



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam.

January 14, 2016

Honorable Judith T. Won Pat, Ed.D.
Honorable Benjamin J.F. Cruz
Speaker & Vice Speaker of the Legislature
155 Hesler Place
Hagatna, Guam 96910

Dear Madam Speaker & Mr. Vice Speaker,

It is illegal for the Legislature to use the Capitol District Fund to pay for its operations. That includes payroll, utilities, rental payments, and the like. For all intents and purposes, the Capitol District Fund is money that is supposed to be stored away so the Legislature can pay for the renovation of its building. The need for this building cannot be overstated: taxpayers foot the bill for hundreds of thousands of dollars in senatorial office rental costs.

In 2013, the government of Guam issued a request for proposal to borrow money in order to renovate the Guam Congress Building and return the Guam Legislature to its home. The Bank of Guam issued GovGuam a \$4 million loan, for which we began making payments on October 5, 2015. The last payment was made January 4, 2016, amounting to \$496,398.06. The loan is guaranteed by the government of Guam. The payback source is the Capitol District Fund.

However, the Guam Legislature's Transmittal Request Order No. 1533DIR-0005, dated January 7, 2015, indicates the transfer of the full appropriation to the Capitol District Fund to the Lump Sum account. The amount is \$330,965.

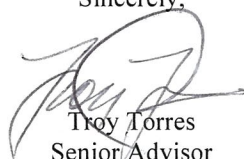
This is the exact amount appropriated to the Capitol District Fund in Section 6 of Chapter XI of Public Law 32-181, the budget law governing the use of funds for Fiscal Year 2015. The language in this section is short and specific, with a prohibition making it illegal to use this money for operations: "and *shall not* be used for any operational expenditures."

There is a notation on the attachment of the TRO in question that the Legislature sent to me, indicating \$310,233.69, the exact amount paid in one-time lump sum salaries in January of last year. It is unclear whether this money was paid to senators for their retroactive lump sum raises, or to staff for the biennial cash out of unused holiday hours.

In either scenario, it is clear the Legislature used this money for payroll, an operational expenditure. This clearly was an illegal transfer and use of money. Please explain this matter and what remedy exists to correct such an illegal action.

We will be requesting the Public Auditor to conduct a forensic audit of the Capitol District Fund. Please call me at 475-9213 if you have any questions, or you wish to clarify this matter.

Sincerely,



Troy Torres
Senior Advisor

