OFFICE OF THE PUBLIC AUDITOR

Office of the Public Auditor

Annual Report

Calendar Year 2004

May 2005

Distribution:

Governor of Guam
Speaker, 28th Guam Legislature
Senators, 28th Guam Legislature
All Government Agencies
U.S. Department of Interior
Office of Inspector General-Pacific Field Office

Suite 401, Pacific News Building
238 Archbishop Flores Street, Hagåtña, Guam 96910
Tel (671) 475-0390 · Fax (671) 472-7951
www.guamopa.org · Hotline: 47AUDIT (472-8348)

Public Auditor's Message

Un Dangkulu Na Si Yu'os Ma'åse for electing me to a second term as your Public Auditor. I am honored and humbled by the trust and confidence that you have again placed in me.

My uncontested re-election would not have been possible were it not for my hardworking and dedicated staff whose professionalism, commitment, and integrity helped produce quality reports.

In 2004, we issued 14 reports that identified over $26 million in waste, fraud, and abuse. In my first term, we issued 36 reports that cumulatively identified over $55 million in misspent expenditures.

We reviewed and commented on 68 financial audits, conducted by other independent auditors, whose findings included another $53 million in questioned costs. That is over $108 million in misspent money that these audits have uncovered. Many of the findings in our reports and those of contracted auditors came from Hotline tips made by you, the public. Thank you for having the courage to speak out against wasteful expenditures and possible wrongdoing.

Our audits contributed materially to the indictment of 14 government officials. Three entered into plea agreements and two were convicted at trial.

The implementation of audit recommendations resulted in savings to our government. Most notably, the Department of Corrections reduced its overtime by $2.8 million in FY 2004.

Since I came to office, the Legislature has expanded the role of the OPA. We were the observer of the GTA privatization process; organized the documentation of over $269 million in compact-impact costs; and some 23 other laws have required our membership in task forces, our review of disaster expenditures, and the audits of various funds.

Our budget for the last two years has remained the same at $868,132, providing funding for a staff of only 15. The requests to perform audits are so great that we perform triage. We prioritize those requests deemed most significant and hold the rest in abeyance.

In my second term, our goal is to be proactive, to help government improve itself, become more effective and more efficient.

We continue to advocate procurement reform because the vast majority of our findings and questioned costs center on government purchases.

Over the years, the Legislature has allowed certain entities to have their own checking accounts without being annually audited and to make expenditures without legislative appropriation or oversight. We will work to audit these entities with non-appropriated funds and to provide annual reporting.

Senseramente,

Doris Flores Brooks, CPA, CGFM

Vision Statement

Auditing for Better Government

Mission Statement

We audit, assess, and analyze government activities with integrity, independence, and impartiality to improve the accountability, effectiveness, and efficiency of the Government of Guam.

We seek to serve the public interest by providing the Governor of Guam, the Guam Legislature, and the People of Guam with dependable and reliable information, unbiased analysis, and objective recommendations on how best to use government resources in support of the fiscal well being of our island and our people. To achieve this mission, we:

- Endeavor to fulfill the highest standards of our profession and the expectations of the public to the best of our ability.
- Uphold the highest ethical standards in the performance of our work and encourage such standards throughout the Government of Guam.
- Commit to quality as the main principle governing our work.
- Perform our work with diligence, conscientiousness, and due professional care.
- Foster a partnership with our staff to enable them to reach their full potential and contribute to their growth and long-term success.
- Work collaboratively with the entities that we audit and with the contracted auditors we employ to develop harmoniously improved financial controls.

$55 Million in Waste, Abuse, and Savings

In calendar year 2004, 14 audits were completed, compared to 10 in 2003. These audits cumulatively identified over $26 million in waste, abuse, and misspent expenditures. These audits made over 90 recommendations to improve the accountability and operational efficiency of the audited entities.

Since 2001, we have issued a total of 36 audit reports with 295 recommendations (See **Table 1**). These audits identified over $55 million in waste, improper procurement, and abuse. OPA has also identified over $3 million of potential savings for the Government of Guam. See **Appendix A** for a breakdown of these amounts.

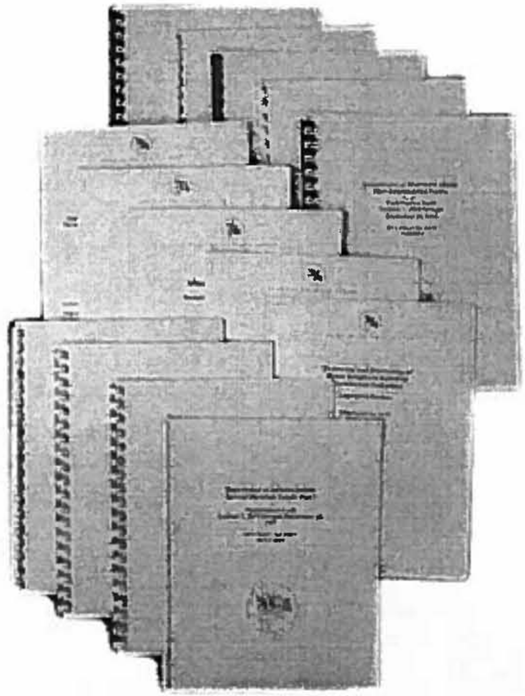
Table 1: Audit Recommendations Summary

	2001	2002	2003	2004	Total
Total Reports Issued	3	9	10	14	36
Total Recommendations	31	96	77	91	295

Audit Activities

OPA performs performance and investigative audits, analysis, and legislative mandates.

OPA follows *Government Auditing Standards* issued by the Comptroller General of the United States when performing all audits, including performance and investigative audits.



A summary of audits issued in 2004 follows.

Investigative Audits
These audits are often initiated by concerns received through OPA's Hotline or from government officials. In 2004, OPA issued one investigative audit.

Supplement to Retirement Fund's FY 2000 and FY 2001 Report on Compliance and Internal Controls
This investigative audit was initiated as an expansion of the Retirement's Reports on Compliance and Internal Controls performed by an independent CPA firm. The findings of this OPA audit identified $167,500 paid for an elected official's retirement, which was enhanced by $33,500 annually and made retroactive to January 1, 1998 by the Executive Director of the Government of Guam Retirement Fund without Board approval.

The former Retirement Fund Executive Director and former Governor have been indicted on charges of Conspiracy to Commit Theft and Official Misconduct.

This audit also identified $90,000 that was overpaid to a Disability Annuitant and Defined Benefits retirees who returned to government service were allowed to participate in the Defined Contribution plan.

Analysis
As a result of the Operational Review conducted by USDA consultants in 2003, OPA increased the variety of its work to include a mix of economy and efficiency, descriptive, program, and compliance audits, in addition to investigations of fraud, waste, and abuse.

DOE Staffing Structure Analysis

This analysis, requested by Senator, now Speaker, Mark Forbes found that the Department of Education (DOE) student-teacher ratios did not exceed the class size set by the Guam Federation of Teachers contract. The overall ratio was 15 students per teacher. The analysis also found that F.Q. Sanchez is the most expensive elementary school with a personnel cost of $350 per student and Talofofo Elementary is the next expensive school with personnel cost of $250 per student. The system-wide average personnel cost per student is $188.

The analysis also found that non-teaching personnel are not evenly distributed throughout the schools and that high schools have the highest ratio of students to non-teaching personnel ranging from 49 to 59 students per non-teaching personnel. George Washington High School has 59 students per non-teaching staff, while J.P. Torres has only three students per non-teaching staff. See **Table 2** for details. This is because J.P. Torres is a special needs school, which requires adequate staffing for the children.

Table 2: Students per Non-Teacher Ratios

School	Students per non-teacher	School	Students per non-teacher
Eight schools that provide the most support staff:			
1. F.Q. Sanchez	9	5. Merizo Martyrs	17
2. Talofofo	13	6. Marcial Sablan	17
3. Tamuning	15	7. Agueda Johnston	17
4. P.C. Lujan	16	8. J.Q. San Miguel	19
Ten schools deficient in non-teaching staff:			
1. George Washington	59	6. F.B. Leon Guerrero	41
2. Simon Sanchez	54	7. B.P. Carbullido	39
3. Finegayan	53	8. M.U. Lujan	38
4. John F. Kennedy	49	9. Agana Heights	33
5. V.S.A. Benavente	48	10. Juan M. Guerrero	33

Performance Audits

Performance audits are commonly divided into two categories – Economy/Efficiency and Program Audits.

Economy/Efficiency audits include determining (a) whether the agency is acquiring, protecting, and using its resources (such as personnel, property, and space) economically and efficiently, (b) the causes of inefficiencies or uneconomical practices, and (c) whether the entity has complied with laws and regulations concerning matters of economy and efficiency.

Program audits include determining (a) the extent to which the desired results or benefits intended by the Legislature or other authorizing body are being achieved, (b) the effectiveness of organizations, programs, activities, or functions, and (c) whether the agency has complied with laws and regulations applicable to the program.

General Services Agency Small Purchases

This audit was the first in a series of audits pertaining to the procurement practices of the General Services Agency (GSA).

External view of GSA fronting Marine Corps Drive in Piti.

This audit found that small purchases is Big Business on Guam, with over $25 million procured as small purchases in the 21-month period of the audit. This audit identified over $1.1 million in improper procurement, which included artificial division of invoices of $294,501 paid via multiple purchase orders (POs) to one vendor on the same day without undergoing bids; three vendors were paid $819,489 to provide office supplies without a bid; and procurement selection and documentation were often lacking within the files.

GSA Blanket Purchase Agreements

This audit was the second audit pertaining to the procurement functions at GSA. Over $2.5 million was identified as improper procurement. The findings included:

- $779,948 for 52 POs issued in the amount of $14,999 each to avoid undergoing a bid.

- $460,100 for eight POs issued to one vendor three days before the fiscal year-end without a bid.
- $130,697 for five POs paid to five vendors beyond their awarded amounts because running balance logs were not maintained.
- $864,443 for 32 POs with incomplete documentation.
- $137,120 for three POs issued to three separate vendors without undergoing procurement review.
- $74,996 for six POs awarded to one vendor without justification for the selection.
- $84,681 for 13 POs paid to one vendor over the original amount.

GSA Competitive Sealed Bidding, Sole Source, and Emergency Procurements

This audit was the third audit on GSA procurement functions. It identified $15.3 million in improper payments, as follows:

- 146 POs totaling $6 million, which cited "existing territorial contracts," many of which were non-existent.
- Approximately $3 million for copy machine contracts that had expired in FY 1999.
- 331 POs totaling $4.1 million ratified after the fact by GSA.
- 57 POs totaling $669,825 not justified as sole source purchases.
- Seven POs totaling $1.4 million did not meet the minimum 15-day advertising requirement.
- 13 emergency POs totaling $129,125 lacked the required three quotes.

DOA Special Revenue Funds Part I

Over the years, the Legislature has increased the number of Special Revenue Funds (Funds) and they are now in excess of 100 Funds. The OPA conducted a series of audits to determine the necessity of these Funds.

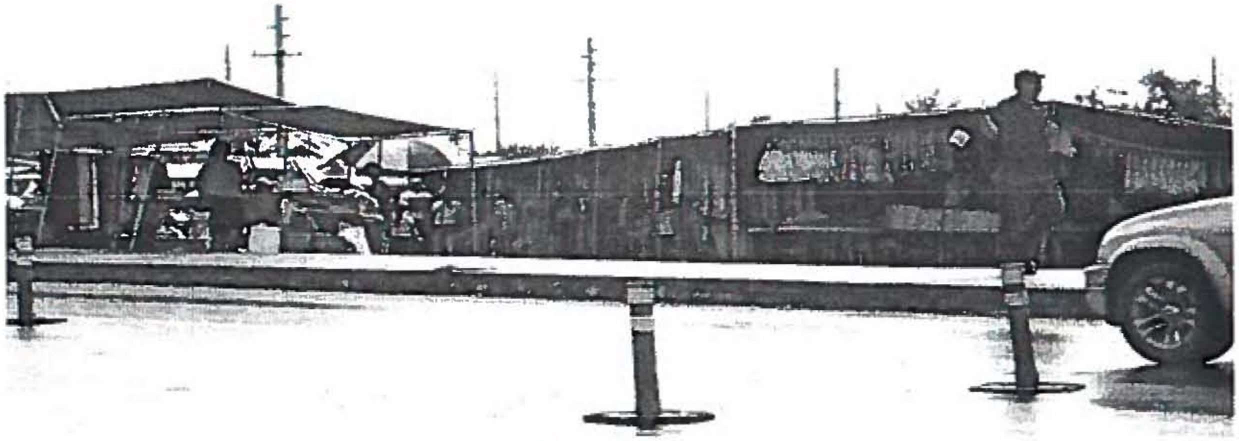
In our first audit, OPA recommended:

- The Legislature repeal 18 Funds totaling $528,398 and
- Department of Administration (DOA) close 12 Funds totaling $90,255, which have already been repealed.

Implementation of these recommendations will result in the simplification of financial records and increased efficiency and productivity at the Division of Accounts.

