

# Virgin Islands Casino Control Commission

3005 Orange Grove

Christiansted, VI 00820

Telephone: 340-718-3616 ♦ Fax: 340-718-3136

Email: [info@casinocontrolcommission.vi](mailto:info@casinocontrolcommission.vi)

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## Virgin Islands Casino Control Commission

**Fiscal Year 2023**

**Budget Presentation**

**Before The**

**Thirty-Fourth Legislature of the Virgin Islands  
Committee on Finance**

**Frits E. Lawaetz Legislative Conference Room  
St. Croix, Virgin Islands**

**August 23, 2022**

**12:30 PM**

**Marvin L. Pickering  
Chairman/Chief Executive Officer**

**GOOD AFTERNOON HONORABLE KURT A VIALET, CHAIRMAN OF THE COMMITTEE ON FINANCE, ALL HONORABLE MEMBERS OF THE COMMITTEE, OTHER HONORABLE MEMBERS OF THE THIRTY-FOURTH LEGISLATURE, LEGISLATIVE STAFF AND THOSE LISTENING AND VIEWING VIA RADIO, TELEVISION OR THE INTERNET.**

**FOR THE RECORD, MY NAME IS MARVIN L. PICKERING, AND I AM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF THE VIRGIN ISLANDS CASINO CONTROL COMMISSION. ACCOMPANYING ME TODAY IS COMMISSIONER CAROLYN P. HERMON-PERCELL, VICE-CHAIR OF THE COMMISSION AND OUR EXECUTIVE DIRECTOR, SELMA DETERVILLE-DACOSTA.**

**WE THANK YOU FOR THE OPPORTUNITY TO PRESENT AND DISCUSS THE FISCAL YEAR 2023 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, AS AMENDED; INTERNET GAMING AND GAMBLING PURSUANT TO THE VIRGIN ISLANDS INTERNET GAMING AND GAMBLING ACT, AS AMENDED; RACINOS PURSUANT TO THE VIRGIN ISLANDS HORSE RACING INDUSTRY ASSISTANCE ACT OF 2011; AND CASINO IV ESTABLISHMENTS ACT PERMITTED WITHIN THE ENTERPRISE ZONES OF CHRISTIANSTED AND FREDERIKSTED. THESE STATUTES, AND ALL RELEVANT AMENDMENTS, ESTABLISH 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 SALARIES OF THE COMMISSIONERS AND STAFF ONLY; (2) THE CASINO CONTROL REVOLVING FUND PURSUANT TO 32 VIC § 514, WHICH WAS AMENDED BY ACT NO. 7643, AND BY SECTION 4 OF ACT NO. 8184. THIS ACCOUNT IS FUNDED 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 WAS AMENDED BY SECTION 2 OF ACT NO. 8577, AND IS FUNDED BY THE TWELVE PERCENT (12%) TAX ON GROSS REVENUES FROM DIVI CARINA BAY CASINO AND RESORT AND VIGL-CRG, COMMONLY REFERRED TO AS CARAVELLE HOTEL AND CASINO. WITH THE AMENDMENT TO 32 VIC § 517, THE COMMISSION NOW RECEIVES 25% OF THESE TAXES, WITH 75% ALLOCATED TO OTHER GOVERNMENT DEPARTMENTS OR AGENCIES, INCLUDING 1% TO THE COMMISSION FOR PROGRAMS TO TREAT AND PREVENT GAMBLING ADDICTION; AND (4) THE HORSE RACETRACK CASINO REVENUE FUND PURSUANT TO 32 VIC § 901. IT MUST BE NOTED THAT THE COMMISSION HAS NOT RECEIVED FUNDING FROM THIS SOURCE SINCE 2016 WHEN TRAXCO CEASED OPERATIONS AT THE RANDALL “DOC” JAMES RACETRACK.

AS IT RELATES TO THE GENERAL FUND FOR THE COMMISSION’S PERSONNEL, THE TOTAL SUM WE ARE REQUESTING IS \$995,700, WHICH REPRESENTS FIFTEEN (15) EMPLOYEES, INCLUDING THREE (3) VACANCIES. THE VACANT POSITIONS ARE FOR ONE COMMISSIONER TO FILL THE SEAT VACATED BY FORMER COMMISSIONER USIE R. RICHARDS AND TWO NEW POSITIONS: AN IN-HOUSE LEGAL COUNSEL AND AN IT

