

**Government of Guam Oversight of  
American Recovery and Reinvestment Act Funds**

**Performance Audit  
February 2009 through September 2010**

**OPA Report No. 11-02  
April 2011**



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April 2011**

**Distribution:**

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# Contents

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	Page
<b>Executive Summary .....</b>	<b>1</b>
<b>Introduction.....</b>	<b>3</b>
Background.....	3
<b>Results of Evaluation .....</b>	<b>6</b>
Additional Oversight for the Implementation of ARRA Funds Needed .....	6
ARRA Funds at Risk for Procurement Irregularities, Errors, Omissions, & Potential Fraud ....	7
No Reconciliation of Data between Guam Recovery & Federal Recovery Websites .....	13
Website Improvements Needed to Promote Accountability & Transparency of ARRA Funds	14
<b>Conclusion and Recommendations .....</b>	<b>16</b>
<b>Management Response and OPA Reply .....</b>	<b>17</b>
<b>Appendices:</b>	
1. Objective, Scope, and Methodology .....	18
2. Prior Audit Coverage .....	19
3. ARRA Section 1512 .....	20
4. GovGuam ARRA Funded Entities per BBMR.....	22
5. GovGuam ARRA Funded Entities – Amounts Awarded greater than \$1M.....	23
6. GovGuam ARRA Funded Entities – Amounts Expended greater than \$200K .....	24
7. BBMR GovGuam ARRA Summary as of 9/30/10.....	25
8. Variances Between Guam and Federal Recovery Websites for Selected Programs .....	28
9. Status of Recommendations.....	30
10. BBMR Management Response.....	31



**EXECUTIVE SUMMARY**  
**Government of Guam Oversight of American Recovery and Reinvestment Act Funds**  
**Report No. 11-02, April 2011**

The Department of the Interior's Inspector General Recovery Oversight Office requested the Office of Public Accountability (OPA) to evaluate the system of internal controls developed by the Government of Guam (GovGuam) to monitor the implementation and reporting of programs funded by the American Recovery and Reinvestment Act (ARRA).

We found that ARRA grants awarded to GovGuam are treated the same as regular federal grants, with recipient entities responsible for monitoring the implementation and reporting of ARRA programs without additional oversight. As a result, there is minimal assurance of improved or enhanced compliance, accountability, or transparency of ARRA grants compared to other federal grants. The Single Audit, which is part of the annual Financial Audit, is the primary compliance review for all federal and ARRA programs. However, this review is an after-the-fact determination of compliance. Preventative measures, including risk assessments, are not taken to mitigate noncompliance related to funds or programs. We also found that improvements are needed for the Guam Recovery Website and other entity websites to better promote accountability and transparency.

ARRA was an economic stimulus package enacted by the U.S. Congress in 2009 to create jobs and promote long-term growth and spur economic activity during the most recent recession. An important element of ARRA was an unprecedented commitment by the Congress and Administration to additional public accountability and transparency over the use of these stimulus monies. The Bureau of Budget and Management Research (BBMR), tasked to lead GovGuam's implementation of ARRA, reported that, as of September 30, 2010, GovGuam has received \$234.6 million (M) in ARRA funds and has expended or encumbered only \$82.9M, or 35%. With most ARRA funds having a September 2011 obligation deadline, the need to encumber and expend the remaining \$151.7M, or 65%, becomes essential. Because of the looming time pressures to use these ARRA funds by the obligation deadline, there exists an increased risk of procurement irregularities, errors, omissions, and potential fraud.

**Additional Oversight for the Implementation of ARRA Funds Needed**

Due to insufficient capacity, funding, and training, BBMR limits its role to ensuring compliance with reporting deadlines and compliance with Section 1512 reporting and not necessarily with overseeing the appropriate use of ARRA funds. As a result, recipient entities continue to be internally responsible for monitoring their respective ARRA-funded programs and activities without additional external oversight. Thus, there has been little or no assurance of improved or enhanced compliance, accountability, or transparency.

**ARRA Funds at Risk for Procurement Irregularities, Errors, Omissions and Potential Fraud**

While BBMR and several recipient agencies contend that the regulation requiring Attorney General approval on procurements of \$500,000 or greater hinders timely spending and obligation of funds, this external review acts as an independent control to mitigate the risk of procurement irregularities, errors, omissions and potential fraud. Without a similar control, procurements below \$500,000 are also at risk. Bill 48-31, passed in February 2011, provides temporary expedited procurement protest procedures for the Department of Education's (DOE) ARRA funded acquisitions. Subsequently, Governor's Directive No. 2011-002 engaged an "ARRA Rapid Response Team" to work diligently on ensuring maximum and expeditious usage of ARRA funds. With hurried attempts to encumber the

remaining \$151.7M before the obligation deadline, we believe Guam's procurement laws and regulations currently provide the safeguards to ensure compliance with ARRA's stringent accountability and transparency provisions and should be followed.

### **No Reconciliation of Data between Guam Recovery and Federal Recovery Websites**

As lead agency for ARRA Funds, BBMR established the Guam Recovery Website, [www.recovery.guam.gov](http://www.recovery.guam.gov), "to provide public access to ARRA information and Guam's efforts in putting resources towards the best possible use." We found, however, that the website lacked transparency and sufficient accountability. Namely, BBMR's consolidated quarterly reports do not reconcile to the Federal Recovery Website, [www.recovery.gov](http://www.recovery.gov). According to the federal website, \$281.7M was awarded to Guam between February 17, 2009 and September 30, 2010. GovGuam was awarded \$236.6M and the rest was awarded to private companies and non-profit organizations. However, BBMR's website reports GovGuam's share at \$234.6M, a \$2M difference. BBMR does not track awards to non-government entities.

We reviewed the data that reported the use of ARRA funds for four of the 21 entities that were awarded such funds: the departments of Labor (DOL), Public Works (DPW), DOE, and the Guam Energy Office (GEO). We found variances of \$663,000 and \$1.9M in the total amounts awarded and expended, respectively.

### **Website Improvements Needed to Promote Accountability and Transparency of ARRA Funds**

We also found that the Guam Recovery Website lacked adequate information to track or review the status of projects and activities of the primary recipients, sub-recipients, vendors, and contractors. Review findings on ARRA grant use and management plans to address them are not posted. We found that the Bureau of Statistics and Plans, DOE, DOL, Guam Community College, GEO, Guam Housing and Urban Renewal Authority, and the University of Guam devote sections of their respective websites to their ARRA projects and activities, including such details as to the totals they were awarded, the amounts expended, the types of programs, and names of the granting federal agencies.

### **Conclusion and Recommendations**

Although ARRA was implemented with an unprecedented commitment by the Congress and Administration to provide additional public accountability and transparency over the use of these stimulus monies, we found that ARRA grants awarded to GovGuam are treated the same as regular federal grants, with recipient entities responsible for monitoring the implementation and reporting of ARRA programs. Subsequently, in February 2011, the new GovGuam administration established the "ARRA Rapid Response Team" tasked to work diligently to fund solutions to the government of Guam's financial challenges including maximum and expeditious usage of federal funds, with heightened focus on ARRA funds.

BBMR issued a five-page response elaborating on the various findings and concurrence in principle with the following recommendations:

- (1) Increase oversight responsibilities by performing risk assessments using the findings and questioned costs identified in the annual Single Audit reports and developing appropriate responses to the assessed risks to prevent recurrence of findings and identify other areas of control weaknesses; and
- (2) Work with the Bureau of Information Technology to restructure the Guam Recovery Website to mirror the information on the Federal Recovery Website and consider best practices for website formatting. In addition, monitor or coordinate with agencies to ensure their respective websites comply with ARRA website requirements.

Doris Flores Brooks, CPA, CGFM  
Public Auditor



# Introduction

This report presents the results of our evaluation of the Government of Guam's (GovGuam) management of the funds awarded to the government through the American Recovery and Reinvestment Act of 2009 (ARRA). Our objective was to evaluate the system of internal controls developed by GovGuam to monitor the implementation and reporting of programs funded by ARRA. This evaluation was conducted at the request of the Department of the Interior's Inspector General Recovery Oversight Office (ROO). As a cooperative effort with ROO, the Public Auditor notified all executive branch entities and the Judiciary of the evaluation and several entities were selected to respond to questionnaires prepared by ROO.

The scope, methodology, and prior audit coverage are detailed in Appendices 1 and 2.

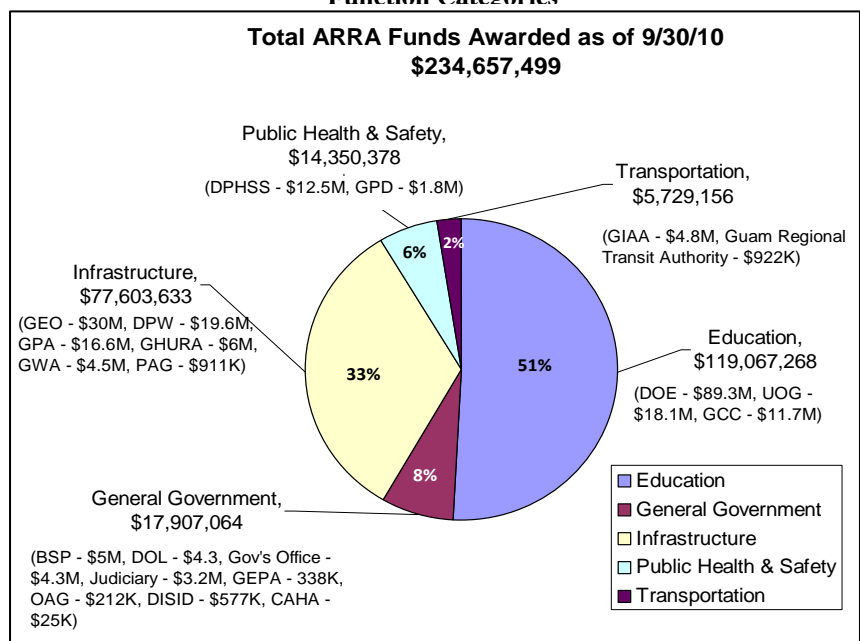
## Background

The U.S. Congress passed and President Barack Obama signed ARRA into law in February 2009. The Act is intended to preserve and create jobs in the short-term, promote economic recovery, and investment in environmental protection, transportation, and other infrastructure that will have economic benefit. It is also intended to help stabilize state and local government budgets to minimize and avoid the reduction of essential services. An important element of ARRA was an unprecedented commitment by the Congress and Administration to additional public accountability and transparency over the use of these stimulus monies. The Act requires recipients to submit detailed quarterly reports beginning in October 2009 on approved projects and activities. Most ARRA funds must be expended or encumbered by September 2011.

## ARRA Funds Awarded to Guam

According to the Bureau of Budget and Management Research (BBMR), as of September 30, 2010, \$234.6M has been awarded to 21 GovGuam entities in the five categories illustrated in Graph 1. Education, the largest category, received approximately \$119M, or 51%. Infrastructure followed with \$77.6M or 33%. In descending order, General Government received \$17.9M or 8%, Public Health and Safety received \$14.3M or 6%, and Transportation received \$5.7M, or 2%.

**Graph 1: Summary of ARRA Funds Awarded by Government Function Categories**



### **Designated Lead State Agency**

In March 2009, the Governor designated BBMR as the lead state agency for the implementation of ARRA. BBMR issued two Circulars<sup>1</sup> regarding reporting requirements and compliance, and the Office of Public Accountability (OPA) provided guidance and training for the required quarterly reports. BBMR compiles the reports and posts the data on the Guam Recovery Website, [www.recovery.guam.gov](http://www.recovery.guam.gov). The consolidated reports include information as to the entities that applied for and received ARRA funds, amounts sought and awarded, grant numbers, program descriptions, amounts encumbered and/or expended, the remaining amounts available, and grant start and end dates. See Appendix 7 for the summary report as of September 30, 2010.

The line agencies that rely on the Department of Administration (DOA) and receive ARRA funds are required to create a budget and submit a request to BBMR for the establishment of an account. BBMR then routes the request to DOA to load the allotments into its centralized accounting system, the AS400. DOE and the autonomous entities, such as the Guam Power Authority and the Guam Waterworks Authority, which have their own accounting divisions, do not go through BBMR to establish an account.

### **Collaboration with Other Agencies**

In light of the large sums of federal funds flowing into Guam, BBMR collaborated with the Guam State Clearinghouse (GSC), DOA, and OPA to ensure compliance with ARRA regulations.

**GSC** has purview over all GovGuam federal aid programs, grants, loans, contracts, contributions, appropriations, advances, direct federal development, and other federal funding sources for Guam.<sup>2</sup> GSC provides technical review and assistance and regularly issues notices of ARRA opportunities. All ARRA-funded proposals and ancillary program/grant submissions must be filed and recorded at GSC. The address for GSC's "Recovery Act Recovery Locker" is [www.guamclearinghouse.com](http://www.guamclearinghouse.com).

**DOA** provides financial accounting services for 38 GovGuam line entities. The services include (a) systems management and technical support, (b) payroll accounting and services, (c) appropriation and encumbrance accounting, (d) financial reporting, (e) records management, (f) accounts payable and receivable, (g) cash management, (h) federal grant accounting and contact, (i) bank reconciliations, (j) maintenance of subsidiary ledgers, etc. DOA processes ARRA awards in the same manner as other federal grants. DOA's General Services Agency (GSA) provides procurement and warehousing activities. All line agencies must go through GSA for supplies and services procurement and through the Department of Public Works (DPW) for procurement of construction projects. DOE and the autonomous agencies manage their own procurement.

**OPA** is responsible for auditing the transactions and accounts of all GovGuam entities. OPA's primary focus is on the use of local funding, but oversees compliance audits of major federal programs through the annual Financial Audit. OPA, together with the entities, contracts independent Certified Public Accounting firms to conduct an annual audit, which includes a

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<sup>1</sup> BBMR Circular 09-05 "American Recovery and Reinvestment Act (ARRA) Reporting Requirements" issued July 21, 2009 and BBMR Circular 09-06 "Compliance with Reporting Requirements in Section 1512 of the 2009 American Recovery and Reinvestment Act (ARRA)" issued September 10, 2009.

