

February 8, 2018

Mick Mulvaney
Director
Office of Management and Budget
725 17th St. NW
Washington, D.C. 20503

Dr. Nancy Potok
Chief Statistician
Office of Management and Budget
725 17th St. NW
Washington, D.C. 20503

Dear Director Mulvaney and Dr. Potok,

I am writing today to express my concern regarding a proposal to reorganize and privatize the Puerto Rico Institute of Statistics (PRIS), and to request information from the Office of Management and Budget (OMB) on how reorganizing PRIS would affect the Federal Statistical System.

Established in 2003, PRIS is Puerto Rico's "highly professional, autonomous, and apolitical"¹ statistics entity, charged with overseeing statistical policy of the territory's government agencies.² Since beginning operations in 2007, PRIS has made great strides in boosting government efficiency, reducing government waste, and improving Puerto Rico's statistical systems. PRIS efforts to reduce Medicaid fraud have helped save the federal and Puerto Rican governments millions of dollars.³ It has worked with the National Center for Health Statistics to improve Puerto Rico's mortality statistics; collaborated with the U.S. Bureau of Labor Statistics to identify and eliminate bias in Puerto Rico's Consumer Price Index; and exposed flaws in the Centers for Medicaid and Medicare Services payment structures that

¹ Congressional Task Force on Economic Growth in Puerto Rico, Report to the House and Senate (December 20, 2016) (online at <https://www.finance.senate.gov/imo/media/doc/Bipartisan%20Congressional%20Task%20Force%20on%20Economic%20Growth%20in%20Puerto%20Rico%20Releases%20Final%20Report.pdf>).

² Letter from the Instituto de Estadísticas de Puerto Rico to Senator Orrin Hatch, Re: Request for Input on How to Strengthen the Economy of Puerto Rico (September 2, 2016) (online at <https://www.finance.senate.gov/imo/media/doc/Puerto%20Rico%20Institute%20of%20Statistics.pdf>).

³ Mónica I. Feliú-Mójer, "Why Is Puerto Rico Dismantling Its Institute of Statistics?," *Scientific American* (February 1, 2018) (online at <https://blogs.scientificamerican.com/voices/why-is-puerto-rico-dismantling-its-institute-of-statistics/>).

withheld \$120 million in payments to Puerto Rican doctors, medical providers, and patients. PRIS achieved all this with an average annual budget of approximately \$1 million.⁴

PRIS also works with various components of the Federal Statistical System. The Federal Statistical System, composed of 13 federal statistics agencies and managed by OMB's Chief Statistician, is a decentralized system designed to provide "relevant, accurate, and timely data to inform public and private decision making."⁵ PRIS is responsible for "including Puerto Rico's data in federal and international surveys by the U.S. Census Bureau, the U.S. Department of Education, and the Organization for Economic Cooperation and Development (OECD), among others." PRIS was also recently awarded funding from the Centers for Disease Control to surveil violent deaths in the territory.⁶

As it is currently structured, PRIS is an "independent public entity" overseen by a board of directors who appoint PRIS CEOs to 10-year terms.⁷ However, the government of Puerto Rico is considering a proposal that would remove PRIS's board, place PRIS under the control of the territory's Department of Economic Development and Commerce, and outsource core PRIS functions to the private sector.⁸ Representative Nydia Velázquez and fourteen of her House colleagues have already brought this proposal to OMB's attention. They wrote to "express concern over the announcement, and reiterate the importance of the independence of the PRIS."⁹

I echo my House colleagues' concerns. Independent, apolitical government statistics are critical to the development of effective federal and local policies. The American Statistical Association recently noted government statistics should be "independent, objective, accurate, and timely and be perceived as such"—a goal that may be impossible to achieve if PRIS is reorganized.¹⁰ According to one statistician at the University of Puerto Rico, the territory needs a statistics agency "that uniformly works in an independent way, regardless of political parties." An applied statistician from Harvard University agreed, noting that "the law that created [PRIS] guarantees its autonomy... Once PRIS falls under a government agency, it is no longer autonomous."¹¹ The reorganization and privatization of PRIS also contradicts recommendations

⁴ Letter from the Instituto de Estadísticas de Puerto Rico to Senator Orrin Hatch, Re: Request for Input on How to Strengthen the Economy of Puerto Rico (September 2, 2016) (online at <https://www.finance.senate.gov/imo/media/doc/Puerto%20Rico%20Institute%20of%20Statistics.pdf>).

