

# EXHIBIT 308

FORMER GOV KENNETH E. MAPP Confidential  
Gov of the US Virgin Islands vs JP Morgan Chase

May 24, 2023

1

1 UNITED STATES DISTRICT COURT FOR THE  
2 SOUTHERN DISTRICT OF NEW YORK

3  
4 CASE NO. 22-cv-10904

5 GOVERNMENT OF THE UNITED  
6 STATES VIRGIN ISLANDS,

7 Plaintiff,

8 v.

9 JP MORGAN CHASE BANK, N.A.,

10 Defendant.

11 \*CONFIDENTIAL\*

12 VIDEO DEPOSITION OF

13 FORMER GOV. KENNETH E. MAPP

14  
15 Wednesday, May 24, 2023

16 9:48 a.m. - 5:03 p.m.

17  
18 Conducted at  
19 Losey, PLLC  
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LOUWHAN WELCH, Exhibit Technician (via Zoom)

1 Virgin Islands.

2 Q. And then as the program evolved, you  
3 mentioned the pre-financial age in your prior  
4 testimony?

5 A. Yes.

6 Q. Can you explain what you mean by that?

7 A. Well, it was generally created starting as  
8 a manufacturing operation. And then, you know, I  
9 guess as the sophistication of artificial intelligence  
10 and technology took place and financial work and  
11 investment took place from a global nature, the law  
12 was amended; the Congressional act, I believe, as well  
13 as the local statute was amended to create management  
14 of varying things. Like financial certainly was one  
15 of them.

16 And so we began to see folks who were  
17 involved in financial management. Small -- well,  
18 large companies that were doing small, unsecured loans  
19 and things of that nature, moving their operations  
20 into the territory.

21 At one point we saw -- we were successful  
22 in getting the parent entity for the Cancer Treatment  
23 Centers of America to put its corporate sort of  
24 operations there to manage its health facilities  
25 throughout the country. And that generated, you know,

1 high-level, high-quality folks that had to have a  
2 really diverse and high education for that level of  
3 work in and out the Virgin Islands in the  
4 Virgin Islands.

5 Q. And that leads into my next question, which  
6 is: What is the -- what are the benefits that the  
7 Virgin Islands received from having financial  
8 companies participate in this EDA program?

9 A. Well, you got -- you got the high-worth  
10 employment. You got high-worth individuals. Because,  
11 ultimately, when a person -- when an entity moves in  
12 and -- let's say a financial adviser, an investment  
13 adviser gets a -- comes in as an EDC entity, not only  
14 they get the benefit of the tax exemptions on what  
15 they're doing from their management operations in the  
16 Virgin Islands, the owners or partners of those  
17 entities who are now residents of the  
18 Virgin Islands -- and Congress enacted what defined as  
19 a resident of the Virgin Islands -- their total income  
20 became subject to now Virgin Islands' tax law. Which  
21 Virgin Islands' tax law for all the purposes of this  
22 conversation is a mirror of the Internal Revenue Code.  
23 The Virgin Islands doesn't have any independent income  
24 tax statute. Pursuant to the Revised Organic Act, we  
25 mirror the Internal Revenue Codes and all of the

1 operations of the Internal Revenue -- the Bureau of  
2 Internal Revenue mirrors the activities of the  
3 Internal Revenue Service and is literally subject to  
4 supervision of the Internal Revenue Service over the  
5 operations of the Bureau of Internal Revenue.

6 And so that entity, that person who may  
7 have -- let's say had 100% of the shares or a majority  
8 of the shares who are now residents of the  
9 Virgin Islands, they would have to file their taxes in  
10 the Virgin Islands pursuant to all of their income.

11 And so for those portions of the income  
12 that were not benefiting from the tax exempt status,  
13 taxes applied to them would be collected and put,  
14 deposited into the treasury of the government of the  
15 Virgin Islands.

