

GUAM JUDICIAL CENTER

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GOVERNMENT-WIDE CREDIT/ DEBIT CARD USE SERIES, PART VII

Judiciary of Guam

COMPLIANCE AUDIT

October 1, 2019 to September 30, 2024

OPA Report No. 25-12

December 2025





Government-Wide Credit/Debit Card Use Series, Part VII Judiciary of Guam

**Compliance Audit
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EXECUTIVE SUMMARY

Government-Wide Credit/Debit Card Use Series, Part VII

Judiciary of Guam

OPA Report No. 25-12, December 2025

Our audit of the Judiciary of Guam's (JOG) use of their debit card found transactions that did not fully comply with JOG policies and procedures, procurement regulations, and travel law from fiscal years (FY) 2020 to FY 2024. This audit was conducted as part of our series of audits on the Government of Guam (GovGuam)'s utilization of credit and debit cards for purchases and as part of OPA's annual audit work plan.

Specific findings included:

- Unauthorized bank transactions were untimely reported.
- Purchase Orders (POs) were untimely processed, resulting in questioned costs of \$14 thousand (K).
- No quotations from the awarded vendor and inaccurate and incomplete cost analyses, resulting in questioned costs of \$4K.
- Travel vouchers were submitted as late as 33 working days after the deadline.

Questioned costs totaled \$18K, which comprised 10% of the \$173K total samples tested and 3% of the \$684K total debit card expenditures. This was the lowest percentage of questioned costs among the eight entities we recently audited for credit/debit cards. Based on our review, we did not identify any instances of fraud or abuse for the transactions tested.

Unauthorized Transactions Were Untimely Reported

Four unauthorized transactions totaling \$19 were identified, involving nominal charges from a video game, food delivery service, and an e-reader. Delays in reporting the transactions were due to oversight during monthly reconciliations, which increased exposure to potential fraudulent activity.

Purchase Orders Were Untimely Processed

Eight transactions totaling \$14K were charged before the corresponding POs were processed, averaging an untimeliness rate of 12 days. This weakened the encumbrance process and delayed the accurate recording of obligations in the Enterprise Resource Planning system.

Procurement Record Was Insufficient

For five of the 103 samples tested, the procurement record was insufficient. Of the five samples:

- a) Three were missing the awarded vendor's quotation.
- b) One had an inaccurate cost analysis.
- c) One had an incomplete cost analysis.

As a result, procurement decisions may not reflect the most economical use of funds and the integrity of the procurement process is weakened. Questioned costs totaled \$4K.

Travel Clearance Documents Were Late

Six travel vouchers totaling \$9K were submitted between seven and 33 working days after the 10 working days deadline, increasing the risk of errors or misuse of travel funds going undetected and reducing assurance that travel was conducted in accordance with policy. Per JOG, JOG has standardized the travel request and reporting process and established “immediate follow-up and additional review for compliance with its Travel Policy.”

Other Matters

Budget Modification for Per Diem Was Late

The Financial Management Accounting Policies and Procedures (July 2018) state that the funding source is verified by the Human Resource Office (HRO) Administrator. Then, the Travel Authorization (TA) and the Voucher are submitted to the Finance Administrator to certify the availability of funds. An increase in travel cost requires supplemental certification of the availability of funds and final approval. Claims for expenses incurred by a traveler and supporting receipts must be submitted to the Financial Management office.

Sample 93 had an untimely budget modification as follows:

- a) In July 2023, travel was pre-approved by the Administrator of the Courts (AOC).
- b) In August 2023:
 - a. The Management Officer asked the Finance Administrator for the funding source for the travel. The Finance Administrator stated to use General Fund annual appropriations for HRO, and that a travel cap may be applied. We noted that JOG’s FY 2023 and FY 2024 Budget Requests did not indicate funding from the General Fund for travel.
 - b. TA23-83 was submitted. The TA only listed and was approved for travel credit (airfare) of \$1,546 and registration fee of \$1K for a total of \$2,546.
- c) In September 2023:
 - a. The Management Officer stated that the addition of a \$1,072 per diem and supplemental per diem of \$91 increased the travel cost to \$3,710. The Management Officer asked the Finance Administrator for advisement on the travel cap.
 - b. The Finance Administrator approved a cap on the travel cost at \$3,500 and will address the increase to the traveler upon the AOC’s return.
 - c. TA23-83 was amended to increase the travel cost from \$2,546 to \$3,500. Because the total travel cost was capped at \$3,500, the traveler received \$954 for per diem instead of the full per diem of \$1,163.
- d) In October 2023, the Travel Clearance was submitted and indicated \$3,500 as advanced to the traveler and \$210 as due to the traveler for ground transportation for a total of \$3,710. No ground transportation receipt was attached to the clearance packet.
- e) In November 2023:
 - a. Travel Clearance was approved by the AOC and certified by the traveler as having received the \$210.
 - b. Accounting requested \$3,500 to clear the traveler’s expenses.
 - c. The AOC approved the budget modification to transfer \$3,500 from HRO’s Regular Salary and Increment account to HRO’s Off-Island Official Conference account.

Per JOG, funding was available and that this was a matter of late system posting. JOG strictly oversees its appropriations and has controls to prevent deficit spending. If there was a deficit, the travel would not have been approved.

We acknowledge management's explanation that funding was available, controls exist to prevent spending, and the delay was due to late system posting. Nonetheless, completing the fund transfer prior to processing the travel clearance would have provided clearer documentation of fund certification and ensured full compliance with established procedures. Additionally, while the approved per diem was \$954, the traveler ultimately received the initial full per diem of \$1,163, suggesting inconsistent application of the established cap.

Travel Miles Were Not Accrued

JOG's debit cards do not accrue airline mileage as required under the Government Travel Law. The Government Travel Law states that the Unified Judiciary of Guam "shall exercise due diligence and seek to enter into an agreement with a bank(s) on Guam for credit card(s) to use as payment for [...] government and/or federally funded travel, and to accrue travel mileage through a participating airline(s)" (Title 5 of the Guam Code Annotated § 23111(h)). JOG's business debit cards do not accrue mileage. The debit card program was established long ago and has not been revisited since.

Accounts Payable Was Untimely Processed

Nineteen transactions totaling \$27K experienced delays of up to 228 days from invoice receipt to posting or deposit. Nine instances of overdraft fees totaling \$270 occurred due to miscommunication between the Financial Management and Procurement and Facilities Management offices.

Statement of Meeting Purpose Was Late and Incomplete

The 2002 Supreme Court Check Card Policy states that "[c]heck cards may be used for authorized travel expenses and hosting receptions or meetings related to the official business of the Supreme Court. [...] A Justice using a check card for this purpose shall, within ten days of making such payment, [...] submit to the Administrative Services Officer [...] a brief statement of purpose for the reception or meeting, including names of guests.

Three of the 103 samples tested, totaling \$588 of \$173K, had late and incomplete statements of meeting purpose. One memo was 85 days late or submitted 2.5 months later. The other two memos did not include guest names.

Conclusion and Recommendations

The audit noted several internal control weaknesses and procedural lapses. These primarily related to timing delays and documentation deficiencies.

We recommend that JOG:

- Incorporate a secondary review in the existing bank reconciliation process.
- Implement monitoring controls.
- Implement a supervisory review process to verify the completeness and accuracy of the procurement documentation consistent with the deficiencies noted before award.

- Require timely submissions of travel documents as a condition of approval of future travel, and direct the Finance Administrator to report instances of noncompliance to a higher authority.

These actions will demonstrate JOG's continued commitment to transparency, accountability, and responsible financial management through the strengthening of internal controls.



Benjamin J.F. Cruz
Public Auditor



Introduction

The Office of Public Accountability (OPA) conducted a compliance audit of the Judiciary of Guam's (JOG) debit card use from fiscal years (FY) 2020 to FY 2024. This audit was included in our Annual Audit Work Plan due to the inherent risk of abuse from using credit and debit cards as a convenient payment method. This report is the seventh in our series of Government of Guam (GovGuam) credit and debit card compliance audits.

In prior years, OPA surveyed all GovGuam entities to determine which agencies used credit or debit cards to purchase goods and/or services. We identified 11 entities with credit and debit cards issued to 52 government officials, with purchase limits ranging from \$500 to \$200 thousand (K) from FY 2020 to FY 2022. We found that JOG does not utilize any credit cards and instead relies solely on debit cards.

The objectives of this audit were to determine the JOG's compliance with:

1. The JOG debit card policy and/or procedures;
2. The Judicial Council of Guam Procurement Regulations; and
3. The Government Travel Law.

The audit scope covered all JOG debit card transactions from FY 2020 to FY 2024 (or from October 1, 2019 to September 30, 2024). See [Appendix 1](#) for the objectives, scope, and methodology and [Appendix 2](#) for prior audit coverage.

Background

JOG was created from the Organic Act of Guam (the Act), signed by President Truman on August 1, 1950. The Act gave Guam territorial status, a Bill of Rights, and for the first time in over 300 years, the ability to govern itself. The Act vested judicial authority in the District Court of Guam and any courts later created by Guam's Legislature. Soon after, the Legislature passed the Judiciary Act of 1950, which established local courts like the Island Court and Police Court, laying the foundation for a functioning court system independent of the Naval Governor.

Over time, Guam's judiciary evolved to meet the island's needs. The Court Reorganization Act of 1974 created the Superior Court of Guam and briefly, the Supreme Court of Guam, though the latter was struck down by the U.S. Supreme Court in 1977. A second attempt came with the Omnibus Territories Act of 1984, which allowed Guam to eventually establish its own appellate court.

The push for a truly independent judiciary culminated in Public Law 27-31 (2003) and federal law in 2004 (Public Law 108-378), which amended the Act to place Guam's Judiciary on equal footing with the Executive and Legislative branches. This created a Unified JOG, headed by the Supreme Court of Guam, which now functions as the island's highest court.

JOG's Policies and Procedures Relative to Debit Card Use

JOG authorizes the use of a debit card strictly for official judiciary business purposes. Its debit card has been used for items such as equipment, Personal Protective Equipment, and uniforms.

