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V.I. Department of Labor Launches Investigation Into Sudden Downsizing at Cost-U-Less

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ST. THOMAS — Virgin Islands Department of Labor Commissioner Gary Malloy said his department has launched an investigation into the sudden lay-offs of more than a dozen Cost-U-Less employees just as they became eligible for full fringe benefits.

Beginning Monday, “special accommodations will be made between the hours of 2PM-5PM to assist, solely, the affected individuals from the Cost-U-Less St. Thomas lay-off,” Mr. Malloy said in a departmental press release Saturday.

The labor department will continue to collect statements and provide services to Cost -U-Less employees throughout the week during regularly scheduled office hours, the release said.

At issue is the popular warehouse-style retailer's job action last week when it said 14 workers were laid off due to slow sales.

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 around the time their 90-day probationary period ended, apparently rendering them ineligible for fringe benefits.

Ms. Frett-Gregory questioned whether the timing of lay-offs violated territorial labor laws.

Cost-U-Less officials denied any laws were broken. All layoff notices were compliant with local labor regulations and those impacted will be eligible for re-hire when market conditions recover," said Derek Reiner, Director of Business Development for the North West Company, the Canadian company that owns Cost-U-Less and similar stores throughout the Caribbean.

The labor department said more information on employer laws regarding downsizing compliance can be found in 24 V.I.C. § 472. To contact the VIDOL on St. Thomas, call (340)776-3700. To contact the St. Croix District, call (340)773-1994.