

Halfway transparency

Members of the Board updated their reports, but Open Spaces contends that the entity still does not comply with its own rules

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Updating the reports of voting members in the Board is consistent with the disclosure practice established by the United States Office of Government Ethics. (Archivo / GFR Media)

Salaries, interest income and dividends linked to the securities market, compensations for consulting, arbitration and mediation, thesis reviews and book royalties were the main sources of income for the seven members of the Board during 2016.

According to reports of financial interests updated and published on Thursday night, members of the Board who are not paid for their services in the federal agency that controls the public finances of Puerto Rico, have diverse assets and multiple professional relationships in the communities where they interact, ranging from universities, publishing houses, academic research centers, private companies and union groups.

In the same way, by the end of 2016, virtually all members of the Board proved to be financially solid by the time they retire. This is because members of the Board have individual retirement accounts or shares in private or public pension plans. While practically none of the members of the Board with voting rights had obligations, such as a car loan or a mortgage.

According to the reports, in 2016, none of the seven members of the Board applied for travel reimbursement or received gifts as a result of their work with the federal agency.

"This updating of reports is not being done because it is required by law or because it is required by the rules of the Board, but because the Board believes strongly in transparency and ethics and wants to provide clear and relevant information to all interested parties", said the president of the federal agency, Jose B. Carrión, when reporting the updated publication of the reports.

In the words of Carrión, PROMESA-the law that created the Board-does not specify when or how often the financial reports of its members should be published.

In approving its internal regulations, the Board decided to annually publish a financial interest report and quarterly reports on financial transactions, to reflect the purchase or sale of assets.

In the view of the Ethics Officer Andrea Bonime-Blanc, updating the reports of voting members in the Board is consistent with the disclosure practice established by the United States Office of Government Ethics.

However, for the Executive Director of Open Spaces (Espacios Abiertos in Spanish), Cecille Blondet, what the Board has done is insufficient.

For Blondet, executives Arthur J. Gonzalez, Jose R. Gonzalez, Ana Matosantos and Andrew Biggs, completed the required information. In contrast, Carrión, David Skeel and Carlos M. García, haven't still disclose their wages or the income of their spouses.

"At this point, that is not acceptable because all those people had to file their income tax return. Those figures have to be available", Blondet remarked, noting that in some cases the updates released on Thursday provide less information than the reported in February.

Blondet criticized the management of Bonime-Blanc, highlighting that the least she could do was noting that the reports of some directors are incomplete.

"What is in those reports is not enough to conclude that there are no conflicts of interest", added Blondet. "They are not complying with what they approved."

Lack of information

In the case of the executive ex officio, the Board indicated that Elías Sánchez would have complied with the release of his report, because last February he reported his financial situation until the end of 2016.

However, in that report, Sánchez did not offer specific information on his income or that of his wife, which for Blondet is of a high concern.

Although PROMESA requires disclosure of financial information, in ethical matters, members of the Board do not report to any federal or local entity.

"This is a person who is in the two highest spheres of power in Puerto Rico and does not disclose what his income is, we don't know what his firm does, a person who speaks on behalf of the government, but is not an official and to whom no law is applied", said Blondet in reference to Sánchez.

On the other hand, Blondet contended that the members of the Board were also obliged to disclose their quarterly transactions and in these, nor specific details are offered.

This is because directors do not report the value of their investments neither do with the income for income or dividends received for them. Virtually in all cases, directors report the value of their investments and their returns by intervals such as \$ 100,000 to \$ 1 million or \$ 1,000 to \$ 15,000.

According to Blondet, such wide intervals prevent the conclusion on how much the director's flow has evolved from the beginning of its functions until it finishes.

Blondet noted that Board Executive Director, Natalie Jaresko, would have essentially complied with the report that disclosed her financial condition last June.

Meanwhile, she stressed that Board legal adviser, Jaime El Koury, had not updated his financial information neither has the former interim executive director Ramón Ruiz Comas. However, Ruiz Comas finished his obligations with the Board last May.