



OFFICES OF HOMELAND SECURITY AND CIVIL DEFENSE

Inasiguran I Tano' Guahan/Ufisinan Difensia Sibet

221-B Chalan Palasyo, Agana Heights, Guam 96910

Tel: (671) 475-9600 / Fax: (671) 477-3727

Website: www.ghs.guam.gov

Esther J. C. Aguigui
Homeland Security Advisor
Charles V. Esteves
Administrator

FOR IMMEDIATE RELEASE

January 31, 2025 (ChST)

GHS-OCD: Adjustments to Protocols and Corrective Action Plan in Response to Audit

Agana Heights, Guam - The Offices of Guam Homeland Security and Civil Defense (GHS/OCD) provide the following statement in light of a program-specific audit by the Federal Emergency Management Agency (FEMA), an investigative audit by the Guam Office of Public Accountability (OPA), recent news articles and sweeping claims based on overtime figures of the agency.

In 2023, Premier Group Services, Inc. was commissioned by FEMA to conduct an audit on Guam's administration and management of certain Preparedness, Public Assistance, Mitigation, and Homeland Security grants FEMA awarded to Guam from 2015 – 2022. The audit was originally meant to be conducted in 2019, as a standard audit, but was delayed due to COVID-19.

Following the FEMA audit, a separate comprehensive investigative audit was conducted by the Guam OPA. The FEMA and OPA audits proved to be invaluable in helping our agency ensure compliance with applicable laws, regulations, and procedures, ultimately improving our operational effectiveness.

The FEMA audit, identified twelve (12) findings Budget to Actual Overages; Time Sheet; General Ledger/Cash Disbursement/Audit Trail; Unsupported Inventory Control; Unsupported Salary Charged to Grants; Insufficient Procurement Procedures; Unsupported or Ineligible Disbursements; Travel Expenses Charged; Inaccurate or Untimely Reporting on FFR; Written Policies and Procedures Non-Compliant with Current Federal Guidance; Unsupported Sub-Recipient Files; Budget Matching.

A Corrective Action Plan has since been worked on, with a formal completion date accepted by FEMA of March 2025. Corrective actions identified are aggressively being implemented, even as revisions to the Corrective Action Plan are ongoing. Some of the corrective actions include, but are not limited to: Develop and Implement Budget Monitoring Procedures; Develop Timesheet Templates and SOP; Develop SOP for Expenditure Transactions; Establish Internal Controls and Tracking System; SOP for Internal Control; Monthly Compliance and Salary Expenditure Reviews; Develop Procurement SOP; Review and Update Disbursement Policies; Update Policies for Sub-Recipient Monitoring; Establish Grant Monitoring Committee; etc.

"The Office of Public Accountability's findings highlight approximately \$42 million in expenditures requiring additional documentation and review. As Homeland Security Advisor, I want to be clear: we take these findings seriously and acknowledge our responsibility to properly account for every dollar entrusted to our agency," said Esther Aguigui, Advisor, Guam Homeland Security. "While we believe these expenditures were legitimate emergency response costs, we recognize that insufficient documentation makes proper verification challenging. The OPA's audit did not question the necessity of the expenses themselves, the audit identifies gaps in our record-keeping processes. It's important to note that similar documentation challenges were identified in audits dating back to 2010, indicating a systemic issue that has persisted through multiple administrations. Understanding this history strengthens our resolve to implement lasting solutions that will serve our agency and

our community well beyond our tenure. We have already implemented significant improvements to our documentation systems, including centralized digital archives, standardized procedures, and enhanced tracking protocols. These changes address the root causes of our past documentation challenges, which were exacerbated by staff turnover and the intensity of consecutive emergency responses. Moving forward, we are committed to maintaining the highest standards of fiscal accountability while ensuring our ability to respond effectively to emergencies. The people of Guam deserve both rapid emergency response and proper stewardship of public funds – we are dedicated to delivering both," Aguigui continued.

“We recognize the importance of these audits in helping us refine operations and improve compliance with federal guidelines,” said Charles Esteves, Administrator, Office of Civil Defense. “We are working closely with FEMA and OPA to ensure that corrective actions implemented are sustained. Additionally, much of the overtime questioned in the audit stems from disaster response efforts across multiple agencies within the Government of Guam, many of which occurred under presidential disaster declarations. We remain committed to providing all necessary documentation to support reimbursement eligibility and demonstrating accountability,” Esteves continued.

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