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V.I. Dept. of Justice Announces \$105 Million Settlement With Epstein Estate - The Largest in USVI History

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Little St. James, part of the Epstein estate on the east coast of St. Thomas.

V.I. Attorney General Denise George announced Wednesday that the V.I. Dept. of Justice has settled with the Jeffrey Epstein Estate for \$105 million — an amount D.O.J. said is the largest monetary settlement in the history of the Virgin Islands.

The settlement also includes co-defendants Darren K. Indyke and Richard D. Kahn and ten Epstein-created entities.

The settlement sees the V.I. government receiving \$105 million in cash along with half of the proceeds from the sale of Little St. James, the island on which Epstein resided and on which many of his crimes occurred, the V.I. D.O.J. said. The total cash value of the settlement will increase

once the island is sold, the release further stated.

The Estate also agreed to pay \$450,000 to remediate environmental damage around Great St. James, another Epstein-owned island, where the government found that Epstein razed the remains of centuries'-old historical structures of enslaved workers to make room for his development, according to the D.O.J. Total cash payments will be made over a definite time period of no more than one year.



The Dept. of Justice brought civil enforcement claims against the Epstein estate under the Virgin Islands' Criminally Influenced and Corrupt Organizations Act (CICO), the territory's RICO analog. CICO and the Virgin Islands Uniform Prevention of and Remedies for Human Trafficking Act's prohibitions of sex trafficking and sexual servitude are among the strongest in the United States.

"This settlement restores the faith of the People of the Virgin Islands that its laws will be enforced, without fear or favor, against those who break them. We are sending a clear message that the Virgin Islands will not serve as a haven for human trafficking," stated A.G. George. "Through this lawsuit and settlement, the Attorney General's Office, acting on behalf of the Government, is using its authority to enforce the laws of the Virgin Islands against criminal enterprises and to protect public safety. CICO provides to the Attorney General the power to bring civil enforcement actions including the forfeiture of their assets and the imposition of civil penalties and damages, consistent with the law's purpose to curtail their criminal activity and economic and political power in the Virgin Islands. That is our solemn responsibility as a government, separate and independent of any claims filed by individual survivors."

In a statement issued Wednesday night, Attorney Gordon Rhea, who represented the co-executors of the Estate of Jeffrey Epstein, acting on behalf of the Estate, said, "The Government filed its initial complaint in January 2020, and the case has been vigorously litigated in the nearly three years since that filing. The settlement does not include any admission or concession of liability or fault by the Estate or any other parties, and the Co-Executors deny any allegations of wrongdoing on their part.

"The Co-Executors ultimately concluded that the settlement is in the best interests of the Estate, including its creditors and claimants, to avoid the time, expense and inherent uncertainties of protracted litigation. The settlement is consistent with the Co-Executors' stated intent and practice since their appointments to those roles -- to resolve claims related to any misconduct by Jeffrey Epstein in a manner sensitive to those who suffered harm.

"They did so with the development of and successful conclusion to the Epstein Victims Compensation Fund -- through which the Estate paid over \$121 million to 136 individuals -- and continue to do so with their settlement of these claims. The Estate intends to meet all of its obligations under the settlement, and to the extent permitted by and consistent with the Co-Executors' fiduciary responsibilities, will wind down its remaining activities in the USVI as soon as practicable."

According to the D.O.J., the settlement also will return to the Virgin Islands more than \$80 million in economic development tax benefits that Epstein and his co-defendants fraudulently obtained to fuel his criminal enterprise. The government alleged that Southern Trust Company, an Epstein company, made fraudulent misrepresentations to the Virgin Islands Economic Development Authority regarding its qualifications for EDC tax benefits. Southern Trust fraudulently induced the EDC to provide such tax credits having relied upon the false representations.

