

09/26/2024-REPORTED OUT TO THE COMMITTEE ON RULES AND JUDICIARY W/CLOSED
RULE

BILL NO. 35-0380

Thirty-Fifth Legislature of the Virgin Islands

September 26, 2024

An Act appropriating funds received from the settlement of *The Government of the United States Virgin Islands v. Estate of Jeffrey E. Epstein, et al.*, Civil No. ST-2020-CV-00014 and the settlement agreement with Leon Black for various projects and initiatives to enhance community services, mental health resources, infrastructure, and economic development in the Virgin Islands, including the establishment of the Southern Trust Company Settlement Fund and the Survivors and Mental Health Healing Trust Fund

PROPOSED BY: Senators Donna A. Frett-Gregory, Novelle E. Francis, Jr.,
Marvin A. Blyden, Javan E. James, Sr. and Samuel Carrión
Co-Sponsor Dwayne M. DeGraff

1 **WHEREAS**, on January 15, 2020, the Government of the Virgin Islands, through the
2 Virgin Islands Department of Justice and the Attorney General, initiated a civil action against
3 the Estate of Jeffrey Epstein under the Virgin Islands Criminally Influenced and Corruption
4 Organizations Act, referenced as *The Government of the United States Virgin Islands v. Estate*
5 *of Jeffrey E. Epstein, et al.*, Civil No. ST-2020-CV-00014 (“the Action”);

6 **WHEREAS**, on November 28, 2022, the Government of the Virgin Islands entered into
7 a Settlement Agreement and Release with the Estate of Jeffrey E. Epstein (“the Settlement
8 Agreement”);

9 **WHEREAS**, the Settlement Agreement stipulates that, in exchange for the dismissal of
10 the Action with prejudice, the Estate of Jeffrey E. Epstein agreed to pay the Government of the

1 Virgin Islands a total of \$105,000,000 and to sell Little St. James and Great St. James to
2 independent third parties;

3 **WHEREAS**, on January 20, 2023, a separate cash settlement agreement totalling
4 \$62,500,000 was executed between the Government of the Virgin Islands and Leon Black;

5 **WHEREAS**, the Government of the Virgin Islands commits to establishing a fund
6 utilizing settlement proceeds, designated for supporting projects, services, counselling
7 programs, organizations, and activities aimed at assisting Virgin Islands residents who are
8 victims of sexual assault, human trafficking, or child sexual abuse;

9 **WHEREAS**, the actions taken by the Government of the Virgin Islands represent a
10 commitment to justice and accountability for the victims of the abhorrent acts associated with
11 Jeffrey Epstein;

12 **WHEREAS**, the establishment of dedicated funds from these settlements will provide
13 critical resources for supporting survivors and addressing the long-term impact of trauma
14 caused by sexual violence and exploitation;

15 **WHEREAS**, the Government recognizes the urgent need for comprehensive mental
16 health and support services to address the needs of those affected by sexual violence,
17 trafficking, and other forms of abuse within the Virgin Islands ;

18 **WHEREAS**, the establishment of the Southern Trust Company Settlement Fund and the
19 Survivors and Mental Health Healing Trust Fund demonstrates a proactive approach to foster
20 healing and support within the Virgin Islands community;

21 **WHEREAS**, the Legislature of the Virgin Islands acknowledges the need for
22 transparency and accountability in the management and disbursement of funds allocated for
23 these essential services;

1 **WHEREAS**, the Government of the Virgin Islands aims to engage in collaborative
2 efforts with local organizations and stakeholders to maximize the impact of the funds
3 designated for the benefit of victims and the community at large; Now, Therefore,

4 *Be it enacted by the Legislature of the Virgin Islands:*

5 **SECTION 1.** (a) There is established within the Treasury of the Virgin Islands a separate
6 and distinct interest-bearing fund to be designated as the "Southern Trust Company Settlement
7 Fund" ("STC Settlement Fund"). The Commissioner of Finance shall administer the STC
8 Settlement Fund as a separate and distinct interest-bearing fund. No funds in the STC
9 Settlement Fund are available for expenditure or disbursement except as appropriated by the
10 Legislature of the Virgin Islands. All proceeds received by the Government of the Virgin
11 Islands from court actions related to the Jeffrey E. Epstein legal cases must be deposited into
12 the STC Settlement Fund, except for any funds separately identified in the respective settlement
13 agreements. The STC Settlement Fund terminates when its balance is reduced to zero.

