal](#).

"This matter is serious, it's criminal, hence my request for a special investigator to investigate what is taking place at the authority," said Mr. Gittens. "This matter before us or this discussion as we speak right now is considered criminal and I want to put that on record."

The hearing was to receive testimony on the V.I. Inspector General's [recent audit of the WAPA-VITOL contracting process and transactions](#), and WAPA's response to the audit. The audit delineates practices by a water and power authority that fumbled greatly in its stated goal to lower the power costs of customers when in July 2013 it embarked on a propane conversion project whose original cost was \$87 million, but final total exceeded \$200 million.

Outgoing G.E.R.S. Administrator and CEO, Austin Nibbs, told the G.E.R.S. Board during an April 22nd meeting that the last time a payment was made on behalf of WAPA employees was in June 2021, with G.E.R.S. expressing concern for the impact nonpayments would have on WAPA employees, including those with G.E.R.S. loans. "The policy is after 30 days of nonpayment, a loan becomes delinquent," Mr. Nibbs said. "By law, G.E.R.S. can deduct past payment from the employee's contribution account."

Sen. Alma Francis-Heyliger accused WAPA of engaging in embezzlement and demanded answers on what was being done to fix the problem. "What is being done to fix this criminal act?" she asked Mr. Smith while pointing out that one of her constituents learned of the problem while attempting to refinance her mortgage.

Senate President Donna Frett-Gregory was shocked to learn that WAPA had not remitted employee payments to G.E.R.S. since June 2021. "This is a very, very serious matter," she said. "I understand the employer contributions inability to pay, but you are deducting money out of people's checks... this is very concerning..."

WAPA Board Chairman Kyle Fleming told senators that a payment plan was put in place that will take up to 24 weeks satisfy.

WAPA CEO Andrew Smith said that prior to his arrival at the company, all remittances were suspended and the money was used to pay other bills.

The hearing also sought to learn of the WAPA board's restructuring and turnaround plans to improve efficiency, accountability, reliability, and lower cost to consumers.