

The Virgin Islands Consortium

V.I. Senate Approves Rezoning for St. Thomas Developer Who Paid \$500,000 Fine and Pleaded Guilty Two Years Ago in Scheme to Defraud the Gov't

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Robert Moore **January 30, 2020**



ST. THOMAS — The Senate approved the rezoning of [a small St. Thomas hotel](#) proposed by a developer who, two years ago, paid a \$500,000 fine and pleaded guilty to playing a key role in a scheme to defraud the government of the Virgin Islands through rigged public auctions.

In a frenzy of legislative activity Wednesday, the Senate approved 18 bills and sent the measures along to the governor for final enactment.

Developer Paul Sabers, along with relative Jonathan K. Sabers, are identified in various documents as the managing members and organizers of Isolara Morningstar LLC and MMS LLC, two companies seeking final approvals for a \$13 million hotel in the Estate Bakkeroe area of St. Thomas.

Senator Janelle Sarauw was the only lawmaker to vote against approving the rezoning for the small hotel. Senators Kenneth Gittens and Oakland Benta were absent.

In 2015, the Virgin Islands Department of Justice charged Paul Sabers and three other men with conspiracy, embezzlement, grand larceny and other crimes related to a scheme to manipulate public auctions of tax delinquent properties. Mr. Sabers pleaded guilty to reduced civil charges, and paid a \$500,000 fine imposed under the Criminally Influenced and Corrupt Organizations (CICO) statute. He received a suspended jail sentence of 90 days, supervised probation for a year and 100 hours of community service.

In the meantime, the Senate forwarded a series of other bills to the governor for consideration, including:

- Bill No. 33-0136 – A Resolution honoring and commending Valrica Miranda Bryson for her contributions to the Virgin Islands school system, her mentorship of Virgin Islands youth, and her many years as a music educator.
- Bill No. 33-0208 – An Act approving the Lease Agreement between the Government of the Virgin Islands and Panyard People, Inc. for Parcel No. 92 Remainder Submarine Base, No. 6 Southside Quarter, St. Thomas.
- Bill No. 33-0212 – An Act approving the Lease Agreement between the Government of the Virgin Islands and Universal Concrete, LLC for Parcel No. 149B Submarine Base No. 6 Southside Quarter, St. Thomas, Virgin Islands.
- Bill No. 33-0258 – An Act to rezone Parcel Nos. 42 and 67 Estate Smith Bay Nos. 1, 2, & 3 East End Quarter, St. Thomas, from R-3 (Residential-Medium Density) to B-(Business Scattered).
- Bill No. 33-0259 – An Act granting a zoning use variance for Parcel Nos. 2A-1 and 2A Remainder Estate Bakkeroe No. 5 Frenchman's Bay Quarter, St. Thomas, Virgin Islands, to allow for hotel, restaurant, and pool bar.
- Bill No. 33-0260 – An Act to rezone Parcel No. 19-2-104 Estate Smith Bay Nos. 1, 2, & 3 East End Quarter, St. Thomas, from A-1 (Agricultural Zone) to R-3 (Residential-Medium Density).
- Bill No. 33-0034 – An Act amending Title 23, chapter 19, subchapters I and III of the Virgin Islands Code relating to benefits and insurance coverage for officers and members of the National Guard of the Virgin Islands, to provide for pay comparable to those serving in the armed forces to the United States and to ensure that the territorial active-duty members have insurance to cover any illness or injury sustained while on active duty not covered by other health insurance coverage.
- Bill No. 33-0037 – An Act requiring the Department of Planning and Natural Resources ("DPNR") to identify and rehabilitate five (5) existing ponds in the St. Croix District and two (2) existing ponds in the St. Thomas District to capture stormwater runoff to be used primarily by farmers, allowing DPNR to seek assistance from the USDA Natural Resources Conservation Service, and requiring that DPNR maintain the rehabilitated ponds.
- Bill No. 33-0065 – An Act requiring the Department of Agriculture to establish and implement a Well Drilling Unit Program
- Bill No. 33-0069 – An Act amending Title 3,

chapter 1 of the Virgin Islands Code relating to the issuance of and usage of government credit cards.

- Bill No. 33-0127 – An Act posthumously honoring and commending the men and women who lost their lives while serving in the United States Armed Forces; naming the roundabout road circle located in downtown Cruz Bay, St. John “The Veterans Circle”; and appropriating \$20,000 to the Virgin Islands Council of the Arts to commission a monument in memory of the veterans.
- Bill No. 33-0145 – An Act amending Title 2, chapter 2, section 22 of the Virgin Islands Code by requiring the Director of Management and Budget to conduct a mid-year review and budget and to report the review findings to the Chair of the Committee on Finance and the Post Audit Division of the Legislature.
- Bill No. 33-0189 – An Act amending Title 3, chapter 7 of the Virgin Islands Code by designating the existing sections as subchapter I and adding a new subchapter II establishing the Virgin Islands Virtual Information System.
- Bill No. 33-0190 – An Act amending Title 3, chapter 13, section 218(a) and Title 21, chapter 2, section 103 of the Virgin Islands Code transferring various duties and responsibilities from the Department of Property and Procurement and to the Virgin Islands Housing Finance Authority.
- Bill No. 33-0251 – An Act amending Title 27, chapter 1 of the Virgin Islands Code to allow licensed Doctors of Podiatric Medicine to supervise physician assistants.
- Bill No. 33-0263 – An Act appropriating Title 34 of the Virgin Islands Code by adding chapter 18 enacting “The Virgin Islands Medicaid Program Integrity Act.
- Bill No. 33-0264 – An Act appropriating \$500,000 from the Internal Revenue Matching Fund to the Caribbean Drag Racing Association for infrastructure improvements at the St. Croix Motor Sports Complex, requiring that the Caribbean Drag Racing Association complies with the requirements under 2 V.I.C.
- Bill No. 33-0265 – An Act amending Act No. 8245 (Bill No. 33-0157 by amending appropriations made for the operating of the Government of the Virgin Islands during Fiscal Year October 1, 2019, to September 30, 2020.
- Bill No. 33-0266 – An Act appropriating \$2,142,199 from the General Fund to the GERS-3% Increase to Employer’s Contribution balance in the Miscellaneous section of the FY 2020 budget for the payment of the 3% increase to the Employer Contribution Rate; effective January 1, 2020.
- Lawmakers voted to send back to the committee of jurisdiction:
- Bill No. 33-0064 – An Act approving \$500,000 from the Anti-Litter and Beautification Fund to the Virgin Islands Waste Management Authority to be used exclusively for the purchase of surveillance cameras to be installed at selected bin sites.

The Senate passed the Isolara Morningstar LLC hotel project above the strong opposition of nearby residents who fear the devaluing of nearby homes by bringing trash, health and safety concerns, late-night traffic and bars, and a permanent change to the character of the tight-knit community.

The hotel developer, Mr. Sabers and three co-conspirators were arrested in November 2015 on a series of criminal charges involving the rigging of auction bids between 2012 and 2013. Also charged were Ed McKenzie, former Chief Enforcement Office for the Tax Assessor, Calford O. “Cappy” Charleswell, and Sylvester Warner of the Waste

Management Authority.

The Justice Department alleged that Sabers, McKenzie, Charleswell and Warner conspired to inflate the price to ensure that Mr. Sabers received property after the highest bidder was unable to make the down payment.

Mr. Sabers and the three others ultimately pleaded guilty.

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