

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
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I Mina'trentai Tres na Liheslaturan Guahan

THE 33RD GUAM LEGISLATURE

155 Hesler Place, Suite 107, Hagatña, Guam 96910

T: (671) 477-2520/1 | F: (671) 477-2522

JAN 07 2016

The Honorable Judith T. Won Pat
Speaker

I Mina'trentai Tres na Liheslaturan Guahan

33rd Guam Legislature

155 Hesler Place

Hagatña, Guam 96910

VIA: The Honorable Rory J. Respicio
Chairperson, Committee on Rules

Rory J. Respicio

RE: Committee Report on Bill No. 222-33 (COR), As Substituted by the Committee

Dear Speaker Won Pat:

Transmitted herewith is the Report of the Committee on Appropriations and Adjudication on Bill No. 222-33 (COR), As Substituted by the Committee - B. J.F. Cruz - "An act to *amend* Sections 6207 and 6207.1 of and to *add* new Sections 6218.2 and 6218.3 to Chapter 6, Title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees."

Committee votes are as follows:

6 TO DO PASS
____ TO NOT PASS
2 TO REPORT OUT ONLY
____ TO ABSTAIN
____ TO PLACE IN INACTIVE FILE

Sincerely,

Benjamin J.F. Cruz
BENJAMIN J.F. CRUZ
Chairman

2016 JAN 11 PM 2:35

[Handwritten mark]

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
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THE 33RD GUAM LEGISLATURE

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COMMITTEE REPORT

**Bill No. 222-33 (COR),
As Substituted by the Committee**

“An act to amend Sections 6207 and 6207.1 of and to add new Sections 6218.2 and 6218.3 to Chapter 6, Title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees.”

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
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I Mina'trentai Tres na Liheslaturan Guåhan

THE 33RD GUAM LEGISLATURE

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MEMORANDUM

TO: All Members
FROM: Vice Speaker Benjamin J.F. Cruz
Chairman, Committee on Appropriations and Adjudication

SUBJECT: Committee Report on Bill No. 222-33 (COR), As Substituted by the Committee

Transmitted herewith for your consideration is the Committee Report on Bill No. 222-33 (COR), As Substituted by the Committee - B. J.F. Cruz - "An act to *amend* Sections 6207 and 6207.1 of and to *add* new Sections 6218.2 and 6218.3 to Chapter 6, Title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees."

This report includes the following:

- Committee Vote Sheet
- Committee Report Digest
- Bill No. 222-33 (COR), As Introduced
- Bill No. 222-33 (COR), As Substituted by the Committee
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- COR Referral of Bill No. 222-33 (COR)
- Fiscal Note Requirement
- Notices of Public Hearing
- Public Hearing Agenda
- Related News Reports

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,


BENJAMIN J.F. CRUZ
Chairman

SENATOR BENJAMIN J.F. CRUZ, VICE SPEAKER

Committee on Appropriations and Adjudication
 senator@senatorbjcruz.com | www.senatorbjcruz.com



I Mina'trentai Tres na Liheslaturan Guåhan
THE THIRTY-THIRD GUAM LEGISLATURE

155 Hesler Place, Suite 107, Hagåtña, Guam 96910
 T: (671) 477-2520/1 | F: (671) 477-2522

COMMITTEE VOTING SHEET

Bill No. 222-33 (COR), As Substituted by the Committee - B. J.F. Cruz - "An act to amend Sections 6207 and 6207.1 of and to add new Sections 6218.2 and 6218.3 to Chapter 6, Title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees."

COMMITTEE MEMBERS	SIGNATURE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
CRUZ, BENJAMIN J.F. Chairperson		✓ 11/6/16				
AGUON, Jr., FRANK B. Vice Chairperson		✓ 1/7/16				
WON PAT, Ed.D., JUDITH T. Speaker and Ex-Officio Member		✓				
MUÑA BARNES, TINA ROSE Member		✓				
RODRIGUEZ, Jr., DENNIS G. Member		✓ 11/7/16				
SAN NICOLAS, MICHAEL, F.Q. Member		✓ 1/7/16				
UNDERWOOD, Ph.D., NERISSA B. Member						
ADA, V. ANTHONY Member				1/7/16		
MORRISON, THOMAS A. Member				1/7/16		
TORRES, MARY C. Member		✓ 1/08/16				



COMMITTEE REPORT DIGEST

Bill No. 222-33 (COR), As Substituted by the Committee – B. J.F. Cruz – “An act to *amend* Sections 6207 and 6207.1 of and to *add* new Sections 6218.2 and 6218.3 to Chapter 6, Title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees.”

I. OVERVIEW

Bill No. 222-33 (COR) was introduced by Vice Speaker Benjamin J.F. Cruz on December 16, 2015, and subsequently referred to the **Committee on Appropriations and Adjudication** on the same day.

The Committee on Appropriations and Adjudication convened a public hearing on Monday, December 28, 2015, beginning at 4:00PM in the Guam Legislature Public Hearing Room. The hearing for Bill No. 222-33 (COR) began at 4:20PM and ended at 4:29PM.

Public Notice Requirements

All legal requirements for public notices were met, with requests for publication sent to all media and all Senators on December 18, 2015, and December 26, 2015, via email. Copies of the hearing notices are appended to the report.

Senators Present

Vice Speaker Benjamin J.F. Cruz, *Chairperson*

Senator Frank B. Aguon, Jr., *Vice Chairperson*

Senator Michael F.Q. San Nicolas, *Member*

Senator V. Anthony Ada, *Member*

Senator James V. Espaldon, *Member*

Senator Thomas C. Ada

Appeared Before the Committee

Mr. Fred S. Nishihira, *Deputy Attorney General, Consumer Counsel Division, Office of the Attorney General*

Mr. Kenneth D. Orcutt, *Deputy Attorney General, Civil Litigation Division, Office of the Attorney General*

Submitted Written Testimony

Attorney General Elizabeth Barrett-Anderson, *Attorney General of Guam*

Governor Eddie B. Calvo

II. TESTIMONY & DISCUSSION

Chairman Benjamin J.F. Cruz announced Bill No. 222-33 (COR), and acknowledged Mr. Fred S. Nishihira and Mr. Kenneth D. Orcutt, both from the Office of the Attorney General (OAG), as the individuals present to testify.

Deputy Attorney General Fred S. Nishihira, Consumer Counsel Division, OAG, thanked Chairman Cruz, greeted the members of the Committee on Appropriations and Adjudication (Committee), and introduced himself along with Deputy Attorney General Kenneth D. Orcutt, Civil Litigation Division. Deputy AG Nishihira proceeded to read written testimony (*appended to this report*) wherein Attorney General Elizabeth Barrett-Anderson expressed support for the passage and enactment of the measure, underscoring its ability to curtail current and future publicly elected gubernatorial officials from issuing “single lump sum bonus style” salaries for unclassified executive positions. The letter proposed an amendment to sections in the measure relative to the salary setting authority of the Governor and the Lieutenant Governor, further specifying the “biweekly” payment of the 26 equal installments to “prohibit any potential of consecutive installments.”

Chairman Cruz thanked Deputy AG Nishihira and provided his statement as the main sponsor of the measure:

“After Attorney General Barrett-Anderson issued her opinion that [the salary adjustments from January 26, 2014 to December 15, 2014 for the unclassified staff employees of the Offices of the Governor and Lieutenant Governor represent retroactive compensation for each individual employee in violation of Guam’s anti-retroactive payment law], it became clear that there was some issue as to whether or not the authority [for the pay adjustment] was there, but it was her opinion that [the retroactive payment] was illegal.

“So Bill No. 222-33 (COR) was introduced to do several things. One [was] to make it absolutely clear that no bonuses or retroactive pay could be provided to unclassified employees. Section 1 and Section 2 [of the measure] keep the Governor’s and Lieutenant Governor’s authority as it relates to [gubernatorial] staff salaries, but we did add a provision at the end: ‘which shall be paid in twenty-six (26) equal installments from the date one such salary was set.’ If it’s the Governor’s or Lieutenant Governor’s desire to pay a staff member twenty five thousand dollars (\$25,000) a pay period and [they] want to increase the salary of that person to six hundred fifty thousand dollars (\$650,000) a year, the law provides for that as long as there is an appropriation for it.

“What we’re trying to do with this bill is to prevent the Governor or Lieutenant Governor from making a twenty-five thousand dollar (\$25,000) payment in a pay period or [at] one time. And then if [the lump-sum payment] was done by increasing the [annual] salary to six hundred fifty thousand dollars (\$650,000) so

that it would make the [single] twenty-five thousand dollar (\$25,000) payment, [Section 4 provides language so] they couldn't reduce [that employee's salary] subsequently just to make that [single] pay adjustment. So that was the reason why we said, 'If you're going to do it, then fine – that's still your authority – but it's going to have to be paid out in twenty-six (26) installments; if you have the money for it, that's your decision.' I'm recognizing that [salary setting] should be a prerogative of the Governor and Lieutenant Governor, but since there is no provision of law for retro pay or for bonuses for unclassified employees, then it would have to be paid out over twenty-six (26) prospective pay periods.

"[Section 3 of the measure] also [states] that any processing of retro payments would be a misdemeanor. If the decision of the Governor and Lieutenant Governor is to increase somebody's salary and then decrease it within two (2) pay periods, then that employee will have to repay that money because it's obvious that it was a ploy to get around either the [anti] bonus or the retro payment [language] and so that's how we tried to close it in [Section 4]. When we read the OAG opinion, we realized that there were some loopholes, and we're trying as much as possible to close it and make it tight."

Chairman Cruz opened the floor for questions.

Senator Michael F.Q. San Nicolas inquired:

"One of the things that has just been so disturbing about [December 2014 retroactive payment of salary adjustments for gubernatorial employees] is that it just looks like a way to evaluate the system and to be able to make those [retroactive] payments happen.

"I was just wondering, as we try to tighten this thing up, are there additional loopholes that we might need to consider? For example, we pass this and we made it so that you have to pay it out over twenty-six (26) equal pay periods, but what if they just [made the salary for] a particular position go up fifty thousand dollars (\$50,000) and they just kept transferring people into that position for a single pay period throughout the twenty-six (26) pay periods throughout the year so they can give twenty-six (26) people a fifty thousand dollar (\$50,000) raise?"