DOA Health & Human Services and Youth Tobacco and Education Prevention Funds

This audit was the second in a series of audits pertaining to Special Revenue Funds. The audit found that the Government of Guam did not utilize all the Tobacco Settlement Asset-Backed Bond Funds (Series A) in a timely manner. This condition occurred because of a lack of coordination between the administering departments and the Guam Legislature. As of June 30, 2004, the Government of Guam did not utilize $4.4 million of Series 2001 A bond proceeds. If $3.4 million of the $4.4 million is not utilized by June 2005, it will be transferred to the Series 2001 B balances. Thereafter, only interest from investments will be available for expenditure by the Government.



The Dededo Flea Market portion of the Dededo Buffer Strip.

DOA Dededo Buffer Strip Revolving Fund

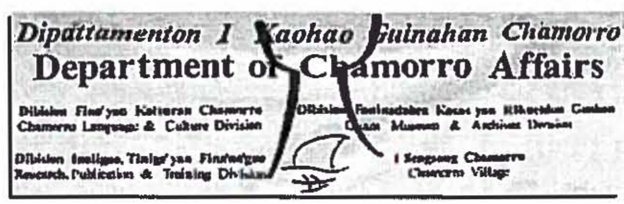
This audit was the third report on Special Revenue Funds. The audit found that DOA continues to maintain the Dededo Buffer Strip (Buffer Strip) Revolving Fund despite a memorandum issued by the Attorney General (AG) indicating that the Buffer Strip Revolving Fund had been repealed and that Buffer Strip proceeds were redirected to the Dededo and Yigo Municipal Planning Council (MPC) Revolving Funds.

Additionally, the Dededo MPC did not comply with the laws regarding the accountability of the Dededo MPC Revolving Fund and the effective management of the Buffer Strip. An estimated $328,000 in Flea Market vendor permits collected over the last four years has not been reported to the Mayors' Council of Guam (MCOG), potential commercial lease earnings of about $1 million were lost over the past 11 years, and $8,591 in commercial leases owed to the Dededo and Yigo MPC Revolving Funds.

DCA Non-Appropriated Funds

An audit of the Department of Chamorro Affairs (DCA) Non-Appropriated Funds found that DCA maintains five separate checking accounts that do not require legislative oversight. DCA does not have a financial accounting system in place to account for these five checking accounts.

The audit identified $84,996 in unknown and unaccounted cash and $471,704 in unsupported and unauthorized disbursements. In addition, a 50% advance of $6,270 was paid to a contractor in which no financial services were received, $240,000 in Guam Economic Development and Commerce Authority (GEDCA) qualifying certificates were not utilized, and $28,254 was paid for a Chamorro-English dictionary when not even a draft copy was submitted to DCA.



Department of Chamorro Affairs signage.

Chamorro Village Non-Appropriated Funds

This audit was a spin-off from the DCA Non-Appropriated Funds audit. Like the other DCA checking accounts, this account lacked legislative oversight. The activities of the Chamorro Village are not reviewed by the Board of Directors or the Legislature.

This audit found that there was a total of $218,674 in improper payments: $18,791 in discrepancies between leases, the Wednesday Night Market collections, and Special Agreements. There were 36 POs totaling $139,462 made without obtaining price quotes and $1,151 was paid for improper charges, such as phone cards and cigarettes.

Chamorro Village sign fronting Paseo Stadium in Hagatña.

This audit identified $30,478 paid to six entertainers above the average paid to other entertainers; $25,000 grant for restroom maintenance was diverted to the DCA and not returned to the Chamorro Village; and the UOG marketing plan with an estimated value of $3,791 was not utilized.

DOA Bounced Checks

This audit of the management and control of bounced checks at the Department of Administration found that there was $5.13 million in returned checks accounts receivable as of June 30, 2003. Of the $5.13 million, $4.2 million pertained to tax-related checks handled by the Department of Revenue and Taxation (DRT). However, DRT only had $1.4 million in its records, a difference of $2.8 million in unreconciled returned checks.

This audit also found that regular reconciliation and physical inventory of bounced checks at both DOA and DRT were not performed. In addition, there was a lack of collection policies for returned checks and a minimum of $2.5 million recommended to be written off by DOA.

Typical notations on returned checks.

Legislative Mandates and Other Requests

During 2004, the OPA performed services that expanded its role, to include observer of the GTA and GWA privatization, as well as requests from the Speaker of the Guam Legislature and the Governor of Guam. Speaker Ben Pangelinan requested the OPA perform a budget reconciliation for the Office of the Attorney General and Governor Camacho requested the OPA to oversee the reconciliation of the Guam Compact Impact cost.

GTA Privatization

Pursuant to Public Law 26-70, the Public Auditor was designated the Observer of the Guam Telephone Authority (GTA) privatization. The role of the Observer was to monitor GTA's evaluation of the privatization proposals and GTA's privatization negotiations. In her testimony before the Guam Legislature, the Public Auditor stated that "the evaluations were fair, deliberative and independently conducted. There was no influence from GTA management or the GTA Board as dictated by law…" Further, she is confident that "any reasonably knowledgeable person, who is provided access to all the bid documents from the three bidders would come to the same conclusion that TeleGuam Holdings had the best overall bid, meeting all six of the evaluation criteria and, in some cases, exceeded the specific criteria." The Public Auditor also stated that the negotiations were handled professionally and effectively and resulted in a finalized agreement that exceeded the terms that TeleGuam Holdings originally offered.

Reconciliation of Guam's Unreimbursed Costs of the Compacts of Free Association

In order for the Government of Guam to qualify for debt relief from the federal government, House Joint Resolution 63, signed into law December 2003 by President Bush, required independent verification of compact-impact expenses the local government incurred as the result of the migration of residents from the Federated States of Micronesia, the Marshall Islands, and Palau to Guam.

Governor Felix Camacho requested the Public Auditor to oversee, direct, and supervise the verification work of the independent accounting firm, Slater, Nakamura & Co. The U.S. Congress set a deadline of April 15, 2004- only 120 days- to substantiate the costs and submit the reports to the Secretary of Interior.

Based on agreed-upon procedures developed by OPA and provided to the Department of Interior Office of the Inspector General, the accounting firm substantiated $269 million in compact expenses that resulted from education, medical care, health, welfare, labor, and public safety services performed for citizens of the freely associated states living in Guam from January 14, 1986 to September 30, 2003.

GWA Water Meter Procurement

Public Law 26-144 requires OPA to be "an observer throughout the privatization process." As part of the observation, OPA conducted a review of Guam Waterworks Authority's (GWA) water meter procurement. This review recommended improvements to the procurement process, such as independent reviews and an ethics policy to determine whether or not key employees can participate in the bidding process.

OAG FY 2004 Budget, Allotment, and Expenditures Reconciliation

The Speaker of the 27th Guam Legislature requested the OPA to review the finances of the Office of the Attorney General (OAG) in response to concerns from the Attorney General that he would run out of funding. Based on current expenditure trends, the OPA estimated the OAG would have a total of approximately $1.1 million as of September 30, 2004, of which $1 million was restrictive federal funds and $96,245 was local funds.

Indictments and Convictions

OPA audits provide recommendations to entities to improve government operations. In 2004, several of OPA's audit recommendations were addressed by the Attorney General and the Legislature.

The Public Auditor was subpoenaed several times to testify before the grand jury on the credit card abuses at the Guam International Airport Authority (GIAA) and the Guam

Mass Transit Authority (GMTA). The Attorney General indicted 14 government officials based on OPA audits. The following lists the outcome of these indictments:

Three government officials entered into plea agreements and two others were found guilty.

- The former GMTA Director and GIAA Deputy Director entered into plea agreements for Credit Card Abuse.
- The former Deputy Director of the Chamorro Land Trust Commission entered into a plea agreement for Official Misconduct and Misapplication of Entrusted Funds.
- The former GMTA Deputy General Manager was convicted of theft and official misconduct for Credit Card Abuse.
- The former GIAA Executive Manager was found guilty for fraudulent use of a credit card and official misconduct.

Six other government officials were indicted and are awaiting criminal trial. These include:

- The former Governor of Guam was charged with Conspiracy to Commit Theft and Official Misconduct.
- The former Director of the Retirement Fund was charged with Conspiracy to Commit Theft and Official Misconduct.
- The former GMHA Deputy Administrator was charged with Official Misconduct and Unlawful Influence of a Notary.
- A former GMH employee was charged with Official Misconduct and Unlawful Exercise of a Notary.
- The former DPR Recreation Director was charged with Theft of Property Held in Trust.

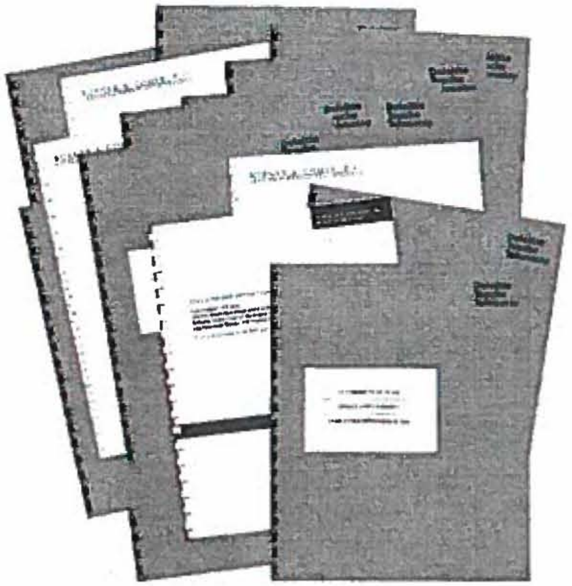
The indictments against three DOE employees (the former Director of Education, the former DOE Controller, and a DOE employee) were subsequently dismissed with prejudice. The Office of the Attorney General stated, "Sometimes things that may seem improper, immoral, or unethical may not be illegal." One of the defense attorneys also stated that his client "did not intend to steal this money and always considered it to be a loan to be paid back." The defense attorney also said, "What they did may not have been proper, but it didn't make it illegal or violation of law."

Savings Identified

Aside from identifying waste, fraud, and abuse, OPA audits also identified savings to the Government of Guam. For example, the audit of the Department of Corrections overtime identified over $2.8 million in savings by reducing overtime expenditures in FY 2004 compared to FY 2002. This $2.8 million more than paid for the OPA's cumulative budgets from FY 2001 through FY 2004.

Financial Audits

Title 1 G.C.A. §1908 requires that all Government of Guam departments, agencies and instrumentalities be annually audited. Financial audits are conducted in order to provide reasonable assurance that the financial statements of the government entity present fairly its financial position, results of its operations, and its cash flows in conformity with *Generally Accepted Accounting Principles* and *Government Auditing Standards*. It is the policy of the OPA that independent CPA firms under OPA oversight will conduct the financial audits of the Government of Guam and the autonomous agencies. The Public Auditor and her staff work closely with the contracted firms to ensure that the audits are informative, comprehensive and in compliance with *Government Auditing Standards*.

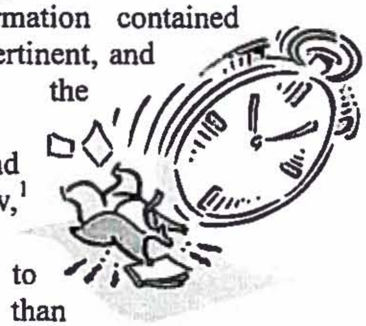


The OPA's review of these financial audits is a key element in the review process of government entities. It is through these reviews and analyses that the OPA is able to glean more information than is apparent in financial statements and convey that information to the people of Guam. Additionally, through questionnaires and interviews, the OPA is able to scrutinize the various Government of Guam entities to a greater degree than in the past. During 2004, there were 25 financial audits issued. These financial audits had 485 findings and identified $13.1 million in questioned costs. In 2003, there were 14 audits issued with 260 audit findings and $22.4 million in questioned costs. See **Appendix B** for a listing of government audits.

All financial audits are procured through a Request for Proposal (RFP). The OPA, pursuant to 1 G.C.A. § 1908, has the authority to oversee this procurement process, as well as select the independent auditor for the engagement. The OPA encourages all Certified Public Accountant (CPA) firms willing and capable of conducting governmental audits to submit proposals to conduct audits of governmental entities.

Timely Completion of Audits

It is the Public Auditor's express goal to have all audits completed on a current basis so that the information contained therein is timely, pertinent, and useful to the administrators, policy makers, and the public. By law,[1] these financial audits are required to be issued no later than nine months after the fiscal year end or by June 30th of the following year. For one reason or another, these agency audits have not always been completed on time. Only three agencies completed the FY 2003 audit by the June 30th deadline: the Department of Education, the Guam Educational Telecommunications Corporation (KGTF), and the Guam International Airport Authority. Untimely completion of audits has consequences at the federal level.



