



UNITED STATES VIRGIN ISLANDS  
**Economic Development Authority**



# COMPLIANCE UNIT

**Joy Penn, Senior Compliance Officer**

# FUNCTIONS

To ensure the integrity of the Virgin Islands Economic Development Commission Incentive Program.

To assist the beneficiaries in meeting the requirements of their VIEDC Certificates, Law and Rules and Regulations.

To perform compliance reviews and report findings to the VIEDC Governing Board, which has the legal authority to assess fines for non-compliance.

# COMPLIANCE UNIT STRUCTURE

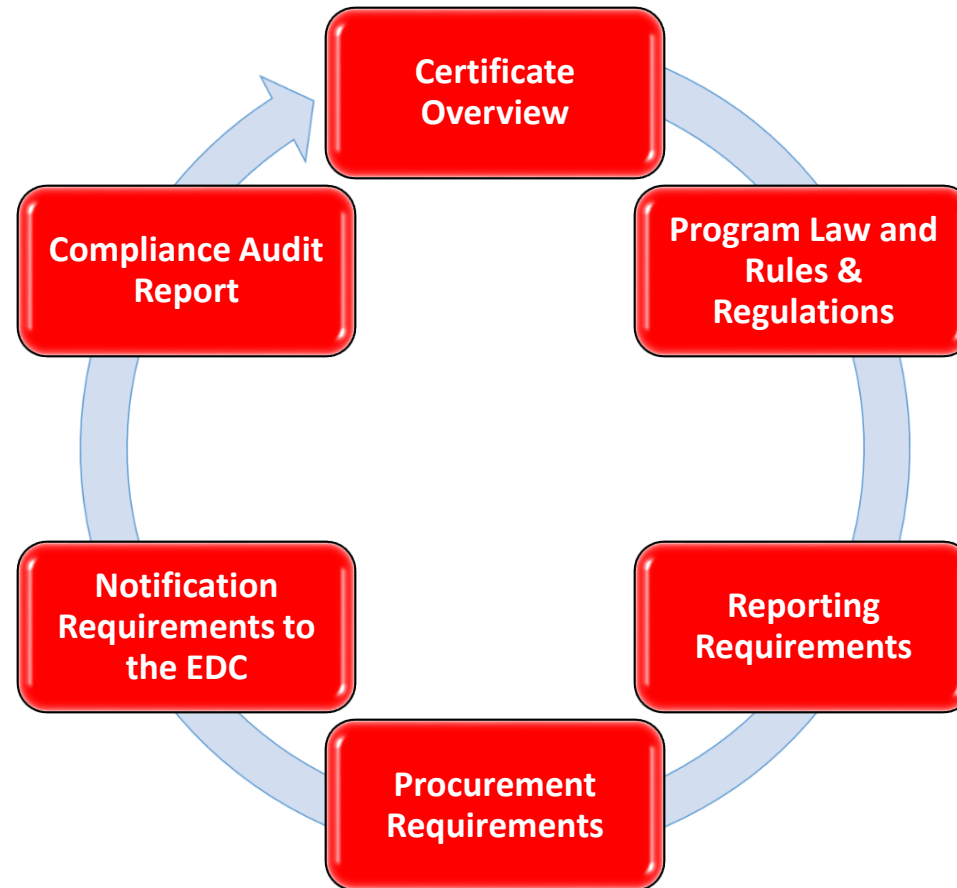


# RECEIPT OF EXECUTED CERTIFICATE

Schedule and conduct an orientation on the performance of the terms of our contract with the Government of the United States Virgin Islands, compliance with the VI Economic Development Program Law, Rules and Regulations, all applicable local and federal laws, and regulations to include an overview of the reporting requirements of the program

Issue Invoice Activation and Compliance Fees

# ORIENTATION



# REPORTING REQUIREMENTS

- **NOTICE OF PUBLICATION** – as published in newspapers of general circulation
- **EMPLOYERS QUARTERLY WAGE REPORT (VIESA)** – as filed with the Department of Labor.
- **AFFIDAVIT OF RESIDENCY** – filed with the Economic Development Commission and Department of Labor
- **EDC ANNUAL REPORT** – filed only with the Economic Development Commission
- **ANNUAL REPORT** – including franchise tax, stockholder's report and supporting balance sheets as filed with the Division of Corporations & Trademarks, Office of the Lt. Governor.