16 So the EDC program, the IDC program, as we  
17 envisioned it and put it together with the blessing of  
18 the US Congress, was generally created to drive jobs.  
19 Expand the economy. You create high-worth individuals  
20 who are now investing, living in the Virgin Islands,  
21 building homes, having those homes needing to be  
22 serviced, creating employment in their varying  
23 activities. Manufacturing. Industrial operations.  
24 Now financial management. Then generating a community  
25 that have the ability and is required pursuant to

1       their EDC certificates to make a significant level of  
2       charitable contributions to stated charities in the US  
3       Virgin Islands.

4           Q.    And during the time that you were governor,  
5       from 2015 to 2019, Mr. Epstein's financial trust  
6       company was a participant in the EDC program?

7           A.    Yes.

8           Q.    And was their oversight by the government  
9       of the Virgin Islands during your tenure as  
10       government -- excuse me -- governor from 2015 through  
11       2019 over the participants in the EDC program?

12           MR. ACKERMAN:   Object to form.

13           A.    Generally, yes; by the Economic  
14       Development Authority.  Because prior -- and I'm  
15       searching, just to make sure I'm kind of accurate in  
16       the years.  I can't give the months.  But certainly  
17       during the tenure of Gov. Turnbull a number of members  
18       of Congress raised some serious exception.  Because  
19       high-worth operations within the varying states were  
20       relocating their corporate activities and operations  
21       within the US Virgin Islands.  And so it was depleting  
22       revenues from some of the state and city and county  
23       governments where they were operating.  And there were  
24       some operations, that the Economic Development  
25       Authority was giving tax exemptions to certain

1 Q. Sorry. Let me reask the question.

2 In 2014, do you know how much Mr. Epstein  
3 or one of his entities contributed to your campaign  
4 fund?

5 A. If he contributed to the campaign, he would  
6 have been limited to contributing \$1,000. Now there  
7 were PACs out there were giving support to the  
8 campaign. And, you know, the PACs don't have  
9 limitations in terms of the contributions. And so I  
10 can't speculate beyond that.

11 But, generally, when you go meet some  
12 entity, some businessperson, generally you will get  
13 some contribution to the campaign. But that's, again,  
14 limited to the \$1,000 mark.

15 Q. Do you know whether Mr. Epstein contributed  
16 to a PAC that was sporting you in the 2014  
17 gubernatorial campaign?

18 A. I don't know, but I would say I believe so.

19 Q. And then you mentioned the inaugural  
20 committee and your understanding or belief that  
21 Mr. Epstein or one of his companies contributed to the  
22 inaugural committee. Do you know how much was  
23 contributed to that?

24 A. No, I do not.

25 Q. After you became governor, did you receive

1 BY MS. ELLSWORTH:

2 Q. Gov. Mapp, we were, just before we broke,  
3 talking about the lunch that you had on Mr. Epstein's  
4 island. And, again, that was at some point between  
5 2015 and 2019. Correct?

6 A. Yeah. Yes. It may -- maybe sometime in  
7 2016.

8 Q. What was the purpose of that lunch?

9 A. Well, he -- I believe at that time we were  
10 attempting to do, float municipal bonds. And he had  
11 been trying to assist me. I actually asked for his  
12 help; as an investment person and a person that I  
13 believed to, you know, be very connected to the  
14 market.

15 We were having tremendous difficulty with  
16 the issuance of the bonds. Because at that time on  
17 the national stage Congress was really involved in the  
18 debt crisis in Puerto Rico. So there was a bill that  
19 was constructed, generally known as PROMESA, which  
20 stands for some long label of words. But it was  
21 dealing with what would happen, how it would sort of  
22 protect the bondholders, the persons holding notes in  
23 Puerto Rico, and how Puerto Rico would have to manage  
24 what was expected to be a default on its debt.

25 MR. DUNN: Excuse me. Sorry to interrupt,

1                   but the witness is muted. We can't hear  
2                   anything on the Zoom.

3                   VIDEOGRAPHER: I apologize. I must have  
4                   muted that.

5                   MS. ELLSWORTH: Sorry.

6                   Sorry, Jonathan. You're unmuted now.

7                   A. And while the PROMESA conversations were  
8                   taking place between the House and the US Senate, it  
9                   was driving a lot of consternation in the market about  
10                   the debt of the territories. And so we were trying to  
11                   keep territories out of the PROMESA language and keep  
12                   the PROMESA discussion and language specifically  
13                   directed to Puerto Rico and Puerto Rico's financial  
14                   issues.

