



VIRGIN ISLANDS WATER AND POWER AUTHORITY

P.O. BOX 1450,
ST. THOMAS, USVI
00804-1450
TELEPHONE: (340) 774-3552
FAX: (340) 715-6574

OFFICE OF THE EXECUTIVE DIRECTOR

October 6, 2023

VIA ELECTRONIC MAIL

The Honorable
Kenneth L. Gittens
Chairperson
Committee on Homeland Security, Justice, and Public Safety
Legislature of the Virgin Islands
3022 Estate Golden Rock
Christiansted, St. Croix, VI 00820

RE: Invitation on Bill 35-0086 Background Checks

Dear Chairman Gittens:

In response to your request for testimony on Bill 35-0086 requiring background checks for all IT personnel and employees of the Bureau of Information Technology, agencies that have data centers, and any employee who handles classified information, please find attached the testimony of the Virgin Islands Water and Power Authority.

Sincerely,

Andrew L. Smith
Executive Director/CEO

TESTIMONY

Good morning, I am Julius Aubain, Chief Information Officer of the Virgin Islands Water and Power Authority, WAPA or the Authority. I would like to thank the Honorable Chair, Senator Gittens, as well as other members of the Senate present for the opportunity to appear before you today to discuss background checks and Bill 35-0086. Following my testimony, Sabrina King-Leonce, Director of Human Resources, will provide testimony regarding employee background checks from the perspective of personnel. Good morning to you, the listening public, and the WAPA family.

Before moving to my testimony, I would like to read Executive Director Smith's testimony into the record. The testimony of Director Smith is as follows:

Good morning, Chairman Gittens and other members of the 35th Legislature joining us today. Thank you for the invitation to appear before you today to provide testimony on Bill 35-0086. I would have appeared today, but as I noted in correspondence to Chairman Gittens, I have a previous speaking engagement today at an American Public Power Association conference in Puerto Rico where I will be representing WAPA. The American Public Power Association is an industry trade association that provides valuable support to its member utilities in addition to coordinating mutual aid efforts to assist with service restoration following natural disasters.

I assure you that WAPA leadership takes the integrity of its workforce very seriously and supports the use of background checks as part of the effort to ensure a high-quality workforce. As you will hear from our Chief Information Officer and Director of Human Resources, we have extensive

IT security and employee background check protocols in place. Unfortunately, some of the enhanced security was prompted by learning a hard lesson. As you are aware, WAPA suffered the theft of \$2 million several years ago from the Authority due to a fraudulent wire transfer. WAPA recovered a significant amount of the loss from insurance, but due to a non-disclosure confidentiality agreement with the insurer, I am unable to disclose the amount of the insurance proceeds. Regardless of the receipt of insurance proceeds reducing the loss to WAPA, any loss was unacceptable, and that painful lesson prompted many reforms. Our Chief Information Officer will talk about several of the steps taken to protect the Authority.

WAPA also takes many steps to ensure the integrity of its employees. Once a candidate has been selected for a role, the candidate must pass multiple background checks, including a criminal background check, before being employed by WAPA. Our Director of Human Resources will provide more details in her testimony.

Thank you for the opportunity to provide testimony today.

This concludes Director Smith's testimony.

Turning back to my testimony. WAPA's Information Technology, or IT, employees all pass a background check performed by WAPA's Human Resources department before being employed by the Authority as Director Smith discussed. In response to the theft that Director Smith described, IT implemented multiple layers of additional security to protect the Authority's information. I will not go into all the ways in which protection for the Authority has been enhanced, because that would be like giving the keys to the front door to the person trying to break into your house, but I would like to provide a few examples.

Email phishing scams, where a fake email asking the recipient to click through a link, can breach IT infrastructure. The Authority has extensive online and in person training on cybersecurity in general as well as in-depth training as it relates to phishing scams to train employees on how phishing scams work and teach them how to identify and report phishing emails. The Authority also runs active phishing campaigns to increase employee awareness of how to detect phishing emails. Employees that fail a phishing campaign is assigned additional training.

