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JP Morgan Pushes Back Against USVI, Says Territory Lavished Epstein With Lucrative Privileges Even as a Sex Offender

Government / **Published On February 03, 2023 04:55 PM /**

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JP Morgan Chase, the banking behemoth [currently being sued](#) by the USVI, has responded by calling the territory's case "legally meritless."

Through the office of the Attorney General, the USVI has accused JP Morgan of facilitating deceased financier Jeffrey Epstein's illicit sex trafficking activities through its lax oversight of its one-time client's over 50 bank accounts held with the institution.

The territory claims James Staley, former CEO of private banking at JP Morgan, had an unduly close relationship with Mr. Epstein, one which the complaint filed by the USVI called a "profound friendship." The pair reportedly exchanged somewhere in the region of 1200 emails, and the bank

did not move to terminate its banking relationship with Epstein until Staley left his post in 2013.

Staley's relationship with Mr. Epstein followed him to his next appointment as CEO of Barclays Bank, from which he stepped down in 2021 following an investigation into his relationship with Epstein by UK regulatory authorities. The USVI sought and received permission from the courts at the beginning of this week to [seek documents from Barclays](#) pertaining to the issue.

However, the bank's [Memorandum of Law](#) attached to its motion to dismiss the civil suit calls the idea that JP Morgan in any way participated in Mr. Epstein's criminal activities an "untenable theory."

Attorneys for JP Morgan Chase argue that the USVI's lawsuit is riddled with fatal flaws. Among other things, they claim that the territory lacks standing, and further that the Virgin Islands is arguing claims on the basis of local laws including the Virgin Islands Criminally Influenced and Corrupt Organizations (CICO) Act and the Virgin Islands Consumer Fraud and Deceptive Business Practices Act, which the bank's lawyers argue do not apply to JP Morgan's conduct in New York City.

JP Morgan called the USVI's lawsuit a "masterclass in deflection," as the bank claims that the territory had access to the same information and claims which it says the bank should have acted upon. However, even with access to that information and more, and even with Epstein registered as a 'Tier 1 sex offender' in the USVI, the territory did nothing. "To the contrary, during the same period, USVI granted Epstein and his businesses lucrative privileges and massive tax incentives," the memo asserts.

A massive settlement between Epstein's estate and the USVI includes the repayment of approximately \$80 million in benefits received under the USVI's Economic Development Commission programs.

JP Morgan Chase has asked the presiding judge to dismiss the suit "with prejudice," even as it cost former Attorney General Denise George her job.

Days after the civil suit was filed, George was fired by Governor Albert Bryan Jr., who said he had been kept in the dark about his attorney general's decision. Carol Thomas-Jacobs, who was at the time of Ms. George's departure, [is now acting as Attorney General](#) and representing the USVI in the suit against JP Morgan Chase.