Consequence of Untimely Audits

The Office of Management and Budget (OMB) A-133 sets a measured amount of $500,000 of expended federal money that is required for audit.[2]

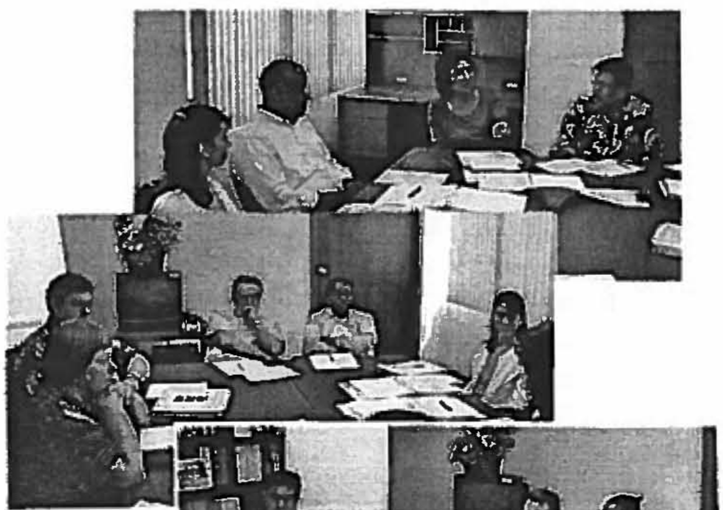
[1] 1 G.C.A. §1909(a).

[2] OMB Circular No. A-133 was issued pursuant to the Single Audit Act of 1984 as amended, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. It sets forth standards for obtaining consistency and uniformity among federal agencies for the audit of states, local governments, and non-profit organizations expending federal awards. Subpart B of A-133 sets a threshold amount of $500,000 (effective December 31, 2003) for federal monies that are expended during a year to be audited.

Government agencies that expend over $500,000 of federal funds in a fiscal year are required to comply with the Single Audit Act of 1968, which states that audits are to be completed no later than June 30th of the following year. Failure to comply can result in a federal declaration of the agency as a "high risk grantee." A "high-risk grantee" is subject to special conditions depending on the situation. The Department of Education is a prime example.

DOE Oversight of Special Conditions

In September 2003, the Department of Education was designated a "high-risk grantee" for its failure to submit financial audits for fiscal years 1998 through 2002 to the U.S. Department of Education (USDOE). Since then, the OPA has been overseeing the progress of DOE in meeting the special conditions imposed by USDOE, as result of the declaration of high-risk grantee.



USDOE review team discuss issues with DOE Superintendent and Public Auditor at the Office of the Public Auditor.

Among the conditions imposed is the quarterly submission of USDOE grant expenditures.

Work Paper Review by USDOE Inspector General in Sacramento, CA

Because of the Guam DOE "high-risk" status, the external auditor's work-papers for the FY 2002 audit underwent review by the USDOE Inspector General's (IG) Field Office in Sacramento, California. Audit Supervisor Francis Quinto accompanied Deloitte & Touche Partner Dan Fitzgerald to observe the IG review process in April 2004 in order to gain a better understanding of how the IG reviews financial work papers.

USDOE Assistant Inspector General Beverly Dalman and OPA Audit Supervisor Francis Quinto in front of United States District Court in Sacramento, CA.

As of September 2004, the USDOE eliminated a 50% hold back on federal grants. However, DOE, remains a "high-risk grantee" until improvements in internal controls are satisfactorily addressed.

Visit to Sacramento DOI-OIG Office

While visiting the USDOE in Sacramento, Audit Supervisor Francis Quinto also visited the Department of Interior Office of the Inspector General to discuss in detail the training program extended to island public auditors' offices.

Francis Quinto and DOI-OIG staff in Sacramento, CA. Standing L-R: OPA Audit Supervisor Francis Quinto, Deputy Regional Audit Manager Chuck Wiebe, Writer-Editor Sandra Marquiss, Auditor Krista Britton, and Audit Team Lead Kevin Graves. **Kneeling L-R:** Secretary Debbie Ferris and Audit Team Lead Andrew Rosenberger.

Audits Pending Completion

As of December 31, 2004, the following financial audits were not completed and issued:

FY 2002

- *Guam Visitors Bureau*
- *Guam Rental Corporation*
- *Territorial Highway Fund*
- *Tourist Attraction Fund*

FY 2003

- *Guam Memorial Hospital*
- *Guam Community College*
- *Guam Rental Corporation*
- *Territorial Highway Fund*
- *Tourist Attraction Fund*
- *Guam Visitors Bureau*

Unlike federal law, Guam law does not have any penalty provisions for the failure to submit timely financial audits.

With the continued involvement of the OPA and stressing the importance of timely audits, the OPA will continue to work with government entities to meet the June 30th deadline, as prescribed by the Federal Single Audit Act and 1 GCA § 1908.

Oppositions Towards OPA Authority

In the past, OPA experienced opposition and resistance to its authority to oversee the procurement, selection of independent auditors, as well as the review of audits. Similar to 2003, OPA was able to bring most of the Government of Guam agencies into compliance in 2004, except the Guam Housing and Urban Renewal Authority (GHURA). GHURA released its FY 2003 and prior audits without OPA review and oversight. However, for FY 2004, GHURA is working collaboratively with OPA.

Office of the Inspector General Audit Recommendations Resolved

OPA worked in collaboration with the Office of the Inspector General's (IG) Insular Area Liaison Ben Privitt to resolve outstanding prior audit recommendations. As a result, 17 IG reports pertaining to various entities of the Government of Guam were closed and 97 open recommendations were resolved.

Staff Training

According to 5 G.C.A. §20304, OPA is required to budget and finance the continuing education of its staff auditors. Continuing professional education (CPE) is mandatory for the maintenance of professional competence. *Government Auditing Standards* (GAS), more commonly known as the Yellow Book, also requires that all auditors performing audit work under GAS complete 80 hours of CPEs every two years.

$152K DOI Training Grant

In October 2003, David B. Cohen, Assistant Secretary of the Department of Interior Office of Insular Affairs, approved a $38,100 reimbursable training grant for auditor training. An additional $19,050 was approved for Investigator-related training in July 2004. A third increase of $95,200 for On-the-Job Training at DOI-OIG Field Offices was approved in November 2004 and the grant period was extended to October 2005. This brings the total training grant to $152,350.

The program was a joint initiative with the Department of Interior Office of the Inspector General (DOI-OIG), DOI Office of Insular Affairs, and OPA. The grant provides for reimbursement of auditor training at the Inspector General Academy, On-the-Job Training, and other related training.

We wish to express our appreciation to DOI-OIG Insular Area Liaison Ben Privitt, who was instrumental in the development of the training grant, to Inspector General Earl Devaney for providing the On-The-Job-Training at the various offices, and Asst. Secretary Cohen for providing the funding.

DOI-OIG Field Office Training

As part of the On-the-Job Training grant, in July 2004, Management Analyst Vincent Duenas was the first to participate in a two-and-a-half month training session with the DOI-OIG Field Office in Albuquerque, New Mexico. The program is aimed at expanding an individual auditor's experience by providing on-the-job experience by working on an actual audit performed by DOI-OIG and allowing the OPA staff member to be "a part of the team."

During the training period, Vincent was tasked with a two-pronged approach: (1) to identify various techniques and procedures that federal auditors use when conducting an audit and determine if they are feasible to apply in the Guam office, and (2) to assist in conducting a review of specific programs of the Department of Interior.

Vincent Duenas poses with the Albuquerque DOI-OIG staff. Clockwise from Upper Right: Field Office Supervisor Julene Theis, Administrative Assistant Mary-Alice Garcia, and Auditor Patrick Morrissey.

We wish to express our heartfelt appreciation to the staff of the DOI-OIG Albuquerque office for the valuable mentorship they provided to Vincent Duenas.

Emphasis on Training

Over the past 4 years, the Public Auditor has been a strong advocate of continuing professional education. The bulk of the training has been provided by the USDA Graduate School, in conjunction with the Pacific Islands Training Initiative (PITI) grant.

In 2004, staff attended courses on Basic Governmental Auditing, Supervising & Managing Human Resources, and Audit

Report Writing. OPA staff received an average of 90 CPE hours, which is in excess of the minimum 40 CPE hours required each year.

FBI Training

In October 2004, through the efforts of DOI-OIG Insular Area Liaison Ben Privitt, Public Auditors' offices, OPA, and several law enforcement agencies attended the first joint South Pacific Training Conference, conducted by the Honolulu and Guam Federal Bureau of Investigation (FBI).

The three-day conference emphasized white-collar crime programs aimed at battling public corruption, government fraud, telemarketing fraud, and other related crimes. Public corruption is a prolific problem in many islands, and Guam is not an exception. Local case studies, such as the case of the former Guam Director of Parks and Recreation, were highlighted in the training. These types of crimes are often brought to light by Hotline tips received from private citizens.

The other focus of the conference was on terrorism. The FBI emphasized that counter-terrorism task forces are not the sole players in combating terrorism; but rather, public awareness is key in assisting law enforcement officials. The general public should be cognizant and responsive in reporting any "red flags" that may come to their attention.

2004 APIPA in Majuro, Marshall Islands

The OPA is a member of the Association of Pacific Island Public Auditors (APIPA). APIPA was formed in 1988 and now consists of twelve members: the Public Auditors of the Commonwealth of the Northern Mariana Islands (CNMI), American Samoa, Guam, the Republic of Palau, the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM) National Government, the FSM states of Pohnpei, Yap, Chuuk and Kosrae, Western Samoa, and, the newest member, the Virgin Islands.

Group photo of the FBI Training attendees.

2004 APIPA Public Auditors group portrait. Haser Hainrick (FSM National), Madison Tosie (Kosrae), George Webster (American Samoa), Gertrude Gootinan (Yap), Jean Tonyokwe (Marshall Islands), Minister Witten Phillipo (Marshall Islands), Minister Brenson Wase (Marshall Islands), Annes Lebehn (Pohnpei), Litokwa Tomeing (Marshall Islands), Saturnino Tewid (Palau), Doris Flores Brooks (Guam), and Rossauro Zapanta (CNMI).

The annual APIPA training conferences are rotated among the APIPA members. The APIPA conferences are made possible through the PITI funded by the U. S. Department of Interior Office of Insular Affairs and the USDA Graduate School.

In July, the Public Auditor and two Management Analysts, Maripaz Perez and Franklin Cooper-Nurse, traveled to Majuro, Republic of the Marshall Islands, to participate in the 15th Annual APIPA conference sponsored by the Marshall Islands OPA. Auditors and accountants in government and private industries from throughout Micronesia attended the five-day training conference.

The conference offered three training tracks, auditor, finance, and supervisor. Courses ranged from Mini-GASB Update, Attributes

Lower Left (L-R): Maripaz Perez, Doris Flores Brooks, Marshall Islands Auditor General Jean Tonyokwe, & Franklin Cooper-Nurse. **Upper Right (L-R):** Maripaz Perez, USDA Graduate School Instructor Carole Buncher, and Franklin Cooper-Nurse.

of an Audit Finding, Assessing Controls, Interviewing Techniques for Auditors, Analyzing Financial Statements, Federal Grants Management to Fraud and Government.

This conference afforded the staff not only the opportunity to earn CPE credits towards meeting the requirements of the Government Auditing Standards, but also to meet their counterparts in government auditing from around the region.

The 2005 APIPA Conference is scheduled to be hosted in Palau by the Office of Public Auditor of the Republic of Palau. Guam hosted the APIPA Conference in 2002.

2 New Certified Public Accountants

The Public Auditor encourages all her staff to become holders of nationally recognized certifications, such as the Certified Public Accountant (CPA), the Certified Internal Auditor (CIA), the Certified Government Financial Manager (CGFM), and the Certified Fraud Examiner (CFE) certifications.

In 2004, Auditors Yukari Cabrera and Adoniram Laureano completed the CPA testing requirements and were issued their CPA certificates by the Guam Board of Accountancy.

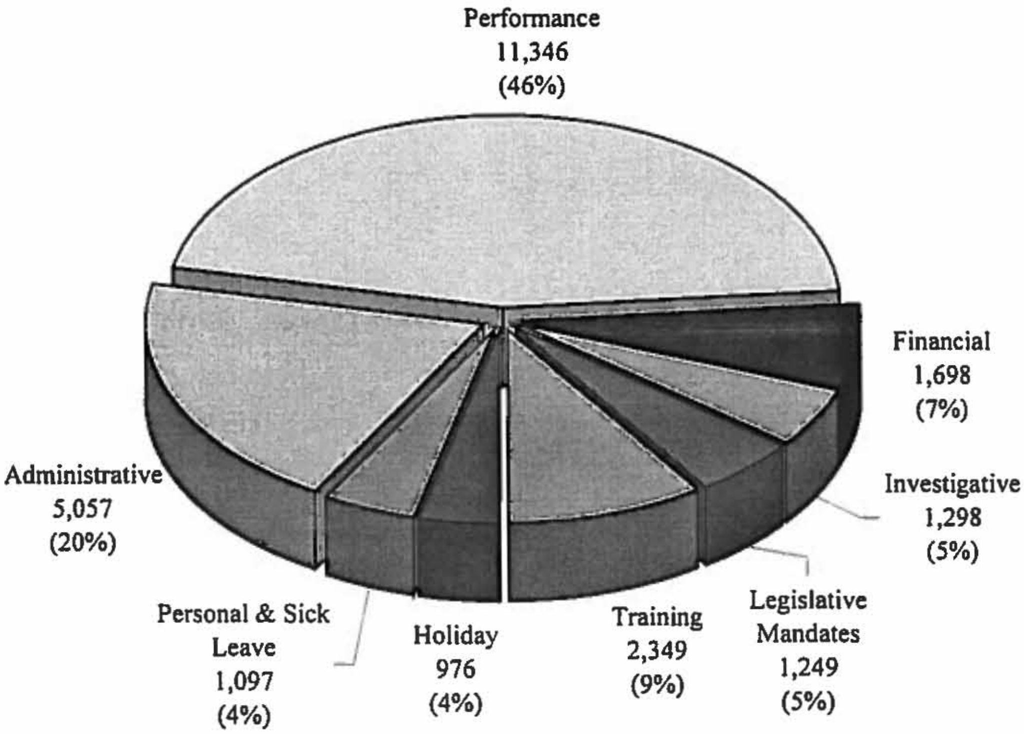
Investigative Unit Established

When the Public Auditor took office in 2001, all but the American Samoa and Guam Public Auditor offices had an investigative unit. Through careful deliberation, many months of planning, and discussions with other Public Auditors, OPA hired its first Investigator, Arnold J. Duarte, in May 2004. He addresses complaints and tips received through the OPA Hotline and coordinates with the Attorney General's Office for indictment and prosecution resulting from our audits and conducts investigations received through the Hotline.