14 (b) The sum of \$105,450,000 that the Government of the Virgin Islands will receive
15 pursuant to section III(A)(1) of the Settlement Agreement and Release executed on November
16 28, 2022, in the case of *The Government of the United States Virgin Islands v. Estate of Jeffrey*
17 *E. Epstein, et al.*, Civil No. ST-2020-CV-00014, is appropriated and must be deposited into the
18 Southern Trust Company Settlement Fund.

19 (c) The sum of \$47,500,000 that the Government of the Virgin Islands will receive
20 pursuant to the settlement agreement executed on January 23, 2023, with Leon Black, is
21 appropriated and must be deposited into the Southern Trust Company Settlement Fund.

22 (d) No later than 30 days after the enactment of this Act, the Commissioner of Finance
23 shall submit to the Legislature of the Virgin Islands a report detailing the use of all available
24 and appropriated funds to date. Thereafter, the Commissioner of Finance shall submit annual

1 reports to the Legislature on the expenditure of funds appropriated from the Southern Trust
2 Company Settlement Fund.

3 **SECTION 2.** (a) There is established within the Treasury of the Virgin Islands a separate
4 and distinct interest-bearing trust fund to be designated the "Survivors and Mental Health
5 Healing Trust Fund." The purpose of the fund is to fund:

6 (1) projects, services, counselling programs, and activities, or mental health
7 services and facilities for Virgin Islands residents or inhabitants; and

8 (2) For projects, services, counselling programs, and activities that assist Virgin
9 Islands residents or inhabitants who are victims of sexual assault, trafficking, human
10 trafficking, sexual misconduct, and child sexual abuse.

11 The Survivors and Mental Health Healing Trust Fund sunsets when the balance in the Fund
12 reaches zero.

13 (b) The Commissioner of Finance shall administer the Fund as a separate and distinct
14 interest-bearing account. No amounts within the Fund are available for expenditure or
15 disbursement except as authorized under this section or appropriated by the Legislature. The
16 Commissioner of Finance shall disburse money from the Fund upon authorization from the
17 Commissioner of the Department of Human Services for the purposes outlined in subsection
18 (a). The Commissioner of Finance shall submit annual reports to the Legislature of the Virgin
19 Islands detailing the activities, expenditures, and financial status of the Survivors and Mental
20 Health Healing Trust Fund.

21 (c) Pursuant to Section III(A)(3)(e) of the Settlement Agreement and Release executed
22 on November 28, 2022, in the case of *The Government of the United States Virgin Islands v.*
23 *Estate of Jeffrey E. Epstein, et al.*, Civil No. ST-2020-CV-00014, the sum of \$10,966,054 is
24 appropriated and deposited into the Survivors and Mental Health Healing Trust Fund.

1 (d) Pursuant to Section II(A)(2) of the Settlement Agreement and Release executed on
2 January 23, 2023, in the Leon Black matter, the sum of \$15,000,000 is appropriated and
3 deposited into the Survivors and Mental Health Healing Trust Fund.

4 (e) No later than 30 days after the enactment of this Act, the Commissioner of Finance
5 shall submit to the Legislature a report detailing the use of all available and appropriated funds
6 to date. Thereafter, the Commissioner of Finance shall submit annual reports to the Legislature
7 of the Virgin Islands on the expenditure of funds appropriated from the Survivors and Mental
8 Health Healing Trust Fund.

9 **SECTION 3.** (a) The Government of the Virgin Islands employed outside legal
10 services to handle Civil No. ST-2020-CV-00014 and the Leon Black matter, resulting in the
11 accrual of legal fees.

