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Depositions Expose Weak Enforcement in Epstein's Case by USVI Authorities

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Little St. James was once part of the Epstein estate on the east coast of St. Thomas

Despite rumors, innuendo, and newspaper reports swirling about Jeffrey Epstein and his alleged crimes involving the sexual abuse and trafficking of women and girls, no investigation into his activities was ever launched by a territorial law enforcement of government agency. Meanwhile, neither the Economic Development Commission nor then-Governor John de Jongh were concerned about the optics of a sitting governor signing off on decisions relating to a company for which his wife worked. Additionally, former First Lady Cecile de Jongh was clueless about the potential true nature of the relationship between her employer, Jeffrey Epstein, and the young women he associated himself with.

Those are some of the takeaways from the depositions of a swath of former and current USVI government officials who spoke in connection to a civil lawsuit brought against JPMorgan by the Government of the Virgin Islands, in which the GVI is seeking at least \$150 million in damages from the bank. The USVI alleges that JPMorgan turned a blind eye to massive red flags raised by the financial dealings of one of their most lucrative private banking and investment clients.

On July 13, attorneys asked former Attorney General Vincent Frazer if he could have, with valid law enforcement reason, found out who was with Epstein on his private jet as it flew in and out of the territory. “I imagine I could,” said Mr. Frazer. Did he ever try? “No.”

“Who may have flew in with him on his private jet, the Government of the Virgin Islands officials would not know,” Mr. Frazer continued. “U.S. Customs and Border Patrol would know. But they’ve never indicated that they had any reason, any suspicions as to who was coming in with him and going out with him.”

Apart from not trying to gain information about Epstein’s travel companions, neither did the VIDOJ try to conduct any enhanced scrutiny of Epstein or his private island. In her deposition, taken on July 18, then-coordinator of the sexual offender registry program at the VI Department of Justice, Shani Pinney, said that a coalition of local and national agencies – the VIPD, the U.S. Marshals Service, and the VIDOJ among them – decided via consensus that because Epstein owned the entirety of Little St. James, the dock to the island was like his front door. Officials who turned up for sex offender registry address verification sweeps could go no further than the dock without explicit invitation by Mr. Epstein or his staff, Ms. Pinney said, because the address verification check did not have the power of a search warrant. This consensus was reached after local authorities tried and failed to get clarity by the federal Department of Justice on the issue, she indicated.

However, she noted that the waivers granted to Epstein by the VIDOJ were indeed unusual. “If other offenders were granted this, I would have been aware, since I was registering the offenders,” Pinney said. However, Mr. Frazer asserted that his agreement in waiving some of the reporting requirements for Epstein was reasonable based on the representations of his [Epstein’s] attorneys, and that said concessions did not enable Epstein’s sex trafficking activities. “Our job was to monitor his presence within the territory or out of the territory. What he does while he’s out of the territory we have no way of knowing....When he is in the territory, what he’s doing in his home, we are not aware of.”

When asked whether VIDOJ had begun looking into allegations against Epstein after news reports about his conduct began to emerge following his first arrest, Ms. Pinney said that because “there were no written concrete allegations that were submitted to VIDOJ,” the agency did not move to implement any increased scrutiny over Epstein. Ms. Pinney, who was deposed on July 18, said that neither former Governor John de Jongh or former First Lady Cecile DeJongh reached out to anyone involved in sex offender monitoring at DOJ regarding Epstein.

In her first deposition on May 26, Margarita Benjamin, current executive director of the VI Economic Development Commission, said that she did not hear any concerns raised from EDC board members that then-Governor de Jongh was directly signing off on benefits given to a company managed by his wife. Neither was the board concerned about Epstein’s criminal conviction, she stated. “It was not based on our law connected to the business activity,” she explained. “If the criminal activity was not connected to the business activity, then it was two different issues. It’s a personal issue versus one related to the business operation,” Ms. Benjamin said, citing Title 29, Chapter 12 Section 722 as the guidance on when a company or its owner is

found with any criminal offenses. Paragraph 4 of Section 722 provides for the revocation, suspension or modification of an economic development certificate only when the beneficiary or a corporate officer “has been convicted of a felony connected with the operation of the beneficiary's business or industry.” With no reason to think that Epstein’s charge of solicitation of a minor for the purpose of prostitution was connected to his business activities, there was no basis for the EDC to launch an investigation, Ms. Benjamin said.