Staff Hours

At the start of 2004, OPA had a staff complement of eleven. During 2004, OPA experienced some staff turnover. OPA hired one investigator, one supervisor, an administrative officer, one auditor, and two management analysts to fill vacant positions. As of the end of calendar year 2004, OPA had 15 employees. See **Appendix C** for OPA's organizational chart.

2004 OPA Staff Hours Distribution



Of the 15 employees, there are three CPAs and one CPA candidate, one CGFM and three CGFM candidates, three CIA candidates, one Master in Business Administration, one Master of Accountancy, and five non-accounting staff with degrees in Political Science, Public Administration, Finance and Economics, and International Business.

In 2004, OPA employees spent over 15,500 man-hours or 75% on Performance, Financial, and other audits out of 20,648 available man-hours.

OPA Budget

For FY 2004, the OPA was granted a budget of $868,132, which remained status quo for FY 2005. This allowed for OPA to expand its staff to 15, however, the 15th position was not fully funded.

OPA Hotline

The OPA receives a multitude of tips and concerns from citizens regarding the different Government of Guam agencies. These contacts from citizens are a crucial element in the audit process as it helps the OPA assess risks within the different areas of the government and where to focus its limited resources.

Pursuant to 1 G.C.A. § 1909.1(b) and (d), information received by the OPA alleging criminal activity or alleging wrongful use of government funds or property is privileged. Disclosure of privileged communication or information is a felony of the third degree.

In 2004, we received 177 tips and concerns. Of those, we were able to address over 80% of them, either by forwarding them to independent auditors, following up with appropriate authorities, initiating an audit, or determining that the information was insufficient to act on.

In the previous year, we received 144 tips and concerns, and we were able to address 67 of them or 47%. See **Appendix D** for the number of Hotline calls logged in 2001 through 2004.

The OPA thanks those citizens who have taken the initiative to contact our office and submit their tips and concerns.

If people want to submit a tip or concern, they may do so by:

- Calling our office Hotline, 47AUDIT (472-8348),
- Logging onto our website, www.guamopa.org, or
- Speaking to any of the employees or the Public Auditor by phone or in person.

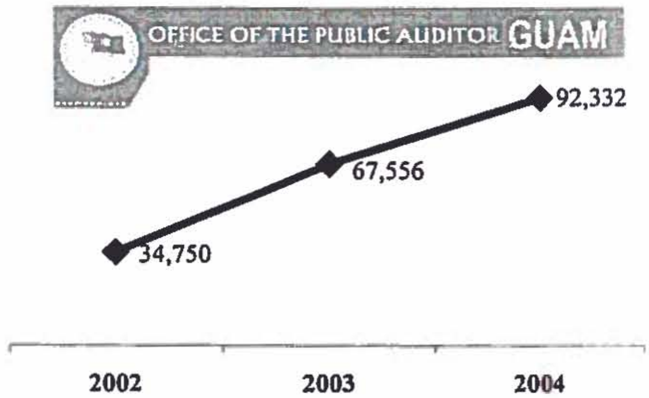
OPA Website Statistics

OPA established its website www.guamopa.org in January 2002. The website provides an avenue for the public to conveniently access audits and other information on Government of Guam entities at the click of a button. The OPA website also provides a Hotline tip submission form, information on the office, and links to other websites related to the mission of the office.

In 2004, there were 49 audits and information releases on the website. See **Appendix E** for a complete listing of releases.

Since the website's inception, the total of hits have been steadily increasing from 34,750 in 2002, 67,556 in 2003, and 92,332 in 2004. The people's appetite for transparency and accountability continues to grow as evidenced by the number of hits to our website.

Total Website Hits by Calendar Year



Other Governmental Activities

In addition to the OPA's oversight responsibility of audit activities, the office often receives requests to partake in or review other government-related activities.

Meeting with DOI Inspector General

In December 2004, Public Auditor Doris Flores Brooks, Auditor Yukari Cabrera, and Investigator Arnold J. Duarte met with Department of Interior Inspector General Earl Devaney in Las Vegas, Nevada, for the 4th Annual DOI-OIG Western Pacific Public Auditors Conference. The federal government paid the cost of airfare and per diem. Present at the meeting were the Public Auditors of Guam, CNMI, RMI, FSM, American Samoa, the Republic of Palau, and the Virgin Islands.

Inside the Hoover Dam. Auditor Yukari Cabrera, Investigator Arnold Duarte, and Public Auditor Doris Flores Brooks took a tour of the Hoover Dam with the other Public Auditors and Investigators that attended the DOI conference.

The emphasis of the conference was for the Public Auditors and Investigators of the Pacific Islands to discuss their accomplishments, concerns, and issues they were facing in the islands. Public Auditor Doris Flores Brooks appreciates the Inspector General's continuing "commitment to assist and support the island public auditors." See article published in *In General*, the official newsletter of the U.S. Department of Interior, in **Appendix F**.

Other OPA Involvement

In addition to the OPA's oversight responsibility of audit activities, the office has received several requests to partake in or review other government-related activities. Although the office appreciates the trust and confidence of those making the requests, it has been difficult to address the issues with our limited resources. **Appendix G** lists the other activities that the OPA has been requested or mandated to review or participate in.

Re-Election of the Public Auditor

In November 2004, Doris Flores Brooks was re-elected to a second-term as Public Auditor. She ran unopposed and was re-elected with 30,627 votes. She credits her success to her staff for their continued professionalism, commitment, and hard work. Here's to four more years of "Auditing for Better Government."

OPA staff celebrate Doris Flores Brooks' re-election. Front Row: Angela Quinto, Theresa Gumataotao, Doris Flores Brooks, Valerie Manibusan, Lourdes Perez, and Rodalyn Marquez. Back Row: Vincent Duenas, Adoniram Laureano, Yukari Cabrera, Arnold Duarte, Franklin Cooper-Nurse and Maripaz Perez.

Other Organizational Activities

Community Service

Despite a hectic schedule, OPA staff found time to contribute to our community by participating in several island-wide clean-ups in January, April, and October 2004. The clean-ups covered Paseo De Susana in Hagatña and the Ricardo J. Bordallo Complex in Adelup.

OPA staff pose with AGA members after trash clean-up in Adelup. Kneeling: Justin Aguon. Standing: Joseph Claveria, Alfredo Cantoria, Melba Cantoria, Fe Ovalles, Peter Aguon, Doris Flores Brooks, Yukari Cabrera, Rodalyn Marquez, and Maripaz Perez.

In December, OPA staff joined the Association of Government Accountants (AGA) at the Tamuning Cost-U-Less for the Salvation Army bell ringing.

AGA bell ringing at Cost-U-Less. Front Row: Angela Quinto, Michael Perez, and Francis Quinto. Back Row: Llewelyn Restuvog, Alvina Gumataotao, Theresa Gumataotao, Maripaz Perez, Vincent Duenas, Peter Aguon, Lourdes Perez, and Anne Camacho.

AGA Guam Chapter

Most OPA employees are active members of the Association of Government Accountants (AGA), an organization dedicated to "advancing government accountability."

Two OPA staff were officers in this organization: Francis Quinto was the 2004 President and Theresa Gumataotao the Secretary. Two other OPA staff held important roles in AGA: Adoniram Laureano as the AGA webmaster and Rodalyn Marquez as the photographer/ historian.

JAS Company Tour

In November, the University of Guam's Junior Accountant Society (JAS) members took a tour of the OPA. OPA employees explained their individual functions and provided information to questions raised during the tour.

OPA staff pose with JAS members.

UOG Students Interview OPA

In March, three University of Guam (UOG) students interviewed Audit Supervisor Francis Quinto and Auditor Adoniram Laureano regarding OPA's functions and the staff responsibilities for a class project.

Auditor Adoniram Laureano, Joey Togawa, Eugene Guerrero, Pam Cruz, and Audit Supervisor Francis Quinto after the interview.

OPA Recognition

Audit Abstracts Published in Local Government Auditing Quarterly

In December, summaries of eight of the 14 audits OPA issued in 2004 were featured in the *Local Government Auditing Quarterly*, a publication from the National Association of Local Government Auditors (N.A.L.G.A.). The abstracts featured were the following:

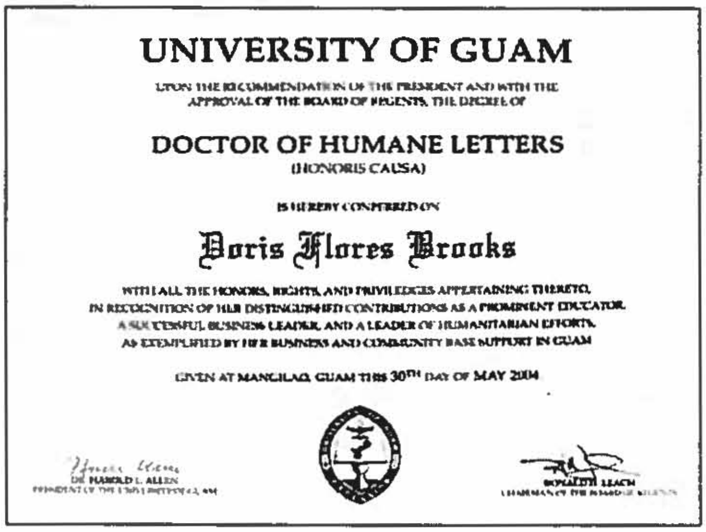
- Performance Audit of the Department of Administration Special Revenue Funds, Part I.
- Performance Audit of the Department of Administration's Bounced Checks.
- Review of Fiscal Year 2004 Budget, Allotment, and Expenditures Reconciliation of the Office of the Attorney General.
- Testimony and Chronology of the Guam Telephone Authority Privatization Evaluation.
- Performance Audit of the Chamorro Village Non-Appropriated Funds.
- Performance Audit of the Government of Guam's Health and Human Services (HAHS) Fund and Youth Tobacco Education and Prevention (YTEP) Fund.
- Performance Audit of the General Services Agency (GSA) Small Purchases Procurement Function.
- Performance Audit of the General Services Agency (GSA) Blanket Purchase Agreements (BPAs) Procurement Function.

Directions Magazine

The April 2004 issue of *Directions Magazine* featured a five-page interview with Public Auditor Doris Flores Brooks. Some of the issues discussed pertained to communication within and procurement in the Government of Guam. See **Appendix H.**

Doris Flores Brooks Receives Honorary Degree from the University of Guam

At the University of Guam (UOG) graduation held in May 2004, Public Auditor Doris Flores Brooks was presented with a Doctor of Humane Letters for her contributions to the island of Guam in the areas of public service, business, and academia. See **Appendix I** for the UOG message.


UNIVERSITY OF GUAM

UPON THE RECOMMENDATION OF THE PRESIDENT AND WITH THE APPROVAL OF THE BOARD OF REGENTS, THE DEGREE OF

DOCTOR OF HUMANE LETTERS

(HONORIS CAUSA)

IS HEREBY CONFERRED ON

Doris Flores Brooks

WITH ALL THE HONORS, RIGHTS, AND PRIVILEDGES APPERTAINING THERETO, IN RECOGNITION OF HER DISTINGUISHED CONTRIBUTIONS AS A PROMINENT EDUCATOR, A SUCCESSFUL BUSINESS LEADER, AND A LEADER OF HUMANITARIAN EFFORTS, AS EXEMPLIFIED BY HER BUSINESS AND COMMUNITY BASE SUPPORT IN GUAM

GIVEN AT MANGILAO, GUAM THIS 30TH DAY OF MAY 2004

DR. HAROLD L. ALLEN

Pacific Daily News' PIKA Magazine

In June, Pacific Daily News' PIKA Magazine interviewed Public Auditor Doris Flores Brooks about career, politics, and motherhood.