Deputy AG Nishihira responded that Section 3 of the measure addresses that issue.

Senator San Nicolas continued:

"When I read [Section 4 of the bill], it says that 'pay adjustments that increase base pay shall be paid in equal installments from the date which such pay adjustments was authorized.' But let's say we gave a special assistant position and we bump that salary up fifty thousand dollars (\$50,000) and we just transferred each special assistant over the course of the next year into that

position [with the adjusted salary] then we transferred them out after a pay period. Wouldn't we be able to give them all a fifty thousand dollar (\$50,000) bump in each subsequent pay period? That's one thing I was wondering about.

"The other thing I was wondering about was, what if somebody was given a raise of twenty [thousand dollars] (20,000) to twenty five thousand dollars (\$25,000) for twenty-six (26) pay periods, but then they resigned after a pay period and then they came back and were hired immediately thereafter. Would we also need to include language that would prevent somebody from getting a raise, resigning, and then being rehired for X number of days?

"Those are two things that have just crept into my head and this is where I would appreciate more input from the OAG because we can see where the intent is. The intent is to prevent the payroll mechanisms to be loop-holed in a way where raises are given out that [is] outside of the norm. If the OAG can look more closely at [the bill] and try to evaluate how else these loopholes [can] be crafted—because we may close one [loophole] and there [are] still three (3) more that are open and we're not going to find that out until the next time that [a pay adjustment that exploits a loophole] happens again. I think the intent with [this measure] is to prevent that from happening, [and] not just [through] this particular mechanism but [also through] any other mechanism. So if I could ask the OAG [to] look more closely at [the bill] to see if there are other loopholes that could be exploited through creative payroll or personnel adjustments and if we could get recommendations on how to close off those additional loopholes [while] still remaining with[in] the separation of powers limitations of the Organic Act."

Deputy AG Nishihira replied that he would consult with Attorney General Barrett-Anderson for further comment. *(As of the filing date of this report, the OAG informed the Committee that it has no further recommendations.)*

Chairman Cruz thanked Senator San Nicolas and Deputy AG Nishihira. On account that there were neither additional questions from the Committee nor other individuals present to testify, the Chairman considered Bill No. 222-33 (COR) as heard.

III. FINDINGS AND RECOMMENDATIONS

The Committee on Appropriations and Adjudication (Committee) received testimony from the Office of the Attorney General proposing an amendment to specify the frequency of payment of the installments to be paid to unclassified gubernatorial staff, with the intent of prohibiting any potential of consecutive installments. The Committee made the following amendments reflected in Bill No. 222-33 (COR), As Substituted:

- Amend Line 10 of Page 1 to read:

Section 1. § 6207, Chapter 6, Title 4 of the Guam Code Annotated is hereby amended to read:

“§ 6207. Positions in Governor’s Office.

The Governor is authorized to establish such positions as may be necessary for the operation of the Office of the Governor including off-island offices and Government House; provided, however, that no person shall be appointed to fill such a position in the absence of an appropriation to pay the salary set for such position. The Governor shall set the salaries for positions for which salaries are not set by law which shall be paid in twenty-six (26) biweekly equal installments from the date when such salary was set.”

- Amend Line 9 of Page 2 to read:

Section 2. § 6207.1, Chapter 6, Title 4 of the Guam Code Annotated is hereby amended to read:

“§ 6207.1. Positions in Lieutenant Governor’s Office.

The Lieutenant Governor is authorized to establish such positions as may be necessary for the operation of the Office of the Lieutenant Governor, the Guam State Clearinghouse, and other offices that are established and placed under the purview or direction of the Lieutenant Governor of Guam; provided, however, that no person shall be appointed to fill such a position in the absence of an appropriation to pay the salary set for such position. The Lieutenant Governor shall set the salaries for positions for which salaries are not set by law which shall be paid in twenty-six (26) biweekly equal installments from the date when such salary was set.”

The Committee on Appropriations and Adjudication to which was referred **Bill No. 222-33 (COR) - B. J.F. Cruz - “An act to amend Sections 6207 and 6207.1 of and to add new Sections 6218.2 and 6218.3 to Chapter 6, Title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees”** hereby submits these findings to *I Mina’trentai Tres na Liheslaturan Guåhan* and reports out **Bill No. 222-33 (COR), As Substituted by the Committee**, with a recommendation TO TOO PASS.

I MINA'TRENTAI TRES NA LIHESLATURAN GUÁHAN
2015 (FIRST) Regular Session

Bill No. 222-33 (COR)

Introduced by:

Benjamin J.F. Cruz 

**AN ACT TO AMEND SECTIONS 6207 AND 6207.1 OF
AND TO ADD NEW SECTIONS 6218.2 AND 6218.3 TO
CHAPTER 6, TITLE 4 OF THE GUAM CODE
ANNOTATED, RELATIVE TO PROHIBITING BONUS
PAY AND MANDATING PROPER PAY AND PAY
ADJUSTMENT PROCESSING FOR UNCLASSIFIED
EMPLOYEES.**

2015 FEB 17 10:21

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. § 6207, Chapter 6, Title 4 of the Guam Code Annotated is hereby amended to read:

“§ 6207. Positions in Governor’s Office.

The Governor is authorized to establish such positions as may be necessary for the operation of the Office of the Governor including off-island offices and Government House; provided, however, that no person shall be appointed to fill such a position in the absence of an appropriation to pay the salary set for such position. The Governor shall set the salaries for positions for which salaries are not set by law which shall be paid in twenty-six (26) equal installments from the date when such salary was set.”

Section 2. § 6207.1, Chapter 6, Title 4 of the Guam Code Annotated is hereby amended to read:

1 **“§ 6207.1. Positions in Lieutenant Governor’s Office.**

2 The Lieutenant Governor is authorized to establish such positions as
3 may be necessary for the operation of the Office of the Lieutenant Governor,
4 the Guam State Clearinghouse, and other offices that are established and
5 placed under the purview or direction of the Lieutenant Governor of Guam;
6 provided, however, that no person shall be appointed to fill such a position
7 in the absence of an appropriation to pay the salary set for such position. The
8 Lieutenant Governor shall set the salaries for positions for which salaries are
9 not set by law which shall be paid in twenty-six (26) equal installments from
10 the date when such salary was set.”

11 **Section 3.** A new section 6218.2 is hereby *added* to Chapter 6, Title 4 of the
12 Guam Code Annotated to read:

13 **“§ 6218.2. Prohibition on Bonus Pay for Unclassified Employees.**

14 No bonuses *shall* be authorized and/or paid in lump-sum or otherwise,
15 to unclassified employees of the government of Guam unless so specified by
16 law. Any person who authorizes a bonus payment in violation of this Section
17 *shall* be guilty of a misdemeanor. For the purposes of this Section, bonuses
18 or bonus payments *shall* mean sums authorized and/or paid to an
19 unclassified employee that is separate and apart from and/or added to the
20 base pay of such unclassified employee for any purpose.”

21 **Section 4.** A new section 6218.3 is hereby *added* to Chapter 6, Title 4 of the
22 Guam Code Annotated to read:

23 **“§ 6218.3. Processing of Pay Adjustments for Unclassified Employees.**

24 Pay adjustments that increase base pay that are authorized pursuant to
25 §§ 6207 and 6207.1 of this Chapter *shall* be paid in twenty-six (26) equal
26 installments from the date when such pay adjustment was authorized. If,
27 after such pay adjustments that increase base pay for such unclassified

1 employees that are authorized pursuant to §§ 6207 and 6207.1 of this
2 Chapter, a pay adjustment is authorized to decrease base pay within two (2)
3 pay periods, the amount of such pay adjustment that previously increased
4 base pay *shall* be repaid by the unclassified employee *no later than* the
5 following pay period subsequent to the date from when the pay adjustment
6 decrease was authorized.”

7 **Section 5. Effective Date.** This Act *shall* become effective upon enactment.

8 **Section 6. Severability.** *If* any provision of this Act or its application to
9 any person or circumstance is held invalid, the invalidity *shall not* affect other
10 provisions or applications of this Act which can be given effect without the invalid
11 provision or application and to this end the provisions of this Act is severable.

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2016 (SECOND) Regular Session

Bill No. 222-33 (COR)

As substituted by the Committee on
Appropriations and Adjudication

Introduced by:

Benjamin J.F. Cruz

**AN ACT TO *AMEND* SECTIONS 6207 AND 6207.1 OF
AND TO *ADD* NEW SECTIONS 6218.2 AND 6218.3 TO
CHAPTER 6, TITLE 4 OF THE GUAM CODE
ANNOTATED, RELATIVE TO PROHIBITING BONUS
PAY AND MANDATING PROPER PAY AND PAY
ADJUSTMENT PROCESSING FOR UNCLASSIFIED
EMPLOYEES.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. § 6207, Chapter 6, Title 4 of the Guam Code Annotated is hereby
amended to read:

“§ 6207. Positions in Governor’s Office.

The Governor is authorized to establish such positions as may be
necessary for the operation of the Office of the Governor including off-island
offices and Government House; provided, however, that no person shall be
appointed to fill such a position in the absence of an appropriation to pay the
salary set for such position. The Governor shall set the salaries for positions
for which salaries are not set by law which shall be paid in twenty-six (26)
biweekly equal installments from the date when such salary was set.”

Section 2. § 6207.1, Chapter 6, Title 4 of the Guam Code Annotated is hereby
amended to read:

1 **“§ 6207.1. Positions in Lieutenant Governor’s Office.**

2 The Lieutenant Governor is authorized to establish such positions as
3 may be necessary for the operation of the Office of the Lieutenant Governor,
4 the Guam State Clearinghouse, and other offices that are established and
5 placed under the purview or direction of the Lieutenant Governor of Guam;
6 provided, however, that no person shall be appointed to fill such a position in
7 the absence of an appropriation to pay the salary set for such position. The
8 Lieutenant Governor shall set the salaries for positions for which salaries are
9 not set by law which shall be paid in twenty-six (26) biweekly equal
10 installments from the date when such salary was set.”