JOG's policy prohibits the use of personal purchases of any kind, including but not limited to:

- Alcoholic beverages/Tobacco products.
- Construction/renovation/or facility upgrades.
- Controlled substances.
- Transact using vending machines and gaming machines.
- Items for personal use and benefit.
- When the purchase is done to circumvent procurement procedures, and
- Other items deemed inconsistent with the values of the JOG.

JOG maintains debit card accounts with First Hawaiian Bank and Bank of Hawaii. Its policy specifies that the Administrator of the Courts (AOC) is responsible for designating authorized debit card holders. See [Appendix 3](#) for the Supreme Court Check Card Policy, [Appendix 4](#) for JOG Procurement Debit Card Policy & Procedures, and [Appendix 5](#) details of JOG's debit card purchases for FY 2020 – 2024.

Results of Audit

From FY 2020 to FY 2024, JOG officials used their corporate debit cards not in compliance with certain provisions of its own debit card policy and procedures, the Judicial Council of Guam Procurement Regulations, and the Government Travel Law. Specifically:

- Unauthorized bank transactions were untimely reported.
- Purchase Orders (POs) were untimely processed resulting in questioned costs of \$14K.
- No quotations from awarded vendor and inaccurate and incomplete cost analyses resulting in questioned costs of \$4K.
- Travel Vouchers were submitted as late as 33 working days after the deadline.

Questioned costs totaled \$18K, which comprised of 10% of the \$173K total samples tested and 3% of the \$684K total debit card expenditures. This was the lowest percentage of questioned costs among the eight entities we recently audited for credit/debit cards. Based on our review, we did not identify any instances of fraud or abuse for the transactions tested.

Unauthorized Transactions Were Untimely Reported

The Financial Management Accounting Policies and Procedures (July 2018) and the Procurement Department Policy and Procedures for the Procurement Debit Card (October 2018) state that the Financial Management (FM) office receives and routes the bank statement to the Procurement & Facilities Management (P&FM) debit card holder. The debit card holder will reconcile the bank statement transactions against the PO and receipts in the Enterprise Resource Planning (ERP) system within two (2) days of receipt of the statement. The debit card holder returns the statement to the FM office. The debit card holder is “solely responsible for all charges made against their” business debit card.

The Consumer Financial Protection Bureau states that if a debit card, security code or PIN was not stolen and an unauthorized withdrawal appeared on the bank statement, the account holder should immediately notify the bank. The notification should be within 60 days after the bank statement date. Otherwise, the bank will hold the account holder responsible for the unauthorized transactions.

Four of the 107 samples selected were unauthorized transactions. The bank statements showed nominal charges between \$1 and \$12 for a video game, food delivery service, and an e-reader. See Table 1.

Table 1. Unauthorized Transactions

	Sample No.	Bank Posted Date	Vendor	Amount	Purchase Description
1	37	12/18/2020	Mihoyo Limited	\$ 5	Video game
2	49	5/12/2021	Deliveroo.co.uk	\$ 1	Food delivery
3	73	7/27/2022	www Alchemycode MX	\$ 1	Unknown
4	95	12/6/2023	Kindle Svcs	\$ 12	E-reader
			Total Other Financial Impact	\$ 19	

There was no indication of internal misuse for the first three charges listed; and the last charge was being investigated by the P&FM and the bank as of July 22, 2025. Per JOG, the first three charges were discovered during routine reconciliation. The debit card holder notified the bank via telephone but the bank replied that the charges could not “be disputed due to their dates”. The fraudulent charges were mostly blocked and those that were missed were posted before they could be addressed. The affected card was one of P&FM’s cards, was canceled, and was replaced to prevent further fraudulent activity.

The above conditions were caused by oversight during the monthly reconciliation.

As a result, JOG was at risk for unauthorized transactions during the period between when the transactions first cleared the bank and when the bank was notified. Other Financial Impact totaled \$19 for the unauthorized transactions.

To address the deficiencies, we recommend for the Finance Administrator to incorporate a secondary review in the existing bank reconciliation process. This could be done by having accounts payable personnel perform a brief review of the debit card holder’s reconciliations to confirm that all transactions are authorized. A simple checklist or sign-off could help ensure early identification of any unusual activity.

The JOG acknowledged the importance of timely detection and reporting. They agreed with implementing a secondary review of all debit card transactions. They will be utilizing online banking and established proactive internal checks to report unauthorized charges in accordance with the bank policy. Per the JOG, “[t]he Judiciary remains committed to transparency, accountability, and the protection of public resources through responsible financial management and continuous improvement of internal controls.”

Purchase Orders Were Untimely Processed

The Financial Management Accounting Policies and Procedures (July 2018) and the Procurement Department Policy and Procedures for the Procurement Debit Card (October 2018) state that a PO must be approved prior to the use of the debit card to charge the transaction covered by the PO.

The accounting procedures also state that the encumbrance of a PO or a Voucher are subject to the availability of funds. Posting encumbrance in the ERP system ensures that funds are reserved to

be spent. Once the final payment related to the PO or Voucher is made, the PO or Voucher is closed and the encumbrance is reversed.

Eight of 103 samples tested, totaling \$14K of \$173K, were charged before the PO was processed. The untimeliness ranged from four to 33 days or an average of 12 days. See Table 2.

Table 2. Card Charged Before PO/Change Order

						A	B	C = (B - A)
	Sample No.	Bank Posted Date	Vendor	Amount	Purchase Description	Purchase Date	Purchase/ Change Order Date	Days Between Purchase and Purchase Order
1	88	5/8/2023	Academic Choir Apparel (20644 Superior St Chatsworth)	\$ 466	Judicial robe	5/5/2023	6/7/2023	33
2	18	8/5/2020	Sunny Cash and Carry	\$ 210	15 gallon trash cans	8/1/2020	8/19/2020	18
3	34	12/8/2020	Benson Guam	\$ 1,000	Flexiglass	12/3/2020	12/20/2020	17
4	45	3/22/2021	National Office Supply	\$ 1,821	Flat panel cart, chair mat without spike	3/18/2021	3/24/2021	6
5	21	8/27/2020	APPA (PURCHASED FROM APPA)	\$ 290	Online training for APPA Annual Training	8/23/2020	8/28/2020	5
6	15	6/8/2020	SHOP 4 LESS	\$ 182	Dish pan and dish basin	6/3/2020	6/8/2020	5
7	87	4/18/2023	ADORAMA INC.	\$ 6,313	Mac Studio desktop computer, display monitor, and AppleCare+	4/6/2023	4/10/2023	4
8	76	9/7/2022	B&H Photo	\$ 4,157	Microphones	9/2/2022	9/6/2022	4
			Total Questioned Costs	\$ 14,439			Average # of Days	12

Samples 45 and 15 were posted under Change Orders of Blanket Purchase Agreements for COVID-19-related items. For Sample 45:

1. The original PO was processed on December 15, 2020 at \$500.
2. The purchase was made on March 18, 2021 for \$1,821.
3. The PO was amended on March 24, 2021 to increase the amount to be encumbered at \$4K.

Likewise, for Sample 15:

- a) The original PO was processed on April 13, 2020 at \$1K.
- b) The purchase was made on June 3, 2020 for \$182.
- c) The PO was amended on June 8, 2020 to increase the amount to be encumbered at \$3K.

In both instances, the amendments allowed for the purchase to be charged under the PO. Per JOG, the original POs showed pre-approval of the purchases. We note, however, that the charges would not have been encumbered if the POs were not changed or amended. The amendments came after the purchases were made.

The above conditions were caused by lack of coordination between the P&FM and FM offices. As a result, internal controls for the encumbrance process were weakened. JOG stated that the risk of

overspending was mitigated as “fund availability was confirmed beforehand, and all purchases remained within approved budget allocations.”

We note, however, that processing the POs after the transaction date may affect the timeliness and accuracy of recording obligations in the ERP system. Further, reliance on informal confirmation of funds rather than formal encumbrances reduces the preventive control intended to ensure purchases remain within available budget. Thus, questioned costs totaled \$14K.

Per JOG, JOG “continues to reinforce compliance with the timing requirements of the PO approval process to ensure both timeliness and fiscal accountability.” To supplement JOG’s corrective action, we recommend for the Finance Administrator to implement monitoring controls to detect and correct untimely encumbrances.

Procurement Record Was Insufficient

The Judicial Council of Guam Procurement Regulations (July 2018) state that for small purchases with a total cost between \$1K and \$5K, informal written or oral quotations may be solicited, except when the Purchasing Officer deems it is more advantageous to directly procure from a vendor.

The Financial Management Accounting Policies and Procedures (July 2018) and the Procurement Department Policy and Procedures for the Procurement Debit Card (October 2018) state that debit card purchases “must follow all procurement processes for small purchases.” The accounting procedures further state that “small purchase procedure consists of obtaining price and rate quotations from an adequate number of qualified sources.”

For five of the 103 samples tested, totaling \$6K of \$173K, the procurement record was insufficient. Of the five samples:

- a) Three were missing the awarded vendor’s quotation.
- b) One had an inaccurate cost analysis.
- c) One had an incomplete cost analysis.

See Table 3.

Table 3. Insufficient Procurement Records

	Sample No.	Bank Posted Date	Vendor	Amount	Purchase Description	Deficiency
1	69	7/5/2022	United	\$ 2,846	Airline ticket	No quotation for awarded vendor
2	35	12/8/2020	Walmart.com	\$ 210	Webcam	No quotation for awarded vendor
3	70	7/5/2022	Justfly.com	\$ 20	Agency service fee for airline ticket	No quotation for awarded vendor
Subtotal No Quotation				\$ 3,076		
4	90	5/16/2023	AMAZON.COM	\$ 2,310	Ethernet cable, external DVD drive, cable manager, computer technician tool kit, network tool kit, and connector end	Cost analysis was inaccurate
5	103	4/26/2024	Eagle Mountain	\$ 521	U.S. Space Force flag with pole and stand	Cost analysis was incomplete
Subtotal Cost Analysis				\$ 2,831		
Total Samples w/ Deficiencies				\$ 5,907		
Total Questioned Costs				\$ 3,740		

One sample, Sample 69, was for airfare from United for \$3K. JOG contends that United had the lowest price compared to the other vendors solicited. While we concur, JOG's contention was based on a payment receipt but not on a quotation; therefore, we find that this procurement record is deficient in meeting JOG Procurement Methods procedure.

