

# Virgin Islands Casino Control Commission

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## Virgin Islands Casino Control Commission

**Fiscal Year 2021**

**Budget Presentation**

**Before the**

**Thirty-Third Legislature of the Virgin Islands**

**Committee on Finance**

**Earle B. Ottley Legislative Hall**

**St. Thomas, Virgin Islands**

**July 10, 2020**

**12:30 PM**

**Usie R. Richards  
Acting Chairman**

**GOOD AFTERNOON MR. CHAIRMAN, MEMBERS OF THE THIRTY-THIRD LEGISLATURE COMMITTEE ON FINANCE, OTHER MEMBERS OF THE LEGISLATURE PRESENT, STAFF AND LISTENING AUDIENCE.**

**FOR THE RECORD, MY NAME IS USIE R. RICHARDS, AND I AM THE VICE-CHAIRMAN AND ACTING CHAIRMAN OF THE VIRGIN ISLANDS CASINO CONTROL COMMISSION. ACCOMPANYING ME TODAY IS COMMISSIONER STACY A. BOURNE, THE SECRETARY/TREASURER OF THE COMMISSION AND THE EXECUTIVE DIRECTOR BARBARA JAMES-PETERSEN.**

**WE THANK YOU FOR THE OPPORTUNITY TO PRESENT AND DISCUSS THE FISCAL YEAR 2021 BUDGET REQUEST FOR THE COMMISSION.**

**THE COMMISSION IS RESPONSIBLE FOR THE REGULATION OF CASINOS PURSUANT TO THE VIRGIN ISLANDS CASINO AND RESORT CONTROL ACT OF 1995 (ACT NO. 6069), INTERNET GAMING AND GAMBLING PURSUANT TO THE VIRGIN ISLANDS INTERNET GAMING AND GAMBLING ACT (ACT NO. 6419), RACINOS PURSUANT TO THE VIRGIN ISLANDS HORSE RACING INDUSTRY ASSISTANCE ACT OF 2011 (ACT NO. 7318), AND CASINO IV ESTABLISHMENTS (ACT NO. 7702) WITHIN THE ENTERPRISE ZONES OF CHRISTIANSTED AND FREDERIKSTED. THESE STATUTES, AND ALL RELEVANT AMMENDMENTS, ESTABLISHES THE BASIS FOR THE GOVERNANCE AND OPERATIONS OF THE COMMISSION AND ITS STAFF.**

## FINANCES

THE COMMISSION HAS FOUR (4) FUNDING SOURCES: (1) THE GENERAL FUND FOR EMPLOYEE SALARIES ONLY, (2) THE CASINO CONTROL REVOLVING FUND PURSUANT TO 32 VIC §514, WHICH WAS AMENDED BY ACT NO. 7643, AND MOST RECENTLY BY SECTION 4 OF ACT NO. 8184. THIS ACCOUNT IS FUNDED IN THE SAME MANNER AS THE FORMER REVOLVING FUND, NAMELY BY CASINO AND CASINO EMPLOYEE LICENSE FEES, FINES AND OTHER FEES IMPOSED BY LAW OR THROUGH REGULATION BY THE COMMISSION, (3) THE CASINO REVENUE FUND PURSUANT TO 32 VIC §517 WHICH IS FUNDED BY THE TEN PERCENT (10%) TAX ON GROSS REVENUES FOR DIVI CARINA BAY CASINO AND RESORT, AND VIGL-CRG, COMMONLY REFERRED TO AS CARAVELLE HOTEL AND CASINO. A TWELVE PERCENT (12%) TAX ON GROSS REVENUES WILL BE REINSTATED DURING THE SECOND QUARTER OF FY 2021 FOR DIVI CARINA BAY CASINO AND RESORT, AS PER SECTION 13(b) OF ACT 7952. THE COMMISSION RECEIVES A MERE 10% OF THESE TAXES, WITH 90% ALLOCATED TO OTHER GOVERNMENTAL DEPARTMENTS OR AGENCIES, IN ADDITION TO NOT-FOR-PROFIT ENTITIES, AND (4) THE HORSE RACETRACK CASINO REVENUE FUND PURSUANT TO 32 VIC §901.