12 (b) The sum of \$17,349,705.30 is appropriated from the Southern Trust Company
13 Settlement Fund (“STC Settlement Fund”) to the Department of Justice for the payment of all
14 legal fees incurred in connection with Civil No. ST-2020-CV-00014.

15 (c) The sum of \$7,125,000 is appropriated from the STC Settlement Fund to the
16 Department of Justice for the payment of all legal fees incurred in connection with the Leon
17 Black matter, which was settled on January 23, 2023.

18 **SECTION 4.** Pursuant to Section III(A)(2) of the Settlement Agreement, and to fully
19 resolve all claims of environmental damage and destruct appropriated from the STC Settlement
20 Fund to the Virgin Islands Department of Planning and Natural Resources.

21 **SECTION 5.** The sum of \$21,500,000 is appropriated from the STC Settlement Fund
22 to the Department of Public Works for the completion of the Estate Nazareth Sports Complex
23 located at Tract No. 1, Estate Nazareth, on the island of St. Thomas, pursuant to the site plan.
24 These funds must be used for infrastructure development, including utilities, common areas

1 such as parking, restrooms, and concession stands, and to assist in the construction of sporting
2 facilities.

3 **SECTION 6.** The sum of \$20,000,000 is hereby appropriated from the STC Settlement
4 Fund to the Bureau of School Construction and Maintenance for the maintenance of school
5 facilities. These funds must be appropriated annually by the Legislature of the Virgin Islands.

6 **SECTION 7.** The sum of \$10,000,000 is appropriated from the STC Settlement Fund
7 to the Virgin Islands Port Authority for the construction of a Cultural Center on the island of
8 St. John.

9 **SECTION 8.** The sum of \$4,250,000 is appropriated from the STC Settlement Fund
10 to the Department of Property and Procurement for the renovation and outfitting of Seaview
11 Nursing Home on St. Thomas.

12 **SECTION 9.** The sum of \$10,000,000 is hereby appropriated from the STC Settlement
13 Fund to the Virgin Islands Economic Development Authority to establish the “Virgin Islands
14 Catalyst Revolving Fund. This Fund must be used for private economic development projects
15 initiated by combined efforts of the public and private sectors, including the rehabilitation,
16 renovation, construction, or other improvements of any building or structure within the Virgin
17 Islands; the purchase of furniture, fixtures, or equipment; the acquisition of land and buildings;
18 or for financing the general needs of any eligible entity for operations or activities in the Virgin
19 Islands consistent with and intended to further the Virgin Islands' tourism product and
20 economic goals. No less than 40% of this Fund shall be reserved for local Virgin Islands
21 entrepreneurs who have been in business in the Virgin Islands for at least five years. The Virgin
22 Islands Economic Development Authority shall submit annual reports to the Legislature
23 regarding the use of the funds.

1 **SECTION 10.** The sum not to exceed \$1,800,000 is appropriated from the STC
2 Settlement Fund to the Department of Property and Procurement for the purchase of property
3 located at 9A-6 Nazareth RH St. Thomas, Virgin Islands 00802, for the purpose of entering
4 into a long-term lease with Nana's Baby Home, a duly registered non-profit organization
5 providing services to children in the territory.

6 **SECTION 11.** The sum of \$18,000,000 is appropriated from the Survivors and Mental
7 Health Healing Trust Fund to the Department of Health for the completion of the behavioral
8 health facility located in Estate Anna's Hope, St. Croix.

9 **SECTION 12.** The sum of \$3,500,000 is hereby appropriated from the STC Settlement
10 Fund to the Department of Health for the completion of renovations to the east wing of the
11 Eldra Schulerbrandt Mental Health Facility located in Estate Anna's Retreat, St. Thomas.

12 **SECTION 13.** The sum of \$5,000,000 is appropriated from the STC Settlement Fund to
13 the Crime Prevention/Prosecution Fund for the Department of Justice to cover costs and
14 expenses related to its operations, investigations, prosecution of crimes, civil enforcement of
15 violations of Virgin Islands law, and any other matters under the jurisdiction of the Attorney
16 General of the Virgin Islands.