<sup>2</sup> Title 5 of the Guam Code Annotated (GCA) §2101.

compliance audit pursuant to the Single Audit Act and Office of Management and Budget (OMB) Circular A-133.

In August and September 2009, OPA conducted training seminars to governmental agencies and provided technical assistance on the basic legal, administrative, and reporting requirements of ARRA. The seminars reached 120 directors, senior managers, and comptrollers from 31 agencies.

Guidelines and periodic updates on ARRA issued by OMB are available on OPA's website: [www.guamopa.org](http://www.guamopa.org).



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# Results of Evaluation

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Although ARRA was implemented with an unprecedented commitment by the Congress and Administration to provide additional public accountability and transparency over the use of these stimulus monies, we found that ARRA grants awarded to GovGuam are treated the same as regular federal grants, with recipient entities responsible for monitoring the implementation and reporting of ARRA programs without additional oversight. As a result, there is little or no assurance of improved or enhanced compliance, accountability, or transparency of ARRA grants compared to other federal grants. The Single Audit, which is part of the annual Financial Audit, currently serves as the primary compliance review for all federal and ARRA programs. However, this review is an after-the-fact determination of compliance. No preventative measures, such as risk assessments to mitigate noncompliance, are taken. Given the short time left to obligate the remaining \$151.7M ARRA funds, the risk for procurement irregularities, errors, omissions, and potential fraud is increased. We also found that the Guam Recovery Website and other entity websites need improvements to promote better accountability and transparency.

## **Additional Oversight for the Implementation of ARRA Funds Needed**

Although BBMR is the lead agency for GovGuam's implementation of ARRA, the former Director maintained that the agency's role was to ensure compliance with reporting deadlines, not with oversight of the appropriate use of funds. She believed the responsibility of monitoring the appropriate use of the funds was that of the recipient agencies.

Procedurally, GovGuam entities must complete Section 1512 quarterly reports on the Federal Recovery Website: [www.federalreporting.gov](http://www.federalreporting.gov). Entities then report the same information to BBMR which compiles a quarterly summary of Federal Stimulus Funding - BBMR Form (ARRA-1). Section 1512, cited as the "Jobs Accountability Act", requires each ARRA recipient to submit to their federal granting agency not later than 10 days after the end of each calendar quarter a report on the amount of ARRA funds received, expended, and status of program activities. See Appendix 3 for Section 1512.

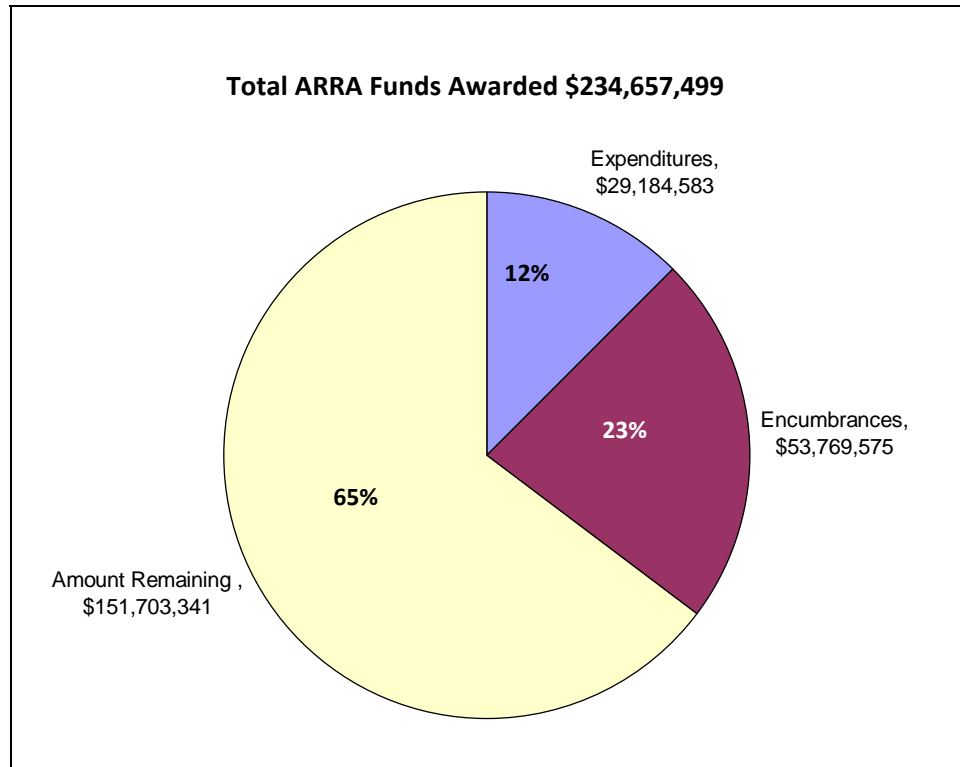
According to the former director, BBMR limited its role due to insufficient capacity, funding, and training to perform additional oversight functions. As a result, recipient entities continue to be responsible for internally monitoring their respective ARRA-funded programs and activities.

Of the 18 Financial Audits issued for FY 2009, the Guam International Airport Authority (GIAA), the Guam Housing and Urban Renewal Authority (GHURA), the Department of Labor (DOL), and the Department of Public Health and Social Services (DPHSS) included findings related to non-compliance with the Davis Bacon Act and procurement regulations, the inability to produce complete financial statements on a monthly and annual basis, and weaknesses in sub-recipient monitoring. See Appendix 2 for more details. By September 30, 2009, only 18% of the \$62M in ARRA funds awarded at that time had been expended. With more funds yet to be expended before the upcoming obligation deadline, we recommend BBMR take on oversight responsibilities by performing risk assessments to identify control weaknesses and develop appropriate responses to the identified risks to prevent the recurrence of non-compliance and related audit findings and questioned costs as previously reported.

## ARRA Funds at Risk for Procurement Irregularities, Errors, Omissions, and Potential Fraud

Of the \$234.6M awarded to 21 entities (See Appendix 4 and 5) as of September 2010, only \$82.9M, or 35%, has been expended or encumbered. The remaining \$151.7M, or 65%, has yet to be obligated (See Graph 2 below).

Graph 2: Summary of GovGuam ARRA Funds



We reviewed the expended status of four of the awarded entities: DOL, DPW, DOE, and the Guam Energy Office (GEO). These entities collectively received \$143.1M, or 61%, of the total awarded to GovGuam, but expended only \$6.5M, or 4.6% of the total awarded to the selected entities.<sup>3</sup>

<sup>3</sup> These figures were derived from BBMR's consolidated summary report as of September 30, 2010, which is available on [www.recovery.guam.gov](http://www.recovery.guam.gov).

**Department of Labor**

In line with the ARRA objective to stimulate the economy through job creation, DOL was awarded \$4.3M from the U.S. Department of Labor (USDOL) and the Corporation for National and Community Service (CNCS) to provide job skills and job placement opportunities, and mentor and tutor At-Risk Youths through the following programs:

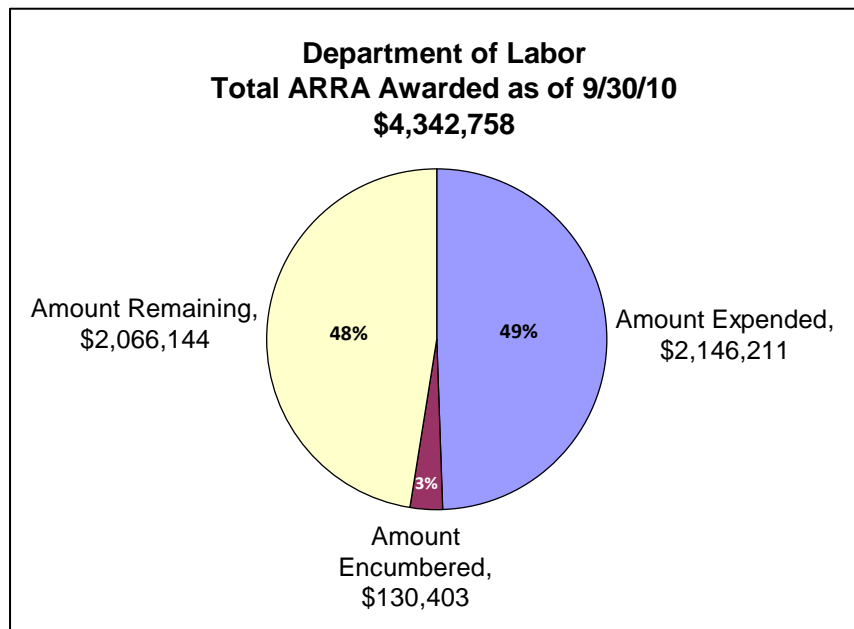
1	Workforce Investment Act – Adult Program	\$ 554,734
2	Workforce Investment Act – Dislocated Worker Program	\$ 1,608,729
3	Workforce Investment Act – Youth Program	\$ 1,383,998
4	Wagner-Peyser – Employment Service	\$ 69,486
5	Wagner-Peyser – Reemployment Service	\$ 115,811
	Older Americans Act – Senior Community Service	
6	Employment Program	\$ 269,887
7	CNCS funded the Americorp – Serve Guam Program	\$ 340,113
	<b>Total</b>	<b>\$ 4,342,758</b>

As of September 30, 2010, DOL expended \$2.1M, encumbered \$130K, and had a balance of \$2M of unobligated ARRA funds (See Graph 3 below). DOL's original plan was to increase the number of participants in a work experience program that allowed for training and minimum wage pay. DOL had no challenges with its youth and adult activities or in meeting its program benchmarks. However, DOL's Dislocated Worker program initially had challenges finding "dislocated workers" (those laid off as a result of business closure). For resolution, they instead focused on "displaced homemakers," a secondary category under Dislocated Workers. To meet expenditure benchmarks and maximize training, DOL increased the total number of work hours for program participants.

DOL does not foresee challenges in expending its remaining ARRA funds, as they anticipate encumbering most of the

**Graph 3: Summary of Department of Labor**

funds by the end of March 2011. In addition, they plan to work with the Bureau of Information Technology on a bid invitation for DOL's Information Technology Infrastructure Plan, to be issued at the end of March.



**Department of Public Works**

DPW did not apply for ARRA funding, but received \$19.6M from the Federal Highway Administration through an annual allocation to all states and territories from the ARRA Stimulus Package. The funds are to be expended for construction, construction management services, and training programs as follows:

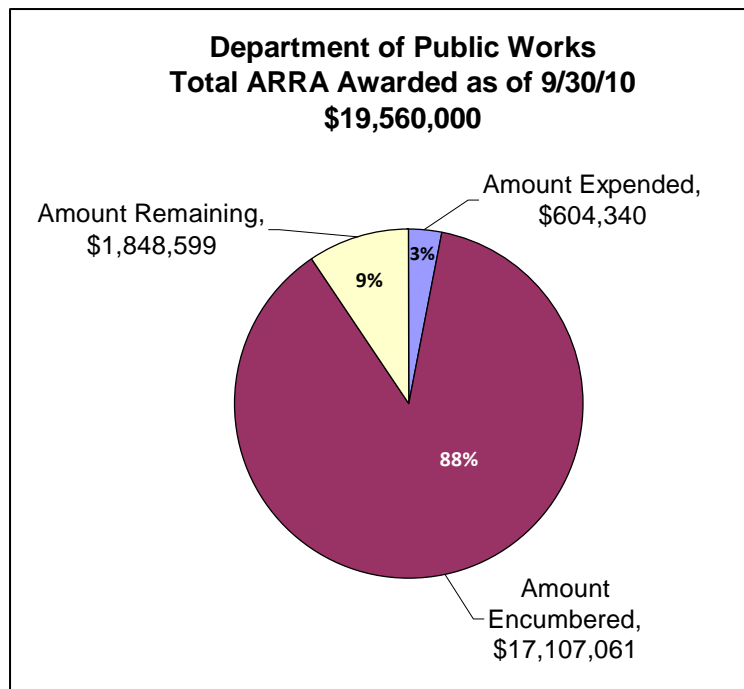
1	Route 2 Culverts	\$ 1,582,000
2	Masso River Bridge	\$ 220,000
3	Route 25 Reconstruction	\$ 6,500,000
4	Route 4 Widening	\$ 3,950,000
5	Route 17 Rehabilitation	\$ 5,748,000
6	On-the-Job Training Support Services	\$ 900,000
7	On-the-Job Training Support Services – Pacific Islanders	\$ 660,000
	<b>Total</b>	<b>\$ 19,560,000</b>

As of September 30, 2010, DPW expended \$604K, encumbered \$17.1M, and had \$1.8M remaining unobligated ARRA funds (See Graph 4 below). Of the four government agencies reviewed in our analysis of ARRA expenditure status, DPW is the only one of the four entities that obligated most of its ARRA funds, which is attributed to the fact that DPW already had an existing Territorial Transportation Improvement Plan with construction projects just awaiting funding.

In addition, DPW has an in-house attorney who reviews and approves their Federal Highway Administration procurements, allowing for timely action on most of their contracts. For example, the in-house attorney reviewed the Route 25 reconstruction project and cleared it for an Invitation for Bid (IFB) to be advertised. Bid proposals were evaluated, bidders were notified, and the contract was executed. The Notice to Proceed was issued on May 6, 2010. We learned that the Federal Highway Administration maintained strong oversight throughout the process.

We also learned that DPW construction inspectors conduct inspections and produce progress reports on projects. These reports include the contractor’s daily production reports and a DPW engineer’s daily inspection report. When completed, DPW’s road construction projects will be among the most visible effects of ARRA on Guam.

