



COMMONWEALTH OF
PUERTO RICO
P R E S S R E L E A S E

For immediate release

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GOVERNOR ALEJANDRO GARCÍA PADILLA FURTHER STRENGTHENS PUERTO RICO'S ECONOMIC TEAM

October 15, 2014 - La Fortaleza - Gov. Alejandro García Padilla nominated Melba Acosta Febo for President of the Government Development Bank (GDB) and Juan Zaragoza Gomez for Secretary of the Treasury. The Governor also announced the appointment of Luis Cruz as Director of the Office of Management and Budget (OMB).

The nomination of Zaragoza Gomez requires the approval of the Senate, and the Governor's recommendation that Acosta Febo assume the Presidency of the GDB requires the approval of its Board of Directors. Acosta Febo will continue in her role as the Commonwealth's Chief Financial Officer, and she will continue to lead the fiscal team and the implementation of the government's fiscal policy, including its tax reform and revenue efforts.

Governor García Padilla said collaboration will continue with outgoing OMB Director Carlos Rivas on how to achieve fiscal sustainability of Puerto Rico's public health system.

"For almost two years, my fiscal team has worked tirelessly to address the fiscal challenges we inherited. We have successfully addressed the General Fund deficit as well as the liquidity and solvency of the GDB and public corporations. We put forth, for the first time in over 20 years, a balanced budget while focusing our resources on health, safety, education and economic development priorities. We cannot deviate from this route. These nominations and appointment will further advance and strengthen Puerto Rico's fiscal discipline, promote economic growth, and continue to improve the quality of life of our people," said Governor García Padilla at a press conference.

"Puerto Rico needs to establish an integrated and comprehensive fiscal strategy that addresses the challenges facing the health system for the long term, given the demographic trends and increasing costs of medical services. This requires a strategy that completes and makes viable the finance of the public system in its broadest sense, including the Medical Center Administration Health Insurance (ASES in Spanish), the Centers for Diagnosis and Treatment, Management Compensation Automobile Accidents (ACAA) and the State Insurance Fund (workers compensation fund)," the Governor continued.

García Padilla took the opportunity to acknowledge the excellent work of Rivas at the helm of OMB, stressing his leadership to complete FY2013 and FY2014 within budgets; the latter despite an amendment to reduce it even further. Similarly, Rivas leaves a balanced budget for

fiscal year 2015 and a level of spending for the first quarter of this fiscal year in line with the budget, as well as a favorable outlook for the remainder of the year.

Finally, Interim President of the GDB José Pagán-Beauchamp will now serve as advisor to the GDB President. GDB Chairman David Chaffey will remain in his role.

Biographies

Melba Acosta Febo

Melba Acosta Febo is a *Magna Cum Laude* graduate in accounting from the University of Puerto Rico, Río Piedras. Acosta Febo also has a Masters in Business Administration from the Harvard Graduate School of Business Administration and a *Magna Cum Laude* Juris Doctor from the School of Law at the University of Puerto Rico.

Juan Zaragoza Gomez

Juan Zaragoza Gomez has a B.A. in accounting from the University of Puerto Rico, Río Piedras, where he graduated with the highest academic average in his class, and a master's in Management from Indiana University.

The designated Treasury Secretary has extensive experience, both in private practice and government, in the development of tax legislation and tax system analysis at state and municipal levels. In 1989, he worked as an Assistant Secretary of Internal Revenue in the Treasury Department, where he oversaw the bureaus of income tax, property tax, excise, liquor and tobacco, levies, tax exemption, and criminal investigations.

In 2001, he was appointed by Gov. Sila M. Calderon as representative of the public interest in the Appraisal Committee of the Structure and Operation of Municipal Revenue Center (CRIM by its Spanish acronym). During 2004, he participated in the development of government tax reform.

Since the beginning of this term, Zaragoza Gomez has been advising the Secretary of the Treasury in tax matters, especially in the evaluation and development of legislation, among other issues. He also serves on the Advisory Group of Tax Reform, appointed by the Governor García-Padilla. He was also president of the Institute of CPAs of Puerto Rico from 1997 to 1998.

Luis Cruz

Luis Cruz, designated OMB director, has a degree in Accounting from the University of Puerto Rico, Río Piedras, and a MBA from the Inter-American University of Puerto Rico.

In 1994, he established his own firm of certified public accountants and consultants. From 2001 to 2008, he provided consulting services to OMB in the preparation of the Commonwealth's

annual budget, the projections of estimated public expenditures and monitoring of public spending of the General Fund, among other projects.

Additionally, he has collaborated on special projects for the departments of Treasury, Education, Police, Health and Corrections, among others. From January 2013 to August 2014 he was Director of the Budget and Finance Committee of the House of Representatives.