11 **Section 3.** A new section 6218.2 is hereby *added* to Chapter 6, Title 4 of the
12 Guam Code Annotated to read:

13 **“§ 6218.2. Prohibition on Bonus Pay for Unclassified Employees.**

14 No bonuses *shall* be authorized and/or paid in lump-sum or otherwise,
15 to unclassified employees of the government of Guam unless so specified by
16 law. Any person who authorizes a bonus payment in violation of this Section
17 *shall* be guilty of a misdemeanor. For the purposes of this Section, bonuses or
18 bonus payments *shall* mean sums authorized and/or paid to an unclassified
19 employee that is separate and apart from and/or added to the base pay of such
20 unclassified employee for any purpose.”

21 **Section 4.** A new section 6218.3 is hereby *added* to Chapter 6, Title 4 of the
22 Guam Code Annotated to read:

23 **“§ 6218.3. Processing of Pay Adjustments for Unclassified Employees.**

24 Pay adjustments that increase base pay that are authorized pursuant to
25 §§ 6207 and 6207.1 of this Chapter *shall* be paid in twenty-six (26) equal
26 installments from the date when such pay adjustment was authorized. If, after
27 such pay adjustments that increase base pay for such unclassified employees

1 such pay adjustments that increase base pay for such unclassified employees
2 that are authorized pursuant to §§ 6207 and 6207.1 of this Chapter, a pay
3 adjustment is authorized to decrease base pay within two (2) pay periods, the
4 amount of such pay adjustment that previously increased base pay *shall* be
5 repaid by the unclassified employee *no later than* the following pay period
6 subsequent to the date from when the pay adjustment decrease was
7 authorized.”

8 **Section 5. Effective Date.** This Act *shall* become effective upon enactment.

9 **Section 6. Severability.** *If* any provision of this Act or its application to any
10 person or circumstance is held invalid, the invalidity *shall not* affect other provisions
11 or applications of this Act which can be given effect without the invalid provision
12 or application and to this end the provisions of this Act is severable.

SENATOR BENJAMIN J.F. CRUZ, VICE SPEAKER

Committee on Appropriations and Adjudication
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I Mina'trentai Tres na Liheslaturan Guåhan
THE THIRTY-THIRD GUAM LEGISLATURE

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PUBLIC HEARING SIGN-IN SHEET

4:00 PM, Monday, December 28, 2015

Guam Legislature Public Hearing Room • Hagåtña, Guam

Bill No. 222-33 (COR) - B.J.F. Cruz - "An act to amend sections 6207 and 6207.1 of and to add new sections 6218.2 and 6218.3 to chapter 6, title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees."

NAME	AGENCY OR ORGANIZATION	POSITION		TESTIMONY		PHONE NO.	EMAIL ADDRESS
		SUPPORT	OPPOSE	WRITTEN	ORAL		
Food Nishihara	AG	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	475-3324	
JACKIE CRUZ	"	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	475-3324	
KEN ORCUTT	AG	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	"	
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December 28, 2015

Honorable Benjamin J.F. Cruz
Vice Speaker, 33rd Guam Legislature
Chairperson, Committee on Appropriations & Adjudication
155 Hesler Street
Hagatna, Guam 96910

RE: Bill #222

Hafa Adai Mr. Chair and Members of the Committee:

We fully and strongly support the passage and enactment of Bill #222, an Act that would abridge gubernatorial authority under 4 GCA §6207 to increase executive staff salaries in a single lump sum bonus style payment.

The Legislature has heretofore limited the authority of unsuccessful executive office incumbents from engaging in post-election salary increases for their unclassified staff. Bill #222 will close the gap on actions of successful incumbents engaging in similar compensatory actions after a successful election. For clarification purposes, we recommend that the Act specify increases limited to twenty-six (26) "bi-weekly" equal installments to prohibit any potential of consecutive installments.

Thank you for permitting our comments to be included in the public hearing on this matter.

Sincerely,

ELIZABETH BARRETT-ANDERSON
Attorney General of Guam

Vice Speaker Benjamin J.F. Cruz

DEC 29 2015

Time: 12:52 () AM () PM File No. _____
Received By: EE



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

December 28, 2015

Vice Speaker Benjamin J. F. Cruz
33rd Guam Legislature
155 Hesler Street, Ste 201
Hagåtña, Guam 96910

Dear Vice Speaker Cruz:

As you are aware, the Hay Group conducted a comprehensive study on the Government of Guam pay plan in 2010. Because of the fiscal environment in 2011, I delayed full implementation of the plan until the government's financial condition improved.

A partial pay adjustment for employees on the General Pay Plan, and full pay adjustments for nurses, teachers, and government attorneys, was implemented on January 26, 2014. Immediately thereafter, the Legislature repealed a portion of the pay adjustment for elected officials (namely the Governor, the Lt. Governor, Senators, and the Attorney General and the Public Auditor), and cabinet heads. (P.L. 32-136). In September 2014, full pay adjustment for the General Pay Plan employees was implemented.

In June 2014, Public Law 32-166 was passed, and pay adjustments were implemented for the Judiciary, *retroactive* to January 2014. In November 2014, the Legislature repealed P.L. 32-136, which had disallowed pay raises for elected officials and cabinet heads, reinstating their pay raises *retroactive* to January 2014. (P.L. 32-208).

Thus, by November 2014, the Legislature, the Judiciary and every line agency of the Executive branch had received pay adjustments effective on or *retroactive* to January 2014. The only exception, other than the Public Auditor, was the 107 rank and file employees of the Governor's Office and the Lt. Governor's Office.

Recognizing the inequality in excluding these hard working employees, many of whom volunteered pay cuts and were instrumental in the turnaround of the government's finances, I implemented salary adjustments for Governor's Office and Lt. Governor's Office staff to bring their salaries in line with a January 2014 retroactive adjustment for all the other Government of Guam employees.

Ricardo J. Bordallo Governor's Complex • Adelup, Guam 96910
Tel: (671) 472-8931 • Fax: (671) 477-4826 • governor.guam.gov • calendar.guam.gov



Eddie Baza Calvo



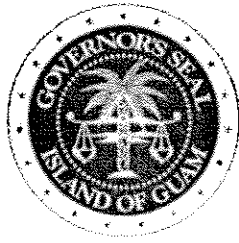
@eddiebazacalvo



@governorcalvo



governorofguam



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

You have publicly asked why these employees were not included in PL 32-208. The simple answer is because their salaries are not set by statute, thus they need not be amended by statute. Had politics not played a part in the implementation of the Hay Study, Adelup employees, whose salaries are pegged to mine and the Lt. Governor's, would have received their raises in January 2014, along with all the other employees of the government. However, because the executive salaries were not adjusted until December, retroactive to January, I elected to adjust Adelup staff salaries pursuant to my authority under 4 G.C.A. Sec. 6207. As you're aware, the Attorney General has determined that the processing mistakes made by DOA has given the pay adjustments the appearance of retroactivity, which is disallowed except where permitted by legislation, *such as was previously done for employees of the OPA, the Judiciary, the Governor, the Lt. Governor, the Senators, the directors and deputy directors, law enforcement personnel, National Guard and reserve employees, mayors and vice mayors.* Accordingly, following the AG's counsel, I have moved to correct the retroactive appearance in the Adelup pay adjustments.

Based on your vitriolic public accusations, it is clear, however, that you cannot tolerate my efforts to make sure that my staff is treated equally and equitably with all other GovGuam employees. Your introduction of Bill 222-33, only furthers your obvious political agenda to single out my and the Lt. Governor's employees, to ensure that they are treated inequitably. The hypocrisy in your bill, by excluding the other branches of government, most especially the Legislature, is blatant. You decry spending spikes, yet you ignore the spikes caused by legislative employees cashing out lump sum annual leave.

You claim to be the champion of fiscal management, yet you fought every attempt by this administration to improve our financial position and reduce the interest rates on existing obligations, including unpaid tax refunds and, most recently, Bill 151-33. On the last measure alone, your opposition cost the government upwards of \$30 million, as estimated by GEDA officials, in debt service savings.

I am willing to support any legitimate effort by any senator that promotes further financial stability. Your current bill, however, is blatant divisive partisan politics. If you are serious about preventing spending spikes in the government, instead of political grandstanding and singling out the Executive branch, I propose the following attached amendments to your bill. These amendments build on your recommendations to provide

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Eddie Baza Calvo



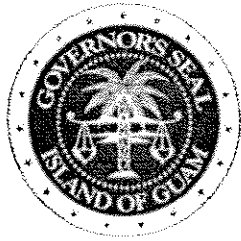
@eddiebazacalvo



@governorcalvo



governorofguam



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

for parity across the three branches of government and assist with fiscal management. If you are willing to set aside politics, to craft a bill that applies equally and equitably across all branches of government, as I have proposed, you will have my support.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddie Baza Calvo".

Eddie Baza Calvo
Governor of Guam



PROPOSED AMENDMENT NO. 1

Bill No. 222-33 (COR)

Page 2, Section 4. Which would add a new section to Chapter 6, Title 4 of the GCA.

Lines 23 to 27. Replace any reference specific to the positions at the Governor and Lt. Governor's office with language that provides parity across GovGuam, specifically, "the Three Branches of Government."

Also, the continuing of Section 4 on Page 3, lines 1 through 6, the same revision as above is recommended.

PROPOSED AMMENDMENT NO. 2, BILL 222-33 (COR).

1. To add a new subsection 1119(a)(i) to section 1119(a), Chapter 1, Title 2 of the Guam Code Annotated. **Legislative Staff: Employment and Conditions Thereof.**

New Section 1119(a)(i). **Legislative Staff: Employment and Conditions Thereof.**

New Section 1119(a)(i) to read:

1119(a)(i) Positions in the Legislature. The Legislature shall set the salaries for all its employees to be paid in twenty-six (26) equal installments from the date when such salary was set.

2. To add a new subsection 1119(d) to section 1119, Chapter 1, Title 2 of the Guam Code Annotated. **Legislative Staff: Employment and Conditions Thereof.**

New Section 1119(d) to read:

1119(d). Lump Sum Payment of Annual Leave Prohibited. No legislative employee who leaves the government service for any reason may receive a cash payment for annual leave accrued at the time that the employee leaves such service.