Appendix A

Waste, Abuse, and Other Questionable Amounts Identified in 2004

Auditee / Report Title	Amount	Waste/Abuse Identified
Government of Guam Retirement Fund's FY 2000 and FY 2001 Report on Compliance and Internal Control	$ 361,374	• Annuity of the former Governor was enhanced by $33,458 per year from 1/1/00 through 12/31/2003 (report date is 2/2004) for total of $100,374. • $90k overpayment of disability annuities. • $171k in enhanced annuities.
Department of Administration's Bounced Checks	$ 4,390,933	• $2,782,840 in unreconciled bounced checks balance between DOA and DRT. • $1,211,567 in service charges and treble damages that were not assessed. • 2,453 checks totaling $359,990 that been uncollected for more than four years may be barred from collection due to the statute of limitations. • $13,184 remaining balance in the Miscellaneous bounced check account that cannot be substantiated. • $11,730 in bounced check fees assessed by the bank. • $11,622 for 16 bounced checks that cannot be located at the AG's office.
Department of Administration's Special Revenue Fund Part I	$ 618,653	• $90,255 in remaining fund balances should be transferred to General Fund • $528,398 in remaining fund balances should be transferred to the General Fund
Department of Administration's Dededo Buffer Strip Revolving Fund	$ 1,336,591	• $8,591 in commercial lease rent owed to Dededo and Yigo MPC Revolving Funds. • Estimated $328,000 (over four years) in Flea Market vendor permits not reported to the MCOG as required. • Estimated loss of $1 million (over 11 years) in lost rents to the Municipality of Dededo.
Department of Chamorro Affairs	$ 831,224	• Unknown and unaccounted cash deposits of $84,996, as well as unsupported and unauthorized disbursements of $471,704. • $240,000 in-kind contributions available through a qualifying certificate since 1997, which have not been utilized. • A 50% advance of $6,270 was paid to a contractor for financial services not rendered. • Professional services of $28,254 was disbursed to a vendor for a Chamorro-English/English-Chamorro dictionary but DCA did not receive a draft of the dictionary.

Auditee / Report Title	Amount	Waste/Abuse Identified
Chamorro Village's Non-Appropriated Funds	$ 218,674	• $11,041 variance between Commercial Lease Agreements and actual receipts. $3,201 variance in Wednesday Night Market revenues. • 30 POs, totaling $81,120, issued without three quotes, 5 POs, totaling $14,842 issued with only two quotes, and 1 PO totaling $43,500 for painting services was not advertised. • $4,550 in lost revenues from Special Agreements. • $3,791 for the cost of marketing plan prepared by University of Guam students not utilized by Chamorro Village personnel. • Six entertainers paid $30,478 in excess of the average paid to other entertainers. $1,151 was spent on incidentals such as food, phone cards, and cigarettes approved by the former DCA president. • $25,000 had been improperly deposited into the Department of Chamorro Affairs primary account instead of the Gam Public Market Revolving Fund.
General Services Agency's Small Purchases Procurement Function	$ 1,114,090	• $819,489 to three vendors consistently called upon for office supplies without a bid. • Multiple POs totaling $294,601 issued to the same vendor on the same day.
General Services Agency's Blanket Purchase Agreement Procurement Function	$ 2,531,985	• 3 contracts for $137,120 issued as BPAs that circumvented proper issuance of contracts and POs. • Incomplete documentation of BPAs for 32 POs, totaling $864,443. • 5 POs lacked running balance logs and resulted in the over-payment of $130,697. • 52 POs, totaling $779,948,were issued in the amount of $14,999 each in a short period of time for the same type of items. • 8 POs, totaling $460,100, were issued three days prior to the end of the fiscal year to the same vendor. • One vendor received $84,681 more than the original awarded; 6 POs, totaling $74,996, was awarded to this same vendor and there was no written documentation to justify the selection.
General Services Agency's Competitive Sealed Bidding, Sole Source, and Emergency Procurement Functions	$ 15,324,349	• Improper payments of $6,040,651 for POs citing existing territorial contracts. • $2,978,805 in improper payments of expired copier bids/contracts for FY 2000 and FY 2001. • Payments totaling $699,825 for 57 sole source purchase orders in which the validity of the sole source justifications were not independently verified. • $4,107,806 for 331 ratified unauthorized purchases • 13 POs totaling $129,125 did not have three solicited quotes documented within the procurement files, as required by 5 G.C.A. 5215. • $1,368,137 for 7 POs where GSA provided less than the minimum 15-day bidding time requirement and therefore did not provide ample time for prospective bidders to prepare a bid package.
TOTAL	**$ 26,727,873**	

Waste, Abuse, and Other Questionable Amounts Identified in 2003

Auditee/ Report Title	Amount	Waste/Abuse Identified
General Services Agency's Tendan Gobetnu	$ 671,000	• $183,000 of loss from operations. • $488,000 in inventory loss and obsolescence.
Guam Fire Department's E-911 System	$ 1,136,000	• $166,000 in expenditures on a non-beneficial E-911 consulting contract. • $970,000 in unremitted revenues from GTA and other private subscribers.
Supplemental to Guam International Airport Authority's FY 2002 Report on Compliance and Internal Control	$ 8,462,000	• Improper procurement and expenditure of: o $1,000,000 for the Mama Bear Theme Park o $1,660,000 for Birdman Rally-related construction o $565,000 for the Aviation Park construction o $3,185,000 for the Aviation Museum Plan, VIP Lounge construction, and Governor Statues, which were abandoned o $456,000 for a sponsored Golf Tournament. • $860,000 Chinese Art Exhibition/Terra Cotta Warrior Statues • $165,000 for a consulting contract with no formal agreements. • $571,000 in excessive travel expenditures on the 1st Quarter of FY 2003.
Guam Memorial Hospital's Radiology Equipment Purchase	$ 1,500,000	• $1,500,000 in improper procurement involving Radiology equipment.
Guam Police Department's Asset Forfeiture	$ 939,000	• $849,000 in unaccounted disbursements of Safe Streets Foundation Fund. • $90,000 in firearms training target ruined due to poor storage facilities.
Guam Waterworks Authority's Typhoon Chata'an Expenditures	$ 27,000	• $27,000 in questionable incurrence of overtime after typhoon Chata'an and Halong in 2002.
Liberation Day Committee	$ 2,195,751	• People Helping People underreported $424,950 in donations received from the Liberation Day Committee in its 2000 and 2001 financial statements filed with the DRT. • Liberation Day Committee underreported $484,622 in revenues and $172,377 in expenses. • $10,000 paid to Manenggon Memorial Foundation, which was cashed by the Foundation president instead of the organization. • $5,000 from Department of Education was paid for DOE's 2002 Liberation Queen Candidate. The DOE General Fund was subsequently reimbursed. • 28 bids totaling $988,433 out of 33 bids for gambling activities and sale of alcoholic beverages lacked the non-profit status certification from DRT. • 10,950 unaccounted raffle booklets worth $52,950. • $20,791 of raffle proceeds were made payable to individuals instead of the appropriate organizations supporting the candidate. • $4,000 Chamorro Land Trust Trust Commission (CLTC) check was written to a former acting CLTC director and claimed to have been used for a 2001 Liberation float. • $32,628 was paid to three individuals without supporting invoices or receipts.
Office of the Attorney General's Child Support Enforcement Program	$ 6,208,000	• $5,400,000 in undistributed, unreconciled child support collections. • $345,000 in renovation costs due to transfer of Child Support Office. • $170,000 in additional least cost due to transfer of Child Support Office. • $293,000 in federal penalties due to failure to meet federal certification deadline of APASI Child Support System.
TOTAL	**$ 21,138,751**	

Savings Identified in 2003

Auditee / Report Title	Amount	Savings Identified
Office of the Attorney General's Child Support Enforcement Program	$ 207,000	• $207,000 in unused funds from a dormant Child Support bank account.
Department of Corrections Overtime Practices	$ 2,817,755	• In FY 2004, DOC was able to reduce overtime expenditures by 78% from FY 2002.
TOTAL	$ 3,024,755	

Waste, Abuse, and Other Questionable Amounts Identified in 2002

Auditee / Report Title	Amount	Waste/Abuse Identified
Department of Corrections Overtime Practices	$ 4,000,000	• Dollar value of unaccounted hours at DOC could be as high as $4 million. Overtime has been reduced by over 70% since the release of our interim report.
Department of Land Management Permit for Use of the Matapang Beach Park	$ 1,563,000	• $1.5 million rent not collected by DPR ($91,000/year) • $63,000 not collected by DPW
Department of Parks and Recreation Revolving Fund	$ 100,000	• $100,000 missing from the Parks and Recreation Revolving Fund
Guam International Airport Authority's Credit Cards and Travel	$ 1,205,500	• $1.05 million in total travel costs over 24 months. • $144,000 in travel costs by Executive Manager over 24 months. • $11,500 abuse by Deputy Executive Manager ($8,000 recovered). • Credit cards cancelled at GIAA.
Guam Mass Transit Authority's Credit Card	$ 21,000	• $15,000 abuse by Assistant General Manager • $6,000 abuse by General Manager
Guam Memorial Hospital Authority	$ 450,000	• $150,000 wrongful death settlement paid to a high-ranking GMHA official. • $300,000 settlement paid to a physician who claimed her rights had been violated by GMHA due to disciplinary actions taken against her.
Southern High School's Non-Appropriated Funds	$ 106,000	• $102,000 in undocumented expenditures and $4,000 in funds not reimbursed to SHS Close-Up Fund.
University of Guam	$ 1,700,000	• $1.7 million wasted on an energy project, which was abandoned.
Department of Parks and Recreation Employees Association	$ 29,900	• $29,900 paid to DPR employees and family
TOTAL	$ 9,175,400	

Savings Identified in 2002

Auditee / Report Title	Amount	Savings Identified
Guam Mass Transit Authority	$ 13,500	• $13,500 saved by rolling audit into GPFS.
Supreme Court of Guam	$ 8,000	• $8,000 saved by rolling audit into GPFS.
TOTAL	$ 21,500	

Waste, Abuse, and Other Questionable Amounts Identified in 2001

Auditee / Report Title	Amount	Waste/Abuse Identified
Mayors' Offices of Barrigada, Chalan Pago, and Inarajan	$ 276,649	• $77,437 was spent by three Mayors, which is more than one-fourth of the sum disclose or appropriated for an entire fiscal year. • The three village Mayors transferred assets totaling $31,127 before the end of their administration. This does not include items for which a value was "unknown" but still disclosed as transferred. • $147,387 for projects related to construction, road repair, and beautification were not properly procured. • A single signature both approved and acknowledged receipt of work performed for equipment rental and roadwork totaling $2,515. • Government vehicles were used for private purposes and $395 was paid for private fuel purchases. • The Mayors' Offices negotiated and contracted business with an unlicensed vendor to perform jobs costing $9,680. • $8,108 of cash advances were unsupported because invoices to support the expenditures were not sufficient.
Guam Mass Transit Authority	$ 21,000	• $15,000 credit card abuse by Assistant General Manager. • $6,000 credit card abuse by General Manager.

Department of Parks & Recreation	$ 25,221	• $22,021 was diverted into the DPR Employees' Association checking account instead of being deposited into the DPR Revolving Fund.
		  o $7,858 was paid to the Assistant Recreation Administrator and his family.
		  o $6,110 was paid to other DPR employees, which were for personal use of the employees.
		• $3,200 paid to Assistant Recreation Administrator, but was not deposited into the DPR Revolving Fund.