17 **SECTION 14.** The sum of \$125,000 is appropriated from the STC Settlement Fund to
18 the Virgin Islands Police Department's Peace Officer Standards and Training (P.O.S.T.)
19 program for training on Sex Crimes and Human Trafficking for peace officers, including
20 investigators and civilian personnel involved in sex crimes and human trafficking cases.

21 **SECTION 15.** The Governor, acting through the Commissioner of Finance, may utilize
22 \$25,000,000 from the STC Settlement Fund, or so much thereof as is necessary, for deposit
23 into a high-yield investment account for a term of not less than three years. The Commissioner
24 of Finance may reinvest these funds upon maturity, and any funds generated from this

1 investment may be appropriated for projects and other services as deemed necessary after the
2 initial three-year term.

3 **SECTION 16.** The sum of \$200,000 is appropriated from the Survivors and Mental
4 Health Healing Fund to Nana's Baby Home for the outfitting of the new facility located at 9A-
5 6 Nazareth RH St. Thomas, Virgin Islands, 00802.

6 **SECTION 17.** The sum of \$3,400,000 is appropriated from the STC Settlement Fund to
7 the Virgin Islands Housing Authority for the renovation, rehabilitation, and construction of
8 recreational facilities on St. Thomas and St. Croix. of this amount, the sum of \$2,000,000 must
9 be used by the Virgin Islands Housing Authority to renovate, rehabilitate, and construct
10 recreational facilities at the following housing communities: Paul M. Pearson Gardens, Oswald
11 E. Harris Court, H.H. Bergs Homes, Michael J. Kirwan Terrace, Estate Bovoni Apartments,
12 and Knolls at Contant on St. Thomas. The sum of \$1,400,000 must be used to renovate,
13 rehabilitate, and construct recreational facilities at the following housing communities: Marley
14 Homes, Aureo Diaz Heights, Williams Delight, Mount Pleasant, and Candido Guadalupe
15 Terrace on St. Croix.

16 **SECTION 18.** The sum of \$1,075,000 is appropriated from the STC Settlement Fund
17 to the Virgin Islands Economic Development Authority to be used as follows:

18 (a) \$400,000 for the Agro and Food Innovation Center in Frederiksted, St. Croix;

19 and

20 (b) \$675,000 for the Agro and Food Technology Center at the Marcelli Institute.

21 **SECTION 19.** The sum of \$2,500,000 is appropriated from the STC Settlement Fund to
22 the Virgin Islands Economic Development Authority to provide low-interest loans to
23 homeowners for the repair, renovation, and rehabilitation of their residential homes. The Virgin
24 Islands Economic Development Authority shall promulgate rules and regulations for the

1 program to ensure minimal restrictions for homeowners in the territory to obtain these loans,
2 provided that all loan amounts must be repaid within 10 years of receipt.

3 **SECTION 20.** The sum of \$1,000,000 is appropriated from the Survivors and Mental
4 Health Healing Fund to the St. Thomas East End Medical Center, and the sum of \$1,000,000
5 is appropriated from the Survivors and Mental Health Healing Fund to the Frederiksted Health
6 Center. These funds must be used to provide services to Virgin Islands residents or inhabitants
7 who are victims of sexual assault, trafficking, human trafficking, sexual misconduct, child
8 sexual abuse, or who have mental health issues.

9 **BILL SUMMARY**

10 This bill appropriates monies from the settlement funds received from the case of *The*
11 *Government of the United States Virgin Islands v. Estate of Jeffrey E. Epstein, et al., Civil No.*
12 *ST-2020-CV-00014* and the settlement agreement with Leon Black for various projects and
13 initiatives aimed at improving community services, mental health resources, infrastructure, and
14 economic development in the Virgin Islands. The appropriations include funding for the
15 establishment of the Southern Trust Company Settlement Fund and the Survivors and Mental
16 Health Healing Trust Fund, as well as allocations for legal fees, environmental restoration,
17 sports complex completion, school maintenance, cultural center construction, and health
18 services for victims of trauma.

19 **BR23-0063/September 26, 2024/KEH**