



GOVERNMENT OF THE VIRGIN ISLANDS
OF THE
UNITED STATES

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VIRGIN ISLANDS TAXICAB COMMISSION

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Good morning Senator Avery Lewis Chairman of Government Operations, Veteran Affairs and Consumer Protection and Honorable Members of the Legislature.

Thank you for the opportunity to appear before you today to discuss the findings contained in the Office of the Inspector General's audit entitled *Administrative Functions of the Virgin Islands Taxicab Commission*, covering Fiscal Years 2018 through 2022. This response provides a general overview of the operations of the Taxicab Commission.

The Virgin Islands Taxicab Commission acknowledges the findings and recommendations contained within the report and appreciates the oversight provided through this audit process. Many of the concerns identified were also issues that became apparent during my own assessment of the agency upon assuming leadership.

It is important to note that the Commission is currently in a period of significant transition and rebuilding. During much of the audit period, the agency experienced operational challenges, staffing shortages, and administrative deficiencies that impacted its ability to effectively carry out certain functions. Since my appointment as Executive Director, the Commission has focused on restoring accountability, strengthening internal controls, filling critical vacancies, modernizing procedures, and increasing oversight in all operational areas.

Although the Taxicab Commission operates as a semi-autonomous agency, we currently utilize Government of the Virgin Islands Standard Operating Policies and Procedures (SOPPs), the Department of Finance's Enterprise Resource Planning (ERP) system, and established fiscal controls for revenue collection, deposits, expenditures, and reporting. In addition, the Commission has developed and implemented agency-specific operational checklists and corresponding Standard Operating Procedures to improve consistency, accountability, and compliance.

While substantial progress has been made, funding remains one of the Commission's greatest challenges. The modernization of historical records, implementation of automated systems, enhancement of enforcement capabilities, and expansion of staffing levels require resources beyond the agency's current capacity. As a result, the Commission has prioritized immediate corrective actions while actively pursuing long-term technological and operational solutions.

For purposes of today's hearing, I will address each audit finding and summarize the actions that have been taken or are currently underway.

FINDING 1:

MEDALLION REGISTRY

Recommendation 1:

Preserve damaged medallion registries and re-establish information contained therein.

Commission Response

The Commission agrees with this recommendation.

The condition of portions of the medallion registry reflects deficiencies that developed over many years and predate current administration. Since assuming leadership, an assessment of the registry records has been conducted to identify damaged records, missing information, and preservation needs.

Recognizing the historical significance of these records, the Commission has inquired through the Department of Planning and Natural Resources, including the Office of Historic Preservation, regarding best practices for preservation and restoration. Simultaneously, the Commission has identified digitization of the registry as a critical long-term solution.

The Commission has received support from the Office of Management and Budget, the Department of Finance, and the Bureau of Information Technology in evaluating technology solutions that could support electronic recordkeeping, payment processing, and database management. However, full implementation will require dedicated funding for records digitization and electronic document management systems. Meetings are schedule to review a recommended system.

Recommendation 2:

Update the medallion registry with accurate information.

Action Taken

The Commission has implemented strengthened validation procedures requiring:

- Ownership verification;
- Lien checks;
- Review of supporting documentation;
- Receipt and transaction verification; and
- Multi-level approval processes.

In addition, standardized transaction checklists and corresponding Standard Operating Procedures have been developed and are currently being utilized to ensure that required reviews are completed before any transaction is finalized.

Recommendation 3:

Ensure medallion owner files remain current.

Action Taken

The Commission now conducts comprehensive file reviews before processing transfers, sales, co-ownership transactions, lease agreements, and s lien release inquiries.

No transaction proceeds without verification that all required supporting documentation is present and reviewed. Staff have been trained on these procedures, and authorized approval is required before final processing.

Recommendation 4:

Notify staff and the public of missing medallions.

Action Taken

Upon completion of the registry reconciliation process, the Commission intends to implement a formal notification protocol to address missing or unaccounted-for medallions.

The Commission has already increased safeguards designed to prevent unauthorized transactions and fraudulent use of medallions while registry verification efforts continue.

FINDING 2: MEDALLION AUCTIONS**Recommendation 1:**

Comply with payment requirements for auctioned medallions.

Action Taken

The Commission enforces payment deadlines and has strengthened controls associated with auction transactions.

Future auctions will utilize transaction-specific tracking forms, payment monitoring procedures, and enhanced supervisory review to ensure compliance with established payment requirements.

Recommendation 2:

Ensure timely issuance of certificates and medallions.

Action Taken

Improved staffing levels and newly developed processing procedures have significantly increased the Commission's ability to track and complete auction transactions.