TOTAL	**$ 322,870**	

Appendix B

Financial Audits Issued in Calendar Year 2004

Auditee	Report Year	Issue Date	# of Findings	Questioned Costs	Auditing Firm
Tourist Attraction Fund	FY 2001	16-Jan-04	6	$ -	Ernst & Young
Government of Guam General Purpose Financial Statements & Single Audit Reports	FY 2002	27-Jan-04	113	4,258,861	Deloitte Touche Tohmatsu
Guam Waterworks Authority	FY 2002	15-Feb-04	24	-	Deloitte Touche Tohmatsu
Territorial Highway Fund	FY 2001	19-Feb-04	4	-	Deloitte Touche Tohmatsu
Port Authority of Guam	FY 2002	24-Feb-04	11	-	Deloitte Touche Tohmatsu
Guam International Airport Authority	FY 2003	18-Mar-04	9	3,217,419	Deloitte Touche Tohmatsu
Department of Education	FY 2002	01-Apr-04	28	894,428	Deloitte Touche Tohmatsu
Guam Educational Telecommunications Corp. (KGTF)	FY 2003	02-May-04	2	-	Burger & Comer
Guam Telephone Authority	FY 2002	06-May-04	50	-	Ernst & Young
Guam Visitors Bureau	FY 1999	12-May-04	6	-	Deloitte Touche Tohmatsu
Guam Visitors Bureau	FY 2000	12-May-04	7	-	Deloitte Touche Tohmatsu
Guam Visitors Bureau	FY 2001	12-May-04	9	-	Deloitte Touche Tohmatsu
Government of Guam Retirement Fund	FY 2002	13-May-04	10	-	Burger & Comer
Guam Housing Corporation	FY 2002	09-Jun-04	11	-	J. Scott Magliari and Co.
Department of Education	FY 2003	30-Jun-04	25	705,419	Deloitte Touche Tohmatsu
University of Guam	FY 2003	06-Jul-04	5	-	Deloitte Touche Tohmatsu
Guam Telephone Authority	FY 2003	10-Aug-04	43	-	Deloitte Touche Tohmatsu
Guam Power Authority	FY 2003	14-Sep-04	20	-	Deloitte Touche Tohmatsu
Port Authority of Guam	FY 2003	27-Oct-04	7	-	Deloitte Touche Tohmatsu
Guam Housing Corporation	FY 2003	18-Nov-04	19	11,237	J. Scott Magliari and Co.
Guam Waterworks Authority	FY 2003	19-Nov-04	20	930,560	Deloitte Touche Tohmatsu
Government of Guam General Purpose Financial Statements & Single Audit Reports	FY 2003	22-Nov-04	30	1,243,982	Deloitte Touche Tohmatsu
Guam Memorial Hospital Authority	FY 2002	24-Nov-04	24	1,811,359	J. Scott Magliari and Co.
Guam Community College	FY 2002	29-Nov-04	1	-	Deloitte Touche Tohmatsu
Government of Guam Retirement Fund	FY 2003	16-Dec-04	1	-	Burger & Comer
		TOTAL	**485**	**$ 13,073,265**	

Financial Audits Issued in Calendar Year 2003

Auditee	Report Year	Issue Date	# of Findings	Questioned Costs	Auditing Firm
Government of Guam General Purpose Financial Statements	FY 2001	30-Jan-03	-	$ -	Deloitte Touche Tohmatsu
Government of Guam Single Audit Reports	FY 2001	12-Feb-03	109	9,875,246	Deloitte Touche Tohmatsu
Guam Memorial Hospital Authority	FY 2001	18-Feb-03	10	1,224,089	Deloitte Touche Tohmatsu
Guam Telephone Authority	FY 2001	1-Apr-03	9	-	Deloitte Touche Tohmatsu
Port Authority of Guam	FY 2001	3-Apr-03	6	39,322	Deloitte Touche Tohmatsu
Guam Waterworks Authority	FY 2001	8-May-03	24	-	Deloitte Touche Tohmatsu
Guam Educational Telecommunications Corp. (KGTF)	FY 2002	18-Jun-03	2	-	Burger & Comer
Guam International Airport Authority	FY 2002	5-Aug-03	17	3,180,944	Deloitte Touche Tohmatsu
Guam Power Authority	FY 2002	7-Aug-03	8	-	Deloitte Touche Tohmatsu
Guam Community College	FY 2001	26-Sep-03	1	53,424	Deloitte Touche Tohmatsu
Government of Guam Retirement Fund	FY 2000	15-Oct-03	21	-	Burger & Comer
Government of Guam Retirement Fund	FY 2001	15-Oct-03	24	-	Burger & Comer
Tourist Attraction Fund	FY 2000	28-Oct-03	3	-	Ernst & Young
Department of Education *	FY 2001	28-Nov-03	21	397,550	Deloitte Touche Tohmatsu
Schedule of Federal Award Expenditures	FY 1998	28-Nov-03	-	1,692,928	Deloitte Touche Tohmatsu
Schedule of Federal Award Expenditures	FY 1999	28-Nov-03	-	3,468,809	Deloitte Touche Tohmatsu
Schedule of Federal Award Expenditures	FY 2000	28-Nov-03	-	2,007,474	Deloitte Touche Tohmatsu
Schedule of Federal Award Expenditures	FY 2001	28-Nov-03	-	397,550	Deloitte Touche Tohmatsu
University of Guam	FY 2002	11-Dec-03	5	17,999	Deloitte Touche Tohmatsu
		TOTAL	260	$ 22,355,335	

Financial Audits Issued in Calendar Year 2002

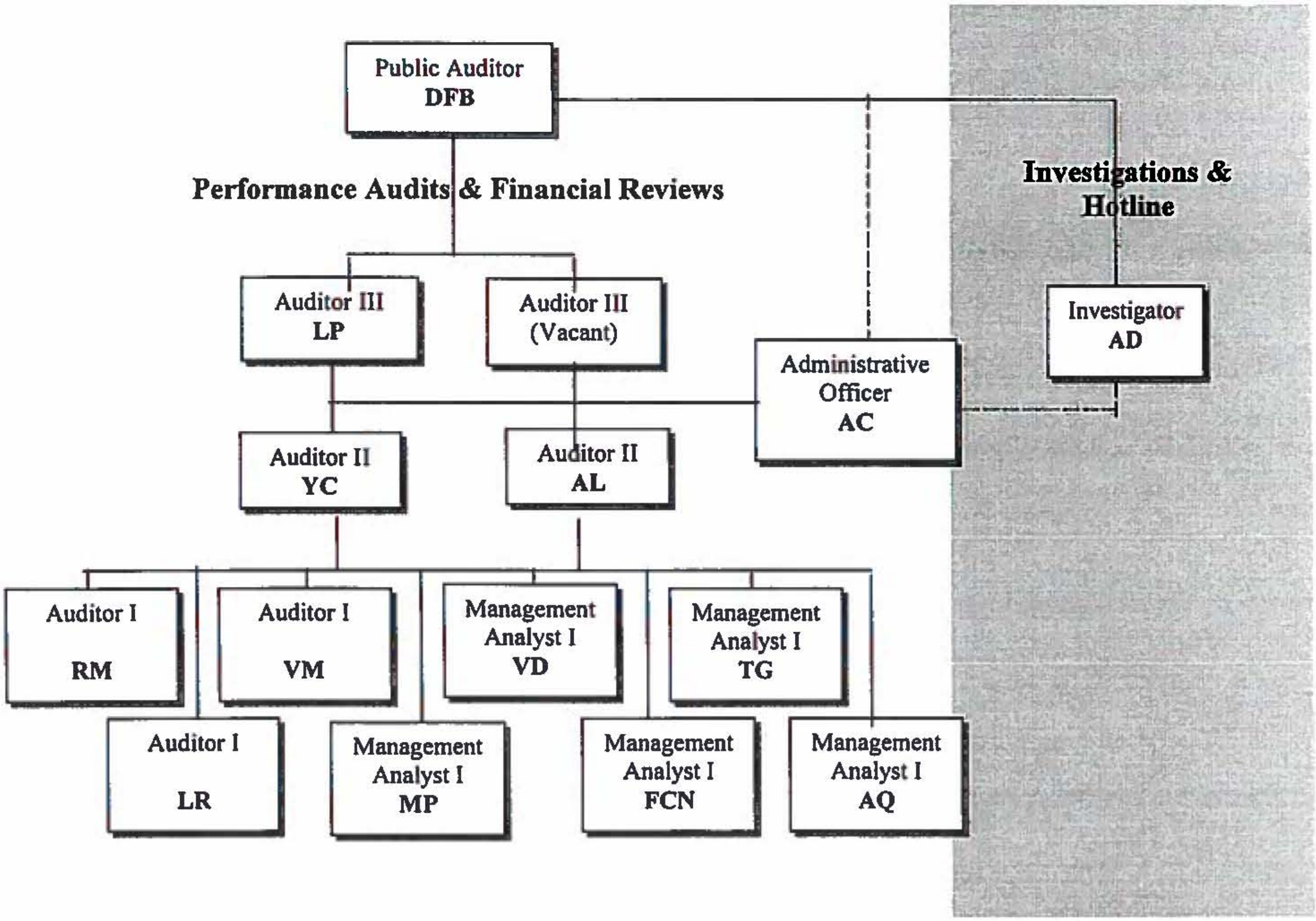
Auditee	Report Year	Issue Date	# of Findings	Questioned Costs	Auditing Firm
Government of Guam Retirement Fund	FY 1998 FY 1999	27-Mar-02	42	$ -	Burger & Comer
Territorial Highway Fund	FY 2000	17-Jun-02	9	-	Deloitte Touche Tohmatsu
Guam Memorial Hospital Authority	FY 2000	17-Jul-02	10	-	Deloitte Touche Tohmatsu
Port Authority of Guam	FY 2000	14-Jun-02	9	-	Deloitte Touche Tohmatsu
Government of Guam Single Audit Reports	FY 2000	18-Jan-02	87	10,062,663	Deloitte Touche Tohmatsu
Government of Guam General Purpose Financial Statements	FY 2000	12-Feb-02	-	-	Deloitte Touche Tohmatsu
Northern and Southern Community Health Centers	FY 2000	25-Apr-02	2	-	Deloitte Touche Tohmatsu
Guam Educational Telecommunications Corp. (KGTF)	FY 2001	5-Jun-02	4	-	Burger & Comer
University of Guam	FY 2001	27-Aug-02	4	17,999	Deloitte Touche Tohmatsu
Guam Power Authority	FY 2001	7-Jun-02	0	-	Ernst & Young
Guam International Airport Authority	FY 2001	18-Jun-02	0	-	Deloitte Touche Tohmatsu
Guam Economic Development Authority	FY 2001	20-Aug-02	0	-	Deloitte Touche Tohmatsu
Guam Housing Corporation	FY 2001	29-Aug-02	12	-	Burger & Comer
Guam Rental Corporation	FY 2001	16-Sep-02	2		Burger & Comer
		TOTAL	**181**	**$ 10,080,662**	

Financial Audits Issued in Calendar Year 2001

Auditee	Report Year	Issue Date	# of Findings	Questioned Costs	Auditing Firm
Guam International Airport Authority	FY 2000	January-01	0	$ -	Deloitte Touche Tohmatsu
Guam Community College	FY 2000	July-01	2	14,594	Deloitte Touche Tohmatsu
Guam Community College Foundation	FY 2000	July-01	0	-	Deloitte Touche Tohmatsu
Guam Economic Development Authority	FY 2000	July-01	1	-	Deloitte Touche Tohmatsu
Guam Educational Telecommunications Corporation-KGTF	FY 1998	March-01		-	Burger & Comer, P.C.
Guam Housing Corporation	FY 2000	September-01	14	-	J. Scott Magliari & Co.
Guam Mass Transit Authority	FY 2000	July-01	5	-	Deloitte Touche Tohmatsu
Guam Rental Corporation	FY 2000	September-01	5	-	J. Scott Magliari & Co.
Guam Telephone Authority	FY 2000	July-01	10	-	Deloitte Touche Tohmatsu
Guam Waterworks Authority	FY 2000	May-01	0	-	Deloitte Touche Tohmatsu
University of Guam	FY 2000	August-01	2	-	Deloitte Touche Tohmatsu
		TOTAL	**39**	**$ 14,594**	

Appendix C

OPA Organizational Chart December 2004



Appendix D

Hotline Calls Logged in 2001 through 2004

Agencies or Programs	2004	2003	2002	2001	TOTAL
Guam International Airport Authority	10	13	12	22	57
Department of Education	9	11	13	13	46
Department of Public Works	3	10	11	14	38
Guam Power Authority	5	5	12	4	26
Department of Corrections	2	2	11	10	25
Guam Memorial Hospital Authority	4	1	11	8	24
Government of Guam Retirement Fund	15	1	6	0	22
Department of Administration	4	5	6	5	20
Mayors Council of Guam	4	6	2	7	19
Guam Housing and Urban Renewal Authority	10	3	2	3	18
Guam Waterworks Authority	4	7	4	3	18
Guam Fire Department	6	4	3	4	17
Guam Mass Transit Authority	3	5	5	4	17
Department of Public Health and Social Services	5	0	4	8	17
Guam Telephone Authority	9	3	3	1	16
Office of the Attorney General	4	9	2	1	16
Guam Police Department	2	3	3	5	13
Guam Visitors Bureau	5	1	1	5	12
Superior Court of Guam	4	2	4	2	12
University of Guam	4	3	3	2	12
Port Authority of Guam	3	4	1	3	11
Department of Land Management	3	0	1	4	8
Office of the Governor	4	3	1	0	8
Department of Parks & Recreation	1	1	1	5	8
Department of Labor	2	3	2	1	8
Guam Economic Development and Commerce Authority	2	4	0	1	7
General Services Agency	3	3	0	1	7
Other Agencies and Programs	47	45	33	49	174
Total	**177**	**157**	**157**	**185**	**676**

Appendix E

OPA Website Year in Review

January 16, 2004

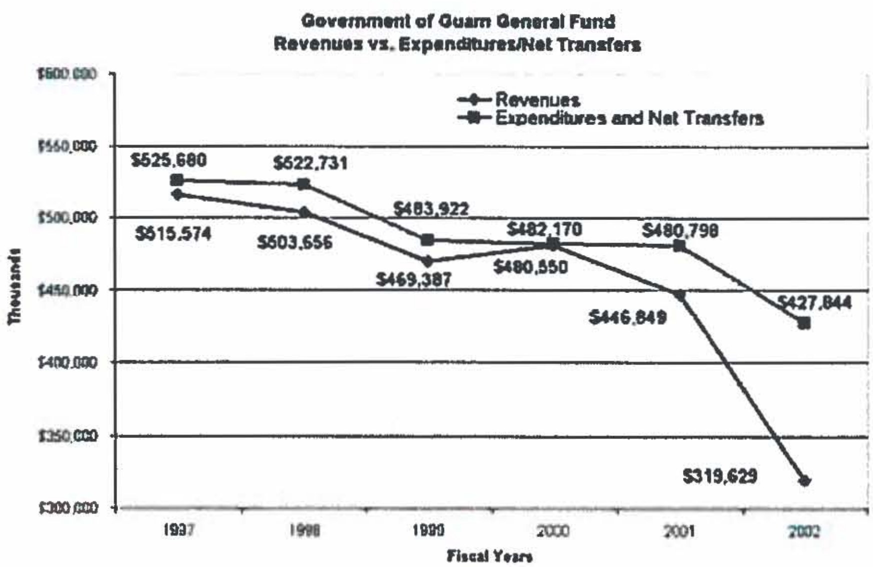
The Office of the Public Auditor has released the Tourist Attraction Fund FY 2001 Audited Financial Statements and Report on Compliance and Internal Controls

