



HON. ROBERT J. TORRES  
CHIEF JUSTICE

HON. ALBERTO C. LAMORENA, III  
PRESIDING JUDGE

# Judiciary of Guam

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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.<sup>1</sup>

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

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

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

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,*



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Administrator of the Courts