

EXHIBIT 1

PART 2

Mr. Epstein used St. Thomas to register a number of his businesses. Little remains known about their purposes. In public documents, many listed their addresses as Mr. Epstein's office at the American Yacht Harbor complex in the Red Hook quarter of St. Thomas.

Mr. Epstein was rarely seen there. Last week, a man at the front desk said through an intercom that no one was available to talk to a reporter.

People around St. Thomas are reluctant to talk about Mr. Epstein — even after his death, locals say, there are fears about violating nondisclosure agreements or angering his close associates on the island.

Mr. Epstein went out of his way to ingratiate himself with local leaders. He donated 50 computers that a local senator could give away to schools and youth organizations. He financed programs at an elite local private school. He sponsored scholarships for a beauty pageant and a 2014 science and math fair for children in the Virgin Islands.

Mr. Epstein's companies repeatedly were allowed to participate in a United States Virgin Islands tax-cut program that allows certain people and businesses that invest at least \$100,000 locally to have their income and other tax rates cut substantially or eliminated.

In 2012, one of his companies, Southern Trust, applied to take part — and cited his donations as a selling point.

"Those of you who know Mr. Epstein — he has been a long-term resident of the Virgin Islands — know that he has given generously over the course of the last 11 years to various charities in the Virgin Islands," said Erika Kellerhals, one of Mr. Epstein's lawyers, at a public hearing about the application.

That application was approved. So were Mr. Epstein's previous applications for his advisory company, Financial Trust, and the Red Hook marina that he co-owned with a company owned by a New York businessman. The authority held a hearing on one application in 2009, shortly after Mr. Epstein pleaded guilty in Florida to soliciting prostitution from a minor.



The office of Southern Trust, one of Mr. Epstein's companies, in St. Thomas. His companies repeatedly were allowed to participate in a tax-cut program. Gabriella N. Baez for The New York Times

The tax-incentive program is administered by a division of the Virgin Islands Economic Development Authority. Some of its board members are appointed by the governor of the Virgin Islands.

From January 2007 to January 2015 — when Mr. Epstein’s various companies were participating in or applying for the tax program — the governor was John P. de Jongh Jr. The governor’s wife, Cecile, was the manager of Southern Trust. (It was not clear what that role entailed.) Mr. Epstein had also hired an architecture firm owned by Mr. de Jongh’s uncle for work on his private islands, records show. Efforts to reach the de Jonghs were unsuccessful.

In an interview, executives from the economic development authority said that Mr. Epstein’s businesses had qualified for and remained in compliance with the program, which has 71 participants. The authority would not disclose the dollar value of the nearly two decades of tax breaks Mr. Epstein’s companies received.

“I can’t say anything stood out in this particular case,” said Wayne Biggs Jr., the authority’s assistant chief executive.

Mr. Epstein had unusual plans for Southern Trust: He hoped to create an algorithm to mine information from genetic sequencing databases as a way to find treatments for cancer, according to the transcript of the tax-incentive hearing, which is where he extolled the Virgin Islands as his “favorite place.” Mr. Epstein had long cast himself as a science aficionado, inviting physicists to his island, and even discussing how he could perpetuate his own DNA in the human population.

As he made the pitch for the tax break in 2012, he compared his DNA-sequencing efforts to those of the Wright Brothers and the science to “Frankenstein.” He also noted that he had a friend in New York who had a recent cancer diagnosis. “I’m leaving for New York after this meeting to go sit with the sequencers to see if I can save my friend,” he said.

“Places, frankly, like St. Thomas are the perfect place to sequence people because it is so isolated,” he added.

At times, the board seemed perplexed with his plan. Mr. Epstein offered reassurances.

“I am not a madman,” he said.

Matthew Goldstein and Pam Belluck contributed reporting from New York, and Freeman Rogers from St. Thomas.

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