The Commission is implementing tracking logs and workflow monitoring tools to ensure certificates of entitlement and medallions are issued within required timeframes.

Recommendation 3:

Obtain a legal opinion regarding second-highest bidder policies.

Action Taken

The Commission will seek a formal legal opinion from the Department of Justice to ensure future auction procedures fully align with applicable law and regulatory authority.

FINDING 3: TAXI LICENSES**Recommendation 1:**

Issue badges only to applicants who complete certification requirements and pass required examinations.

Action Taken

The Commission has implemented stricter verification procedures requiring:

- Official exam score documentation from UVI CELL;
- Executive Director verification;
- Retention of master examination records;
- Staff retraining on eligibility requirements; and
- Verification prior to badge approval.

The Commission also provides certification letters to the Bureau of Motor Vehicles for first-time applicants who successfully complete all requirements.

Renewals are processed using updated checklists and Standard Operating Procedures that include examination verification requirements where applicable.

Recommendations 2 and 3:

Investigate improperly issued licenses and follow up on cases referred to DOJ.

Action Taken

The Commission is reviewing records associated with previously identified cases and will coordinate with the Department of Justice regarding investigations previously referred for review.

The Commission will request status updates and ensure findings are incorporated into agency records and future compliance efforts.

FINDING 4: BIENNIAL INSPECTIONS AND ENFORCEMENT

Recommendation 1:

Seek clarification regarding statutory biennial inspections.

Action Taken

The Commission supports legislative clarification regarding inspection requirements and intends to research and pursue any necessary statutory amendments.

Currently, the Commission conducts inspections for:

- New vehicles entering service;
- Vehicle-for-hire renewals;
- Vehicles requiring additional review; and
- Vehicles subject to mechanic certification requirements (after 5 years).
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Recommendation 2:

Consider inspections coordinated with BMV requirements.

Action Taken

The Commission already incorporates many inspection elements consistent with Bureau of Motor Vehicles requirements while enforcing additional standards applicable specifically to vehicles for hire.

Recommendation 3:

Increase staffing and interagency cooperation.

Action Taken

The Commission has successfully onboarded additional personnel. However, long-term staffing levels remain dependent upon available funding.

The Commission has also explored enforcement partnerships with other agencies, including the Virgin Islands Police Department, though staffing limitations exist across government.

Recommendation 4:

Implement patrol activities.

Action Taken

With the hiring of additional inspectors, active patrol and enforcement efforts have resumed and are continuing as staffing resources permit.

FINDING 5: REVENUE COLLECTIONS**Recommendation:**

Strengthen revenue controls and adopt fiscal procedures.

Action Taken

The Commission already utilizes Department of Finance SOPPs and ERP systems; however, additional internal controls have been implemented to further strengthen accountability.

These controls include:

- Daily revenue reconciliation;
- Receipt verification procedures;
- Deposit monitoring;

- Staff training;
- Documentation review requirements;
- Supervisory oversight; and
- Enhanced discrepancy reporting procedures.

The Commission continues to make daily deposits and reconcile collection records with settlement reports and ERP entries.

FINDING 6: EXPENDITURES

Audit Conclusion

The audit found that expenditures reviewed between Fiscal Years 2018 and 2022 complied with Virgin Islands law and were used for authorized agency purposes.

Commission Response

The Commission appreciates the audit's acknowledgment that expenditures reviewed were consistent with statutory requirements.

We remain committed to responsible stewardship of public funds and will continue strengthening financial oversight, reporting, documentation, and internal controls while maintaining compliance with Government of the Virgin Islands procurement requirements, ERP procedures, and Department of Finance policies. We also incorporate procurement systems such as GVI BUY.

CONCLUSION

The Virgin Islands Taxicab Commission acknowledges the findings of the audit and accepts the responsibility to continue strengthening agency operations.

Since the audit period, substantial progress has been made through the development of new procedures, implementation of internal controls, staff training, enhanced oversight, increased staffing, improved recordkeeping practices, and strengthened fiscal accountability measures.

While significant work remains, particularly in the areas of technology modernization, records digitization, and expanded enforcement activities, the Commission has already begun addressing many of the deficiencies identified in the report.

The Commission remains fully committed to transparency, accountability, and continuous improvement. However, sustained progress will require adequate funding to support modernization initiatives, preserve historical records, strengthen enforcement capabilities, and maintain efficient public service delivery.

We appreciate the Legislature's continued support and look forward to working collaboratively to ensure the long-term success and integrity of the Virgin Islands Taxicab Commission.

Thank you, and I am available to answer any questions.