

The Virgin Islands Consortium

AECOM Subpoenaed By Finance Committee After No-Show At Hearing

VIC News / **Published On March 21, 2019 09:52 AM /**

Ernice Gilbert **March 21, 2019**



ST. THOMAS -- AECOM, the prime contractor hired by the Virgin Islands Housing Finance Authority (VIHFA) to execute the Sheltering and Temporary Essential Power (STEP) program, known locally as Emergency Home Repair VI (EHRVI) Program, did not show up to a Tuesday Committee on Finance hearing to provide testimony after being invited.

The company said the notice was too short, and Senator Donna Frett-Gregory, chair of the committee, said company officials refused to participate via conference. Displeased with the no-show, the committee moved to subpoena AECOM officials.

Mrs. Frett-Gregory said she was displeased that the company with a roughly \$350 million contract for the territory's redevelopment following Hurricanes Irma and Maria, did not make it a priority to attend the hearing. Senators mainly wanted to query AECOM officials on the protractedness of payments to subcontractors -- an issue that has stained the program and the cause of a number of lawsuits.

AECOM has said it could only move quickly with making payments if it receives the funds from VIHFA in a timely fashion. For its part, VIHFA has described the approval process for invoices submitted by AECOM, which is the program's prime contractor, as "complicated," stating that the process involves multiple federal and local agencies. According to the authority, FEMA releases funds through its local agency counterpart, the Virgin Islands Territorial Emergency Management Agency, where invoices must go through an audited approval process. Thereafter, the Virgin Islands Department of Finance must approve payments for the program before they are released to VIHFA. Denise Lewis, acting director of VITEMA, told lawmakers that of the \$223 million FEMA has appropriated, VITEMA has released \$204 million.

On Tuesday, AECOM said it was awaiting additional payments from VIHFA so it could in turn pay subcontractors. The delay in payment to subcontractors has resulted in companies going out of business -- many of them operations from the mainland that spent a considerable amount of money to come to the territory, believing they would be rewarded for their efforts. In extension, local operations have suffered loss as well. The delay has also [resulted in a number of lawsuits](#), and some contractors have threatened to use properties belonging to storm victims as leverage to try and recoup payment, [according a Washington Post](#) story.

Last month, a contractor who had already left the territory after working for months without pay, reached out to The Consortium so his story could be heard. A 27-year-old, the contractor said he was awarded contractor of the year in his hometown before moving his crew to the territory following the 2017 storms. Since then, however, his business went bankrupt even as he continues to owe VI companies he had sub-contracted to perform work, among them Marco Trucking.