

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

GOVERNMENT OF THE UNITED
STATES VIRGIN ISLANDS,

Plaintiff,

v.

JPMORGAN CHASE BANK, N.A.,

Defendant/Third-Party
Plaintiff.

Case No. 22-cv-10904 (JSR)

JPMORGAN CHASE BANK, N.A.,

Third-Party Plaintiff,

v.

JAMES EDWARD STALEY,

Third-Party Defendant.

**LOCAL RULE 56.1 STATEMENT OF UNDISPUTED MATERIAL FACTS
IN SUPPORT OF DEFENDANT’S MOTION FOR PARTIAL SUMMARY JUDGMENT**

I. PARTIES

A. JPMorgan Chase Bank, N.A.

1. JPMorgan Chase Bank, N.A. (“JPMC”) is a national bank whose main office is located in Columbus, Ohio, as designated in its Articles of Association.

B. The United States Virgin Islands

2. The United States Virgin Islands (“USVI”) are a group of Caribbean islands and an unincorporated and organized territory of the United States.

3. The USVI consists of the islands of St. Croix, St. John, and St. Thomas, as well as surrounding minor islands, including Jeffrey Epstein’s private islands, Little St. James and Great St. James.

4. Epstein purchased Little St. James Island in 1998. Ex. 1.¹

II. EPSTEIN'S ARREST, INCARCERATION, AND RELEASE

5. Epstein was indicted in Florida state court for felony solicitation of prostitution on July 19, 2006. Exs. 2, 3 at i. USVI's law enforcement agencies [REDACTED]. Ex. 4 at 25:17-21.

6. [REDACTED]. Ex. 5 at JDoe_DBAG_005461. USVI's law enforcement agencies [REDACTED]. Ex. 4 at 25:17-21.

7. By the time of Epstein's June 30, 2008, guilty plea, federal law enforcement possessed the following information about Epstein:

- a. The identities of at least 33 alleged victims. Ex. 3 at 270 n.424; Ex. 6 at JDoe_JPMC_008593;
- b. [REDACTED]. Ex. 5 at JDoe_DBAG_005376-005381;
- c. [REDACTED]. Ex. 7 at JDoe_JPMC_003422-003423;
- d. [REDACTED]. Ex. 7 at JDoe_JPMC_003419; Ex. 8 at JDoe_JPMC_003058-003060, 003062; and
- e. Records related to Epstein's travel, communications, and financial transactions. Ex. 3 at 22.

8. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

¹ "Ex. _" refers to the exhibited attached to the Declaration of Felicia H. Ellsworth, filed herewith.

[REDACTED]. Ex. 9 at JDoe_JPMC_003010-003011,
JDoe_JPMC_003014.

9. USVI's retained expert, former FBI special agent Shaun O'Neill, testified that [REDACTED]
[REDACTED] Ex. 10 at 55:20-56:10, 76:5-
77:3, 78:1-18, 113:6-13, 234:15-235:7, 242:16-22.

10. The Non-Prosecution Agreement was kept under seal until September 18, 2009,
when it was unsealed by a Florida court. Ex. 3 at 240.

11. Epstein [REDACTED]
[REDACTED]
[REDACTED]. Ex. 11. [REDACTED]. Ex. 12 at VI-JPM-
000012204. USVI's law enforcement agencies [REDACTED]. Ex. 4
at 25:17-26:18, 32:16-35:21.

12. On May 1, 2009, an individual under the pseudonym "Jane Doe No. 102" filed
suit against Epstein in the Southern District of Florida. Ex. 13. In it, she alleged that she had
been transported on Epstein's private plane to locations, including in the Caribbean. Ex. 13 at ¶
20. USVI's law enforcement agencies [REDACTED]. Ex. 4 at
25:17-26:18, 36:5-39:14.

13. Epstein was released from incarceration in Florida and placed into home
confinement on July 22, 2009. Ex. 3 at 117. He was also registered as a sex offender in Florida.
Ex. 3 at 117.

14. [REDACTED]
[REDACTED]
[REDACTED] Ex. 14 at VI-JPM-000012205 [REDACTED]

[REDACTED]

[REDACTED] Ex. 14 at VI-JPM-000012206. [REDACTED]

[REDACTED] Ex.

14 at VI-JPM-000012206.

15. [REDACTED]

[REDACTED] Ex. 14 at VI-JPM-0000122215-12218. As a national news article, [REDACTED]

[REDACTED]. Ex. 16 at 127:15-17. Attorney

General Carole Thomas-Jacobs testified, [REDACTED]

[REDACTED] Ex. 16 at 127:15-17. USVI's law enforcement agencies [REDACTED]

[REDACTED] Ex. 4 at 25:17-26:18, 30:4-32:11.

