

7/12

Percival Clouden

From: Paul Flemming
Sent: Tuesday, July 19, 2011 10:00 AM
To: Stacey Plaskett; Magarita A. Benjamin; Priti Mehta; Percival Clouden
Cc: Tanya Hill; Jerry Garcia
Subject: RE: FOIA Request CONFIDENTIAL Attorney-Client Privilege

Stacey,

Thursday is public hearing and Board meeting. It appears as if we will be going all day. How about Friday Morning? I will wake with Maggie to response to the residency requirement. We may want to provide a blank PDF version of the cost benefits to show our instrument we used to measure the inputs and outputs before a decision is made. Just a thought.
Paul

From: Stacey Plaskett
Sent: Tuesday, July 19, 2011 9:48 AM
To: Magarita A. Benjamin; Priti Mehta; Percival Clouden; Paul Flemming
Cc: Tanya Hill; Jerry Garcia
Subject: FOIA Request CONFIDENTIAL Attorney-Client Privilege

Good Morning, below please find the email that was sent this past Friday from Wayne Barrett, reporter. I would like to send a written response back by the end of the week and am asking for your assistance in crafting a letter. Please see the following thoughts.

I would like to provide short foundation piece explaining the benefits go to a company and the EDC qualifies a beneficiary to take benefits, not all individuals take our vetting, cost benefit analysis and compliance component. what sourcing and residency laws mean. Further explain regulated by BIR and IRS. Also explaining purpose of program as a development piece for the territory not that this is a tax haven. Do we have anything already written that you all can recall?

Please lets put these responses together by Thursday afternoon and I will put something together for group review then to be submitted to Mr. Clouden for his review.

Thanks
Stacey

Hello Ms. Plaskett,

Please find the following questions and concerns we had in reference to the requested documents received from your office:

1) In looking at the new documents sent to us I'd like to further amend my previous sunshine request (7/8).

American Yacht Harbor is one of the companies of interest. It appears in the 2011 EDC beneficiary list as IGY-AYH St. Thomas as a marine facility, category IIA. On the 2009

beneficiary list American Yacht Harbor appears as MOF VI Limited Partnership as a marine facility, category II.

a) American Yacht Harbor changes from category II to IIA between 2009 and 2011. Might this be a typo considering IIA usually designates financial services firms? This was a typo

b) Assuming that it isn't a typo that would mean a new application was approved in 2011 in the name of IGY-AYH St. Thomas Holdings, possibly as a financial services company. I'd like to request the approval documents related

to the new benefits granted to American Yacht Harbor. N/A

c) We know that Andrew Farkas did not own MOF or American Yacht Harbor in 2003. So the prior owner secured the EDC benefits and Farkas acquired the tax breaks when he acquired the company. I'd also like to request any

approval documents related to the transfer of benefits for American Yacht Harbor. FOIA request; preparing

d) The second company of interest is Yacht Haven. I'm not certain of the date that it got EDC approval. We know that Yacht Haven first appears in the beneficiary lists in our possession in 2007 and does not appear on the July

2004 list that we have. So I'd like to request the approval documents for the new benefits granted to Yacht Haven approved between 2004 and 2007. FOIA request, preparing

2) I'd like to request the 1999, 2000, 2005 and 2006 EDC beneficiaries list (we received a partial 2006 list as the last beneficiary listed is #92 St. Thomas Tramway). FOIA request; preparing

3) I'd like to request separate lists of EDC beneficiary companies presently represented by two firms:

a) Marjorie Rawls Roberts firm, which includes seven attorneys (Marjorie R. Roberts, Sean E. Foster, Travis L. Wright, Joseph A. DiRuzzo, III, Renée M. André, Johanna Harrington, Michele Hyndman). Overly burdensome and possibly will not be accurate as beneficiaries may have changed lawyers since our last record. Beneficiaries give a contact person who works with the beneficiary we can send the sheet to them and they can call either the beneficiary or call the law firm

b) Hodge and Francois, which includes four attorneys (Maria Tankenson Hodge, Denise Francois, Gaylin Vogel, Mark D. Hodge). See above

✓ 4) I still find myself a little confused as to how Jeffrey Epstein qualified for the EDC tax breaks even though he didn't live in the VI in 2009 (we know this because he was jailed in 2009, wasn't released until 7/22/2009 and under house arrest unable to travel to the VI until 12/18/2009). Refer to foundation piece will write

In looking through the documents there is no reference to residency requirements.

✓ a) Is it ordinary practice of the EDC that the applicant doesn't have to make any assertion that he is resident in a document submitted to the agency? Applications/Compliance please respond

b) There is no document where residency is even referred to and no document where the applicant can make a claim that they've met residency requirements. The only exception is a compliance report for the EDC dated

12/31/2006 with a summary highlight that read: "Financial Trust Company met its residency requirement." --do the 2007-2010 compliance reports also make the same reference using that very language? Compliance please respond for inclusion in written response

c) How did the EDC make that determination? Compliance please respond for inclusion in written response

d) [REDACTED] curious to know if Financial Trust or Epstein personally has to file an affidavit stating that he or it is a resident of VI? If so, we have no such affidavit in our possession though there appears to be a reference to one in the 4/08 compliance report. Compliance please respond for inclusion in written response

5) I read in a Bloomberg story (see link below) that EDC beneficiaries undergo five examinations a year by the EDA. Might you be able to provide us with these reviews from 2007-2010? Compliance please respond for inclusion in written response

[REDACTED]

6) In reading through the hearing transcripts, the redactions are of some concern.

a) While we will not challenge them, we disagree with the complete redaction of executive session.

b) However, we can't understand the redaction of financial information disclosed in public hearings. If these numbers were offered at a public hearing, they are public information. If the chair did not (as he did on one occasion)

ask to go into executive session and discussed the numbers at a public session, we don't think that information should be made confidential retroactively. Should probably give these

c) Additionally, all numbers related to charitable giving should not have been redacted. The legitimate purpose of redaction is to protect proprietary corporate information. Charitable giving is not proprietary information, neither

is payroll (especially when unattached to the names of individuals). It is impossible for the public (or a reporter on behalf of the public) to evaluate the worth of a government tax benefit if all the numbers--charitable giving, employment etc--that would be used to measure the worth of the tax break are deleted. Will inform them that they can see the total number from certificate and they can request info from Financial Trust

d) We also don't understand why any projections are redacted when the transcript clearly suggests they are public information. Will not give, please this gives competitive information in that it shows the companies thoughts and projections of future work

i. This issue comes up in one of the 2009 transcripts, the chair and other board members discuss going into executive session in reference to Financial Trust. The discussion centers around whether the staff is revealing actual numbers like the earnings from Financial Trust or projections. The transcript makes clear that if the staff is discussing actuals, they will go into executive session, and if they're discussing projections, there is no need to do so.

Yet, we found that all reference to projections has been redacted from all documents, including transcripts and other records.

ii. In the 1999 application and related docs, even the projected numbers of when the initial EDC benefits were approved were deleted. This isn't proprietary information, so we're curious to know why 12-year-old projections are redacted?

7) The due diligence background investigation report (January 2009) authored by Jason Charles states that Jeffrey Epstein is registered as a financial services firm/investment advisor with the Commodity Futures Trading Commission, National Association of Securities Dealers and

✓ the National Futures Association. However, we reached out to all three organizations and we've got confirmation from NASD and the NFA that Epstein's company Financial Trust has never been registered with them (we're still waiting on a response from the CFTC). We're confused by the conflicting reports, might you be able to help clarify this? Priti please research and respond for inclusion in written response.

Thanks for your assistance.

Regards,
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