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Top Adviser to Puerto Rico Governor Resigns,' in No Way Pressured'

NEW YORK — Elias Sanchez, Governor Ricardo Rosselló's liaison to Puerto Rico's financial oversight board who has been criticized over his financial disclosures, resigned on Thursday.

Sanchez, a trusted adviser to Rosselló who was effectively the face of the Puerto Rican government on issues concerning the U.S. territory's massive debt restructuring, said in an interview that he wanted to focus on opportunities in the field of law.

Rossello appointed Christian Sobrino Vega, president of Puerto Rico's Government Development Bank (GDB), as Sanchez's replacement on the board. In a statement, the governor called Sobrino "instrumental in the success of our administration."

Puerto Rico is in a historic economic crisis, with \$72 billion in debt it cannot repay, a 45 percent poverty rate, and insolvent public pensions. Its finances are under the oversight of a federal board that has been given the task of helping the island craft and follow a blueprint for its fiscal turnaround.

As Rosselló's delegate on the board, Sanchez, a former lobbyist, had become a favorite target of investors unhappy with potential cuts to debt repayment.

Specifically, Sanchez was disparaged for his financial disclosure forms – a requirement of all board members. According to critics, he did not provide enough information on the forms about his sources of income and potential conflicts of interest related to his role on the board.

Espacios Abiertos, a Puerto Rico-based nonprofit promoting transparency in government, said in a report this month that Sanchez's disclosures were more deficient in those areas than any of the other seven board members.

One adviser to a major Puerto Rico creditor group said many stakeholders "found it extremely concerning that his disclosures were so sparse."

"Not only does that undermine the board and Governor Rosselló's commitment to transparency, but it raises many questions when you've been in the lobbying sector," said the adviser, who spoke on condition of anonymity.

Sanchez, who had worked as a lobbyist in Puerto Rico, did not say whether he planned to return to lobbying.

"Right now I'm evaluating every alternative that I might have," in Puerto Rico and Central and South America, Sanchez said in a phone interview on Thursday morning.

Sanchez insists the decision to resign was his alone. "In no way was I pressured by anyone," he said, adding that while he may have come under attack, he is "very comfortable with everything" he did

on the board to represent the best interests of the people of Puerto Rico.

In a statement issued in Spanish, Rossello praised Sanchez's "great professional skills."

"I wish to thank (Sanchez) for his willingness to serve Puerto Rico, his commitment to our administration and, on a personal level, our respect and esteem," Rossello said.

As a non-voting member on the board, Sanchez did not have a direct role in board decisions. However, he acted as the governor's eyes, ears and voice on the board, helping him form positions on financial matters, and communicating them to the board and the public.

Jose Carrion, the chairman of the oversight board, said Sanchez "was always available, committed and dedicated to represent with determination the governor's postures before the Board."

ALWAYS ENVISIONED LEAVING

The liaison position is unpaid, and Sanchez was technically not a government employee.

A spokesman for the governor said Sobrino will continue as president of the GDB, the island's now-defunct fiscal agent, which is being wound down as part of a liquidation agreement with creditors.

Sobrino, a lawyer, worked as a compliance officer for drug company AbbVie before his appointment to the GDB last December.

In May, Puerto Rico filed the largest bankruptcy in U.S. municipal history, sparking hard-fought litigation between the board and Puerto Rico's creditors over the fates of the island's agencies and the loans that back them.

The oversight board, created under the federal 2016 Puerto Rico rescue law dubbed PROMESA, certified a turnaround blueprint for Puerto Rico in March.

Sanchez said he had always envisioned leaving once the plan was in place.

The board and Rossello's administration have not always seen eye to eye, with the governor resisting some of the board's proposed austerity measures.

Sanchez attributed the tension to "growing pains associated with a new framework."

"Puerto Rico had never had something like [PROMESA] before," he said. "Were we not aligned in certain circumstances? Yes ... In the net, it's been a positive experience."

By REUTERS

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