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Inspector General Initiates WAPA Audit Amidst Fitch Ratings Withdrawal

Audit to scrutinize VITOL propane contract, electronic metering system, and offshore financial losses

WAPA / **Published On January 19, 2024 05:58 AM /**

Staff Consortium **January 19, 2024**

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WAPA's Sunny Isle office on St. Croix. By. V.I. CONSORTIUM

The Office of the Inspector General, as informed to Senator Kenneth Gittens, is moving forward with the special audit of the V.I. Water & Power Authority. This audit, mandated by Act 8731, aims to address several critical issues within WAPA, including those related to the VITOL propane contract, the electronic metering system, various leases, the shipment of WAPA equipment to the British Virgin Islands, and the loss of over \$2 million dollars to an offshore account.

Mr. Gittens expressed significant concern regarding these unresolved matters within WAPA. "If we don't have a better understanding of what transpired and make an effort to hold individuals accountable for their actions, how can we ensure that WAPA does not make these same mistakes in the future?" he stated. This audit is seen as a crucial step in gaining a comprehensive understanding of WAPA's internal operations and ensuring accountability for past actions.

Inspector General Delia Thomas acknowledged a slight delay in the one-year timeline set by the Legislature for this audit. Act 8731, initially vetoed by Governor Albert A. Bryan, was subsequently overridden by Senators on June 14, 2023, thereby enforcing the audit's commencement.

Impact of Withdrawn Bond Ratings by Fitch Ratings

The urgency of the audit is further highlighted by the recent [withdrawal of most of Fitch Ratings'](#) ratings for WAPA's bonds. The lack of adequate financial information and overall transparency concerns were cited as the primary reasons for this action. Fitch Ratings, a notable credit rating agency, stopped providing ratings for WAPA mainly due to limited transparency and the absence of audited financial statements from the utility.

Mr. Gittens emphasized the critical nature of WAPA's operations for the well-being of every resident in the territory. He stressed the need for true accountability and better management within WAPA, citing a long-standing culture of mismanagement that must be addressed for the utility's success and the territory's welfare.