15                   And there was literally a collaboration  
16                   that all of the territories should be -- PROMESA  
17                   shouldn't be Puerto Rico specific. It should be all  
18                   of the territories.

19                   And so the territories, we were concerned  
20                   about that. But more specifically I was concerned.  
21                   Because I'm now going into the market trying to get, I  
22                   believe, \$200-something-million for varying financial  
23                   needs. And so we were dealing with that and trying to  
24                   see how we would structure this bond deal. And one of  
25                   the options that were on the table was that, if a

1 natural issuance of bonds were going to run into --  
2 was going to be hampered by the PROMESA debate and  
3 activity, what opportunities would we have for what is  
4 known as a private placement of the bonds? Because at  
5 the end of the day, the amount was \$200-something-  
6 million. And, again, the interest earnings on  
7 Virgin Islands debt is about 90% tax exempt, if not  
8 all exempt. We didn't believe we had a problem  
9 establishing our ability to pay the debt. Because  
10 we've never had any issue in paying Virgin Islands  
11 debt, given the structure that we use.

12                   And so I think in that collaboration, I  
13 asked for Jeffrey Epstein -- I was seeking  
14 Jeffrey Epstein's advice. I was seeking  
15 Warren Mosler's advice, another EDC entity who does  
16 investment banking. And I believe Dave Johnson from  
17 capital markets. Who also do financial management. I  
18 was seeking their input and advice in terms of how to  
19 get -- how to be successful in issuing what was some  
20 really critically-needed bonds for financing some  
21 critical financing needs of the territory.

22                   Q. (By Ms. Ellsworth) And at the lunch meeting  
23 that you had with Mr. Epstein, was the subject of  
24 discussion focused on this bond issuance issue?

25                   A. It was focused on that. But Mr. Epstein

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1       cables directly into Florida and into New York. That  
2       could benefit such a business.

3                   So to the extent of making that well-known  
4       and looking for recommendations and spreading the word  
5       that the Virgin Islands had this unique attribute that  
6       it was pushing for business investment, that would be  
7       the extent of the conversations.

8                   Q. (By Ms. Ellsworth) Is it fair to say that  
9       one of your campaign platforms when you ran for  
10      governor was to increase business investment in the  
11      Virgin Islands?

12                  A. Significantly.

13                  Q. And one of your key platforms as governor  
14      was to increase business investment in the  
15      Virgin Islands?

16                  A. Yes.

17                  Q. And you did discuss those platforms with  
18      Mr. Epstein as a business owner on the Virgin Islands.  
19      Correct?

20                  A. Yes.

21                  Q. Did you discuss Mr. Epstein's advice about  
22      increasing government -- excuse me -- business  
23      investment in the US Virgin Islands?

24                  A. Mr. Epstein. Members of the Chamber of  
25      Commerce. Other members of the EDC Community. Local

1 businesses. Members of Congress. Members of the  
2 Senate.

3 Any advice, any way that folks felt the  
4 Virgin Islands lacked in its approach to its messages  
5 about the Virgin Islands being open for business and  
6 how to help facilitate business investment. And even,  
7 you know, a number of folks had a lot of  
8 recommendations about some of the failures within the  
9 Virgin Islands's public system in terms of  
10 facilitating business growth and development in terms  
11 of how we handle registering businesses, licensing  
12 businesses. Just the time involved and the  
13 bureaucratic -- the bureaucracy, and how it impacted  
14 and delayed and frustrated people.

15 You know. I was just open to all of that.

16 Q. And so the answer is yes, you did seek  
17 Mr. Epstein's advice about how to increase business  
18 investment in the Virgin Islands?

19 A. Yes. Yes.

20 MR. ACKERMAN: Object to form.

21 Q. (By Ms. Ellsworth) What advice do you  
22 recall receiving from Mr. Epstein about how to  
23 increase business investment in the Virgin Islands?

