

## SENATORS UPDATED ON THE STATUS OF THE DISASTER RECOVERY PROCESS

**Date :** October 16, 2019

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THOMAS- Members of the 33rd Legislature led by Senate President Novelle E. Francis, Jr., convened in Committee of the Whole at the Capitol Building on Wednesday, to receive an update on the territory's recovery from Hurricanes Irma and Maria. Representatives from the Virgin Islands Office of Disaster Recovery, the V.I. Housing Finance Authority (VIFHA), APTIM Corporation, AECOM, Witt O'Brien and Ernst and Young all participated in a robust discussion on the territory's disaster recovery since the September 2017 storms.

In his opening

remarks Sen. Francis said, "Two years have passed since the occurrence of both storms. Some residents have expressed that Hurricane Recovery is making good progress. However, others feel as though they are left behind. The burning question is where we are and what does the recovery process look like moving forward?"

Adrienne

Williams-Octalien, Director of the Virgin Islands Office of Disaster Recovery spoke extensively about the role of the newly formed agency and its efforts to manage both disaster funding and support the recovery process throughout government. Williams-Octalien addressed the matter of long-delayed vendor and subcontractor payments, which she said resulted from the fact that only some of the promised federal monies have been received. According to Williams-Octalien, thus far \$1.88 billion out of \$5 billion was received from the FEMA Public Assistance Grant Program. The FEMA Hazard Mitigation Grant Program received \$63.1 million out of \$461.9 million, and the Department of Transportation FHWA-ER Program received \$36.5 million out of \$48.3 million. In response to Sen. Dwayne DeGraff's inquiry concerning obtaining remaining grant monies, Director Octalien indicated that to receive the balance, all the Project Worksheets must be written in coordination with government agencies, cost estimates for construction per project must be provided, and the policies/procedures of FEMA

must be implemented.

#### Outstanding payments

to vendors and subcontractors was a recurring theme throughout the hearing. In a line of questioning, Sen. Francis drilled down about the amount of monies earmarked out of the \$1.8 billion for contractors. VIFHA Executive Director Daryl Griffith stated that approximately \$5 million were payments to contractors to get grant approval to obtain the Community Development Block Grant. Separately, Director Griffith noted that under the Emergency Home Repair VI also known as the FEMA Step Program, over 24,000 homes were repaired post-hurricanes. This included the temporary and permanent repairs necessary for Phase 1 and Phase 2 of the program. Although \$237 million was paid to contractors, VIHFA owes AECOM and APTIM an estimated \$779 million. Nonetheless, despite the work of VIHFA, the homes of many residents remain damaged. "I am very concerned particularly about the many Virgin Islanders that are still living in damaged or partially repaired homes. We would have been better off just dividing the home repair funds amongst local homeowners instead of the millions paid out to off-island contractors and inept subcontractors," said Sen. Kenneth Gittens. Echoing his colleagues' sentiment, Sen. Francis said, "I have constituents with blue roofs over their heads. We sit here and talk about millions owed while my people suffer. I hope that you feel good about that."

Neither Griffith nor

Williams-Octalien were able to provide the amounts owed to vendors. Regarding payments to vendors, Director Williams-Octalien stated that there are delays due to the lack of accurate documentation and challenges with the procurement and contract process. "The implication of failing to have adequate documentation is the de-obligation of funds and unfavorable audits may require the Territory to repay grant funding," she noted. Furthermore, AECOM Corporate Program Manager

Leo O'Shea mentioned that the delay in funding and payments has hindered the ability to flow cash down to local businesses and subcontractors despite the completion of services such as the installation of 250 modular buildings and 11 Sprung Structures for the Virgin Islands Department of Education Facilities Program. Similarly, [APTIM](#) Chief Financial Officer

Jon Grant indicated that a total of \$170 million in payments are owed to the company for the completion of schools, providing temporary repairs for the Governor Juan Luis Project and for the completed work for the EHRVI Program. The

lack of monies also restricts APTIM's ability to pay local subcontractors. Sen. Oakland Benta said, "The vendors and local contractors are a priority and have to be taken care of, for the goods and services they provided out of their pockets to serve this community in our desperate times of need."

Sen. Francis mentioned that initially major companies partaking in the Disaster Recovery process were a symbol of hope and now things have changed. "Post-hurricanes we were excited and had hope that our community will be rebuilt. We assured our constituents that we will get our residents back to comfortable living conditions to meet their needs. Today, we are traumatized." He continued, "All I am hearing about in this meeting is dollars and cents. For weeks after the storms, our constituents had to endure when it rained continuously upon their breached roofs. Contractors were provided with the best homes while doing the work in the Territory. It initially seemed like good faith efforts to rebuild the Virgin Islands. Then something changed and there was a notion that money can be made in the Virgin Islands. All we are asking for is a solid return on our investments." **###**