



THE UNITED STATES VIRGIN ISLANDS  
DEPARTMENT OF JUSTICE  
OFFICE OF THE ATTORNEY GENERAL

VIA ELECTRONIC MAIL @ [tnewman@nnldlaw.com](mailto:tnewman@nnldlaw.com)  
AND HAND DELIVERY

October 9, 2015

Nichols, Newman, Logan & Grey, PC  
1131 King Street, Suite 204  
Christiansted, VI 00820

Re: Fees, taxes and revenues owed by Divi Carina Bay Casino/Treasure Bay VI Corporation to VICCC.

Dear Attorney Newman:

The Attorney General's Office has received information from the Virgin Islands Casino Control Commission ("VICCC") that your client, Divi Carina Bay Casino/Treasure Bay VI Corporation ("Divi Casino"), owes VICCC a considerable amount of money in fees, taxes and revenues.

The Attorney General's Office has examined this information and finds it to be very disturbing, in part, because we have also been informed that VICCC has had numerous discussions with you and Divi Casino about these arrearages.

VICCC is still conducting an audit to determine whether more money is owed by Divi Casino to VICCC; however, the Attorney General's Office has concluded that the following amount is owed by your client to the VICCC, as of today:

Casino license fees:	\$435,000.00
Revolving fund revenues:	\$275,568.00
Casino and racetrack revenue:	\$316,043.00
Interest on alternative investment tax:	\$425,991.00
<b>Total amount due to VICCC to date:</b>	<b>\$1,451,602.00</b>

You are hereby informed that Divi Casino must pay to VICCC \$1,451,602.00 no later than Wednesday, October 14, 2015; otherwise, the Attorney General's Office will take immediate action against Divi Casino.

Sincerely,

Claude Earl Walker, Esq.  
Acting Attorney General

# NICHOLS NEWMAN

ATTORNEYS AT LAW

October 14, 2015

Via email: [vagolden@casinocontrolcommission.vi](mailto:vagolden@casinocontrolcommission.vi)

Honorable Violet Ann Golden  
Chairperson  
Virgin Islands Casino Control Commission  
3005 Orange Grove  
Christiansted, V.I. 00820

Henry Richardson – [hrichardson@casinocontrolcommission.vi](mailto:hrichardson@casinocontrolcommission.vi)

Commissioner, Casino Control Commission  
Virgin Islands Casino Control Commission  
3005 Orange Grove  
Christiansted, V.I. 00820

Dr. Roderick Moorehead, Commissioner – [rmooorehead@casinocontrolcommission.vi](mailto:rmooorehead@casinocontrolcommission.vi)

Casino Control Commission  
Virgin Islands Casino Control Commission  
3005 Orange Grove  
Christiansted, V.I. 00820

Re: Acting Attorney General Walker's Letter Dated October 9, 2015  
Regarding Treasure Bay V.I. Corp.

Dear Commissioners:

Attached please find a demand letter dated October 9, 2015 from Acting Attorney General Claude Walker. Despite its date and suggestion that it was sent to me via email and hand delivery, neither is true and I was not provided a copy of this document until today at 9:30 a.m. when a copy was emailed to me via Anton Kuipers after he was first hand delivered a copy by Officer Soto at 9:20 a.m. today. In fact, today I finally received a hard copy of the letter in the mail at my office at 11:15 a.m.

As you can see from this letter, the Attorney General has seriously misconstrued what we can only assume are the findings of Mr. DeLuca's forensic accounting report. Of course, we have never seen this report, but based on the discussion of the report in the June, 2015 budget hearings before the Legislature, we understand that Mr. DeLuca was able to find some \$275,000 due and owing to the CCC by the VI Government. We believe that the reference in Attorney General Walker's letter to "Revolving fund revenues: \$275,568.00" is a reference to this amount. We

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also believe that the other amounts described in his letter are also amounts not owing from Treasure Bay V.I. Corp ("TBVI") (or its affiliates) but from other sources – other than the "Casino License fees" which, of course, have been the subject of substantial legal arguments between TBVI and the CCC.

As you should now know, the Attorney General has instructed Officer Soto to commence the coordination of shutting down the Casino on October 15, 2015 for the failure to pay these amounts, totaling \$1,451,602.00. While we are weighing our legal options to this unfounded action, we request that the Commission immediately take action to correct these misunderstandings. Further, we request that the Commission clarify to the Attorney General that a majority of the Commission has not reviewed Mr. DeLuca's findings nor has a majority of the Commission passed any resolutions assessing any amounts against any person or entity based on the DeLuca report.

Very Truly Yours,



Todd H. Newman, Esq.

cc: Acting Attorney General Claude Walker via email: [cwalker@doj.vi.gov](mailto:cwalker@doj.vi.gov)  
John DeLuca, CPA – via email: [jdeluca@carpediemconsult.com](mailto:jdeluca@carpediemconsult.com)  
Treasure Bay V.I. Corp. – via email



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October 14, 2015

Todd Newman, Esq.  
Nichols, Newman, Logan & Grey, PC  
1131 King Street, Suite 204  
Christiansted, VI 00820

Re: Fees, taxes and revenues owed by Divi Carina Bay Casino/Treasure Bay VI Corporation to VICCC.

Dear Attorney Newman:

I am in receipt of your letter, dated October 14, 2015, in which, you dispute the total amount that the Virgin Islands Casino Control Commission ("VICCC") claims that your client, Divi Carina Bay Casino/Treasure Bay VI Corporation ("Divi Casino"), owes VICCC, in fees, taxes and revenues.

First, this is not simply a matter about the amount of money that Divi Casino owes VICCC – this is far more serious than that because the Attorney General's Office has learned that as of today, 99 of Divi Casino personnel, including the General Manager, are not licensed, or whose licenses have expired.

Of that number, the licensure fees are as follows: 20 are key casino employees at \$600 each, 64 are regular casino employees at \$400 apiece, and 15 are security employees at \$50 each.

Second, such regulatory non-compliance is further evidence that Divi Casino has engaged in a pattern and practice of outright defiance of Virgin Islands casino laws and regulations for which there are very serious sanctions.

Each Divi Casino employee, manager and owner must ensure that his license is current, regardless of whether VICCC has issued to each of them an individualized annual bill.

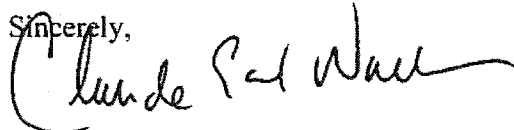
Every Divi Casino employee is given an expiration date for licenses and work permits, and also, has an obligation to know and understand the applicable Virgin Islands statutes and regulations pertaining to working as a licensed employee at a casino.

*Letter to Atty. Todd Newman on Divi Casino  
October 14, 2015*

In response to your letter, I have requested that VICCC continues its audit of Divi Casino; however, the Attorney General's Office has concluded that the following amount is owed by your client to VICCC: Casino license fees from June 2, 1999, to the present, in the amount of \$435,000.00, and \$38,350.00 for the licensure of 99 employees – with a total amount of \$473,350.00.

The above-stated total amount **does not represent the full amount that is owed by Divi Casino** owes to VICCC, as VICCC's audit is still on-going; however, this amount must be paid, no later than October 15, 2015; otherwise, the Attorney General's Office will take immediate action against Divi Casino.

Sincerely,

A handwritten signature in black ink that reads "Claude Earl Walker". The signature is written in a cursive style with a large initial "C".

Claude Earl Walker, Esq.  
Acting Attorney General