In another sample (Sample 90), quotations were requested for networking supplies to include "RJ45 CAT6/CAT5 connectors (100 pk.)." We found inconsistencies in the requested quantity for this item between two local vendors. The Request for Quotation (RFQ) summary table lists Vendor 4's quotation with a quantity of "50," while Amazon's pricing reflects a 10-pack unit measure. The documentation does not clearly reconcile the unit measure used for evaluation with the quantities shown in the RFQ table.

The above conditions were caused as a result of:

1. the procurement staff not adequately ensuring that vendor quotations and cost analyses were complete and accurate; and
2. management did not have sufficient supervisory review in place to detect these errors.

Procurement decisions may not reflect the most economical use of funds, weakening the integrity of the procurement process. As a result of missing quotations, incomplete cost analyses, or the reliance on purchase prices over quotations, questioned costs totaled \$4K.

To address the deficiencies, we recommend for the P&FM Administrator to strengthen procurement controls by implementing a supervisory review process to verify the completeness and accuracy of procurement documentation consistent with the deficiencies noted above before award.

Travel Clearance Documents Were Late

The Government Travel Law requires for the traveler to submit a listing of actual costs incurred for lodging, meals, and travel expenses, supported by receipts and/or affidavits, for reimbursement. Otherwise, the traveler is to submit an itinerary of his/her official travel and, if applicable, reimburse the government for any excess advance allowance. The submission of the traveler's request for reimbursement or itinerary, with or without refund to the government, is due within 10 days after the traveler returns from his/her official travel (Title 5 of the Guam Code Annotated (GCA) § 23104(c) and (d)).

The Financial Management Accounting Policies and Procedures (July 2018) state that upon return, travelers have 10 working days to clear with the FM office. The FM office will prepare a Travel Voucher for the traveler and the AOC or Chief Justice to sign. This process is "to ensure that travelers are [...] compensated for [...] approved official business-related expenses incurred by them while on official travel status and that [...] funds advanced by the JOG are recovered to the extent appropriate and to facilitate necessary record keeping."

Six of the 103 tested samples (totaling \$9K of \$173K), had Travel Vouchers that were submitted late. The vouchers were submitted seven to 33 working days after the 10 working days deadline. Each sample included a letter from the Finance Administrator to the traveler, signed by the traveler, indicating the traveler's agreement to comply with the JOG Official Travel Policy Rules. Per JOG, the FM office follows up with and reminds travelers of the importance of adhering to the policy; however, delays still persist. Per FM office, a common issue is that travelers often resume work immediately upon return, which contributes to continued delays. See Table 4.

Table 4. Late Travel Clearance Documents

	Sample No.	Amount	TA No.	Travel Status End Date	Returned to Work Date	Travel Voucher Deadline Based on Returned to Work Date	Report Date	No. of Working Days After Deadline
1	67	\$ 2,739	TA22-21	8/6/2022	8/9/2022	8/22/2022	10/6/2022	33
2	68	\$ 30						
3	6	\$ 1,761	TA 24-35	5/5/2024	5/13/2024	5/26/2024	6/28/2024	24
4	80	\$ 895	TA23-42	6/30/2023	7/12/2023	7/26/2023	8/24/2023	22
5	89	\$ 2,704	TA23-49	6/30/2023	7/5/2023	7/18/2023	8/8/2023	15
6	93	\$ 1,000	TA 23-83	10/5/2023	10/4/2023	10/17/2023	10/25/2023	7
	Total Samples w/ Deficiencies	\$ 9,129						
	Total Questioned Costs	\$ -						

Per JOG, the above conditions were caused by travelers often working on their tasks upon return from travel “to avoid creating a backlog.”

As a result, delayed or incomplete travel clearance submissions increase the risk for errors or misuse of travel funds going undetected and reduces assurance that travel was conducted in accordance with policy.

Per JOG, JOG has standardized the travel request and reporting process and established “immediate follow-up and additional review for compliance with its Travel Policy.” To supplement JOG’s corrective action, we recommend for the AOC to ensure that all travelers, including management, comply with the travel clearance policy by:

1. requiring timely submission of travel clearance documents as a condition of approval of future travel; and
2. directing the Finance Administrator to report instances of noncompliance to a higher authority for appropriate action.

Other Matters

During our testing, we found other matters relative to the JOG’s processing of travel, non-accrual of travel miles, processing of debit card purchases, and documentation of hosting expenses.

Budget Modification for Per Diem Was Late

The Financial Management Accounting Policies and Procedures (July 2018) state that the funding source is verified by the Human Resource Office (HRO) Administrator. Then, the Travel Authorization (TA) and the Voucher are submitted to the Finance Administrator to certify the availability of funds. An increase in travel cost requires supplemental certification of availability of funds and final approval. Claims for expenses incurred by a traveler and supporting receipts must be submitted to the FM office.

Sample 93 had an untimely budget modification as follows:

- a) In July 2023, travel was pre-approved by the AOC.
- b) In August 2023:
 - a. The Management Officer asked the Finance Administrator for the funding source for the travel. The Finance Administrator stated to use General Fund annual appropriations for HRO and that a travel cap may be applied. We noted that JOG’s FY 2023 and FY 2024 Budget Requests did not indicate funding from the General Fund for travel.
 - b. TA23-83 was submitted. The TA only listed and was approved for travel credit (airfare) of \$1,546 and registration fee of \$1K for a total of \$2,546.
- c) In September 2023:
 - a. The Management Officer stated the addition of a \$1,072 per diem and supplemental per diem of \$91 increased the travel cost to \$3,710. The Management Officer asked the Finance Administrator for advisement on the travel cap.
 - b. The Finance Administrator approved a cap on the travel cost at \$3,500 and will address the increase to the traveler upon the AOC’s return.

- c. TA23-83 was amended to increase the travel cost from \$2,546 to \$3,500. Because the total travel cost was capped at \$3,500, the traveler received \$954 for per diem instead of the full per diem of \$1,163.
- d) In October 2023, the Travel Clearance was submitted and indicated \$3,500 as advanced to the traveler and \$210 as due to the traveler for ground transportation for a total of \$3,710. No ground transportation receipt was attached to the clearance packet.
- e) In November 2023:
 - a. Travel Clearance was approved by the AOC and certified by the traveler as having received the \$210.
 - b. Accounting requested \$3,500 to clear the traveler's expenses.
 - c. The AOC approved the budget modification to transfer \$3,500 from HRO's Regular Salary and Increment account to HRO's Off-Island Official Conference account.

Per JOG, funding was available and that this was a matter of late system posting. "[T]his timing did not compromise the legitimacy or viability of the fund certification. At no point did the delay indicate that funds were unavailable or improperly certified." The JOG strictly oversees its appropriations and has controls to prevent deficit spending. If there was a deficit, the travel would not have been approved.

We acknowledge management's explanation that funding was available, controls exist to prevent spending, and the delay was due to late system posting. Nonetheless, completing the fund transfer prior to processing the travel clearance would have provided clearer documentation of fund certification and ensured full compliance with established procedures. Additionally, while the approved per diem was \$954, the traveler ultimately received the initial full per diem of \$1,163, suggesting inconsistent application of the established cap.

To address the deficiencies, we recommend for the AOC to strengthen oversight to ensure that the Finance Administrator and the HRO Administrator verify the availability of funds in the account identified on the TA prior to approval.

Travel Miles Were Not Accrued

The Government Travel Law states that the Unified JOG "shall exercise due diligence and seek to enter into an agreement with a bank(s) on Guam for credit card(s) to use as payment for [...] government and/or federally funded travel, and to accrue travel mileage through a participating airline(s)" (5 GCA § 23111(h)).

For the JOG, 100% of the accrued mileage account shall be used to send eligible students to participate at off-island academic activities, including, but not limited to, Mock Trial and National Forensic League competitions. The Superintendent of Education, in collaboration with the heads of all government entities/agencies, the Executive Director of the Guam Legislature, and the AOC, shall promulgate rules and regulations for the use of accrued mileage for off-island student travel involving academic, sports, and cultural activities. These rules and regulations shall be promulgated pursuant to the Administrative Adjudication Act.

The JOG's business debit cards do not accrue mileage. The debit card program was established in 2002 for the Supreme Court and 2013 for the Judiciary of Guam; and has not been revisited since.

Per JOG, the law is specific to credit card purchases by Government of Guam employees. “[D]ebit cards would not qualify under the program created by the [...] Law. While [...] well intended, [it] would require rules and regulations that the Judicial Council will have to review and approve.”

We reiterate our recommendation from OPA Report Nos. 23-10, 23-11, and 24-06. When the rules and regulations for student travel are promulgated, we recommend for management to revisit its agreement with its debit card-issuing financial institution and ensure compliance with the mileage program requirements.

Accounts Payable Was Untimely Processed

The Financial Management Accounting Policies and Procedures (July 2018) state that all invoices are routed to the P&FM receiving and invoice processing coordinator for review and receipt of goods and services. P&FM then forwards the files to accounts payable for processing. The accounts payable personnel provide the invoices to the Finance Administrator or authorized representative for approval. Upon approval, the accounts payable personnel releases payment.

Nineteen of the 103 samples tested, totaling \$27K of \$173K, showed inefficiencies in JOG’s processing of debit card payments. Of the 19 samples:

- a) Six invoices were received late in the system. The untimeliness ranged from 34 to 51 days or an average of 43 days.
- b) Six payments were delayed from the date they were recorded in the general ledger (G/L). The untimeliness ranged from 29 to 150 days or an average of 54 days.
- c) Seven bank deposits were delayed from the date they cleared in the bank statement. The untimeliness ranged from 97 to 228 days or an average of 167 days.

See Table 5.

Additionally, JOG’s bank statements showed nine instances of \$30 overdraft fees totaling \$270 in July and September 2022 due to miscommunication between the FM and P&FM offices. See Table 5 below.

