

Statement of Angel E. Dawson, Jr.
GERS Administrator/CEO Nominee
Committee on Rules
August 31, 2023

Good afternoon, Honorable Senator Diane Capeheart, Chairman Committee on Rules; other members of the Committee on Rules; other senators present; ladies and gentlemen. I come before you today as the nominee of the Board of Trustees of the Virgin Islands Government Employees' Retirement System to be Administrator/Chief Executive Officer. I am humbled by their nomination and humbly ask for your support and confirmation of my nomination.

This afternoon, given the nature of this hearing, I will start my opening statement by doing one of my least favorite things. That is, speaking about myself. As is well known, we Caribbean people (especially our elders) generally want to know "who you belong to" before we settle down and listen to what you have to say. So, here goes.

I, Angel E. Dawson, Jr., was born to Angel E. Dawson and Alana Lewis on July 11, 1965 at the Knud Hansen Memorial Hospital ("Round de Field"). My first home as an infant was that of the great Virgin Islands statesman, Lionel V. Roberts. Due to complicated circumstances, his daughter - Lucille V. Roberts - had raised my maternal grandmother - Eleanor Wendell - her godchild. And his widow - Anita Roberts - in turn, raised my mother, Alana.

I am blessed to have had several "mothers" in my lifetime. In addition to my birth mother, Alana, I was also raised by Lionel Roberts' other daughter, Leona Roberts Benjamin, who was a part of my life for as long as I knew myself, until her passing from this life in 1994. I am still blessed to have my mother, Alana, in this earthly realm, and today I pause to give thanks to God for both her and Aunty Leona. I also give thanks for my wife, Leslie, to whom I have been married for the last twenty-seven years.

I am a proud product of the Virgin Islands public school system, having graduated from Charlotte Amalie High School in 1982. I am also a graduate of the then-College of the Virgin Islands, from which I received my Bachelor of Arts degree in Business Administration in 1986.

A real pivotal point in my life occurred after my graduation from college in 1986 when I was hired by the Chase Manhattan Bank, N.A. and placed in their Western Hemisphere Professional Development Program. In this master's level corporate

program, I completed extensive commercial credit and investment banking training with peers from around the world, along with an on-the job training practicum, prior to assuming my post with Chase Manhattan Bank on St. Thomas.

Within a year of completing this program, I was promoted to the corporate position of Assistant Treasurer and assisted in the creation of Chase Bank's local Small Business Banking Group, where I served as its lending officer.

It was from this position that I was recruited by the late Rudolph E. Krigger, the newly appointed Commissioner of Finance in the second term of Governor Alexander Farrelly, to be his assistant. In this position, amongst other functions, I served as his liaison to the banking community. Notable accomplishments for me in this position included:

- Design of the Direct Payroll Deposit Program for V.I. Government employees that is still in use today, right down to the very enrollment form.
- Development of the Merchant Credit Card Program for V.I. Government to accept VISA/MasterCard payments for the very first time.
- Implementation of the federal Cash Management Improvement Act
- Introduction of an On-Line Banking System to the Department of Finance; and
- Establishment of the American Express Corporate Card Program for the V.I. Government

During my tenure with Commissioner Krigger at the Department of Finance, I also served as Chairman of the V.I. Government Health Insurance Board of Trustees / Government Employees' Service Commission. In this position, I oversaw the V.I. Government's Group Health and Life Insurance Plans, including the selection of and transition to CIGNA – which remains the V.I. Government's provider to this day.

Upon the end of Governor Farrelly's second term, I was recruited by Senator Judy M. Gomez to join her staff as Chief Research and Policy Analyst. Working in the hallowed halls of this legislative building was a nostalgic return to my beginnings, as during several high school summer breaks I worked as an intern in the office of the late, great Senator Elmo D. Roebuck. I count him and the late, great Senator Ruby Margaret Rouse of St. Croix as inspirational figures who would spur the young Angel Dawson, Jr. to later public service.

When Senator Gomez became Chairman of the Legislature's Finance Committee, I continued in her service at the Post Audit Division. It is from there that I was lured back into commercial banking by the late Valentino I. McBean – a legend in Virgin Islands banking. Between 1997 and 2009, I rose through the ranks from Commercial Relationship Officer to Assistant Vice President to Vice President and Commercial Loans Manager. After

those 12+ years back in commercial banking, I heard the siren call of public service, once again, and accepted Governor John P. deJongh's invitation to become his second Commissioner of Finance. And, what a ride it was!

