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## Firm Owned by Governor Bryan's Close Friend Who Led 2018 Campaign Awarded \$2.1 Million VIHFA Contract

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**Then-candidate Albert Bryan, John Engerman, and then-Lt. pick Tregenza Roach during a Democratic Party event in 2018** By. MEDIA ONE

On Tuesday, the board of the Virgin Islands Housing Finance Authority awarded a \$2.1 million contract to The Strategy Group, a firm owned by John Engerman, a close friend of Governor Albert Bryan who led Mr. Bryan's 2018 campaign. The contract is the latest deal awarded to The Strategy Group, which has contracts with a vast number of government departments and agencies.

In a recent Senate hearing, lawmakers complained about a \$271,000 contract awarded to The Strategy Group which was not listed under Property and Procurement. Instead, according to

Senator Kurt Violet, who chairs the Committee on Finance and has to carefully parse the government's finances during budget hearings, the contract listed the V.I. Public Finance Authority as the vendor. The job description of the \$271,000 contract was to cut 200 checks to fishermen who were awarded [a \\$10 million grant from the federal government](#), according to Mr. Violet.

As for the \$2.1 million VIHFA contract, which was obtained by the Consortium Thursday (seen [here](#)), the job description sees The Strategy Group providing "public relations and marketing communication services across a wide variety of platforms to further amplify the VIHFA CDBG-DR initiatives." The contract is for three years and will be paid with federal dollars.

The Strategy Group was awarded the deal over three other firms: Emergent Methods, Posey Marketing & Associates, and NT Media.

The Consortium covered Mr. Engerman's transition from BDO PR/USVI following a scandal that [rocked the Puerto Rico arm of the firm](#), which had extensive business in the USVI. At the time, Mr. Engerman was the head of the firm's USVI operations. In August 2019, Mr. Engerman formed a new company, The Strategy Group, that took control of all BDO PR/USVI operations.

Mr. Violet and other lawmakers took issue with the seemingly hidden \$271,000 contract.

"When I saw the Public Finance Authority listed as a vendor, we know that at the PFA, their capacity isn't to be a vendor. They handle bonds and the money market and handle a number of projects. But we knew that something had to be up as to why they would have the PFA listed as a vendor, and when we asked the question, we then found out that in fact they were hired to handle federal monies for the fishermen to write 200 checks, and are going to be paid some \$271,000 for that particular contract. The question is if the contract is with The Strategy Group, then we think that it is only common sense that you put who the contract is with," Mr. Violet said.

The powerful Finance Committee chair also said that it was time to revisit laws to make more stringent the process of facilitating contracts through the PFA.

"I think overall we're going to have to tighten up the ability of contracts having to go through the PFA, and perhaps it's time to make sure that those contracts go through Property and Procurement because we're finding out about a lot of things that we know nothing about that have been hidden through the PFA — to include the contract the Office of Disaster Recovery is utilizing for the leasing of a building. We haven't seen the contract, we haven't seen the terms, we haven't seen the years, but it's under the PFA. I don't think that you could pick and choose as to which contract you want to put under PFA and which contract you want to put under Property and Procurement," Mr. Violet said.

On the issue of the Engerman-owned company receiving a variety of contracts with a number of government departments and agencies, Mr. Violet said, "If you're going to have one entity that is going to be doing the same services at five different government offices, why are you really getting into five separate contracts instead of telling them, listen we're going to give you this amount of work, we're asking for a reduction in the cost of the contract because we're giving you multiple contracts, instead of one being issued in Housing Finance Authority and then a next one being issued here. By the time you look you have \$12 million in contracts."

Mr. Violet said his foremost mission is to bring under control government spending.

"My real mission is that we have to reduce the cost of government, and reducing the cost of government is controlling expenses. And controlling expenses means we need to control lease agreements, we need to control contracts and as much of the work as possible. We need to make sure we're able to do in-house.

The \$271,000 contract is a Dept. of Planning and Natural Resources job, with the vendor listed as the Public Finance Authority, when it's actually The Strategy Group.

"I think the D.P.N.R. contract could have been done in-house," Mr. Vialet said. "I don't see why they needed a contractor to do that. I think we need to look at the scope of work of all of these contracts and make sure that it's not just these frivolous agreements that we're going into where we can't understand as to why we need to pay that amount of money for a particular service. And it's the same contractor that continuously has access."

A number of contracts have been approved during the coronavirus state of emergency declaration. The declaration gives the governor the authority to forego normal procurement processes under exigency statutes tied to the state of emergency. The deal that was [awarded to Avera](#), which is owned by Governor Bryan's daughter, Aliyah Bryan, and the governor's good friend, Michael K. Pemberton, was an example of the exigency process that the Bryan administration and Health Commissioner Justa Encarnacion touted as following the law. Senators, however, disagreed with the process for that particular contract. The contract was to perform important Covid-19 contact tracing work. However, the Dept. of Health went with a firm with no experience or background in contact tracing and approved the deal within 72 hours. D.O.H. said it sent request for proposals to two other firms and received no response. But those firms have no background in contact tracing, which explains the outcome.

Governor Bryan has faced widespread criticism from the community over the Avera deal. Since the Tuesday hearing, Health Commissioner Justa Encarnacion has said the contract wasn't finalized. Governor Bryan also said the same during a "Press Box" event, where he took select questions from members of the community.