I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
17-38 (COR)	Sabina Flores Perez Telo T. Taitague Therese M. Terlaje Chris Barnett	AN ACT TO *AMEND* § 1913 OF CHAPTER 19, TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO PROCEDURES FOR IMPLEMENTATION OF AUDIT RECOMMENDATIONS BY AGENCIES.	1/13/25 10:33 a.m.	1/22/25	Committee on Finance and Government Operations.	Request 1/22/25 2/10/25	4/9/25 9:00 a.m.	6/26/25 As Amended.	

June 20, 2025

The Honorable Frank F. Blas Jr.
Speaker, *I Mina'trentai Ocho na Liheslaturan Guåhan*
163 W. Chalan Santo Papa
Hågatña, Guam 96910

Via Honorable Vice Speaker V. Anthony Ada
Chairman, Committee on Rules

RE: Committee Report on Bill No. 17-38 (COR) - *As amended by the Committee on Finance and Government Operations* - Sabina Flores Perez / Telo T. Taitague / Therese M. Terlaje / Chris Barnett - An Act To Amend § 1913 Of Chapter 19, Title 1, Guam Code Annotated, Relative To Procedures For Implementation Of Audit Recommendations By Agencies

---

Buenas yan Håfa Ådai Speaker,

Transmitted herewith is the Committee Report on Bill No. Bill No. 17-38 (COR) - *As amended by the Committee on Finance and Government Operations* - Sabina Flores Perez / Telo T. Taitague / Therese M. Terlaje / Chris Barnett - An Act To Amend § 1913 Of Chapter 19, Title 1, Guam Code Annotated, Relative To Procedures For Implementation Of Audit Recommendations By Agencies.

Committee votes are as follows:

______ TO DO PASS

______ TO NOT PASS

__6__ TO REPORT OUT ONLY

______ TO ABSTAIN

______ TO PLACE IN INACTIVE FILE

COMMITTEE ON RULES
RECEIVED:
June 20, 2025 2:21 p.m.
Marie Crisostomo

Senseremente,

Senator Christopher M. Dueñas

Chairman, Committee on Finance and Government Operations

COMMITTEE REPORT

ON BILL NO. 17-38 (COR)

As amended

INTRODUCED BY

Sabina Flores Perez / Telo T. Taitague / Therese M. Terlaje / Chris Barnett

An Act To Amend § 1913 Of Chapter 19, Title 1, Guam Code Annotated, Relative To Procedures For Implementation Of Audit Recommendations By Agencies

June 20, 2025

MEMORANDUM

To: **All Members**
Committee on Finance and Government Operations

From: **Senator Christopher M. Dueñas**
Chairperson, Finance and Government Operations

Subject: Committee Report on Bill No. 17-38 (COR) As amended- Sabina Flores Perez / Telo T. Taitague / Therese M. Terlaje / Chris Barnett - An Act To Amend § 1913 Of Chapter 19, Title 1, Guam Code Annotated, Relative To Procedures For Implementation Of Audit Recommendations By Agencies.

Transmitted herewith for your consideration is the Committee Report on **Bill No. 17-38 (COR) As amended-** Sabina Flores Perez / Telo T. Taitague / Therese M. Terlaje / Chris Barnett - An Act To Amend § 1913 Of Chapter 19, Title 1, Guam Code Annotated, Relative To Procedures For Implementation Of Audit Recommendations By Agencies.

This report includes the following:

- Copy of COR Referral of Bill No. 17-38 (COR)
- Notices of Public Hearing
- Copy of the Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Copies of Submitted Written Testimony
- Committee Vote Sheet
- Committee Report Digest
- Copy of Bill No. 17-38 (COR), *As Introduced*
- Copy of Bill No. 17-38 (COR), *As Amended*
- Copy of Bill No. 17-38 (COR), *Committee Mark up*
- Fiscal Note/Fiscal Note Waiver

Please take the appropriate action on the attached vote sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Respectfully,

Senator Christopher M. Dueñas
Chairperson, Committee on Finance and Government Operations

COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

January 22, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

Attorney Darleen Hiton
Legislative Legal Counsel

From: **Senator Christopher M. Dueñas**
Acting Chairperson, Committee on Rules

Subject: **Referral of Bill No. 17-38 (COR)**

Håfa Adai,

As per my authority as Acting Chairperson of the Committee on Rules and subject to §6.01(d)(1), Rule VI of our Standing Rules, I am forwarding the referral of **Bill No. 17-38 (COR)** – Sabina Flores Perez, Telo T. Taitague, Therese M. Terlaje, Chris Barnett. – "AN ACT TO *AMEND* § 1913 OF CHAPTER 19, TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO PROCEDURES FOR IMPLEMENTATION OF AUDIT RECOMMENDATIONS BY AGENCIES."

Please ensure that the subject bill is referred to the Committee on Finance and Government Operations chaired by Senator Christopher M. Dueñas. I also request that the same be forwarded to the Prime Sponsor of the subject bill and to Management Information Services (MIS) for posting on our website.

A copy of the bill is available on our legislative website.

Should you have any questions or concerns, please feel free to contact Kamarin Nelson, Committee on Rules Director at 671-472-2461.

THE GUAM LEGISLATURE

Senator Chris Duenas <senator.duenas@guamlegislature.gov>

FIRST NOTICE of Public Hearing on April 9, 2025

1 message

Senator Chris Duenas <senator.duenas@guamlegislature.gov> Wed, Apr 2, 2025 at 8:14 AM
To: phnotice@guamlegislature.gov

FOR IMMEDIATE RELEASE
April 2, 2025

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

Re: FIRST NOTICE of Public Hearing on April 9, 2025

The Committee on Finance and Government Operations will conduct a public hearing on **Wednesday, April 9, 2025,** beginning at **9:00 am** at the Public Hearing Room in the Guam Congress Building. The agenda is as follows:

9:00 am:

- Bill No. 69-38 (COR) – Frank F. Blas, Jr. - AN ACT TO ADD A NEW CHAPTER 16 TO DIVISION 1 OF TITLE 5, GUAM CODE ANNOTATED RELATIVE TO REQUIREMENTS FOR FEDERAL FUNDING ACCEPTANCE.
- Bill No. 16-38 (COR) – Sabina Flores Perez / Telo T. Taitague / Therese M. Terlaje / Chris Barnett - AN ACT TO ADD A NEW ARTICLE 2 TO CHAPTER 2, TITLE 4, GUAM CODE ANNOTATED RELATIVE TO REPORTING REQUIREMENTS ON THE USE OF UNCLASSIFIED EMPLOYMENT.
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If you would like to participate in the Public Hearing listed above or submit written testimony, please contact the Office of Senator Christopher M. Dueñas for further assistance via email at senator.duenas@guamlegislature.gov or by phone at (671) 989-9554.

In compliance with Title II of the Americans with Disabilities Act (ADA), all government activities, programs, and services are accessible to individuals with disabilities. **If you or anyone you know requires assistance or special accommodations to participate in the public hearing, please contact the Office of Senator Christopher M. Dueñas at the contact information provided above.**

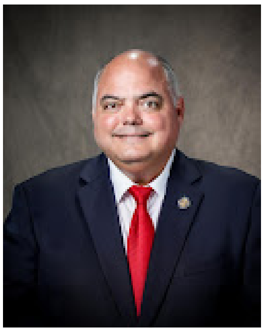
The Public Hearings will be broadcast LIVE on local television (GTA Channel 21, Docomo Channel 117) and streamed online through *I Liheslaturan Guåhan's* YouTube Channel (@guamlegislaturemedia).

