



Legislature of the Virgin Islands

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POST AUDIT DIVISION

April 9, 2025

MEMORANDUM

TO: Honorable Novelle E. Francis, Jr.
Chairman, Committee on Budget, Appropriations and Finance
36th Legislature of the Virgin Islands

FROM: Post Audit Division

SUBJECT: Bill No. 36-0042 – An Act amending title 33 Virgin Islands Code subtitle 3, chapter 118, section 3411 to increase the maximum judgment amount for the award of damages against the Government of the Virgin Islands

ANALYSIS

BILL NO. 36-0042

33 V.I.C. § 3411

**Statutes current through Act 8856 of the 2024 session of the 35th Legislature,
including all code changes through September 10, 2024**

Virgin Islands Code Annotated TITLE THIRTY-THREE Taxation and Finance

(Subts. 1 — 4) Subtitle 3. Finance (Chs. 111 — 119)

Chapter 118. Tort Claims (§§ 3401 — 3417)

§ 3411. Conditions of judgment

(a) In no case shall any liability be implied against the Government of the United States Virgin Islands. No judgment shall be granted on any claim against the Government of the United States Virgin Islands except upon such legal evidence as would establish liability against an individual or corporation in a court of law, and no judgment by default shall be entered against the Government.

(b) No judgment shall be awarded to any claimant or any claim which, as between private litigants, would be barred by the statute of limitations.

(c) No judgment shall be awarded against the Government of the United States Virgin Islands in excess of ~~\$25,000~~ \$150,000.

VIRGIN ISLANDS CODE

33 V.I.C. § 3414

**Statutes current through Act 8856 of the 8981 session of the 35th Legislature,
Including all code changes through February 28, 2025**

Virgin Islands Code Annotated TITLE THIRTY-THREE Taxation and Finance

(Subts. 1 – 4) Subtitle 3. Finance (Chs. 111 – 119)

Chapter 118. Tort Claims (§§ 3401 – 3417)

§ 3414. Payment of judgments entered against officers and employees

- (a) Whenever an officer or employee of the Government of the United States Virgin Islands has been sued in a civil action authorized by statutes of the United States of America and arising out of his employment with the Government of the United States Virgin Islands, and when the court which heard the case has ruled that said officer or employee acted reasonably and within the scope of his employment, the Government of the United States Virgin Islands shall pay the amount of the judgment entered against such officer or employee, or the amount of a settlement approved by the Governor of the Virgin Islands; Provided, however, no such payment shall exceed one hundred thousand dollars (\$100,000).
- (b) The Commissioner of Property and Procurement is authorized to procure insurance for a term of one or more years to cover the Government's potential liability to pay judgments and settlements under this section.

SUMMARY

Bill No. 36-0042 seeks to increase the maximum judgment amount awarded for damages against the Government of the Virgin Islands by **500%**, raising the cap on claimant awards from **\$25,000** to **\$150,000**. While intended to provide greater compensation in cases of serious injury, property damage, or other substantial losses, this measure introduces significant challenges.

Other provisions within the Virgin Islands Code; including those related to the payment of judgments entered against officers and employees, which currently cap payments at **\$100,000** would also require amendment to maintain legal consistency. Furthermore, although the section calls for the procurement of insurance to offset the government's liability, financial risks such as insurance premiums, policy exclusions, and increased litigation exposure could result in long-term fiscal strain on the government.

The measure, as presented, significantly increase the government's liability without the implementation of detailed safeguards. Without a clear plan to ensure financial sustainability and consistency across the Code, the risk of unintended fiscal and administrative consequences remain high.

Given these concerns, the Post Audit Division does ***not recommend*** approval of **Bill No. 36-0042** at this time. Further review is required to align statutory language, assess the full fiscal impact, and implement proper safeguards.



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Post Auditor