AS IT RELATES TO THE GENERAL FUND, FOR THE COMMISSION'S PERSONNEL, THE TOTAL SUM WE ARE REQUESTING IS \$823,000, WHICH REPRESENTS THIRTEEN (13) EMPLOYEES WITH TWO (2) VACANCIES. THE VACANT POSITIONS ARE THE CHAIRMAN/CEO OF THE COMMISSION, AND A CASINO INSPECTOR I POSITION. THE CHAIRMAN/CEO POSITION IS MANDATED BY STATUTE AND THIS EMPLOYEE ADMINISTERS THE OPERATION AND EXECUTES THE DECISIONS OF THE

**COMMISSION. THE CASINO INSPECTOR I POSITION NEEDS TO REMAIN FUNDED TO ENSURE APPROPRIATE COVERAGE OF THE CASINOS, ONCE THE COMMISSION APPROVES THE SECOND PHASE RE-OPENING OF THE CASINOS. WE HAVE INSERTED BELOW OUR CURRENT EMPLOYEE LISTING:**

Name	Position	Current Salary	Activity Center	Funding	Retirement	Classification
<b>VACANT</b>	Chairman/CEO	\$105,000	STX	General	Yes	unclassified
Richards, Usie R.	Commissioner	\$100,000	STX	General	Yes	unclassified
Bourne, Stacy A,	Commissioner	\$100,000	STT	General	Yes	unclassified
James-Petersen, Barbara	Executive Director	\$ 80,000	STX	General	Yes	unclassified
Henry E, Schjang	Special Assistant for Licensing & Compliance	\$ 65,000	STX	General	Yes	unclassified
Smith, Romesha	Executive Assistant	\$ 60,500	STX	General	Yes	unclassified
O'Reilly, Daren H.	Archive Technician	\$ 52,000	STX	General	Yes	unclassified
Henry, Masai	Senior Casino Inspector	\$ 52,000	STX	General	Yes	unclassified
Browne, Sean	Casino Inspector II	\$ 48,200	STX	General	Yes	unclassified
Luis, Jr., Juan	Casino Inspector II	\$ 47,000	STX	General	Yes	unclassified
Womack, Cheray	Casino Inspector I	\$ 45,000	STX	General	Yes	unclassified
<b>VACANT</b>	Casino Inspector I	\$ 36,300	STX	General	Yes	unclassified
Rodriguez de Garcia, Claridilia	Custodial Worker	\$ 32,000	STX	General	Yes	unclassified
Total Personnel Costs		<b>\$823,000.00</b>				

**THE CASINO CONTROL REVOLVING FUND IS A SPECIAL CHECKING ACCOUNT THAT SERVES AS A DEPOSITORY OF MONIES COLLECTED FROM ALL LICENSE, REGISTRATION, PERMIT, FINES, PENALTIES, AND OTHER FEES, ALL SUMS APPROPRIATED THERETO BY THE LEGISLATURE OF THE VIRGIN ISLANDS, AND ALL DONATIONS, GIFTS AND BEQUESTS. IN FY '20, FROM OCTOBER 1, 2019 THRU MAY 31, 2020, THE COMMISSION COLLECTED \$81,452.73, OF WHICH 80% WAS ALLOCATED TO THE COMMISSION AND 20% WAS ALLOCATED TO THE DEPARTMENT OF JUSTICE'S, DIVISION OF GAMING ENFORCEMENT OPERATING EXPENSES. THE SIGNATORIES ON THIS ACCOUNT ARE THE COMMISSIONERS AND THE ATTORNEY GENERAL OF THE VIRGIN ISLANDS.**

**REGARDING THE CASINO REVENUE FUND, IN FY '19 THE TEN PERCENT (10%)  
DISBURSED TO THE COMMISSION WAS \$195,908.51, WHILE THE FIRST TWO QUARTERS  
OF FY '20 YIELDED \$101,469.26. THE SECOND QUARTER REPORT BELOW, FROM THE  
DEPARTMENT OF FINANCE FOR FY '20, SHOWS THE PERCENTAGES AND AMOUNTS  
DISTRIBUTED.**