--

Office of Senator Christopher M. Dueñas
Chairman, Committee on Government Finance and Operations
259 Martyr St., Hagatna, Guam 96910
senator.duenas@guamlegislature.gov
(671) 989-9554

---

2 attachments



senator-duenas-headshot.jpg
70K

4.9.25-first-notice.pdf
444K

FOR IMMEDIATE RELEASE
April 2, 2025

MEMORANDUM

To: **All Senators, Stakeholders, Media**

From: Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

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This ad was paid with funds by the Committee of Finance and Government Operations.

FIRST NOTICE of Public Hearing April 9, 2025

PRINT

FIRST NOTICE of Public Hearing April 9, 2025

PUBLIC HEARING

- **Posted on:** 04/02/2025 08:15 AM
- **Posted by:** Ashley Shinohara
- **Public Hearing Date:** 04/09/2025 09:00 AM
- **Department(s): GUAM LEGISLATURE (/notices?department_id=92)**
- **Division(s):** OFFICE OF SENATOR CHRISTOPHER M. DUENAS (/notices?division_id=267)
- **Notice Topic(s):** PUBLIC HEARING (/notices?topic_id=74)
- **Types of Notice:** PUBLIC HEARING (/notices?type_id=7)
- **For Audience(s):** PUBLIC (/notices?public=1)
- **Share this notice**

FOR IMMEDIATE RELEASE
April 2, 2025

MEMORANDUM

To: All Senators, Stakeholders, Media

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Chairman, Committee on Finance and Government Operations

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Senator Chris Duenas <senator.duenas@guamlegislature.gov>

SECOND NOTICE of Public Hearing on April 9, 2025

1 message

Senator Chris Duenas <senator.duenas@guamlegislature.gov> Mon, Apr 7, 2025 at 8:05 AM
To: phnotice@guamlegislature.gov

FOR IMMEDIATE RELEASE
April 7, 2025

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

Re: SECOND NOTICE of Public Hearing on April 9, 2025

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--

Office of Senator Christopher M. Dueñas
Chairman, Committee on Government Finance and Operations
259 Martyr St., Hagatna, Guam 96910
senator.duenas@guamlegislature.gov
(671) 989-9554

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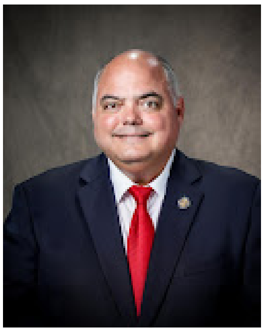
2 attachments



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70K

4.9.25-second-notice.pdf
636K

FOR IMMEDIATE RELEASE
April 7, 2025

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

Re: SECOND NOTICE of Public Hearing on April 9, 2025

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This ad was paid with funds by the Committee of Finance and Government Operations.

OFFICE OF SENATOR CHRISTOPHER M. DUEÑAS
259 MARTYR STREET, HAGATNA GUAM 96910 | TEL: 671-989-9554 | SENATOR.DUENAS@GUAMLEGISLATURE.GOV
LIKE AND FOLLOW @SENATORDUENAS

SECOND NOTICE of Public Hearing on April 9, 2025

PRINT

SECOND NOTICE of Public Hearing on April 9, 2025

PUBLIC HEARING

- **Posted on:** 04/07/2025 08:06 AM
- **Posted by:** Ashley Shinohara
- **Public Hearing Date:** 04/09/2025 09:00 AM
- **Department(s): GUAM LEGISLATURE (/notices?department_id=92)**
- **Division(s):** OFFICE OF SENATOR CHRISTOPHER M. DUENAS (/notices?division_id=267)
- **Notice Topic(s):** PUBLIC HEARING (/notices?topic_id=74)
- **Types of Notice:** PUBLIC HEARING (/notices?type_id=7)
- **For Audience(s):** PUBLIC (/notices?public=1)
- **Share this notice**

FOR IMMEDIATE RELEASE
April 7, 2025

MEMORANDUM

To: All Senators, Stakeholders, Media

From: Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations

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Invoice

PBS GUAM
KGTF Channel 12
Guam Educational Telecommunications Corporation

P.O. Box 21449
GMF, Guam 96921
Phone # 671-734-5483

Date	Invoice No.
4/21/2025	2025-22

Bill To
Office of Senator Christopher Duenas Calvo Arriola Bldg. Ste 101-13 259 Martyr St. Hagatna, Guam 96910

P.O. No.	Due Date	Rep	MOU No.
2538PO083	5/21/2025	CDC	

Item	Description	Qty	Rate	Amount
Air-Time	Public Notice for: 3/21/25 Hearing 1st Notice 3/14/25 2nd Notice 3/19/25 4/9/25 Hearing 1st Notice 4/2/25 2nd Notice 4/7/25		500.00	500.00

Certified to be true and correct:

for [signature]
Ina Marie V. Carillo
General Manager

THANK YOU FOR SUPPORTING PUBLIC TV!! IF PBS DOESN'T DO IT, WHO WILL? WE WILL TOGETHER!	**Total** $500.00

PUBLIC HEARING AGENDA

Wednesday, April 9, 2025 – Guam Congress Building

9:00AM:

- **Bill No. 69-38 (COR)** – Frank F. Blas, Jr. - AN ACT TO ADD A NEW CHAPTER 16 TO DIVISION 1 OF TITLE 5, GUAM CODE ANNOTATED RELATIVE TO REQUIREMENTS FOR FEDERAL FUNDING ACCEPTANCE.
- **Bill No. 16-38 (COR)** – Sabina Flores Perez - AN ACT TO ADD A NEW ARTICLE 2 TO CHAPTER 2, TITLE 4, GUAM CODE ANNOTATED RELATIVE TO REPORTING REQUIREMENTS ON THE USE OF UNCLASSIFIED EMPLOYMENT.
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I Mina'trentai Ocho na Liheslaturan Guahån

Office of Senator Christopher M. Duenas

Chairman, Committee on Finance and Government Operations

Date: April 9, 2025 **Time:** 9:00 a.m.

Bill No. 17-38 (COR) - Sabina Flores Perez

AN ACT TO AMEND § 1913 OF CHAPTER 19, TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO PROCEDURES FOR IMPLEMENTATION OF AUDIT RECOMMENDATIONS BY AGENCIES.

	Name	Agency / Address	Contact No.	Email	Type of Testimony		Support	
					Oral	Written	Yes	No
1	Benjamin Cruz	OPA						
2	Jerrick Hernandez	OPA						
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

OFFICE OF PUBLIC ACCOUNTABILTY

Suite 401 DNA Building, 238 Archbishop Flores St., Hagåtña, Guam 96910
Phone: (671) 475-0390 / FAX: (671) 472-7951

February 21, 2025

Honorable Senator Christopher M. Dueñas
Chairman, Committee on Finance and Government Operations
38th Guam Legislature
Office of Senator Christopher M. Dueñas
259 Martyr Street,
Hagåtña, Guam 96910
senator.duenas@guamlegislature.gov

Re: Testimony in Support of Bill 17-38 (COR) AN ACT TO AMEND § 1913 OF CHAPTER 19, TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO PROCEDURES FOR IMPLEMENTATION OF AUDIT RECOMMENDATIONS BY AGENCIES.

