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CITIGROUP Drove Puerto Rico Into Debt. Now it Will Profit From Privatization on the Island.

One of the same banks that drove the Puerto Rico Electric Power Authority, or PREPA, into the red will now be paid to help auction it off to the highest bidder.

Citigroup Global Markets Inc., or Citi, will be the main investment bank consultant in the restructuring and privatization of PREPA, the Washington-appointed Fiscal Control Board — the body now overseeing Puerto Rico's finances — announced recently. Puerto Rico Gov. Ricardo Rosselló first announced the move toward privatization last month.

"Citi will advise the Board on PREPA's privatization," the Fiscal Control Board wrote in a statement, "as well as the restructuring of PREPA's debt pursuant to Title III proceedings in federal bankruptcy court. Citi will take the lead in identifying private sector solutions that fulfill the vision laid out by Governor Rosselló."

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The Intercept

by Kate Aronoff

February 21 2018