Table 5A. Late Invoice Receiving

			Invoice Date	Received Date	Days Between Invoice and Receipt	
Sample No.	Vendor	Amount	A	B	C = (B - A)	
1	63	Amazon.com	\$ 2,913	2/14/2022	4/6/2022	51
2	57	U2 Fashion Home Mart	\$ 665	10/21/2021	12/7/2021	47
3	101	AMAZON.COM	\$ 4,860	3/6/2024	4/22/2024	47
4	58	MyBinding.com	\$ 662	12/16/2021	1/31/2022	46
5	60	Amazon.com	\$ 1,540	12/27/2021	1/31/2022	35
6	61	Amazon.com	\$ 3,442	12/28/2021	1/31/2022	34
		Samples w/ Deficiencies	\$ 14,082	Average # of Days		43
		Total Questioned Costs	\$ -			

Table 5B. Late Payment Processing

			G/L Date	Payment Date	Days Between G/L Posting and Payment	
Sample No.	Vendor	Amount	A	B	C = (B - A)	
1	5	Ernst & Young LLP	\$ 15	4/10/2023	9/7/2023	150
2	83	21 Dearborn Street	\$ 276	3/2/2023	4/13/2023	42
3	25	Amazon.com	\$ 2,951	9/30/2020	11/5/2020	36
4	74	FamousFootwear	\$ 950	8/16/2022	9/21/2022	36
5	96	American Heart	\$ 2,707	12/12/2023	1/11/2024	30
6	81	KWONG HWA SHOPPING	\$ 13	2/22/2023	3/23/2023	29
		Samples w/ Deficiencies	\$ 6,912	Average # of Days		54
		Total Questioned Costs	\$ -			

Table 5C. Late Bank Deposits

			Bank Posted Date	Bank Deposit Date	Days Between Posting and Deposit	
Sample No.	Vendor	Amount	A	B	C = (B - A)	
1	99	IN TOTAL	\$ 468	2/16/2024	10/1/2024	228
2	7	Jeff's Pirates Cove	\$ 622	7/8/2024	1/28/2025	204
3	9	ELMDOR STONEMAN MANUFA	\$ 1,803	1/14/2020	7/29/2020	197
4	77	EXTREMETACTICALDYN JUPITER	\$ 1,700	10/4/2022	4/17/2023	195
5	50	eBay	\$ 158	6/2/2021	10/15/2021	135
6	1	ALM	\$ 490	7/6/2020	10/27/2020	113
7	17	Amazon.com	\$ 869	7/22/2020	10/27/2020	97
		Samples w/ Deficiencies	\$ 6,110	Average # of Days		167
		Total Questioned Costs	\$ -			

Sample 7 for Jeff's Pirates Cove was the only sample with significant delays throughout the process. Sample 7 had an invoice date of July 2024, received date and G/L date of October 2024, and payment date of January 2025. The purchase was made in July 2024 (or FY 2024) but was inadvertently posted under PO 2025-0036 (or FY 2025). Per JOG, it was a clerical error and should have been posted under PO 2024-0152 (or FY 2024). We note that the error would not have occurred if the invoice was timely received in the system.

For the other samples, per JOG, there were instances when the delays are due to external factors (e.g. shipping delays). The FM office has been proactively following up with the P&FM office—on a weekly basis, at times—as well as during the monthly reconciliation to ensure timely payment processing and avoid overdrawing the account. The FM office also set up bank notifications for insufficient balances.

To supplement JOG’s corrective action, we recommend for the AOC to:

1. define a reasonable maximum allowable time frame from invoice receipt to system posting (e.g. a short 3-5 business day window commonly used in practice); and
2. establish periodic reporting of unposted invoices.

Statement of Meeting Purpose Was Late and Incomplete

The 2002 Supreme Court Check Card Policy states that “[c]heck cards may be used for authorized travel expenses and hosting receptions or meetings related to the official business of the Supreme Court. [...] A Justice using a check card for this purpose shall, within ten days of making such payment, [...] submit to the Administrative Services Officer [...] a brief statement of purpose for the reception or meeting, including names of guests.”

Three of the 103 samples tested, totaling \$588 of \$173K, had late and incomplete statements of meeting purpose. One memo was 85 days late or submitted 2.5 months later. The other two memos did not include guest names. See Table 6.

Table 6. Late and Incomplete Statement of Meeting Purpose

	Sample No.	Bank Posted Date	Vendor	Amount	Purchase Description	Deficiency
1	3	12/14/2021	Carmen's Cha Cha Cha (PayPal *FREEDA6662)	\$ 323	Catering services	No guest names
2	2	5/28/2021	Submarina	\$ 90	Meals for lunch meeting	No guest names
3	4	3/20/2023	Westin	\$ 174	Meals for lunch meeting	Late
			Total Samples w/ Deficiencies	\$ 587		

To address the deficiencies, we recommend for the Chief Justice to strengthen oversight of check card use by:

1. requiring the Finance Administrator to review the statements of meeting purpose for timeliness and completeness; and
2. ensuring the staff preparing the statements receive periodic reminders and are aware of the policy requirements.

Conclusion and Recommendations

The audit noted several internal control weaknesses and procedural lapses. These primarily related to timing delays and documentation deficiencies.

We recommend that JOG:

- Incorporate a secondary review in the existing bank reconciliation process.
- Implement monitoring controls.
- Implement a supervisory review process to verify the completeness and accuracy of the procurement documentation consistent with the deficiencies noted before award.
- Require timely submissions of travel documents as a condition of approval of future travel, and direct the Finance Administrator to report instances of noncompliance to a higher authority.

See Appendix 6 for the status of audit recommendations.

These actions will demonstrate JOG's continued commitment to transparency, accountability, and responsible financial management through the strengthening of internal controls.

Classification of Monetary Amounts

	Findings	Questioned Costs ¹	Potential Savings	Lost Revenues	Other Financial Impact ²
1	Unauthorized Transactions Were Untimely Reported	\$ -	\$ -	\$ -	\$ 19
2	Purchase Orders Were Untimely Processed	\$ 14,439	\$ -	\$ -	\$ -
3	Procurement Record Was Insufficient	\$ 3,740	\$ -	\$ -	\$ -
4	Travel Clearance Documents Were Late	\$ -	\$ -	\$ -	\$ -
	Totals	\$ 18,179	\$ -	\$ -	\$ 19

¹ Questioned Costs are the costs questioned because of:

- (a) An alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- (b) A finding that, at the time of the audit, such cost is not supported by adequate documentation; or
- (c) A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

² Other Financial Impact means amount identified in the audit but do not fit the other categories. It includes unauthorized bank charges.

Management Response and OPA Reply

We provided a draft report to the JOG for their official management response on October 21, 2025. We held an Exit Conference with the JOG officials to discuss the reported findings and recommendations on October 28, 2025. The JOG management provided their response on November 4, 2025.

Based on the responses, the JOG generally agreed with our findings. See Appendix [7](#) for the Management Response.

The legislation creating OPA requires agencies to prepare a corrective action plan to implement audit recommendations, document the progress in implementing the recommendations, and endeavor to have implementation completed no later than the beginning of the next fiscal year. Accordingly, we will be contacting the JOG for a status of the recommendations.

We greatly appreciate the cooperation and assistance given to us by the Chief Justice, Administrator of the Courts, Deputy Administrator of the Courts, Finance Administrator, Deputy Administrator of Financial Affairs, Deputy P&FM Administrator, Director of Policy, Planning & Community Relations, Staff Attorney, and staff during this audit.

OFFICE OF PUBLIC ACCOUNTABILITY



Benjamin J.F. Cruz
Public Auditor

Appendix 1: Objectives, Scope, and Methodology

Objectives

The objectives of this engagement were to determine the JOG's compliance with:

1. The JOG debit card policy and/or procedures;
2. The Judicial Council of Guam Procurement Regulations; and
3. The Government Travel Law.

Scope

The audit scope will be all of JOG's debit card transactions from FY 2020 to FY 2024 (or from October 1, 2019 to September 30, 2024).

Methodology

We performed the following steps in conducting this audit:

- Conducted walk-throughs and interviews with key personnel.
- Assessed the strength of internal controls with the administration of debit cards.
- Obtained a listing of all debit card transactions within the audit scope.
- Selected samples from the total transactions for review.
- Reviewed applicable laws, regulations, policies, and/or procedures.
- Reviewed supporting documentation of the samples against criteria.

We conducted this compliance (performance) audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

OPA Audits

The OPA released six audit reports on the government-wide use of credit cards and one report on the government-wide procurement training compliance. The credit card audit reports and their issuance dates were OPA Report Nos. 23-10 on the Guam Power Authority (GPA) and the Guam Waterworks Authority (GWA) in December 2023; 23-11 on the Guam Visitors Bureau (GVB) in December 2023; 24-02 on the Guam Housing and Urban Renewal Authority (GHURA) in February 2024; 24-06 on the Port Authority of Guam (PAG) in March 2024; 25-07 on the Public Defender Service Corporation (PDSC) in June 2025; and on the 25-08 University of Guam (UOG) in July 2025. The procurement training compliance report was OPA Report 24-03 and released in February 2024.

OPA Report No. 23-10

The OPA questioned costs of \$71K out of \$419K total credit card expenditures for the GPA, and \$27K out of \$131K for the GWA. The findings were:

- small purchase requirements were not met,
- Blanket Purchase Agreements executed as if sole sourced or small purchases,
- a personal trip was paid with the corporate credit card,
- on-island purchases were made contrary to policy,
- no evidence of product unavailability on-island or cost-savings, and
- untimely, incomplete, or missing travel clearances.

The GPA and GWA credit card usage policies provide guidelines for corporate credit card use and follow applicable procurement rules and regulations. The OPA recommended corrective actions such as recordkeeping and updating policy.

OPA Report No. 23-11

The OPA questioned costs of \$23K out of \$79K total credit card expenditures. The findings were:

- credit card changes did not reflect policy,
- spouses' dinners paid with the GVB credit card,
- dinners had incomplete documentation,
- purchases made without approvals,
- vendors were selected without documentation, and
- purchase orders were inappropriately utilized.

The GVB's corporate credit card policy and procedures contained conditions for credit cards and should not contradict governing laws. The OPA recommended corrective actions such as enforcing policy.

OPA Report No. 24-02

The OPA questioned costs of \$34K out of \$117K total credit card expenditures. The findings were:

- credit card used for unauthorized and prohibited charge,
- cardholders did not use credit card as specified in policies and procedures,
- untimely approval and inconsistent use of purchase orders,

- lack of monitoring and oversight of credit card charges,
- missing and incomplete supporting documentation, and
- POs were inappropriately utilized.

