

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



José B. Carrión III
Chair

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Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

November 27, 2017

Honorable Ricardo A. Rosselló Nevares
Governor of Puerto Rico
La Fortaleza
PO Box 9020082
San Juan, PR 00902-0082

Dear Governor Rosselló Nevares:

We are writing to express our concern with the Government's decision – without prior consultation with the Oversight Board – to make early payment of Christmas bonuses despite the perilous liquidity situation on the Island. While the Oversight Board shares in your desire to recognize public employees who have gone above and beyond in aiding recovery efforts across the Island, to do so in a way that increases the liquidity strain on the Commonwealth at this time puts the public at risk and demonstrates a lack of fiscal discipline. We are particularly concerned that Christmas bonuses are being paid not only to those who are working hard to restore order on the Island, but possibly are also going to public employees who are no longer working.

Therefore, regardless of whether the payments described under Act 26 are in compliance with the certified Fiscal Plan of March 13, 2017 and the FY18 Commonwealth Budget, the Oversight Board finds it imprudent to make such payments while the Government is in the midst of developing a proposed revised Fiscal Plan and at a time of extreme uncertainty with regards to the impact of Hurricane Maria on both the current cash situation of the Government and on public sector employment. Going forward, the Oversight Board expects to be consulted during the formulation and prior to the announcement of policies such as this to ensure the Government is upholding the principles of fiscal responsibility that are so crucial in this post-Hurricane Maria environment.

Honorable Ricardo A. Rosselló Nevares

November 27, 2017

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Sincerely,

A handwritten signature in black ink, appearing to read 'J. Carrión', with a long horizontal flourish extending to the right.

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CC: Natalie A. Jaresko

Christian Sobrino Vega