



**EXECUTIVE SUMMARY**  
**Guam Homeland Security/Office of Civil Defense**  
**Operating Costs Series, Part II**  
**OPA Report No. 24-12, December 2024**

The Office of Public Accountability (OPA)'s investigative audit of the Guam Homeland Security/Office of Civil Defense (GHS/OCD)'s operating costs found that GHS/OCD's overtime costs from Fiscal Year (FY) 2018 to FY 2023 were non-compliant with Federal and local laws, the Department of Administration (DOA) Personnel Rules and Regulations, and the Bureau of Budget Management and Research (BBMR) Standard Operating Procedures (SOP). Specifically:

- Overtime was unauthorized:
  - Overtime work was not properly authorized by GHS/OCD officials;
  - Overtime plans were missing and untimely approved;
- Overtime work resulted in grant over-expenditures and audit deficiencies; and
- Overtime documentation was requested but not provided by GHS/OCD.

As a result, we questioned \$2.8 million (M) of overtime costs charged to GHS/OCD accounts. We also found that GHS/OCD did not have SOPs and allowed one employee to have authority, custody, and accounting of Federal grant expenditures. Fraud risk is heightened in GHS/OCD.

**Overtime Was Unauthorized**

Unauthorized work is defined as “hours worked by an employee without the appointing authority’s permission or contrary to his instructions or, not authorized by such applicable budget appropriations act”. An employee could not be required to work overtime unless the appointing authority has certified “that funds for overtime pay are available” (DOA Personnel Rules and Regulations Rules 7.600 and 7.404(E)). Agencies “in anticipation of overtime expenditures (i.e. Federal)” are required by BBMR “to develop and adopt an overtime plan for approval [...] before overtime is incurred and funds allotted” (BBMR SOP No. 9).

***Overtime Work Was Not Properly Authorized by GHS/OCD Officials***

Of the 94 payroll samples with overtime payments, 69 (or 73%) were missing timesheets and 25 (or 27%) had timesheets signed by the appointing authority (as Supervisor) and a Certifying Officer. Overtime work for four employees’ timesheets was not authorized by the Supervisor. Two of the four employees’ timesheets contained Supervisor signatures that did not match the signature specimens submitted to DOA. Additionally, overtime work was not allowed by the grants charged for two employees yet payment was certified by the Certifying Officer through signing timesheets.

***Overtime Plans Were Missing and Untimely Approved***

From FY 2018 to FY 2023, overtime expenditures charged to GHS/OCD accounts totaled \$3.3M. Of the \$3.3M, GHS/OCD did not submit overtime plans for \$2.7M (or 82%) of the cost and submitted plans for \$580 thousand (K) (or 18%). For those without plans, overtime was not

allowable per BBMR’s SOP. For those with plans, the \$18K that we tested were missing timesheets.

As a result, established internal controls were rendered ineffective. The timesheets signed contained deficiencies and were the basis of overtime payments made. The payments were part of the \$2.7M in overtime expenditures that BBMR did not clear. In addition to those without BBMR clearance, we questioned \$18K without payroll documentation for a total of \$2.7M in overtime expenditures not in compliance with applicable regulations, rules, and SOPs.

**Overtime Hours Were Unreasonable and Unallocable**

A reasonable cost is a cost that is not over “an amount that a prudent person would incur under the circumstances prevailing” at the time. An allocable cost is a cost that can be assigned to a Federal grant (Title 2 of the U.S. Code of Federal Regulations (CFR) §§ 200.404 and 200.405).

From FY 2018 to FY 2023, 10 GHS/OCD employees incurred \$1.8M in overtime costs. The employees were part of management, grants management, finance and administration, and operations. The three highest paid made up half (or 50%) of the total cost. The overtime pay was processed retroactively or *after* the employee was paid for regular work hours and based on cash availability from the General Fund. See Table 1.

Table 1: GHS/OCD Employees with the Most Overtime Pay (FY 2018 to FY 2023)

