

Congress of the United States
Washington, DC 20515

October 25, 2017

Mary L. Kendall
Deputy Inspector General
U.S. Department of the Interior
Office of Inspector General
1849 C Street NW - Mail Stop 4428
Washington, D.C. 20240

RE: Whitefish Energy Contract Award

Dear Deputy Inspector General Kendall,

Whitefish Energy (Whitefish) has been awarded a \$300 million contract to repair Puerto Rico's electrical infrastructure. Not only are we concerned about the company's inexperience, but we are also troubled by how the contract was awarded. Therefore, we urge you to investigate this contract procurement and any potential impropriety in the awarding of the contract of restoring Puerto Rico's electrical infrastructure to Whitefish.

Whitefish is based in Secretary Zinke's hometown of Whitefish, Montana and it has been confirmed that Department of the Interior (DOI) Secretary Ryan Zinke and Whitefish's Chief Executive, Andy Techmanski, know each other. One of the Secretary's sons worked for Whitefish. Furthermore, Whitefish is primarily financed by a private equity firm that is run by a contributor to the presidential campaign of Donald Trump. We're concerned that Whitefish might have overstated its connections with the Trump Administration to obtain the contract.

Additionally, it is very troubling that the awarded contract emerged from direct discussions between the Puerto Rico Electric Power Authority (PREPA) and Whitefish, rather than through the traditional formal bidding process that is meant to prevent fraud, favoritism, and bias in the procurement of restoration contracts. While Secretary Zinke has stated he was not involved with the decision to contract Whitefish, an October 1st report by NBC Montana quoted Mr. Techmanski saying that he asked the Secretary for assistance in transporting personnel and equipment to Puerto Rico. Whitefish was also in conversations with PREPA two weeks prior to the storm and was awarded the contract on September 26, only six days after Hurricane Maria hit the island. Secretary Zinke contends that the conversation with Whitefish did occur, but only after the contract was awarded. It is questionable that PREPA opted to hire Whitefish directly rather than activate the mutual aid agreements that have provided expedited repair and recovery proceedings in other hurricane ravaged locations such as Texas and Florida.

The inexperience of Whitefish also brings into question whether they have the necessary resources and experience to take on the extensive and unprecedented task of restoring Puerto Rico's electrical grid. Puerto Rico has 2,400 miles of transmission lines and 30,000 miles of distribution lines with 300 substations. Prior to being awarded the PREPA contract, Whitefish had only been awarded

two Department of Energy contracts, which were on a much smaller scale than the one awarded for Puerto Rico. The first contract of \$172,000 was to replace a metal pole and splice three miles of electrical line in Arizona. The second contract was a \$1.3 million deal to replace and upgrade parts of a 4.8-mile transmission line in Arizona. These preceding contracts do not compare to the arduous task of restoring the electrical grid in Puerto Rico that impacts 3.4 million American citizens living on the island.

PREPA's Executive Director, Ricardo Ramos, has stated they hired Whitefish because it was the first company "available to arrive and were the ones that first accepted the terms and conditions for PREPA." However, this is perplexing because it was done outside of the normal bidding process that would have ensured more reliable and experienced contractors. In fact, Whitefish had only two employees on payroll prior to Hurricane Maria. Although Whitefish currently has 280 employees, most are subcontractors that have not gone through the usual scrutiny required under mutual aid agreements.

Thank you in advance for your attention to this matter.



DARREN SOTO
Member of Congress




ROBERT A. BRADY
Member of Congress



KATHY CASTOR
Member of Congress



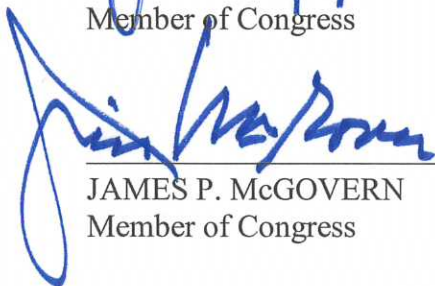
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