

Virgin Islands Casino Control Commission

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Virgin Islands Casino Control Commission

Fiscal Year 2025

Budget Presentation

before the

**Thirty-Fifth Legislature of the Virgin Islands
Committee on Budget, Appropriations and Finance**

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

July 17, 2024

2:30 PM

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

GOOD AFTERNOON, HONORABLE SENATOR DONNA FRETT-GREGORY, CHAIRPERSON OF THE COMMITTEE ON BUDGET, APPROPRIATIONS AND FINANCE, ALL HONORABLE MEMBERS OF THE COMMITTEE, OTHER HONORABLE MEMBERS OF THE THIRTY-FIFTH LEGISLATURE, LEGISLATIVE STAFF, AND THOSE LISTENING AND VIEWING VIA RADIO, TELEVISION AND 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 (“THE COMMISSION”). ACCOMPANYING ME TODAY IS COMMISSIONER CAROLYN P. HERMON-PERCELL, VICE-CHAIR, COMMISSIONER LUTHER F. RENEE, SECRETARY/TREASURER, AND OUR EXECUTIVE DIRECTOR LINDA I. SMITH.

WE THANK YOU FOR THE OPPORTUNITY TO PRESENT AND DISCUSS THE FISCAL YEAR 2025 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 ACTS OF 2011 AND 2016; AND CASINO IV ESTABLISHMENTS ACT PERMITTED WITHIN THE ENTERPRISE ZONES OF CHRISTIANSTED AND FREDERIKSTED, ST. CROIX, U.S. VIRGIN ISLANDS. 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. THIS ACCOUNT IS FUNDED BY CASINO LICENSE FEES, 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 TWELVE PERCENT (12%) TAX ON GROSS REVENUES FROM THE TWO CASINOS AND CASINO HOTELS CURRENTLY OPERATING IN THE CASINO ZONE, NAMELY DIVI CARINA BAY CASINO AND RESORT AND VIGL-CRG, COMMONLY REFERRED TO AS CARAVELLE HOTEL AND CASINO. THE COMMISSION 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. THE COMMISSION HAS NOT RECEIVED FUNDING FROM THIS SOURCE SINCE 2016 WHEN TRAXCO CEASED OPERATIONS AT THE RANDALL “DOC” JAMES RACETRACK. HOWEVER, ON APRIL 18, 2024, THE COMMISSION GRANTED AN INITIAL ONE-YEAR LICENSE TO VIGL OPERATIONS, LLC TO OPERATE A CASINO AT THE RANDALL “DOC” JAMES RACETRACK. ONCE THIS RACINO COMMENCES OPERATIONS, THE COMMISSION WILL BEGIN TO RECEIVE MONIES FROM THE HORSE RACTRACK CASINO REVENUE FUND.

AS IT RELATES TO THE GENERAL FUND FOR THE COMMISSION’S PERSONNEL, THE TOTAL SUM WE ARE REQUESTING IS \$1,604,300 INCLUDING FRINGE COSTS, WHICH REPRESENTS SEVENTEEN(17) EMPLOYEES, INCLUDING FOUR (4) VACANCIES. THE VACANT POSITIONS ARE AN IN-HOUSE LEGAL COUNSEL AND THREE (3) CASINO INSPECTORS. THE TABLE BELOW LISTS THE NAMES, PROPOSED BUDGETED SALARIES, AND OTHER 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
Renee, Luther F.	Commissioner	\$100,000	STX	General	Yes	Unclassified
VACANT	Legal Counsel	\$100,000	STX	General	Yes	Unclassified
Smith, Linda I.	Executive Director	\$ 90,000	STX	General	Yes	Unclassified
Austrie, Marva	Special Assistant for Licensing & Compliance	\$ 70,000	STX	General	Yes	Unclassified
Smith, Romesha	Executive Assistant	\$ 65,500	STX	General	Yes	Unclassified
Davila, Odingo	IT Support Specialist	\$59,000	STX	General	Yes	Unclassified
O'Reilly, Daren H.	Archive Technician	\$ 55,500	STX	General	Yes	Unclassified
Henry, Masai	Senior Casino Inspector	\$ 54,600	STX	General	Yes	Unclassified
Browne, Sean	Casino Inspector II	\$ 49,820	STX	General	Yes	Unclassified
Luis, Jr., Juan	Casino Inspector II	\$ 49,820	STX	General	Yes	Unclassified
Vacant	Casino Inspector II	\$ 49,820	STX	General	Yes	Unclassified
Womack, Cheray	Casino Inspector II	\$ 49,820	STX	General	Yes	Unclassified
Vacant	Casino Inspector I	\$42,000	STX	General	Yes	Unclassified
Vacant	Casino Inspector I	\$42,000	STX	General	Yes	Unclassified
Rodriguez de Garcia, Claridilia	Custodial Worker	\$ 34,000	STX	General	Yes	Unclassified
Total Personnel Costs		\$1,116,880				

