



## **Financial Oversight and Management Board for Puerto Rico**

### **PRESS RELEASE**

For Immediate Release

### **OVERSIGHT BOARD TO CONDUCT AN INDEPENDENT FORENSIC INVESTIGATION INTO RECENTLY-PUBLISHED GOVERNMENT BANK ACCOUNTS**

*Board Will Also Hold a Public Hearing in January*

*(San Juan, PR – Dec. 18, 2017)* – The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) created by Congress under the bipartisan Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA” or the “Act”) today announced it will conduct an independent forensic investigation into what it understands is over \$6 billion held on deposit in recently-published Government bank accounts. In addition to the investigation, the Board will also hold a public hearing in January that will focus on the sources and uses of the funds, as well as on the nature of their legal restrictions.

“PROMESA was enacted due to the economic and debt crises in Puerto Rico,” said José Carrión, Chairman of the Board. “It is essential that we improve the transparency and accountability of public finances to put Puerto Rico on the road to economic recovery, regain access to the capital markets, and restructure its immense debt.”

“For too long, the Commonwealth has sacrificed fundamental best practices in financial reporting,” Carrión added. “For example, without timely annual Commonwealth consolidated financial reporting, full transparency of the financial situation has been impossible to achieve without inordinate time, effort, and resources. Modernization must occur as soon as possible if we are to accelerate achievement of fiscal responsibility and renewed access to the capital markets.”

Carrión also noted that the Commonwealth has been without a full set of current audited financial statements for the past several years. Audited financial statements for fiscal year 2014 were not issued until June 30, 2016, and audited financial statements for fiscal years 2015, 2016, and 2017 have not yet been issued. The Board has urged the Government to complete

the fiscal year 2015 audit by December 31, 2017, and the fiscal year 2016 and 2017 audits by June 30, 2018.

Carrión said that, to date, the Board's oversight has resulted in improved liquidity forecasting for the Treasury Single Account (TSA) and for key instrumentalities, as well as more regular and reliable reporting. Since its inception, the Board has made clear to the Government its requirement that significant gaps in available data be addressed. The Board is also requiring reformed financial reporting that will provide a better framework for reliable fiscal and economic decision-making.

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