The Virgin Islands alleged the co-defendants conspired with Epstein in carrying out an expansive criminal enterprise, the "Epstein Enterprise," through which dozens of young women and children were trafficked, raped, sexually assaulted, and held captive in the Virgin Islands at Epstein's secluded private island, Little St. James. Participants in the Epstein Enterprise used deception,

fraud, and coercion to entice and lure vulnerable girls and young women into human sex trafficking with promises to help them and their families pay for school, health care, or other financial needs. Epstein, along with other associates, used property and companies in the Virgin Islands to carry out and conceal his scheme.

Under the Settlement agreement, the Estate will sell Little St. James and Great St. James to independent third parties to fund its settlements, terminating Epstein's ownership of property in the Virgin Islands and ensuring that the islands cannot be used for illicit purposes by those associated with Epstein, the D.O.J. said. The Estate has also agreed to wind down its business operations in the U.S. Virgin Islands and to provide documents to assist the Government's ongoing investigations.

According to the release, the settlement terms require that the government dedicate the proceeds from the sale of Little St. James exclusively to a trust created by the Government of the U.S. Virgin Islands to fund projects, services, counseling programs, organizations and activities that help Virgin Islands residents or inhabitants who are victims of sexual assault, human trafficking, sexual misconduct, and child sexual abuse.

In addition, according to the terms of the agreement, a portion of the settlement proceeds shall be directed by the Government to the credit of the Department of Justice and placed in a special fund for costs and expenses of its operations, investigations and prosecution of crimes, civil enforcement of violations of Virgin Islands law and any other matter under the jurisdiction of the Attorney General of the U.S. Virgin Islands.

D.O.J. said that throughout its investigation and litigation, the government has worked to bring to light the conduct of Epstein and his enablers and co-conspirators and to preserve and protect compensation for victims and assure victims' rights. The Attorney General's Office placed CICO Criminal Activity Liens on various accounts related to Jeffrey Epstein to ensure the Estate did not improperly dispose of or dissipate assets that were required to satisfy the Government's claims on behalf of the people of the Virgin Islands and the claims of Epstein's victims.

Regarding victims' rights under Virgin Islands law as a priority, the Government, at the commencement of its action, promptly intervened in the initial victim compensation fund proposed by the Estate, as it included broad releases that were not in the best interest of the victims, did not protect their confidentiality, and did not have independent fund administrators to act on their behalf throughout the process, D.O.J. said. Through the Government's intervention, an experienced advocate was retained to assist victims in navigating the process and provide informed assistance to the fund administrators.

"I am pleased that earlier this year, the fund and its independent administrator awarded nearly \$125 million to approximately 150 women abused by Epstein, satisfying all of the victims' claims under the compensation program," Ms. George said.

She emphasized the government's gratitude for the cooperation of brave women who survived Epstein's abuse and were willing to share their own personal experiences to assist the Government's ongoing investigation, and their counsel who have advocated fiercely for their clients.

The Government also acknowledged the assistance of other individuals and entities that provided information. "At the very start of the case, I was so honored to have met with three very courageous young women who were trafficked and sexually exploited on Little St. James by Jeffrey Epstein, in my St. Thomas office, where I listened to their chilling and horrific experiences

at the hands of Epstein and his associates. Our work has been inspired, humbled, and fortified by the strength and courage of all of those who survived Epstein's abuse. I am grateful to Epstein's survivors and their attorneys for their cooperation throughout the investigation," Ms. George said.

She added, "We owe it to those who were so profoundly hurt to make changes that will help avoid the next set of victims. Through this settlement, and with their help, we will turn millions of dollars towards education, victim advocacy and support, and law enforcement."

According to the release, A.G. George acknowledged what the release described as the dedicated work of her extraordinary team of attorneys for their relentless dedication and outstanding work in what is believed to be the largest monetary settlement in the history of the Virgin Islands: from the Virgin Islands Department of Justice -- Chief Deputy Attorney General Carol Thomas-Jacobs, Civil Division Chief Attorney Ariel Smith, Solicitor General Pamela Tepper -- and additionally, the law firm of Motley Rice.

She also expressed gratitude to Governor Albert Bryan, who appointed her in 2019, for his commitment to ensure that justice was done. Attorney General George also expressed her appreciation for the cooperation of the New York Department of Financial Services.

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