**Graph 4: Summary of Department of Public Works**



**Guam Energy Office**

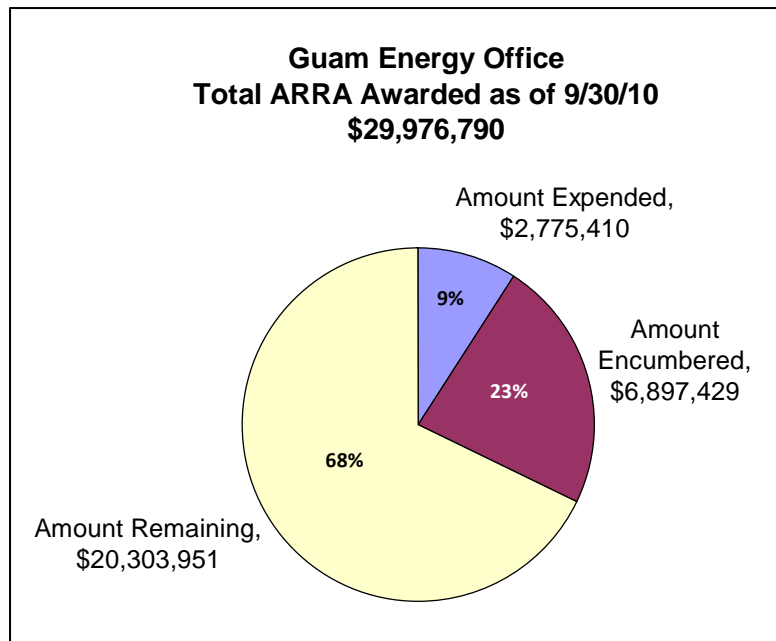
GEO was awarded close to \$30M in ARRA funds from the U.S. Department of Energy for the following programs:

1 State Energy Program	\$ 19,098,000
2 State Energy Efficient Appliance Rebate Program (SSEARP)	\$ 166,000
3 Weatherization Assistance Program	\$ 1,119,290
4 Energy Efficiency Conservation Block Grant	\$ 9,593,500
Total	\$ 29,976,790

As of September 30, 2010, GEO expended \$2.8M, encumbered \$6.9M, and had a balance of \$20.3M of unobligated ARRA funds (See Graph 5 below). In fiscal year 2009, GEO expended \$336,785 in federal funds. With the increase in ARRA funding, GEO needed more manpower to manage the significant increase in grant funding and hired 12 unclassified temporary Special Project Coordinators (SPCs) for up to three years, the expected lifespan of the programs. Although the positions were limited term and unclassified, we learned from GEO’s administrative officer and three SPCs that the jobs were not advertised, which is contrary to ARRA’s aim for added accountability and transparency. The SPCs interviewed said they found out about the positions from friends and family.

GEO’s plan for encumbering and expending ARRA funds was initially delayed by the time it took for the Attorney General’s (AG) Office to review their procurement contracts, sometimes as long as 120 days. To resolve the delays, GEO contracted a private law firm to review ARRA procurement contracts, reducing the waiting period to four to six weeks. Another delaying factor cited was the recent administration change. Nonetheless, GEO officials are confident they can expend or encumber up to 80% of its ARRA funds by June 2011. The remaining funds have an extended obligation deadline of March 2013.

**Graph 5: Summary of Guam Energy Office**



**Department of Education**

DOE was awarded \$89.3M in ARRA funds as follows:

**U.S. Department of Education (USDOE) Grants:**

1	State Fiscal Stabilization Fund (SFSF) Program for Education Stabilization Fund Projects	\$ 75,742,784
2	Special Education – Grants for Infants and Families with Disabilities “Recovery Funds” (Part C)	\$ 52,064
3	Special Education – Grants to States “Recovery Act” (Part B)	\$ 510,352
4	Title VII, Part B Rural Education Initiative Subpart 2: Rural and Low Income School Programs	\$ 12,206,153
	Subtotal	<u>\$ 88,511,353</u>

**U.S. Department of Agriculture (USDA) Grants:**

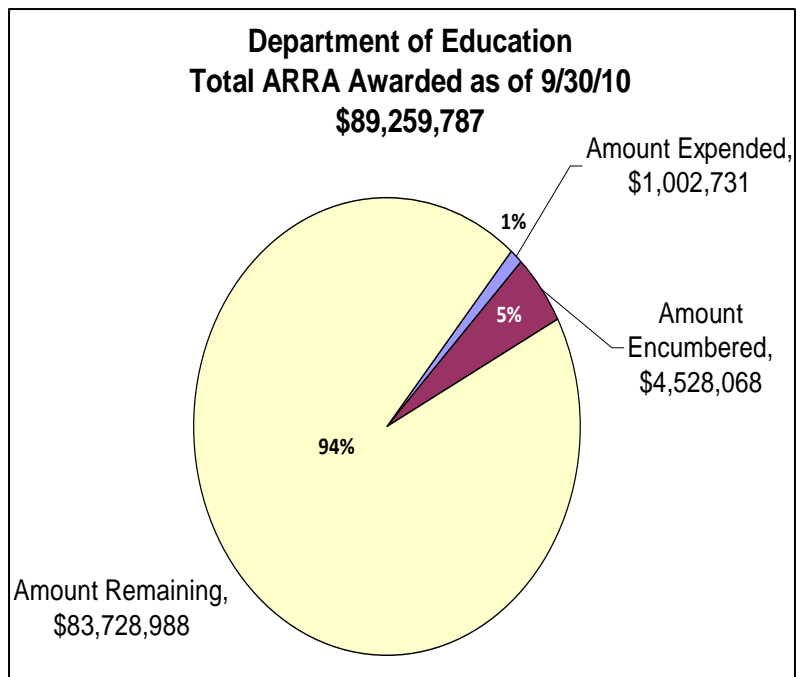
1	Child Nutrition Recovery Act	\$ 215,764
2	College Access Program Recovery Act – The Emergency Food Assistance Program Administration	\$ 15,375
	Subtotal	<u>\$ 231,139</u>

**U.S. Department of Health and Human Services (DHHS) Grants:**

1	Recovery Act Cost of Living Adjustment and Quality Improvement Grant	\$ 228,859
2	Recovery Act Head Start Expansion Grant	\$ 288,436
	Subtotal	<u>\$ 517,295</u>
	Total	<u>\$ 89,259,787</u>

DOE received the bulk (38%) of total ARRA funds awarded to Guam, but has only expended \$1M and encumbered \$4.5M as of September 30, 2010. This leaves \$83.7M of ARRA funds waiting to be obligated (See Graph 6 below). DOE has had several delaying factors. First, USDOE required DOE to contract a third party fiduciary agent. In September 2009, after failing to improve its management of U.S. DOE grants, funds were withheld until a fiduciary agent was in place. Secondly, most of the ARRA funds were awarded in mid-2010, relatively recent in relation to other ARRA awards. Thirdly, DOE initially did not have an acquisition plan of how and when items and services were to be procured, and there was no budget breakdown for how the funds would be allocated. Lastly, the lengthy process for AG’s approval of procurements in excess of \$500,000 hinders expending or encumbering the funds. Having received the most ARRA funds and obligated the least amount, DOE runs the greatest risk of losing the funds.

**Graph 6: Summary of Department of Education**



### **Subsequent Events**

On February 18, 2011, a Senator from the Guam Legislature asked the Governor to consider requesting USDOE re-program \$36,673,370 of the fiscal stabilization grant, initially earmarked for capital expenditures, for the payment of personnel costs for FY 2011. The reprogramming request seeks to stabilize government revenues in anticipation of a cash shortfall for the third quarter of FY 2011 and to avoid losing ARRA funds for failure to expend such funds by the September 2011 deadline. In March 2011, USDOE informed the Governor that prior to considering and approving Guam's proposed amendment to utilize SFSF funds for DOE payroll, legislation is required to ensure that the reprogramming is matched by local funds at the same levels for the following intended purposes of SFSF funds: capital improvement projects, professional development for teachers, school staff and administrators, and improving the financial management system.

In addition, Bill 48-31 was recently passed on February 24, 2011 by the Guam Legislature to provide temporary expedited procurement protest procedures for acquisitions funded with ARRA funds awarded to the DOE. Under this bill, if a non-selected vendor, contractor, or service provider is aggrieved by an award or contract funded, in whole or in part, by ARRA funds allotted to DOE, they can submit a protest to the Public Auditor, who may settle and resolve a protest within no more than ten working days, by one or more of the following means: amending or canceling the solicitation; terminating the contract that was awarded; declaring the contract null and void from the time of its award; or affirming the contract award decision. Prior to this bill being passed, procedurally the non-selected vendor, contractor, or service provider would have to submit the protest to the procuring agency, and would then file a procurement appeal with the Public Auditor no later than 14 days after they received a decision on their protest. This expedited procurement process would be repealed effective December 31, 2011.

Subsequently, on February 25, 2011, the acting governor released Governor's Directive No. 2011-002 which establishes and engages an "ARRA Rapid Response Team," headed by his Chief of Staff, and includes the Chief Fiscal Advisor, Special Assistant on Education, BBMR, and GSC. The team is tasked to work diligently to find solutions to GovGuam's financial challenges including ensuring maximum and expeditious usage of federal funds, with a heightened focus on ARRA funds.

The directive requires all heads of departments, agencies or other government entities, including autonomous and semi-autonomous agencies that have been awarded ARRA funds to submit a Narrative Progress Report on a monthly basis to BBMR no later than 10 days after promulgation of the directive until further ordered, including percentage completion, for each active ARRA grant awarded to the department or agency. In addition, the progress report should include any issues hindering or delaying full usage of ARRA funds before grant expiration and recommended solutions to such issues. Departments or agencies must also provide a list of ARRA-funded contracts pending clearance for the AG and/ or will be submitted to that office in the near future. A schedule of all ARRA-funded Capital Improvement Projects that includes the project cost, description, estimated date of commencement, and estimated date of completion should also be submitted.

Although OPA recognizes the urgent need to obligate the remaining \$151.7M ARRA funds by September 2011, we do not believe Guam's procurement laws and regulations impede the process. The existing safeguards ensure compliance with ARRA's stringent accountability and transparency provisions and were designed to curtail fraud, waste, and abuse. In addition, several

entities contend the AG review and approval of procurements of \$500,000 or greater, mandated by Public Law 30-72, is the main delay in the procurement process. The OPA is supportive of the AG review, as it adds an independent layer of review and control which mitigates the risk of procurement irregularities, errors, omissions, and potential fraud. However, the extended timeline to conduct this review is problematic. The AG should make its best effort to conduct this review expeditiously. Without a similar independent oversight control, procurements below \$500,000 are also at risk.

## No Reconciliation of Data between Guam Recovery and Federal Recovery Websites

As the lead agency for ARRA funds, BBMR collaborated with the Bureau of Information and Technology to establish the Guam Recovery Website, [www.recovery.guam.gov](http://www.recovery.guam.gov), to provide public access to ARRA information and Guam’s efforts to use the resources in the best ways. However, we found that the website lacked transparency and sufficient accountability. BBMR’s consolidated quarterly reports do not reconcile with what is listed on the Federal Recovery Website, [www.recovery.gov](http://www.recovery.gov). According to the federal website, \$281.8M was awarded to Guam between February 17, 2009 and September 30, 2010. GovGuam was awarded \$236.7M and the rest was awarded to private companies and non-profit organizations. However, BBMR’s website reports GovGuam’s share at \$234.6M, a \$2M difference. BBMR does not track awards to non-government entities.

Despite requiring agencies to submit financial reports in a particular format (BBMR Form ARRA-1), BBMR does not necessarily use that data and instead relies on AS400 information to produce the summary report posted on the Guam website, although the information from the autonomous agencies are utilized. BBMR explains variances to be the result of federal grantors requiring agencies to detail actual draw-downs while figures on the Guam website are actual expenditures recorded in the AS400 system.

As indicated in Tables 1 and 2, there is no reconciliation between the data reported on the Guam Recovery and Federal Recovery websites. Among the four entities we reviewed, we found variances of \$663,000 and \$1.9M in the total amounts awarded and expended, as follows:

**Table 1: Amounts Awarded as of 9/30/10**

Entity	Guam Recovery website	Federal Recovery website	Difference
Department of Labor	\$4,342,758	\$4,342,758	-
Department of Public Works	\$19,560,000	\$19,560,000	-
Guam Energy Office	\$29,976,790	\$30,647,909	(\$671,119)
Department of Education	\$89,259,787	\$89,267,981	\$8,194
<b>Total</b>			<b>(\$663,000)</b>

**Table 2: Amounts Expended as of 9/30/10**

Entity	Guam Recovery website	Federal Recovery website	Difference
Department of Labor	\$2,146,211	\$2,036,836	\$109,375
Department of Public Works	\$604,340	\$604,340	-
Guam Energy Office	\$2,775,410	\$1,021,397	\$1,754,013
Department of Education	\$1,002,731	\$983,720	\$19,011
<b>Total</b>			<b>\$1,882,399</b>



The above tables do not indicate variances in the total award amounts to DPW, but there were variances in the individual grant amounts (See Appendix 8). In addition to BBMR's explanation for the variances, we found insufficient reconciliations to verify the accuracy of the amounts reported on the Guam Recovery Website. Given that the website is intended to provide updated expenditure amounts, BBMR should continue to report the expenditure information from the AS400 as well as post a reconciliation to match the amounts agencies report on the Federal Recovery Website on BBMR Form ARRA-1. This will prevent confusion over the accuracy of ARRA reporting.

## **Website Improvements Needed to Promote Accountability and Transparency of ARRA Funds**

OMB's "American Recovery and Reinvestment Act (ARRA) Recovery.gov Recommended Guidelines for Related State Web Pages," released in March 2009, encourages state websites to mirror the structure of the federal website. More specifically, just as the Federal Recovery website features data and figures from, and links to, federal agencies and states, state recovery sites should feature data and figures from, and links to, every participating state agency, locality, and municipality.

We found that BBMR's website, [www.recovery.guam.gov](http://www.recovery.guam.gov), lacked transparency, sufficient accountability, and report details as it does not mirror the information presented on the Federal Recovery Website. BBMR's consolidated quarterly reports on the website do not contain adequate information to track or review the status of projects and activities, specifically:

- Prime recipients, sub-recipients, vendors, and contractors are not listed.
- Current status of projects and activities are not available.
- Findings on ARRA grants from FY 2009 audits and how management plans to address them are not posted.

In addition, we found that of the 21 GovGuam ARRA recipients, only DOL is listed as a website link. Anyone seeking information about the other recipients would need to go directly to respective websites.

