



The fight against corruption in Puerto Rico and how Congress can help

During this crucial time, when corruption scandals in Puerto Rico intensify at the same time that Congress is in the process of disbursing billions of dollars for disaster relief efforts, it is of utmost importance to support strengthening Puerto Rico's government institutions in order to ensure transparency and accountability, and increase efficiency and impact of funds.

BACKGROUND

Puerto Rico's severe fiscal problems led to the restructuring of approximately \$120 billion in debt and pension obligations. While these economic challenges were further exacerbated by hurricanes Irma and María in 2017, the core challenges behind the fiscal and economic crisis were, and continue to be, the result of decades of fiscal irresponsibility, ineffective leadership, weak economic planning, and poor governance.

According to the World Bank Governance Indicators and the Global Open Data Index, PR suffers from significant weaknesses in government efficiency, and lacks transparency and openness in the areas of government budgeting, contracts, laws, and finances.¹ Furthermore, according to the Global Survey on Values for Puerto Rico, led by the Puerto Rico Institute of Statistics and the *Universidad del Sagrado Corazón*, when respondents were asked to express their opinion on how much corruption there is in PR (from 1 to 10; 10 being the highest), over 78% of respondents chose a 10 as their response. In addition, 61% of respondents expressed the belief that the majority, if not all, of the state-level government institutions engage in corruption.²

These perceptions shed light into Puerto Rico's institutional weaknesses, which can be corroborated by recent practices such as the questionable awarding of post-disaster emergency contracts (e.g. Whitefish, Cobra, etc.), missing death toll data in the aftermath of hurricane Maria, the revelation of misconduct and unethical behavior expressed between Ricardo Rosselló and members of his cabinet, and an increase in corruption investigations and arrests.³ Overall, there is great level of distrust in the local government, growing concerns around adjudication of public contracts, and increasing discontent and interest in fighting corruption.

WHAT CONGRESS CAN DO FOR PUERTO RICO

Adequate management of funds is imminent and only possible through the implementation of policies and practices that safeguard access to public information, create greater transparency and enable accountability of government practices.

For this reason, we ask Congress, under its powers and responsibilities on Puerto Rico, to:

- BE AWARE OF attempts against Puerto Rican's **constitutional right** to information. The proposed "transparency" (P.C. 1095) and "open data" (P.S. 0236) bills were recently approved by the PR House of Representatives and the Senate, and if signed into law, will significantly restrain Puerto Ricans' right to know and understand government practices.
- SUPPORT the creation of a multi-stakeholder effort to evaluate the current legal and institutional framework to identify weaknesses in the system and propose comprehensive reform.
- ENSURE strict Congressional oversight and accountability of the FOMB and ALLOCATE resources for the Government of PR to open financial management and contracting processes in accordance with best practices, and create monitoring and accountability mechanisms that include public oversight.

¹ GAO-18-387 ; Global Open Data Index, PR. 2015; The World Bank Governance Indicators ranks PR. 2017

² Javier J. Hernández Acosta, PhD, MBA. Encuesta Mundial de Valores para Puerto Rico. Instituto de Estadísticas. 2019. Link

³ Open Contracting Partnership, 2018: Freedom House 2016

Boricuas Unidos en la Diáspora is a network of Puerto Rican professionals ready to activate others to directly fund community-led organizations in Puerto Rico. Sembrando Sentido is a nonprofit organization that aims to empower and invigorate Civil Society to participate in, and advocate for more transparent, accountable, efficient and integrate government practices in Puerto Rico.