Håfa Adai Senator Dueñas and Committee Members,

Thank you for the opportunity to provide testimony on Bill No. 14-38. The Guam Office of Public Accountability (OPA) supports this bill, as intends to clarify procedures the Public Auditor can take when audit recommendations and corrective action plans are not implemented or a satisfactory explanation as to why such recommendations or corrective active plans have not been implemented by the agencies.

We believe the Public Auditor always had the power to file a petition for Writ of Mandate to force the implementation of the recommendations and attendant corrective action plans, but this bill would essentially re-affirm that authority by clearly stating it in the opening section of the law.

We thank Senator Perez and her co-sponsors for introducing this bill. It is a short bill that will further assist OPA in getting our audit recommendations implemented to improve government effectiveness and efficiencies and ensure accountability and transparency throughout the Government of Guam.

Senseramente,

Benjamin J.F. Cruz
Public Auditor

Cc: The Honorable Sabina Flores Perez, Senator, 38th Guam Legislature

THE GUAM LEGISLATURE

Senator Chris Duenas <senator.duenas@guamlegislature.gov>

Written Testimony on bill 17-38

1 message

dave duenas <[redacted]> Thu, Apr 10, 2025 at 10:25 AM
To: "senator.duenas@guamlegislature.gov" <senator.duenas@guamlegislature.gov>

Bueanas Senator please accept my written testimony on Bill 17-38.

Should you have any question please call or email me anytime.

Thank you
Dave Duenas

Our Office of Public Accountability"OPA" is an independent, nonpartisan agency elected by the voters of Guam. The OPA audits of government operations, ensure accountability and transparency in how our taxpayer dollars are spent.

The OPA conducts audits, evaluations, and investigations into various government programs and activities, producing reports that assess their effectiveness, efficiency, and compliance with laws and regulations.

Public Auditor Benjamin Cruz have made it known that Government of Guam agencies have failed over the years to comply with “hundreds” of audit recommendations issued by the Office of Public Accountability, with tens of millions in potential lost revenues.

The importance of following OPA findings can enhance accountability, and hold government agencies accountable for their actions and expenditures. Agencies should address the deficiencies, improve operations, and ensure that they are serving the public effectively.

These audits are critical for policymakers and government agencies to make informed decisions regarding budget allocations, program implementations, and policy reforms. The data and analysis provided by the OPA help to shape legislation and improve government performance.

When agencies act on OPA recommendations, it demonstrates a commitment to ethical governance and responsiveness to taxpayer concerns.

OPA findings often highlight inefficiencies and waste in government programs. By implementing recommendations, agencies can optimize resources used, leading to cost savings and better service delivery.

By following the OPA findings agencies can mitigate the risks, ensuring programs are resilient and capable of meeting their objectives.

OPA reports often include best practices and lessons learned from successful programs. By adopting these practices, agencies can enhance their effectiveness and improve outcomes for the public.

Legislative Support to hold agencies accountable must be addressed; I would advocate for our legislators to support Bill 17-38 as introduced by Senator Sabina Perez to enforce the OPA recommendations thru legislation.

In summary, the OPA plays a crucial role in promoting accountability and transparency in government expenditures, waste and abuse, and implementing programs. The OPA findings are essential for improving government operations, enhancing public trust, and ensuring that taxpayer resources are used effectively.

Dave Duenas

Sent from my Galaxy

COMMITTEE VOTE SHEET

Bill No. 17-38 (COR), *As Amended* - Bill No. 17-38 (COR) - Sabina Flores Perez / Telo T. Taitague / Therese M. Terlaje / Chris Barnett - An Act To Amend § 1913 Of Chapter 19, Title 1, Guam Code Annotated, Relative To Procedures For Implementation Of Audit Recommendations By Agencies.

Committee Members	Signature	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Christopher M. Dueñas *Chairperson*	SJ			X		
Senator V. Anthony Ada *Vice Chairperson*	E-VOTE 6/20/25			X		
Senator Frank F. Blas, Jr. *Member*						
Senator Sabrina Salas Matanane *Member*						
Senator Jesse A. Lujan *Member*	E-VOTE 6/20/25			X		
Senator Vincent A.V. Borja *Member*	E-VOTE 6/20/25			X		
Senator Tina Rose Muña Barnes *Member*	E-VOTE 6/20/25			X		
Senator Joe S. San Agustin *Member*	E-VOTE 6/20/25			X		

THE GUAM LEGISLATURE [redacted]

URGENT REQUEST: E-VOTE Bill No. 17-38 (COR)

6 messages

Senator Chris Duenas <senator.duenas@guamlegislature.gov> Fri, Jun 20, 2025 at 1:49 PM
To: cmdcommittee@guamlegislature.gov

Håfa Ådai Committee Members,

Please see attached **Bill No. 17–38 (COR)** *As amended* by the Committee on Finance and Government Operations – Sabina Flores Perez / Telo T. Taitague / Therese M. Terlaje / Chris Barnett - An Act to Amend § 1913 of Chapter 19, Title 1, Guam Code Annotated, Relative to Procedures For Implementation of Audit Recommendations By Agencies.

Please indicate your preferred action, based on the following options:

- TO DO PASS
- TO NOT PASS
- TO REPORT OUT ONLY
- TO ABSTAIN
- TO PLACE IN INACTIVE FILE

Please submit your response **ASAP**. In addition, kindly sign the attached vote sheet which will be submitted as part of the final Committee Report to the Committee on Rules.

Please contact our office if you have any questions or concerns.
--
Office of Senator Christopher M. Dueñas
Committee on Finance and Government Operations
259 Martyr St., Hagatna, Guam 96910
(671) 989-9554

CMD_17-38 (COR)_CR.pdf
6646K

Senator Jesse Lujan <senator.lujan@guamlegislature.gov> Fri, Jun 20, 2025 at 2:01 PM
To: Senator Chris Duenas <senator.duenas@guamlegislature.gov>
Cc: cmdcommittee@guamlegislature.gov

To Report Out Only.

[Quoted text hidden]
--
Office of Majority Leader Jesse A. Lujan
Chairman, Committee on Transportation, Tourism, Customs, Utilities and Federal & Foreign Affairs
259 Martyr St., Hagatna, Guam 96910
senator.lujan@guamlegislature.gov
(671) 969-6525

Joe S. San Agustin <senatorjoessanagustin@gmail.com> Fri, Jun 20, 2025 at 2:04 PM
To: Senator Jesse Lujan <senator.lujan@guamlegislature.gov>
Cc: Senator Chris Duenas <senator.duenas@guamlegislature.gov>, cmdcommittee@guamlegislature.gov

To report out

[Quoted text hidden]

Phillip Leon Guerrero <phill.senatortmb@gmail.com> Fri, Jun 20, 2025 at 2:06 PM
To: "Joe S. San Agustin" <senatorjoessanagustin@gmail.com>
Cc: Senator Jesse Lujan <senator.lujan@guamlegislature.gov>, Senator Chris Duenas <senator.duenas@guamlegislature.gov>, cmdcommittee@guamlegislature.gov

To report out only.

SYM.
[Quoted text hidden]
--

Sinseru yan Magåhet,

Phill Leon Guerrero
Director of policy & communications
phill.senatortmb@gmail.com

Office of Senator Tina Rose Muña Barnes
38th Guam Legislature
I Mina'trentai Ocho na Liheslaturan Guåhan
134 W. Soledad Avenue, Suite #411 | Hagåtña, GU 96910 | (671) 989-8762
senator.munabarnes@guamlegislature.gov

Office of Senator Vince Borja <contact@senatorvinceborja.com> Fri, Jun 20, 2025 at 2:11 PM
Reply-To: Office of Senator Vince Borja <contact@senatorvinceborja.com>
To: senator.duenas@guamlegislature.gov
Cc: cmdcommittee@guamlegislature.gov

To report out.