⁵ U.S. Centers for Disease Control and Prevention, "The Federal Statistical System: What is a Federal Statistical Agency?" (June 2017) (online at <https://www.cdc.gov/nchs/data/factsheets/the-federal-statistical-system.htm>).

⁶ Mónica I. Feliú-Mójer, "Why Is Puerto Rico Dismantling Its Institute of Statistics," *Scientific American* (February 1, 2018) (online at <https://blogs.scientificamerican.com/voices/why-is-puerto-rico-dismantling-its-institute-of-statistics/>).

⁷ Lizzie Wade, "Critics blast move to dismember Puerto Rico's statistical agency," *Science* (February 6, 2018) (online at <http://www.sciencemag.org/news/2018/02/critics-blast-move-dismember-puerto-rico-s-statistical-agency>).

⁸ American Statistical Association, "Puerto Rico Government Considers Eliminating Statistical Agency" (online at <http://amstat.org/ASA/News/Puerto-Rico-Government-Considers-Eliminating-Statistical-Agency.aspx>).

⁹ Letter from Representative Nydia Velasquez, et al., to Dr. Nancy Potok, February 2, 2018 (online at <https://velazquez.house.gov/sites/velazquez.house.gov/files/2.2.18%20Letter%20re%20PRIS%20privatization%20concerns%20%28SIGNED%29.pdf>).

¹⁰ Letter from Lisa LaVange, President, American Statistical Association, to The Honorable Ricardo Rosselló, Governor of Puerto Rico (January 9, 2018) (online at https://www.amstat.org/asa/files/pdfs/POL-PR_Stats.pdf).

¹¹ Lizzie Wade, "Critics blast move to dismember Puerto Rico's statistical agency," *Science* (February 6, 2018) (online at <http://www.sciencemag.org/news/2018/02/critics-blast-move-dismember-puerto-rico-s-statistical-agency>).

from a bipartisan Congressional Task Force on Economic Growth in Puerto Rico, which stated that PRIS should “continue to protect its independence” from political influence.¹²

In addition, reports indicate that the reorganization of PRIS could negatively impact the entity’s existing collaborations with the Federal Statistical System. For example, the current PRIS CEO, Mario Marazzi-Santiago, has highlighted PRIS current work with the Census Bureau “on preparations for the 2020 Census.” Should the proposed restructuring of PRIS occur, says Marazzi-Santiago, “all of those collaborations and initiatives would stop.”¹³

Furthermore, there are credible concerns that Puerto Rico’s count of fatalities due to Hurricane Maria is inaccurate, and PRIS’s expertise and previous work might be helpful in ensuring its accuracy. Though the official fatality total is listed as 64, multiple reports indicate that the true death toll is much higher.¹⁴ One study suggests that “the actual death count may be closer to 1,085,”¹⁵ while another review of mortality statistics suggests “1,052 more people than usual died across” Puerto Rico in the 42 days after the hurricane struck.¹⁶ A recount of the hurricane-related deaths is underway,¹⁷ but PRIS is not part of those efforts.¹⁸ With so many concerns about the credibility of the fatality count,¹⁹ and with PRIS’s expertise and reputation as “well respected and trusted by the international scientific community, nonprofits, the private sector, and governmental agencies,”²⁰ it would be beneficial to keep PRIS independent and to include it in the recount process. Without accurate surveillance of fatalities and public health

¹² Congressional Task Force on Economic Growth in Puerto Rico, Report to the House and Senate (December 20, 2016) (online at <https://www.finance.senate.gov/imo/media/doc/Bipartisan%20Congressional%20Task%20Force%20on%20Economic%20Growth%20in%20Puerto%20Rico%20Releases%20Final%20Report.pdf>).

¹³ Lizzie Wade, “Critics blast move to dismember Puerto Rico’s statistical agency,” *Science* (February 6, 2018) (online at <http://www.sciencemag.org/news/2018/02/critics-blast-move-dismember-puerto-rico-s-statistical-agency>).