Meanwhile, in his deposition, provided on June 6, Governor Albert Bryan, who served as chair of the EDC during the time Epstein’s local companies were receiving EDC tax benefits, said that while the commission had access to non-public financial information such as earnings projections or reviews from companies under their remit, the board did not have access to granular information on cash flows, such as the recipients and amounts of fund transfers.

Mr. Bryan argued the importance – then and now – of attracting high net worth individuals to live and work in the Virgin Islands, because they “contribute, you know not only with direct taxation, but those people have boats. They want to maintain them. They have housing staff. They do catering. They have parties. They buy planes. All of that contributes to our economy.”

However, he flatly denied ever being willing to break the laws of the territory in order to attract these crucial high net worth individuals to the USVI. “Absolutely not,” said Mr. Bryan.

From her perspective at the time as wife of the sitting Governor, Cecile de Jongh told attorneys conducting her deposition on May 29 that she was “not aware” of any occasion where her husband recused himself from an issue regarding Epstein.

She said that she contacted her boss after she learned about his first arrest on the news. “What the hell is going on,” she says she asked him. Epstein claimed that it was an error in judgment, she recounted, saying he thought the person in question was older. “I’ve learned my lesson,” Mrs. de Jongh said Epstein had told her at the time, vowing that a similar incident would never happen again. “I just thought that if I could look someone in the eye, I like to tell the truth, and I figured that he was going to tell me the truth,” she said.

Afterwards, when she learned that Epstein would have to register as a sex-offender, she said she had a heart-to-heart discussion with her 17-year old son, who was just getting ready to go to college. “Don’t date anyone younger,” she recalled warning him. “Just...be on your P’s and Q’s...this is the rest of your life you’re talking about.”

Apart from the initial confrontation, Mrs. DeJongh said that she had no further discussions with her employer about the case or the events leading up to his arrest. “I never had a conversation with him about it, no.” She said she was unaware of the rumors that he’d been bringing young women to Little St. James until at least 2019, when the Miami Herald began publishing the results of its investigative reporting on Epstein.

Instead of speaking directly to Epstein on the matter, Mrs. de Jongh said she emailed Darren [Indyke], who told her there was no truth to the reporting. She herself had seen only two young women around Epstein – his assistant Sarah Kellen and Karyna, who he called his girlfriend – both in their twenties, she said.

“I am thinking he is just trying to be helpful to people,” stated Mrs. de Jongh when reminded about Epstein’s inquiries into enrolling three young women in an ESL class offered by the University of the Virgin Islands. Mrs. de Jongh described his generous treatment of the staff, whom he assisted with flights and logistics if their parents passed away, and the use of his

resources to help people fly supplies to their families in Haiti. “That’s what I was thinking, that’s what he does,” said Mrs. de Jongh. “So I had no reason to believe that he was doing anything untoward with those ladies.”

Of the young women that came into the office on occasion, de Jongh said that because they appeared to be autonomous in their movements, she never suspected that they could possibly be trafficked. “I just thought that they were...girlfriends...that they were doing all of this under their free will.”

In hindsight, she says she should have perhaps looked a little closer at the women she met as part of Epstein’s circle of associates. “If somebody is introduced as somebody’s girlfriend, I took it as face value that that’s their girlfriend,” she mused. “Maybe some alarm bells would have gone off with what I know today.”

The depositions form part of a huge pile of over 300 exhibits which the government of the Virgin Islands believes will help to persuade Judge Jed Rakoff to rule in their favor in the request for partial summary judgment on two counts of the complaint against JPMorgan ahead of the beginning of the trial. Oral arguments on the issue are scheduled for August 18.