GHURA's Credit Card Policies and Procedures guide its credit card use and should not contradict governing laws, regulations, and policies. The OPA recommended corrective actions such as reviewing, updating, and enforcing its policies and training personnel involved in the credit card and procurement processes.

OPA Report No. 24-03

Government of Guam entities are mandated to submit a Procurement Training Compliance Report to the OPA identifying individuals within their entities who have received training as part of the Procurement Training and Certification Program. The Judiciary is one of the 61 entities that did not submit their reports in at least one fiscal year from FY 2021 to FY 2023. The OPA hoped that OPA Report No. 24-03 increases the awareness for agencies to comply with the mandate and ultimately complying with the procurement training mandate.

OPA Report No. 24-06

The OPA questioned costs of \$10K out of \$171K total credit card expenditures. The findings were:

- purchases contrary to policy,
- approval processes contrary to procedures,
- accounting process contrary to procedures,
- small purchase requirements not met,
- clearances contrary to Government Travel Law, and
- expense reports were untimely and inaccurate.

The PAG's Credit Card Policy contained conditions and procedures for credit card use. The OPA recommended corrective actions such as updating and enforcing board policies and considering dating signatures and not using corporate credit card for items to be paid with the traveler's per diem.

OPA Report No. 25-07

The OPA questioned costs of \$35K out of \$145K total credit card purchases. The findings were:

- deficiencies in the purchase requisition process,
- transactions missing required documentation,
- lack of evidence to prove transactions were business-related,
- selection of vendors missing solicitation documentation,
- off-island purchases non-compliant with procurement regulations,
- travel-related expenses missing clearance documentation, and
- inadequate monitoring of credit card payments.

The PDSC Credit Card and Office/Purchase Requisition(s) policies and procedures guide its credit card use. PDSC was non-compliant with its credit card policies, procurement regulations


and requisition procedures and travel law and policy. The OPA recommended corrective actions to assist PDSC in achieving compliance, including revisiting and enforcing its policies and procedures, procurement regulations, and the Government Travel Law.

OPA Report No. 25-08


The OPA questioned costs of \$788K out of \$2.9 million (M) total credit card purchases. The findings were:

- lack of written agency-wide credit card policy,
- lack of justification or Determination of Need for purchases,
- lack of cost savings or product unavailability for off-island purchases,
- purchases lacking quotations / unable to determine if award was made to the lowest acceptable quotation,
- lack of evidence of budget availability,
- lack of POs for purchases,
- no evidence documents were forwarded to Business Office for reconciliation,
- unable to verify approval of Payment Request Form / Payment Request Form not provided,
- Purchase Card not used for valid university requirements / lack of justification for purchase,
- Purchase Card used for unallowed charges,
- purchases lacking written quotations,
- no proof of budget availability provided for multiple purchases,
- missing and incomplete supporting documentation,
- lack of monitoring and oversight over Purchase Card charges,
- Travel Authorizations improperly approved,
- no evidence Per Diem checks issued properly, and
- travel clearances not provided.

The findings highlight a need for better understanding of procurement regulations among credit and purchase cardholders and the importance of adhering to formal processes to avoid mismanagement of funds. In areas of noncompliance, the OPA recommended corrective actions to improve and strengthen UOG's internal controls for its credit card and purchase card programs to enhance oversight and compliance, such as creating an agency-wide credit card policy and training personnel involved in the credit card and purchase card and procurement processes.



Supreme Court of Guam



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M E M O R A N D U M

TO : All Supreme Court Check Card Holders

FROM : Chief Justice, Acting *TPC*

DATE : December 5, 2002

SUBJECT : Supreme Court Check Card Policy

The Supreme Court hereby authorizes the use of check cards only as provided herein. These rules are effective as of the date the Supreme Court obtained the check cards, June 1, 2002.

SUPREME COURT OF GUAM CHECK CARD POLICY

PURPOSE

Section 1. While recognizing the importance of the policy on local procurement, the Supreme Court determines the need for the simplification of procurement practices, particularly in the payment of off-island vendors for goods or services. In limited circumstances, significant savings may be realized if off-island sources are used to procure such goods as computer software and other items which may be unavailable or inordinately costly in local markets. Such purchases are permitted under Section 5(c)(iii) of the Procurement Policy of the Supreme Court of Guam ("Procurement Policy"). To achieve such cost savings, and in continuing efforts to reduce expenses during this time of severe budgetary shortfalls, it is necessary to avail the Supreme Court of the opportunity to utilize the services of off-island vendors who are accessible by internet and other electronic means. Because many such vendors do not accept company or government checks, the Supreme Court has approved the acquisition of check cards. In addition, the proper use of check cards to pay for authorized court expenses provides for an important system of record keeping. These rules shall govern the usage of check cards by Supreme Court personnel for procurement and other purposes as provided herein.

APD
Rec'd
12/05/02

Memorandum to All Supreme Court Check Card Holders
Subject: **Supreme Court Check Card Policy**
December 5, 2002
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GENERAL POLICY

Section 2. It shall be the policy of the Supreme Court to use check cards only for procurement purposes in compliance with the Procurement Policy, and for the purposes expressly contained within these rules. Check cards shall not be used for personal expenses at any time

DEFINITIONS

Section 3. As used in this rule "check card" means a bank card from which authorized charges are drawn from a balance of funds deposited in a Supreme Court bank account. Check cards are not to be confused with credit cards. This rule does not authorize the use of credit cards.

RULES

Section 4. Check cards shall only be issued to the Supreme Court Executive Officer, Administrative Services Officer, and Justices of the court.

Section 5. Check cards shall be used for procurement purchases only in compliance with the Procurement Policy. Payment by check card shall not replace normal payment procedures, but shall be used only when necessary and only upon the prior approval by the Chief Justice.

Section 6. Check cards may be used by Justices and the Executive Officer for authorized travel expenses, and hosting receptions, or meetings related to the official business of the Supreme Court. No other employee holding a check card may use it for this purpose. A Justice using a check card for this purpose shall, within ten days of making such payment, or, if such expenditure is made while on official business travel, within ten days of return from official travel, submit to the Administrative Services Officer an itemized statement of account, supported by receipts, of the actual expenses incurred, including a brief statement of the purpose for the reception or meeting, including names of guests.

Section 7. Justices or the Executive Officer, if on official business travel, may use a check card in lieu of per diem. If the check card is used in lieu of per diem, within ten days of return from official travel, the card holder shall submit to the Administrative Services Officer an itemized statement of account supported by receipts of actual expenses for lodging, meals, and travel expenses actually incurred on official business.

Section 8. Under no circumstances, whether in lieu of per diem when on official travel, or when used for official receptions or meetings, shall a check card be used for the purchase of alcoholic beverages.

Memorandum to All Supreme Court Check Card Holders
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Section 9. Under no circumstances, whether in lieu of per diem when on official travel, or when used for official receptions or meetings, shall a check card be used in any night club, hostess type bar, or other similar establishment.

Section 10. Check cards must be used for official Supreme Court purposes only. Use of the check cards for personal purposes and expenditures is strictly prohibited, even if the card holder intends to reimburse the Supreme Court at a later date.

Section 11. Any unauthorized or unsupported purchase made with a check card will subject the holder to liability for payment, disciplinary action including termination, and any other civil or criminal penalties provided by law.

Appendix 4: JOG Procurement Debit Card Policy & Procedures

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	JUDICIARY OF GUAM	Procurement Department Policy and Procedures
TITLE: PROCUREMENT DEBIT CARD		EFFECTIVE DATE: August 2013
REVISED DATE: October 2018		APPROVED BY:

I. Purpose

This Policy provides the Standard Operating Procedures (SOP) and provides guidance for using the Judiciary of Guam (JOG) Procurement Debit Card (DC).

II. Policy

The Judicial Council in resolution JC13-016 authorized the use of JOG Procurement Debit Card as a means of making purchases and payments to off island vendors. This policy sets for the Standard Operating Procedures to guide the use of the JOG Procurement DC. All purchases or payments, using the JOG Procurement DC, will be made in accordance with Judicial Council (JC) of Guam Procurement Regulations as amended, Judiciary of Guam policies on DC, JC Resolutions JC 13-016, and/or applicable payment procedures as established by FMD. The AOC is responsible for designating DC Holders (DCHs). First Hawaiian Bank (FHB) issues the JOG Procurement DC. A deposit of \$25,000 established the account, which is replenished periodically as needed. There must be an adequate fund balance in the DC account to cover the cost of each proposed purchase transaction. If there are insufficient funds on the account, the transaction will be denied and must wait for funds to be replenished.

A. Applicability

This Policy and SOP applies to the following:

- 1) Financial Management Division (FMD)
- 2) Procurement & Fac. Mgt. Division (P&FMD)
- 3) Debit Card Holders (DCH)
- 4) Any procurement officer authorized to use the JOG Procurement DC.

B. Point of Contacts (POC)

- 1) Administrator of the Courts (AOC)

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Appendix 4: JOG Procurement Debit Card Policy & Procedures

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- 2) Finance Administrator (FA)
- 3) P&FM Administrator (PFMA)

C. General JOG Procurement Debit Card Procedures

- 1) When the Procurement DC is issued and authorized it is to be used in accordance with the Judicial Council of Guam Procurement Regulations, Judicial Council of Guam Resolutions JC 13-06 (Attachment 1) and Administrator of the Courts Policy Letter (Attachment 2) governing procurement activities on behalf of the Judiciary.
- 2) Purchases made using the debit card must follow all procurement processes for small purchases. A Debit Card purchase order is to be processed and approved prior to use of the card to charge the transaction covered by the purchase order. Two separate debit card purchase order types exist in the New World ERP system, one for locally funded purchases and one for federally funded grant purchases. These are identified as Debit Card or Debit Card Grant purchase order types and have separate approval authorities established in the system.
- 3) Once the purchase order is approved, the DCH must ensure that **adequate funding** is available in the DC account to cover the cost of the purchase made against the account. All charges using the Procurement DC shall be documented via purchase order and receipts recorded in the New World ERP system to facilitate reconciliation of all charges made against the Procurement DC account upon receipt of the monthly bank statement from FMD.
- 4) Credits and Cancelled items. Periodically items purchased via the Procurement DC may be returned or cancelled by the vendor for credit. When this situation occurs the DCH must process a change purchase order in the New World ERP system to record the credit or return within 3 days of the return or notice of credit.
- 5) Documentation. All DC purchases are made using the Superior Court of Guam as the vendor to allow for replenishment of the DC bank account. Therefore, specific documentation for recording of the actual vendor providing the service or commodity purchased is required as a part of the purchase order preparation process.
- 6) As a means of tracking expenditures and funds available on the card, each DCH is required to log each DC purchase in the established log book maintained by the Procurement Management Officer.