CASINO REVENUE FUND  
SCHEDULE OF COLLECTIONS AND  
DISTRIBUTION AS AUTHORIZED BY ACTS  
6069, 6132 & 6534 & 7100

COLLECTIONS	F/Y'20
	<b>\$ 653,176.26</b>
DISTRUBUTIONS	Amount to be paid
	2nd Qtr 03/31/20
Agency/Program/Org	%
Roy L. Schneider Hospital	4
Juan F. Luis Hospital	4
Hospital & Health	4
Myrah Keating Smith Clinic	3
Education <sup>2</sup>	16
Worker Prep Edu Prog/High Schoolz	2
Youth Programs	10
Agriculture	10
Tourism/Casino Promotion STX	5
Union Arbitration & Incr. Fund	8
Bureau of Internal Revenue	1
University of the Virgin Islands	5
V.I. Alliance for Responsible Gaming	1
Housing, Parks, & Recreation	10
Casino Control Commission	10
Public Safety	5
St. Croix Foundation <sup>1</sup>	
Casino Rehabilitation Fund	2
Total Distribution	100
	<b>\$ 653,176.26</b>

<sup>1</sup> Effective September 2004 Casino Revenue collection to the St. Croix Foundation is deposited in the Casino Rehabilitation Fund.

<sup>2</sup> Authorized by Act 7100 to change from 18 percent of Education to 16 percent effective January 15, 2010.

DOF - 04/30/20

THE FUNDS WERE DISTRIBUTED TO THE ROY L. SCHNEIDER HOSPITAL; JUAN F. LUIS HOSPITAL; HOSPITAL AND HEALTH; MYRAH KEATING SMITH CLINIC; EDUCATION; WORKER PREP EDU PROG/HIGH SCHOOL; YOUTH PROGRAMS; AGRICULTURE; TOURISM/CASINO PROMOTION STX; UNION ARBITRATION & INCR. FUND; BUREAU OF INTERNAL REVENUE; UNIVERSITY OF THE VIRGIN ISLANDS; V.I. ALLIANCE FOR RESPONSIBLE GAMING; HOUSING, PARKS, & RECREATION; CASINO CONTROL COMMISSION; PUBLIC SAFETY AND THE CASINO REHABILITATION FUND. THE DISTRIBUTIONS FOR FY '18, FY '19 AND FY '20 CAN BE FOUND ON THE COMMISSION'S WEBSITE.

THE HORSE RACETRACK CASINO REVENUE FUND HAS NOT PROVIDED ANY FUNDING DURING FY '19 AND FY '20, DUE TO THE NON-EXISTENCE OF A RACINO.

IN FISCAL YEAR 2019 THE COMMISSION RECEIVED \$58,156.80 IN FEDERAL FUNDS, THROUGH VITEMA, FOR GENERATOR OPERATING EXPENSES. FOR FY '20 WE'VE RECENTLY BEEN APPROVED FOR A PROJECT WORK SHEET IN THE AMOUNT OF \$123,326.72 FOR INTERNAL BUILDING DAMAGES, MOLD REMEDIATION, SECURITY CAMERAS AND DAMAGE VEHICLES. THE COMMISSION MUST NOW DETERMINE HOW BEST TO ACCESS THESE FUNDS, AS WE ARE REQUIRED TO INCUR EXPENSES AND THEN SEEK REIMBURSEMENT FOR THE EXPENDITURES.

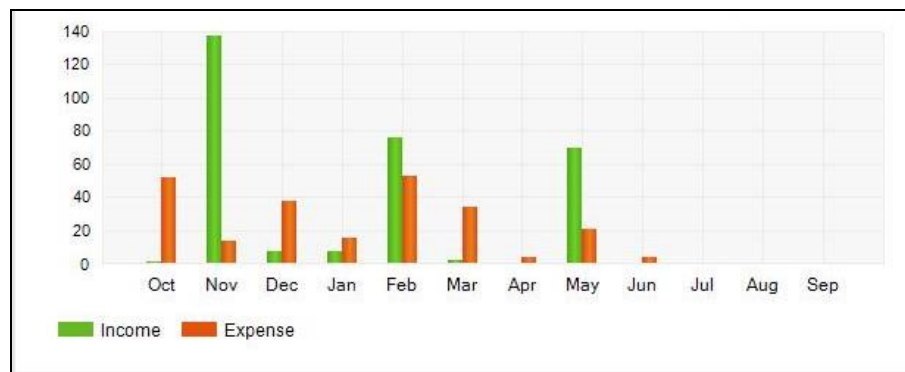
THE COMMISSION ADMINISTERS THE YOUTH PROGRAMS FUNDING IN COMPLIANCE WITH THE STATUTE. CURRENTLY WE ARE EXERCISING OUR FIDICUARY RESPONSIBILITY IN SECURING THE DISBURSEMENTS OF FUNDS FOR THE