THE CASINO CONTROL REVOLVING FUND IS A SPECIAL CHECKING ACCOUNT THAT SERVES AS A DEPOSITORY OF MONIES COLLECTED FROM ALL LICENSE, REGISTRATION AND PERMIT 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 2024, FROM OCTOBER 1, 2023, THROUGH MAY 31, 2024, THE COMMISSION COLLECTED \$473,838, OF WHICH 80% OR \$379,070 WAS ALLOCATED TO THE COMMISSION AND 20% OR \$94,768 WAS ALLOCATED TO THE DEPARTMENT OF JUSTICE, DIVISION OF GAMING ENFORCEMENT'S OPERATING ACCOUNT FOR THEIR OPERATING EXPENSES RELATIVE TO GAMING ENFORCEMENT. THE MANDATED SIGNATORIES ON THIS ACCOUNT ARE THE COMMISSIONERS AND THE ATTORNEY GENERAL OF THE VIRGIN ISLANDS.

REGARDING THE CASINO REVENUE FUND, THE COMMISSION IS CURRENTLY ALLOCATED 25% OF THE GROSS CASINO REVENUE TAXES LEVIED ON CASINOS AT THE RATE OF 12%. IN FY 2023, THE AMOUNT APPROPRIATED TO THE COMMISSION FROM THE DEPARTMENT OF FINANCE WAS \$567,402, AS COMPARED TO \$265,680 FOR FY '22. THIS INCREASE IS PRIMARILY ATTRIBUTED TO THE CHANGE IN APRIL 2022 IN THE ALLOCATION RATE FROM 10% TO 25% PURSUANT TO ACT 8577. FOR THE CURRENT FISCAL YEAR 2024 THROUGH MAY, THE AMOUNT ALLOCATED TO THE COMMISSION WAS \$283,021 VERSUS \$238,817 WHEN COMPARED TO THE SAME PERIOD LAST FISCAL YEAR, AN INCREASE OF 19%. THE SECOND QUARTER REPORT BELOW FROM THE DEPARTMENT OF FINANCE FOR FY '24 SHOWS THE PERCENTAGES AND AMOUNTS DISTRIBUTED.

**CASINO REVENUE FUND
SCHEDULE OF COLLECTIONS AND DISTRIBUTION
AS AUTHORIZED BY ACTS 6069, 6132, 6534, 7100 & 8577**

COLLECTIONS		F/Y '24	\$ 580,602.98
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DISTRIBUTIONS		Amount to be paid	
		2 ND QTR 03/31/2024	
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Agency/Program/Org	%		
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Agriculture	10		58,060.30
Bureau of Internal Revenue	1		5,806.03
Casino Control Commission	25		145,150.73
Education ²	20		116,120.60
Hospital & Health	15		87,090.45
Housing, Parks & Recreation	15		87,090.45
Public Safety	10		58,060.30
University of the Virgin Islands	3		17,418.09
V.I. Alliance for Responsible Gaming	1		5,806.03
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	100	\$	580,602.98
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¹ Effective September 2004 Casino Revenue collection to the St. Croix Foundation is deposited in the Casino Rehabilitation Fund.