Appendix 4: JOG Procurement Debit Card Policy & Procedures

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D. Limitations on DC Use.

The DC may not be used to purchase any of the following items (this list is not all-inclusive):

- 1) Alcoholic beverages/Tobacco products.
- 2) Construction/renovation/or facility upgrades.
- 3) Controlled substances.
- 4) Purchases using vending or gaming machines.
- 5) Items for personal use and benefit.
- 6.) Purchase any other item inconsistent with the mission and values of the Judiciary of Guam

The DC may not be used as a means to circumvent the established JOG procurement rules, regulations, policies or standard operating procedures.

E. Responsibilities.

- 1) ADMINISTRATOR OF THE COURTS (AOC) - The AOC serves as the Chief Procurement Officer of the Judiciary and has sole authority and responsibility for the overall management and implementation of the DC Program including training and surveillance. The AOC appoints the DCHs.
- 2) FINANCIAL MGT. DIVISION (FMD) - FMD is responsible for payments tor replenish the account and responding to payment inquiries from the FHB, DCHs, Court Procurement Officials and AOC.
- 3) STATEMENT RECONILIATAION – Each DCH is responsible for ensuring that the Procurement and Facilities Mgt. Division complies with the DC program when using the DC. Once the monthly bank account statement is received by the PFMA it will be routed to the DCH for reconciliation of purchases and credits identified on the account. To ensure timely replenishment of funds, the statement reconciliation shall be completed within 2 days of receipt of the statement and returned to the Deputy Finance Administrator.
- 4) DEBIT CARD HOLDER (DCH) – Any individual appointed in writing as a DCH by the AOC. The DC bears the name of the individual and will only be used by this individual.

Appendix 4: JOG Procurement Debit Card Policy & Procedures

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- a. The DCH does not have the authority to allow others to make purchases using the DC or account number.
- b. DCHs are custodians and solely responsible for all charges made against their assigned DC.
- c. DCHs are responsible for tracking all DC charges made against their assigned DC account by:
 - 1) Maintaining appropriate vendor documentation on purchase orders.
 - 2) Processing all credit and cancellation change purchase orders.
 - 2) Completing DC logs/spreadsheets.
 - 3) Perform reconciliation of DC billing statement within 2 days of receipt and returning it to FMD.
- d. DCH will not be allowed to make purchases that are not documented on a Judiciary approved Purchase order.
- e. DCH are responsible for keeping the DC in a safe and secure place in their offices. The DCH should only carry the DC outside the Procurement Office to execute authorized purchases, otherwise it is recommended that the card be retained on site at all times.

F. Explanation of Terms.

- 1) Declined Transaction – Transactions where authorization have been refused by the Bank's transaction authorization system.
- 2) Judicial Council of Guam Procurement Regulations – Judiciary of Guam regulation governing all procurement activities of the Judiciary of Guam.
- 3) Judiciary of Guam, Debit Card (JOG DC) – is a Corporate Debit Card provided by the First Hawaiian Bank.
- 5) Debit Card Account Limit – Is actual cash deposited in the DC account. As of the October 2018 the DC account limit is \$25,000.00, however this amount may be adjusted periodically in accordance with the small purchase limits established by the Judicial Council of Guam.
- 6) Debit Card Account Balance – Is the remaining amount left after all charges against the account and any allowable fees.

Appendix 4: JOG Procurement Debit Card Policy & Procedures

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- 7) Code of Conduct – Employees of the Judiciary of Guam hold positions of public trust and their conduct shall meet the highest ethical standards. DCHs shall use this card only to purchase supplies/services within the guidance of this program. DCHs acknowledge that making false statements on purchase card records may result in administrative or criminal penalties under Guam law. All individuals who are directly involved in the DC program shall familiarize themselves with the JOG Code of Conduct. When in doubt about the use of the DC, seek assistance from the Finance Administrator or the Procurement and Facilities Administrator.

II. OVERVIEW OF DEBIT CARD PROCESS

A. Program Overview.

The DC is an internationally accepted purchase card which allows a DCH to make authorized purchases

B. DCH Set-Up.

The DCH will be appointed in writing by the AOC in accordance with banking institution requirements. The DCH shall acknowledge this appointment authority in writing and retain a copy of their appointment for his /her file.

The DCH by accepting the DCH appointment also agrees to the conditions, limitations, and restrictions placed on the DC; and to comply with JC Procurement Regulations, DC Policies, and SOPs as they pertain to carrying out their duties as DCH.

C. Violations of DC Program and Procedures.

If, at any time, it is discovered that the DCH is in violation of the procedures contained herein, appropriate actions will be taken to preclude a recurrence of the violation. Actions taken shall be commensurate with the severity of the violation(s). As a minimum, a letter signed by the AOC shall be sent to the DCH, PFMA, Finance Administrator, and any other officials deemed necessary. Any repeat violations shall result in disciplinary and/or legal action.

If the violation is rooted in a failure to comply with the established policies procedures the PFMA shall provide immediate remedial training to avoid future mishaps. Both the discovered violation, corrective action, and the subsequent re-

Appendix 4: JOG Procurement Debit Card Policy & Procedures

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training must be documented in the form of an incident report with a copy furnished to the HR for inclusion in the DCH's personnel file.

D. Unauthorized Purchase or Careless Use of the DC.

It is the DCH's responsibility to safeguard the DC and account number at all times. The DCH shall not allow anyone else to use the card or account number. The DC must be kept in a secured location in the Procurement Office when not in use. DCH must log the approved transaction once completed.

A DCH that makes unauthorized purchases with the card shall be liable for the total dollar amount of unauthorized purchase made. Misuse of the DC may also be grounds for disciplinary action including suspension or termination of the DCH's purchase authority and possible disciplinary action up to and including termination as well as other legal action.

E. Lost or Stolen Cards.

The DCH will immediately notify the PFMA, FHB, FA and AOC when a DC is lost or stolen. Upon notification to the FHB of a lost or stolen DC, a new card will be issued by the bank. If the original card is subsequently found, it shall be turned in to the Finance Administrator for destruction, and the FHB and AOC will be also notified in writing. The JOG will not be liable for any purchases made by a person, other than the DCH, who does not have expressed authority.

G. Customer Service.

The FHB is available on normal banking hours, Monday thru Friday, to provide service and support to the DC program participants. The numbers to call for DC Customer Service at the FHB is **1-808-844-4444 (24 Hours)**. This is also the number to call for lost or stolen cards. The only time the DCH should contact BOH/FHB Customer Service is to report a lost or stolen card and to confirm the available balance on rejected transactions. For other questions or concerns, contact FMD.

Any guidance given by FHB that conflicts with the contents of this SOP shall be brought to the attention of the PFMA, FA or AOC for resolution, before action on the part of the DCH is taken.

H. Destruction of the DC.

Appendix 4: JOG Procurement Debit Card Policy & Procedures

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Return of the DC is required upon termination of employment in the Procurement department. The DCH shall notify the PFMA, FMD, and AOC upon termination of employment to arrange for termination of DCH status and authorization.

I. DC Use Audit Requirements.

- 1) At least annually, the Procurement & Fac. Mgmt. Administrator and the Finance Administrator may conduct a joint review of the DC program.
- 2) Newly appointed DCH transactions should be reviewed after sufficient transaction activity has occurred (usually quarterly transactions), but not later than 6 months, to ensure they are effectively performing their duties and following established procedures.
- 3) Audit will consist of on-site reviews of purchase transactions for each DCH. Statement reconciliation issues and online reviews of DCH transactions shall be used as aids to the audit program.
- 4) Audit review results will be documented. The AOC or designee (Finance Administrator) will meet with the PFMA and DCHs to discuss any findings that warrant corrective action. DCH use will be monitored for repeat issues in subsequent reviews. Corrective actions must be completed within 30 days unless it is not practical to do so.

J. Processing Returns/Dispute Items.

- 1) For items purchased and found defective or faulty, the DCH will obtain a return authorization of replacement item from the merchant as soon as possible (document all correspondence). If the replacement merchandise is not received, by the end of the next billing cycle, the DCH should formally cancel the item and request a credit memo, or dispute the charge.
- 2) For items billed but not received, the DCH will annotate on their BAS that the item has been ordered, but not received: **The DCH should then contact the vendor (document all correspondence) to verify that the item has been shipped and the estimated arrival date.**
- 3) When a DCH discovers an unauthorized/incorrect amount has been charged, the DCH shall immediately seek to resolve the problem with the vendor (document all correspondence).

Appendix 4: JOG Procurement Debit Card Policy & Procedures

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- 4) If the merchant refuses to credit a disputable charge, the charge for the item should be formally disputed to the bank in writing. If the merchant agrees that the charge was incorrect and states a credit will be issued, a written credit memo is to be requested, and if received, no formal dispute will be initiated. However, if the credit memo is not received, within 5 business days, the charge should be formally disputed to the bank.
- 5) The formal dispute letter should be forwarded to the FHB after a reasonable attempt has been made to resolve the dispute by the DCH, but not later than **10 days** after the appearance of the item on the BAS. In addition, a copy of the dispute letter should be forwarded to the PFMA, Finance Administrator, and Staff Attorney.