**V.I. ALLIANCE FOR RESPONSIBLE GAMING. ON MARCH 17<sup>TH</sup> THE COMMISSION HELD A MEETING WITH THE ORIGINAL INCORPORATORS TO BEGIN OUR EFFORTS TO REVITALIZE THE ORGANIZATION. OUR EFFORTS WERE PLACED ON HOLD WITH THE COVID-19 SHELTER AT HOME MANDATES AND WE PLAN TO PROCEED WITH OUR EFFORTS IN SHORT ORDER.**

**A FINANCIAL OVERVIEW OF THE COMMISSION, BY BANK ACCOUNT, FOR THE PERIOD OCTOBER 1, 2019 THRU MAY 31, 2020 IS INSERTED FOR YOUR REVIEW.**

Accounts	Beginning Balance October 1, 2019	Deposit	Expenses	Ending Balance May 31, 2020
Commission Operating Account (BP)	\$65,390	\$155,450	\$174,501	\$46,339
Youth Programs Account (BP)	95,145	239,060	30,503	303,702
Commission Revolving Account (FB)	18,920	52,522	68,016	3,426
Commission\DGE Revolving Account (FB)	12,170	78,653	59,653	31,170

**VIRGIN ISLANDS CASINO CONTROL COMMISSION  
INCOME/ EXPENSE TREND REPORT  
FISCAL YEAR 2020**



*Exhibit I.*

**ADMINISTRATIVE ACTIONS**

**ON MAY 28<sup>TH</sup> THE COMMISSION ANNOUNCED THE LAUNCH OF OUR WEBSITE AT [WWW.CASINOCONTROLCOMMISSION.VI](http://WWW.CASINOCONTROLCOMMISSION.VI) WHICH CURRENTLY CONTAINS THE**

**LAWS AND REGULATIONS GOVERNING THE OPERATIONS OF CASINOS; LAWS AND REGULATIONS GOVERNING INTERNET GAMING AND INTERNET GAMBLING; THE COMMISSION'S BYLAWS; THE COMMISSION'S CODE OF ETHICS; LICENSING REQUIREMENTS AND APPLICATIONS FORMS FOR CASINO AND HOTEL EMPLOYEES, CASINO OPERATORS AND VENDORS; APPLICATION FOR CASINO HOTEL ALCOHOLIC BEVERAGE LICENSE; VOLUNTARY EXCLUSION FROM CASINO GAMBLING INSTRUCTIONS AND APPLICATION; FEE SCHEDULES; CASINO REVENUE FUND REPORTS FOR FISCAL YEARS 2018, 2019 AND 2020; RESPONSIBLE GAMING LINK; AND INFORMATION ABOUT THE COMMISSION AND THE DIVISION OF GAMING ENFORCEMENT. ALL APPLICATIONS ON THE WEBSITE ARE EDITABLE AND PROVIDE EASY ACCESS TO THE LICENSING PROCESS FOR EMPLOYEES AND THE HUMAN RESOURCES DEPARTMENTS OF THE CASINOS.**

**THE COMMISSION HAS CONDUCTED TIMELY HEARINGS FOR THE REVIEW OF CASINO LICENSEES AND HAS ISSUED TEMPORARY CASINO LICENSE AND A TEMPORARY OPERATING CERTIFICATE TO VIGL-CRG OF WHICH BOTH EXPIRES ON JULY 14, 2020. DIVI CARINA BAY CASINO AND RESORT WERE ISSUED A TEMPORARY CASINO LICENSE, WHICH ALSO EXPIRES ON JULY 14, 2020. DUE TO COVID-19 MEASURE BOTH CASINOS LICENSES WERE EXTENDED TO THE COMMISSION'S NEXT SCHEDULED REGULAR MEETING, AS THEIR CURRENT LICENSES WERE SCHEDULED TO EXPIRE IN APRIL 2020. THE COMMISSION HAS ADOPTED A REGULAR MEETING SCHEDULE FOR 2020 THAT INCLUDED QUARTERLY MEETINGS.**



