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Cost-U-Less Defends Timing of Job Lay-Offs as Being in Compliance With V.I. Labor Laws; Business Has Not Returned to Pre-Storm Levels, Company Officials Say

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Cost-U-Less store in St. Thomas following its reopening in November 2019, after being badly damaged by Hurricane Irma in 2017. By. ROBERT MOORE/VI CONSORTIUM

ST. THOMAS — Cost-U-Less officials say slow sales is the reason the company laid-off 14 employees, or 10 percent of its local workforce, just as they were eligible to collect full-time benefits.

“ ... Business has not rebounded to levels prior to our temporary closure due to Hurricane Irma in 2017,” said Derek Reimer, director of business development for The North West Company, the Canadian company that owns Cost-U-Less and five other warehouse-type stores across the

Caribbean, Canada, Alaska and the south Pacific islands.

“When we re-opened in November 2019, it was our intent for all employees to be hired on a permanent basis, however current operating results could not support these costs,” Mr. Reimer said in a written statement Friday.

The timing of the lay-offs led Virgin Islands Senator Donna Frett-Gregory to call on the V.I. Department of Labor to investigate why the workers were sent packing one day before their 90-day probationary period ended, rendering them ineligible for fringe benefits.

Ms. Frett-Gregory, chair of the Senate Committee on Education and Workforce Development, said she was concerned that, among other things, employees told her they were given no advanced notice they would lose their jobs.

“It’s clear they were caught completely off guard,” Ms. Frett-Gregory. She said the impacted workers told her they were given benefits packages, including health care coverage, one week before they were let go from their jobs. “That is most concerning,” she said.

The senator implied that the lay-off process may have violated territory labor laws. “It is important for us to protect our residents from unfair labor practices and hold those in violation of our labor laws accountable,” she said.

Mr. Reimer said the company’s actions were in accord with all workforce laws and rules. “All layoff notices were compliant with local labor regulations and those impacted will be eligible for re-hire when market conditions recover,” he said.

Cost-U-Less — for years a fixture in the St. Thomas community — was heavily damaged in Hurricane Irma two years ago. It [reopened to great fanfare](#) in November in a newly constructed warehouse-style store on Weymouth Rhymer Highway.

The long-awaited Cost-U-Less reopening day was festive. Shoppers lined up in the early morning hours to be the first in the building. Hundreds of shoppers were on hand to celebrate the store’s return – and, of course, to find bargains.

“When we re-opened in November 2019, it was our intent for all employees to be hired on a permanent basis,” Mr. Reimer said. “However current operating results could not support these costs. We remain committed to offering Virgin Islanders with the value offer they deserve and supporting our employees as evidenced by the substantial investment we made in our brand new store and the re-hiring of the majority of former employees after re-opening.”

Ms. Frett-Gregory said the laid-off employees were never told back in November that their jobs were temporary. “Had the employees been informed, they would have had time to look for other jobs, or, had Cost-U-Less reached out, they would now have access to services provided through the Department of Labor to assist employees in this transition.”