OMB's Guidance M-09-10, dated February 18, 2009, states that agencies are not required to develop separate websites for their ARRA activities, but should dedicate a section of their own website for that purpose. We found that seven of the 21 entities: BSP, DOE, DOL, Guam Community College, GEO, GHURA, and University of Guam do devote sections of their respective websites to ARRA projects and activities and include such details as the total amounts they were awarded, the amount they expended, the type of program, and name of the granting federal agency. The other recipient agencies can improve the manner in which they report information and ensure that their information is consistent on both the local and federal ARRA websites.

Although not required, a detailed and informative website promotes more accountability and transparency and is strongly encouraged. We offer several best practices<sup>4</sup> website format suggestions our government can utilize:

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<sup>4</sup> SHOW US THE STIMULUS: AN EVALUATION OF STATE GOVERNMENT RECOVERY ACT WEBSITES by Philip Mattera and Leigh McIlvaine, Caitlin Lacy, Michelle Lee & Thomas Cafcas. This report, along with the state scoring sheets used to compile the results, can be found on the web at [www.goodjobsfirst.org](http://www.goodjobsfirst.org).

- Provide maps and/or tables illustrating ARRA spending in key categories, as well as photos or videos documenting the progress of the projects.
- Create and regularly update a timeline for individual projects, showing when work began or is expected to begin, how long the work is expected to take, how much work is already completed, and when the project will be finished.
- Provide as much user-friendly access as possible so that ARRA program/project information can be reached quickly and easily. Sites should also have standard web features such as a search engine and site map.

We recommend BBMR work with the Bureau of Information Technology to restructure the Guam Recovery Website to mirror the information on the Federal Recovery Website and consider best practices for website formatting. In addition, we recommend that BBMR monitor or coordinate with the agencies to ensure their respective websites comply with ARRA website requirements.

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## Conclusion and Recommendations

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Although ARRA was implemented with an unprecedented commitment by the Congress and Administration to provide additional public accountability and transparency over the use of these stimulus monies, we found that ARRA grants awarded to GovGuam are treated the same as regular federal grants, with recipient entities responsible for monitoring the implementation and reporting of ARRA programs without additional oversight. As a result, there is little or no assurance of improved or enhanced compliance, accountability, or transparency of ARRA grants compared to other federal grants. To date, the primary ARRA monitoring has been in the form of the compliance audit of major federal programs, which is part of the annual Single Audit. However, this review is an after-the-fact determination of compliance, and no preventative measures, such as risk assessments to mitigate noncompliance, are taken.

We also found that the Guam Recovery Website and other entity websites need improvements to promote better accountability and transparency. Additionally, GovGuam is at risk of losing \$151.7M of un-obligated ARRA funds.

As the expiration date for grant expenditures draws closer, the need to encumber and expend ARRA funds becomes vital. GovGuam must maintain a good system of internal controls to minimize procurement irregularities, errors and omissions, and potential fraud, and to ensure ARRA funds are spent properly, especially in light of the pressure to obligate most of these funds by September 2011. Although recipient entities are responsible for vigilantly monitoring their respective programs, we recommend BBMR:

- (1) Increase oversight responsibilities by performing risk assessments using the findings to prevent the non-compliance and recurrence of findings and questioned costs reported in previous audit reports and to identify other areas of control weakness; and
- (2) Work with the Bureau of Information Technology to restructure the Guam Recovery Website to mirror the information on the Federal Recovery Website and consider best practices for website formatting. In addition, we recommend that BBMR monitor or coordinate with the agencies to ensure their respective website comply with ARRA website requirements.

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## Management Response and OPA Reply

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In March 2011, a draft report was transmitted to the Director of BBMR for their official response. We met with the Director to discuss the findings and recommendations of our audit. Based on discussions during the meeting, the report was slightly modified to identify events subsequent to the scope of the audit period. BBMR issued a five-page response elaborating on the various findings and concurrence in principle with the recommendations. The Director partially disagreed with one finding:

**Finding #1 – Oversight Role:** BBMR is of the opinion that its role has not been limited to ensuring compliance with reporting deadlines. However, BBMR does concur that emphasis has been placed on compliance with Section 1512 reporting and that prior management was of the opinion that certain oversight functions (i.e., risk assessments, verification of competitive procurement, etc.) was outside of its purview. For the period of our evaluation, ARRA grants awarded to GovGuam were treated the same as regular federal grants, with recipient entities responsible *for monitoring the implementation of ARRA programs* without additional oversight. OPA acknowledges that BBMR's current management has heightened their focus on larger ARRA grants and was key in the Governor's Directive 2011-002, which established the ARRA Rapid Response Team.

See Appendix 10 for BBMR's management response.

OPA's enabling legislation requires agencies to prepare a corrective action plan to implement evaluation recommendations, to document the progress of the implementation of the recommendations, and to endeavor to have implementation completed no later than the beginning of the next fiscal year. Accordingly, our office will be contacting BBMR as to the implementation of these recommendations.

We appreciate the assistance and cooperation shown by BBMR, GSC, DOA, GSA, DOL, DPW, GEO and DOE during our review.

OFFICE OF PUBLIC ACCOUNTABILITY



Doris Flores Brooks, CPA, CGFM  
Public Auditor

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**Appendix 1:**

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**Objective, Scope, and Methodology**

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This evaluation was conducted at the request of the Department of the Interior Office of Inspector General's Recovery Oversight Office (ROO). The evaluation objective was to evaluate the system of internal controls developed by GovGuam to monitor the implementation and reporting of programs funded by the American Recovery and Reinvestment Act (ARRA).

The evaluation scope was from February 2009 through September 2010 and included the review of government entities selected on the basis of the amount awarded and function of government operations. DPW, DOE, and GEO were the three highest ARRA recipients. We also reviewed DOL because of its job creation function.

The evaluation methodology included gaining an understanding of the policies, procedures, and applicable laws and regulations pertaining to GovGuam's involvement with ARRA. In addition, to accomplish our objective, we performed the following:

- Surveyed selected agencies based on questionnaires developed by ROO. The questionnaires are available on our website at [www.guamopa.org](http://www.guamopa.org).
- Researched applicable federal and local laws, regulations, policies, procedures, and other related issues associated with the compliance and reporting of ARRA funds.
- Interviewed officials from BBMR and the four selected entities.
- Reviewed the selected entities' ARRA programs and the documents related to their projects and activities.
- Researched best practices used by other state and local governments.
- Performed comparative analysis of the data presented on GovGuam websites and the Federal Recovery Website.

We conducted this audit in accordance with the standards for performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and the *Quality Standards for Inspections*, issued by the President's Council on Integrity and Efficiency. These standards require that we plan our audit objectives and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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**Appendix 2:**

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**Prior Audit Coverage**

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The prior audit coverage included a review of Single Audit reports of GovGuam entities to identify potential issues related to ARRA funds. Single Audits are conducted by independent Certified Public Accounting (CPA) firms. These findings are noted below:

***FY 2009 GovGuam Single Audit***

The auditors identified five findings related to sub-recipient monitoring, special tests and provisions, funding availability, procurement, and eligibility involving DOL and DPHSS.

DOL had two findings related to sub-recipient monitoring and special tests and provisions:

- DOL did not ensure that a sub-recipient had a Central Contractor Registration (CCR) number prior to awarding ARRA funds, and
- DOL did not identify and document the federal award and CFDA numbers at the time of sub-award, nor did DOL require the sub-recipient to provide the appropriate identification for the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC).

DPHSS had two findings related to compliance issues:

- DPHSS did not make sure expired grants were de-encumbered or de-appropriated in a timely manner;
- DPHSS did not comply with procurement regulations and contracted for training services through a sole source award; and
- DPHSS did not maintain sufficient details in client case files to demonstrate compliance with applicable eligibility requirements.

No questioned costs were associated with any of the five findings.

***FY 2009 Guam Housing and Urban Renewal Authority (GHURA) Single Audit***

The auditors found that GHURA's Fiscal Division was unable to produce complete financial statements on a monthly and annual basis. Closing the books monthly and at fiscal year's end was consistently two to three months late and numerous accounts were not properly or timely reconciled. The lack of qualified accountants has been an on-going material weakness. There was no questioned cost associated with the finding.

***FY 2009 Antonio B. Won Pat Guam International Airport Authority (GIAA) Single Audit***

The auditors found the number of jobs created by ARRA funding could not easily be verified and might have been overstated.

## ARRA Section 1512

PUBLIC LAW 111-5—FEB. 17, 2009

123 STAT. 28'

(2) **BOARD.**—The term “Board” means the Recovery Accountability and Transparency Board established in section 1521.

(3) **CHAIRPERSON.**—The term “Chairperson” means the Chairperson of the Board.

(4) **COVERED FUNDS.**—The term “covered funds” means any funds that are expended or obligated from appropriations made under this Act.

(5) **PANEL.**—The term “Panel” means the Recovery Independent Advisory Panel established in section 1541.

### Subtitle A—Transparency and Oversight Requirements

#### SEC. 1511. CERTIFICATIONS.

With respect to covered funds made available to State or local governments for infrastructure investments, the Governor, mayor, or other chief executive, as appropriate, shall certify that the infrastructure investment has received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. Such certification shall include a description of the investment, the estimated total cost, and the amount of covered funds to be used, and shall be posted on a website and linked to the website established by section 1526. A State or local agency may not receive infrastructure investment funding from funds made available in this Act unless this certification is made and posted.

Web posting.

#### SEC. 1512. REPORTS ON USE OF FUNDS.

(a) **SHORT TITLE.**—This section may be cited as the “Jobs Accountability Act”.

Jobs.  
Accountability  
Act.

(b) **DEFINITIONS.**—In this section:

(1) **RECIPIENT.**—The term “recipient”—

(A) means any entity that receives recovery funds directly from the Federal Government (including recovery funds received through grant, loan, or contract) other than an individual; and

(B) includes a State that receives recovery funds.

(2) **RECOVERY FUNDS.**—The term “recovery funds” means any funds that are made available from appropriations made under this Act.

(c) **RECIPIENT REPORTS.**—Not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from a Federal agency shall submit a report to that agency that contains—

(1) the total amount of recovery funds received from that agency;

(2) the amount of recovery funds received that were expended or obligated to projects or activities; and

(3) a detailed list of all projects or activities for which recovery funds were expended or obligated, including—

(A) the name of the project or activity;

(B) a description of the project or activity;

(C) an evaluation of the completion status of the project or activity;

123 STAT. 288

PUBLIC LAW 111-5—FEB. 17, 2009

(D) an estimate of the number of jobs created and the number of jobs retained by the project or activity; and

(E) for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made available under this Act, and name of the person to contact at the agency if there are concerns with the infrastructure investment.

(4) Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of the Office of Management and Budget.

(d) AGENCY REPORTS.—Not later than 30 days after the end of each calendar quarter, each agency that made recovery funds available to any recipient shall make the information in reports submitted under subsection (c) publicly available by posting the information on a website.

(e) OTHER REPORTS.—The Congressional Budget Office and the Government Accountability Office shall comment on the information described in subsection (c)(3)(D) for any reports submitted under subsection (c). Such comments shall be due within 45 days after such reports are submitted.

(f) COMPLIANCE.—Within 180 days of enactment, as a condition of receipt of funds under this Act, Federal agencies shall require any recipient of such funds to provide the information required under subsection (c).

(g) GUIDANCE.—Federal agencies, in coordination with the Director of the Office of Management and Budget, shall provide for user-friendly means for recipients of covered funds to meet the requirements of this section.

(h) REGISTRATION.—Funding recipients required to report information per subsection (c)(4) must register with the Central Contractor Registration database or complete other registration requirements as determined by the Director of the Office of Management and Budget.

**SEC. 1513. REPORTS OF THE COUNCIL OF ECONOMIC ADVISERS.**

(a) IN GENERAL.—In consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, the Chairperson of the Council of Economic Advisers shall submit quarterly reports to the Committees on Appropriations of the Senate and House of Representatives that detail the impact of programs funded through covered funds on employment, estimated economic growth, and other key economic indicators.

(b) SUBMISSION OF REPORTS.—

(1) FIRST REPORT.—The first report submitted under subsection (a) shall be submitted not later than 45 days after the end of the first full quarter following the date of enactment of this Act.

(2) LAST REPORT.—The last report required to be submitted under subsection (a) shall apply to the quarter in which the Board terminates under section 1530.

Applicability.