**ON MAY 14, 2020, THE COMMISSION BEGAN THE PROCESS OF DETERMINING THE POSSIBILITY OF BOTH CASINOS REOPENING FOLLOWING THEIR CLOSURE DUE TO THE COVID-19 PANDEMIC. THE COMMISSION REQUESTED A WRITTEN COVID-19 RESPONSE CONTINGENCY PLAN FROM EACH CASINO THAT INCLUDED ANY AND ALL PHYSICAL MODIFICATIONS TO THE GAMING FACILITIES THAT CAN ENSURE SAFE DISTANCING AND SANITIZING MEASURES, ALONG WITH ANY AND ALL POLICY AND/OR OPERATIONAL MODIFICATIONS MADE TO THE CASINO AND HOTEL FACILITIES TO ACCOMMODATE CUSTOMERS, VENDORS, EMPLOYEES AND THE EMPLOYEES OF BOTH THE COMMISSION AND THE DIVISION OF GAMING ENFORCEMENT. ON MAY 28<sup>TH</sup> THE COMMISSION ISSUED TO BOTH CASINOS OUR FIRST PHASE RE-OPENING CRITERIA, WHICH INCLUDED CONSIDERATION OF THE CASINOS SUBMITTAL, INPUT FROM OUR INSPECTORS AND STANDARDS BEING APPLIED IN THE INDUSTRY. THE CRITERIA ESTABLISHED BASED PRINCIPLES WHICH MUST BE FOLLOWED, ALONG WITH MANDATES THAT MUST BE IMPLEMENTED IN ORDER FOR APPROVAL TO REOPEN. ON JUNE 8<sup>TH</sup> THE COMMISSION ISSUED TO DIVI CARINA BAY CASINO AND RESORT, AND CARAVELLE CASINO AND HOTEL PERMISSION TO REOPEN, BASED ON THE CASINO INSPECTORS COMPLIANCE REPORT AND THE DIVISION OF GAMING ENFORCEMENT (DGE) REPORT ON INSPECTION OF THE GAMING MACHINES.**

**THOUGH A NUMBER OF CASINO CUSTOMERS HAVE BEEN 86(d), WHICH REFERS TO PERSONS EJECTED OR BANNED FOR IMPROPER CONDUCT IN A CASINO, ONE PATRON HAS FORMALLY REQUESTED TO BE RE-INSTATED. THE COMMISSION PLANS TO SECURE THE SERVICES OF AN INDEPENDENT HEARING OFFICER (IHO) DURING**

**FY 2021, WHO WILL BE RESPONSIBLE FOR CONDUCTING HEARINGS, WHERE NECESSARY. THE HEARINGS ARE FOR PATRONS THAT MAY APPEAL SUCH LICENSEE ACTIONS AND ALSO TO REVIEW COMPLAINTS FROM ANY CUSTOMER OR CLIENTS OF THE CASINOS OR RACINOS. THERE HAS ALSO BEEN AN INCREASE IN THE NUMBER OF CUSTOMERS REQUESTING AN APPLICATION FOR VOLUNTARY SELF-EXCLUSION FROM THE CASINOS, ONLY ONE APPLICATION WAS SUBMITTED DURING FY 2020.**

**THE COMMISSION DID INDICATE, AT OUR LAST BUDGET HEARING, THAT A COPY OF THE COURT FILING BY SOUTHLAND GAMING vs. THE GVI HAD LISTED THE COMMISSION AS A DEFENDANT IN THE CASE. PLEASE NOTE, THE COMMISSION'S SOLE INVOLVEMENT WAS THROUGH A SUBPOENA TO PROVIDE INFORMATION ON THE MACHINES UTILIZED BY BOTH CASINOS. SIMILARLY, WE RECEIVED A CORRESPONDENCE FROM AN AGRIEVED PARTY IMPLORING THE COMMISSION TO REGULATE SOUTHLAND GAMING BASED ON THE COURT RULING. HOWEVER, THE COMMISSION REMAINS STEADFAST IN EXECUTING THOSE DUTIES AND RESPONSIBILITIES MANDATED BY LAW.**