PROPOSED AMMENDMENT NO 3 BILL 222-33 (COR)

To add a new subsection **4102(e), Lump Sum Payment of Annual Leave Prohibited, Chapter 4, Title 4 Guam Code Annotated. Classified and Unclassified Service.**

New subsection **4102(e), Lump Sum Payment of Annual Leave Prohibited, Chapter 4, Title 4 Guam Code Annotated, to read:**

Section 4102(e), Lump Sum Payment of Annual Leave Prohibited. As defined by Section 4102(a), no person in an unclassified position who leaves the government service for any reason may receive a cash payment for annual leave accrued at the time that person leaves such service.

PROPOSED AMENDMENT NO. 4 BILL NO. 222-33 (COR)

To add a **new Subsection 4109(I), Lump Sum Payment of Annual Leave prohibited for Unclassified Positions, Chapter 4, Title 4 Guam Code Annotated.**

New Subsection 4109(I) Lump Sum Payment of Annual Leave Prohibited for Unclassified Positions. As defined by Section 4102(a) of this Chapter, no person, in an unclassified position, who leaves the government service for any reason may receive a cash payment for annual leave accrued at the time that person leaves such service.



COMMITTEE ON RULES

I Mina'trentai Tres na Liheslaturan Guåhan • The 33rd Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com

E-mail: roryforguam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

Senator

Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

Senator

Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

Speaker

Judith T.P. Won Pat, Ed.D.
Member

Vice-Speaker

Benjamin J.F. Cruz
Member

Legislative Secretary

Tina Rose Muna Barnes
Member

Senator

Dennis G. Rodriguez, Jr.
Member

Senator

Frank Blas Aguon, Jr.
Member

Senator

Michael F.Q. San Nicolas
Member

Senator

Nerissa Bretania Underwood
Member

V. Anthony Ada
MINORITY LEADER


Mary C. Torres
MINORITY MEMBER

December 16, 2015

MEMORANDUM

To: Rennae Meno
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: Senator Thomas C. Ada 
Acting Chairperson of the Committee on Rules

Subject: Referral of Bill No. 222-33(COR)

As the Acting Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. 222-33(COR).

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Tres Na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

I Mina'Trentai Tres Na Liheslaturan Received
Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	HEARING DATE	COMMITTEE REPORT FILED	FISCAL NOTES
222-33 (COR)	B. J.F. Cruz	AN ACT TO AMEND SECTIONS 6207 AND 6207.1 OF AND TO ADDNEW SECTIONS 6218.2 AND 6218.3 TO CHAPTER 6, TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING BONUS PAY AND MANDATING PROPER PAY AND PAY ADJUSTMENT PROCESSING FOR UNCLASSIFIED EMPLOYEES.	12/16/2015 10:21 a.m.	12/16/15	Committee on Appropriations and Adjudication			



COMMITTEE ON RULES

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Senator

Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

December 16, 2015

Senator

Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

VIA E-MAIL

joey.calvo@bbmr.guam.gov

Speaker

Judith T.P. Won Pat, Ed.D.
Member

Jose S. Calvo

Director

Bureau of Budget & Management Research

P.O. Box 2950

Hagåtña, Guam 96910

Vice-Speaker

Benjamin J.F. Cruz
Member

RE: Request for Fiscal Notes – Bill Nos. 220-33(COR) through 222-33(COR)

Legislative Secretary

Tina Rose Muna Barnes
Member

Hafa Adai Mr. Calvo:

Senator

Dennis G. Rodriguez, Jr.
Member

Transmitted herewith is a listing of *I Mina'trentai Tres Na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

Senator

Frank Blas Aguon, Jr.
Member

Si Yu'os ma'åse' for your attention to this matter.

Senator

Michael F.Q. San Nicolas
Member

Very Truly Yours,

Senator

Nerissa Bretania Underwood
Member

Senator Thomas C. Ada

Acting Chairperson of the Committee on Rules

V. Anthony Ada
MINORITY LEADER

Attachment (1)

Mary C. Torres
MINORITY MEMBER

Cc: Clerk of the Legislature

Bill Nos.	Sponsor	Title
<p>220-33 (COR)</p>	<p>Dennis G. Rodriguez, Jr.</p>	<p>AN ACT TO PROHIBIT THE PROPOSED STORM-WATER GRAVITY BAY OUTLET AS AN OPTION FOR THE MITIGATION OF FLOODING ALONG THE SAN VITORES ROAD, TO REQUIRE THE FURTHER CONSIDERATION OF ALTERNATIVE OPTIONS THAT PROTECTS THE INTEGRITY OF THE ENVIRONMENT AND TUMON BAY, AND TO MANDATE THE SUBMISSION OF FINANCING OPTIONS FOR ADDITIONAL FUNDS THAT MAY BE NEEDED TO COMPLETE THE SAN VITORES FLOOD MITIGATION PROJECT WITHIN 90 DAYS OF ENACTMENT.</p>
<p>221-33 (COR)</p>	<p>FRANK B. AGUON, JR.</p>	<p>AN ACT TO AMEND SUBSECTION (e) OF §26202, CHAPTER 26, TITLE 11, GUAM CODE ANNOTATED, RELATIVE TO THE BUSINESS PRIVILEGE TAX ON CONTRACTORS.</p>
<p>222-33 (COR)</p>	<p>B. J.F. Cruz</p>	<p>AN ACT TO AMEND SECTIONS 6207 AND 6207.1 OF AND TO ADD NEW SECTIONS 6218.2 AND 6218.3 TO CHAPTER 6, TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING BONUS PAY AND MANDATING PROPER PAY AND PAY ADJUSTMENT PROCESSING FOR UNCLASSIFIED EMPLOYEES.</p>



COMMITTEE ON RULES

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Certification of Waiver of Fiscal Note Requirement

This is to certify that the Committee on Rules submitted to the Bureau of Budget and Management Research (BBMR) a request for a fiscal note, or applicable waiver, on Bill No. 222-33 (COR) –B. J.F. Cruz, "AN ACT TO AMEND SECTIONS 6207 AND 6207.1 OF AND TO ADD NEW SECTIONS 6218.2 AND 6218.3 TO CHAPTER 6, TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING BONUS PAY AND MANDATING PROPER PAY AND PAY ADJUSTMENT PROCESSING FOR UNCLASSIFIED EMPLOYEES,"– on December 16, 2015. COR hereby certifies that BBMR confirmed receipt of this request December 17, 2015 at 8:10 A.M.

COR further certifies that a response to this request was not received. Therefore, pursuant to 2 GCA §9105, the requirement for a fiscal note, or waiver thereof, on Bill 222-33 (COR) to be included in the committee report on said bill, is hereby waived.

Certified by:



Senator Rory J. Respicio
Chairperson, Committee on Rules

January 7, 2016
Date

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
senator@senatorbjcruz.com | www.senatorbjcruz.com



I Mina'trentai Tres na Liheslaturan Guåhan
THE 33RD GUAM LEGISLATURE

155 Hesler Place, Suite 107, Hagåtña, Guam 96910
T: (671) 477-2520/1 | F: (671) 477-2522

December 18, 2015

MEMORANDUM

To: All Members/ All Senators
From: Vice Speaker Benjamin J.F. Cruz, Chairman
Re: **FIRST NOTICE of Public Hearings - December 28, 2015**

Håfa Adai! The Committee on Appropriations and Adjudication will conduct a Public Hearing of Bills beginning at 10:00 AM and at 4:00 PM on Monday, December 28, 2015, in the *I Liheslatura* Public Hearing Room with the following schedule:

10:00 AM - PUBLIC HEARING

- **Bill No. 217-33 (COR)** - B.T. McCreadie - "An act to appropriate the sum of two hundred thousand dollars (\$200,000.00) pursuant to the specified fishing agreement made by Guam, Quota Management, Inc., and the Hawaii Longline Association to the Department of Agriculture for the completion of the Paseo De Susana Fishing Platform, Department of Agriculture project no. 350-5-1058-f-agn."

4:00 PM - PUBLIC HEARING OF BILLS

- **Bill No. 212-33 (COR)** - B.J.F. Cruz - "An act to authorize the Attorney General the use of funds for experts in federal litigation case."
- **Bill No. 222-33 (COR)** - B.J.F. Cruz - "An act to amend sections 6207 and 6207.1 of and to add new sections 6218.2 and 6218.3 to chapter 6, title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees."

Testimonies may be submitted via hand delivery to the Office of Vice Speaker Benjamin J.F. Cruz at the Guam Legislature; via postal mail to 155 Hesler Street, Hagåtña Guam 96910; via facsimile to 477-2522; or via e-mail to senator@senatorbjcruz.com. Please submit testimonies at least one day prior to the date of the hearing.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact Mr. Carlo J. Branch at the Office of the Vice Speaker at 477-2521 or via e-mail at carlo.branch@senatorbjcruz.com.

We look forward to your attendance and participation.

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
senator@senatorbjcruz.com | www.senatorbjcruz.com



I Mina'trentai Tres na Liheslaturan Guåhan

THE 33RD GUAM LEGISLATURE

155 Hesler Place, Suite 107, Hagåtña, Guam 96910

T: (671) 477-2520/1 | F: (671) 477-2522

FOR IMMEDIATE RELEASE

December 18, 2015

FIRST NOTICE OF PUBLIC HEARINGS

In accordance with the Open Government Law, P.L. 24-109, relative to notice for public meetings, let this release serve as five (5) days' notice for Public Hearings by the **Committee on Appropriations and Adjudication** scheduled on **Monday, December 28, 2015**, in the Guam Legislature Hearing Room in Hagåtña, on the following:

10:00 AM - PUBLIC HEARING

- **Bill No. 217-33 (COR)** - B.T. McCreadie - "An act to appropriate the sum of two hundred thousand dollars (\$200,000.00) pursuant to the specified fishing agreement made by Guam, Quota Management, Inc., and the Hawaii Longline Association to the Department of Agriculture for the completion of the Paseo De Susana Fishing Platform, Department of Agriculture project no. 350-5-1058-f-agn."

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Testimonies may be submitted in person to the Office of Vice Speaker Benjamin J.F. Cruz at the Guam Legislature; by postal mail to 155 Hesler Place, Hagåtña Guam 96910; by facsimile to 477-2522; or by e-mail to senator@senatorbjcruz.com. Copies of written testimonies received at least one day before the scheduled date will be available at the hearing.

Individuals requiring assistance or special accommodations should contact Mr. Carlo J. Branch at the Office of the Vice Speaker at 477-2521, or by e-mail at carlo.branch@senatorbjcruz.com.