² Authorized by Act 7100 to change from 18 percent of Education to 16 percent effective January 15, 2010. DOF - 04/22/2024

THE FUNDS WERE DISTRIBUTED TO DEPARTMENT OF HEALTH; DEPARTMENT OF EDUCATION; DEPARTMENT OF AGRICULTURE; BUREAU OF INTERNAL REVENUE; UNIVERSITY OF THE VIRGIN ISLANDS; V.I. ALLIANCE FOR RESPONSIBLE GAMING; DEPARTMENT OF SPORTS, PARKS, & RECREATION; CASINO CONTROL COMMISSION; AND THE POLICE DEPARTMENT. THE DISTRIBUTION REPORTS FOR FY 2019, FY 2020, FY 2021, FY 2022, FY 2023 AND THROUGH THE SECOND QUARTER OF FY 2024 CAN BE FOUND ON THE COMMISSION’S WEBSITE.

THUS FAR IN THIS FISCAL YEAR, THE COMMISSION HAS NOT RECEIVED ANY FEDERAL FUNDS. HOWEVER, OVERALL THE COMMISSION RECEIVED APPROVAL FOR A PROJECT WORKSHEET IN THE TOTAL AMOUNT OF \$123,326.72 FOR DAMAGES RELATED TO HURRICANE MARIA. OF THAT AMOUNT, THE COMMISSION HAS RECEIVED \$87,412 THUS FAR. IN OUR FY 2024 BUDGET TESTIMONY LAST YEAR, WE INDICATED THAT APPROVAL WAS PENDING FROM VITEMA REGARDING A MOLD REMEDIATION PROJECT IN THE AMOUNT OF \$50,000. THAT APPROVAL WAS GRANTED AND THE PROJECT WAS COMPLETED AND PAID FOR BY THE COMMISSION. WE ARE NOW AWAITING REIMBURSEMENT FROM FEMA/VITEMA BASED ON THE CURRENT COST SHARE RATIO.

A FINANCIAL OVERVIEW OF THE COMMISSION, BY BANK ACCOUNTS, FOR THE PERIOD OCTOBER 1, 2023, THRU MAY 31, 2024, IS INSERTED FOR YOUR REVIEW.

Accounts	Beginning Balance October 1, 2023	Deposit	Disbursements	Ending Balance May 31, 2024
Petty Cash	\$300	\$0	\$0	\$300
Commission Operating Account (BP)	\$420,457	\$887,744	\$720,021	\$588,180
Youth Programs Account (BP)	\$385,541	\$416	\$385,957	\$-0-
Commission Revolving Account (FB)	\$168,577	\$182,310	\$53,494	\$297,393
VI Alliance on Responsible Gaming	\$191,263	\$10,411	\$25,967	\$175,707
Commission\DGE Revolving Account (FB)	\$267,628	\$78,253	\$68,146	\$277,735