Another example of a protection that WAPA has adopted is two-factor authentication, or MFA. You may be familiar with two-factor authentication from online resources you may use such as bank accounts, credit card accounts, social media accounts, email accounts, etc. With two factor authentication, a one-time code is transmitted to a device other than the device on which you are seeking access to the site. A cell phone or email address, for example. The user is then required to enter the code from the separate device to gain access.

WAPA works closely with the U.S. Department of Homeland Security, the U.S. Coast, the U.S. Department of Energy, the U.S. Department of the Interior as well as other federal agencies on its cybersecurity. For example, the Department of Homeland Security team was in the territory last month working with WAPA. The Department of Homeland Security also evaluates WAPA's cybersecurity measures and has consistently recognized WAPA's cybersecurity program as one of the best programs it has seen in the region. WAPA also works closely with industry trade associations on cybersecurity. I was nominated and selected to serve as Chairman of the American Public Power Association IT track for its business and financial conference in 2022 and served as vice-Chairperson the prior year.

This concludes my testimony. Thank you for the opportunity to provide testimony today. I am available to answer any questions once the testimony has been presented. I now turn the testimony over to WAPA's Director of Human Resources, Sabrina King-Leonce.

Good morning Chairman Gittens and other members of the 35th Legislature joining us today. Thank you for the invitation to appear before you today. I am Sabrina King-Leonce, Director of Human Resources.

As Director Smith described, WAPA takes the integrity of its workforce very seriously and supports the use of background checks as part of that effort.

In addition to a thorough interview process, WAPA screens potential hires with an extensive background check performed by its third-party provider, Verified First. WAPA does not initiate background checks for a candidate for employment until the candidate has been selected for employment. However, the candidate is unable to start work for WAPA until the candidate has passed a background check. Key elements of WAPA's background check include the following:

- National state and federal criminal background check
- Virgin Islands Police Department criminal background check
- Credit check
- Drug screening
- U.S. Department of Homeland Security background check, which identifies issue such as a candidate on a terrorist watch list
- Immigration status
- Reference check
- Education verification check

WAPA pays for the candidate's background check to make WAPA an attractive place to seek employment because a potential employee does not have to pay for a background check to pursue a job at WAPA. WAPA also does not perform its background check until a candidate has been selected for employment for two reasons. First, WAPA receives 3,000 to 5,000 employment applications each year, and WAPA only hires approximately 100 candidates per year from that pool of applicants. Paying for background checks for that many applicants would be very expensive when WAPA hires only a small fraction of applicants. Please note, WAPA is not increasing its headcount by that many employees each year. WAPA's headcount has remained essentially flat for the past several years because new hires replace vacancies created by retirements, terminations, or resignations. Second, if WAPA received background checks on several thousand employees each year, that would create a vast amount of data that WAPA would have to maintain. Given the small number of successful candidates out of a large pool of applicants, WAPA would be maintaining records for thousands of applicants that it did not hire.

Given what I just described, WAPA suggests that Bill 35-0086 address background checks only for candidates considered for an offer of employment rather than applicants for employment because then the administrative requirements and costs associated with background checks would be significantly reduced for the agencies.

A number of WAPA employees also carry a credential that requires additional background checks. The Transportation Worker Identification Credentials, or TWIC, is required by the U.S. Department of Homeland Security's Transportation Safety Administration to allow employees to access critical transportation infrastructure. WAPA's facilities include piers and mooring infrastructure and are near the ports. The TWIC

Testimony of Julius Aubain, Chief Information Officer and Sabrina King-Leonce, Director of Human Resources of the Virgin Islands Water and Power Authority regarding:

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background check includes a criminal background check, an immigration status check, a terrorist watch list check, and other reviews.

This concludes my testimony. Again, on behalf of Director Smith, Chief Information Officer Aubain, and myself, we thank the Senate and the public for the opportunity to discuss Bill 35-0086. We would also like to thank the hardworking men and women in the WAPA family for their dedication to providing services that are so critical to the community.