

March 6, 2018

[Name]

[Address]

Washington, D.C. [Zip]

Dear [Member of Congress]:

Our organizations write today to address the need for a change in the leadership of the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) Oversight Board. Much has happened in the 18 months since PROMESA was passed, with nearly five months elapsing since Hurricanes Maria and Irma devastated the island. Unfortunately, there has been very little forward movement towards substantive reforms for Puerto Rico.

Congress created the Oversight Board with the intention that it would make the tough decisions that politicians often are reluctant to make to put Puerto Rico on a path towards economic recovery and growth. But the Oversight Board has ignored the basic precepts set forth in PROMESA: accuracy, transparency, and the creation of a credible plan for a return to capital markets for the Puerto Rican people.

We call upon Congress to hold a hearing on whether the Commonwealth and Oversight Board are following congressional intent and mandates under PROMESA and how to improve the restructuring process. Proper congressional supervision of the Oversight Board is necessary for real economic progress to occur in Puerto Rico.

Additionally, we believe the process of restoring order and structure would be made easier by replacing the current Oversight Board Executive Director Natalie Jaresko. Ms. Jaresko has refused to define—and has restricted the local government from defining—exactly what constitutes “essential services,” which is the most basic compliance requirement for a Fiscal Plan under PROMESA. Additionally, the deadlines for submission of fiscal plans have been rushed, despite repeated and public objections that the deadlines did not allow adequate time to collect necessary information or to receive input from creditors.

Of the \$60-million, taxpayer-funded budget for the Oversight Board, Ms. Jaresko, [receives a salary of \\$625,000](#)ⁱ—over 31 times more than the average family makes in Puerto Rico. And yet, when asked about the financial workings of Puerto Rico by Congressman Luis V. Gutiérrez (D-IL) in November of last year, she showed a disturbing lack of knowledge about the inner workings of the economy she is paid so much to fix. With nearly [20](#)

[percentⁱⁱ](#) of the island still in darkness, it is time for Congress to ask tough questions about Ms. Jaresko's mismanagement and inaction.

Our concerns with Ms. Jaresko's recent record is compounded by her troubled past with regards to American taxpayer money. Before being appointed to lead the Oversight Board, Ms. Jaresko ran a \$150 million regional taxpayer-funded investment fund called Western NIS Enterprise Fund (WNISEF). During her tenure at WNISEF in 2013, Ms. Jaresko collected [\\$1.77 million in bonusesⁱⁱⁱ](#), despite being limited to a compensation of \$150,000. Ms. Jaresko and her colleagues at WNISEF were able to claim these bonuses by using a loophole that allowed them to pull money from the fund's profits, enriching themselves by claiming money generated from U.S. taxpayer dollars while avoiding any personal financial risks.

PROMESA was created to chart a path forward, to restructure Puerto Rico's debt and provide for an agreement between creditors and the island, but that goal fades every day as the Oversight Board becomes less and less transparent in its actions.

We believe that proper congressional oversight would help get the restructuring process on the right path to creating a viable financial environment for Puerto Rico, and that such progress is much more likely with someone with proper expertise and management skills in the position of Executive Director at the Oversight Board. If Congress does not act on this issue, there is a real risk that U.S. taxpayers will be on the hook for the island's fiscal woes for years to come.

Sincerely,

Mario H. Lopez
President
Hispanic Leadership Fund

David Williams
President
Taxpayers Protection Alliance

George Landrith
President
Frontiers of Freedom

Charles Sauer
President
Market Institute

Richard Manning
President
Americans for Limited Government

Andrew F. Quinlan
President
Center for Freedom and Prosperity

Heather R. Higgins
CEO
Independent Women's Voice

Matthew Kandrach
President
Consumer Action for a Strong Economy

James L. Martin
Founder & Chairman
60 Plus Association

Carrie L. Lukas
President
Independent Women's Forum

ⁱ <https://www.metro.pr/pr/noticias/2017/04/13/necesitaba-jaresko-dice-se-merece-sueldo-625-mil.html>

ⁱⁱ <http://status.pr/>

ⁱⁱⁱ <http://hispanicleadershipfund.org/wp-content/uploads/2018/03/wnisef-IRS-2013-compensation.pdf>