



Office of the Governor of Guam

April 19, 2011

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Unu Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

Dear Madame Speaker:

Transmitted herewith is Bill No. 80-31 (COR) as amended on the floor, entitled: "**AN ACT TO ADD A NEW §58148 OF CHAPTER 58, TITLE 12 OF THE GUAM CODE ANNOTATED RELATIVE TO ESTABLISHING THE QUALIFYING CERTIFICATE REVIEW BOARD**", which I have **vetoed**.

I have given careful consideration to Bill 80-31 (COR). While it appears to be well intended I find that a certain section of Bill 80-31 (COR) triggers the unintended consequence of a conflict of interest for the Office of Public Accountability (OPA), a defect which may not be overlooked and which regrettably compels this legislation to effectuate its own demise.

Bill 80-31 (COR) contemplates improving transparency and accountability in the Qualifying Certificate (QC) Program administered by GEDA. The concept of a Review Board as proposed under Section 2 sub-sections (a) and (b) is an excellent initiative and I wholeheartedly agree it will improve transparency of the QC Program and I support the intent of these sections of the bill.

However Section 3 – "Relocation of the Function-Related Personnel and Assets" – unfortunately presents unavoidable conflict of interest issues for the OPA. Specifically, this section goes against the intent of the bill to improve transparency and accountability because it takes away the ability of the OPA to audit the function, a due diligence tool used by most public and private entities to improve accountability. By transferring the QC Compliance and monitoring functions, Section 3 effectively removes two (2) key and critical attributes for conducting audits - independence and impartiality. These attributes are further expressed in the OPA's own mission statement "We audit, assess, and analyze government activities with integrity, independence and impartiality to improve accountability, effectiveness, and efficiency of the Government of Guam." Transferring to OPA a program function as proposed under Bill 80-31 will not allow them to carry out their mission. In other words, the OPA would be beset by an irreconcilable conflict of interest since it would be impossible for the OPA to audit itself regarding its own performance of the newfound QC monitoring and compliance functions.

The real and imminent challenge facing us today is finding a solution that will provide resources for entities who are instrumental in promoting transparency and accountability in the government of Guam i.e., the OPA to fulfill their mission to audit and analyze government programs such as the Qualifying Certificate Program, and make recommendations which will be used as a basis to improve these programs and the Department of Revenue and Taxation, whose job it is to determine the dollar amount of rebate, abatement and exemption that is allowed, ensuring that there is an opportunity to recapture taxes that may have been claimed in error.

While the intent of this bill is notable under the circumstances outlined above I have no alternative but to veto the bill in its entirety and recommend we work collaboratively to achieve our mutual desire to improve transparency and accountability in government programs.

Senseramente,



EDDIE BAZA CALVO

Attachment: copy of Bill