###



Dani Reyes <danireyes@senatorbjcruz.com>

FIRST NOTICE of Public Hearings – December 28, 2015

Dani Reyes <danireyes@senatorbjcruz.com>

Fri, Dec 18, 2015 at 10:04 AM

To: PH Notice <phnotice@guamlegislature.org>

Cc: "Senator Rory J. Respicio" <cor@guamlegislature.org>, "Sergeant-at-Arms (Legislature)" <sgtarms@guamlegislature.org>, Management Information System <mis@guamlegislature.org>, Clerks <clerks@guamlegislature.org>

Bcc: reporters@kuam.com, Sabrina Salas Matanane <sabrina@kuam.com>, Jason Salas <jason@kuam.com>, Krystal Paco <krystal@kuam.com>, Joan Aguon Charfauros <joan@kuam.com>, Ken Quintanilla <kenq@kuam.com>, Isa Baza <isa@kuam.com>, slimtiaco@guampdn.com, kjdaly@guampdn.com, sraymundo@guampdn.com, lcmartinez@guampdn.com, jsantotoma@guampdn.com, editor@postguam.com, gery@postguam.com, Gerry Partido <gerrypartido@gmail.com>, jackie@postguam.com, john@postguam.com, robert@postguam.com, marvic@postguam.com, jasmine@postguam.com, K57 <news@k57.com>, clynt@spbguam.com, janela@spbguam.com, roselle@spbguam.com, brittany@spbguam.com, joanna@spbguam.com, Blake Watson <blake@spbguam.com>, tim@spbguam.com, Ray Gibson <rgibson@k57.com>, Patti Arroyo <parroyo@k57.com>, phill@k57.com, Maureen Maratita <publisher@glimpsesofofguam.com>, Bruce Lloyd <managingeditor@glimpsesofofguam.com>, assist_editor@glimpsesofofguam.com, reporter1@glimpsesofofguam.com, Joy White <reporter4@glimpsesofofguam.com>

December 18, 2015

MEMORANDUM

To: All Members / All Senators

From: Vice Speaker Benjamin J.F. Cruz, Chairman

Re: **FIRST NOTICE of Public Hearings – December 28, 2015**

Håfa Adai! The **Committee on Appropriations and Adjudication** will conduct a Public Hearing of Bills beginning at **10:00 AM** and at **4:00 PM** on **Monday, December 28, 2015**, in the ***I Liheslatura* Public Hearing Room** with the following schedule:

10:00 AM - PUBLIC HEARING

- **Bill No. 217-33 (COR)** – B.T. McCreadie – “An act to appropriate the sum of two hundred thousand dollars (\$200,000.00) pursuant to the specified fishing agreement made by Guam, Quota Management, Inc., and the Hawaii Longline Association to the Department of Agriculture for the completion of the Paseo De Susana Fishing Platform, Department of Agriculture project no. 350-5-1058-f-agn.”

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- **Bill No. 212-33 (COR)** – B.J.F. Cruz – “An act to authorize the Attorney General the use of funds for experts in federal litigation case.”
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(The links provided above, as shown in the boldfaced and underlined text, direct to the respective PDF documents posted on the Guam Legislature website. For direct access, go to <http://www.guamlegislature.com>; bills are found under Bills > Introduced > 33rd).

Testimonies may be submitted via hand delivery to the Office of Vice Speaker Benjamin J.F. Cruz at the Guam Legislature; via postal mail to 155 Hesler Street, Hagåtña Guam 96910; via facsimile to 477-2522; or via e-mail to senator@senatorbjcruz.com. Please submit testimonies at least one day prior to the date of the hearing.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact Mr. Carlo J. Branch at the Office of the Vice Speaker at 477-2521 or via e-mail at carlo.branch@senatorbjcruz.com. We look forward to your attendance and participation.

CC: MIS
COR
Sgt-At-Arms
Media

—

Dani Reyes
Policy Analyst

Vice Speaker Benjamin J.F. Cruz

I Mina'trentai Tres na Liheslaturan Guåhan

T 671-477-2520 | F 671-477-2522

<http://www.senatorbjcruz.com>

2 attachments



FIRST NOTICE MEMO PH 12282015.pdf

197K



FIRST NOTICE PR PH 12282015.pdf

182K

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
senator@senatorbicruz.com | www.senatorbicruz.com



I Mina'trentai Tres na Liheslaturan Guåhan

THE 33RD GUAM LEGISLATURE

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T: (671) 477-2520/1 | F: (671) 477-2522

December 26, 2015

MEMORANDUM

To: All Members/ All Senators
From: Vice Speaker Benjamin J.F. Cruz, Chairman

Re: SECOND NOTICE of Public Hearings - December 28, 2015

Håfa Adai! The **Committee on Appropriations and Adjudication** will conduct Public Hearings beginning at 10:00 AM and at 4:00 PM on **Monday, December 28, 2015**, in the *I Liheslatura Public Hearing Room* with the following schedule:

10:00 AM - PUBLIC HEARING

- **Bill No. 217-33 (COR)** – B.T. McCreadie – “An act to appropriate the sum of two hundred thousand dollars (\$200,000.00) pursuant to the specified fishing agreement made by Guam, Quota Management, Inc., and the Hawaii Longline Association to the Department of Agriculture for the completion of the Paseo De Susana Fishing Platform, Department of Agriculture project no. 350-5-1058-f-agn.”

4:00 PM - PUBLIC HEARING OF BILLS

- **Bill No. 212-33 (COR)** – B.J.F. Cruz – “An act to authorize the Attorney General the use of funds for experts in federal litigation case.”
- **Bill No. 222-33 (COR)** – B.J.F. Cruz – “An act to amend sections 6207 and 6207.1 of and to add new sections 6218.2 and 6218.3 to chapter 6, title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees.”

Testimonies may be submitted via hand delivery to the Office of Vice Speaker Benjamin J.F. Cruz at the Guam Legislature; via postal mail to 155 Hesler Street, Hagåtña Guam 96910 or via e-mail to senator@senatorbjcruz.com. Please submit testimonies at least one day prior to the date of the hearing.

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We look forward to your attendance and participation.

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
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FOR IMMEDIATE RELEASE

December 26, 2015

SECOND NOTICE OF PUBLIC HEARINGS

In accordance with the Open Government Law, P.L. 24-109, relative to notice for public meetings, let this release serve as forty-eight (48) hours' notice for Public Hearings of Bills by the **Committee on Appropriations and Adjudication** scheduled on **Monday, December 28, 2015**, in the Guam Legislature Hearing Room in Hagåtña, on the following:

10:00 AM - PUBLIC HEARING

- **Bill No. 217-33 (COR)** - B.T. McCreadie - "An act to appropriate the sum of two hundred thousand dollars (\$200,000.00) pursuant to the specified fishing agreement made by Guam, Quota Management, Inc., and the Hawaii Longline Association to the Department of Agriculture for the completion of the Paseo De Susana Fishing Platform, Department of Agriculture project no. 350-5-1058-f-agn."

4:00 PM - PUBLIC HEARING OF BILLS

- **Bill No. 212-33 (COR)** - B.J.F. Cruz - "An act to authorize the Attorney General the use of funds for experts in federal litigation case."
- **Bill No. 222-33 (COR)** - B.J.F. Cruz - "An act to amend sections 6207 and 6207.1 of and to add new sections 6218.2 and 6218.3 to chapter 6, title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees."

Testimonies may be submitted in person to the Office of Vice Speaker Benjamin J.F. Cruz at the Guam Legislature; by postal mail to 155 Hesler Place, Hagåtña Guam 96910 or by e-mail to senator@senatorbjcruz.com. Copies of written testimonies received at least one day before the scheduled date will be available at the hearing.

Individuals requiring assistance or special accommodations should contact Mr. Carlo J. Branch at the Office of the Vice Speaker at 477-2521, or by e-mail at carlo.branch@senatorbjcruz.com.

###



Dani Reyes <danireyes@senatorbjcruz.com>

SECOND NOTICE of Public Hearings – December 28, 2015

Dani Reyes <danireyes@senatorbjcruz.com>

Sat, Dec 26, 2015 at 8:30 AM

To: PH Notice <phnotice@guamlegislature.org>

Cc: "Senator Rory J. Respicio" <cor@guamlegislature.org>, "Sergeant-at-Arms (Legislature)" <sgtarms@guamlegislature.org>, Management Information System <mis@guamlegislature.org>, Clerks <clerks@guamlegislature.org>

Bcc: reporters@kuam.com, sabrina@kuam.com, jason@kuam.com, krystal@kuam.com, joan@kuam.com, kenq@kuam.com, isa@kuam.com, slimtiaco@guampdn.com, kjdaly@guampdn.com, sraymundo@guampdn.com, lcmartinez@guampdn.com, jsantotoma@guampdn.com, editor@postguam.com, gerry@postguam.com, gerrypartido@gmail.com, jackie@postguam.com, john@postguam.com, robert@postguam.com, marvic@postguam.com, jasmine@postguam.com, news@k57.com, clynt@spbgum.com, janela@spbgum.com, roselle@spbgum.com, joanna@spbgum.com, blake@spbgum.com, tim@spbgum.com, rgibson@k57.com, parroyo@k57.com, phill@k57.com, publisher@glimpsesofguam.com, managingeditor@glimpsesofguam.com, assist_editor@glimpsesofguam.com, reporter1@glimpsesofguam.com, reporter4@glimpsesofguam.com

December 26, 2015

MEMORANDUM**To: All Members / All Senators****From: Vice Speaker Benjamin J.F. Cruz, Chairman****Re: SECOND NOTICE of Public Hearings – December 28, 2015**

Håfa Adai! The **Committee on Appropriations and Adjudication** will conduct Public Hearings beginning at **10:00 AM** and at **4:00 PM** on **Monday, December 28, 2015**, in the ***I Liheslatura* Public Hearing Room** with the following schedule:

10:00 AM - PUBLIC HEARING

- **Bill No. 217-33 (COR)** – B.T. McCreddie – “An act to appropriate the sum of two hundred thousand dollars (\$200,000.00) pursuant to the specified fishing agreement made by Guam, Quota Management, Inc., and the Hawaii Longline Association to the Department of Agriculture for the completion of the Paseo De Susana Fishing Platform, Department of Agriculture project no. 350-5-1058-f-agn.”

