



\$2.5 million estimated missing from Sauter escrow

Feb. 8--ST. THOMAS -- No one knows exactly how much money has gone missing from prominent St. Thomas Realtor Rosemary Sauter's escrow accounts, but St. Thomas Board of Realtors President Kerstin McConnell said that from all the calls she has fielded from people unable to retrieve their deposits, she is "confident that it has reached \$2.5 million."

Carlos Cacciamani, chairman of Urbanika International, the developer of Raphune Vistas, said that all 15 of the customers who bought homes in phase one of the subdivision, set for completion later this month, put down deposits with Sauter.

Last week, when he was trying to get the money transferred to his company's main account, Sauter went missing. Calls and e-mails went unreturned for four days. On Thursday morning, an Urbanika representative went to the Estate Thomas office of RE/MAX Dream Properties, which Sauter owns, and found it cleaned out.

"It totally blew our minds," Cacciamani said. "We're still in shock."

According to McConnell, problems with Sauter's real estate deals have been creeping up for months, possibly years. In June, James Gallivan, a client of McConnell's Sea Glass Properties, filed suit over \$81,000 in earnest money the company Power Save VI was supposed to put in Sauter's escrow account. Power Save VI's check deposit bounced, according to the lawsuit, but Sauter never informed Gallivan of that.

As 2009 wore on, more reports of botched deals surfaced. The situation came to a head on Wednesday, when the St. Thomas Board of sent out an e-mail warning its members not to deposit money in Sauter's escrow accounts.

"You think it's isolated. ... You don't want to believe that it could be anything like this," McConnell said.

But when Sauter failed to pay her annual Board of Realtors membership dues in January, McConnell began to suspect that something really could be wrong. Typically, a few Realtors are late to hand in their \$550 dues, McConnell said, so she extended the payment date from Dec. 31 to Jan. 15. She set a up a meeting on Jan. 15 for all the owners of real estate companies on St. Thomas to discuss which of their agents were late. The morning of the meeting, McConnell learned that Sauter was one of those who had not turned in her dues and that under the National Association of Realtors' guidelines, none of the agents working under her would be able to sell unless Sauter paid up.

"It would have shut the entire company down," McConnell said.

McConnell extended the deadline until Jan. 31, to give Sauter a last chance to pay. She attempted to reach her via calls, e-mails and text messages but got no response for days. Finally, Sauter replied to a text and had an employee drop off her dues check on Jan. 24.

As problems mounted, McConnell said, she did not know where to turn.

The National Association of Realtors told her she needed to report the problems to the Virgin Islands Real Estate Commission, which is responsible for policing real estate rules and regulations in the territory. But all commission members' terms expired years ago, according to veteran commission member Peggy Simmonds. The commission still meets, infrequently.

"We just keep plugging away until we get replaced," Simmonds said.

Although members are "still volunteering to meet whenever they can" the commission is "basically nonexistent," according to McConnell.

Commissioner member Lauritz Schuster said that the last time he could remember meeting was in early 2009.

When the issues with Sauter came to a head, two of the five board members were off-island undergoing medical treatment. A meeting to discuss the issues has not been set, Simmonds said.

McConnell said she has forwarded several resumes of potential commission nominees to Government House spokeswoman Julia Watthey. However, the governor has not yet nominated new members, she said.

Government House spokesman Jean Greaux told The Daily News on Sunday that while he could not comment on nominations to the Real Estate Commission specifically, "in general, we are very cognizant of a number of vacancies on the various boards and commissions."

He added, "We continue the process of collecting resumes and interviewing potential nominees."

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