The year was 2009. With the United States and the United States Virgin Islands being amidst the Great Recession, much of my time was spent in my ex-officio capacity as Executive Director of the Virgin Islands Public Finance Authority. Over the next five and a half years, I would oversee financing transactions and refinancings totaling almost \$2 Billion. Many, if not most, of these transactions arose from the urgent need to raise cash to keep the Virgin Islands Government afloat (and V.I. Government employees paid), considering drastic revenue decreases related to the one-two punch of the Great Recession and the closure of Hovensa on St. Croix.

But, somehow, we managed to survive and here we are today. It wasn't all financial gloom and doom, however. As Executive Director (and Acting Director of Administration and Finance) of the Virgin Islands Public Finance Authority, I also oversaw:

- The previously PFA owned and operated King's Alley Hotel and Frederiksted Mall
- The Office of Economic Opportunity, which oversaw all American Recovery and Reinvestment Act ("ARRA") federal grant awards.
- The PFA wholly owned subsidiaries, West Indian Company, Ltd., and viNGN

As Commissioner of Finance, I also served ex-officio as:

- **Chairman, Board of Tax Review**

After more than a decade of prior litigation in the Federal Court System, I was able to demonstrate satisfactorily to Chief District Court Judge Curtis V. Gomez that the Board of Tax Review was providing due process to taxpayers after changes implemented in the Office of the Board of Tax Review. In January 2011, the Court vacated its Decree enjoining the V.I. Government from issuing and collecting tax bills at rates other than those based on the 1998 assessments. Translating into potential increased revenues for the government.

- **Custodian, Government Insurance Fund**

In this capacity I developed a comprehensive plan to return the Government Insurance Fund to solvency.

- **Chairman, Virgin Islands Lottery Commission**

Working together with the Lottery's Executive Director, the system was returned to profitability. I also substantially resolved outstanding issues with an important partner that resulted in a significant tax payment to the Virgin Islands Government.

- Significantly, I also served as an **Advisory Member of the GERS Pension Reform Taskforce**

And the above roles and accomplishments didn't even include my "day job" as Commissioner of Finance. Notable accomplishments at the Department of Finance during my tenure as Commissioner include:

- Bringing the V.I. Government from being several years delinquent in issuing of its Audited Financial Statements to being completely current.
- Updating the V.I. Government's Accounting and Financial Reporting Standard Operating Policies and Procedures.
- Introducing ACH payments for V.I. Government vendors and the Tele Check System to reduce the volume of dishonored checks presented to the government.
- Introducing the STATS Biometric Time and Attendance System and the ERP Payroll Module to streamline payroll processing and improve accuracy for all V.I. Government employees.
- Overseeing the \$2.5 Million renovation of the Department of Finance St. Thomas office complex.

After a consequential five and a half years as Commissioner of Finance, I was called back to my commercial banking career at the end of Governor deJongh's second term. In November 2014 I resumed my banking career in the very building where it had begun twenty-seven years earlier. By now, FirstBank Puerto Rico had long acquired the Case Manhattan Bank operations in the U.S. and British Virgin Islands. Except for one break (which I took to pursue the high calling of elected political office) between November 2014 and July 2023, I served as Senior Vice President in FirstBank's Eastern Caribbean Region, inclusive of the U.S. and British Virgin Islands.

As Commercial Business Manager at FirstBank, I was responsible for:

- All aspects of the Eastern Caribbean Region’s Commercial and Public Sector Loan Portfolios
- The Transactional Banking Unit, with responsibility for Electronic Banking Products, Alternative Delivery Channels and Merchant Services
- The Platinum Banking Unit, which provides dedicated service to select bank clientele.
- All aspects of the British Virgin Islands Market, FirstBank Puerto Rico’s only international operation, with over \$200 Million under management.

Having a career that had been just about evenly split between the private and the public sectors, I was almost certain that I would retire from the private sector. Then the Government Employees’ Retirement System came calling. And, like Samuel in the Bible, after being called several times, I finally responded: “Speak, for your (public) servant is listening.” So, here I am today, as the Government Employees’ Retirement System Board of Trustees’ nominee to be the Administrator/CEO of this most vital organization.

The “Employees Retirement System of the Government of the Virgin Islands” came into existence on October 1, 1959. I refer to it in this manner, instead of the current “Virgin Islands Government Employees’ Retirement System” (“GERS”) because that is how it is referred to in the Board of Trustees First Meeting Minutes. I also like this reference because it places the word “Employees” in front of “Government of the Virgin Islands”. That is how it should be, since this is their system!

