COMMITTEE ON SMALL BUSINESS RANKING DEMOCRATIC MEMBER

COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON HOUSING AND INSURANCE

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER CREDIT

Congress of the United States House of Representatives Washington, DC 20515

NYDIA M. VELAZQUEZ

7TH DISTRICT, NEW YORK

CONGRESSIONAL HISPANIC CAUCUS

CONGRESSIONAL CAUCUS FOR
WOMEN'S ISSUES

CONGRESSIONAL
PROGRESSIVE CAUCUS

OLDER AMERICANS CAUCUS

CONGRESSIONAL CHILDREN'S CAUCUS

October 23, 2017

The Honorable Brock Long Administrator Federal Emergency Management Agency 500 C Street, S.W. Washington, D.C. 20472

Mr. José B. Carrión III Chairman Financial Oversight and Management Board for Puerto Rico P.O. Box 192018 San Juan, PR 00919-2018

Dear Administrator Long and Chairman Carrión:

I am writing to express my grave concerns regarding the recently established contracts between Puerto Rico's instrumentalities and private entities in the wake of Hurricane Maria. Due to the Island's current state of affairs, there is a legitimate and unquestionable need to expedite the process of restoring power and water for the residents in Puerto Rico. However, such an accelerated procurement process should not be without sufficient safeguards and proper oversight mechanisms.

Recent news report have suggested that a contract pertaining to electric power transmission may not have been properly vetted. Given such concerns and that federal funds are being used for this contract, I am worried that taxpayers and residents of Puerto Rico could be short-changed. For these reasons, I ask that both FEMA and the Board exercise their oversight authorities regarding any and all contracts entered into by Puerto Rico or its instrumentalities that make use of federal funds. In doing so, FEMA and the Board should ensure that contractors, especially for large-scale projects, are equipped to carry out the full scope of the contract and that taxpayers and local residents are protected from waste, fraud, and abuse.

Such oversight is appropriate given FEMA's central role in the disaster response effort and as the primary agency source for federal disaster funds. The Board's role emanates from its statutory authority in section 204 of the Puerto Rico Oversight, Management and Economic Stability Act (PL 114–187), which specifies that the Board has the authority to review contracts.

https://weather.com/news/news/puerto-rico-power-whitefish

Should you have any questions, please contact my staff at (202) 225-2361. Thank you for your attention to this important matter.

Sincerely,

Nydia M. Velázquez Member of Congress