ADMINISTRATIVE ACTIONS

ON MAY 31, 2024, MR. HENRY SCHJANG, THE COMMISSION'S SPECIAL ASSISTANT FOR LICENSING AND COMPLIANCE, RETIRED FROM THE AGENCY. MR. SCHJANG WAS ONE OF THE ORIGINAL EMPLOYEES OF THE COMMISSION. HE BEGAN HIS TENURE AS A CASINO INSPECTOR SUPERVISOR AND HELD THAT POSITION FOR TWENTY (20) YEARS. AFTER A BRIEF ABSENCE TO SERVE IN ANOTHER ROLE, HE RETURNED TO THE COMMISSION FOR ANOTHER THREE (3) YEARS AS THE LICENSING AND COMPLIANCE SPECIAL ASSISTANT. THE COMMISSION THANKS MR. SCHJANG FOR HIS SERVICE AND WISHES HIM WELL IN HIS RETIREMENT. MS. MARVA AUSTRIE JOINED THE COMMISSION ON JUNE 17, 2024, TO SUCCEED MR. SCHJANG. HER TITLE IS LICENSING AND COMPLIANCE OFFICER. WHEN THE COMMISSION LAST APPEARED FOR OUR BUDGET TESTIMONY, WE DID NOT HAVE AN EXECUTIVE DIRECTOR, A POSITION THAT IS MANDATED BY 32 VIC § 408(C). AFTER AN EXTENSIVE SEARCH WHERE WE RECEIVED ELEVEN (11) APPLICATIONS, AS FAR FLUNG AS THE UNITED KINGDOM, THE COMMISSION SELECTED MS. LINDA SMITH TO SERVE AS EXECUTIVE DIRECTOR. THE COMMISSION CURRENTLY HAS TWO VACANCIES FROM ITS FIFTEEN (15) BUDGETED POSITIONS: A LEGAL COUNSEL AND A CASINO INSPECTOR II. VACANCY NOTICES HAVE BEEN PUBLISHED FOR THESE POSITIONS. IN ANTICIPATION OF THE COMPLETION AND OPERATION OF THE PROPOSED CASINO AT THE RANDALL "DOC" JAMES RACETRACK, THE COMMISSION IS REQUESTING TWO (2) ADDITIONAL POSITIONS FOR CASINO INSPECTORS I, WITH BASE SALARIES OF \$42,000 AND FRINGE COSTS OF \$28,330 EACH, FOR A TOTAL OF \$140,660.

ON JANUARY 31, 2024, THE COMMISSION ISSUED ITS FOURTH ANNUAL REPORT TO THE GOVERNOR AND THE LEGISLATURE OF THE VIRGIN ISLANDS. THE REPORT WAS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF 32 VIC § 424 AND CAN ALSO BE FOUND ON THE COMMISSION'S WEBSITE. IN ADDITION, ON THE SAME DATE, IN ACCORDANCE WITH THE MANDATES OF 32 VIC § 514(e), THE COMMISSION SUBMITTED THE SECOND ANNUAL REPORT FOR THE CASINO REVOLVING FUND TO THE LEGISLATURE AND THE COMMISSIONER OF FINANCE. AS WAS STATED IN THE COMMISSION'S BUDGET TESTIMONY LAST YEAR, WITH THE SUBMISSION OF QUARTERLY REPORTS AND ANNUAL REPORTS TO THE COMMISSIONER OF FINANCE AND THE LEGISLATURE, IT REMOVES A YELLOW BOOK AUDIT FINDING THAT WAS CITED AS A SIGNIFICANT DEFICIENCY IN INTERNAL CONTROLS AS IT RELATED TO THE DEPARTMENT OF FINANCE. THE COMMISSIONERS AND STAFF ARE VERY PLEASED WITH THIS CONTINUING ACCOMPLISHMENT. ONE OTHER ACCOMPLISHMENT THAT I AM PERSONALLY PROUD OF, AND I BELIEVE MY COLLEAGUES ARE AS WELL, IS THE COMPLETION OF THE COMMISSION'S FIRST EVER FINANCIAL AUDIT. THE COMMISSION RECEIVED AN UNMODIFIED OPINION OF ITS FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021, IN THE AUDIT REPORT PREPARED BY BERT SMITH AND COMPANY. I WISH TO THANK ALL THE MEMBERS OF THE STAFF FOR THEIR CONTRIBUTIONS TO THIS HISTORICAL ACHIEVEMENT. THE AUDIT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022, HAS JUST BEGUN AND SHOULD BE COMPLETED BEFORE THE END OF THIS CALENDAR YEAR.

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 CONTROL 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. THE COMMISSION PROVIDES MONTHLY FINANCIAL REPORTS TO THE ATTORNEY GENERAL AND THE DIRECTOR OF GAMING ENFORCEMENT DETAILING THE REVENUES AND EXPENDITURES RELATED TO THE REVOLVING FUND.