¹⁴ Nidhi Prakash, “Puerto Rico’s Government Just Admitted 911 People Died After The Hurricane—Of ‘Natural Causes,’” *Buzzfeed*, Oct. 27, 2017, <https://www.buzzfeed.com/nidhiprakash/puerto-rico-natural-causes>; Frances Robles, “Puerto Rico Deaths Spike, but Few Are Attributed to Hurricane,” *New York Times*, Nov. 8, 2017, <https://www.nytimes.com/2017/11/08/us/puerto-rico-deaths-fema.html>.

¹⁵ Eliza Barclay and Alexia Fernández Campbell, “New data shows hurricane deaths in Puerto Rico could be 20 times higher than the government claims,” *Vox*, Nov. 29, 2017, <https://www.vox.com/policy-and-politics/2017/11/29/16623926/puerto-rico-death-toll-hurricane-maria-count>.

¹⁶ Frances Robles, Kenan Davis, Sheri Fink, and Sarah Almkhatar, “Official Toll in Puerto Rico: 64. Actual Deaths May Be 1,052,” *New York Times*, Dec. 9, 2017, <https://www.nytimes.com/interactive/2017/12/08/us/puerto-rico-hurricane-maria-death-toll.html>.

¹⁷ Arelis R. Hernández, “Puerto Rico governor orders recount of hurricane death toll,” *Washington Post*, Dec. 18, 2017, https://www.washingtonpost.com/national/puerto-rico-governor-orders-recount-of-death-toll/2017/12/18/2aa0ad5e-e401-11e7-ab50-621fe0588340_story.html.

¹⁸ Génesis Ibarra, “Puerto Rico Statistics Institute’s exclusion in revision of storm-related deaths criticized,” *Caribbean Business*, January 12, 2018, <http://caribbeanbusiness.com/puerto-rico-statistics-institutes-exclusion-in-revision-of-storm-related-deaths-criticized/>.

¹⁹ See, e.g., letter from Senator Elizabeth Warren and colleagues to Department of Homeland Security Acting Secretary Elaine C. Duke, Oct. 19, 2017, https://www.warren.senate.gov/files/documents/2017_10_19_DHS_Puerto_Rico.pdf; letter from Reps. Nydia Velazquez and Bennie Thompson to Acting Secretary Duke, Oct. 12, 2017, https://velazquez.house.gov/sites/velazquez.house.gov/files/2089_001.pdf.

²⁰ Mónica I. Feliú-Mójer, “Why Is Puerto Rico Dismantling Its Institute of Statistics?,” *Scientific American* (February 1, 2018) (online at <https://blogs.scientificamerican.com/voices/why-is-puerto-rico-dismantling-its-institute-of-statistics/>).

consequences of natural disasters, government bodies are ill-equipped to allocate resources for response and preparation. Independent statistical expertise is an important aspect of such surveillance.

It is critical that both Puerto Rico and the federal government have access to the independent, accurate federal statistics they need to inform public policy. To help me better understand how the existing proposal to reorganize and privatize segments of PRIS would impact the Federal Statistical System, I request that you provide me with the following information no later than February 22, 2018:

1. Please provide an overview of the agencies within the Federal Statistical System that collaborate with PRIS. What information does PRIS provide these federal agencies? How do these agencies use the information it collects from PRIS?
2. What additional information do agencies within the Federal Statistical System collect from entities in Puerto Rico, and how do the agencies use this information?
3. Please provide an overview of data collection programs for states, housed within the Federal Statistical System, from which Puerto Rico is excluded. Please provide an explanation for why Puerto Rico is excluded from these programs, and whether additional authorities or funding would be required to allow for Puerto Rico's participation.
4. Please provide information on whether, and if so how, the current proposal to reorganize and privatize PRIS would impact its existing collaborations with the Federal Statistical System.
5. The current CEO of PRIS has raised concerns that the reorganization and privatization of PRIS would impact PRIS's ongoing work to prepare for the 2020 Census. Please provide an overview of PRIS's work with the U.S. Census Bureau to prepare for the 2020 Census. How would the reorganization and privatization of PRIS impact those preparations?

Please do not hesitate to reach out to Alex Blenkinsopp of my office at 202-224-4543. I look forward to your prompt response.

Sincerely,



Elizabeth Warren
United States Senator

Cc:
Ron Jarmin, Interim Census Director