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Letters to the Editor

Protecting gaming integrity while revitalizing horse racing

Marvin L. Pickering

Dear Editor,

The proposed agreement between the V.I. government and Southland Gaming of the Virgin Islands, Inc., now operating as SGVI Inc., warrants careful scrutiny before the V.I. Legislature commits the territory to what could become one of the most consequential gaming arrangements in our history.

At first glance, the proposal submitted to the Legislature on April 28, 2026, by Gov. Albert Bryan, Jr. is understandably appealing. The restoration of horse racing on St. Croix through the rebuilding of the Randall "Doc" James Racetrack is long overdue and deserves broad support. Horse racing is deeply woven into the cultural fabric of our islands and has historically generated recreation, economic activity, and community pride.

The issue before the Legislature, however, is not whether horse racing should return. The question is whether the V.I. government should enter into an agreement that grants extraordinary long-term gaming privileges, tax advantages, exclusivity protections, and operational concessions while preserving the regulatory safeguards that protect the public interest. That is where legitimate policy concerns arise.

For more than 30 years, the V.I. Casino Control Commission has worked to establish a regulated gaming industry built on licensing standards, suitability investigations, compliance oversight, financial accountability, and public trust. Every casino operator, vendor, employee, gaming-related entity, and non-gaming entity operating within the casino district on St. Croix is subject to extensive regulatory scrutiny before participating in the industry. Those safeguards exist for a reason. The gaming industry is particularly vulnerable to abuse, corruption, financial misconduct, and criminal exploitation if not properly regulated.

In 1995, the Virgin Islands adopted a comprehensive regulatory framework designed to guard against those risks and ensure public confidence in gaming operations. In my prior role as commission chairman and chief executive officer, I testified before the Legislature's Committee of the Whole on March 22, 2022, regarding Bill No. 34-0224, which ultimately became Act No. 8577. During that testimony, I cautioned that earlier versions of similar legislation could create unregulated or semi-regulated gaming operations within the territory.

The commission also expressed concern that racetrack gaming activities could be exempted from licensing and regulatory standards imposed on licensed casino operators. Those concerns remain relevant today.

Under the current proposal, SGVI would receive an additional eight-year extension of its Video Lottery Services Agreement, expanded exclusivity for electronic gaming devices, a reduced revenue-sharing cap of 34 percent, and a 20-year contract to provide video lottery terminals at the St. Croix racetrack. These are substantial concessions with significant long-term financial and regulatory implications.

The Legislature should carefully consider several important questions:

- What public policy justification exists for granting one operator benefits unavailable to other gaming operators operating under the territory's regulatory framework?
- Should racino-related gaming activities be subject to the same licensing, taxation, and regulatory requirements imposed on casino operators?
- How will the proposed agreement affect safeguards that have taken decades to establish?
- What precedent might this arrangement create for future gaming operations in the Virgin Islands?

These concerns are not merely theoretical. The existing casino industry already contributes significantly to the Virgin Islands economy. Current casino operations on St. Croix generate millions of dollars annually in payroll, withholding taxes, gross casino tax revenues, and operational spending. These operations employ more than 300 St. Croix residents and generate annual payrolls exceeding $10 million. Licensed and regulated gaming entities also support local vendors, contractors, and professional service providers through expenditures exceeding $21 million annually, generating additional payroll and tax revenues for the V.I. government.

That industry exists because investors, operators, employees, and the public have confidence that casino gaming in the Virgin Islands is conducted under a stable, fair, and properly regulated system. Any action that creates unequal regulatory treatment or grants exclusive privileges outside established regulatory structures risks undermining that confidence. Equally concerning is the financial imbalance embedded in the proposal. While existing gaming operators remain subject to extensive taxation and oversight, portions of the SGVI arrangement appear designed to reduce or eliminate comparable burdens for racetrack gaming operations.

The commission previously warned that such disparities create unfair competitive advantages and unequal treatment among similarly situated gaming operators. The Virgin Islands cannot afford to undermine one segment of its gaming industry to support another. Nor should the territory commit itself to decades-long agreements without fully understanding the fiscal, economic, and regulatory consequences.

Supporters of the agreement argue that SGVI's proposed investment of about $27 million in racetrack development and gaming centers justifies the concessions being granted. Private investment is important and should be encouraged. However, investment alone should not justify reduced regulatory oversight or unequal treatment. Economic development and regulatory integrity are not mutually exclusive. The Virgin Islands can support horse racing, encourage private investment, and promote sports tourism while preserving the principles that protect both the gaming industry and the public interest.

The Legislature therefore has an obligation to proceed carefully. Any racetrack gaming operation should be subject to the regulatory authority of the commission. All gaming operators should be subject to the same licensing standards, suitability investigations, tax structures, and oversight requirements. Anything less creates unequal treatment and weakens public confidence in the fairness of the system.

As legislators consider the proposed agreement, they should ensure that any benefits provided to a private operator are balanced by safeguards that protect the public interest, preserve confidence in the territory's gaming industry, and maintain a level regulatory playing field. The return of horse racing is a goal worthy of support. Equally worthy of protection are the principles of fairness, accountability, and regulatory integrity that have guided gaming oversight in the Virgin Islands for more than three decades. The challenge before the Legislature is not whether to support horse racing, but whether to do so in a manner that strengthens rather than weakens public confidence in the integrity of the Virgin Islands gaming industry.

— Marvin L. Pickering, St. Croix, is the former chairman and CEO of the V.I. Casino Control Commission.