Appendix 5: FY 2020 - 2024 Debit Card Purchases

Page 1 of 7

Vendor	No. of Transactions	Amount
Amazon.com	544	\$ 167,326
PayPal*Solutions	46	\$ 137,405
B&H Photo	25	\$ 43,713
PAYPAL (2211 NORTH FIRST S SAN JOSE)	24	\$ 33,534
United	19	\$ 30,803
NADCP	30	\$ 24,130
NTL CTR for ST CTS	21	\$ 10,100
Home Depot	11	\$ 8,380
Kmart	22	\$ 7,933
RSTA Consultant LLC	1	\$ 7,750
Web*Networksolutions	31	\$ 7,648
ADORAMA INC.	1	\$ 6,313
UPMC WPIC	1	\$ 6,250
Check (1001)	1	\$ 6,151
ExpressCare	32	\$ 5,649
PAYPAL *CLAREMATRI	2	\$ 4,780
Guam Community College	13	\$ 4,440
PURCHASED FROM APPA	7	\$ 3,595
Judges.org	3	\$ 3,515
Pizza Hut	37	\$ 3,447
eBay	21	\$ 3,088
AJEI Summit	5	\$ 3,075
FS*American Heart	4	\$ 2,925
Ross Stores	18	\$ 2,800
Payless Supermarkets	8	\$ 2,763
American Heart	1	\$ 2,707
2CO.COM	3	\$ 2,625
IP&E SHELL	10	\$ 2,439
Rock Auto	17	\$ 2,395
FRONTIER PLUMBING	20	\$ 2,316
NCSC	5	\$ 2,255
VHD* Vision	2	\$ 2,184
HYUNDAIPARTSDEAL.COM	9	\$ 2,155
NationalJudicialColleg	2	\$ 2,117
GotoCom*GoToMyPC	3	\$ 2,088
Circle K	11	\$ 2,030
National Organization	4	\$ 2,000
Correctional Counselin	3	\$ 1,982
Subtotal	1017	\$ 566,806

Appendix 5: FY 2020 - 2024 Debit Card Purchases Page 2 of 7

Vendor	No. of Transactions	Amount
SMK*Surveymonkey.COM	5	\$ 1,920
GTSIMULATORS	1	\$ 1,826
National Office Supply	1	\$ 1,821
ELMDOR STONEMAN MANUFA	1	\$ 1,803
SOCIETYFORHUMANRESOURC	3	\$ 1,790
Adobe Inc	3	\$ 1,749
EXTREMETACTICALDYN JUPITER	1	\$ 1,700
SP Bulletproof Zon	1	\$ 1,678
American Bar Assoc	7	\$ 1,653
Logmein*GotomyPC	3	\$ 1,594
Tsang Brothers	4	\$ 1,563
Benson Guam	2	\$ 1,500
McDonald's	25	\$ 1,500
Wendy's	124	\$ 1,500
TL SOLUTIONS SERVI	1	\$ 1,487
PACIFIC TRUCKING	19	\$ 1,437
In Academic CHU	3	\$ 1,321
Glock Professional Inc	12	\$ 1,300
PayPal *ChildFam PayPal	2	\$ 1,300
National Association	2	\$ 1,300
ALLIANCE FOR HOPE	2	\$ 1,290
JetBrains	2	\$ 1,272
AGILE IT	3	\$ 1,245
Trojan Securities Inte	1	\$ 1,200
Westin	3	\$ 1,162
SQ *COPARENTING IN	1	\$ 1,140
Lawtoolbox.COM	1	\$ 1,140
Deesoniis	3	\$ 1,140
2CO.COM*VisiWorld	2	\$ 1,126
EEOC MISCELLANEOUS	5	\$ 1,125
Marriott	1	\$ 1,099
PayPal *2checkoutco	1	\$ 1,092
PayPal*Paragonsoft	1	\$ 1,087
Lighting2Lightbulbs LL	2	\$ 1,073
Norman Wright Mechanic	1	\$ 1,050
Sunny Cash and Carry	5	\$ 1,048
IN ACADEM	1	\$ 1,048
Rocky Mountain Precast	4	\$ 1,034
Subtotal	259	\$ 52,113

Appendix 5: FY 2020 - 2024 Debit Card Purchases Page 3 of 7

Vendor	No. of Transactions	Amount
MyBinding.com	2	\$ 1,016
ALM	2	\$ 1,009
AMERICAN ACADEMY OF FO	1	\$ 1,000
Macys Guam	4	\$ 1,000
International PUBL	1	\$ 1,000
Subway	5	\$ 964
Crown Bakery	3	\$ 934
FamousFootwear	2	\$ 930
20644 Superior St Chatsworth	2	\$ 919
U2 Fashion Home Mart	2	\$ 908
AJA	2	\$ 900
American Bakery	3	\$ 900
Winchell Donut Hse	3	\$ 900
SHOP 4 LESS	12	\$ 894
Cold Stone Yogurt	5	\$ 890
Yogurtland	5	\$ 890
NATIONAL DISTRICTS	1	\$ 860
Submarina	8	\$ 841
Pluralsight	2	\$ 808
Dragon Locksmith	16	\$ 801
ASEBA	5	\$ 799
WRS/Health ED/ Chil	1	\$ 794
Jeans Warehouse	6	\$ 790
Family Development Res	1	\$ 785
C-ONE STORE	5	\$ 775
Cost U Less	11	\$ 774
Nat'l Council of Juven	3	\$ 745
MESKLA CHAMORU FUS	4	\$ 738
Elite Bakery	3	\$ 725
Sundance Collections	2	\$ 718
Burger King	5	\$ 700
FVSAI	1	\$ 645
HOTEL NIKKO GUAM	2	\$ 633
MIDEA APPLIANCE CE	1	\$ 630
HYATT REGENCY REST	1	\$ 627
Jeff's Pirates Cove	1	\$ 622
www.anydesk.com	2	\$ 622
Megabyte Guam	6	\$ 610
Subtotal	141	\$ 31,096

Appendix 5: FY 2020 - 2024 Debit Card Purchases Page 4 of 7

Vendor	No. of Transactions	Amount
Marble Slab Creamery	6	\$ 566
KWONG HWA SHOPPING	5	\$ 563
Walmart.com	5	\$ 553
21 Dearborn Street	2	\$ 552
Super Happy Mart	4	\$ 551
Barristerbookscom	6	\$ 537
Guam Bakery	2	\$ 533
PACIFIC LAUNDRY & TEXT	33	\$ 533
RIHGA ROYAL LAGUNA	1	\$ 529
Eagle Mountain	1	\$ 521
Infusion Cofee & Tea	4	\$ 520
Luen Fung Enterprises	2	\$ 518
Napco	1	\$ 500
ASAM	10	\$ 500
DE LAW RELATED ED	1	\$ 500
The Lawbook Exchange	1	\$ 497
PAYPAL *SPJ CRAFTS	3	\$ 495
Fox Valley Technical	12	\$ 468
IN TOTAL	1	\$ 468
CAPRICCIOSA	4	\$ 459
Lighting Supply	1	\$ 448
SURVEILLANCE-VIDEO.COM	1	\$ 448
ZOOM.US	5	\$ 441
CENTURY RESTAURANT	1	\$ 440
Guam Home Center	3	\$ 432
AGA	4	\$ 425
Micropac, INC	3	\$ 405
Mai Thai	1	\$ 402
Sling Stone Coffee & T	3	\$ 400
Honey House	3	\$ 400
VRSN DOTGOVREGISTRATIO	1	\$ 400
EVENT* AMERICAN AC TYSONS CORNER	1	\$ 400
Panda Express	4	\$ 400
Taco Bell	1	\$ 400
Microsoft	4	\$ 400
Neevia Tech Davie	1	\$ 399
Fordpartsgiant.com	3	\$ 393
Pat's Window Tinting	3	\$ 385
Subtotal	147	\$ 17,781

Appendix 5: FY 2020 - 2024 Debit Card Purchases Page 5 of 7

Vendor	No. of Transactions	Amount
The Neurology Clin	1	\$ 369
CPK	4	\$ 367
GRAMMARLY	3	\$ 363
Textcaster	3	\$ 360
PP*Loco Promos	2	\$ 350
EEOC Training INST	3	\$ 345
Guam Self Storage	1	\$ 337
SocietyforTysons	3	\$ 335
PayPal *National	1	\$ 325
Pepsi Cola Bottling Co	1	\$ 325
PayPal *FREEDA6662	1	\$ 323
GOVERNMENT FINANCE	2	\$ 320
Best Buy	1	\$ 320
Kahtre Bistro	2	\$ 309
USPS PO	2	\$ 300
PAYROLLORG	1	\$ 299
API APA GPMI MEET	1	\$ 298
American Floor Mats	1	\$ 292
IN Netriplex	1	\$ 276
Overdraft Fee	9	\$ 270
Tove's Flower Shop	1	\$ 265
DRI*ID.MYCOMMERCE.COM	1	\$ 250
DISTRICT COURT OF GUAM	1	\$ 250
Scrubber City INC	1	\$ 234
Drunk Busters of A	2	\$ 233
Stewarts Eco Auto Det	1	\$ 230
FHB Online Fee	38	\$ 228
AMERICAN GROCERY	4	\$ 215
W5 PRODUCTIONS	1	\$ 215
Sherwin Williams Paint	1	\$ 212
FILINGSUPPLIESCOM INC	1	\$ 209
Star Whlsle Elec	1	\$ 206
SP CAPS * PALO ALT PALOCA	1	\$ 200
SUMUP *Elevenses	1	\$ 200
Acai Superfruit Supply	1	\$ 200
ASIGA	1	\$ 200
Hafaloha	1	\$ 200
BreadBox	1	\$ 200
Subtotal	102	\$ 10,430