Respectfully,

Office of Senator Vincent A.V. Borja

Committee on Education, Libraries, & Public Broadcasting

38th Guam Legislature
Suite 502, DNA Bldg. 238 Archbishop Flores St.

Hagåtña, Guam 96910

T +1 (671) 969-8423

E contact@senatorvinceborja.com

On Thu, 19 Jun at 11:51 PM , Chris Duenas <senator.duenas@guamlegislature.gov> wrote:
Håfa Ådai Committee Members,

Please see attached **Bill No. 17–38 (COR)** *As amended* by the Committee on Finance and Government Operations – Sabina Flores Perez / Telo T. Taitague / Therese M. Terlaje / Chris Barnett - An Act to Amend § 1913 of Chapter 19, Title 1, Guam Code Annotated, Relative to Procedures For Implementation of Audit Recommendations By Agencies.

Please indicate your preferred action, based on the following options:

- TO DO PASS

- TO NOT PASS
- TO REPORT OUT ONLY
- TO ABSTAIN
- TO PLACE IN INACTIVE FILE

Please submit your response **ASAP**. In addition, kindly sign the attached vote sheet which will be submitted as part of the final Committee Report to the Committee on Rules.

Please contact our office if you have any questions or concerns.

--

Office of Senator Christopher M. Dueñas
Committee on Finance and Government Operations
259 Martyr St., Hagatna, Guam 96910
(671) 989-9554

Vice Speaker V. Anthony Ada <vicespeakertonyada@guamlegislature.gov> Fri, Jun 20, 2025 at 2:12 PM
To: Senator Chris Duenas <senator.duenas@guamlegislature.gov>
Cc: cmdcommittee@guamlegislature.gov

To Report Out Only

On Fri, Jun 20, 2025 at 1:50 PM Senator Chris Duenas <senator.duenas@guamlegislature.gov> wrote:
[Quoted text hidden]

--

Office of Vice Speaker V. Anthony Ada
38th Guam Legislature
I Mina'trentai Ocho Na Liheslaturan Guåhan
Guam Congress Building, 2nd Floor
163 Chalan Santo Papa
Hagåtña, Guam 96910
Phone: (671) 989-0855
Email: vicespeakertonyada@guamlegislature.gov

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COMMITTEE REPORT DIGEST

Committee on Finance and Government Operations

Senator Chirstopher M. Dueñas, Chairman

In accordance with Section 6.04(c)(1) of the Standing Rules of *I Liheslaturan Guåhan*, this committee digest provides a *summary* of the public hearing detailed below. To assist the general public in navigating this report, please note that all blue-highlighted text contains hyperlinks. Clicking on these links will direct you to the corresponding referenced sections/documents. For any questions or assistance regarding this digest, please contact our office at (671) 989-9554 or email us at senator.duenas@guamlegislature.gov.

BILL NO. 17-38 (COR) - SABINA FLORES PEREZ / TELO T. TAITAGUE / THERESE M. TERLAJE / CHRIS BARNETT - AN ACT TO AMEND § 1913 OF CHAPTER 19, TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO PROCEDURES FOR IMPLEMENTATION OF AUDIT RECOMMENDATIONS BY AGENCIES.

I. OVERVIEW

Bill No. 17-38 (COR) was introduced on **Monday, January 13, 2025** by **Senator Sabina Flores Perez**, and was subsequently referred by the Committee on Rules to the **Committee on Finance and Government Operations** on **Wednesday, January 22, 2025.**

The **Committee on Finance and Government Operations** convened a Public Hearing on Bill No. 17-38 (COR) on **Wednesday, April 9, 2025** at **9:00 AM** in the Guam Congress Building's Public Hearing Room.

PUBLIC NOTICE REQUIREMENTS

Public Hearing Notices were posted to the Government Public Notices Portal and disseminated via electronic mail to all senators and all main media broadcasting outlets on **Wednesday, April 2, 2025** (5-Day Notice), and again on **Monday, April 7, 2025** (48-Hour Notice).

SENATORS PRESENT
Senator Christopher M. Dueñas, Chairman
Senator Frank F. Blas Jr., Member
Senator Vincent A.V. Borja, Member
Senator Jesse A. Lujan, Member
Senator Sabrina Salas Matanane, Member
Senator Sabina Flores Perez, Bill Author
Senator Shelly Vargas Calvo
Senator Eulogio Shawn Gumataotao
Senator Telo T. Taitague
Senator Therese M. Terlaje

ORAL TESTIMONY:
Benjamin J.F. Cruz, Public Auditor, Office of Public Accountability (OPA)

WRITTEN TESTIMONY:
Benjamin J.F. Cruz, Public Auditor, Office of Public Accountability
Dave Dueñas, Self

APPEARED BEFORE THE COMMITTEE:
Jerrick J.J. Hernandez, Auditor III, OPA

II. SUMMARY OF TESTIMONY & DISCUSSION

The public hearing for Bill No. 17-38 (COR) was called to order at **9:39AM.**

COMMITTEE NOTE: As agreed upon with the bill sponsor, Bill No. 17-38 (COR) was moved up on the public hearing agenda to accommodate the availability of the Guam Office of Public Accountability. A brief recess was called for Bill No. 16-38 (COR) to allow individuals who were said to be en route, additional time to arrive before resuming its hearing.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: Since you (Senator Perez) said that Director Birn is in route, I'd like to offer you that we take a recess on this bill (Bill No. 16-38) and then move to your next bill in respect to the auditor who's here for that. Do you agree with that?

SENATOR SABINA FLORES PEREZ, BILL AUTHOR: Yes, I do.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: We will now consider this bill having been in recess (Bill No. 16-38) for this morning while the Director of Department of Administration (DOA) is in route and then, I will now reconvene after that recess to hear the next bill on the agenda. Next on the agenda is Bill 17-38 (COR) introduced by Sabina Flores Perez, Telo T. Taitague, Therese M. Terlaje, Chris Barnett and it is *"An Act To Amend § 1913 Of Chapter 19, Title 1, Guam Code Annotated, Relative To Procedures For Implementation Of Audit Recommendations By Agencies".* And so now, I will recognize the author of the bill, Senator Perez.