ALL COMMISSION EMPLOYEES, INCLUDING THE COMMISSIONERS, RECEIVED ETHICS TRAINING LAST FISCAL YEAR. THE TRAINING WAS CONDUCTED ON SEPTEMBER 6, 2023. IT IS IMPERATIVE THAT THE COMMISSION'S CODE OF ETHICS IS ADHERED TO BY ALL COMMISSION MEMBERS AND EMPLOYEES, WITHOUT EXCEPTION. FURTHER, THE COMMISSION CONDUCTED RESPONSIBLE GAMING TRAINING, AGAIN FOR ALL COMMISSION MEMBERS AND STAFF. THIS TRAINING WAS WELL RECEIVED BY THE STAFF AND PRIZES WERE AWARDED TO THE FIRST THREE (3) EMPLOYEES COMPLETING THE ON-LINE TRAINING. THE COMMISSION IS COMMITTED TO PROVIDING ITS EMPLOYEES WITH OPPORTUNITIES FOR TRAINING AND DEVELOPMENT. TO THAT END, THE COMMISSION PAID ALL EXPENSES THAT RESULTED IN SEVERAL EMPLOYEES SUCCESSFULLY COMPLETING COURSES OFFERED THROUGH UVI CELL IN QUICKBOOKS PRO BUSINESS MANAGEMENT, FUNDAMENTALS OF SUPERVISION AND MANAGEMENT, AND INTRODUCTION TO

CODING. IN ADDITION, THE COMMISSION'S CASINO INSPECTORS RECEIVED TRAINING IN TABLE GAMES AND ANTI-MONEY LAUNDERING EARLIER THIS FISCAL YEAR.

THE COMMISSION CONTINUES TO REVIEW AND MONITOR THE LICENSURE PROCESS FOR EMPLOYEES OF THE CASINOS AND CASINO HOTELS, GAMING RELATED, AND NON-GAMING RELATED ENTITIES DOING BUSINESS WITH THE CASINOS. THE DIVISION OF GAMING ENFORCEMENT (DGE) CONDUCTS THE BACKGROUND INVESTIGATIONS ON THE APPLICATIONS FOR ALL PERSONS AND ENTITIES SEEKING LICENSURE. AS WE HAVE EMPHATICALLY STATED FOR MANY YEARS, THE DGE LACKS THE RESOURCES TO ADEQUATELY AND TIMELY SUBMIT THE INVESTIGATIVE REPORTS RELATIVE TO THESE APPLICATIONS TO THE COMMISSION. THE COMMISSION'S RECORDS INDICATE THAT CURRENTLY THERE ARE MORE THAN 240 APPLICATIONS AT DGE AWAITING INVESTIGATIVE REPORTS. THESE INCLUDE A VARIETY OF TYPES OF APPLICATIONS AND REGISTRATIONS SUCH AS GAMING AND NON-GAMING RELATED ENTITIES, CASINO HOTEL EMPLOYEES, CASINO KEY EMPLOYEES AND CASINO SERVICE EMPLOYEES. MOREOVER, OUR CURSORY REVIEW FINDS THAT IT CAN TAKE THE DGE ALMOST TWO YEARS TO RETURN AN INVESTIGATIVE REPORT TO THE COMMISSION. THIS AFFECTS THE COMMISSION'S ABILITY TO ENSURE THAT PERSONS OR ENTITIES WITH UNACCEPTABLE BACKGROUNDS AND RECORDS OF BEHAVIOR ARE PROHIBITED ENTRY INTO THE VIRGIN ISLANDS CASINO INDUSTRY. ALTHOUGH, THE DGE IS A DIVISION OF THE DEPARTMENT OF JUSTICE AND NOT A PART OF THE COMMISSION'S BUDGET, THE COMMISSION WOULD LIKE TO STRONGLY ADVOCATE FOR SUFFICIENT STAFFING

FOR THE DGE AND HOPES THAT THIS BODY WOULD LOOK FAVORABLY ON REQUESTS FROM THE JUSTICE DEPARTMENT TO PROVIDE THESE RESOURCES TO DGE.