4:00 PM - PUBLIC HEARING OF BILLS

- **Bill No. 212-33 (COR)** – B.J.F. Cruz – “An act to authorize the Attorney General the use of funds for experts in federal litigation case.”
- **Bill No. 222-33 (COR)** – B.J.F. Cruz - “An act to amend sections 6207 and 6207.1 of and to add new sections 6218.2 and 6218.3 to chapter 6, title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees.”

(The links provided above, as shown in the boldfaced and underlined text, direct to the respective PDF documents posted on the Guam Legislature website. For direct access, go to <http://www.guamlegislature.com>; bills are found under Bills > Introduced > 33rd).

Testimonies may be submitted via hand delivery to the Office of Vice Speaker Benjamin J.F. Cruz at the Guam Legislature; via postal mail to 155 Hesler Street, Hagåtña Guam 96910 or via e-mail to senator@senatorbjcruz.com. Please submit testimonies at least one day prior to the date of the hearing.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact Mr. Carlo J. Branch at the

Office of the Vice Speaker at 477-2521 or via e-mail at carlo.branch@senatorbjcruz.com.

We look forward to your attendance and participation.

CC: MIS
COR
Sgt-At-Arms
Media

—
Dani Reyes
Policy Analyst

Vice Speaker Benjamin J.F. Cruz
I Mina'trentai Tres na Liheslaturan Guahan
T 671-477-2520 | F 671-477-2522
<http://www.senatorbjcruz.com>

2 attachments

 **SECOND NOTICE MEMO PH 12282015.pdf**
196K

 **SECOND NOTICE PR PH 12282015.pdf**
182K

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
senator@senatorbjcruz.com | www.senatorbjcruz.com



I Mina'trentai Tres na Liheslaturan Guåhan
THE 33RD GUAM LEGISLATURE

155 Hesler Place, Suite 107, Hagåtña, Guam 96910
T: (671) 477-2520/1 | F: (671) 477-2522

PUBLIC HEARING AGENDA

Monday, December 28, 2015

Guam Legislature Public Hearing Room • Hagåtña, Guam

10:00 AM

Bill No. 217-33 (COR) – B.T. McCreadie – “An act to appropriate the sum of two hundred thousand dollars (\$200,000.00) pursuant to the specified fishing agreement made by Guam, Quota Management, Inc., and the Hawaii Longline Association to the Department of Agriculture for the completion of the Paseo De Susana Fishing Platform, Department of Agriculture project no. 350-5-1058-f-agn.”

4:00 PM

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Bill No. 222-33 (COR) – B.J.F. Cruz – “An act to amend sections 6207 and 6207.1 of and to add new sections 6218.2 and 6218.3 to chapter 6, title 4 of the Guam Code Annotated, relative to prohibiting bonus pay and mandating proper pay and pay adjustment processing for unclassified employees.”



Dani Reyes <danireyes@senatorbjcruz.com>

For Immediate Release: PUBLIC COMMENT SOUGHT FOR CRUZ'S BILL 222

Vice Speaker Benjamin J.F. Cruz / Media <media@senatorbjcruz.com>

Fri, Dec 18, 2015 at 4:11 PM

Bcc: phnotice@guamlegislature.org

All:

Please find attached and also copied below a press release from the Office of Vice Speaker Benjamin J.F. Cruz.

R/TWeidenbacher

The Office of Vice Speaker Benjamin J.F. Cruz

Committee on Appropriations and Adjudication

I Mina'trentai Tres Na Liheslaturan Guáhan

T 671-477-2520 | F 671-477-2522

<http://www.senatorbjcruz.com>

Public Comment Sought for Cruz's Bill 222

STAKEHOLDERS, OFFICIALS TO DISCUSS PAY MANIPULATION COUNTERMEASURE ON DEC. 28

(Hagåtña – December 18, 2015) Determined to make meaningful progress with his measure to prevent unclassified pay manipulation akin to the Adelup retro pay raises, Committee on Appropriations and Adjudication (Committee) Chairman and Vice Speaker Benjamin J. F. Cruz has set a hearing date for Bill No. 222-33 (COR) to take place before the end of the year. The Committee will conduct the hearing on December 28, 2015, at 4:00 p.m. in the Guam Legislature public hearing room.

Cruz's Bill No. 222-33 (COR) prevents future unclassified pay manipulation by ensuring that salaries of the offices of the Governor and Lieutenant Governor are paid in 26 equal installments from the authorized salary date, preventing any scheme to pay a year's salary in one pay period. The measure also prohibits unclassified gubernatorial staff from receiving bonus pay, defined as payment "separate and apart from" base pay; and requires that other increases to an unclassified employee's base pay are made in 26 equal installments from the authorized adjustment date. Together, the three amendments prohibit lump-sum payments during one pay period, preventing further unlawful processing for pay adjustments.

The introduction of Bill 222-33 (COR) on Wednesday serves as swift response to Governor Calvo's recently revealed reimbursement scheme to cover the retroactive pay raises illegally issued to 107 unclassified Adelup employees. Subsequent to the Attorney General's opinion calling for the repayment of the raises, Governor Calvo authorized a new set of salary adjustments to be distributed to Adelup employees—all at the expense of Guam taxpayers.

Concurrent with the bill's introduction, the Vice Speaker requested further investigation of the matter from both the AG and the Office of Public Accountability (OPA).


Since the delivery of correspondence earlier this week, Cruz has received confirmation that the AG has received his request for the appointment of a special prosecutor nominated by the Guam Bar Association's ethics committee to investigate the implementation of the illegal 2014 retro pay.

Similarly, the OPA yesterday acknowledged Cruz's request for a performance audit of both 2014 and 2015 Adelup pay adjustments, further informing the Vice Speaker that an audit supervisor has been designated for the engagement. Cruz has asked the OPA to determine, among other concerns, whether other executive branch agencies whose unclassified employees also received retro pay; the true taxpayer cost of the pay adjustments after government contributions; and the accounting software limitations or "technical glitches", if any, to which Adelup officials—in an attempt to exonerate the administration—have attributed the retroactive nature of a

portion of the pay adjustments processed in December 2014.

###

Contact the Office of Vice Speaker Benjamin J. F. Cruz at 477-2520/1 or 687-7567 for more information.

 **PR Public Comment Sought for Bill 222 12182015.pdf**
232K



Public Comment Sought for Cruz's Bill 222

STAKEHOLDERS, OFFICIALS TO DISCUSS PAY MANIPULATION COUNTERMEASURE ON DEC. 28

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###

Contact the Office of Vice Speaker Benjamin J. F. Cruz at 477-2520/1 or 687-7567 for more information.



Dani Reyes <danireyes@senatorbjcruz.com>

For Immediate Release: AG "STRONGLY" SUPPORTS ANTI-PAY SCHEME BILL

Vice Speaker Benjamin J.F. Cruz / Media <media@senatorbjcruz.com>
Bcc: phnotice@guamlegislature.org

Mon, Dec 28, 2015 at 5:35 PM

All:

Please find attached and also copied below a press release from the Office of Vice Speaker Benjamin J.F. Cruz.

The referenced letter from the Attorney General of Guam is appended to the PDF file.

Thank you.

R/TWeidenbacher

The Office of Vice Speaker Benjamin J.F. Cruz
Committee on Appropriations and Adjudication
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T 671-477-2520 | F 671-477-2522
<http://www.senatorbjcruz.com>

AG "Strongly" Supports Anti-Pay Scheme Bill
BARRETT-ANDERSON BACKS BILL 222 DURING PUBLIC HEARING

(Hagåtña – December 21, 2015) The Attorney General of Guam has submitted testimony in complete support of the passage and enactment of Bill No. 222-33 (COR), introduced by appropriations chair Vice Speaker Benjamin J.F. Cruz earlier this month to limit the gubernatorial authority to increase executive unclassified staff salaries in a single lump-sum payment. The measure arrives on the heels of Governor Calvo's decision to use taxpayer funds to repay retroactive salary raises illegally issued to 107 unclassified Adelup employees.

"I am thankful for the Attorney General's strong support of Bill No. 222-33 (COR) and I am confident that her testimony will be instrumental in the passage and enactment of this important piece of legislation," said Cruz.

In a letter to the Committee on Appropriations and Adjudication submitted during the public hearing of Bill No. 222-33 (COR) this afternoon, Attorney General Elizabeth Barrett-Anderson testified in support of the measure, stating in part:

The Legislature has hereto limited the authority of unsuccessful office incumbents from engaging in post-election salary increases for their unclassified staff. Bill #222 will close the gap on actions of successful incumbents engaging in similar compensatory actions after a successful election.

Cruz's Bill No. 222-33 (COR) prevents future unclassified pay manipulation by ensuring that salaries of the offices of the Governor and Lieutenant Governor are paid in 26 equal installments from the authorized salary date, preventing any scheme to pay a year's salary in one pay period. The measure also prohibits unclassified gubernatorial staff from receiving bonus pay, defined as payment "separate and apart from" base pay; and requires that other increases to an unclassified employee's base pay are made in 26 equal installments from the authorized adjustment date.

Together, the three amendments prohibit lump-sum payments during one pay period, preventing further unlawful processing for pay adjustments.

Concurrent with the bill's introduction on December 16, the Vice Speaker requested further investigation of the

matter from both the AG and the Office of Public Accountability (OPA).

Public Auditor Doris Flores Brooks has since announced that she has appointed a lead auditor for the engagement.

Barrett-Anderson stated in a December 21 press release that she "acknowledges and appreciates the Vice Speaker's request for appointment of a Special or Independent Prosecutor to investigate the 2014 executive staff retroactive pay adjustments," and that she asked for "everyone's patience and trust" in this matter.

"I remain confident that the AG will take appropriate action relative to the appointment of a Special Prosecutor in the very near future," said Cruz.

###

Contact the Office of Vice Speaker Benjamin J. F. Cruz at 477-2520/1 or 687-7567 for more information.

 **PR AG Strongly Supports Anti-Pay Scheme Bill 12282015.pdf**
345K

VICE SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication
senator@senatorbjcruz.com | www.senatorbjcruz.com



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THE 33RD GUAM LEGISLATURE

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AG “Strongly” Supports Anti-Pay Scheme Bill

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“I remain confident that the AG will take appropriate action relative to the appointment of a Special Prosecutor in the very near future,” said Cruz.