SENATOR SABINA FLORES PEREZ, BILL AUTHOR: *Si Yu'us Ma'åse*, Chairman Dueñas, for also rescheduling the hearing on this Bill. Bill 17-38 clarifies existing statute that authorizes the Public Auditor to enforce Government of Guam agencies to take action on audit recommendations. The current statute states that if the Public Auditor has not concurred with the non-implementation on account of a provided explanation, the Public Auditor may file in Superior Court of Guam "*An action for a rid of mandate to force implementation of recommendations and the intended corrective action*". Bill 17-38 clarifies action to petition and that all three criteria the failure to implement corrective action to provide a provision satisfactory answer as to non-implementation and non-concurrence by the Public Auditor must be met prior to petitioning the Superior Court of Guam. The Office of Public Accountability conducts audits to promote efficiency and safeguard public funds and this process provides the government entity who's being audited an opportunity to respond to the findings and to provide input on corrective action. However, too often agencies fail to implement corrective actions leaving financial mismanagement, tax leakages, or operational inefficiencies, unaddressed. Recommendations by the Public Auditor in their audits could result in significant cost savings or increase collections for the Government of Guam and enhance or improve public services and these audits aim to ensure that the people's money is being put to appropriate use. It is unacceptable for agencies to disregard the public's trust by avoiding implementing potentially beneficial suggestions. Bill 17-38 clarifies a Public Auditor's authority to petition the court when agencies ignore audit recommendations without valid justification; it ensures taxpayers' dollars are used responsibly and that our government operates with integrity. Guam's people deserve a government that not only identifies inefficiencies but takes necessary steps to correct them. I'd like to thank my co-sponsors for their support and I look forward to discussion of this bill to uphold transparency, accountability and trust in our public institutions. *Si Yu'us Ma'åse!*

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: Si Yu'us Ma'åse, Senator Perez. And of course, now, we get to the star of the show, Mr. Speaker and OPA. Speaker Cruz, you may proceed on your testimony on Bill 17-38.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Thank you very much, Mr. Chairman. I think I submitted written testimony. I'm Benjamin Cruz, the Public Auditor. I come in *support* of this legislation. Actually, we're of the opinion that we've always had this power – that it was always in our legislation – that this is just a rewrite. It takes the section of writ of mandate from the bottom of the paragraph to the top of the page to make it abundantly clear. As the good sponsor mentioned, Mr. Chair, there's lots of tax leakage that should be addressed especially now that we may be facing a need for additional money because of the government not – I mean because of the federal funds being withdrawn. We have – I – the Office of Public Accountability, seven (7) years ago, issued a performance audit about the need to address the problems of cigarette tax. The legislature tried to address it – it hasn't been addressed. The tax stamp act still hasn't been enforced. Our recommendation to tax it upfront has not been accepted by this body and I respect that decision. That is your decision. But there is that leakage. I should be issuing a – or the office should be issuing a performance audit in the next week if not in the next couple of days – where we attempted to try to do a performance audit to see how much leakage there was in the liquor tax. I mean, there isn't any place that you can go on island where you can't – you know that there's lots of liquor being – and you keep wondering why when you look at the collection it's practically nothing. And so we tried to do a performance audit and I mean we did a performance audit. I directed the staff to look at this but because of the fact that customs and quarantine has not implemented another recommendation of ours from five (5) years ago – six (6) years ago – on the use tax of just getting a – just getting a scanner for Christ's sake. Not even – some you know – the huge harmony system. Just a scanner. When we started this audit they had to pull sixteen (16) officers off their floor to go into the warehouse – to go through hundreds of boxes – to find invoices to try to show where they received liquor shipments. But because we couldn't rely on this type of – well, we went through a hundred boxes and this is all we found – we couldn't base our audit on that because it's unreliable. We're probably going to be issuing a disclaimer on it and say it's impossible to say:

- How much actually came in?
- How much was put on the shelves?
- How much went to the military?
- How much was exported to the outer islands?
- and – How much was collected?

We have no idea because that's not been done. I mentioned the fact that we did the audit on the use tax. That hasn't been implemented. That's major tax leakage. All we want to do is to be able to say, you know, to his honor or her honor ,we've made this performance audit and we've looked into this and this is our recommendation. Is it possible that they could be directed to do something? Maybe not the harmony system but at least a scan. Just so that when we go through it we can at least do a word search and be able to find documents that say liquor on it. But nothing. And now as I understand it, the grant for the harmony system has been lost and that's not going to happen. And so, are we going to go through another decade before we don't address this liquor tax? I mean all of us that are drinking, we're paying the tax but is it being collected and being addressed and put into our tax revenue? I don't know. I can't say that we are. And so, it's just a couple of things like that that we'd like to be able to start doing this. Just ask. I know whoever is the – every administration – will probably be opposed to it. But the thing is, is that at some point, you can't just continue to – maybe I'm going to recommend my abolition – but you can't continue to have an office that issues these reports and everybody just chucks it and says you know “nice”. Because I – you know – I've – you've heard – you heard me a couple of times. I'm asking please read the reports. There's all kinds of things in them that could be helpful to making decisions and pointing out where there are problems but if people don't read the reports then they don't see that, you know. I want to thank the Speaker for finally introducing legislation as it relates to the charter schools. You saw in the most recent audit that we released on on the charter school – the financial audit admits that they just wrote off a four hundred ninety thousand dollar ($490,000) obligation that they had to a contractor

– for a couple of years ago – and that they wrote wrote off another four hundred (400) to another contractor and they're walking away. But now they're planning on building a ten million dollar ($10,000,000) school and it's like..whose obligation is that going to be if it fails? I know you were talking earlier about the federal programs and non-profits. They're not our problem. But there's an issue about these charter schools that we created. If we don't address it and make it clear that *the obligations that they sign is their financial and their fiduciary responsibility* – there could be question. The good senator, Sabina, was talking about the problems with purchasing. The principals at these charter schools have more power than the Director of Administration because he has to at least have the Governor and the AG look at any contracts he signs – and so do I. But the charter school does not. It's frightening. But I'm glad that some of you are reading it but please in all of the audits that we issue – there is a reason for it and we're just trying to get somebody's attention to please address the problem because it's festering. Hopefully with a writ, we can at least attempt to – you know – it may – the courts may say that it's a violation – I mean, we're seeing that in the states now with courts. We may not have any authority. The executive is supreme – imperial – but at least we can try.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: Thank you, Mr Speaker. Mr. OPA Cruz. I'd like to welcome Senator Gumataotao for joining us as well.

[Questions and Discussion] [*Begins at 52:32 and ends at 01:14:21*]
COMMITTEE NOTE:Transcription of questions and discussion continues below.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: Would the author like to ask her questions now or would you like to close?

(*Senator Perez's reply was inaudible*)

Okay. So I will go in the order of arrival. So Senator Lujan, you'll be next to discuss any thoughts or questions on Bill 17-38.

SENATOR JESSE A. LUJAN: I'm good Mr. Chair.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: Thank you very much. Senator Sabrina Salas Matanane.

SENATOR SABRINA SALAS MATANANE: I have no questions. Thank you.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: Okay. Senator Calvo.

SENATOR SHELLY VARGAS CALVO: *Buenas* again and *Håfa Ådai*. I really don't have any question, but I do understand that this bill is a necessary step towards ensuring that audit recommendations are not just noted but acted upon. So I just want to thank the author. And again, I wanted to request for my name to be added in the bill. Possible. And thank you, Mr. Chair.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: Thank you, Senator Calvo. Senator Taitague, you are recognized.

SENATOR TELO TAITAGUE: Thank you, Mr. Chair. Good afternoon, Public Auditor. Thank you so much for being here today. As you know, I'm a co-sponsor of this legislation. We tried to introduce this bill in the last term, but it was vetoed by the governor with some concerns. And the author of the legislation assured by taking out that section of concern would be not in this legislation. However, I do have some questions for you and considering your background as not only a senator, but a lawyer, but a judge as well – as you deal with, you know, those areas in your life. On the judicial, well, the first question I have is on the legal and constitutional considerations in this particular legislation. Does the bill infringe on the executive branch's discretion in implementing audit recommendations?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: In the last week I've started to wonder because the Supreme Court has, the US Supreme Court has in recent days issued opinions that have given the president substantial powers that many of us thought weren't there or that the courts could tell them that, that you couldn't do certain things. And so this is, this is evolving of where the separation is and whether or not there really is a check and if the check is still alive and well two hundred and fifty (250) years after.

