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October 27, 2022

Rae Oliver Davis, Inspector General
Office of Inspector General
U.S. Department of Housing and Urban Development
451 7th Street SW
Washington, D.C. 20410

Dear Ms. Davis:

As Members of Congress, we've dedicated our public service careers to being the best stewards of taxpayer resources—and that responsibility starts with finding ways to pay down the \$30+ trillion national debt.

But since we represent congressional districts that are often impacted by natural disasters, we're also very supportive of the federal government stepping in to ultimately assist communities with the aftermath of natural disasters—like what the U.S. Virgin Islands (USVI) experienced five years ago when Hurricane Maria slammed the islands.

Following this specific natural disaster, the federal government allocated \$8 billion to help the USVI rebuild. As part of this commitment, the Virgin Islands Water and Power Authority (WAPA) received some of those resources in the form of Community Development Block Grant (CDBG) disaster relief funds. These funds were meant to be used for the purchase of four propane generators to increase reliability at Randolph Harley Power Plant on St. Croix, and to ease the impact of record energy prices on USVI residents. WAPA reportedly spent \$75 million to purchase the generators from a Finnish company, and the federal government subsequently covered 100 percent of this cost.

The procurement of these generators was announced more than two years ago, and were “slated to be fully operational in early 2022,” yet these units are still not operational.¹ Further, there doesn't appear to be an objective timeline of when these four generators will come online. There appears to have been a woeful lack of preparation on the part of WAPA, in addition to a lack of oversight by the Department of Housing and Urban Development (HUD) pertaining to the acquisition of these four generators. Shockingly, there is no plan to correct these mistakes.

This is completely unacceptable.

As the Inspector General for HUD, which is the federal government entity with oversight of the CDBG program, we wanted to bring this matter to your attention and urge you to independently investigate this potential waste of taxpayer resources.

¹ Virgin Islands Water and Power Authority, “WAPA Signs Contract for Four New Generators and Battery Storage System at Randolph Harley Power Plant” (July 22, 2020), <https://www.viwapa.vi/news-information/press-releases/press-release-details/2020/07/22/wapa-signs-contract-for-four-new-generators-and-battery-storage-system-at-randolph-harley-power-plant>.

For example, it's important to understand why the USVI made its decision to invest \$75 million for the purchase of four propane generators. Additionally, when did HUD officials know about the troubles of getting the already-purchased generators online?

An independent review of this project would provide significant public value and would assist in ensuring that the mistakes made in the past are not repeated during future HUD projects.

We appreciate your attention and support on this important manner.

Sincerely,



Rep. Byron Donalds
Member of Congress



Rep. Michael Cloud
Member of Congress



Rep. Glenn Grothman
Member of Congress



Rep. Bob Gibbs
Member of Congress