**SUPPORT SPECIALIST. THE TABLE BELOW LISTS THE NAMES AND RELATED INFORMATION FOR THE EMPLOYEES OF THE COMMISSION.**

Name	Position	Current Salary	Activity Center	Funding	Retirement	Classification
Pickering, Marvin L.	Chairman/CEO	\$105,000	STX	General	Yes	Unclassified
Hermon-Percell, Carolyn P.	Commissioner	\$100,000	STT	General	Yes	Unclassified
VACANT	Commissioner	\$100,000	STX	General	Yes	Unclassified
VACANT	Legal Counsel	\$100,000	STX	General	Yes	Unclassified
Deterville-DaCosta, Selma	Executive Director	\$ 80,000	STX	General	Yes	Unclassified
Henry E, Schjang	Special Assistant for Licensing & Compliance	\$ 65,000	STX	General	Yes	Unclassified
VACANT	IT Support Specialist	\$62,000	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
Encarnacion, Rafael	Casino Inspector II	\$ 47,000	STX	General	Yes	Unclassified
Womack, Cheray	Casino Inspector I	\$ 45,000	STX	General	Yes	Unclassified
Rodriguez de Garcia, Claridilia	Custodial Worker	\$ 32,000	STX	General	Yes	Unclassified
Total Personnel Costs		<b>\$995,700</b>				

**THE CASINO CONTROL REVOLVING FUND IS A SPECIAL CHECKING ACCOUNT THAT SERVES AS A DEPOSITORY OF MONIES COLLECTED FROM ALL LICENSE, REGISTRATION AND PERMITS FEES, FINES, PENALTIES, AND OTHER FEES, ALL SUMS APPROPRIATED THERETO BY THE LEGISLATURE OF THE VIRGIN ISLANDS, AND ALL DONATIONS, GIFTS AND BEQUESTS. IN THIS FISCAL YEAR 2022, FROM OCTOBER 1, 2021, THRU MAY 31, 2022, THE COMMISSION COLLECTED \$64,545 OF WHICH 80% OR \$51,640 WAS ALLOCATED TO THE COMMISSION AND 20% OR \$12,905 WAS ALLOCATED TO THE DEPARTMENT OF JUSTICE, DIVISION OF GAMING ENFORCEMENT OPERATING ACCOUNT FOR THEIR OPERATING EXPENSES RELATIVE TO GAMING ENFORCEMENT. THE SIGNATORIES ON THIS ACCOUNT ARE THE COMMISSIONERS AND THE ATTORNEY GENERAL OF THE VIRGIN ISLANDS.**

**REGARDING THE CASINO REVENUE FUND, IN FY 2021, THE TEN PERCENT (10%) APPROPRIATED TO THE COMMISSION FROM THE DEPARTMENT OF FINANCE WAS \$164,732.05, AS COMPARED TO \$156,376.92 FOR FY '20, AN INCREASE OF \$8,355 OR 5% YEAR OVER YEAR. THE FIRST TWO QUARTERS OF FY '22 YIELDED \$126,553.25 AS COMPARED TO \$99,354.29 FOR THE SAME PERIOD OF FY '21, AN INCREASE OF SLIGHTLY MORE THAN 27%. THE SECOND QUARTER REPORT BELOW FROM THE DEPARTMENT OF FINANCE FOR FY '22 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' 22 518,615.00
DISTRIBUTIONS			Amount to be paid 2nd Qtr 03/31/2022
Agency/Program/Org	%		
Agriculture	10	\$	51,861.50
Bureau of internal Revenue	1	\$	5,186.15
Casino Control Commission	10	\$	51,861.50
Casino Rehabilitation Fund	2	\$	10,372.30
Education <sup>2</sup>	16	\$	82,978.40
Hospital & Health	4	\$	20,744.60
Housing, Parks, & Recreation	10	\$	51,861.50
Juan F. Luis Hospital	4	\$	20,744.60
Myrah Keating Smith Clinic	3	\$	15,558.45
Public Safety	5	\$	25,930.75
Roy L. Schneider Hospital	4	\$	20,744.60
St. Croix Foundation <sup>11</sup>			
Tourism/Casino Promotion STX	5	\$	25,930.75
Union Arbitration & Iner. Fund	8	\$	41,489.20
University of the Virgin Islands	5	\$	25,930.75
V.I. Alliance for Responsible Gaming	1	\$	5,186.15
Worker Prep Edu Prag/High School <sup>2</sup>	2	\$	10,372.30
Youth Programs	10	\$	51,861.50
<b>Total Distribution</b>	<b>100</b>	<b>\$</b>	<b>518,615.00</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.

THE FUNDS WERE DISTRIBUTED TO THE ROY L. SCHNEIDER HOSPITAL; JUAN F. LUIS HOSPITAL; HOSPITALS AND HEALTH; MYRAH KEATING SMITH CLINIC; EDUCATION; WORKER PREP EDU PROG/HIGH SCHOOL; YOUTH PROGRAMS; AGRICULTURE; TOURISM/CASINO PROMOTION STX; UNION ARBITRATION & INCREMENT FUND; BUREAU OF INTERNAL REVENUE; UNIVERSITY OF THE VIRGIN ISLANDS; V.I. ALLIANCE FOR RESPONSIBLE GAMING; SPORTS, PARKS, & RECREATION; CASINO CONTROL COMMISSION; PUBLIC SAFETY AND THE CASINO REHABILITATION FUND. THE DISTRIBUTIONS FOR FISCAL YEAR 2019, FY 2020, FY 2021 AND THROUGH THE SECOND QUARTER OF FY 2022 CAN BE FOUND ON THE COMMISSION'S WEBSITE.

