

**PREPARED STATEMENT OF  
STEPHAN ADAMS, VINGN PRESIDENT & CEO  
BEFORE THE SENATE COMMITTEE ON  
GOVERNMENT OPERATIONS, VETERANS AFFAIRS,  
AND CONSUMER PROTECTION  
36<sup>TH</sup> LEGISLATURE OF THE VIRGIN ISLANDS  
June 23, 2025**

Good morning, Honorable Avery L. Lewis, Chairman of the Committee on Government Operations, Veterans Affairs, and Consumer Protection, Honorable Senators, and the listening and viewing audiences. I am Stephan Adams, President, and CEO of viNGN, Inc. Today, I am joined by Elisa Hodge, our Controller who will also give a testimony. We are honored to present to you today.

I would like to begin by expressing my gratitude to the Legislature for the confidence and support shown to viNGN and my leadership during my five-and-a-half-year (5 ½) tenure. Thank you!

I also respect the Herculean efforts of the Legislature and Governor Bryan to right the Government Employee Retirement System (GERS) ship. These actions have been courageous and seemingly effective. Bill 36-0066 appears to be well intended; however, it fails to address key underlying concerns which adversely affect GERS and its cash flow. These include outstanding employer contributions from WAPA of \$8.9 million with the hospitals owing a combined \$3.8 million. The annual refunds of employee contributions to nonvested government employees, which was \$6.4 million in 2022, also adversely impacts GERS' cash flow.

Unlike my previous testimonies to various Legislative committees, which have been informational in nature, I come before you today to vigorously oppose Bill 36-0066,

which would mandate all viNGN employees to join GERS. If enacted, it would have profound detrimental consequences for all viNGN employees and for the viability of the company as an ongoing concern.

Before presenting my arguments, I would like to tell you about viNGN's role in the community. viNGN is an instrumentality of the US Virgin Islands Government (GVI) established in 2010 by this legislative body. We are solely owned by the Public Finance Authority (PFA). However, we are an incorporated entity with an independent board of directors of which Governor Bryan is our chairman.

viNGN is a middle-mile provider of broadband services to Internet Service Providers (ISPs) in the Territory. We sell wholesale Internet connectivity to them in an open and nondiscriminatory manner. The ISPs in turn resell as last mile Internet access. viNGN's mission is threefold: 1) make the Internet widely available, 2) ensure access affordability, and 3) maintain a resilient network. Additionally, we also manage over 100 free community Internet Wi-Fi hotspots with over 460 access points and counting. Free Wi-Fi has been a wildly popular initiative.

Now to my objection to Bill 36-0066. Currently 18 of viNGN's 24 employees participate in a Fidelity Investment Simple IRA that was established in 2017. Fidelity is an investment institution that is highly respected for its stability and financial performance. viNGN offers a 3% employer match, which is standard for a corporation. The plan offers a wide range of options depending on the employee's investment risk tolerance, which is a key reason our employees voluntarily participate. This benefit gives them full control of their financial future.

Now, let us look at the numbers and what they mean for viNGN. Employees have the option to contribute upwards of 15% of their salary annually to their Fidelity

Simple IRA account. They can adjust their contribution amount at any time, whereas GERS' is a fixed 11.5% with no options to recalibrate to individual life circumstances. We have never missed any of our benefit payments nor engaged in wage theft to improve our cash position. Under the GERS plan, viNGN would have to pay an exorbitant 26.5% match, which we cannot afford or sustain. We consider this rate to be usury.

The following are the financial implications if viNGN must pay 23.5% more in matching funds into the GERS' pension plan versus our current Simple IRA. The company currently pays \$44,276 annually to match the combined employee retirement contribution. The GERS pension plan, if applied to all viNGN employees, would cost **\$563,835** annually in matched funds. This represents a **1,173%** increase in employer contribution which would eventually bankrupt viNGN!

This increase would require us to either lay off seven (7) hard-working Virgin Islanders, which is 29% of our workforce, or raise salaries by 8.5% across the board to retain employees by compensating them for the unanticipated reallocation of their wages. Both options would have a negative financial and operational impact. It is important to note that viNGN earns 100% of our operating budget from ISP wholesale broadband revenue. We do not have a government funding source to close the gap between our Fidelity Simple IRA and GERS pension match programs.

Further, if viNGN was mandated annually to contribute the \$519,559 difference between its current 3% Simple IRA and 26.5% GERS pension, we would not be able to make the necessary upgrades and repairs to our infrastructure to maintain its carrier class. We would also be challenged to retain top talent to ensure commercial network operational resiliency as some employees have indicated they would quit rather than join GERS. The net result would be the fatal crippling of viNGN.

These losses would negate any financial gains GERS would hope to receive through compulsory enrollment.

Additionally, an upward financial trend would be reversed. viNGN is projected to become EBITDA positive (profitable) at the end of this fiscal year 2025 for the first time in our 14-year existence. Mandating our employees participate in the GERS retirement program would permanently put this goal and our independence out of range.

Another realization is that more than half of viNGN's staff have been employed with the company for 10 years or more. Some are close to retirement age and others in mid-life. It is unreasonable to expect them to begin vesting in a pension program for 10 years where most of them will not be able to realize full pension benefits. They would eventually become a refund to nonvested employees.

All of us at viNGN are sensitive to the plight of GERS and the need to identify more enrollees. However, viNGN and its employees would be severely harmed if forced to abandon its Simple IRA for an unstable pension plan.

In closing, I appeal to this committee to **Exempt** viNGN from this bill, as the downside to the company far outweighs the upside we could provide to GERS. It is punitive and unjust to expect viNGN to subsidize GERS for WAPA and the hospitals non-payment through forced enrollment.

This concludes my testimony. I now turn to Ms. Hodge for additional fiscal support. Thank you for your attention. We look forward to answering your questions.

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