

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**



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Chair

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Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

January 22, 2020

The Honorable Wanda Vázquez Garced
Governor of Puerto Rico
La Fortaleza

Dear Governor Vázquez Garced:

Pursuant to section 204(b)(4) of PROMESA, the Oversight Board established a policy (the “Policy”) to require prior Oversight Board approval of certain rules, regulations, administrative orders, and executive orders proposed to be issued by the Governor (or the head of any department or agency) to ensure that they “are not inconsistent with the approved Fiscal Plan.” The Policy covers “[A]ny rule, regulation, administrative order, or executive order that is issued in connection with or related to procurement, contracting policy, or outsourcing.” On January 17, 2020, Executive Order No. 2020-010 (the “Executive Order”) was issued, purporting to exempt the Executive Branch from the requirements of government contracting processes to enable and accelerate the recovery of Puerto Rico.

The Executive Order is covered by the Policy because, *inter alia*, it impacts the expenses in the approved Fiscal Plan and budget and affects the government procurement process. In addition, by this exemption, the Executive Order may run counter to the requirement in PROMESA that a fiscal plan “improve fiscal governance, accountability, and internal controls.”

The Government has not provided the documentation concerning the Executive Order, as required under the Policy, for the Oversight Board to conduct its review, as mandated by PROMESA.

To enable PROMESA’s purposes to be carried out, please submit the required documentation by January 24, 2020. In addition, please do not implement the Executive Order until the Oversight Board has reviewed the Executive Order with the requested documentation and determined it is not inconsistent with the Fiscal Plan. As you know, if the Executive Order fails to comply with the policies established by the Oversight Board, it may not be implemented and the Oversight Board may take action, including preventing its enforcement, under PROMESA sections 204(b)(5) and 108(a)(2).

We look forward to continuing to work together for the benefit of the people of Puerto Rico.

Sincerely,

Natalie A. Jaresko

CC: Elí Díaz Atienza