IT IS WORTHY TO NOTE AT THIS JUNCTURE THAT ACT NO. 8577, BILL NO. 34-0224, SECTION 2, PARAGRAPH (b) (5), ENACTED ON APRIL 22, 2022, AMENDED 32 VIC § 517, TO RE-ALLOCATE THE PERCENTAGES TO THE VARIOUS AGENCIES AND ENTITIES. THE PERCENTAGE TO THE COMMISSION WAS INCREASED TO 25%, WITH 75% APPROPRIATED TO THE OTHER AGENCIES, A REDUCTION FROM 90%. THIS AMENDMENT ALSO ELIMINATED FUNDING FOR OTHER PROGRAMS. OF PARTICULAR NOTE, THE YOUTH PROGRAMS APPROPRIATION THAT PROVIDED FUNDING, AS MANDATED BY 32 VIC § 518, FOR FINANCIAL ASSISTANCE TO CASINO EMPLOYEES TO FURTHER THEIR EDUCATION AND FUNDING FOR THE JOBS FOR AMERICA'S GRADUATES VIRGIN ISLANDS (JAG-VI) PROGRAMS, WHICH WILL BE DISCUSSED LATER IN THE TESTIMONY, WERE BOTH DE-FUNDED.

THE HORSE RACETRACK CASINO REVENUE FUND HAS NOT PROVIDED ANY FUNDING SINCE TRAXCO ENDED RACINO OPERATIONS IN MAY OF 2016.

**THUS FAR IN THIS FISCAL YEAR, THE COMMISSION HAS RECEIVED \$8,356 IN FEDERAL FUNDS, THROUGH VITEMA, AS REIMBURSEMENT FOR DAMAGES FROM THE HURRICANES OF 2017. THE COSTS REIMBURSED COVERED PAYMENTS FOR VEHICLE DAMAGES, MINOR INTERNAL BUILDING DAMAGES, AND REPLACEMENT OF SOME OFFICE EQUIPMENT.**

**AS MENTIONED EARLIER, THE COMMISSION ADMINISTERS THE YOUTH PROGRAMS FUNDING IN COMPLIANCE WITH 32 VIC § 518. IN THIS CURRENT FISCAL YEAR, THE COMMISSION FUNDED THIS PROGRAM TO THE TUNE OF \$335,975 AS REQUESTED BY THE DEPARTMENT OF LABOR. IT WAS REPORTED RECENTLY IN THE MEDIA THAT THIS PROGRAM WAS AWARDED THE NATIONAL STATE AWARD FROM THE JAG NATIONAL NETWORK FOR THE CLASS OF 2021. THE COMMISSION WISHES TO CONGRATULATE THE DEPARTMENTS OF LABOR AND EDUCATION FOR THIS OUTSTANDING ACHIEVEMENT. THIS PROGRAM, ALONG WITH EDUCATIONAL ASSISTANCE FOR CASINO EMPLOYEES, WILL NO LONGER BE FUNDED THROUGH THE CASINO REVENUE FUND DUE TO THE AMENDMENTS MADE BY ACT NO. 8577.**

