



Join Our Newsletter



Home » Environment and Energy » Government Failures Still Hurting Puerto Rican Recovery



Environment and Energy, Features, Finance, Health and Safety, Law and Politics, National

Government Failures Still Hurting Puerto Rican Recovery

July 18, 2018

By Robert Weiner, Chris Edwards, and Ben Lasky

Ten months after Hurricane Maria, the disaster is still occurring, we found while visiting the island and talking with residents and businesses.

The wide media coverage of the President's throwing paper towels as a symbol of helping in a news conference, during his October trip to Puerto Rico, was only a half told story. One person in the room told us, "We wanted to show we need more than paper towels. We actually wanted to throw them back."



Insurance companies still have not paid hotels, businesses, and many homeowners for recovery. The iconic Caribe Hilton remains boarded up with "Disaster Relief Team" vans parked outside on blocked access roads. A call to the hotel July 12 still brings a recording: "We are closed while we undergo major restoration." They will not accept reservations at least until January 2019.

It took the Harvard University-Albino University-University of Ponce study in the New England Journal of Medicine to find that the island's death count was seventy times higher than government accounts. They found that 4,645 people died; the government said 64. CNN and the Center for Investigative Journalism requested that death certificates be released, but the motion was blocked in June by the Puerto Rican government. It's not just the feds who are stonewalling.



As far as government is concerned, it's "a plague on all your houses." The death under-count is but one example of how officials bungled the response to Puerto Rico. Insurance companies have been allowed to refuse or fail to pay

up and are ignoring thousands of claims that have been filed by citizens. Puerto Rico Insurance Commissioner Juan Rivera distributed violation notices to half a dozen companies totaling over \$2 million back in February. Later that month, the Puerto Rico Insurance Commissioner's Office released a report stating which companies had failed to pay their customers' insurance. Among those named in the report were Caribbean American Insurance Company, Multinational Insurance Company, and Universal Insurance Company. Local citizens told us the Travelers has also failed.

Cronyism by the US government has played a big role in the inept (or purposely malicious) handling of insurance claims. The Trump administration attempted to award a contract for \$133 million dollars to Adjusters International, a firm of one of their failed FEMA nominees, Daniel Craig. In February Puerto Rico invalidated the contract.



Likewise, in October, a small energy company from Montana, Whitefish Energy Holdings, was given a \$300 million dollar contract to help restore power to Puerto Rico. The company had ties to Interior Secretary Ryan Zinke and to Joe Colonetta and his wife, who gave nearly \$100,000 in contributions to President Trump's 2016 campaign, the Trump Victory PAC, and the Republican National Committee. Whitefish is financed by HBC Investments, which was founded by Colonetta. Puerto Rico Governor Ricardo Rossellò, along with the Puerto Rico Electric Power Authority, eventually rescinded the Whitefish contract. All of this cost invaluable time.

Housing and Urban Development Secretary Ben Carson is also part of the problem. Carson told The Hill newspaper that Puerto Ricans "have suffered just tremendously". Carson said, "We're looking at ways we can speed the recovery." However it wasn't until April that HUD allocated funding to help, nearly seven months after the hurricane crashed the island.

On June 27, during an oversight hearing for HUD, Carson told lawmakers, "HUD has, is now, and will continue to rigorously protect people from discrimination regardless of their race, national origin, religion, disability, or family status." If he believed what he said, he would have sent aid to Puerto Rico months ago and covered much more.

The fine against insurance companies issued by Rivera is pennies to them and provides no assurances that they won't just ignore it. Criminal prosecution may be called for, no less than when Bernie Madoff went to prison for life for conning people from millions of dollars. After Carson proposed in March to strike out the phrase "free from discrimination" from HUD's mission statement but backed off, the agency's handling of the disaster in Puerto Rico shows that they govern with and for their cronies anyway. What's clear is that as hurricane season arrives again, Congress, the White House, and the island's governments still have a lot of learning and preparation.

Robert Weiner was a spokesman for the Clinton and Bush White Houses as well as the House Government Operations Committee, senior aide to Congressmen Charles Rangel, Claude Pepper, Ed Koch, John Conyers, and Sen. Ted Kennedy and is a frequent visitor to Puerto Rico. Chris Edwards is a policy analyst for Robert Weiner Associates and Solutions for Change. Ben Lasky is policy coordinator at Robert Weiner Associates.