16. Epstein completed his home confinement on July 21, 2010. Ex. 3 at 118. USVI's law enforcement agencies [REDACTED]. Ex. 4 at 25:17-26:18.

17. [REDACTED]

[REDACTED]

[REDACTED]. Ex. 14 at VI-JPM-

000012219-12220. [REDACTED]

[REDACTED]. Ex. 14 at VI-JPM-000012207. USVI's law enforcement

agencies [REDACTED]. Ex. 4 at 25:17-26:18.

18. [REDACTED]

[REDACTED] Ex. 14 at VI-JPM-000012223.

19. [REDACTED]

[REDACTED] Ex. 17 at VI-JPM-000012226.

20. On January 26, 2017, an individual proceeding under the pseudonym "Jane Doe

43” filed a public lawsuit against Epstein in the Southern District of New York that alleged abuse by Epstein in USVI. Ex. 18 at ¶ 42. USVI’s law enforcement agencies [REDACTED] [REDACTED]. Ex. 4 at 25:17-26:18, 39:21-42:9.

21. [REDACTED] [REDACTED]. Ex. 19 at VI-JPM-000079662. USVI’s law enforcement agencies [REDACTED] Ex. 4 at 25:17-26:18, 42:19-47:15.

22. On July 2, 2019, Epstein was indicted by federal grand jury in the Southern District of New York for one count of sex trafficking of minors and one count of conspiracy to commit sex trafficking of minors. Ex. 3 at iv; Ex. 21. He was arrested on July 6, 2019. Ex. 3 at iv. USVI’s law enforcement agencies [REDACTED]. Ex. 4 at 37:5-39:8.

23. A bail hearing was held before Judge Richard Berman of the Southern District of New York on July 15, 2019. Ex. 20. At that hearing, prosecutors alleged that a search of Epstein’s home and revealed “many, many, many photographs of nude and partially nude women and girls who appear to be young.” Ex. 20 at 20:2-4. USVI’s law enforcement agencies [REDACTED]. Ex. 4 at 25:17-26:18, 51:5-54:25.

24. In July 2019, then-Attorney General Denise George reportedly told the Virgin Islands Daily News that “there was no reason for her to investigate Epstein,” because the allegations in a civil lawsuit filed in another state “[were] not sufficient to launch a local investigation.” Ex. 22. In an article published following her termination in January 2023, she was quoted as saying at the time, “an investigation is not triggered because criminal activity was

occurring in another jurisdiction, or another state.” *Id.*

25. Former Governors John de Jongh and Kenneth Mapp—whose tenures covered 2007 to 2015, and 2015 to 2019, respectively—admitted that they never cared to investigate Epstein. Ex. 23 at 30:21-31:18, 33:10-21; Ex. 24 at 76:13-22, 82:1-14.

26. Despite Epstein’s indictment in 2019, and being aware that Epstein (in his words) “copped a plea to having sex with a hooker who was under age,” current Governor Albert Bryan Jr. “turned [his] attention elsewhere” after learning that “none of [Epstein’s] victims were from the Virgin Islands.” Ex. 25 at 57:25-58:2, 227:1-11, 239:17-21.

27. Epstein was found dead by suicide in the Manhattan Detention Facility on August 10, 2019. Ex. 3 at v.

28. At no point from his arrest in 2006 until his death in 2019 [REDACTED]

[REDACTED]
[REDACTED]. Ex. 4 at 25:17-26:18.

29. USVI [REDACTED]

[REDACTED]
[REDACTED]

[REDACTED] Ex. 26 at 5-6. [REDACTED]

[REDACTED] Ex. 26 at 5-6.

III. USVI’S PRIOR SETTLEMENTS

30. After Epstein’s death, on January 15, 2020, USVI brought suit against Epstein’s Estate, seeking multiple forms of relief including, among others: a declaratory judgment; forfeiture and divestment of real and personal property within the USVI used to facilitated Epstein’s alleged criminal enterprise as well as other proceeds from or assets used in furtherance of the alleged enterprise; civil penalties; and disgorgement of ill-gotten gains. Ex. 27 at 46-48.

USVI sued the Epstein Estate in a sovereign capacity for violation of its own laws and made clear that its claims were “distinct from ... the claims of victims” Ex. 27 at 7, 21-48.

31. [REDACTED]

[REDACTED]. Ex. 28 at VI-JPM-000041944. In May 2023, USVI received \$30 million in proceeds from the sale of Little St. James island. Ex. 29.

32. [REDACTED]

[REDACTED]. Ex. 30 at VI-JPM-000041936. [REDACTED]

[REDACTED]. *Id.* [REDACTED]

[REDACTED]. *Id.*

IV. JPMC’S INQUIRIES REGARDING A FEDERAL INVESTIGATION

33. In summer 2010 and early 2011, media reports suggested that there may have been a current investigation into Epstein. Ex. 31; Ex. 15; Ex. 32.