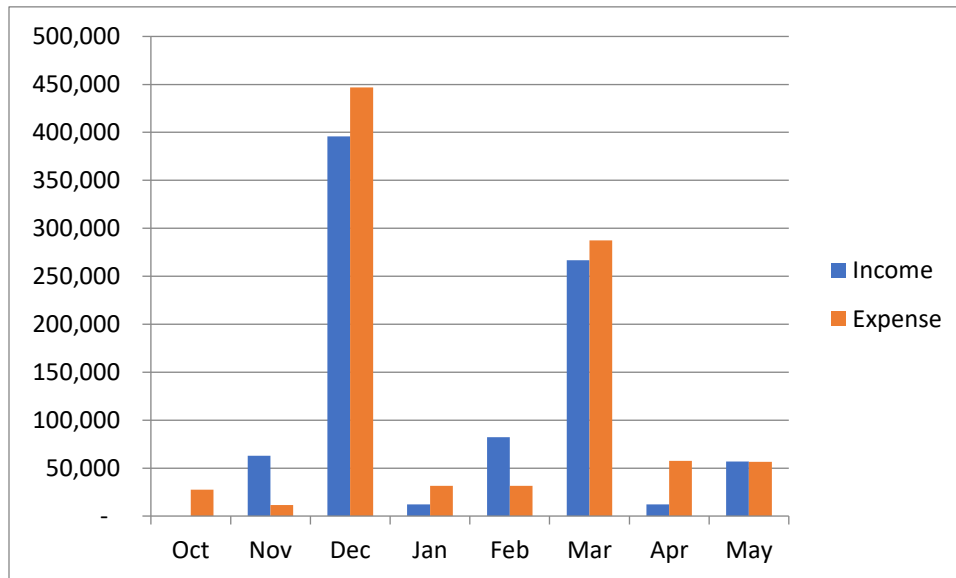
**CURRENTLY WE ARE IN THE PROCESS OF RE-ESTABLISHING THE V.I. ALLIANCE FOR RESPONSIBLE GAMING. THE COMMISSION HAD DISCUSSIONS WITH FORMER MEMBERS OF THE ALLIANCE TO DETERMINE THEIR INTEREST IN SERVING AGAIN BUT HAVE NOT RECEIVED ANY FIRM COMMITMENTS. IT IS OUR INTENT, WITH THE ASSISTANCE OF THE NATIONAL COUNCIL OF PROBLEM GAMING, TO AT LEAST RESUME THE PUBLIC SERVICE ANNOUNCEMENTS TO INFORM GAMING PATRONS**

**WHO BELIEVE THEY HAVE PROBLEM GAMING AS TO WHERE THEY CAN OBTAIN COUNSELING AND OTHER ASSISTANCE.**

**A FINANCIAL OVERVIEW OF THE COMMISSION, BY BANK ACCOUNTS, FOR THE PERIOD OCTOBER 1, 2021, THRU MAY 31, 2022, IS INSERTED FOR YOUR REVIEW.**

<b>Accounts</b>	<b>Beginning Balance October 1, 2021</b>	<b>Deposit</b>	<b>Disbursements</b>	<b>Ending Balance May 31, 2022</b>
Petty Cash	\$200	\$100		\$300
Commission Operating Account (BP)	\$67,841	\$571,966	\$512,776	\$127,031
Youth Programs Account (BP)	\$496,638	\$189,716	\$341,415	\$344,939
Commission Revolving Account (FB)	\$241,839	\$47,980	\$170,342	\$119,477
Commission\DGE Revolving Account (FB)	\$184,653	\$114,293	\$65,936	\$233,010

**VIRGIN ISLANDS CASINO CONTROL COMMISSION  
INCOME/ EXPENSE TREND REPORT  
FISCAL YEAR 2022**



*Exhibit I.*



## **ADMINISTRATIVE ACTIONS**

**AS PREVIOUSLY REPORTED, THE COMMISSION'S WEBSITE IS OPERABLE AND CAN BE FOUND AT WWW.CASINOCONTROLCOMMISSION.VI. THE SITE 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 APPLICATION 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, 2020, 2021 AND THROUGH THE SECOND QUARTER OF THE CURRENT FISCAL YEAR 2022; RESPONSIBLE GAMING LINK; AND INFORMATION ABOUT THE COMMISSION AND THE DIVISION OF GAMING ENFORCEMENT. ALL APPLICATIONS ON THE WEBSITE ARE FILLABLE AND PROVIDE EASY ACCESS TO THE LICENSING PROCESS FOR EMPLOYEES AND THE HUMAN RESOURCES DEPARTMENTS OF THE CASINOS. ON FEBRUARY 28, 2022, THE COMMISSION ISSUED ITS SECOND ANNUAL REPORT TO THE GOVERNOR AND THE LEGISLATURE OF THE VIRGIN ISLANDS. THE REPORT WAS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF 32 V.I.C. CHAPTER 21, § 424 AND CAN ALSO BE FOUND ON THE COMMISSION'S WEBSITE. IN ADDITION, ON AUGUST 3, 2022, IN ACCORDANCE WITH THE MANDATES OF 32 V.I.C., CHAPTER 21, § 514(e), THE COMMISSION, FOR THE FIRST TIME IN ITS HISTORY, SUBMITTED TO THE COMMISSIONER OF FINANCE, THE QUARTERLY REPORT FOR THE CASINO REVOLVING FUND. AS WAS MENTIONED PREVIOUSLY, THE CASINO REVOLVING FUND IS A SPECIAL CHECKING ACCOUNT**