**THE COMMISSION HAS MOVED TO DISPEL THE IMPRESSION THAT WE HAVE THE DUTY OR RESPONSIBILITY TO SOLICIT AND PROMOTE CASINOS IN THE TERRITORY. ON JUNE 18<sup>TH</sup> AN OFFICIAL COMMUNICATION WAS ISSUED TO THE DEPARTMENT OF TOURISM COMMISSIONER REQUESTING INFORMATION ON THE USE OF \$211,157.90 DISBURSED TO THE DEPARTMENT "FOR TOURISM AND CASINO PROMOTION OF ST. CROIX". THE SUM REPRESENTS DISBURSEMENTS FROM THE**

CASINO REVENUE FUND FOR FY 2018, FY 2019 AND THE FIRST AND SECOND QUARTERS OF FY 2020. ON JUNE 24<sup>TH</sup> A CALL WAS HELD WITH THE TOURISM COMMISSIONER AND THE COMMISSION, AT WHICH TIME THE TOURISM COMMISSIONER INDICATED HE WOULD SEND A FORMAL RESPONSE ON THE MATTER AND INDICATED HIS WILLINGNESS TO DISCUSS PROMOTIONAL EFFORTS WITH BOTH CASINOS.

THE COMMISSION HAS RE-ESTABLISHED THE WEB CASH MANAGEMENT OPTION AT BANCO POPULAR DE PUERTO RICO, A SERVICE THAT IS ONLY ACCESSIBLE TO THE CURRENT MEMBERS OF THE COMMISSION AND REQUIRES APPROVAL OF AT LEAST TWO (2) COMMISSIONERS TO ACCESS THE FUNDS. SIMILARLY, WE HAVE IMPLEMENTED A FINANCIAL MANAGEMENT SYSTEM THAT PROVIDES FOR THE TIMELY ENTERING OF INVOICES, BILLINGS, AND PAYMENTS ISSUED BY THE COMMISSION. THE FMS SYSTEM WAS OVERSEEN BY THE COMMISSION'S SECRETARY/TREASURER AND EXECUTED BY OUR EXECUTIVE ASSISTANT, UNDER THE TUTELAGE OF OUR CONTRACTOR.

WE HAVE MADE WHOLE THE ACCOUNT OF THE DIVISION OF GAMING ENFORCEMENT (DGE), BY PAYING THE OUTSTANDING AMOUNT OF \$31,105.47 IN TWO INSTALLMENTS. THE FUNDS WERE OWED TO DGE BASED ON THE TWENTY PERCENT (20%) OF FEES COLLECTED IN OUR OFFICES VIA CREDIT CARD PAYMENTS FOR FY 2016, FY 2017, FY 2018 AND FY 2019. THE COMMISSION IS IN THE PROCESS OF MAKING THE FY 2020 SECOND QUARTER CONTRIBUTIONS TO THE DGE ACCOUNT.

**THE COMMISSION HAS COMPLETELY ADDRESSED ALL PAST DUE INVOICES DEEMED LEGALLY AND ADMINISTRATIVELY SUFFICIENT. THERE IS ONE VENDOR WHO IS COMPLETING THE REQUIRED DOCUMENT SUBMITTAL PROCESS FOR FINAL ACTION BY THE COMMISSION. THE ONLY OUTSTANDING PAYMENTS ARE FOR CURRENT SERVICES OVER THE LAST TWO MONTHS.**

**THE COMMISSION IS LOCATED AT #3005 ESTATE ORANGE GROVE, CHRISTIANSTED, ST. CROIX. THE BUILDING IS LEASED FROM THE GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM (GERS) AND CONSISTS OF APPROXIMATELY 4,667 SQUARE FEET OF GROSS LEASABLE AREA. THE COMMISSION SUCCESSFULLY ADDRESSED THE OUTSTANDING RENT OWED TO GERS IN THE AMOUNT OF \$42,003 AND REMAIN CURRENT WITH OUR OBLIGATIONS TO GERS. THE COMMISSION WERE IN DISCUSSIONS AND REVIEWED A NEW LEASE AGREEMENT FROM GERS DURING THE CALENDAR YEAR 2019, BUT AT THE BEGINNING OF 2020 A DIFFERENT LEASE, WITH NEW TERMS, WAS SUBMITTED TO THE COMMISSION. THE COMMISSION REVIEWED THE NEW SUBMITTAL AND RESPONDED ON MARCH 3, 2020 WITH WRITTEN CONCERNS REGARDING THE NEW PROPOSED LEASE. THE GERS FINALLY SCHEDULED A MEETING ON JUNE 16, 2020 WHERE THE COMMISSION EXPLAINED OUR CONCERNS OUTLINED IN THE MARCH 3<sup>RD</sup> TRANSMITTAL. WE ARE CURRENTLY AWAITING GERS' FORMAL RESPONSE TO THE COMMISSION'S SUBMITTAL. THE ONLY OTHER LEASE UNDER THE COMMISSION'S AUSPICES IS WITH SUN-SELF STORAGE, FOR STORAGE SPACE TO MAINTAIN AND SECURE CERTAIN RECORDS AS MANDATED BY LAW.**