- Highlights
- 2001 Financial Statements
- 2001 Report on Compliance Internal Controls

January 27, 2004

The Office of the Public Auditor has released the Government of Guam FY 2002 General Purpose Financial Statements and Single Audit Reports

- Highlights
- 2002 General Purpose Financial Statements
- 2002 Single Audit Reports
- General Fund Analysis and Chart Data
- Tax Revenue Analysis and Graphs
- Deloitte & Touche Letter



February 10, 2004

The Office of the Public Auditor has released OPA Report 04-01 –
Letter Report on the Guam Waterworks Authority Water Meter Procurement

- Full Report

February 12, 2004

The Office of the Public Auditor has released the Government of Guam Retirement Fund FY 2000 and 2001 Reports on Compliance/ Internal Controls, as well as OPA Report 04-02 – Supplement to the Reports

- OPA Report 04-02
- 2000 Report on Compliance/Internal Controls
- 2001 Report on Compliance/Internal Controls

February 15, 2004

The Office of the Public Auditor has released the Guam Waterworks Authority FY 2002 Financial Statements and Reports on Compliance/Internal Controls

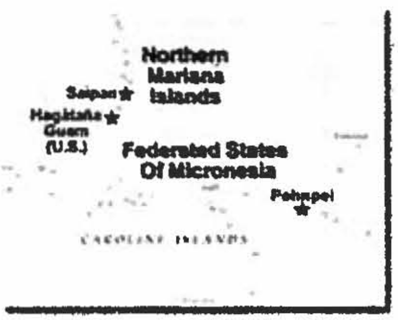
- Highlights
- 2002 Financial Statements
- 2002 Report on Compliance/Internal Controls

February 19, 2004

The Office of the Public Auditor has released the Territorial Highway Fund FY 2001 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2001 Financial Statements
- 2001 Report on Compliance/Internal Controls

February 23, 2004



The Office of the Public Auditor, on behalf of the Governor's Office, is soliciting proposals from qualified accounting firms to substantiate compact impact costs of the Government of Guam from January 14, 1986 to September 30, 2003. This request is made pursuant to House Joint Resolution 63-20 of the Congress of the United States

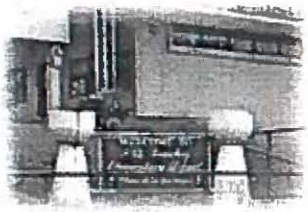
- RFP Notice
- RFP # 04-01
- House Joint Resolution 63-20
- OIG Report 93-I-1195

February 24, 2004

The Office of the Public Auditor has released the Port Authority of Guam FY 2002 Financial Statements and Reports on Compliance/Internal Controls.

- Highlights
- 2002 Financial Statements
- 2002 Report on Compliance/Internal Controls

February 26, 2004



The Office of the Public Auditor has released OPA Report 04-03 – Department of Education Analysis of Staffing Structure

- Executive Summary
- Full Report

March 1, 2004

The Office of the Public Auditor is seeking applications from qualified persons for the positions of:
- Senior Auditor/Audit Supervisor
- Administrative Services Officer

For more information, please Click Here.
This announcement is open from March 1, 2004 through March 19, 2004

March 18 , 2004

The Office of the Public Auditor has released the Guam International Airport Authority FY 2003 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2003 Financial Statements
- 2003 Report on Compliance/Internal Controls

March 29 , 2004

The Office of the Public Auditor has released OPA Report 04-04 – Department of Administration Special Revenue Funds Part I
- Executive Summary
- Full Report

March 30 , 2004

The Office of the Public Auditor has released OPA Report 04-05 – General Services Agency Small Purchases Procurement Function
- Executive Summary

Full Report

April 2004

Directions Magazine interviews the Public Auditor.

Click here for the Directions Magazine article

April 1, 2004

The Office of the Public Auditor has released the Department of Education's FY 2002 Financial Statements and Single Audit Reports

- Highlights
- 2002 Financial Statements
- 2002 Report on Compliance/Internal Controls

April 14 , 2004

The Office of the Public Auditor has released the Office of the Governor's Report on Government of Guam's Unreimbursed Costs of the Compacts of Free Association and the Independent Accountant's Report on Guam's Unreimbursed Compact Costs

- OPA Press Release
- Government of Guam's Unreimbursed Costs of the Compacts of Free Association
- Independent Accountant's Report on Guam's Unreimbursed Compact Costs

May 2 , 2004

The Office of the Public Auditor has released the Guam Educational Telecommunications Corporation (KGTF) FY 2003 Financial Statements and Reports on Compliance/ Internal Controls

- Highlights
- 2003 Financial Statements and Report on Compliance/Internal Controls

May 6 , 2004

The Office of the Public Auditor has released the Guam Telephone Authority FY 2002 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2002 Financial Statements
- 2002 Report on Compliance/Internal Controls

May 11 , 2004

The Office of the Public Auditor has released its 2003 Annual Report

- 2003 OPA Annual Report

May 12 , 2004

The Office of the Public Auditor has released the Guam Visitor's Bureau FY 1999, FY 2000, and FY 2001 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 1999 Financial Statements
- 1999 Report on Compliance/Internal Controls
- 2000 Financial Statements
- 2000 Report on Compliance/Internal Controls
- 2001 Financial Statements
- 2001 Report on Compliance/Internal Controls

May 13 , 2004

The Office of the Public Auditor has released the Government of Guam Retirement Fund FY 2002 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2002 Financial Statements
- 2002 Report on Compliance/Internal Controls

May 30 , 2004

Public Auditor Doris Flores Brooks receives honorary degree, Doctor. of Humane Letters, in recognition of her contributions to the island of Guam in the areas of public service, business, and academia.

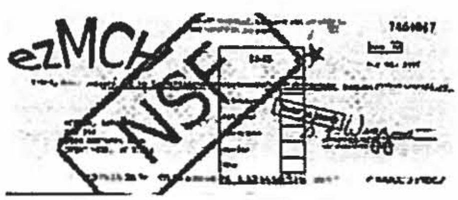
Click here for President of University's comments

June 3 , 2004

The Office of the Public Auditor has released OPA Report 04-06 – Department of Chamorro Affairs
Non-Appropriated Funds

- Executive Summary
- Full Report

June 6 , 2004



The Office of the Public Auditor has released OPA Report 04-07 – Department of Administration Bounced Checks

- Executive Summary
- Full Report

June 7 , 2004

Pacific Daily News' Pika interviews the Public Auditor

Click here for the Pika Article

June 9 , 2004

GHC

The Office of the Public Auditor has released the Guam Housing Corporation FY 2002 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2002 Financial Statements
- 2002 Report on Compliance/Internal Controls

June 14 , 2004

The Office of the Public Auditor is soliciting proposals from qualified persons or businesses to perform Information Technology Support Services and Website Services. You may click the following links to view the RFP or pick up an RFP Package at:

Office of the Public Auditor
Pacific News Building, Suite 401
238 Archbishop Flores St.
Hagåtña, GU 96910

- RFP Amendment 04-02-01
- RFP Notice
- RFP 04-02 A (IT Support Services)
- RFP 04-02 B (Website Services)

June 28 , 2004

The Office of the Public Auditor has released an Amendment to its Request for Proposal – RFP 04-02 – for IT Support and Website Services. You may click the following link to view the RFP Amendment

- RFP Amendment 04-02-01

June 30 , 2004

The Office of the Public Auditor has released the Department of Education FY 2003 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2003 Financial Statements
- 2003 Report on Compliance/Internal Controls

July 6, 2004

The Office of the Public Auditor has released the University of Guam FY 2003 Financial Statements and Reports on Compliance/Internal Controls

- Highlights

2003 Financial Statements
2003 Report on Compliance/Internal Controls

July 29, 2004

The Office of the Public Auditor has released OPA Report 04-08 – General Services Agency Blanket Purchase Agreements Procurement Function.

- Executive Summary
- Full Report

August 10 , 2004

The Office of the Public Auditor has released the Guam Telephone Authority FY 2003 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2003 Financial Statements
- 2003 Report on Compliance/Internal Controls

September 14 , 2004

The Office of the Public Auditor has released the Guam Power Authority FY 2003 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2003 Financial Statements
- 2003 Report on Compliance/Internal Controls

September 17 , 2004

The Office of the Public Auditor has released OPA Report 04-09 – Office of the Attorney General Fiscal Year 2004 Budget, Allotment, and Expenditures Reconciliation.

- Full Report

September 28 , 2004

The Office of the Public Auditor has released its Testimony and Report on the Chronology of Guam Telephone Authority Privatization Evaluation.

- GTA Privatization Testimony and Chronology

September 29 , 2004

The Office of the Public Auditor is soliciting proposals from qualified persons or businesses for Legal Services and CPA Consulting Services. You may click the following links to download the RFP or pick up an RFP Package at:

Office of the Public Auditor
Pacific News Building, Suite 401
238 Archbishop Flores St.
Hagåtña, GU 96910

- RFP Notice
- RFP 04-03 (Legal Services)
- RFP 04-04 (CPA Consulting Services)

October 13 , 2004

The Office of the Public Auditor has released OPA Report 04-11 – Department of Chamorro Affairs Chamorro Village Non-Appropriated Funds

- Executive Summary
- Full Report

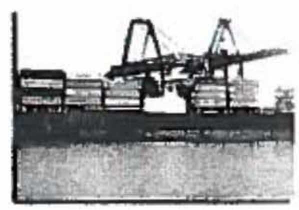
October 25 , 2004

The Office of the Public Auditor has released OPA Report 04-12 – Department of Administration's Health and Human Services Fund and Youth Tobacco Education and Prevention Fund.

- Full Report

October 27 , 2004

The Office of the Public Auditor has released the Port Authority of Guam FY 2003 Financial Statements and Reports on Compliance/Internal Controls



- Highlights
- 2003 Financial Statements
- 2003 Report on Compliance/Internal Controls

November 29 , 2004

The Office of the Public Auditor has released the Guam Community College FY 2002 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2002 Financial Statements
- 2002 Report on Compliance/Internal Controls

November 24 , 2004

The Office of the Public Auditor has released the Guam Memorial Hospital Authority FY 2002 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2002 Financial Statements
- 2002 Report on Compliance/Internal Controls

November 23 , 2004

The Office of the Public Auditor has released the Single Audit Reports of the Government of Guam for the fiscal year ended September 30, 2003.

- Highlights
- 2003 Single Audit Reports
- Management Letter

November 18 , 2004

GHC
GUAM HOUSING CORPORATION

The Office of the Public Auditor has released the Guam Housing Corporation FY 2003 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2003 Financial Statements
- 2003 Report on Compliance/Internal Controls

November 19 , 2004

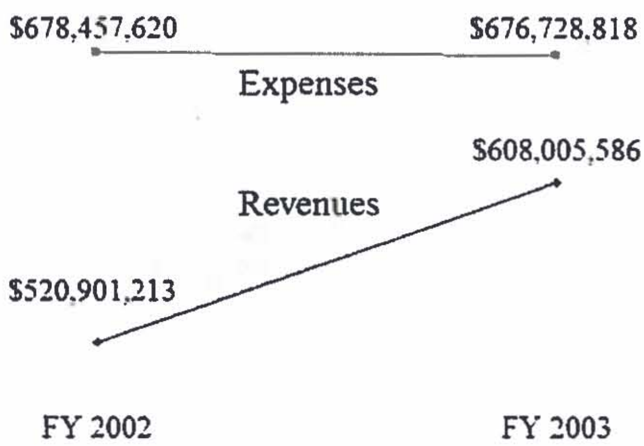
The Office of the Public Auditor has released the Guam Waterworks Authority FY 2003 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2003 Financial Statements
- 2003 Report on Compliance/Internal Controls
- Management Letter

November 22 , 2004

The Office of the Public Auditor has released the General Purpose Financial Statements of the Government of Guam for the fiscal year ended September 30, 2003

Government of Guam
Revenues vs. Expenses



- Highlights
- 2003 Financial Statements

December 3 , 2004

The Office of the Public Auditor is soliciting proposals on behalf of the Guam Housing Corporation (GHC) from nationally recognized U.S. Certified Public Accounting Firms for an audit (to include the Single Audit Act Provision) of GHC's operations for FY 2004 – FY 2006. You may click the following links to download the RFP or pick up an RFP Package at:

GHC Main Office Suite 535 ITC
Building 590 South Marine Drive
Tamuning, Guam 96911

- RFP Notice
- GHC RFP (Audit Services)

