



FEMA

July 25, 2019

Hon. Ricardo Rosselló Nevares
Governor
Commonwealth of Puerto Rico
La Fortaleza
P.O. Box 9020082
San Juan P.R. 00902-0082

Re: FEMA-3384-EM-PR; FEMA-4336-DR-PR; FEMA-4339-DR-PR
Manual Drawdown

Dear Governor Rossello:

FEMA remains committed to supporting the Commonwealth of Puerto Rico's recovery from Hurricanes Irma and Maria. Along with driving progress on the recovery, strong stewardship of Federal dollars is among the Commonwealth and the Federal Government's most important shared responsibilities.

Consistent with Part 2, Code of Federal Regulations, FEMA continuously monitors the risks associated with our grant Recipients. FEMA has been monitoring recent developments in Puerto Rico closely, including the impending leadership transition announced late last night, the recent indictments of key Commonwealth officials related to the management of Federal dollars, the turnover in key Commonwealth positions, such as the Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAP), and recent preliminary audit findings related to a lack of capacity of various Commonwealth entities to manage Federal dollars. These events have caused FEMA to assess an increased level of risk to Federal dollars.

FEMA acknowledges proactive steps undertaken by the Governor's Authorized Representative (GAR), Omar Marrero, to increase the sensitivity of risk management measures associated with Commonwealth entities that have been the subject of recent allegations of malfeasance. FEMA expects the Commonwealth will continue to take proactive, aggressive steps to protect Federal dollars. Even as we have that expectation, the current circumstances have led FEMA to determine that additional levels of review are required prior to the Commonwealth drawing down FEMA grant funds.

Effective immediately, the Commonwealth must receive approval from FEMA to draw down funds by submitting documentation supporting that the requested drawdown amount was incurred, properly procured, is eligible, is reasonable, and aligns with the approved scope of work. FEMA will review the request and provide a written response.

In addition to reinstatement of the manual drawdown process, as the gubernatorial leadership transition takes place, FEMA will be looking to the Commonwealth to clarify as early as possible following the transition who will serve as the GAR required pursuant to Part 44, Code of Federal Regulations, Section 206.2(a)(13). An expeditious designation of a new GAR or affirmation of the existing GAR will enable us to revise and execute a new FEMA State Agreement to govern the terms under which FEMA assistance is provided. This will be a crucial decision to continue to advance recovery efforts with strong, authoritative oversight at the Commonwealth level. FEMA will review circumstances again when the new governor designates a GAR and evaluate at that time whether to continue the manual drawdown process.

Should you have any questions or require further assistance, please contact me.

Sincerely,



Thomas Von Essen
Region II Regional Administrator
Federal Emergency Management Agency

cc: Mr. Omar Marrero, Executive Director, COR3
Mr. Jonathan Hoyes, Federal Disaster Recovery Coordinator, DR-4339-PR, FEMA