24 A. Some of the bureaucracy issues. Some of  
25 the limitations that EDC businesses faced. And I

1 A. Uh-hum.

2 Q. Are you familiar with the limitations on  
3 contributions to multicandidate political committees  
4 imposed by the Virgin Islands Code?

5 A. Well, I know that election committees, such  
6 as my gubernatorial campaign, contributions I believe  
7 are limited to \$1,000.

8 Q. Do you know anything about limitations for  
9 donations to political action committees?

10 A. They are not -- I do not believe political  
11 action committees are covered by the same statute as a  
12 campaign committee.

13 Q. Do you have any familiarity with these  
14 sections of the Virgin Islands Code?

15 A. I do not.

16 MR. ACKERMAN: Objection to form.

17 Q. (By Ms. Ellsworth) Does this refresh your  
18 recollection as to who Darren Indyke is?

19 MR. ACKERMAN: Objection to form.

20 A. No. I do not know who Darren Indyke is.

21 Q. (By Ms. Ellsworth) And you see that this  
22 email, Mr. Indyke's email to Mr. Epstein was forwarded  
23 to you. Correct?

24 A. Yes.

25 Q. Do you recall receiving this email?

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1 Q. Did you ask Mr. Epstein from time to time  
2 for advice on spurring investment interest in the  
3 USVI?

4                   A. I go back to the original responses to this  
5 deposition. And you asked me about why I was having  
6 conversations with Jeffrey Epstein. And as I  
7 indicated, given his role in the financial market, his  
8 portrayal as an investment banker, the apparent  
9 success of his business operations; as I did with  
10 other EDC beneficiaries, we wanted to grow the  
11 program. We wanted to expand the program. We wanted  
12 to enhance the benefits of the program. And who best  
13 to give you reactions and advice to doing that but the  
14 people who were experiencing the program and using the  
15 program to their benefit?

16 MS. ELLSWORTH: Why don't we take a break?

17 MR. ACKERMAN: Okay.

20 (Recess)

23 MR. ACKERMAN: So the record is complete,  
24 the Government is not going to claw back  
25 Exhibit 22.

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1 | afternoon.

2 The first question I have for you is this.

3 We have looked at emails with

4 Mr. Epstein -- or between you and Mr. Epstein today.

5 You have testified about meetings that you  
6 had with Mr. Epstein.

7 In any of your contacts with Mr. Epstein  
8 did you have, ever have any indication that  
9 Mr. Epstein was engaged in sex trafficking or human  
10 trafficking in the Virgin Islands?

1 A. I had no knowledge that he was engaged in  
2 human trafficking or sex trafficking anywhere.

3 Q. (By Ms. Ellsworth) Did anything about your  
4 communications or meetings with Mr. Epstein ever  
5 suggest to you that he was engaged in sex trafficking  
6 or human trafficking in the Virgin Islands?

7 A. Nothing.

8 Q. Did you as Governor provide any special  
9 treatment to Mr. Epstein?

20 MS. ELLSWORTH: Object to the form.

21 A. None.

22 Q. (By Mr. Ackerman) Did you as Governor give  
23 Mr. Epstein any favors or benefits that you would not  
24 have afforded any other resident of the  
25 Virgin Islands?

1 MS. ELLSWORTH: Object to the form.

2 A. None.

3 Q. (By Mr. Ackerman) Okay. When you met with  
4 Mr. Epstein did you know where his money came from?

5 A. I did not.

6 Q. Okay. When you met or conversed with  
7 Mr. Epstein did you know when and to whom he was  
8 making money transfers?

9 A. I did not.

10 Q. Did you have any access to that  
11 information?

12 A. None.

13 Q. When you met or conversed with Mr. Epstein  
14 did you know the amounts of money transfers he was  
15 making and receiving?

16 A. No.

17 MS. ELLSWORTH: Object to the form.

18 A. None.

19 Q. (By Mr. Ackerman) Did you have access to  
20 that information?

21 A. I did not.

22 Q. When you met or conversed with Mr. Epstein  
23 did you know how often he withdrew cash from his  
24 accounts?

25 MS. ELLSWORTH: Object to the form.