December 16, 2004

The Office of the Public Auditor has released the Government of Guam Retirement Fund FY 2003 Financial Statements and Reports on Compliance/Internal Controls

- Highlights
- 2003 Financial Statements
- 2003 Report on Compliance/Internal Controls

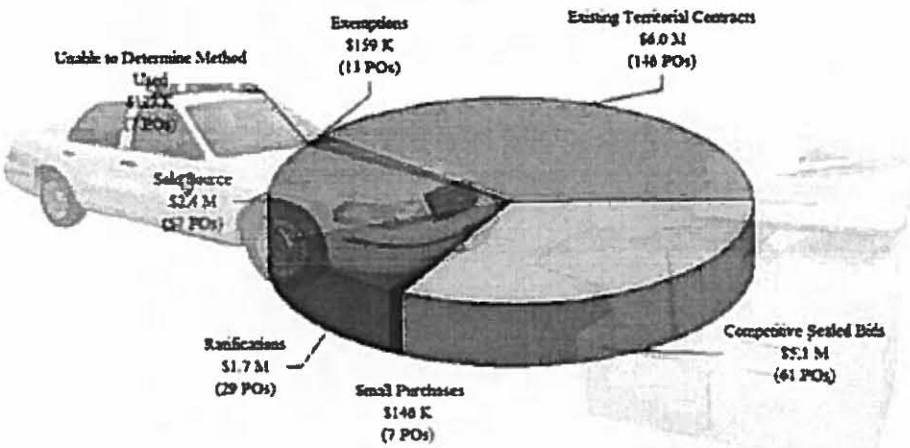
SECURITY
•
STABILITY
•
REWARD

December 22 , 2004

The Office of the Public Auditor has released OPA Report 04-13 – Department of Administration's Dededo Buffer Strip Revolving Fund

- Executive Summary
- Full Report

December 29 , 2004



The Office of the Public Auditor has released OPA Report 04-14 – General Services Agency Competitive Sealed Bidding, Sole Source, and Emergency Procurement Functions

- Executive Summary
- Full Report

Appendix F

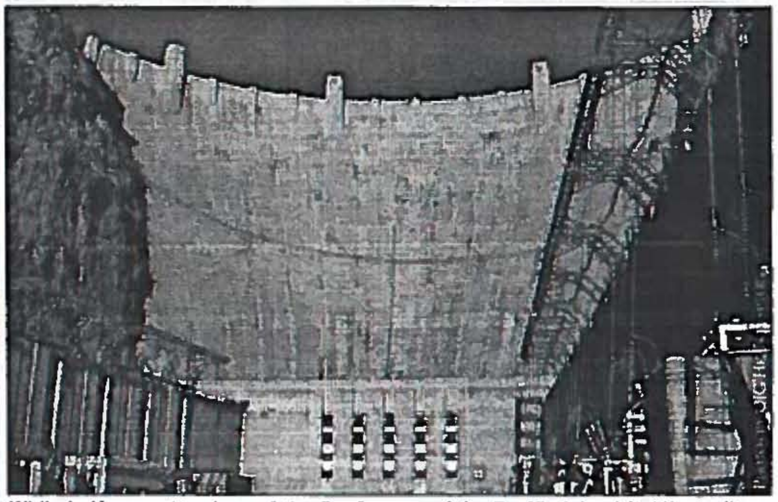
U.S. Department of Interior's *In General*

Received by Office of the Public Auditor 2-9-05 1:25 PM

IN GENERAL

VOLUME 5, ISSUE 1 U.S. DEPARTMENT OF THE INTERIOR JANUARY 2005

Inside



While in Vegas, attendees of the Conference of the Pacific Island Public Auditors had the opportunity to tour the Hoover Dam.

OIG holds Vegas conference

Katie Balestra
Special Assistant, IMMEDIATE OFFICE

On November 30, 2004, Inspector General Earl Devaney kicked off the 4th annual OIG Conference of the Pacific Island Public Auditors, held in Las Vegas.

Attendees included auditors and investigators from American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, as well as members of the Inspector General's senior staff.

At the beginning of the 3-day conference, held at the Excalibur Hotel, the Inspector General stated, "This is my opportunity to meet with each of you and understand what's going on in the islands."

He added, "I thought we'd try something different this year," regarding holding the conference in Las Vegas instead of Hawaii, where it has been held in past years.

Conference attendees then took turns introducing themselves to one another.

Mike Colombo, Western Region Audits manager, and Bill Whyte, president, Management Solutions, talk before the seminar begins.

Nearly every attendee from the island communities, many of them dressed in winter coats, mentioned the 50-degree weather in Las Vegas and joked about how difficult it was to adjust to the cold climate.

Vegas Conference, continued on Pages 4 and 5

Pictured above, George Webster, public auditor of American Samoa, right, and his wife tour the inside of the Hoover Dam. Below, Jean Tonyokwe, auditor general, Republic of the Marshall Islands, left, and Rosey Jormela, auditor, Republic of the Marshall Islands, stand outside the conference room during a break.

Vegas Conference**, continued from **Page 1

Attendees also talked about their accomplishments, their concerns, and issues they were facing in the islands. They discussed finding opportunities for training, obtaining grants, improving their relationships with their local governments, and obtaining equipment.

The group also listened to a presentation on single audits by Chris Stubbs, the OIG's single audit coordinator, and a presentation on interviewing techniques by Terry Freedy, former executive director of the Inspector General Academy. Attendees also had the opportunity to tour the Hoover Dam on the second day of the conference.

Doris Brooks, a public auditor from Guam, said she felt the most important aspect of the conference was the Inspector General showing his "commitment to assist and support the island public auditors."

Brooks said that by hosting and attending the conference, the Inspector General is demonstrating his commitment to the territories. "No other high ranking federal official has shown consistent support for the territories as Earl Devaney," Brooks said.

"I learned long ago that Guam gets lost in the rounding of the federal budget. Having someone of Earl's stature and level elevates the territories."

Satrunino Tewid, a public auditor from the Republic of Palau, said that for him, having the chance to discuss specific problems with the Inspector General and with other public auditors was an invaluable opportunity.

"The deliberations provided a forum for each of the public auditors to gain insight into the commonalities and also uniqueness of problems each of their offices face," Tewid said.

"The IG, in facilitating these meetings, offers suggestions as to how he can assist and what the public auditors can do to deal with some of these issues.

"I honestly feel that this process provides an effective way for capacity-building for each of the public auditor offices."

Both Brooks and Tewid said that in addition to attending the conference, they enjoyed visiting the hotels, landmarks, and sites of Las Vegas.

"Despite the record cold weather, we all enjoyed being in Las Vegas," Brooks said.

Appendix G

Legislative Mandates

- P.L. 26-70 required the OPA to be an observer in the government's attempt to sell the Guam Telephone Authority. Representatives from the OPA were present during the opening of the GTA privatization proposal on Guam. An OPA auditor also traveled to Washington, D.C., in July 2002 to observe the second bid opening.

- In September 2002, the OPA was asked to participate in the Department of Public Health evaluation of request for proposals on the economic impact of Community Health Centers' fee schedule increases.

- The aftermath of Typhoon Chata'an and Halong in July 2002 necessitated federal assistance amounting to millions of dollars. The Guam Legislature outlined the reporting requirements of these emergency funds. The legislation opened these records to the Public Auditor for auditing.

- P.L. 26-144, an act requiring the Guam Waterworks Authority to outsource the maintenance and operation of the water wells, booster pump stations, meters, etc., requires the Public Auditor to be an observer throughout the outsourcing process.

- P.L. 26-169 established the Guam State Clearinghouse under the Office of the Lieutenant Governor. The Advance Federal Funding Work Group was also created to advise the Lieutenant Governor in matters pertaining to federal grants. The Public Auditor is a member of the Work Group.

- P.L. 27-01 authorizes the OPA to assess transactions of Typhoon Pongsona-related expenditures incurred by GovGuam.

- P.L. 26-120 requires the Guam Police Department to furnish the OPA with detailed financial reports of its asset forfeiture fund.

- P.L. 27-22 requires that expense reports of a $9 million appropriation related to Supertyphoon Pongsona be submitted to the OPA.

- P.L. 27-10 appoints the Public Auditor (or designee) as a member of the newly created Cost Reduction Task Force, whose purpose is to determine the most effective means by which to consolidate the purchasing power of the entire Government of Guam.

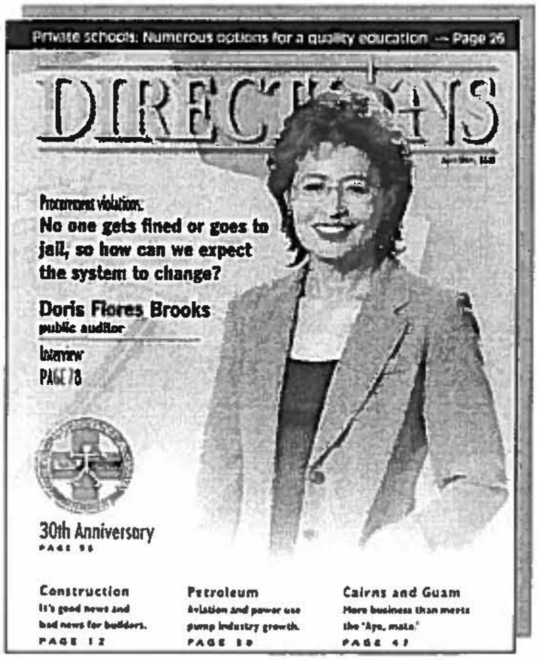
- P.L. 27-06 requires the executive branch to furnish the OPA with a written report of expenditures of general fund emergency appropriations.

- Executive Order 2003-19 requires the OPA to inspect documentation related to the procurement of legal representation pursuant to the designation of 8,000 acres of federal land.

- P.L. 27-99 waived procurement requirements outlined in the Guam Procurement Law for a period of 180 days, appropriated $600,000 to the Guan Fire Department (GFD), and required OPA to be an observer throughout the emergency procurement of fire trucks and related equipment.

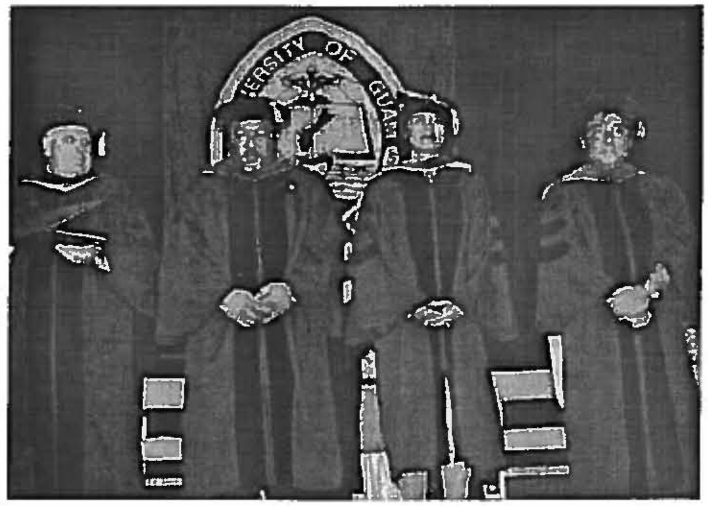
Appendix H

Directions Magazine (April 2004)



Appendix I

University of Guam Message



University of Guam's President Harold Allen's Remarks Upon Issuing the Honorary Degree

Ms. Doris Flores Brooks

Doris Flores Brooks is, and continues to be, a role model for the people of Guam in the areas of public service, business, and academia. Born and raised in the village of Inarajan, she graduated from the Academy of Our Lady of Guam. She enrolled at the College of Guam, the forerunner of the University of Guam. She then transferred to San Jose State University in California, where she received her Bachelors of Science Degree with distinction in Business Administration from San Jose State University, eventually becoming Guam's first Certified Public Accountant.

After working in Guam for the accounting firm of Peat, Marwick & Mitchell, as Director of the Bureau of Management and Research and the Comptroller for the Guam Airport Authority, Ms. Brooks decided to go back to college and enrolled at Harvard Business School, later becoming the first Chamorro woman to receive a Masters Degree in Business Administration from Harvard.

After returning to Guam and marrying James Brooks, Ms. Brooks dedicated her time to professional and community organizations by serving on numerous local boards, commissions and associations including the Guam Power Authority Board, the Guam Workers Compensation Commission, the Guam Society of Certified Public Accountants, the Guam Chamber of Commerce, the Guam Girl Scouts, and many other organizations.

In 1988, Ms. Brooks entered into public service by running for senator and was elected to three consecutive terms to the Guam Legislature. As a senator, Ms. Brooks addressed many issues that affected the quality of life of the people of Guam, authoring legislation in the areas of education, economic development, environment, and law and order. After serving in the Guam Legislature, Doris Flores Brooks joined the faculty at the University as an Assistant Professor of Accounting and Finance, sharing her knowledge, experience and expertise with students at the University.

In 2000, Ms. Brooks was elected as the island's first Public Auditor. Since her election, Ms. Brooks has received accolades and praise for the work she has done thus far for the island of Guam. Today, the University is honoring Ms. Brooks with a Doctor of Humane Letters in recognition of her contributions to the island of Guam in the areas of public service, business, and academia.