THE COMMISSION HAS SUCCESSFULLY PURCHASED AND INSTALLED A NEW AIR CONDITION SYSTEM AND IS CURRENTLY AWAITING THE INSTALLATION OF OUR NEW STANDBY POWER GENERATOR.

THE COMMISSION HAS SUCCESSFULLY ADDRESSED THE DEPARTMENT OF LABOR'S DIVISION OF OCCUPATIONAL SAFETY AND HEALTH REPORT, OUTLINING SOME MINOR VIOLATIONS.

THE COMMISSION HAS REVAMPED THE LICENSURE PROCESS FOR EMPLOYEES OF THE CASINOS AND HOTELS. WITH THE RENEWED RELATIONSHIP BETWEEN THE COMMISSION AND THE DIVISION OF GAMING ENFORCEMENT (DGE) WE HAVE SUCCESSFULLY ADDRESSED A BACKLOG OF APPLICATIONS DATING BACK TO 2016 AND ARE CURRENTLY WORKING ON APPLICATIONS SUBMITTED DURING THIS CALENDAR YEAR. DGE'S EFFORTS RESULTED IN THE COMMISSION ADDRESSING **180** FURLOUGHED EMPLOYEES WHO HAVE SUBMITTED APPLICATIONS AND WERE ISSUED WORK PERMITS BY THE COMMISSION. THE FURLOUGHED EMPLOYEES INCLUDED **96** FROM DIVI CASINO AND **17** FROM DIVI RESORT, CARAVELLE CASINO HAD **46** AND THE HOTEL HAD **21**. THE COMMISSION ISSUED **64** EMPLOYEE LICENSES THAT INCLUDED BOTH RENEWAL AND NEW EMPLOYEES. THESE MEASURES ENSURED THE IMPLEMENTATION OF THE LICENSURE ISSUANCE ON AN ANNUAL, BI-ANNUAL AND TRI-ANNUAL BASIS, AS REQUIRED BY LAW.

A COLOR-CODED ID SYSTEM, FOR THE ISSUANCE OF ALL CATEGORIES OF WORK PERMITS, HAS BEEN IMPLEMENTED BY THE COMMISSION. THE SYSTEM

**ADDRESSES ALL EMPLOYEES LICENSED BY THE COMMISSION, CASINO INSPECTORS OF THE COMMISSION AND OFFICE STAFF OF THE COMMISSION AND INCLUDES A PHOTO OF THE EMPLOYEE AND EXPIRATION DATE, AND MUST BE VISIBLY WORN BY ALL EMPLOYEES WHILE ON-DUTY. THE COLOR CODES ARE CASINO KEY EMPLOYEES (CKE) – LIGHT BLUE; CASINO EMPLOYEES (CE) – ORANGE; HOTEL EMPLOYEES (CHE) – WHITE; CASINO INSPECTORS (CI) – RED; COMMISSION STAFF – GRAY; AND COMMISSIONERS – DARK BLUE. THE COMMISSION'S INSPECTORS, SPECIAL ASSISTANT FOR LICENSING AND COMPLIANCE, AND COMMISSIONERS HAVE ALSO BEEN ISSUED APPROPRIATE BADGES THAT ALIGNS WITH THEIR RESPECTIVE DUTIES.**

**DURING FY 2020 THE COMMISSION HAS ACCOMODATED MEETINGS WITH THE TWO (2) MASTER SERVICE PROVIDERS FOR INTERNET GAMING AND INTERNET GAMBLING IN THE VIRGIN ISLANDS. SIMILARLY, IN SEPTEMBER OF 2019 THE COMMISSION SUBMITTED TO THE LEGISLATURE PROPOSED LEGISLATION TO AMEND THE EXISTING LAW.**

