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Unauthorized Use of Money from General Fund to Pay Vitol Infuriates Senators

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From left to right: Personnel Director Joss Springette, ODR Director Adrienne L. Williams-Octalien, OMB Director Jenifer O'Neal, BIR Director Joel Lee. By. V.I. LEGISLATURE

Lawmakers who make up the 35th Legislature were left outraged after discovering that \$45 million to pay a portion of WAPA's debt to Vitol was withdrawn from the general fund without legislative approval. The intended line of credit, meant to facilitate the transaction, has yet to be established.

On April 5, Jenifer O'Neal, director of the Office of Management & Budget, testified in a [special Senate session](#) advocating for legislation permitting the government to create credit facilities at

local banks. The [initial bill proposed a \\$150 million sum](#), however, the final legislation approved by the Senate in mid-April [lowered this amount](#) to \$100 million.

Throughout the debate, senators raised concerns over the proposed \$45 million to be taken from this line of credit, intended as bridge financing for the Water and Power Authority. The initial plan was to use the credit line to fund the first \$45 million payment due to Vitol on April 14. This payment would then presumably be reimbursed once WAPA received federal grant funds, covering the total \$145 million settlement. The fear among many senators was that should the federal grant not materialize, the taxpayers of Virgin Islands would be left with the financial fallout resulting from WAPA's mismanagement.

However, Ms. O'Neal revealed in the Senate Committee on Budget, Appropriation and Finance hearing on Wednesday that the line of credit is still weeks away from being accessible. In lieu of these funds, the \$45 million payment to Vitol was taken from the territory's general fund. She reassured the legislators that these funds would be restored to the general fund once the credit line is approved.

Senators were not appeased by this justification. Senator Alma Francis-Heyliger expressed her frustration, stating, "Someone went ahead without the authorization of this body...took \$45 million out of our general fund, the legislature didn't give the right to do so."

Committee Chair Senator Donna Frett-Gregory questioned the impact of this \$45 million deficit on the government's ability to pay vendors. To this, OMB director admitted, "We have not released new refunds, etcetera."

Ms. O'Neal also announced an upcoming application to the Department of Housing and Urban Development (HUD) for the remaining \$145 million to be submitted for preliminary consideration. A decision from HUD is expected in July.

Despite assurances, Senator Frett-Gregory criticized the government finance team for earlier claims that the \$45 million was a "sure shot." The senator stressed, "To hear today that we are having a June 9 discussion regarding the application is extremely concerning."

However, Ms. O'Neal remained optimistic, affirming that they were on target to receive approval from HUD before the August deadline for the next payment to Vitol. Even so, there's a possibility that HUD would not approve the funding.

Responding to the situation, Senator Frett-Gregory issued a stern warning to the executive branch: "Do not come back down here for that money."