As an amateur student of history, I was delighted to find a perma-plaque copy of the Board of Trustees First Meeting Minutes for August 13, 1959, in my office on St. Thomas. In those minutes, board members present were Auguste Rimpel, Almeric Christian, Leslie Moorehead and Huan Van Putten. Victor Ebbesen, Director of Personnel, served as Secretary. Mr. Auguste Rimpel was elected as Chairman and Mr. Almeric Christian was elected as Vice Chairman. Initial funding for the System consisted of \$200,000. Little did those gentlemen know, as they discussed the “new Retirement Law” scheduled to go into effect on October 1, 1959, that the initial \$200,000 would grow to over \$1.6 Billion by 2007, only to plummet some 75% over the next fifteen years, to a balance of \$402 Million at September 30, 2022.

But, the Virgin Islands of the United States is, if nothing else, resilient. From the “effective poorhouse” of the United States, as proclaimed in 1931 by visiting President Herbert Hoover, of all people, (having led the United States into the Great Depression) the

U.S. Virgin Islands subsequently become the regional leader in tourism and, for a time, petroleum refining and manufacturing. No doubt, the GERS will similarly rebound.

As stated in my testimony to the Committee on Budget, Appropriations and Finance this past Tuesday, the Virgin Islands Government Employees' Retirement System itself turns sixty-five years on October 1, 2024 – the average age at which many persons choose to retire. As recently as early last year, the GERS was projected to run out of money in Fiscal Year 2025. Fortunately, shored up by the historic Funding Note made possible through the efforts of this body and the Bryan/Roach Administration, instead of October 1, 2024 representing the beginning of the GERS' final year of existence as we know it, we can look forward to the GERS remaining viable through at least 2052. In an encouraging sign, as of July 31st, the market value of our stocks and bonds portfolios has edged up by a little over \$50 Million year-to-date to about \$454.7 Million.

I reported to work as the Acting Administrator/CEO of the GERS on July 10th. Today is my 39th day on the job. On day one it was my honor and pleasure to visit with Attorney General, the Honorable Ariel Smith, whose department and office are located in the GERS Complex on St. Thomas. She and I are both proud members of the CAHS Class of 1982. But, as I looked at Ariel, despite how well we have aged by the grace of God, I could not help but marvel how the years have gone by since we graduated from high school. We were born at the fulcrum between the Baby Boom Generation and Generation X.

The youngest members of the Baby Boom Generation will be turning sixty next year and sixty-five in 2029. I am reasonably sure that, actuarially, the members of the Baby Boom Generation and the remaining members of the Silent Generation before it are assured of their GERS retirement annuities. However, after we have fulfilled our sacred pledge to existing retirees of the GERS, given longer life expectancies, it is Generations X, Y and Z – my classmate Ariel, her children and grandchildren – that I must be concerned about long term, should my nomination to be the next Administrator/CEO of the Virgin Islands Government Employees Retirement System be confirmed by this august body.

As Administrator/CEO of the GERS it would not be sufficient for me to be merely concerned about future generations of GERS annuitants. In my testimony before the Committee on Budget, Appropriations and Finance this past Tuesday, I stated that the \$3.8 Billion in cash contributions made available to the GERS by the previously mentioned Funding Note provides significant support to the GERS' long-term solvency. However, the unevenness of the annual cashflows over the thirty-year term of the Note presents a challenge that must be carefully managed and overcome. To that end, I recommended several measures to the committee that would not only ensure uninterrupted solvency of

the GERS throughout the thirty-year period, but would also facilitate the GERS becoming 100% funded by the year 2048.

Of course, becoming fully funded and remaining fully funded are two different things altogether. The litany of woes that afflicted GERS in the past are well known to many. However, we need not rehash the actions and decisions of the past. As the poet Henry Wadsworth Longfellow wrote in his poem *A Psalm of Life* – “Let the past bury its dead! Act, - act in the living Present!” And that is exactly what I intend to do, working in conjunction with the GERS Board of Trustees and with the assistance of a capable GERS staff.