SENATOR TELO TAITAGUE: So do you think there's going to be any legal constitutional challenges regarding separation?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Oh, I'm sure there will be.

SENATOR TELO TAITAGUE: Okay. In this legislation? Okay. On the judicial and the administrative impact, has the Superior Court of Guam been, you know, consulted on the potential workload impact? Have you spoken with them at all…with the courts?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Oh, no, I don't talk to them about any and I don't think they would discuss with me potential cases and issues that would be highly improper.

SENATOR TELO TAITAGUE: Has other US Jurisdictions also implemented similar enforcement mechanisms for the public auditors compliance?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: We all have, and until this last three (3) months, I thought there was. But the U.S. Supreme Court is surprising me every day.

SENATOR TELO TAITAGUE: Okay. Well, I think Bill 17-38 is definitely a strong step toward government accountability and ensuring audit findings are taken very seriously and act upon. So, however, it's a success depends, you know, on clear guidelines for compliance and timelines, legal challenges and enforcement mechanisms. So, a potential compromise could involve a tiered enforcement approach and starting with administrative measures before restoring to court action. So, I mean this is at the beginning we talked about this last time in the previous legislature and we talked about the cost associated with this. But most especially a lot of people don't know that it's the manpower and that's very difficult. Every agency is having a hard time trying to fill – to cover all the responsibilities in the agency. So greatly appreciate your time here today and look forward to the passing of this legislation. I guess we'll come to that corner when if the governor has it and doesn't sign it, then we will have to come back to the drawing board. But there needs to be something that's put in place to assist you. So thank you so much Mr. Chair for the opportunity.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Thank you very much.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: *Si Yu'us Ma'åse* Senator Taitague. Senator Terlaje.

SENATOR THERESE TERLAJE: *Si Yu'us Ma'åse* thank you for your testimony. I support this bill. Of course, I'm a co-sponsor. But just wanted to ask – so has – you say this power has been with the public auditor and the governor agrees. Has it ever been used this rid of mandate?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: No.

SENATOR THERESE TERLAJE: In the veto message the governor says that she has the final authority, but that the public auditor can go to the court and ask for implementation. Do you see this as an urging that you're going to be making to the court that they urge implementation or that there is some mandate? What would be the mandate like loss of taxpayer money or what's it? How are we going to force that violation of the law or implementation of a new system?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: I thought that there was or at least seventh (7th) grade civics taught me that there was a separation of powers and that there was a check and balance between the branches. But this last three (3) months the Supreme Court of the United States has changed that. I am afraid that any attempt by my office or even you'll find that even the legislature trying to enforce certain things that – or the courts saying you can't do certain things that the executive or at least the US Supreme Court is saying now. No, the executive has that power. I'm hoping that this old legislation is still surprising – is still there and might be able to survive that this might be the 1787 legislation that is protecting.

SENATOR THERESE TERLAJE: Could you give us an example of a mandate that you would like to take to court if you could. For example, you talked about the alcohol. Is there any in relation to that or GMH or any other?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: I would like to. I'm really concerned about the loss of revenue and those pieces I would love to try to get them to do something because you can't just ignore. I, I'm not expecting a whole IT system, but at least a simple scanner so that the material is saved digitally. So in the event that there's a typhoon that wipes out part of *Tiyan* that all the records aren't gone. That somewhere in – somewhere – we can go through some digital and we can do some search – word search in it to find it so that everything with the liquor invoice or everything from a certain – all the liquor distributors can be pulled up rather than have 16 people going through boxes and seeing if, if they found. If they could find any. That's no assurance to me. I can't, I can't depend on that as the basis for my, for my audit.

SENATOR THERESE TERLAJE: Right. What is a document that you're saying is lacking or not recorded?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: The bill of lading that comes in. The bill of laden of them sending it out to the islands. How much of it? The records of how much was sent to the military. So I can say five hundred thousand (500,000) cases. I mean, pallets are brought in, two hundred (200) were sent out to the islands, two hundred (200) were sent to the military bases and I can charge. I should expect that I can collect for these hundred pallets.

SENATOR THERESE TERLAJE: All right.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: But I don't know because I don't know how many actually came in. I think some of you were with me in the, in the previous legislature when I wrote to – I tried to get one of the distributors to tell me how much cigarettes they were bringing in and they refused. And I wrote to the, I wrote to the Attorney General of the United States asking them to try to help me, you know, to comply with the settlement agreement on the collections. They can't even enforce that. We couldn't force big rentals, the cigarette companies to tell us how much they actually ship to Guam. We have to have some way to be able to do that.

SENATOR THERESE TERLAJE: All right.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: To be able to just say how much came in, how much went out and how much taxes we should be.

SENATOR THERESE TERLAJE: Well, I certainly support this and that power and that I hope that you will try it and let's see. So thank you very much. Thank you. Mr. Chair.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: *Si Yu'us Ma'åse* Senator Terlaje. Senator Gumataotao, you're recognized.

SENATOR EULOGIO SHAWN GUMATAOTAO: Thank you, Mr. Chair, and thank you, Public Auditor, for being with us this morning. I hope I ask a question that you haven't answered yet. But the inability, refusal or failure of an agency to implement OPA recommendations though – could be corrective action plans or others, as we all know, could have wide ranging implications on its operations, staff recruitment and retention efforts, and importantly, finances. I mean, as we found earlier in this term in the legislative oversight hearing on the Guam Office of Homeland Security and Office of Civil Defense relative to two of your audits and to the operating costs specifically, we engaged the heads of those agencies and the leadership of Gov Guam for nearly five hours with the objective of getting to the heart of the very matter that's facing these emergency response agencies. And obviously, as we were interested in reading the audits included in your audit, one (1) of them had five (5) OPA recommendations that remained open at the time of our oversight hearing on Homeland Security. And I wanted to ask you just to better understand the seriousness of the situation. I know your team's not here, but you might have a round number. But how many OPA recommendations have yet to be implemented on the average? And how many weeks, months, years have they sat idle? I'm sure it preceded you too.

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: It would be in the, probably in the hundreds because we do also prepare performance audits. Well, compliance audits where we have and I can't remember the number now and maybe Jericho might be able to help me. Where we go through, and we go through all the previous performance audits. We've done several of them and we issued one a few years ago in January 2023. And we, we test, we looked at the audit, the performance audits that we issued between January 2016 and October of 2020, I mean, December 21st to December 21st. And we looked at all of them. We contacted all of the departments listed, said we, we did this audit of your department. You, we had these list of audit findings and recommendations. How much – which ones have you complied with? Which ones have you not? And we wrote it out. And we have another one that where you have we were empowered. I have a couple of staff sending out hundreds of letters to the departments again trying to, trying to remind them that we did do this for a purpose and hopefully they'll do something. And if they don't, when that, when that new report comes in, maybe I'll test out this power and see whether or not I can get a couple of them to do something. But we send them reminders. But there's – we can only send reminders.

SENATOR EULOGIO SHAWN GUMATAOTAO: No, thank you and you know, and I'll just stick with…

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Oh and Jerrick's here.

SENATOR EULOGIO SHAWN GUMATAOTAO: I'm sorry, go ahead.

JERRICK J.J. HERNANDEZ, AUDITOR III, OPA: I just want to clarify so…

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: Please recognize yourself for the record.