34. [REDACTED]

[REDACTED]. Ex. 33 [REDACTED]. *Id.* [REDACTED]

[REDACTED]. *Id.*

35. On March 9, 2011, Jonathan Schwartz discussed with Stephen Cutler, then-General Counsel for JPMC, the need to determine where “there’s actually a live federal investigation” into Epstein. Ex. 34 at JPM-SDNYLIT-00274529.

36. On March 15, 2011, Jonathan Schwartz contacted Jay Lefkowitz, Epstein’s attorney, to inquire whether there was any such investigation. Mr. Lefkowitz explained that he and Epstein had heard nothing to suggest that there was a current FBI or other law enforcement

agency investigation. Ex. 34 at JPM-SDNYLIT-00274528. As to any suggestion in the media of an ongoing investigation, “according to Jay, [they] don’t seem to have any basis.” *Id.*

37. On or about March 22, 2011, Jonathan Schwartz spoke to the United States Attorney for the Southern District of Florida, who did not disclose any investigation into Epstein. Ex. 35; Ex. 36 at 18.

38. JPMC also reached out to the FBI to ask for a contact at the agency who may have been working on any ongoing investigation into Epstein. The FBI never returned the phone call. Ex. 36 at 18; Ex. 37 at 151:19-152:14; 329:5-330:21.

39. Between 2006 and 2018, JPMC did not receive an Epstein-related subpoena from any federal law enforcement investigation. Ex. 38 at 136:23-137:11; Ex. 39 at ¶ 30 n.28; Ex. 40 at JPM-SDNYLIT-W-00031038.

V. JPMC’S CTRS [REDACTED]

A. Cash Transaction Reports.

40. Between 2002 and 2013, JPMC filed approximately 150 CTRs related to Epstein and his accounts in which JPMC identified its relationship with Epstein, flagged his large cash withdrawals, and [REDACTED]. Ex. 39 at ¶ 95; *see generally* Ex. 41.

41. Seventy-three of these CTRs were filed before Epstein was arrested in July 2006. Ex. 41.

42. Law enforcement never contacted JPMC in response to any CTR. Ex. 38 at 136:23-137:11; Ex. 39 at ¶ 30 n.28.

B. [REDACTED]

43. [REDACTED]

[REDACTED] Ex. 39 at ¶¶ 19-21, 30.

44.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ex. 42.

45.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ex. 43.

46.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ex. 44.

47.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ex. 45.

48.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Ex. 46 at JPM-SDNYLIT-W-00019086-00019096.

49. [REDACTED]

[REDACTED]

[REDACTED] Ex. 47

at JPM-SDNYLIT-W-00018180-00018196.

50. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Ex. 48 at JPM-SDNYLIT-W-00002185-00002196.

51. [REDACTED]

[REDACTED] Ex. 38 at 136:23-137:11; Ex. 39 at ¶ 30 n.28.

VI. USVI'S DAMAGES CLAIMS

52. USVI's remaining claims in this case are being pursued as *parens patriae*. In its initial response to JPMC's interrogatories regarding its damages, USVI answered that it sought damages "as suffered by the Government and/or Jeffrey Epstein's victims." Ex. 49 at 4. On May 31, 2023, USVI supplemented its response and stated that it was "no longer seeking proprietary damages of any kind" but was instead seeking damages "on behalf of victims and residents of the United States Virgin Islands." Ex. 49 at 5-6. On July 19, 2023, USVI further supplemented its response and stated that it now seeks damages "as suffered by Jeffrey Epstein's victims." Ex. 49 at 6.

53. USVI retained Bridgette Carr as a purported expert in sex trafficking. Ex. 50 at ¶ 1. In her expert report, [REDACTED]

[REDACTED]

[REDACTED] Ex. 50 at ¶¶ 218-19.

54. At the June 26, 2023, hearing to preliminarily approve the class settlement in *Doe I v. JPMorgan Chase Bank, N.A.*, 1:22-cv-10019-JSR, the Court asked counsel for the USVI: “[H]ere we have two very large settlements. ... [W]hat point would there be in having the Virgin Islands say, well, [‘]we’re going to take a little bit of what we got for the injuries that were visited on the Virgin Islands and add that to what the victims got, even though they have agreed through the settlement to release JPMorgan from any further recovery?[]’” Ex. 51 at 9:20-10:6.

55. USVI has also submitted expert reports that [REDACTED]
[REDACTED]. Ex. 52;
Ex. 53. The former prosecutor, Jonathan Rusch, seeks to tell this Court how to [REDACTED]
[REDACTED], Ex. 52, while the former SEC
Commissioner, Robert Jackson Jr., [REDACTED] Ex. 53. USVI
has separately “recognize[d]” that such “penalties” “are not damages.” Ex. 49 at 7.

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Respectfully submitted,

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