

The Virgin Islands Consortium

When Will Local Waste Haulers Get Paid? Senators Press For Answers But Receive None

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ST. THOMAS -- The main individuals who could have provided answers to the Senate Committee on Finance during a hearing on Tuesday, where senators sought responses on government hurricane-related contracts, were not present. Waste Management Authority Executive Director, Roger E. Merritt, Jr. was off island, and the Department of Public Works was not on the agenda.

So when senators wanted to know why local waste haulers had not been paid since September, even as they've been working to clean up the territory following Hurricanes Irma and Maria, the responses received by the testifiers -- among them Property and Procurement Commissioner Lloyd Bough, Jr., and W.M.A.'s director of procurement,

Sandra David -- were unsatisfactory.

When Ms. David told Senator Marvin Blyden that Mr. Merritt was off island, the senator said, "It's disturbing to me. Every time we have a hearing or trying to get a hearing, I have to postpone or cancel because the director is off island. That's a problem. That's a serious problem. I'm concerned about the haulers and their payment."

The ire of senators was across the board. Nonpayment for five months "would literally cause some small contractors to go bankrupt," said Senator Kurt Vialet. "Because they got to meet payroll, they got to meet everything else and they have not been paid yet. I want to caution that we have a window of time to be fully reimbursed, and that window of time is March 20. So all the parties need to meet in one room and be able to decipher whatever issue is stopping payment."

Public Finance Authority Executive Director, Valdamier Collens, said agencies such as W.M.A. most likely started gathering information about project worksheets in September or early October. However, at that time the government did not have consulting firm Whit O'Brien on board, part of whose job is to maximize federal dollars available to the territory. Mr. Collens said a mechanism should be in place that would allow the V.I. government to quickly retain and pay waste haulers following the passage of storms.

But Mr. Vialet protested, stating that haulers received a partial payment in December, an indication, he added, that the process of paying waste haulers had already been in place.

W.M.A. gave a list of haulers whose services the authority had retained. They include 6 in St. Thomas, 8 in St. Croix and 11 in St. John. When asked to provide a total sum of what has been paid to these contractors, Ms. David could not say. Her response invited Senator Nelson's displeasure, who stated that such information were to be par-for-the-course during hearings.

The lawmakers appeared genuinely frustrated with the situation, many of whom have been bombarded for help. But the most impassioned response came from Senator Brian Smith, who lamented the situation of the waste hauling companies, most of them small operations.

"All the big fancy names, all the big contractors, these guys getting paid on time, on time!" said Mr. Smith, his voice peaking. "But our small guys -- our small guys! -- the guys them I represent, stopping me on the road all the time, running in front of my truck to cut me off, their eyes all bloodshot, and they're saying they ain't get paid in months! They haven't been paid in months! How is that fair? Anybody, is that fair?"

The room fell silent.

"It's a big travesty, it's an injustice when the small guy isn't paid for months," Mr. Smith added. "What is his wife to do? What is his banker to do?"

Ms. David said invoices were submitted two weeks ago for waste hauling services from September 2017 to January 2018, to Whit O'Brien to prepare project worksheets and submit them to FEMA for funding. A timeline on when the consulting firm would complete the worksheet was not provided, however.

The Mapp administration recently entered into a contract with O'Brien that sees the firm receiving not more than \$15 million annually for its work. The government contracted Ernst & Young as well, part of whose responsibility will be to help the local government with financial recovery, mitigation and receiving disaster-related grants. Per the contract, Ernst & Young's payment should not exceed \$5 million annually. The administration also entered into a contract with Squire Patton Boggs for not more than \$235,000 annually. The firm's work includes helping the government manage key relationships on Capital Hill and the federal government.