JERRICK J.J. HERNANDEZ, AUDITOR III, OPA: Oh, sorry Jerrick Hernandez, I'm an Accountability Auditor III.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: Say it again because we just turned on the mic.

JERRICK J.J. HERNANDEZ, AUDITOR III, OPA: Okay. My name is Jerrick Hernandez. I'm an Accountability Auditor III with the office and I just wanted to clarify. So we do have an internal follow up process when it comes to the recommendations. So like you said with the Homeland Security case, how you said when the time of the hearing was around 5 still open. So technically in our internal procedures, the audits, we can give them about six (6) months after the audit is completed for either the agency to give a corrective action plan. And we do have a follow up process like within the first 180 days. There is a notice within the next six (6) days. So there is an internal. So we do try and work with the agencies when it comes to the recommendations. And I think that the law that or the bill that we're that's being proposed is kind of like – if after all this, after all this follow up, after we reported out in our audit recommendations, follow up report – that the recommendations still have not been implemented, then you give us this additional power where we can take it to that next level to say, "*Hey, we believe this recommendation is still important and it, and especially when it comes to loss revenues for the government that we can give take this action in that case*". But there is, we do work with the agencies internally to try and get the recommendations implemented and we do have a database that we monitor for all the recommendations.

SENATOR EULOGIO SHAWN GUMATAOTAO: All right, thank you for that. And let me just stick with Homeland Security, Mr. Speaker, recognizing that in the case of Guam Homeland Security and Civil Defense, where the OPA's findings highlighted $42 million dollars in expenditures that were requiring additional documentation and review. I know maybe not so much for them, but what information is available regarding the financial liability we face as a government, at least for the last five (5) years as a result of agencies just failing to implement either action plans or recommendations that you set forth in your audits. Do you have like a round number?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: So on the $42 million or the others where I'm starting to look at it because as I mentioned during one of the other hearings that we had, I'm now looking at the compliance report that we get issued with the big audit and I'm looking to see whether or not they're being mentioned. And in the most recent compliance audit of 23, we did notice that $10 million of the $12 million that we were expecting – I mean that we had fronted for Homeland had already been lost, that it was way past due. But the other question that wasn't being asked by any of us at the hearing of Homeland Security was yes, they have a corrective action plan going forward, but none of us were asking, and I'm even for ourselves of the opa, we've been looking at the corrective action plan that they've been submitting. But have they been submitting their federal financial reports for those years since it started? So over the last two (2) years, have they been doing anything to correct prospectively? Have they turned in the reports that the Director of BBMR said they had all the reports for travel. Did they turned in any of the documents to prove that they could, they should be absolved of any of the $42 million? No. And I'm afraid that we may be stuck with that $42.

SENATOR EULOGIO SHAWN GUMATAOTAO: No, I agree. So I mean, and this is my last question, Mr. Chair. Aside from Guam Homeland Security and Civil Defense, what other agencies required or still require General Fund support because they're unable to access non Government of Guam funds due to non compliance with your audit recommendations? And can you just ballpark, how much local money are we talking about here?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: Unfortunately, within the last few months it's just exploded. A few years back, the amount that was due and owing from the federal government to us for money that we fronted was, I think if memory serves me right, about $15 million. Then it went up to $33 million. In the 23 audit it went up to $55 million that was due in owing. How much is in the 24? I don't know. And how much is in the 25 would be even worse because this year there's even lots more that we fronted for. I know, I believe it was, I think Senator Borja. But he may know more about what's happening at GDOE, about how much money that they spent in anticipation of some money that's coming back – that they were hoping to get reimbursed. And now the Director, I mean the Secretary of Homeland Security, I mean of Education has said *"No, I'm clawing back everything*". And so we may have a huge one for this current fiscal year. But I don't, I really can't say and I don't, but I'm just saying that it's been growing and we're looking at it now to see which departments were in there and that's why we're doing a performance – we're doing performance audits on some of the ones that receive the most federal funds to make sure that they're complying, Because we don't want the Homeland Security to be a problem that's in other departments.

SENATOR EULOGIO SHAWN GUMATAOTAO: All right, thank you so much, and thank you for all your work in the Office of Public Accountability. Mr. Chair, that's all my questions. Thank you so much.

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: *Si Yu'us Ma'åse* Senator Gumataotao. Yeah. In our meeting with the Congressman that he gave us a courtesy of several days ago, aside from the clawback of the ARP, DOE's holding their breath on $54 million that they had used prior, and hopefully it was going forward on the 108, but because they had already submitted everything and we're just waiting for the review on the $54, man, it's Holy Week soon. A lot of rosaries need to be said because that $54 million is hanging in the air right now. With that, Senator Perez, would you like to close on this?

SENATOR SABINA FLORES PEREZ, BILL AUTHOR:
COMMITTEE NOTE: In her closing, Senator Perez asked two (2) questions to the Public Auditor.

Thank you, Chairman Dueñas. In the bill, it actually also takes out a section in law and I'm just wondering if this would affect your ability to – I guess – force implementation of corrective actions – and so, in the law – in § 1913, the part that was struck out and which was also addressed in the governor's veto – it states *"nothing in this section shall dilute any authority granted by law or rule to I Maga'håga or Maga'lahi the committee and rules of I Liheslatura or the Chief Justice of the Supreme Court of Guam to exercise their managerial authority in their respective branches of government…"* and so by restoring this would this affect your authority?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: If you would have asked me this last year, I would have said "*no*" but because of the last few months with the U.S. Supreme Court decisions, I'm not sure if we can do anything. We're finding the U.S. Supreme Court saying there is an imperial presidency, and we may discover that we have an imperial governor, also. Well it'd be an imperial executive.

SENATOR SABINA FLORES PEREZ, BILL AUTHOR: Do you think requiring agencies…I know you already publish the audits online at the OPA's website…but do you think requiring that of the agencies to also publish that on their websites – do you think that would be advantageous?

BENJAMIN J.F. CRUZ, PUBLIC AUDITOR, OPA: It wouldn't hurt. I think, you know, publishing it anywhere helps so that if people don't look at our website and they're just concerned about, you know, just this specific department, it *wouldn't* be a bad idea. I think right now they have to publish their financial audits on their website and if people read the financial audit the departments the compliance reports on the back that are really important to look at are really telling.

SENATOR SABINA FLORES PEREZ, BILL AUTHOR: I appreciate the responses and again, thank you for your support on this bill. I think it's very critical as we kind of dive into a new phase for Guam where there's a great uncertainty in regards to financial security when it comes to federal funding – and so what we can do to strengthen our resiliency here when it comes to ensuring that taxpayers dollars are spent properly and frugally – and you know, these are vital taxpayers dollars that we are spending on their behalf and it's very important that we do so with the utmost integrity and so thank you for your support and again thank you for this hearing. *Si Yu'us Ma'åse!*

SENATOR CHRISTOPHER M. DUEÑAS, CHAIRPERSON: *Si Yu'us Ma'åse*, Senator Perez. So that will consider Bill 17-38 heard.

Senator Perez, unfortunately, it appears that as though DOA was *not* able to make it in the time allotted for this hearing. I hope we will be able to get written testimony from them – but Senator, I will consider your bill (Bill No. 17-38) heard as well and you know – we can proceed with the bill (Bill No. 16-38) and like I said, I'm sure we can do our due diligence with you to try to ensure that we at least get a written testimony in preparation for the Committee Report process.