**ON FEBRUARY 6, 2020 THE COMMISSION RECEIVED AN OCTOBER 4, 2019 CORRESPONDENCE FROM THE VI ATTORNEY GENERAL OFFICE REGARDING POSSIBLE VIOLATIONS OF THE NATIONAL LABOR RELATIONS ACT. PRIOR TO OUR RECEIPT OF THIS EMAIL CORRESPONDENCE THE COMMISSION NOTED THAT TWO STORIES APPEARED IN TWO LOCAL NEWS OUTLETS. IN MAY OF 2020 THE ATTORNEY GENERAL'S OFFICE REACHED OUT TO THE COMMISSION TO WORK ON A JOINT RESPONSE TO THE CORRESPONDENCE AND THE LEGAL SUBMISSIONS REQUIRED. ON**

**JULY 8<sup>TH</sup> THE COMMISSION FILED A MOTION TO DISMISS FOR LACK OF JURISDICTION OR IN THE ALTERNATIVE, FOR FAILURE TO STATE A CLAIM FOR WHICH RELIEF WILL BE GRANTED. TO DATE THE GOVERNMENT HAS NOT YET FILED A NOTICE OF APPEARANCE OR A RESPONSIVE PLEADING.**

**MAJOR CONCERNS**

**THE COMMISSION IS OVERLY CONCERNED WITH THE LACK OF A NOMINEE, TO THE LEGISLATURE, FOR THE POSITION OF DIRECTOR OF THE DIVISION OF GAMING ENFORCEMENT. WE'VE BEEN FORTUNATE TO HAVE THE LEADERSHIP OF THE CURRENT ACTING DIRECTOR, AS HIS UNDERSTANDING AND EXPERIENCE FROM HIS PAST TENURE HAS BEEN INVALUABLE TO THE COMMISSION'S RESPONSIBILITIES. SIMILARLY, THE DEPLETION OF DGE'S STAFF TO JUST ONE (1) PERSON MAKES IT IMPOSSIBLE FOR THE COMMISSION TO TIMELY PROCESS EMPLOYEE APPLICATIONS; ENSURE GAMING MACHINES ARE PROPERLY CALIBRATED; AND THE REQUIRED BACKGROUND CHECKS ON MAJOR APPLICATIONS ARE THOROUGHLY EXECUTED. THIS COMING ON THE HEEL OF THE LIKELY SUBMISSION OF APPLICATIONS FOR INTERNET GAMING AND INTERNET GAMBLING. THE COMMISSION ADVOCATES THE RE-ESTABLISHMENT OF THE POSITIONS OF GAMING TECHNICIAN, GAMING EMPLOYEE LICENSE APPLICANT SPECIALIST, GAMING RESEARCH SPECIALIST AND A CLERICAL ASSISTANT. THESE POSITIONS, IN OUR OPINION, WILL ENSURE THE CONTINUOUS REVENUE FLOW TO THE GOVERNMENT.**

**THE COMMISSION REMAINS BAFFLED BY THE ADMINISTRATION'S FAILURE TO SUBMIT A NOMINEE FOR THE POSITION OF CHAIRMAN/CEO OF THE VI CASINO CONTROL COMMISSION. ON JULY 1, 2019, MORE THAN A YEAR AGO, THE FORMAL NOTICE WAS SUBMITTED TO THE ADMINISTRATION GIVING NOTICE OF THE FORMER CHAIRMAN'S RETIREMENT. THIS ISSUE IS COMPOUNDED BY THE FACT THAT A RESIGNATION LETTER WAS SUBMITTED BY COMMISSIONER BOURNE IN DECEMBER OF 2019, INDICATING SHE WOULD BE UNABLE TO COMPLETE HER TERM FOR PERSONAL REASONS. TO DATE, NO FORMAL ACKNOWLEDGEMENT OF THE TRANSMITTED RESIGNATION HAS BEEN RECEIVED, AND THE COMMISSIONER CONTINUES TO SERVE TO ENSURE THE AGENCY REMAINS FUNCTIONABLE, AND THE CASINOS, THEIR SERVICE ENTITIES AND EMPLOYEES, CAN CONTINUE TO EXIST.**

**MR. CHAIRMAN, THE REPRESENTATIVES OF THE COMMISSION STAND READY TO RESPOND TO ALL QUESTIONS TO THE BEST OF OUR ABILITY.**