Please allow me this opportunity to thank my predecessor – Mr. Austin Nibbs – and the management and staff of the GERS for their efforts in keeping the GERS viable during a very difficult period. I joined the GERS as Acting Administrator/CEO on July 10th and I have been very impressed with the professionalism and dedication of its management and staff. Of course, there is always room for further development, and it is my intention to utilize all my accumulated experience to do just that. Not in an autocratic manner, but collaboratively, as we always achieve more with a “light touch”. This will entail continuous training and cross-training to ensure that we achieve peak efficiency with the available human resources.

One of the first major projects to be completed under my watch will be migration of the GERS’ existing V3 Benefits Administration System software from Version 8, which is currently being utilized, to Version 10 – the current, cloud-based system. This will ensure that the GERS continues to be fully supported by our software provider, Vitech Systems Support Group, Inc., and that we maximize the system’s functionality.

Even before this two-year migration is completed, GERS staff are presently working to ensure that we are properly positioned for a possible restart of the GERS loans program in Fiscal Year 2024. I do not speak on behalf of the GERS Board of Directors, but as a career banker and as the Systems Administrator Nominee, I see the efficacy of the GERS loans program, which provides valuable access to liquidity for its members, while providing well-secured performing loan assets to its income-earning portfolio.

Speaking of income earning assets, I firmly believe that GERS assuming management of the Havensight Mall on St. Thomas in 2020 was an appropriate move. Under the GERS, Havensight Mall has become profitable post-pandemic and is poised to go from “good” to “great”. We have several initiatives underway, including a privately owned and financed hotel project, that will breathe new life into the mall.

Other projects underway include demolition of warehouses, to be replaced by common area green spaces. In this park, we will pay homage to the “coal women” who played such a big role in our history at the turn of the twentieth century. This will be achieved through the installation of monumental statues that will inject a historical element to be enjoyed by visitors and locals alike. We are also entering into an agreement with a company whose principals previously worked with the Disney corporation, for the development of a Strategic Plan for the Havensight Mall that will ensure its attractiveness and appeal for at least the next fifty years.

While Havensight Mall is an income-producing property, with even greater potential, the GERS is also the owner of two large tracts of land on St. Croix and St. Thomas that are presently non-performing. It is imperative that, working together with the GERS Board of Trustees (specifically the Development Committee chaired by Trustee Ronald Russell) we begin the process of developing these properties so that they become income producing. Ideas being explored include the development of much-needed assisted and independent living facilities on both islands, along with other appropriate residential and retail components. The prospect of profitably developing Estate Coakley Bay on St. Croix and Estate Hoffman/Nullyberg on St. Thomas, perhaps through a public/private partnership, truly excites me as a career commercial banker.

The title of the GERS’ Strategic Plan for 2023 through 2027 is “GERS Recharged: Securing our Future”. Honorable senators, ladies and gentlemen, this morning I can assure you that the GERS is recharged, and we are securing the future of our V.I. Government employees and retirees. Should I be honored by this committee and this legislative body confirming my nomination to be the next Administrator/CEO, I can assure you that I bring generational change at this pivotal time in the history of the Employees Retirement System of the Government of the Virgin Islands (as it was referred to at its beginnings in 1959) and will serve as a bridge between the Baby Boom Generation and Generations X, Y, and Z, thereafter.

I began by stating my dislike of talking about myself, but the necessity of doing so today. In my Rules Committee Questionnaire, in response to the question “What in your opinion qualifies you to serve the People of the Virgin Islands in the position (of GERS Administrator/CEO)”, I recited my experience as: Senior Vice President of a large commercial institution, combined with my past service to the People of the Virgin Islands as Commissioner of Finance, Executive Director of the Public Finance Authority and Advisory Member of the GERS Pension Reform Task Force.

In other words, I didn’t only tell you what I am going to do. I told you what I have done!

Honorable senators, ladies and gentlemen, if confirmed by this Rules Committee and this legislative body, I pledge to utilize my extensive public sector experience on behalf of the GERS. But I pledge to utilize my extensive commercial banking experience, as well. Because, in many regards, the Virgin Islands Government Employees' Retirement System is a bank! Yes, it's a bank in the traditional sense of conducting financial transactions including, hopefully, loans.

But it is also, metaphorically speaking, a bank in the sense that our people deposit, not only their money every payday, but their dreams for a dignified retirement after a life of public service, hoping that one day they can call upon those deposits to fund their well-deserved retirement. Having served as the Virgin Islands Government's banker when I was Commissioner of Finance and having served as a banker in the private sector, I submit to you that I should now be the people's banker as Administrator/CEO of the Virgin Islands Government Employees' Retirement System. I humbly ask for your support of my nomination.