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**Appendix 4:****GovGuam ARRA Funded Entities per BBMR**

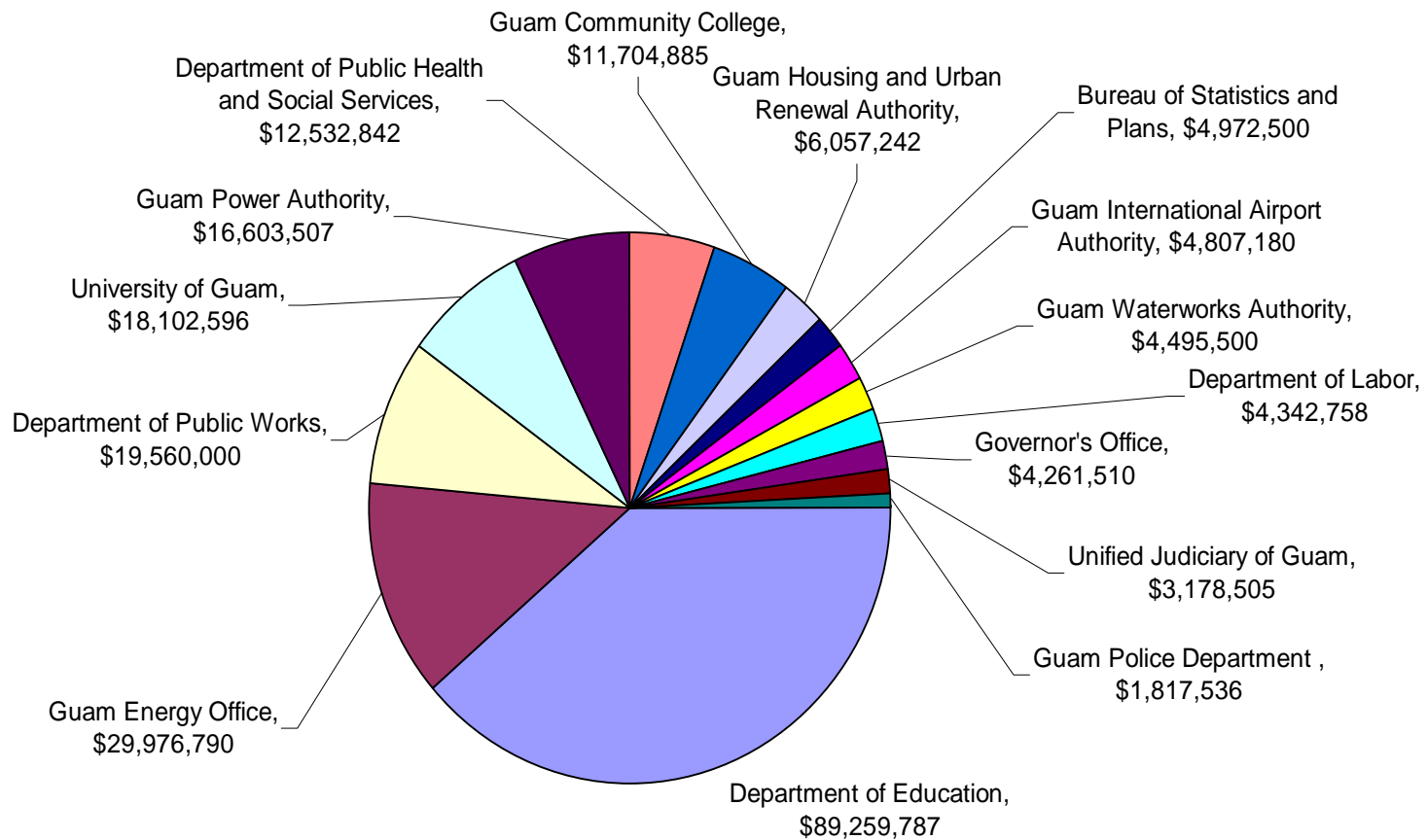
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GovGuam Entity Name		Amount
1	Department of Education	\$ 89,259,787
2	Guam Energy Office	\$ 29,976,790
3	Department of Public Works	\$ 19,560,000
4	University of Guam	\$ 18,102,596
5	Guam Power Authority	\$ 16,603,507
6	Department of Public Health and Social Services	\$ 12,532,842
7	Guam Community College	\$ 11,704,885
8	Guam Housing and Urban Renewal Authority	\$ 6,057,242
9	Bureau of Statistics and Plans	\$ 4,972,500
10	Guam International Airport Authority	\$ 4,807,180
11	Guam Waterworks Authority	\$ 4,495,500
12	Department of Labor	\$ 4,342,758
13	Governor's Office	\$ 4,261,510
14	Unified Judiciary of Guam	\$ 3,178,505
15	Guam Police Department	\$ 1,817,536
16	Guam Regional Transit Authority	\$ 921,976
17	Port Authority of Guam	\$ 910,594
18	Department of Integrated Services for Individuals with Disabilities	\$ 576,791
19	Guam Environmental Protection Agency	\$ 338,000
20	Office of Attorney General	\$ 212,000
21	Guam Council of the Arts & Humanities	\$ 25,000
<b>Total Awarded to GovGuam</b>		<b>\$ 234,657,499</b>

**Appendix 5:**

**GovGuam ARRA Funded Entities – Amounts Awarded greater than \$1M**

**Total ARRA Funds Awarded as of 9/30/10**  
**\$234,657,499 <sup>5</sup>**

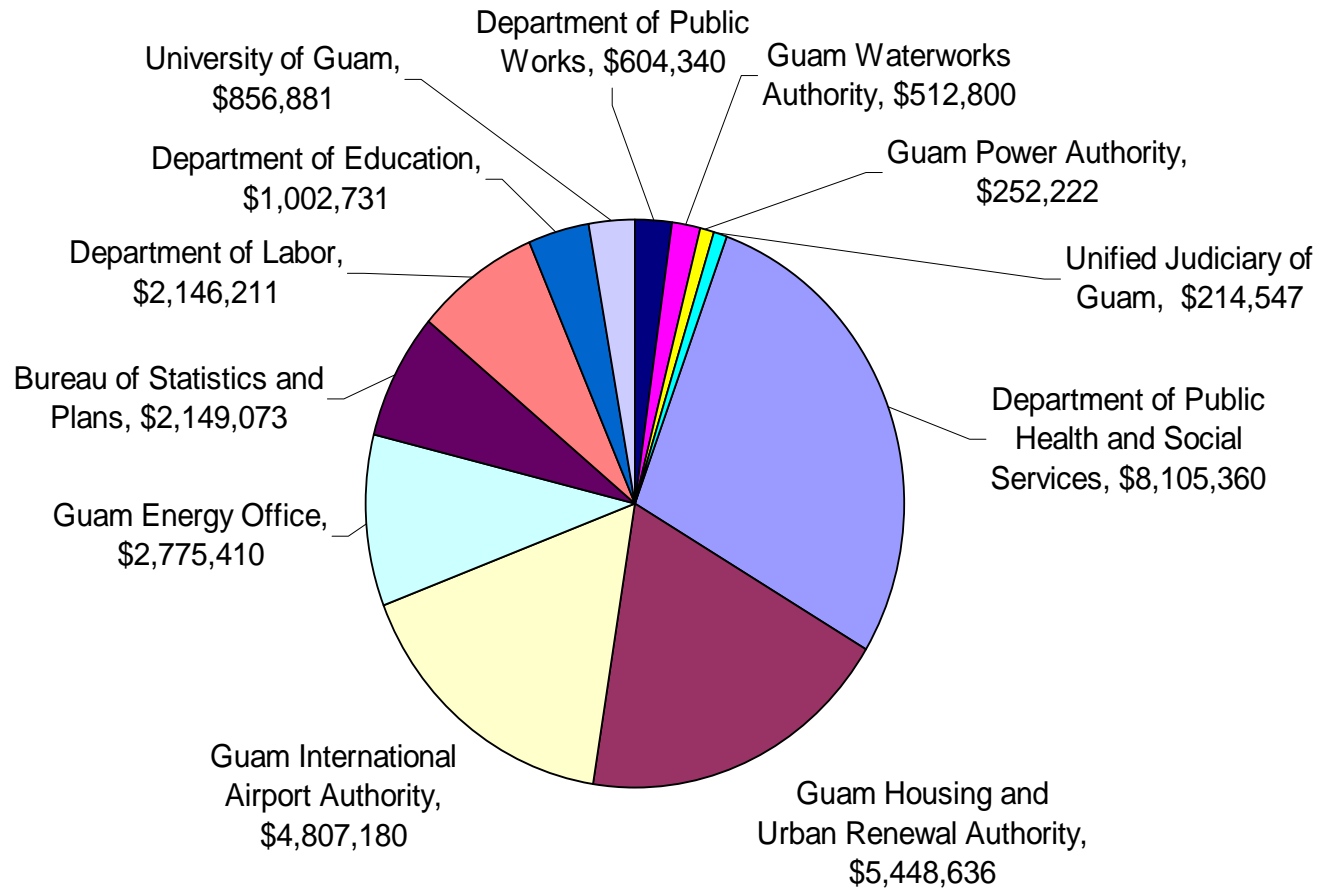


<sup>5</sup> Total ARRA Funds Awarded includes all awards made to government of Guam entities.

Appendix 6:

**GovGuam ARRA Funded Entities – Amounts Expended greater than \$200K**

Total ARRA Funds Expended Amount as of 9/30/10  
\$29,184,583<sup>6</sup>



<sup>6</sup> Total ARRA Funds Expended includes all funds expended by all government of Guam entities.

# Appendix 7: BBMR GovGuam ARRA Summary as of 9/30/10

RECIPIENT GOVGUAM DEPARTMENT / AGENCY	ARRA GRANT TITLE	FEDERAL GRANTOR / SOURCE	CFDA NO.	FEDERAL FUNDS APPLIED FOR OR BARRMARRIED (\$)	ARRA FUNDS RECEIVED								GRANT START DATE	GRANT EXPIRATION DATE
					FEDERAL FUNDS RECEIVED / AWARDED (\$)	YEAR-TO-DATE EXPENDITURES (\$ / %)	YEAR-TO-DATE ENCUMBRANCES (\$)	YEAR-TO-DATE EXPENDITURES & ENCUMBRANCES (\$ / %)	AVAILABLE BALANCES (\$)	% OF FUNDS EXPENDED / ENCUMBERED (%)	% OF FUNDS AVAILABLE (%)			
Guam Regional Transit Authority (Formerly: DOA - Div. of Public Transportation Services)	Acquisition of Transit Vehicles (ARRA)	USDOT (FTA)	20.509	\$ 921,976	\$ 921,976	\$ -	\$ 200,000	\$ 200,000	\$ 721,976	21.7%	78.3%	July 1, 2009	September 30, 2015	
<b>Guam Regional Transit Authority - Total</b>				<b>\$ 921,976</b>	<b>\$ 921,976</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 721,976</b>					
Office of the Attorney General	FY 09 Recovery Act - Victims of Crime Act (VOCA) Victim Assistance Formula Grant Program	USDOJ	16.801	\$ 212,000	\$ 212,000	\$ -	\$ -	\$ -	\$ 212,000	0.0%	100.0%	March 1, 2009	September 30, 2012	
<b>Office of the Attorney General - Total</b>				<b>\$ 212,000</b>	<b>\$ 212,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 212,000</b>					
Bureau of Statistics & Plans	Recovery Act Edward Byrne Memorial Justice	USDOJ	16.803	\$ 4,972,500	\$ 4,972,500	\$ 2,149,073	\$ 2,212,424	\$ 4,361,497	\$ 611,003	87.7%	12.3%	September 25, 2009	September 30, 2011	
<b>Bureau of Statistics &amp; Plans - Total</b>				<b>\$ 4,972,500</b>	<b>\$ 4,972,500</b>	<b>\$ 2,149,073</b>	<b>\$ 2,212,424</b>	<b>\$ 4,361,497</b>	<b>\$ 611,003</b>					
Department of Education	SFSF - EDUCATION STABILIZATION FUND PROJECTS (CIP, FMIS & TPF AGENT)	USDOE	84.394	\$ 75,742,784	\$ 75,742,784	\$ 288	\$ 4,252,393	\$ 4,252,671	\$ 71,490,113	5.6%	94.4%	March 22, 2010	September 30, 2011	
Department of Education (Special Education)	Special Education - Grants for Infants and Families with Disabilities "Recovery Funds" (Part C)	USDOE	84.393A	\$ 52,064	\$ 52,064	\$ -	\$ -	\$ -	\$ 52,064	0.0%	100.0%	February 17, 2009	September 30, 2010	
Department of Education (Special Education)	Special Education - Grants to States "Recovery Act" (Part B)	USDOE	84.391A	\$ 510,352	\$ 510,352	\$ 184,321	\$ 151,461	\$ 335,782	\$ 174,570	65.8%	34.2%	February 17, 2009	September 30, 2010	
Department of Education (CG)	Title VI, Part B Rural Education Initiative, Subpart 2: Rural and Low Income School (RLIS) Programs	USDOE	84.402	\$ 12,206,153	\$ 12,206,153	\$ 456,785	\$ 20,200	\$ 476,984	\$ 11,729,189	3.9%	96.1%	October 1, 2009	September 30, 2011	
Department of Education (FNSM/D)	Child Nutrition Recovery Act	USDA	10.579	\$ 215,764	\$ 215,764	\$ 194,699	\$ 14,077	\$ 208,776	\$ 6,988	96.8%	3.2%	March 1, 2009	September 30, 2009	
Department of Education (FNSM/D)	CAP Recovery Act - TEFAP Admin (O)	USDA	10.568	\$ 8,150	\$ 8,150	\$ 8,060	\$ -	\$ 8,060	\$ 90	98.9%	1.1%	March 1, 2009	September 30, 2009	
Department of Education (FNSM/D)	CAP Recovery Act - TEFAP Admin (O)	USDA	10.568	\$ 7,225	\$ 7,225	\$ 2,802	\$ 4,378	\$ 7,180	\$ 45	99.4%	0.6%	October 1, 2009	September 30, 2010	
Department of Education (Head Start)	ARRA COLA/QI	DHHS	93.708	\$ 228,859	\$ 228,859	\$ 120,737	\$ 77,341	\$ 198,078	\$ 30,781	86.6%	13.4%	July 1, 2009	September 30, 2010	
Department of Education (Head Start)	ARRA Head Start Expansion Grant	DHHS	93.708	\$ 288,436	\$ 288,436	\$ 35,059	\$ 8,229	\$ 43,288	\$ 245,148	15.0%	85.0%	May 1, 2010	September 30, 2011	
<b>Department of Education - Total</b>				<b>\$ 89,259,787</b>	<b>\$ 89,259,787</b>	<b>\$ 1,002,731</b>	<b>\$ 4,626,068</b>	<b>\$ 5,630,799</b>	<b>\$ 83,728,988</b>					
Governor's Office (BIT)	SFSF - GOVERNMENT SERVICES FUND PROJECTS (FMIS)	USDOE	84.397	\$ 3,600,000	\$ 3,600,000	\$ -	\$ -	\$ -	\$ 3,600,000	0.0%	100.0%	March 22, 2010	September 30, 2011	
Governor's Office (GCO-FPO)	Recovery Act STOP Violence Against Women Formula Grant Program-Guam	USDOJ-OVW	16.588	\$ 661,510	\$ 661,510	\$ 58,525	\$ 457,024	\$ 515,549	\$ 145,961	77.9%	22.1%	June 1, 2009	April 30, 2011	
<b>Governor's Office - Total</b>				<b>\$ 4,261,510</b>	<b>\$ 4,261,510</b>	<b>\$ 58,525</b>	<b>\$ 457,024</b>	<b>\$ 515,549</b>	<b>\$ 3,745,961</b>					
Guam Community College	SFSF - GOVERNMENT SERVICES FUND PROJECTS (CIP & FMIS)	USDOE	84.397	\$ 9,454,885	\$ 9,454,885	\$ -	\$ -	\$ -	\$ 9,454,885	0.0%	100.0%	March 22, 2010	September 30, 2011	
Guam Community College	ARRA State Energy Program	USDA/LOAN	10.781	\$ 2,250,000	\$ 2,250,000	\$ -	\$ 1,997,450	\$ 1,997,450	\$ 252,550	88.8%	11.2%	June 25, 2010	September 30, 2011	
<b>Guam Community College - Total</b>				<b>\$ 11,704,885</b>	<b>\$ 11,704,885</b>	<b>\$ -</b>	<b>\$ 1,997,450</b>	<b>\$ 1,997,450</b>	<b>\$ 9,707,435</b>					
Guam Council of the Arts & Humanities	Arts & the American Recovery & Reinvestment Act of 2009	NEA	45.025	\$ 25,000	\$ 25,000	\$ 18,750	\$ 6,250	\$ 25,000	\$ -	100.0%	0.0%	April 1, 2009	March 31, 2011	
<b>Guam Council of the Arts &amp; Humanities - Total</b>				<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 18,750</b>	<b>\$ 6,250</b>	<b>\$ 25,000</b>	<b>\$ -</b>					
Guam Energy Office	State Energy Program	USDOEnergy	81.041	\$ 19,098,000	\$ 19,098,000	\$ 2,570,250	\$ 6,157,031	\$ 8,727,281	\$ 10,370,719	45.7%	54.3%	April 1, 2009	March 31, 2012	
Guam Energy Office	SSEARP	USDOEnergy	81.042	\$ 166,000	\$ 166,000	\$ -	\$ -	\$ -	\$ 166,000	0.0%	100.0%	April 1, 2009	March 31, 2012	
Guam Energy Office	Weatherization Assistance Program	USDOEnergy	81.127	\$ 1,119,290	\$ 1,119,290	\$ 205,160	\$ 740,398	\$ 945,558	\$ 173,732	84.5%	15.5%	April 1, 2009	March 31, 2012	
Guam Energy Office	Energy Efficiency Conservation Block Grant	USDOEnergy	81.128	\$ 9,593,500	\$ 9,593,500	\$ -	\$ -	\$ -	\$ 9,593,500	0.0%	100.0%	March 19, 2010	March 18, 2013	
<b>Guam Energy Office - Total</b>				<b>\$ 29,976,790</b>	<b>\$ 29,976,790</b>	<b>\$ 2,775,410</b>	<b>\$ 6,897,429</b>	<b>\$ 9,672,839</b>	<b>\$ 20,303,951</b>					