**WHEREIN ALL LICENSE, REGISTRATION AND PERMIT FEES, FINES, PENALTIES, AND OTHER FEES ARE DEPOSITED. THE FUNDS ARE SPLIT 80% TO THE CASINO COMMISSION AND 20% TO THE DIVISION OF GAMING ENFORCEMENT FOR THE OPERATING EXPENSES OF BOTH ENTITIES. THE SIGNATORIES TO THIS ACCOUNT ARE THE MEMBERS OF THE COMMISSION AND THE ATTORNEY GENERAL OF THE VIRGIN ISLANDS. FURTHER, THE COMMISSION NOW PROVIDES MONTHLY FINANCIAL REPORTS TO THE ATTORNEY GENERAL AND THE DIRECTOR OF GAMING ENFORCEMENT DETAILING THE REVENUES AND EXPENDITURES RELATED TO THE REVOLVING FUND. IT IS THE COMMISSION'S INTENT TO CONTINUE TO ABIDE BY THE PROVISIONS OF THIS AND ALL APPLICABLE LAWS GOVERNING THE COMMISSION.**

**THE COMMISSION CONDUCTED TIMELY HEARINGS FOR THE REVIEW OF CASINO LICENSEES AND ISSUED A PERMANENT CASINO LICENSE AND A PERMANENT OPERATING CERTIFICATE TO VIGL-CRG (CARAVELLE) EFFECTIVE JULY 14, 2020, THRU JULY 14, 2024. THE COMMISSION ALSO ISSUED A PERMANENT LICENSE AND OPERATING CERTIFICATE TO DIVI CARINA BAY CASINO AND RESORT EFFECTIVE FEBRUARY 2, 2020, THRU FEBRUARY 1, 2024.**

**DURING THE COVID-19 PANDEMIC, THE COMMISSION ADOPTED A COVID-19 CONTINGENCY PLAN BASED ON THE INPUT OF BOTH CASINO OPERATORS AND NATIONAL STANDARDS ESTABLISHED BY CASINO REGULATORS AND OPERATORS. THESE PROTOCOLS INCLUDED PHYSICAL MODIFICATIONS TO THE GAMING FACILITIES, SAFE SOCIAL DISTANCING AND SANITIZING MEASURES TO ENSURE THE HEALTH AND SAFETY OF PATRONS, VENDORS, CASINO EMPLOYEES, COMMISSION**

**EMPLOYEES AND THE EMPLOYEES OF THE DIVISION OF GAMING ENFORCEMENT THROUGHOUT THE CASINO AND HOTEL FACILITIES. ENFORCEMENT OF THESE MANDATES ARE THE DUTY AND RESPONSIBILITY OF OUR CASINO INSPECTORS WHO REMAIN THE EYES AND EARS OF THE COMMISSION AT ALL GAMING FACILITIES. ON APRIL 13, 2022, THE COMMISSION MODIFIED THESE PROTOCOLS WITH THE CASINO LICENSEES TO BE CONSISTENT WITH THE PROVISIONS OF THE GOVERNOR'S 36<sup>TH</sup> SUPPLEMENTAL EXECUTIVE ORDER ISSUED ON MARCH 14, 2022. BOTH CASINOS CONTINUE TO ADVISE THE COMMISSION OF ANY OCCURRENCES OF COVID-19 EXPOSURES.**

**DURING FISCAL YEAR 2022, THERE WERE NO CASINO PATRONS THAT WERE 86(d), WHICH REFERS TO PERSONS EJECTED OR BANNED FOR IMPROPER CONDUCT IN A CASINO. HOWEVER, THERE WERE FIVE (5) PATRON COMPLAINTS, SIX (6) VOLUNTARY SELF EXCLUSIONS, AND TWO (2) NAMES PLACED ON THE PERMANENT EXCLUSION LIST. THE COMMISSION HAS SECURED THE SERVICES OF AN INDEPENDENT HEARING OFFICER (IHO), WHO WILL PRESIDE OVER MATTERS SUCH AS THESE, WHEN WARRANTED, AND MAKE RECOMMENDATIONS TO THE COMMISSION FOR FINAL DISPOSITION.**

**THE COMMISSION STILL HAS CONCERNS REGARDING THE EFFORTS TO SOLICIT AND PROMOTE CASINOS IN THE TERRITORY. IT IS OUR CONTENTION THAT THE RESPONSIBILITY FOR THOSE EFFORTS FALL TO THE DEPARTMENT OF TOURISM. FOR THE FISCAL YEARS 2018, 2019, 2020, 2021 AND THE FIRST TWO QUARTERS OF THE CURRENT FISCAL YEAR, A TOTAL OF \$390,024.59 WAS DISBURSED TO THE**

**DEPARTMENT OF TOURISM “FOR TOURISM AND CASINO PROMOTION FOR ST. CROIX.” THE COMMISSION WILL CONTINUE ITS EFFORTS TO ENGAGE WITH THE COMMISSIONER OF TOURISM TO ASCERTAIN EXACTLY WHAT THE DEPARTMENT OF TOURISM HAS DONE OR PLANS TO DO REGARDING THEIR STATUTORY MANDATE TO PROMOTE THE CASINOS ON ST. CROIX.**

