

**GOVERNMENT OF THE VIRGIN ISLANDS
DEPARTMENT OF LABOR
HEARINGS AND APPEALS UNIT**

MANUEL GONZALEZ,)	
)	
Complainant,)	
)	
v.)	CASE NO. WD-061-12-STT
)	
LSJ EMPLOYEES, LLC,)	
)	
Respondent.)	

AFFIDAVIT OF JEFFREY EPSTEIN

I, Jeffrey Epstein, being first duly sworn, do hereby depose and state as follows:

1. I am a resident of the United States Virgin Islands and I am of legal age and competent to make and execute this affidavit based on my personal knowledge, as well as information and documents provided by others to me in my capacity as principal of LSJ Employees, LLC, a United States Virgin Islands limited liability company ("LSJLLC"), and beneficial owner and resident of Little St. James, a cay off the east coast of St. Thomas in the United States Virgin Islands ("LSJ"). I make this affidavit in opposition to the Wrongful Discharge Complaint filed with the United States Virgin Islands Department of Labor by Manuel Gonzalez ("Gonzalez") on May 14, 2012.

2. Immediately prior to his termination for cause, Gonzalez was employed full-time by LSJLLC as its head mechanic. In that position Gonzalez was in charge of, and responsible for, the maintenance and repair of all construction equipment on LSJ, including without limitation, a certain Rock Crusher owned by my company and for which my company paid approximately \$82,500 in or about September 2008 (the "Rock Crusher").

3. As the head of the department responsible for the maintenance and repair of the Rock Crusher, Gonzalez was the person best suited on LSJ to evaluate the condition of the Rock Crusher and provide advice regarding the value the Rock Crusher based on that condition.

4. In 2011, at a time when construction on LSJ was beginning to wind down and LSJ was planning to begin selling certain of its construction equipment,

including the Rock Crusher, based on Gonzalez's advice that the Rock Crusher was in an exceptionally poor condition, did not merit fixing and was worth only a nominal amount, Gonzalez persuaded LSJ's managers to permit Gonzalez to acquire the Rock Crusher from my company for \$1,000.

5. In or about April 2012, I obtained information that Gonzalez misstated the value of the Rock Crusher when he acquired it, obtained the Rock Crusher from my company under false pretenses and ultimately sold the Rock Crusher to a third party for what I believe was \$30,000.

6. On or about April 14, 2012, Gonzalez approached another employee of mine, Daphne Louse Wallace, who is a notary, and asked Ms. Wallace to notarize a bill of sale for the purchase of a boat by Gonzalez at a purchase price stated on the bill of sale to be \$20,000. That \$20,000 purchase price represents nearly one-half of Gonzalez's \$45,000 annual gross salary for his full-time employment with LSJLLC, creating serious questions as to the source of Gonzalez's funding for the purchase of the boat.

7. In or about that same period of time, Irvin Flores, another worker on LSJ, who was also terminated for cause, was complaining to his co-workers on LSJ that Gonzalez had purchased a boat with a "bag of cash" that he received from the sale of the Rock Crusher. Mr. Flores and his brother Melvin Flores, another co-worker on LSJ who was terminated for cause, explained to co-workers at the time that Irvin Flores was angry with Gonzalez who promised to pay Irvin Flores \$10,000 from the proceeds of Gonzalez's resale of the Rock Crusher, but never did.

8. In or about the same period of time, I had a direct conversation with Gonzalez, who apologized to me for trying to steal from my company. Gonzalez acknowledged to me that what he did was wrong and that he felt bad about it, particularly because I had helped him when he needed assistance for a family member. During that same conversation, Gonzalez conceded that he used the proceeds from the resale of the Rock Crusher to buy the boat and that he also promised to give Irvin Flores \$10,000 from the proceeds of the resale of the Rock Crusher.

9. On or about June 14, 2012, two agents of mine interviewed Philbert Edwards and Neil Edwards, two residents of St. Thomas who purchased the Rock Crusher from Gonzalez. Neither of Messrs. Edwards would confirm a \$30,000 purchase price and they claimed that they only purchased the Rock Crusher for \$5,000, though, suspiciously, they could provide no proof of their payment or purchase price. However, they both confirmed that they purchased the Rock Crusher "as is" and that Gonzalez had performed no repairs whatsoever to the Rock Crusher before selling the Rock Crusher to them.

10. Even if it were somehow true that Gonzalez had sold the Rock Crusher to Messrs. Edwards for \$5,000, even that price was five times the price that

Gonzalez paid my company for it, and Gonzalez was able to receive that profit at the expense of the Company without performing any work to the Rock Crusher. Gonzalez never informed me or LSJLLC that third parties were willing to pay the Company more for the Rock Crusher than the absurdly low \$1,000 price Gonzalez claimed it was worth. Moreover, as head mechanic on LSJ, Gonzalez was fully aware that at the time that Gonzalez acquired the Rock Crusher, LSJ had an engineering department with 8 workers who, at little or no expense, could have performed repairs and improvements to the Rock Crusher that would have increased its resale value. Gonzalez had a duty to be honest and to inform my company of the Rock Crusher's true value and of repairs and improvements that could have been made to increase the resale value of the Rock Crusher, but he never did so. He chose, instead, to take advantage of his unique position with LSJLLC that enabled him to acquire the Rock Crusher under false pretenses for an absurdly low price.

11. Gonzalez was obviously well aware of his misconduct or he would not have apologized to me for stealing from my company.

12. Based on the above information regarding Gonzalez's dishonesty and other egregious misconduct, Gonzalez's termination for cause was completely justified and his Wrongful Discharge Complaint is entirely without any merit whatsoever.

FURTHER SAYETH AFFIANT NOT.

Jeffrey E. Epstein

SUBSCRIBED AND SWORN before me on this the ____ day of July, 2012.

Notary Public