# Appendix 7: BBMR GovGuam ARRA Summary as of 9/30/10

RECIPIENT GOVGUAM DEPARTMENT / AGENCY	ARRA GRANT TITLE	FEDERAL GRANTOR / SOURCE	CFDA NO.	FEDERAL FUNDS APPLIED FOR OR EARMARKED (\$)	ARRA FUNDS RECEIVED								GRANT START DATE	GRANT EXPIRATION DATE
					FEDERAL FUNDS RECEIVED / AWARDED (\$)	YEAR-TO-DATE EXPENDITURES (\$) 1/	YEAR-TO-DATE ENCUMBRANCES (\$)	YEAR-TO-DATE EXPENDITURES & ENCUMBRANCES (\$) 1/	AVAILABLE BALANCES (\$)	% OF FUNDS EXPENDED / ENCUMBERED (%)	% OF FUNDS AVAILABLE (%)			
Guam Environmental Protection Agency	604(b) for Water Quality Management Planning	USEPA	66.454	\$ 200,000	\$ 200,000	\$ 22,359	\$ 4,704	\$ 27,063	\$ 172,937	13.5%	86.5%	August 27, 2009	September 30, 2010	
Guam Environmental Protection Agency	LUST	USEPA	66.805	\$ 138,000	\$ 138,000	\$ 106,102	\$ 31,998	\$ 138,000	\$ -	100.0%	0.0%	August 1, 2009	September 30, 2011	
<b>Guam Environmental Protection Agency - Total</b>				<b>\$ 338,000</b>	<b>\$ 338,000</b>	<b>\$ 128,461</b>	<b>\$ 36,602</b>	<b>\$ 166,063</b>	<b>\$ 172,937</b>					
Guam Housing and Urban Renewal Authority	Capital Fund Recovery Program	USHUD	14.885	\$ 1,984,169	\$ 1,984,169	\$ 1,984,169	\$ -	\$ 1,984,169	\$ -	100.0%	0.0%	March 18, 2009	March 18, 2012	
Guam Housing and Urban Renewal Authority	Community Development Block Grant	USHUD	14.254	\$ 2,851,151	\$ 2,851,151	\$ 2,814,045	\$ -	\$ 2,814,045	\$ 37,106	98.7%	1.3%			
Guam Housing and Urban Renewal Authority	Homeless Prevention Rapid Rehousing	USHUD	14.257	\$ 1,221,922	\$ 1,221,922	\$ 650,422	\$ 571,017	\$ 1,221,440	\$ 482	100.0%	0.0%	July 10, 2009	July 9, 2012	
<b>Guam Housing and Urban Renewal Authority - Total</b>				<b>\$ 6,057,242</b>	<b>\$ 6,057,242</b>	<b>\$ 5,448,636</b>	<b>\$ 571,017</b>	<b>\$ 6,019,654</b>	<b>\$ 37,688</b>					
Guam International Airport Authority	Rehabilitate Runway 6L/24R	FAA	20.106	\$ 4,807,180	\$ 4,807,180	\$ 4,807,180	\$ -	\$ 4,807,180	\$ -	100.0%	0.0%	May 29, 2009	February 16, 2011	
<b>Guam International Airport Authority - Total</b>				<b>\$ 4,807,180</b>	<b>\$ 4,807,180</b>	<b>\$ 4,807,180</b>	<b>\$ -</b>	<b>\$ 4,807,180</b>	<b>\$ -</b>					
Guam Waterworks Authority	Wastewater Tmnt Construction Program	USEPA	66.418	\$ 535,000	\$ 535,000	\$ 343,411	\$ -	\$ 343,411	\$ 191,589	64.2%	35.8%	August 20, 2009	June 30, 2011	
Guam Waterworks Authority	Wastewater Tmnt Construction Program	USEPA	66.418	\$ 1,836,500	\$ 1,836,500	\$ 169,389	\$ -	\$ 169,389	\$ 1,667,111	9.2%	90.8%	October 1, 2009	January 31, 2012	
Guam Waterworks Authority	Capitized Grant for Drinking Water State Revolving Fund	USEPA	66.468	\$ 2,124,000	\$ 2,124,000	\$ -	\$ -	\$ -	\$ 2,124,000	0.0%	100.0%	October 1, 2009	October 31, 2012	
<b>Guam Waterworks Authority - Total</b>				<b>\$ 4,495,500</b>	<b>\$ 4,495,500</b>	<b>\$ 512,800</b>	<b>\$ -</b>	<b>\$ 512,800</b>	<b>\$ 3,982,700</b>					
Unified Judiciary of Guam	SFSF - GOVERNMENT SERVICES FUND PROJECTS (FMIS)	USDOE	84.397	\$ 2,185,468	\$ 2,185,468	\$ -	\$ 2,165,353	\$ 2,165,353	\$ 20,115	99.1%	0.9%	March 22, 2010	September 30, 2011	
Unified Judiciary of Guam	Rural Law Enforcement to Combat Crime and Drugs: Guam CISP	BJA	16.810	\$ 993,037	\$ 993,037	\$ 214,547	\$ 5,897	\$ 220,434	\$ 772,603	22.2%	77.8%	October 1, 2009	September 30, 2011	
<b>Unified Judiciary of Guam - Total</b>				<b>\$ 3,178,505</b>	<b>\$ 3,178,505</b>	<b>\$ 214,547</b>	<b>\$ 2,171,240</b>	<b>\$ 2,385,787</b>	<b>\$ 792,718</b>					
Department of Labor / AHRD	Workforce Investment Act (WIA) - Adult Program	USDOL	17.258	\$ 554,734	\$ 554,734	\$ 325,577	\$ 4,133	\$ 329,710	\$ 225,024	59.4%	40.6%	February 17, 2009	June 30, 2011	
Department of Labor / AHRD	Workforce Investment Act (WIA) - Dislocated Worker Program	USDOL	17.260	\$ 1,808,729	\$ 1,808,729	\$ 294,923	\$ 61,190	\$ 356,113	\$ 1,252,616	22.1%	77.9%	February 17, 2009	June 30, 2011	
Department of Labor / AHRD	Workforce Investment Act (WIA) - Youth Program	USDOL	17.259	\$ 1,383,998	\$ 1,383,998	\$ 1,031,291	\$ -	\$ 1,031,291	\$ 352,707	74.5%	25.5%	February 17, 2009	June 30, 2011	
Department of Labor	Wagner-Peyser - Employment Service	USDOL	17.207	\$ 69,496	\$ 69,496	\$ 51,545	\$ -	\$ 51,545	\$ 17,941	74.2%	25.8%	February 17, 2009	June 30, 2011	
Department of Labor	Wagner-Peyser - Reemployment Service	USDOL	17.207	\$ 115,811	\$ 115,811	\$ 3,580	\$ 29	\$ 3,609	\$ 112,202	3.1%	96.9%	February 17, 2009	June 30, 2011	
Department of Labor	Older Americans Act - SCSEP	USDOL	17.235	\$ 269,897	\$ 269,897	\$ 155,213	\$ 9,019	\$ 164,232	\$ 105,655	60.9%	39.1%	February 17, 2009	June 30, 2011	
Department of Labor	Americorp - Serve Guam	CNCS	94.006	\$ 340,113	\$ 340,113	\$ 294,082	\$ 56,031	\$ 340,113	\$ -	100.0%	0.0%	June 1, 2009	May 31, 2010	
<b>Department of Labor - Total</b>				<b>\$ 4,342,758</b>	<b>\$ 4,342,758</b>	<b>\$ 2,146,211</b>	<b>\$ 130,403</b>	<b>\$ 2,276,614</b>	<b>\$ 2,066,144</b>					
Guam Police Department	COPS Hiring Recovery Program (CHRP)	USDOJ	16.710	\$ 1,817,536	\$ 1,817,536	\$ 103,456	\$ -	\$ 103,456	\$ 1,714,080	5.7%	94.3%	July 1, 2009	June 30, 2012	
<b>Guam Police Department - Total</b>				<b>\$ 1,817,536</b>	<b>\$ 1,817,536</b>	<b>\$ 103,456</b>	<b>\$ -</b>	<b>\$ 103,456</b>	<b>\$ 1,714,080</b>					
Port Authority of Guam	Port Security Grant Program	DHS	97.116	\$ 910,594	\$ 910,594	\$ -	\$ -	\$ -	\$ 910,594	0.0%	100.0%	September 1, 2009	August 31, 2012	
<b>Port Authority of Guam - Total</b>				<b>\$ 910,594</b>	<b>\$ 910,594</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 910,594</b>					
Department of Public Health & Social Services	Medicaid - ARRA	DHHS/CMS	93.778	\$ 5,405,000	\$ 1,400,000	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -	100.0%	0.0%	October 1, 2008	Sept. 30, 2009	
Department of Public Health & Social Services	Medicaid - ARRA	DHHS/CMS	93.778	\$ 4,116,000	\$ 4,116,000	\$ 1,230,750	\$ -	\$ 1,230,750	\$ 2,885,250	29.9%	70.1%	October 1, 2009	Sept. 30, 2010	
Department of Public Health & Social Services	SNAP (Supplemental Nutrition Program)	USDA - FNS	10.561	\$ 86,577	\$ 86,730	\$ 85,730	\$ -	\$ 85,730	\$ -	100.0%	0.0%	March 1, 2009	Sept. 30, 2009	
Department of Public Health & Social Services	SNAP (Supplemental Nutrition Program)	USDA - FNS	10.561	\$ 87,476	\$ 87,476	\$ 9,421	\$ 77,392	\$ 86,753	\$ 723	98.2%	0.8%	October 1, 2009	Sept. 30, 2010	
Department of Public Health & Social Services	ARRA 317 - Immunization & VFC	DHHS/CDCP	93.712	\$ 251,656	\$ 251,656	\$ 41,819	\$ 102,518	\$ 144,337	\$ 107,319	57.4%	42.6%	October 1, 2008	Sept. 30, 2010	