**IN PRIOR TESTIMONY BEFORE THE COMMITTEE ON FINANCE, THE COMMISSION REPORTED THAT WEB CASH MANAGEMENT HAS BEEN RE-ESTABLISHED 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. ALSO, AS WAS STATED IN OUR LAST BUDGET TESTIMONY IN AUGUST OF LAST YEAR, THE COMMISSION HAS IMPLEMENTED A FINANCIAL MANAGEMENT SYSTEM THAT PROVIDES FOR THE TIMELY ENTERING OF INVOICES, BILLINGS, AND PAYMENTS ISSUED BY THE COMMISSION. THE FMS SYSTEM IS OVERSEEN BY THE COMMISSION’S CHAIRMAN/CEO AND EXECUTED BY OUR EXECUTIVE DIRECTOR AND EXECUTIVE ASSISTANT.**

**THE COMMISSION HAS ESTABLISHED QUARTERLY PAYMENTS TO THE ACCOUNT OF THE DIVISION OF GAMING ENFORCEMENT (DGE). THESE PAYMENTS REPRESENT THE DGE’S TWENTY PERCENT (20%) SHARE OF FEES COLLECTED IN OUR OFFICE VIA CREDIT CARD PAYMENTS AND DEPOSITED TO THE COMMISSION’S OPERATING ACCOUNT AT BANCO POPULAR. THE COMMISSION IS CURRENT IN THOSE**

**PAYMENTS TO THE DGE, WITH THE LATEST PAYMENT BEING MADE THIS PAST JULY FOR THE THIRD QUARTER OF THE FISCAL YEAR.**

**THE COMMISSION HAS NO OUTSTANDING PAST DUE INVOICES, AND OUR ONLY OUTSTANDING PAYMENTS ARE FOR CURRENT GOODS AND SERVICES PROCURED OVER THE IMMEDIATELY PRECEDING MONTH. HOWEVER, DUE TO QUESTIONABLE TRANSACTIONS OF A PAST CHAIRMAN, THE COMMISSION IS LIABLE TO REPAY TO THE YOUTH PROGRAMS FUND A TOTAL OF \$39,878 IMPROPERLY SPENT FROM THE FUND. IN ADDITION, THE COMMISSION IS ALSO MAKING PAYMENTS TO BANCO POPULAR ON A CREDIT CARD THAT WAS ISSUED TO THE COMMISSION WITH THAT SAME FORMER CHAIRMAN AS AN AUTHORIZED USER. THE BALANCE AMOUNTS TO \$47,740, WITH SCHEDULED MONTHLY PAYMENT OF \$1,141.00 DEDUCTED FROM THE COMMISSION'S OPERATING ACCOUNT.**

**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 REMAINS CURRENT WITH OUR RENTAL OBLIGATIONS TO THE GERS. THE COMMISSION AND THE GERS CONCLUDED NEGOTIATIONS ON THE RENEWAL OF A NEW LEASE AGREEMENT, WHICH WAS EXECUTED BY THE COMMISSION ON SEPTEMBER 27, 2021, AND BY THE GERS ON OCTOBER 5, 2021, FOR A TERM OF ONE (1) YEAR, EXPIRING ON OCTOBER 4, 2022. THERE IS AN OPTION TO RENEW FOR AN ADDITIONAL TERM OF (1) YEAR. THE**

**COMMISSION HAS NOTIFIED THE GERS OF ITS INTENTION TO EXERCISE THE OPTION AS REQUIRED IN THE LEASE AGREEMENT.**

**THE COMMISSION AND THE DIVISION OF GAMING ENFORCEMENT (DGE), UNDER THE VERY CAPABLE LEADERSHIP OF ATTORNEY R. OLIVER DAVID, DIRECTOR, HAVE SUCCESSFULLY ADDRESSED A BACKLOG OF APPLICATIONS THAT DATED BACK TO MARCH OF 2019, SOME 121 OF THEM. HOWEVER, THIS SITUATION REMAINS TENUOUS AT BEST, AS DIRECTOR DAVID CONTINUES TO REMIND THE COMMISSION OF THE NEED FOR ADDITIONAL STAFFING TO AVOID DELAYS IN CONDUCTING THE NECESSARY BACKGROUND CHECKS AND INVESTIGATIONS OF APPLICANTS FOR LICENSES. THE COMMISSION ISSUED LICENSES THAT INCLUDED BOTH NEW AND RENEWAL FOR ALL CATEGORIES TO INCLUDE CASINO EMPLOYEES, CASINO KEY EMPLOYEES, GAMING RELATED ENTITIES, AND NON-GAMING RELATED ENTITIES. THE TABLE BELOW SHOWS A COMPARISON OF LICENSES ISSUED BY THE COMMISSION FOR FISCAL YEAR 2021 AND THUS FAR FOR THE CURRENT FISCAL YEAR:**