###

Contact the Office of Vice Speaker Benjamin J. F. Cruz at 477-2520/1 or 687-7567 for more information.



Office of the Attorney General of Guam

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Victim Service Center
& Notary Unit
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pcamacho@guamag.org

December 28, 2015

Honorable Benjamin J.F. Cruz
Vice Speaker, 33rd Guam Legislature
Chairperson, Committee on Appropriations & Adjudication
155 Hesler Street
Hagatna, Guam 96910

RE: Bill #222

Hafa Adai Mr. Chair and Members of the Committee:

We fully and strongly support the passage and enactment of Bill #222, an Act that would abridge gubernatorial authority under 4 GCA §6207 to increase executive staff salaries in a single lump sum bonus style payment.

The Legislature has heretofore limited the authority of unsuccessful executive office incumbents from engaging in post-election salary increases for their unclassified staff. Bill #222 will close the gap on actions of successful incumbents engaging in similar compensatory actions after a successful election. For clarification purposes, we recommend that the Act specify increases limited to twenty-six (26) "bi-weekly" equal installments to prohibit any potential of consecutive installments.

Thank you for permitting our comments to be included in the public hearing on this matter.

Sincerely,

ELIZABETH BARRETT-ANDERSON
Attorney General of Guam

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Vice speaker questions whether Adelup got retro-payments

Posted:
Updated:

By Sabrina Salas Matanane **CONNECT**

While a public hearing is set for tomorrow on a bill proposing senators return the retroactive payments they received last year, Vice Speaker BJ Cruz is questioning whether employees at Adelup were paid retro as well. In a release, the appropriations chairman says over \$1.2 million in "anomalous overspending" for the offices of the governor and Lt. governor has compelled him to verify what some have alleged to be a million dollar retroactive payment for an entire year of salary adjustments for gubernatorial employees. Cruz is requesting records and personnel actions from the administration to verify the payout and its legality after a deficit in funds was reported in a BBMR consolidated revenue and expenditure report at the end of last fiscal year. According to KUAM News files, the total retro for the executive branch and the cabinet members is estimated around \$880,000 with retro-pay for senators estimated at around \$400,000.

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Judge Perez denies motion to dismiss former cop's case

Superior Court Judge Vern Perez has denied a motion filed by former police officer Paul Santos to dismiss his case.

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Anigua law firm's annual party is island holiday tradition

Attorney Mike Phillips says more than just celebrating Christmas, the party is also a tribute to the wealth of musical talent on island.

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Cruz probes Adelup 'overspending'

TUESDAY, 16 NOV 2015 03:00AM BY JOHN O'CONNOR | POST NEWS STAFF



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Adelup response: 'Performance bonuses' given to employees

Alarmed by \$1.2 million in anomalous overspending that he said may have gone to retroactive pay for staffers in the offices of the governor and lieutenant governor in December 2014, Vice Speaker Benjamin Cruz yesterday requested that Adelup, the Department of Administration and the Bureau of Budget and Management Research submit documents related to the expenditure.

In response to Cruz's inquiry, Adelup stated that "there was no illegal or improper payment made." According to the Adelup response: "In December, Gov. (Eddie) Calvo and Lt. Gov. (Ray) Tenorio decided to reward the hard work of their staff after four grueling years of sacrifice without just compensation."

Adelup staffers received a "performance bonus" in December, according to Oyaol Ngirainki, director of communication for the Office of the Governor. There was no retroactive pay to Adelup staffers, she told the Post.

The bonuses were instead of cash for unused leave, which is usually paid at the end of every governor's term and "also happens at the end of every legislative term," the release said. The performance bonuses were less than the cash for leave would have been, Ngirainki said.

Concerns

According to the release from the vice speaker's office, Cruz had sent a letter to Calvo noting concerns with deficits in a BBMR report detailing the consolidated revenue and expenditures of GovGuam agencies as of Sept. 30. The report showed that the offices of the governor and lieutenant governor are down around \$1 million and \$200,000 respectively in available funds.

In his letter to the governor, Cruz told Calvo that he received no coherent response from BBMR Director Jose Calvo when questioned about the negative balance in a recent oversight hearing on the bureau.

In addition, Cruz was informed that employees of both gubernatorial offices received pay raises and retroactive pay from January 2014. Cruz said he believed the retro pay was disseminated in December 2014.

After reviewing financial information taken from the government's financial management system, Cruz noted that combined salaries and benefits hovered around \$210,000 before December 2014, and were around \$260,000 afterwards. However, a single pay period within December spiked to over \$1 million.

"As I am unable to discredit the above financial information despite my best efforts, what I find most alarming is the mere possibility that retroactive pay may have been issued to gubernatorial staff in December of 2014, which is a breach of (Guam law)," Cruz stated in his letter.

Title 4 subsections 6207 and 6207.1 state that while the offices of the governor and lieutenant governor may fill positions necessary for their operation, they cannot fill a position "in the absence of an appropriation to pay the salary set for that position."

Cruz stated that because the BBMR report showed over-expenditures by both offices, it is clear there was an

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Hay pay appeals in limbo

Tuesday, 22 Dec 2015 03:00am

In March, lawmakers voted down Bill 27-33, which was introduced to unfreeze merit bonuses...



GPA baseload generator shuts down briefly

Tuesday, 22 Dec 2015 03:00am

The 44-megawatt Marianas Energy Co. 9 generator in Piti shut down unexpectedly just before...



Leased generators ready to be used

Tuesday, 22 Dec 2015 03:00am

According to GPA spokesman Art Perez, a majority of the generators have already been installed...



Hong Kong Express 'interested' in Guam

Tuesday, 22 Dec 2015 03:00am

Hong Kong Express, a low-cost carrier based in Hong Kong, anticipates Guam and Saipan service...



Long-haul flights 'not viable' for now

Tuesday, 22 Dec 2015 03:00am

According to TMG officials, long-haul flights are not viable in the short-term and won't...



Derick Baza Hills hearing continued

Tuesday, 22 Dec 2015 03:00am

Hills, with attorney Randall Cunliffe, appeared before Judge Vernon P. Perez in the Superior Court...



Concerns over charter school funding bill

Tuesday, 22 Dec 2015 03:00am

Bill 219-33, introduced by Sen. Nerissa Underwood would provide charter schools with a...



Former cop's case continued

Tuesday, 22 Dec 2015 03:00am

On Dec. 18, the defendant's attorney, Randall Cunliffe, filed a motion to dismiss the...



AG acknowledges Cruz's request for investigation

Tuesday, 22 Dec 2015 03:00am

"I agree with the vice speaker's concerns regarding the importance of maintaining pu...



Power being restored

Monday, 21 Dec 2015 03:20pm

Power is being restored to the following areas following the forced outage related...



UOG holds graduation

Monday, 21 Dec 2015 03:00am

More than 260 graduates donned smiles along with caps and gowns as they walked the aisle...

Vice speaker seeks public input on Adelup pay 'debacle'

absence of appropriations for the retroactive pay and benefits given out in December.

"To be clear, the act of retroactively issuing an entire year of salaries from January 2014 onwards under 4 GCA §§ 6207 and 6207.1 is highly improper and may even be illegal based on the facts uncovered by our review," Cruz stated.

Cruz requested the governor's office to submit all correspondence, including email, documents and memoranda relating to whether retroactive pay was issued in December as well as documents stating what legal authority could allow for such payments.

He also requested for the personnel actions of employees from the offices of the governor and lieutenant governor from DOA and BBMR.

The response from Adelup, however, stated that gubernatorial staffers did not receive pay raises before the Hay plan took effect and that senior staffers along with the governor, lieutenant governor and Cabinet took a pay cut for a year.

In the response, Adelup stated that because accounting for executive agencies is not yet complete, Adelup could not state if the purported \$1.2 million shortfall is accurate.

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Monday, 21 Dec 2015 03:00am
In a release from Cruz's office, the vice speaker called for "public input" on Bill No. ...



GMH advisory team named
Monday, 21 Dec 2015 03:00am
On Friday, Oyaol Ngrairinki, the governor's director of communications, said the membe...



Waves aim to raise awareness of veteran suicides
Monday, 21 Dec 2015 03:00am
The movement hopes to enlist volunteers for the duration of the holiday season to partic...



With extension, Fernandez to continue initiatives
Monday, 21 Dec 2015 03:00am
The Guam Education Board voted unanimously Wednesday night to keep Fernandez on board as...



Drug defendants in court today
Monday, 21 Dec 2015 03:00am
According to the superseding indictment, from Oct. 1, 2013 through Oct. 7, 2015, Santos ...



Tiyan High's new gym opens
Saturday, 19 Dec 2015 03:00am
Students, staff and government dignitaries packed the multimillion-dollar facility Frida...



Blas quizzes Bordallo on COFA cessation, actions
Saturday, 19 Dec 2015 03:00am
In response, Bordallo listed a litany of what she's done to aid with the impact of the C...



GPA not expecting any more outages
Saturday, 19 Dec 2015 03:00am
One of the generators in question, Yigo Combustion Turbine, is now back online and was o...



Rojas steps in as GEDA administrator
Saturday, 19 Dec 2015 03:00am
Rojas said he landed in Guam Thursday morning but he was present for the GEDA board meet...



Marina Grill now open at Agat Marina
Saturday, 19 Dec 2015 03:00am
The Port Authority of Guam and restaurant owners, Kais Corp., yesterday celebrated Marin...



Public safety network for Guam in the works
Saturday, 19 Dec 2015 03:00am
Guam recently received federal money to build a PSBN that officials say will be unique t...