# Appendix 7: BBMR GovGuam ARRA Summary as of 9/30/10

RECIPIENT GOVGUAM DEPARTMENT / AGENCY	ARRA GRANT TITLE	FEDERAL GRANTOR / SOURCE	CFDA NO.	FEDERAL FUNDS APPLIED FOR OR EARMARKED (\$)	ARRA FUNDS RECEIVED								GRANT START DATE	GRANT EXPIRATION DATE
					FEDERAL FUNDS RECEIVED / AWARDED (\$)	YEAR-TO-DATE EXPENDITURES (\$) 1/	YEAR-TO-DATE ENCUMBRANCES (\$)	YEAR-TO-DATE EXPENDITURES & ENCUMBRANCES (\$) 1/	AVAILABLE BALANCES (\$)	% OF FUNDS EXPENDED / ENCUMBERED (%)	% OF FUNDS AVAILABLE (%)			
Department of Public Health & Social Services	Child Care Development Fund	DHHS/ACF	93.713	\$ 2,740,906	\$ 2,740,906	\$ 2,723,946	\$ -	\$ 2,723,946	\$ 16,960	99.4%	0.6%	October 1, 2008	Sept. 30, 2010	
Department of Public Health & Social Services	CCDF (Earmarked)	DHHS/ACF	93.713	\$ 1,000,000	\$ 1,000,000	\$ 772,240	\$ 227,760	\$ 1,000,000	\$ -	100.0%	0.0%	October 1, 2008	Sept. 30, 2010	
Department of Public Health & Social Services	Home-Delivered Meals	DHHS/AOA	93.705	\$ 80,000	\$ 80,000	\$ 80,000	\$ -	\$ 80,000	\$ 0	100.0%	0.0%	March 18, 2009	Sept. 30, 2010	
Department of Public Health & Social Services	Congregate Meals	DHHS/AOA	93.707	\$ 162,500	\$ 162,500	\$ 162,500	\$ -	\$ 162,500	\$ -	100.0%	0.0%	March 17, 2009	Sept. 30, 2010	
Department of Public Health & Social Services	Increase Services to Health Center	DHHS/HRSA	93.703	\$ 310,184	\$ 310,184	\$ 306,604	\$ 3,580	\$ 310,184	\$ -	100.0%	0.0%	March 27, 2009	March 26, 2011	
Department of Public Health & Social Services	Capital Improvement Program - SRCHC	DHHS/HRSA	93.703	\$ 718,195	\$ 718,195	\$ 571,167	\$ 140,512	\$ 711,679	\$ 6,516	99.1%	0.9%	June 29, 2009	June 28, 2011	
Department of Public Health & Social Services	Community Service Block Grant	DHHS/ACF	93.71	\$ 1,230,195	\$ 1,230,195	\$ 672,909	\$ 433,508	\$ 1,106,417	\$ 123,778	89.9%	10.1%	October 1, 2008	Sept. 30, 2010	
Department of Public Health & Social Services	ARRA - DP09-902 Component I Policy	DHHS/CDCP	93.723	\$ 100,000	\$ 100,000	\$ 40,824	\$ 1,240	\$ 42,084	\$ 57,836	42.1%	57.9%	February 4, 2010	February 3, 2012	
Department of Public Health & Social Services	ARRA - DP09-902 Component II Tobacco	DHHS/CDCP	93.723	\$ 50,000	\$ 50,000	\$ 7,450	\$ 18,949	\$ 26,299	\$ 23,701	52.6%	47.4%	February 4, 2010	February 3, 2012	
Department of Public Health & Social Services	Guam eHealth Info. Initiative (GEHI)	DHHS/HHS	93.719	\$ 1,600,000	\$ 200,000	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	50.0%	60.0%	February 8, 2010	February 7, 2014	
<b>Dept. of Public Health &amp; Social Services - Total</b>				<b>\$ 17,938,889</b>	<b>\$ 12,532,842</b>	<b>\$ 8,105,380</b>	<b>\$ 1,105,299</b>	<b>\$ 9,210,659</b>	<b>\$ 3,322,183</b>					
Department of Public Works	Highway Infrastructure (Rt. 2 Culverts)	FHWA	20.205	\$ 1,582,000	\$ 1,582,000	\$ 71,829	\$ 1,510,171	\$ 1,582,000	\$ -	100.0%	0.0%	April 30, 2009	June 30, 2011	
Department of Public Works	Highway Infrastructure (Masso River Bridge)	FHWA	20.205	\$ 220,000	\$ 220,000	\$ -	\$ 220,000	\$ 220,000	\$ -	100.0%	0.0%	May 5, 2009	June 30, 2011	
Department of Public Works	Highway Infrastructure (Rt. 25 Recon.)	FHWA	20.205	\$ 6,950,000	\$ 6,500,000	\$ 532,511	\$ 5,804,380	\$ 6,336,901	\$ 183,099	97.5%	2.5%	May 18, 2009	June 30, 2011	
Department of Public Works	Highway Infrastructure (Rt. 4 Widening)	FHWA	20.205	\$ 3,950,000	\$ 3,950,000	\$ -	\$ 3,372,500	\$ 3,372,500	\$ 577,500	85.4%	14.6%	May 19, 2009	June 30, 2011	
Department of Public Works	Highway Infrastructure (Rt. 17 Rehab.)	FHWA	20.205	\$ 5,288,000	\$ 5,748,000	\$ -	\$ 5,200,000	\$ 5,200,000	\$ 548,000	90.5%	9.5%	May 21, 2009	June 30, 2011	
Department of Public Works	On-the-Job Training Support Services	FHWA	20.205	\$ 900,000	\$ 900,000	\$ -	\$ 900,000	\$ 900,000	\$ -	100.0%	0.0%	March 15, 2010	June 30, 2011	
Department of Public Works	On-the-Job Training Support Services - Pacific Islanders	FHWA	20.205	\$ 680,000	\$ 680,000	\$ -	\$ 100,000	\$ 100,000	\$ 580,000	15.2%	84.8%	March 15, 2010	June 30, 2011	
<b>Department of Public Works - Total</b>				<b>\$ 19,560,000</b>	<b>\$ 19,560,000</b>	<b>\$ 604,340</b>	<b>\$ 17,107,061</b>	<b>\$ 17,711,401</b>	<b>\$ 1,848,599</b>					
University of Guam	SFSF - GOVERNMENT SERVICES FUND PROJECTS (FMIS, CIPs & JOB CREATION)	USDOE	84.397	\$ 17,000,000	\$ 17,000,000	\$ 523,673	\$ 16,051,327	\$ 16,575,000	\$ 425,000	97.5%	2.5%	March 22, 2010	September 30, 2011	
University of Guam	FEDERAL WORK STUDY	USDOE	84.033	\$ 77,119	\$ 77,119	\$ 77,119	\$ -	\$ 77,119	\$ -	100.0%	0.0%	July 1, 2009	June 30, 2010	
University of Guam	RISE-BUILDING TOWARD 2010	DHHS/NIH	93.701	\$ 79,200	\$ 79,200	\$ 79,025	\$ -	\$ 79,025	\$ 175	99.8%	0.2%	August 31, 2009	July 31, 2010	
University of Guam	USDA Rural Development (SBDC)	USDA	10.769	\$ 50,000	\$ 50,000	\$ 42,280	\$ 392	\$ 42,672	\$ 7,328	85.3%	14.7%	October 1, 2009	Sept. 30, 2010	
University of Guam	USDA / FS CYAD AULACAS	USDA	10.688	\$ 38,000	\$ 38,000	\$ 4,434	\$ -	\$ 4,434	\$ 33,566	11.7%	88.3%	February 10, 2010	Dec. 31, 2012	
University of Guam	USDA / FA COCONUT RHINOCEROS	USDA	10.688	\$ 144,000	\$ 144,000	\$ 115,218	\$ -	\$ 115,218	\$ 28,782	80.0%	20.0%	February 16, 2010	Dec. 31, 2011	
University of Guam	USDA Rural Development (TADEO)	USDA	10.783	\$ 50,000	\$ 50,000	\$ 15,133	\$ 8,292	\$ 23,425	\$ 26,575	46.9%	53.1%	February 1, 2010	January 31, 2011	
University of Guam	HEAD START STATE ADVISORY (CEDDERS)	DHHS	93.708	\$ 684,277	\$ 684,277	\$ -	\$ -	\$ -	\$ 684,277	0.0%	100.0%	June 1, 2010	May 31, 2011	
<b>University of Guam - Total</b>				<b>\$ 18,102,596</b>	<b>\$ 18,102,596</b>	<b>\$ 856,881</b>	<b>\$ 16,060,012</b>	<b>\$ 16,916,893</b>	<b>\$ 1,186,703</b>					
Department of Integrated Services for Individuals with Disabilities (DISID) (DVR)	VR Recovery Act / Basic Support	USDOE/ERSA	84.390A	\$ 554,268	\$ 554,268	\$ -	\$ -	\$ -	\$ 554,268	0.0%	100.0%			
Department of Integrated Services for Individuals with Disabilities (DISID) (DVR)	VR Recovery Act / Independent Living	USDOE/ERSA	84.398A	\$ 22,523	\$ 22,523	\$ -	\$ -	\$ -	\$ 22,523	0.0%	100.0%			
<b>DISID - Total</b>				<b>\$ 576,791</b>	<b>\$ 576,791</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 576,791</b>					
Guam Power Authority	Smart Grid Investment Grant	USDOE	81.122	\$ 16,603,507	\$ 16,603,507	\$ 252,222	\$ 289,296	\$ 541,518	\$ 16,061,989	3.3%	96.7%	March 11, 2010	March 30, 2015	
<b>Guam Power Authority - Total</b>				<b>\$ 16,603,507</b>	<b>\$ 16,603,507</b>	<b>\$ 252,222</b>	<b>\$ 289,296</b>	<b>\$ 541,518</b>	<b>\$ 16,061,989</b>					
<b>GRAND TOTAL</b>				<b>\$ 240,063,346</b>	<b>\$ 234,657,489</b>	<b>\$ 29,184,584</b>	<b>\$ 53,769,573</b>	<b>\$ 82,954,157</b>	<b>\$ 151,703,342</b>	<b>36.4%</b>	<b>64.6%</b>			

\* Note - Departments / Agencies not listed have indicated that they have not applied for or received ARRA funds during this reporting period.  
1/ Inclusive of FY2009 Expenditures

## Variances Between Guam and Federal Recovery Websites for Selected Programs

GovGuam Entity and Program Name		Federal Entity	CFDA #	Guam Recovery Website Amount Awarded	Federal Recovery Website Amount Awarded	Difference	Guam Recovery Website Amount Expended	Federal Recovery Website Expenditure Amount	Difference
<b>Department of Labor</b>									
1	Workforce Investment Act (WIA) - Adult Program	USDOL	17.258	\$ 554,734	\$ 3,547,461	\$ -	\$ 325,577	\$ 1,543,640	\$ 108,151
2	Workforce Investment Act (WIA) - Dislocated Worker Program	USDOL	17.26	\$ 1,608,729			\$ 294,923		
3	Workforce Investment Act (WIA) Youth Program	USDOL	17.259	\$ 1,383,998			\$ 1,031,291		
4	Wagner Peyser - Employment Service	USDOL	17.207	\$ 69,486			\$ 51,545		
5	Wagner Peyser - Reemployment Service	USDOL	17.207	\$ 115,811			\$ 3,580		
6	Older Americans Act - SCSEP	USDOL	17.235	\$ 269,887	\$ 185,297	\$ -	\$ 3,580	\$ 53,901	\$ 1,224
7	Americorp - Serve Guam	CNCS	94.006	\$ 340,113	\$ 269,887	\$ -	\$ 155,213	\$ 155,213	\$ -
				\$ 4,342,758	\$ 4,342,758	\$ -	\$ 284,082	\$ 284,082	\$ -
							\$ 2,146,211	\$ 2,036,836	\$ 109,375
<b>Department of Public Works</b>									
1	Highway Infrastructure (Rt. 2 Culverts)	FHWA	20.205	\$ 1,582,000	\$ 1,432,000	\$ 150,000	\$ 71,829	\$ 71,829	\$ -
2	Highway Infrastructure (Masso River Bridge)	FHWA	20.205	\$ 220,000	\$ 200,000	\$ 20,000	\$ -	\$ -	\$ -
3	Highway Infrastructure (Rt. 25 Recon.)	FHWA	20.205	\$ 6,500,000	\$ 6,500,000	\$ -	\$ 532,511	\$ 532,511	\$ -
4	Highway Infrastructure (Rt. 4 Widening)	FHWA	20.205	\$ 3,950,000	\$ 4,668,000	\$(718,000)	\$ -	\$ -	\$ -
5	Highway Infrastructure (Rt. 17 Rehab.)	FHWA	20.205	\$ 5,748,000	\$ 5,200,000	\$ 548,000	\$ -	\$ -	\$ -
6	On-the-Job training Support Services	FHWA	20.205	\$ 900,000	\$ 900,000	\$ -	\$ -	\$ -	\$ -
7	On-the-Job training Support Services - Pacific Islanders	FHWA	20.205	\$ 660,000	\$ 660,000	\$ -	\$ -	\$ -	\$ -
				\$ 19,560,000	\$ 19,560,000	\$ -	\$ 604,340	\$ 604,340	\$ -

## Variances Between Guam and Federal Recovery Websites for Selected Programs

GovGuam Entity and Program Name		Federal Entity	CFDA #	Guam Recovery Website Amount Awarded	Federal Recovery Website Amount Awarded	Difference	Guam Recovery Website Amount Expended	Federal Recovery Website Expenditure Amount	Difference
<b>Guam Energy Office</b>									
1	State Energy Program	USDOE energy	81.041	\$ 19,098,000	\$ 19,098,000	\$ -	\$ 2,570,250	\$ 960,413	\$1,609,837
2	State Energy Efficient Appliance Rebate Program	USDOE energy	81.041	\$ 166,000	\$ 166,000	\$ -	\$ -	\$ -	\$ -
3	Weatherization Assistance Program	USDOE energy	81.041	\$ 1,119,290	\$ 1,430,409	\$(311,119)	\$ 205,160	\$ 60,984	\$ 144,176
4	Recovery Act: Guam Energy Efficiency and Conservation Block Grant	USDOE energy		\$ 9,593,500	\$ 9,953,500	\$(360,000)	\$ -	\$ -	\$ -
				\$ 29,976,790	\$ 30,647,909	\$(671,119)	\$ 2,775,410	\$ 1,021,397	\$1,754,013
<b>Department of Education</b>									
1	SFSF - Education Stabilization Fund Projects (CIP, FMIS, & TPF Agent)	USDOE	83.394	\$ 75,742,784	\$ 75,742,784	\$ -	\$ 288	\$ 288	\$ -
2	Special Education - Grants for Infants and Families with Disabilities "Recovery Funds" (Part C)	USDOE	84.393 A	\$ 52,064	\$ 52,064	\$ -	\$ -	\$ -	\$ -
3	Special Education - Grants to States "Recovery Act" (Part B)	USDOE	84.391 A	\$ 510,352	\$ 510,352	\$ -	\$ 184,321	\$ 184,321	\$ -
4	Title VI, Part B Rural Education Initiative, Subpart 2: Rural and Low Income School (RLIS) Programs	USDOE	84.402	\$ 12,206,153	\$ 12,206,153	\$ -	\$ 456,765	\$ 456,765	\$ -
5	Child Nutrition Recovery Act	USDA	10.579	\$ 215,764	\$ 215,764	\$ -	\$ 194,699	\$ 191,464	\$ 3,235
6	CAP Recovery Act - TEFAP Admin (O)	USDA	10.568	\$ 8,150			\$ 8,060.		
7	CAP Recovery Act - TEFAP Admin (O)	USDA	10.568	\$ 7,225	\$ 23,569	\$ 8,194	\$ 2,802.	\$ 8,060	\$ 2,802
8	ARRA COLA/QI	DHHS	93.708	\$ 228,859	\$ 228,859	\$ -	\$ 120,737	\$ 120,737	\$ -
9	ARRA Head Start Expansion Grant	DHHS	93.708	\$ 288,436	\$ 288,436	\$ -	\$ 35,059	\$ 22,085	\$ 12,974
				\$ 89,259,787	\$ 89,267,981	\$ 8,194	\$ 1,002,731	\$ 983,720	\$ 19,011



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**Appendix 9:****Status of Recommendations**

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	<b>Audit Recommendation</b>	<b>Status</b>	<b>Action Required</b>
1	Increase oversight responsibilities by performing risk assessments using the findings and questioned costs identified in the annual Single Audit reports and developing appropriate responses to the assessed risks to prevent recurrence of findings and identify other areas of control weaknesses	Management Concur. Additional Information Needed.	Please provide target date and title of the official(s) responsible for implementing the recommendation.
2	Work with the Bureau of Information Technology to restructure the Guam Recovery Website to mirror the information on the Federal Recovery Website and consider best practices for website formatting. In addition, monitor or coordinate with agencies to ensure their respective websites comply with ARRA website requirements	Management Concur. Additional Information Needed.	Please provide target date and title of the official(s) responsible for implementing the recommendation.