DURING FISCAL YEAR 2024, ONE CASINO PATRON WAS 86(d), WHICH IN THE INDUSTRY REFERS TO PERSONS EJECTED OR BANNED FOR IMPROPER CONDUCT BY A CASINO. THE COMMISSION PROCESSED THREE (3) PATRON COMPLAINTS AND SIX (6) PETITIONS FOR VOLUNTARY SELF EXCLUSION. 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. ADDITIONALLY, THE COMMISSION RECEIVED FIVE (5) COMPLAINTS FILED BY DGE FOR LICENSE REVOCATION.

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.

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 EXECUTED A RENEWAL OF OUR LEASE AGREEMENT EFFECTIVE FOR THE PERIOD OCTOBER 5, 2023 THROUGH OCTOBER 4, 2028, A TERM OF FIVE (5) YEARS. THE LEASE AGREEMENT PROVIDES FOR INCREASES FROM \$84,006 TO \$94, 087 IN THE FIRST YEAR, \$99,732 IN THE

SECOND YEAR, AND \$102,674 FOR THE THIRD THROUGH THE FIFTH YEARS OF THE LEASE.

THE COMMISSION ISSUED LICENSES AND STATEMENTS OF COMPLIANCE THAT INCLUDED BOTH NEW AND RENEWAL FOR ALL LICENSE CATEGORIES TO INCLUDE CASINOS, 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 2023 AND THUS FAR FOR THE CURRENT FISCAL YEAR:

<u>Type of License</u>	<u>FY 2023 Number of Licenses</u>	<u>FY 2024 Number of Licenses</u>
Casino Employees	93	90
Casino Key Employees	55	36
Gaming Related Licenses	16	9
Non-Gaming Related Licenses	25	7
Work Permits	388	255
Statements of Compliance	<u>0</u>	<u>108</u>
Total Licenses	<u>577</u>	<u>505</u>

PLEASE NOTE THAT A TOTAL OF 577 LICENSES IN ALL CATEGORIES WERE ISSUED IN FISCAL YEAR 2023. THROUGH MAY OF THE CURRENT FISCAL YEAR, A TOTAL OF 505 LICENSES WERE ISSUED, WHICH WILL DEFINITELY SURPASS FISCAL YEAR 2023 NUMBERS ON AN ANNUALIZED BASIS. ADDITIONALLY, THROUGH MAY OF THIS FISCAL YEAR, THE COMMISSION ISSUED 69 EXEMPTIONS FROM LICENSURE AND 65 WAIVERS FROM REGISTRATION/LICENSURE.

AS EXPRESSED LAST YEAR AT OUR BUDGET HEARING, THE COMMISSION REPORTED THAT A REVIEW OF THE PROVISIONS OF THE INTERNET GAMING AND GAMBLING LAWS OF THE VIRGIN ISLANDS, 32 VIC, CHAPTER 21, ARTICLE XIV WAS UNDER WAY.

THIS LAW HAS BEEN ON THE BOOKS FOR MORE THAN TWENTY (20) YEARS AND HAS NEVER BEEN FULLY IMPLEMENTED, DESPITE PREVIOUS ATTEMPTS TO DO SO. THE REVIEW WAS COMPLETED AND THE RECOMMENDED AMENDMENTS WERE SUBMITTED TO THE COMMISSION AND EVALUATED BY THE COMMISSION'S THEN LEGAL COUNSEL AND APPROVED. THE COMMISSION HAS ISSUED AN RFQ TO CONDUCT A THOROUGH MARKET IMPACT ANALYSIS TO DETERMINE THE AMOUNT OF PROJECTED REVENUES, AMONG OTHER THINGS, TO BE REALIZED FROM THE IMPLEMENTATION OF INTERNET GAMBLING IN THE VIRGIN ISLANDS. ONE RESPONSE WAS RECEIVED AND IS CURRENTLY UNDER EVALUATION.