# NOTICE TO THE VIEDC

- Any change in ownership, addition of stockholders, partners, members, trustees etc.
- Substantial changes in management and key personnel
- Change of address/business location
- Any cancellation or other significant change affecting the employment or investment requirement.
- Any substantive change in business plan that adversely affects compliance.

# COMPLIANCE REVIEW PROGRAM

- The objective is to determine whether the beneficiaries are in compliance with the terms agreed upon in the certificate of benefits.



# CERTIFICATE REQUIREMENTS

**CAPITAL INVESTMENT**



**EMPLOYMENT**



**LOCAL PROCUREMENT**



**STANDARD CONDITIONS**



**SPECIAL CONDITIONS**

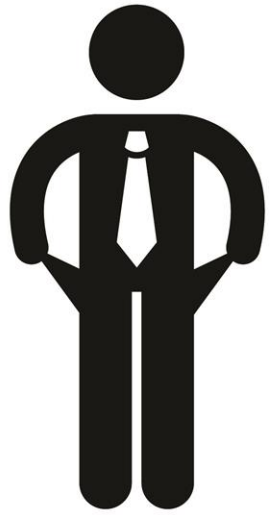
# Partners In Compliance

- **Department of Labor\***
- **Bureau of Internal Revenue\***
- **Real Property Tax Assessor\***
- **US Customs Service\***
- **Small Business Development Agency\***
- **Division of Corporation & Trade Name**
- **Department of Licensing & Consumer Affairs**
- **Department of Planning & Natural Resources**
- **Department of Tourism**
- **University of the Virgin Islands**

\*Existing Memorandum of Understanding

# CONSEQUENCES OF NON-COMPLIANCE

## Non-compliance **Costs**



**Non-compliant  
Organization**



**The Law**

- PENALTIES AND FINES  
PER SCHEDULE OF FINES**
- REVOCAION, SUSPENSION OR MODIFICATION OF  
BENEFITS THRU SHOW CAUSE PROCESS**
- FINE OF \$25,000 AND/OR IMPRISONMENT NOT  
MORE THAN TWO YEAR – FALSE OR FRADULENT  
STATEMENTS OR CLAIMS\***
- REPAYMENT OF ALL TAXES**

# SHOWCAUSE HEARING

- Notice of Order to show cause is issued to Beneficiary
- Presided in Public Hearing
- Federal Rules of Civil Procedure including discovery apply
- Decision is made to suspend, modify or revoke a certificate
- Governor's Approval required

# Grounds for Revocation, Suspension or Modification of Certificate

- Beneficiary has failed to maintain compliance with EDC Program Law or Rules & Regulations.
- A Corporation has been dissolved, or has filed or there has been filed against the corporation a petition in bankruptcy which has been approved.
- The Beneficiary has failed to file an annual report of ownership as required in §716.

# Grounds for Revocation, Suspension or Modification of Certificate

- The Beneficiary or any officer acting in behalf of the corporation has been convicted of a felony connected with the operation of the beneficiary's business or industry.
- The Beneficiary, or in case of a corporation, an officer acting in behalf of the corporation, has given or offered, or caused to be given or offered, a bribe, or any money, property, or value of any kind, or any promise or agreement thereof, to public officer, or to a person executing any of the functions of a public office, or to a person elected, appointed, or designated to thereafter execute the same, with intent to influence him respect to act, decision, vote, opinion or other proceedings, in exercise of the powers or functions which he has or may have pertaining in anyway to the Industrial Development Program.

# CERTIFICATE REVOCATION WITHOUT HEARING

- Discrimination 29 V.I.C. § 709(a).
- False or Fraudulent Statements or representations or false claims for benefits 29 V.I.C. § 725.

Certificate shall be revoked without procedures established under Section 722-Show Cause

# PETITIONS

Report is presented to the Board for deliberation on the petitions.

## Temporary Petitions:

- **Waivers**
- **Suspension of Benefits \***

## Permanent Petitions:

- **Modification**
- **Termination of Benefits\***



Voluntary Petitions do not require a showcause hearing.





## **For Additional Information Contact:**

**U.S. VIRGIN ISLANDS**

**ECONOMIC DEVELOPMENT AUTHORITY**

[www.usvieda.org](http://www.usvieda.org)

### **St. Thomas Office**

**8000 Nisky Shopping Center, Ste. 620**

**St. Thomas, VI 00802**

**Tel: (340) 714-1700**

**Fax:(340) 774-8106**

### **St. Croix Office**

**#116 King Street**

**St. Croix , VI 00840**

**Tel: (340) 773-6499**

**Fax:(340) 773-7701**