# BBMR Management Response



## BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932

EDDIE BAZA CALVO  
GOVERNOR

BENITA A. MANGLONA  
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DEPUTY DIRECTOR

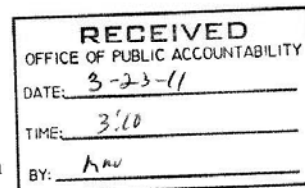
MAR 23 2011

### MEMORANDUM

To: Doris Flores Brooks, Public Auditor  
Office of Public Accountability

From: Director, Bureau of Budget and Management Research

Subject: Response to Audit Report – Government of Guam Oversight of American  
Recovery and Reinvestment Act Funds



Hafa Adai Ms. Brooks,

Provided below are the Bureau's responses to results of your Office's evaluation of BBMR's oversight of American Recovery and Reinvestment Act Funds.

#### **Finding #1: No additional oversight for the implementation of Recovery Act funds**

BBMR's oversight role has been limited due to insufficient capacity, funding and training to perform additional oversight functions. As such, recipient entities continue to be responsible for monitoring the implementation and reporting of ARRA programs and activities without additional oversight. The Audit's Executive Summary cites that, as a result, BBMR "limits its role to ensuring compliance with reporting deadlines and not necessarily with overseeing ARRA funds."

#### **BBMR Response:**

BBMR is of the opinion that its role *has not* been limited to ensuring compliance with reporting deadlines. It should be noted that, while BBMR was designated as ARRA State Lead Agency for the Government of Guam, the Bureau assumed oversight duties and responsibilities without additional financial resources (federal or local). While this definitely impacted its ability to provide employee training in the area of risk assessments and the like, the Bureau has performed relatively well in its duties given its current capacities.

While BBMR's emphasis and focus *has* been on compliance Sec. 1512 reporting, this is so as non-compliance would result in forfeiture of possibly millions in Recovery Act grant funds. The Bureau, in collaboration with recipient line and autonomous departments and agencies, has ensured 100% reporting compliance by the Government of Guam since the initial period in which Sec. 1512 reports were due. The Bureau would also like to note that a certain level of compliance and accountability is built-in to Sec. 1512 reporting as project narrative and expenditure reports are reviewed quarterly by

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**BBMR Management Response**

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federal grantors and a mechanism is built into the report function for recipient departments to amend or correct data that is reported.

The Bureau is of the opinion that performance of risk assessments, while identified as a component of oversight activity, is only one of several elements of the activity. As indicated in the DOI OIG Evaluation Questionnaire which BBMR was required to complete, the oversight function encompasses not only the monitoring of quarterly reporting and performance of risk assessments but also involves monitoring of regulatory requirements, performance of training, monitoring of project progress and ensuring transparency (including reporting fraud, waste & abuse). In its response to the aforementioned Evaluation Questionnaire, the Bureau had provided evidence to support that the later oversight activities have and continue to be performed by BBMR in various capacities. Additionally, while prior BBMR management was of the opinion that certain oversight functions (i.e., risk assessments, verification of competitive procurement, etc.) may be outside of its purview, the Bureau stands ready to facilitate such reviews in the near future in the interest of ensuring transparency and accountability.

While BBMR has heightened focus on larger ARRA grants, including the \$107M State Fiscal Stabilization Fund grant which it currently manages on behalf of the Office of the Governor, the Bureau is working towards increasing oversight of *all* grants, to ensure not only *maximum* but also *responsible* use of Recovery Act funds. On this point, it should be noted that Bureau, in collaboration with the Offices of the Governor and Lieutenant Governor and the Guam State Clearinghouse, provided the framework for what eventually became Governor's Directive 2011-02. The Bureau is compiling a summary report to the Administration on departmental feedback to the Directive and has already taken part in a follow-up meeting with the Guam Energy Office (recipient of \$29.9M in Recovery Act grants).

**Finding #2: ARRA funds at risk for procurement irregularities, errors and omissions, and potential fraud**

BBMR and several recipient agencies contend that the regulation requiring the Attorney General of Guam's approval on procurements of \$500,000 or greater hinders timely spending and obligation of funds. Additionally, with hurried attempts to encumber remaining funds (\$151.7M as of September 30, 2010), the Government of Guam runs the risk of procurement irregularities, errors & omission and potential fraud.

**BBMR response:**

It should be noted that BBMR has not directly endorsed specific legislation that would have a potentially negative impact on Guam's procurement process. Any mention by the Bureau on the matter of current procurement law hindering recipient department ability to expend ARRA funds was likely an iteration of concerns raised by recipient departments. The Bureau would like to note that the Office of the Attorney General of Guam has indicated that several states, including Colorado and Hawaii, have successfully adopted laws that facilitate the expeditious, yet accountable, use of ARRA funds by streamlining the procurement and protest process. While Guam's attempt to adopt a similar law resulted in the passage of P.L. 31-12, the law affects procurement of only the Guam Department of Education and not other Government of Guam ARRA grant recipients. As such, BBMR supports the passage of any legislation to the extent that it allows for expeditious yet responsible and accountable use of Recovery Act funds awarded to *all* recipient departments and agencies.

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**BBMR Management Response**

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On the matter of possible procurement irregularities, errors & omissions and potential fraud, the basis for this concern is the sizeable sum of remaining unexpended and unencumbered ARRA funds (\$151.7M as of September 30<sup>th</sup>, 2010). The Audit Report focuses on ARRA projects of four (4) recipient Government of Guam departments: the Department of Labor (DOL), Department of Public Works (DPW), the Guam Energy Office (GEO) and the Department of Education (DOE). Additionally, emphasis is placed on the fact that while \$143M in ARRA grants have been awarded to these departments, only \$6.5M has been *expended* as of 9/30/10. While the Bureau reserves comment on specific OPA findings relative to departmental projects, it would like to note the following:

- The \$151.7M balance cited in the subject audit is inclusive of *all* ARRA grant projects. Of this amount, approximately \$104M is for projects that expire in the current fiscal year (FY2011). The remaining \$47M are for grants expiring in FY2012 or later.
- The aforementioned balance, while accurate, was as of September 30<sup>th</sup>, 2010. This amount has been reduced to \$139M as of the last reporting period and will be significantly reduced in the current period due, in part, to commencing of large ARRA SFSF projects.
- In line with Points #1 & #2 above, a significant portion of unexpended funds (\$96.1M) are from two ARRA grants awarded by the U.S. Department of Education: SFSF & RLIS. Approximately \$13.4M of unexpended funds are for SFSF GSF projects which are now in full swing. Additionally, based on recent developments, including U.S. DOE's agreement (in principle) to Governor Calvo's request to reallocate approximately \$60M in SFSF ESF funds towards GDOE personnel and the corresponding impact of this agreement on GDOE's use of its RLIS (ARRA) grant balance of \$11.7M, the ground work has been laid for the Government of Guam to expend or obligate a majority of the \$104M in ARRA funds set to expire on 9/30/2011.
- While only \$6.5M (4.5%) has been *expended* by the aforementioned departments, approximately \$35.1M (25%) has been *expended or encumbered* during the audited period.
- Projects for the DOL, DPW and GEO, by their nature, have low expenditure rates. GDOL ARRA programs involve personnel and training costs for qualified participants; DPW's ARRA projects involve road construction and renovation projects; and GEO projects, a majority of which are being sub-granted, involve capital improvement projects that take time to complete.
- Based on feedback from DPW and DOL per Governor's Directive 2011-02, both departments are on track to fully-expend funds on or before their respective ARRA grants expire. The Bureau and the Administration has placed greater focus on GEO's ARRA grants and, for reasons outline below, use of GDOE ARRA funding will be maximized.

While a large sum of unexpended and unencumbered funds exists, based on the factors listed above, the Bureau anticipates this amount to be reduced drastically over the next couple of months thus allaying, to a certain extent, concerns of possible procurement irregularities, errors & omissions and potential fraud. Needless to say, the Bureau will continue to work alongside recipient departments, the Administration and the OPA to ensure full and responsible use of Recovery Act funds.

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**BBMR Management Response**

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**Finding #3: No reconciliation of data between Guam Recovery and Federal Recovery Websites**

The Guam Recovery Website, [www.recovery.guam.gov](http://www.recovery.guam.gov), established by BBMR, lacks transparency and sufficient accountability particularly due to non-reconciliation between information posted on the site and that of the Federal Recovery website.

**BBMR response:**

While the Bureau agrees that there is currently no reconciliation between Guam's Recovery Website ([www.recovery.guam.gov](http://www.recovery.guam.gov)) and the Federal Recovery website ([www.recovery.gov](http://www.recovery.gov)), there is currently no federal statutory requirement to do so.

Also, it should be noted that the Guam Recovery Website was and is currently *not* maintained by BBMR. Rather, the site is hosted by the Governor's Bureau of Information Technology (BIT). The site was initially created to post Government of Guam Recovery Act certifications (i.e., Section 1607(a) certification by State & Territorial Governors that ARRA funds will be used to create jobs and promote economic growth) as well as to report "shovel-ready" projects which qualified for Recovery Act funding.

Upon being designated as State Lead Agency in mid-March 2009, and because the Guam Recovery site had already been created by BIT, prior BBMR management made the decision to work collaboratively with BIT in using its (no cost) site in facilitating the posting of the following:

- Quarterly ARRA-1 Reports (compiled by BBMR)
- Recipient departmental certifications required to be posted on State ARRA sites by federal grantors
- Guam's SFSF Grant Application submitted to the U.S. Department of Education (\$107M)
- Government of Guam ARRA Points of Contact within the Office of the Governor and BBMR
- Fraud, Waste & Abuse Points of Contact including the Office of Public Accountability, Federal Bureau of Investigation, Western Regional Inspectors General and the U.S. Attorney's Guam Office
- Fraud, Waste & Abuse Training Material for general public and recipient department use

As stated above, the Guam Recovery website was created to provide general mandated, yet useful, information to the general public on ARRA funds received by the Government of Guam. Relative to reconciliation between the Guam Recovery and Federal Recovery sites, and due to key differences in financial data reported on both sites, it was decided by prior BBMR management to forego regular data reconciliation and rather provide justification when requested by federal or local officials or other interested parties. Aside from the subject Performance Audit, to the best of the Bureau's knowledge, no such request for reconciliation of variances has ever been made to BBMR.

While the Bureau is receptive to commencing reconciliations between the two sites, the reconciliation may have to be limited to reporting *significant* or *material* variances due, in part, to limited capacities. The Bureau is open to recommendations from the Office of Public Accountability on how to best address this matter.

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**BBMR Management Response**

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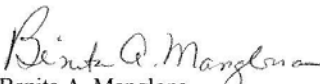
**Finding #4: Website improvements needed to promote accountability and transparency of ARRA funds**

The Guam Recovery Website, [www.recovery.guam.gov](http://www.recovery.guam.gov), lacks adequate information to track or review ARRA project status and activities. Recommended information such as review findings and recipient department plans to address them are not posted.

**BBMR response:**

As mentioned in the BBMR's previous response, the Guam Recovery website was developed with primary reporting objectives in mind. While the Bureau agrees that improvements can be made on the Guam Recovery website, reports including "website best practice" information provided to the Bureau by your Office indicate that State Government websites are also lagging in providing general information on ARRA projects. Again, financial resources were not afforded to the Bureau in 2009 when it assumed the ARRA State Lead role for the Government of Guam. However, the Bureau would like to note that in late January 2011, BBMR has recently been provided some Recovery Act funds which may be used to improve our existing Guam Recovery website *or* to contract out such services. In either case, the Bureau is positioned to implement (website improvement) recommendations proffered by the Office of Public Accountability.

We hope that the aforementioned responses adequately address findings of the Performance Audit. To the extent possible, the Bureau looks forward to working collaboratively with your Office to implement recommendations outlined in the Audit in the interest of ensuring full accountability and transparency in the Government of Guam's use of ARRA grant funds.

  
Benita A. Manglona  
Director, BBMR



Government of Guam  
Oversight of American Recovery and Reinvestment Act Funds  
Report No. 11-02, April 2011

## ACKNOWLEDGEMENTS

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## MISSION STATEMENT

To improve the public trust,  
we audit, assess, analyze, and make recommendations  
for accountability, transparency, effectiveness, efficiency, and economy  
of the government of Guam  
independently, impartially, and with integrity.

## VISION

Guam is the model for good governance in the Pacific.

## CORE VALUES

Integrity                      Independence                      Impartiality  
Accountability                      Transparency

## REPORTING FRAUD, WASTE, AND ABUSE

- Call our HOTLINE at 47AUDIT (472-8348)
- Visit our website at [www.guamopa.org](http://www.guamopa.org)
- Call our office at 475-0390
- Fax our office at 472-7951
- Or visit us at Suite 401, DNA Building in Hagåtña;

All information will be held in strict confidence.