GOALS FOR FY 2025

- **CONTINUOUS REVIEW OF THE EXISTING LAWS, REGULATIONS AND POLICIES THAT GOVERN THE AFFAIRS OF THE COMMISSION AND PROPOSE AMENDMENTS OR MAKE CHANGES WHERE NECESSARY.**
- **SEEK MEETINGS WITH THE GOVERNOR AND THE LEGISLATURE TO GAIN SUPPORT OF THE AMENDMENTS NEEDED TO THE INTERNET GAMING AND GAMBLING STATUTES AND RULES AND REGULATIONS.**
- **CONTINUE DEVELOPMENT OF INTERNAL POLICIES AND PROCEDURES FOR EFFICIENT AND EFFECTIVE OPERATIONS AND MANAGEMENT OF THE COMMISSION, INCLUDING THE FULL IMPLEMENTATION OF A FORMAL ACCOUNTING POLICY.**
- **EXECUTE AN MOU WITH THE DEPARTMENT OF HEALTH TO PROVIDE TRAINING AND CERTIFICATION OF GAMBLING ADDICTION COUNSELORS, WHICH WILL ENABLE THE COMMISSION TO PROVIDE RESOURCES LOCALLY TO PATRONS WITH**

GAMBLING ADDICTION THROUGH THE ALLIANCE ON RESPONSIBLE GAMING FUND.

- **DEVELOP AND IMPLEMENT A TERRITORY WIDE PROBLEM GAMBLING AND RESPONSIBLE GAMING AWARENESS CAMPAIGN, UTILIZING MEANS AND METHODS SUCH AS SPECIALIZED WEB PAGES, SOCIAL MEDIA, ELECTRONIC BILLBOARDS AND MOBILE ADVERTISING.**
- **PROVIDE TECHNICAL TRAINING AND OTHER EDUCATIONAL OPPORTUNITIES FOR THE COMMISSION'S STAFF WHILE IMPLEMENTING ACTIVITIES DESIGNED TO MAINTAIN AND IMPROVE THE POSITIVE WORKPLACE ENVIRONMENT OF THE COMMISSION.**
- **CONTINUE TO FOSTER AND ENHANCE THE WORKING RELATIONSHIP BETWEEN THE COMMISSION AND DGE TO ENSURE THAT REGULATORY COMPLIANCE IS MAINTAINED THROUGHOUT THE LOCAL GAMING INDUSTRY.**
- **CONTINUE TO ADVOCATE FOR ENHANCED FUNDING FOR STAFFING OF THE DGE TO ENSURE THAT IT CAN TIMELY PERFORM ITS INVESTIGATORY AND PROSECUTORIAL ROLES WITH THE COMMISSION.**
- **CONTINUE TO ENCOURAGE CASINO ENTITIES AND OTHER STAKEHOLDERS TO UNDERTAKE THE OBLIGATIONS OF THE GAMBLING AND GAMING INDUSTRY IN PROMOTING RESPONSIBLE GAMBLING WHILE WORKING TO PREVENT PROBLEM GAMBLING.**

BEFORE CLOSING, I WISH TO TAKE THIS OPPORTUNITY TO EXPRESS MY THANKS AND GRATITUDE TO MY COLLEAGUES ON THE COMMISSION AND THE ENTIRE STAFF, INCLUDING OUR INSPECTORS WHO ARE USUALLY OFF-SITE AT THE CASINOS, FOR

THEIR HARD WORK AND SUPPORT OF OUR EFFORTS TO RESTORE INTEGRITY AND TRUST TO THE COMMISSION. THESE EFFORTS MUST CONTINUE AS WE STRIVE TO REGAIN THE PUBLIC'S TRUST AND INSTILL CONFIDENCE THAT THIS COMMISSION WILL OPERATE ABOVE REPROACH AND IN A TRANSPARENT MANNER AT ALL TIMES.

MADAM CHAIR, THIS CONCLUDES THE TESTIMONY OF THE VIRGIN ISLANDS CASINO CONTROL COMMISSION RELATIVE TO ITS FISCAL YEAR 2025 BUDGET. THE REPRESENTATIVES OF THE COMMISSION STAND READY TO RESPOND TO ALL THE QUESTIONS YOU AND THE MEMBERS OF THIS BODY MAY HAVE, TO THE BEST OF OUR ABILITY.