<b><u>Type of License</u></b>	<b><u>FY 2021 Number of Licenses</u></b>	<b><u>FY 2022 # of Licenses</u></b>
Casino Employees	128	60
Casino Key Employees	35	33
Gaming Related Licenses	7	10
Non-Gaming Related Licenses	14	19
<u>Work Permits</u>	<u>275</u>	<u>239</u>
<b>Total Licenses</b>	<b>459</b>	<b>361</b>

**A COLOR-CODED ID SYSTEM, FOR THE ISSUANCE OF ALL CATEGORIES OF WORK PERMITS, WAS IMPLEMENTED BY THE COMMISSION A COUPLE OF YEARS AGO. THE SYSTEM ADDRESSES ALL EMPLOYEES LICENSED BY THE COMMISSION, CASINO INSPECTORS OF THE COMMISSION, AND OFFICE STAFF OF THE COMMISSION. THE ID**

**INCLUDES A PHOTO OF THE EMPLOYEE AND AN EXPIRATION DATE, AND IT 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 AND COMMISSIONERS – DARK BLUE. THE COMMISSION’S INSPECTORS, SPECIAL ASSISTANT FOR LICENSING AND COMPLIANCE, AND COMMISSIONERS HAVE ALSO BEEN ISSUED APPROPRIATE BADGES THAT ALIGN WITH THEIR RESPECTIVE DUTIES.**

**AS EXPRESSED LAST YEAR AT OUR BUDGET HEARING, THE COMMISSION THANKS THIS BODY FOR ADOPTING THE RECOMMENDED AMENDMENTS TO THE INTERNET GAMING AND GAMBLING LAW OF THE VIRGIN ISLANDS, 32 VIC, § 21, ARTICLE XIV. IT IS THE INTENT OF THE COMMISSION TO IMPLEMENT THE PROVISIONS OF THIS ACT. THIS LAW HAS BEEN ON THE BOOKS FOR CLOSE TO TWENTY (20) YEARS AND HAS NEVER BEEN FULLY IMPLEMENTED, DESPITE PREVIOUS ATTEMPTS TO DO SO. THE COMMISSION HAS ENGAGED THE SERVICES OF A CONTRACTOR, INDUSTRY RENOWNED, GAMING LABORATORIES INTERNATIONAL (GLI), TO REVIEW THE CURRENT LAW AND RULES AND REGULATIONS, WHICH MUST BE UPDATED TO REFLECT THE CURRENT ENVIRONMENT OF THE INDUSTRY, WITH THE NEW TECHNOLOGICAL CHANGES AND CURRENT PROCESSES THAT HAVE EVOLVED SINCE THE ENACTMENT OF OUR STATUTES. THE COMMISSION WILL SUBMIT ANY RECOMMENDED REVISIONS OR AMENDMENTS OF THE LAWS TO THIS BODY FOR ITS CONSIDERATIONS.**

## MAJOR CONCERNS

THE COMMISSION IS CONCERNED WITH THE LACK OF FULL STAFFING RESOURCES FOR THE DIVISION OF GAMING ENFORCEMENT (DGE) TO MEET ITS MANDATES. THE DGE IS A CRITICAL COMPONENT IN ASSISTING THE COMMISSION TO FULFILL ITS REGULATORY OBLIGATIONS. AS MENTIONED BEFORE, THE PREVIOUS BACKLOG OF APPLICATIONS WAS ADDRESSED BUT IS IN SERIOUS JEOPARDY OF REVERTING TO THE PREVIOUS CONDITION IF DGE IS NOT FULLY STAFFED. ALTHOUGH NOT A PART OF THE COMMISSION'S BUDGET, THE COMMISSION IS ADVOCATING ON BEHALF OF THE DGE THAT THE LEGISLATURE FUND THE NECESSARY POSITIONS TO ASSIST THE DGE TO PERFORM ITS DUTIES IN A MORE EFFICIENT MANNER AND ENSURE THE CONTINUOUS REVENUE FLOW TO THE GOVERNMENT OF THE VIRGIN ISLANDS.

