

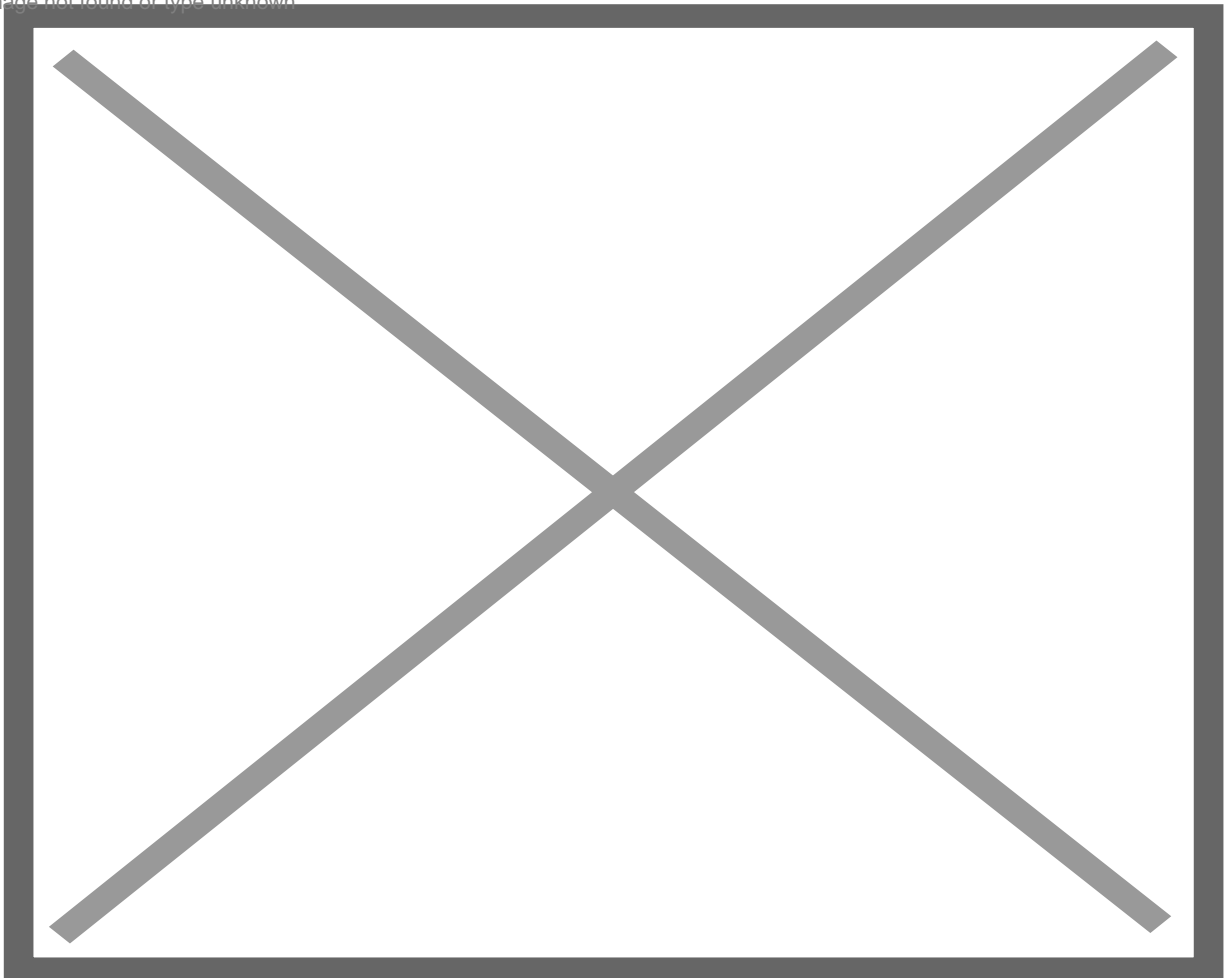
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## **PFA Approves Line of Credit for \$100 Million Day After Senators Lambaste Executive Branch For Using \$45 Million Without Legislative Authorization**

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Following recent controversy over the use of general funds without legislative approval, the Public Finance Authority has decided to negotiate with First Bank Puerto Rico to establish a \$100 million line of credit. This comes after senators who make up the 35th Legislature had previously granted approval for the credit line.

On Tuesday, it was revealed by Jenifer O'Neal, director of the Office of Management and Budget, that the administration had withdrawn \$45 million from the Government of the Virgin Islands' General Fund. This was to make the first payment to Vitrol as part of a settlement negotiated between the energy trading company and the Water and Power Authority. The payment was initially intended to come from the line of credit, however, according to O'Neal, the facility had

not yet been closed.

There remains a lack of clarity on why the credit facility had not been established, as O'Neal had informed lawmakers on April 5th that it was expected to be in place by the end of that month.

While testifying before the Senate Committee on Budget, Appropriations, and Finance, O'Neal suggested that the line of credit should be accessible within the next two weeks. With formal approval now provided by the PFA board, officials can proceed with any pending items required to secure the facility. The aim is to both repay the \$45 million to the territory's general fund and facilitate the final \$100 million payment to Vitol, thereby ending the contentious relationship between the two entities.

Although the Budget committee members did not deliberate on any punitive measures or censure for the unauthorized use of general fund dollars to keep the WAPA bailout deal afloat, Senator Kenneth Gittens addressed the issue during Wednesday's Senate Committee on Health, Hospitals, and Human Services meeting. "It's a crying shame," he reprimanded. "Let's see if somebody's going to face consequences for this \$45 million. Yes, it's bothering me," the senator admitted.

With government backing, WAPA had [agreed to pay Vitol \\$145 million](#) to settle its debts and terminate the long-standing relationship between the two organizations, which originated when WAPA opted to convert several of its diesel fuel generators to burn cleaner, cheaper propane. The project's cost overruns triggered an investigation that uncovered significant waste, mismanagement, and poor practices at the utility's highest management levels.