Employee No.	Job Title	Regular Payroll Run	Demand Payroll Run (Retroactive Pay)	Total Overtime Pay	Gross Pay	% of Overtime Pay to Gross Pay	
		[A]	[B]	[C] = A + B	[D]	[E] = C / D	
1	1001	Administrative Services Officer	\$ 103,167	\$ 313,228	\$ 416,396	\$ 775,019	54%
2	6881	Program Coordinator III	\$ 6,205	\$ 276,775	\$ 282,980	\$ 476,434	59%
3	15429 / 8987	Civil Defense Officer (Gov)	\$ 33,773	\$ 181,750	\$ 215,523	\$ 367,001	59%
4	2650	Planner IV	\$ 981	\$ 205,988	\$ 206,969	\$ 667,065	31%
5	14835 / 8734	Civil Defense Officer (Gov)	\$ 3,050	\$ 165,955	\$ 169,005	\$ 521,687	32%
6	16504 / 10165	Administrative Assistant	\$ 46,290	\$ 110,063	\$ 156,353	\$ 444,579	35%
7	11390	Grants Manager (Gov)	\$ 1,010	\$ 115,776	\$ 116,785	\$ 351,743	33%
8	10121	Administrator, Office of Civil Defense	\$ -	\$ 93,581	\$ 93,581	\$ 394,517	24%
9	16163 / 9804	Public Information Officer	\$ 336	\$ 84,289	\$ 84,624	\$ 353,971	24%
10	14104 / 7574	Program Coordinator III	\$ 75	\$ 72,796	\$ 72,871	\$ 472,487	15%
<b>Totals</b>		<b>\$ 194,886</b>	<b>\$ 1,620,200</b>	<b>\$ 1,815,087</b>	<b>\$ 4,824,504</b>	<b>38%</b>	

From FY 2018 to FY 2021, one of the 10 GHS/OCD employees was continuously paid large amounts of overtime pay. Employee 1001’s overtime pay ranged from \$74K to \$99K per fiscal year, or an average of \$89K, and totaled \$357K (or 61% of their \$589K gross pay). The employee’s timesheets within this period indicated overtime work for grant closeouts, corrective action plans, and financial reporting, which resulted in under-utilization and over-expenditures of federal grants and audit deficiencies reported by the Premier Audit Group, Inc. (Premier) in May 2024.

As a result, the Government of Guam was bound to pay overtime that were unreasonable and unallocable to Federal grants. As a result, Federal grants awarded to GHS/OCD were wasted.

### **Overtime Work Was Not Supported**

Executive Orders 2018-12 (Typhoon Mangkhut), 2018-17 (Typhoon Yutu), 2019-05 (Typhoon Wutip), 2019-24 (Typhoon Hagibis), 2019-25 (Tropical Storm 29W Kammuri), and 2020-03 (COVID-19) instructed agencies to “keep appropriate documentation on all emergency expenses authorized by [the order] for inspection by the Executive and Legislative Branches and by the Public Auditor of Guam, and in anticipation of federal disaster assistance [...] to be administered by [FEMA].”

GHS/OCD and DOA did not provide timesheets and supporting documentation for 79 out of 172 payroll samples (or 45%), totaling \$172K out of \$428K in payroll costs. The missing documentation was for most of the overtime hours (42%) and overtime cost (66%) of the samples tested. This reiterates Premier’s finding 2023-02, in which the auditors were not provided timesheets and supporting documentation for years 2015-2017.

As a result, GHS/OCD and DOA were non-compliant with Federal regulations and executive orders relative to payroll expense documentation. There is no evidence of the work performed by GHS/OCD during the previously mentioned disasters. Therefore, we questioned the remaining \$61K of the \$217K in payroll costs (less overtime to prevent double count).

### **Other Matters**


During our review, we found deficiencies not specific to overtime, but warrant the attention of those charged with governance. GHS/OCD and other agencies in receipt of Federal grants are required by Federal regulations to “establish, document, and maintain effective internal control over the Federal award” for assurance that management of the grant complies with Federal statutes, regulations, and terms and conditions (2 CFR § 200.303).

GHS/OCD’s Financial and Administrative Standard Operating Procedures (SOPs) are not finalized and distributed to the Chief of Staff and FEMA. The SOPs indicate that the Grants Manager and Finance Officer will reconcile Federal award expenditures to its budget every month. However, there is no monthly reconciliation, as evidenced by the under-utilization and over-expenditures of federal awards.

Additionally, a GHS/OCD employee had authority, custody, and accounting of Federal grant expenditures. There was no segregation of duties as only one employee had access to all parts of the operational processes. These conditions heighten the risk of fraud within GHS/OCD.

### **Conclusion and Recommendations**

GHS/OCD was non-compliant with applicable Federal and local laws, personnel rules, and SOPs relative to overtime costs incurred from FY 2018 to FY 2023. Overtime was unauthorized, unreasonable and unallocable, and was not supported. Additionally, the lack of SOPs, segregation of duties, and prior audit findings of questionable activity heightens fraud risk at GHS/OCD. Thus, we recommended corrective actions for GHS/OCD, DOA, and the Governor’s Chief of Staff for internal controls to work as intended and to improve government service.

  
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