THE COMMISSION DOES NOT HAVE A FULL COMPLEMENT OF COMMISSIONERS AS THERE IS A VACANCY FOR A COMMISSIONER FROM THE ST. CROIX DISTRICT. ON APRIL 20, 2022, THE TERM OF FORMER COMMISSIONER USIE RICHARDS EXPIRED. AND I TAKE THIS OPPORTUNITY NOW, ON BEHALF OF THE COMMISSION, TO PUBLICLY THANK COMMISSIONER RICHARDS FOR HIS SERVICE AND WE DO INDEED WISH HIM WELL. THE GOVERNOR HAS BEEN APPRISED OF THIS SITUATION ON SEVERAL OCCASIONS AND WE AWAIT HIS ACTION ON THIS VERY SERIOUS CONCERN. THE GOVERNOR, TO HIS CREDIT, DID APPOINT, AND THIS BODY DID CONFIRM ON MARCH 24, 2022, AN INDIVIDUAL FROM THE ST. THOMAS/ST. JOHN DISTRICT IN THE PERSON OF OUR VICE-CHAIR, COMMISSIONER CAROLYN P. HERMON-PERCELL, WHO FILLED



**THE VACANCY THAT EXISTED FOLLOWING THE RESIGNATION OF FORMER COMMISSIONER STACY BOURNE.**

**ANOTHER MAJOR CONCERN IS THE LACK OF A LONG-TERM LEASE AT OUR CURRENT LOCATION. THE COMMISSION IS CURRENTLY LEASING SPACE FROM THE GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM, GERS, AS PREVIOUSLY MENTIONED, AND WE ARE UNSURE IF OUR ONE YEAR LEASE WILL BE RENEWED AS WE REQUESTED TO THE GERS IN OUR NOTICE THAT WE WISH TO EXERCISE THAT OPTION IN OUR CURRENT LEASE. IF THE COMMISSION WERE TO BE DISPLACED, THIS WOULD BE VERY PROBLEMATIC SINCE THE COMMISSION DOES NOT CURRENTLY HAVE FUNDING TO PURCHASE OR CONSTRUCT ITS OWN BUILDING, WHICH WOULD BE THE BEST OPTION, IN OUR CONSIDERED OPINION.**

**FINALLY, THE COMMISSION HAS REQUESTED FUNDING FOR TWO (2) POSITIONS: AN IN-HOUSE LEGAL COUNSEL AND AN IT SUPPORT SPECIALIST OR LEAD. IN REGARD TO THE LEGAL COUNSEL, 32 VIC, §§ 408(d) AND 412(g) MANDATE THE COMMISSION TO HIRE LEGAL COUNSEL AND THAT, IDEALLY, SUCH COUNSEL "SHALL DEVOTE HIS [HER] ENTIRE TIME AND ATTENTION TO HIS [HER] DUTIES AND SHALL NOT PURSUE ANY OTHER BUSINESS OR OCCUPATION OR OTHER GAINFUL EMPLOYMENT". WITH THE MYRIAD OF ISSUES, INCLUDING THE REVIEW OF THE GAMING AND GAMBLING LAWS THAT REQUIRE THE COMMISSION'S CONSTANT ATTENTION, AN IN-HOUSE LEGAL COUNSEL WOULD PROVIDE THE COMMISSION WITH AN IMPORTANT RESOURCE AND ALLOW THE COMMISSION TO HAVE READY ACCESS TO LEGAL SERVICES AND GUIDANCE IN FULFILLING ITS STATUTORY MANDATES. REGARDING**

**THE IT SUPPORT SPECIALIST (LEAD), THE COMMISSION IS IN THE PROCESS OF UPDATING ITS IT INFRASTRUCTURE, TO INCLUDE THE REPLACEMENT OF SERVERS, COMPUTERS, SCANNERS AND CAMERA SYSTEMS. AS TECHNOLOGY IS CONSTANTLY CHANGING, THERE IS A NEED TO REMAIN VIGILANT OF THE CHANGING ENVIRONMENT AND KEEPING PACE WILL BE CHALLENGING WITHOUT HAVING SUCH REQUISITE EXPERTISE ON STAFF. I WOULD BE REMISS IF, ON BEHALF OF THE COMMISSION, I DID NOT EXPRESS OUR THANKS AND GRATITUDE TO THIS BODY, PARTICULARLY YOU, MR. CHAIRMAN AND MADAME VICE-CHAIR, SENATOR FRETT-GREGORY, FOR FOLLOWING UP ON YOUR PROMISE TO ASSIST THE COMMISSION WITH FUNDING FOR OUR IT UPGRADE, WHICH FUNDING WAS INCLUDED IN BILL NO. 34-0226, NOW ACT NO. 8590. THANK YOU SO VERY MUCH. OUR THANKS AND APPRECIATION, AS WELL, TO GOVERNOR BRYAN FOR SIGNING THE MEASURE INTO LAW.**

**MR. CHAIRMAN, THIS CONCLUDES THE TESTIMONY OF THE VIRGIN ISLANDS CASINO CONTROL COMMISSION RELATIVE TO ITS FISCAL YEAR 2023 BUDGET. THE REPRESENTATIVES OF THE COMMISSION STAND READY TO RESPOND TO ALL QUESTIONS YOU AND THE MEMBERS OF THIS BODY MAY HAVE, TO THE BEST OF OUR ABILITY.**