

The Virgin Islands Consortium

In Message To Governor Bryan, Sen. Frett-Gregory Says Subcontractors Must Be Paid

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Senator Donna Frett-Gregory is urging Governor Albert Bryan to direct the principals of the VI Housing Finance Authority (V.I.H.F.A.) and the Office of Disaster Recovery (O.D.R.) to rapidly strategize in order to compensate construction subcontractors who have not been paid for work they have completed, a release Mrs. Frett-Gregory's office issued Thursday has made known.

In the aftermath of Hurricanes Irma and Maria, the territory participated in a federally funded emergency home repair program administered by V.I.H.F.A. and the O.D.R.

Subcontractors who were hired to assist prime contractor AECOM are owed pay for work they have completed. So far, the VIHFA has paid out more than \$170 million to AECOM.

“AECOM needs to trickle down these funds to subcontractors who have not been paid,” she said. “The longer these workers are asked to wait, the more desperate they become.”

A serious threat arising from the failure to pay subcontractors is liens some subcontracting firms are unfairly placing on homes that were fixed as part of the emergency home repair program. The liens are an attempt to collect a debt for which homeowners are not responsible.

A bill sponsored by Mrs. Frett-Gregory that calls for [an \\$80 million line of credit to pay contractors](#), was signed into law by Mr. Bryan. The funds are to be backed by the impending release of further federal dollars — some \$1.09 billion from the U.S. Department of Housing and Urban Development is still outstanding — along with the territory’s already-burdened Gross Receipt Tax (GRT). Mrs. Frett-Gregory told The Consortium that she heard progress was being made on securing the funds, but she did not know how far along the administrative was relative to actually getting the money.

“What is being done to ensure that these subcontractors get paid by AECOM?” asked Mrs. Frett-Gregory. “Although contracts were not made directly with the Government of the Virgin Islands, this issue is creating a negative impression of the emergency home repair program and our territory. The governor’s disaster recovery team needs to ensure that these workers, who did what they were contracted to do, receive their pay.”

In Finance Committee hearings on March 19 and again on April 2, Mrs. Frett-Gregory and other members of the 33rd Legislature questioned representatives of V.I.H.F.A., O.D.R., the Virgin Islands Territorial Emergency Management Agency, AECOM, APTIM and Witt OBrien on the late payment issue. According to Mrs. Frett-Gregory, the hearings revealed that subcontractor pay was stuck in a redundant invoicing system that is clogged by internal VI Government and AECOM reporting protocols. While the VI Government has taken steps to expedite the processing of paperwork, AECOM has made little to no push to pay subcontractors in a timely manner, the senator said.

Calling attention to the subcontractor nonpayment issue and exerting pressure on AECOM to pay subcontractors is the VI government’s key role in this matter, Mrs. Frett-Gregory continued.

“Gov. Bryan’s disaster management team, while not directly responsible for issuing subcontractor pay, has oversight responsibility to make sure that AECOM pays its subcontractors,” she said.

The freshman senator added, “Unpaid subcontractors are, in effect, being ignored. Some of them have gone back home with no money in hand. That is unfathomable. The governor’s team needs to double down on the prime contractors and all key stakeholders to expedite the release of funds. It needs to happen now.”

With the hurricane season in effect since June 1, Mrs. Frett-Gregory warned that failure to pay subcontractors may thwart future repair and reconstruction efforts, should the need arise.