Appendix 5: FY 2020 - 2024 Debit Card Purchases Page 6 of 7

Vendor	No. of Transactions	Amount
Chams Thai Cuisin	2	\$ 200
PAYPAL *NATIONALAS	1	\$ 200
Jack in The Box	1	\$ 200
Palo Alto U	1	\$ 200
CPS Electric	1	\$ 190
AMORE	1	\$ 190
Jamaican Grill	1	\$ 185
PayPal *MedicalU PayPal	1	\$ 175
RS TAITANO STORE	1	\$ 175
NGMA	1	\$ 174
LUCKY LOCKSMITH	4	\$ 170
CHING BROTHERS ENT	1	\$ 160
Safariland, LLC	1	\$ 148
Peggys Trading Center	2	\$ 147
APA.ORG*BOOKS*VIDE	8	\$ 144
Guam Hardwood	1	\$ 139
L & E Gift Center	2	\$ 137
OFFICE DEPOT	3	\$ 134
Hawthorne Machinery CO	1	\$ 131
Wrist-Band*	1	\$ 124
LUCKY SPRING II	1	\$ 123
Chatime	1	\$ 120
Coffee Beanery Microne	1	\$ 120
Goodtherapy ORG LLC	4	\$ 120
Townhouse Furniture	1	\$ 119
SM Store	1	\$ 117
Beauty by JW	1	\$ 110
Nichols Boutique	1	\$ 100
Coffee Slut Guam	1	\$ 100
Outback Steakhouse	1	\$ 100
Debit (Bank Memo)	4	\$ 100
Guam Board of Accounta	1	\$ 100
SP * DSCNTRUBBERSTAMPS	3	\$ 98
My Battery Supplie	1	\$ 85
University of Guam ECO	1	\$ 75
Autopartsprime.com	1	\$ 70
Mainstreet delicat	2	\$ 63
Master Lock	2	\$ 60
Subtotal	63	\$ 5,103

Appendix 5: FY 2020 - 2024 Debit Card Purchases Page 7 of 7

Vendor	No. of Transactions	Amount
Nits Thai Cuisine	1	\$ 53
WHITES GARMENT PRO	2	\$ 50
WWW.PACER.GOV	1	\$ 32
CASH AND CARRY	2	\$ 28
EAST HAGATNA MOBIL	1	\$ 26
FRAMED ETC	1	\$ 25
Lone Star Steakhouse	1	\$ 25
Ruby Tuesday	1	\$ 25
cheapoair.com	1	\$ 20
Justfly.com	1	\$ 20
Brown Bag Café	1	\$ 20
Guam Adventist Center	1	\$ 20
Service Fee	1	\$ 20
PayPal*DRS	1	\$ 19
PayPal *Thackery	1	\$ 19
Ernst & Young LLP	1	\$ 15
NACM	3	\$ 15
Kindle Svcs	1	\$ 12
Mihoyo Limited	1	\$ 5
Withdrawal	1	\$ 3
www Alchemycode MX	3	\$ 3
Foreign Transaction Fee	2	\$ 2
Deliveroo.co.uk	1	\$ 1
EVENT* AMERICAN ACADEM	2	\$ -
Subtotal	32	\$ 458
Grand Total	1761	\$ 683,787

Appendix 6: Status of Audit Recommendations

No.	Addressee	Audit Recommendation	Status	Actions Required
1	Finance Administrator	Incorporate a secondary review in the existing bank reconciliation process, to include a checklist or accounts payable personnel's sign-off of the debit card holder's reconciliation.	OPEN	Provide a corrective action plan with responsible official and timeline of implementation
2	Finance Administrator	Implement monitoring controls to detect and correct untimely encumbrances.	OPEN	Provide a corrective action plan with responsible official and timeline of implementation
3	P&FM Administrator	Implement a supervisory review process to verify the completeness and accuracy of procurement documentation consistent with the deficiencies noted before award.	OPEN	Provide a corrective action plan with responsible official and timeline of implementation
4	Administrator of the Courts	Require timely submission of travel clearance documents as a condition of approval of future travel.	OPEN	Provide a corrective action plan with responsible official and timeline of implementation
5	Administrator of the Courts	Direct the Finance Administrator to report instances of noncompliance to a higher authority for appropriate action.	OPEN	Provide a corrective action plan with responsible official and timeline of implementation



HON. ROBERT J. TORRES
CHIEF JUSTICE

HON. ALBERTO C. LAMORENA, III
PRESIDING JUDGE

Judiciary of Guam

Administrative Office of the Courts
Guam Judicial Center • 120 West O'Brien Dr • Hagåtña, Gu. 96910
Tel: (671) 475-3544



DANIELLE T. ROSETE, ESQ.
ADMINISTRATOR OF THE COURTS

November 4, 2025

The Honorable Benjamin J. Cruz
Public Auditor
Office of the Public Accountability
Suite 401 DNA Building
238 Archbishop Flores Street
Hagåtña, Guam 96910

Re: Response to OPA Draft Report of Government-Wide Credit/Debit Card Use for JOG

Håfa Adai, Public Auditor Cruz,

I am writing in response to your office's draft audit report ("report") on the Judiciary's compliance with the Government-Wide Credit/Debit Card Use, for Fiscal Year (FY) 2020 through FY2024. We appreciate the opportunity to provide feedback and would like to begin by acknowledging the professionalism your team consistently demonstrated throughout the audit process.

We are pleased to note that no instances of fraud or abuse were identified during the audit. Your office also found the Judiciary to have the lowest percentage of questioned costs among all recently audited entities. Moreover, it is important to highlight that the Judiciary's audit covered a longer period than those of other entities. Initially, your office requested records covering a two-year period. However, the scope was later expanded to include two additional years, resulting in an audit covering purchases made from FY 2020 through FY 2024. This effectively doubled the audit period. Despite this broader and more rigorous review, the Judiciary's percentage of questioned costs remained lower than those of other entities whose audits covered shorter timeframes.¹

We note that a significant portion of the questioned costs resulted from clerical errors. Rather than waiting for the final audit report, the Judiciary promptly identified these errors and took immediate action to prevent their recurrence. To avoid similar issues in the future, the Judiciary has

¹

OPA23-10	FY2020-2022
OPA23-11	FY2020-2022
OPA24-02	FY2019-2021
OPA24-06	FY2020-2022
OPA25-07	FY2022-2024
OPA25-08	FY2020-2023

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Response to OPA Audit
November 4, 2025
Page 2

implemented more stringent controls, introduced additional verification procedures, and established secondary review processes. This proactive approach not only helps reduce clerical mistakes but also strengthens overall financial oversight and accountability within the organization.

The Judiciary remains committed to transparency, accountability, and the protection of public resources. The Judiciary provided detailed explanations to the findings, while some were accepted, others were not. Primarily, the Judiciary seeks to provide clarification on the following:

1. **Procurement Record Demonstrates Decisions Represented Most Economical Use of Public Funds:** The Judiciary disagrees with the conclusion that the procurement record for certain samples did not represent the most economical use of public funds.

The Judiciary maintains that the records used to support the purchase accurately reflect the lowest available price. One sample, Sample 69, was for airfare from a vendor for \$2,846. Other vendors quoted nearly double that price or between \$4,888.45 to \$5,340.45. The OPA “concurred” that the receipt showed the selected vendor had the lowest price. However, the report still concluded that this amount should be considered a questioned cost, even though the deficiency was based on a clerical error and the procurement record confirms the selected vendor’s price was significantly lower than other quotations obtained.

Similarly, another sample, Sample 90, for IT equipment had a clerical error where one vendor was inadvertently quoted at the wrong quantity. Although only \$140 out of \$2K was affected by the clerical error, the report still included the entire 2K as “deficient.” The report should have omitted the difference unaffected by the error.

Ultimately, Sample 69 and 90 should have been removed, which would have further lowered the Judiciary’s total questioned cost under this section from \$3,740 to \$894.

2. **Budget Modifications Sufficient to Support Valid Fund Certification:** The budget modification within the Judiciary’s ERP system is a standard internal process used to support the validation of expenses. While the modification was not immediately reflected in the system, this timing did not compromise the legitimacy or viability of the fund certification. At no point did the delay indicate that funds were unavailable or improperly certified.

The Judiciary maintains strict oversight of its annual appropriation and has robust controls in place to prevent deficit spending. These safeguards ensure that no expenditure is authorized without the proper availability of funds. If a deficit had been present, the travel certification in question would not have been approved under any circumstances.

Given that the necessary financial controls were in place and the certification was issued in compliance with those protocols, the Judiciary requested that this notation be

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November 4, 2025
Page 3

disregarded. The established procedures were followed, and there is clear evidence that the certification of funds was valid and did not contribute to a budget deficit.

- 3. Travel Mileage Program and Credit Card Purchase Agreement:** The Judiciary notes that the statement on page 3, paragraph 3 of the audit report inaccurately suggests that the Government Travel Law requires debit cards to accrue airline mileage. The law contains no such requirement.

The Judiciary acknowledges the provisions of the Government Travel Law regarding travel mileage and has carefully reviewed its requirements to ensure compliance. This review includes consideration of the law's original enactment as well as its subsequent amendments in 2012 and 2015.

Pursuant to Title 7 Chapter 5 of the GCA, the Judicial Council retains exclusive authority to adopt policies and rules governing the operations of the Judiciary, including those related to financial management and procurement. Accordingly, any adoption of a travel mileage program must undergo formal review and approval by the Judicial Council to ensure that it aligns with both statutory requirements and the Judiciary's commitment to the responsible use of public funds. Subsequent to the publication of this report, the Judicial Council will deliberate and assess this recommendation.

The Judiciary continues to take deliberate steps to strengthen compliance with the other recommendations in this report. To enhance internal controls, the Finance Administrator has implemented a secondary review of all debit card reconciliations to ensure accuracy and proper documentation. The Judiciary has also standardized its travel request and reporting procedures and established review measures to ensure consistent compliance with its Travel Policy. Additionally, the Judiciary will explore technological improvements to enhance recordkeeping and streamline review processes.

Thank you once again for your office's diligent work and professionalism throughout the audit process. We appreciate the recommendations provided and remain committed to continuously enhancing the Judiciary's operations.

Senseramente,


DANIELLE T. ROSETE
Administrator of the Courts

GOVERNMENT-WIDE CREDIT/DEBIT CARD USE SERIES, PART VII
JUDICIARY OF GUAM
OPA Report No. 25-12, December 2025

ACKNOWLEDGEMENTS

Key contributions to this report were made by:

Kayleen Concepcion, Accountability Auditor I
Joy B. Esperanza, CGFM, CFE, Accountability Auditor III
Vincent Duenas, Supervising Accountability Auditor
Benjamin J.F. Cruz, Public Auditor

MISSION STATEMENT

We independently conduct audits and administer procurement appeals to safeguard public trust and promote good governance for the people of Guam.

VISION

The Government of Guam is the standard of public trust and good governance.

CORE VALUES

Objective

To have an independent and impartial mind.

Professional

To adhere to ethical and professional standards.

Accountable

To be responsible and transparent in our actions.

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