

RESPONSE TO OMB'S CONCERNS RETLATING TO BILL 31-0014

The following are the VI Inspector General's (VIIG) responses to OMB's concerns with Bill 31-0014:

- OMB - Legislation sets up a super agency beholden to no one.
 - Will have police powers and even semi-prosecutorial powers
 - A budget that cannot be reduced
 - This is a fourth branch of government
 - No other semi-autonomous agency has unfettered independence
 - All agencies report to a board
 - Appropriations are set by an explicit act of the Legislature subject to the fiscal discipline
 - Budget is not based on needs

- VIIG Response – VI Inspector General's Office (OVIIG) is not a super agency, it will be answerable to the Legislature by the annual budget process and as requested by the Legislature whenever and as often as they desire to have a legislative hearing or meeting. The Legislature can establish a line item budget.
 - Current law already gives the OVIIG law enforcement powers and subpoena powers as is done by almost all Federal OIG and other state OIG offices. The law does not now nor does Bill 31-0014 give the OVIIG any type of prosecutorial powers, those powers rest with the VI Attorney General and the United States Attorney.
 - The law as it stands now requires that the OVIIG funds be allotted in the entirety at the beginning of the fiscal year. OMB cannot reduce the appropriation once signed into law. The Legislature from 1999 Act 6333 intended for the OVIIG to be fully funded, and if cuts are needed, they are to be taken from other departments and agencies.
 - The OVIIG is not the fourth branch of government it is a semi-autonomous entity that reports its findings to the three branches of the government as appropriate and to the Legislature at least annually on how funds are spent. The OVIIG is intended to be an independent "watch-dog" of the three branches of the government and the instrumentalities. The public auditor of Guam is an independent entity outside of the three branches of the Guam government as set out in their Organic Act. This is where the VI should be leaning toward.
 - There are about 19 autonomous and semi-autonomous entities in the VI. All of which are independent from the control of OMB, even those that receive local funding from the central government. When the 8% salary cut was put into effect, these entities were not automatically affected. The proposal also gives the OVIIG that fiscal independence.
 - The Legislature acts as the board for the OVIIG, as it would report to it at least on an annual basis.
 - Although the minimum appropriation will be based on a percentage, it still will be appropriated by an explicit act of the Legislature.
 - The minimum budget was established to protect the independence and ability of the OVIIG to have available the necessary funds to meet its responsibilities without the threat of having funds reduced. Because of the small budget, over the years consistent budget cuts have prevented the OVIIG to hire the necessary staff to meet its mandate. The Commonwealth of the Northern Mariana Islands has a minimum budget and requires a budget of 1% of all appropriations. In addition, their funds are to be deposited into a separate account established strictly for their own use.
 - If the OVIIG does not need all of the available funds in its annual budget proposal, the funds are available for the Legislature to appropriate to other sources.
 - In conclusion what is proposed here is not new, but it is up to this body to decide where we go.