[COMMITTEE MOVES INTO BILL 16-38 (COR)]

III. FINDINGS & RECOMMENDATIONS:

The Committee ***finds*** that Bill No. 17-38 (COR) seeks to strengthen the effectiveness of audit processes by reinforcing the statutory authority of the Public Auditor to petition the Superior Court of Guam in instances where government agencies fail to implement audit recommendations without sufficient justification. Through the testimony provided (both oral and written) it was evident that there are recurring cases of non-compliance with audit recommendations, resulting in unresolved inefficiencies, missed opportunities for revenue enhancement, and continued risks to public accountability.

The testimony of the Public Auditor highlighted longstanding challenges regarding implementation of corrective actions, particularly related to tax collections and enforcement mechanisms. The inability of agencies to act upon recommendations, such as adopting basic tools like scanners or adhering to existing statutes, underscores the need for a clear and enforceable pathway to compel action when warranted.

The Committee ***concludes*** that while the Office of Public Accountability has historically interpreted its enabling statute to provide such authority, the clarifying language proposed in Bill No. 17-38 serves to remove ambiguity and ensure that all three conditions in this act must be present prior to any judicial petition. This structured approach respects due process, safeguards against arbitrary enforcement, and reinforces the principle of administrative accountability.

Accordingly, the Committee ***therefore*** reports **Bill No. 17-38 (COR)** as heard, with the understanding that it aims not to expand powers, but to clarify procedures in a way that supports good governance, protects public funds, and restores public trust with the recommendation to REPORT OUT ONLY**.**

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2025 (FIRST) Regular Session

Bill No. 17-38 (COR)

Introduced by:

Sabina Flores Perez SFP
Telo T. Taitague
Therese M. Terlaje TMT
Chris Barnett DCB

AN ACT TO *AMEND* § 1913 OF CHAPTER 19, TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO PROCEDURES FOR IMPLEMENTATION OF AUDIT RECOMMENDATIONS BY AGENCIES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that the Public Auditor shall conduct annual audits and post-audits of all transactions and accounts among government of Guam departments, offices, corporations, authorities, and agencies in all of the branches. Audits performed by the Office of Public Accountability aim to evaluate, if an entity complies with current policy and procedures and its efficiency and effectiveness. Notably, OPA performance audits serve to optimize operational performance and demonstrate good stewardship of public funds.

I Liheslatura further finds that although the Public Auditor conducts regular follow ups with agencies for corrective actions stemming from audits, he is unable to hold agencies accountable to corrective action plans.

Therefore, it is the intent of *I Liheslaturan Guåhan* to extend the enforcement ability of the Office of Public Accountability by mandating departments, offices, corporations, authorities, and agencies to fulfill their official duties.

Section 2. § 1913 of Title 1, Guam Code Annotated, is hereby *amended* to read as follows:

"**§ 1913. Implementation of Recommendation.**

The Public Auditor may file in the Superior Court of Guam a petition for a Writ of Mandate to force the implementation of the recommendations and the attendant corrective action plan in the event the Governor, the Committee on Rules of the Legislature, or the Chief Justice of the Supreme Court of Guam:

(a) fails to implement the required corrective action plan; or

(b) fails to provide a satisfactory explanation as to why such recommendations have not been implemented to the Public Auditor; or

(c) the Public Auditor has not concurred with the non-implementation on account of the provided explanation~~; the Public Auditor may file in the Superior Court of Guam an action for a Writ of Mandate to force the implementation of the recommendations and the attendant corrective action plan~~.

Section 3. Effective Date. This Act shall be effective upon enactment.

Section 4. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end, the provisions of this Act are severable.

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2025 (FIRST) Regular Session

Bill No. 17-38 (COR)
As amended by the Committee on Finance and Government Operations.

Introduced by:

Sabina Flores Perez
Telo T. Taitague
Therese M. Terlaje
Chris Barnett

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2025 (FIRST) Regular Session

Bill No. 17-38 (COR)
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COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

February 10, 2025

To: **Rennae V. C. Meno**
Clerk of the Legislature

From: **Vice Speaker V. Anthony Ada**
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 17-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 17-38 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.

Bureau of Budget & Management Research
Fiscal Note of Bill No. 17-38 (COR)

AN ACT TO AMEND § 1913 OF CHAPTER 19, TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO PROCEDURES FOR IMPLEMENTATION OF AUDIT RECOMMENDATIONS BY AGENCIES.

Department/Agency Appropriation Information	
Dept./Agency Affected: Office of Public Accountability	Dept./Agency Head: Benjamin J.F. Cruz
Department's General Fund (GF) appropriation(s) to date:	$2,194,843
Department's Other Fund appropriation(s) to date:	$0
Total Department/Agency Appropriation(s) to date:	$2,194,843

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund):	Total:
FY 2024 Unreserved Fund Balance	$0	$0	$0
FY 2025 Adopted Revenues	$0	$0	$0
FY 2025 Appro. (P.L. 37-125)	$0	$0	$0
Sub-total:	$0	$0	$0
Less appropriation in Bill	$0	$0	$0
Total:	$0	$0	$0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2025 (if applicable)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund	1/	$0	$0	$0	$0	$0
Special Fund	1/	$0	$0	$0	$0	$0
Total	1/	$0	$0	$0	$0	$0

1. Does the bill contain "revenue generating" provisions? / / Yes /X/ No
If Yes, see attachment
2. Is amount appropriated adequate to fund the intent of the appropriation? /X/ N/A / / Yes / / No
If no, what is the additional amount required? /X/ N/A
3. Does the Bill establish a new program/agency? / / Yes /X/ No
If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / No
Is there a federal mandate to establish the program/agency? / / Yes /X/ No
4. Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes / / No
/ / Requested agency comments not received by due date / / Other:

Analyst: ARO Date: 2/6/2025 Director: [signature] Date: FEB 07 2025
Abigail R. Ofeciar, BMA Supervisor Lester L. Carlson, Jr., Director

Notes:
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
COMMENTS ON BILL NO. 17-38 (COR)

The proposed legislation intends to amend §1913 of Chapter 19, Title 1 of the Guam Code Annotated relative to the procedures for implementation of audit recommendations by agencies. As stated in the Legislative Findings and Intent of the Bill, although the Public Auditor conducts regular follow ups with agencies for corrective actions as a result of audits, the Public Auditor is unable to hold such agencies accountable to corrective action plans. As such, the proposed legislation seeks to extend the enforcement ability of the Office of Public Accountability (OPA) through the filing of a Writ of Mandate in the Superior Court of Guam to mandate the implementation of recommendations and attendant corrective action plan.

The proposed legislation does not contain revenue generating provisions, nor does it appropriate any additional funding source to the OPA. Further, the proposed legislation does not impose additional mandates to the affected entities as it only seeks to amend §1913 of Chapter 19, Title 1 of the Guam Code Annotated relative to the procedures for implementation of audit recommendations by agencies. Given the administrative nature of the proposed legislation, the Bureau does not anticipate a direct fiscal impact to the Government of Guam. However, the Bureau recognizes there may be other fiscal impact to the entities as a result of mandating the recommendations and attendant corrective action plan stemming from OPA audits. Due to several unknown factors to include the various nature of recommendations and corrective action plans imposed on the affected entities, the Bureau is unable to determine an approximate fiscal impact at this time.

The Bureau has not received input on the proposed legislation from the OPA as of the time this fiscal note is prepared.