Police asking for help to identify injured pedestrian
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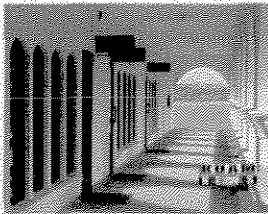
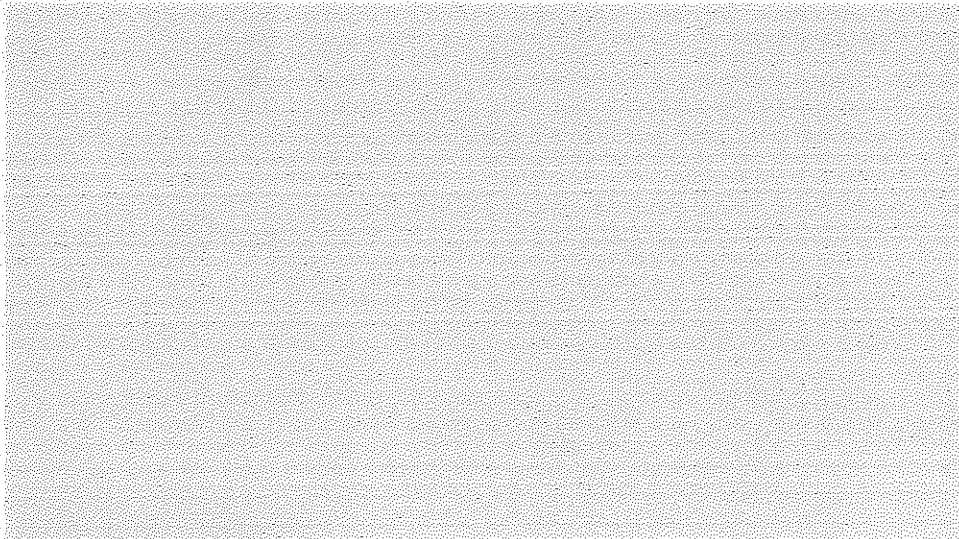
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Issue over GovGuam pay raises not silenced just yet

Posted:
Updated:

By Ken Quintanilla [CONNECT](#)



While two bills failed to pass last month over repealing raises for elected officials and cabinet members, it appears the discussion isn't over just yet. However this time, the matter involves pay adjustments given to staffers at the Governor's Office.

The Attorney General's Office is looking into pay adjustments given to Adelup staffers last year. According to a statement from spokesperson Carlina Charfauros, the Attorney General's Office is currently reviewing over 200 pages of Freedom of

Information Act documents regarding the pay adjustments. These FOIA documents she says were provided by the office of Vice Speaker BJ Cruz.

As you recall early last month, the appropriations chairman raised concern over \$1.2 million in "overspending" for the governor and lieutenant governor's office and wanted to verify payments made to employees at Adelup. He requested for records and personnel actions from the administration to verify the payout and its legality after a deficit in funds was reported in a BBMR report. The Governor's Office in response indicated that no illegal or improper payments were made. The AG's Office says Guam law permits the governor to set the salaries of his entire staff within the limits of his authorized budget. However, retroactive salary adjustments are legally prohibited

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19-year-old admits to drinking, having sex with 16-year-old

A 16-year old girl was found lying on the ground in Dededo in the bushes near the Micronesia Mall, unconscious and with her panties to her ankles.
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Judge Perez denies motion to dismiss former cop's case

Superior Court Judge Vern Perez has denied a motion filed by former police officer Paul Santos to dismiss his case.
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Anigua law firm's annual party is island holiday tradition

Attorney Mike Phillips says more than just celebrating Christmas, the party is also a tribute to the wealth of musical talent on island.
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Statements sent out for due real property taxes

Earlier this month the Department of Revenue & Taxation sent out over 60,000 billing statements for real property taxes due by next year.
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unless permitted by statute.

On Wednesday, governor's director of communications Oyaol Ngirairiki in a one-sentence statement writes just as the AG points out the two laws, "We have complied with both". Governor Eddie Calvo over the past month continued to defend the integrity of his staff noting that when he first came into office, many of the staff took voluntary pay cuts because of the then-existing economic condition of the government. Governor Calvo stated in December 2014, "After what can only be considered an unprecedented reversal of the government's economic condition" he determined that the "hard-working employees" of the governor and lieutenant governor's office should be compensated for their success-based efforts.

While the AG continues her review of the documents, the governor has stated before that proper funding authority was used to pay compensation allowed by law and what was done is "perfectly legal, ethical and moral."

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Movies with Santa draw hundreds of island children

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The Department of Corrections has launched an investigation after an inmate attacked two officers who were on duty.
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There's a new business in Agat - and it's not a hotel, so no need to worry.
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Special counsel sought to look into Adelup raises


AG Elizabeth Barrett-Anderson says she agrees with the vice speaker's concerns regarding the importance of maintaining public confidence in the criminal justice system.
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Physicians donate toys to GMH pediatrics ward

The Season of Giving continued at the Guam Memorial Hospital today as the Guam Medical Association hauled dozens of toys to the GMH Pediatrics Ward for its holiday toy donation.
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Hills' attorney gets more time to prepare

During today's hearing, Hills' attorney asked for more time to review the information. It was granted and a hearing was scheduled for December 23.
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Local News Cruz gets response to Adelup bonus pay inquiry - sort of

Cruz gets response to Adelup bonus pay inquiry – sort of

THURSDAY 18 NOV 2015 03:00AM BY ROBERT Q. TUPAZ | POST NEWS STAFF

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In spite of assurances by Gov. Eddie Calvo to the legislative chairman on appropriations that correspondence requested under the provisions of the Freedom of Information Act would be forthcoming, administration officials invoked personnel rules and regulations in denying access to the information requested by the legislature.

This forced a second FOIA request by Vice Speaker Benjamin Cruz, who said based on precedence, he expected to receive the information in spite of DOA's objection.

On Nov. 9, Cruz in his capacity as appropriation chairman, submitted a FOIA request to the Bureau of Budget and Management Research and the Department of Administration. Cruz requested information regarding the governor's authority to pay retroactive bonuses to Adelup staffers in December 2014. The bonuses were paid just before the start of the second term of the Calvo-Tenorio administration.

The following day, in a letter to Cruz, Calvo acknowledged the release of bonus pay to staffers at the office of the governor and lieutenant governor. Calvo told Cruz that answers would be forthcoming.

"My staff or the Department of Administration or Bureau of Budget and Management Research will get back to you with the existing documents you're requesting," Calvo said on Nov. 10.

The Post requested an update on correspondence from Cruz's office yesterday. In response, the vice speaker's office rereleased the correspondence received after the close of business on Tuesday from BBMR and DOA.

In their responses, BBMR deferred to DOA with regard to responding to the information requested in the FOIA request. DOA for its part invoked a personnel rules clause as the reason for not providing the information as requested.

"The bureau receives Requests for Personnel Action (GG-Is) from department / agencies and processes them accordingly. The final action on GG-Is is handled by the Department of Administration Human Resources Division," wrote BBMR Director Joey Calvo. "Based on the foregoing, I am deferring response to the Department of Administration and have communicated with the director."


DOA Director Tony Blaz informed Cruz that DOA regarded the information as private.


"Please be advised that although salary, name and worksite mailing address are public, we are unable to comply with your request pursuant to 5 G.C.A. S10108(c), which states that the disclosure of personnel, medical or similar files would constitute an unwarranted invasion of personal privacy," wrote Blaz. "The personnel action is part of the personnel file and is therefore not subject to public disclosure without the express consent of the affected employee."


The crux of Cruz's concern stems from the authority Calvo used to authorize the retroactive bonus pay, Cruz said.


"Now that we are told these employees, instead, received 'bonuses,' I am forced to ask what specific authority


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Hay pay appeals in limbo
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In March, lawmakers voted down Bill 27-33, which was introduced to unfreeze merit bonus...
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The 44-megawatt Marianas Energy Co. 9 generator in Piti shut down unexpectedly just before...
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Leased generators ready to be used
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According to GPA spokesman Art Perez, a majority of the generators have already been ins...
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According to TMG officials, long-haul flights are not viable in the short-term and won't...
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Derick Baza Hills hearing continued
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Hills, with attorney Randall Cunliffe, appeared before Judge Vernon P. Perez in the Supe...
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Concerns over charter school funding bill
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Bill 219-33, introduced by Sen. Nerissa Underwood would provide charter schools with a t...
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Former cop's case continued
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On Dec. 16, the defendant's attorney, Randall Cunliffe, filed a motion to dismiss the ...
- 

AG acknowledges Cruz's request for investigation
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More than 260 graduates donned smiles along with caps and gowns as they walked the aisle...
- Vice speaker seeks public input on Adelup pay 'debacle'**

allowed these bonuses to be paid to unclassified employees, especially when the Competitive Wage Act of 2014 suspended the merit bonus program for their counterparts in the classified service?" Cruz stated in an earlier inquiry.

Cruz reminded DOA that the late Speaker Ben Pangelinan requested the same information in 2011. DOA initially used the same rationale of personal privacy rules to deny furnishing the information.

Yesterday, Cruz in his new FOIA request stated, "In light of your refusal of my initial request, I am issuing a new request pursuant to the Sunshine Reform Act of 1999 for the Department of Administration to furnish a copy of the following public records: All personnel actions, with legally protected information redacted, for the Offices of the Governor and the Lieutenant Governor that were approved and/or processed in December of 2014."

He added, "In your response you cited an exemption regarding 'personnel, medical or similar files of which would constitute an unwarranted invasion of personal privacy' (5 GCA § 10108(c)). However, this particular section of public law with respect to my request is moot if documents are redacted pursuant to a provision relative to the submission of requested records that partially contain information exempted from disclosure (5 GCA § 10103(d))."

Cruz provided DOA with prior records from 2011 to make his point and said he would accept the same submittal.

"The correspondence attached hereto shows that the acting administrator had also initially cited the personal privacy exemption to public disclosure in his initial response on Oct. 17, 2011, but ultimately acquiesced and submitted redacted documents within the statutory time frame," Cruz wrote. "For your convenience I will accept the records in a form and manner that uses the redaction method implemented by your predecessor in his submission on Oct. 28, 2011."

Cruz had questioned a \$1.2 million spike in expenditure during a pay period in December 2014 which had hovered at \$210,000 before the raises at Adelup took effect.

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In a release from Cruz's office, the vice speaker called for "public input" on Bill No. ...



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The Guam Education Board voted unanimously Wednesday night to keep Fernandez on board as...



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Drug defendants in court today
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Students, staff and government dignitaries packed the multimillion-dollar facility Frida...



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Bias quizzes Bordallo on COFA cessation, actions
In response, Bordallo listed a litany of what she's done to aid with the impact of the C...



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GPA not expecting any more outages
One of the generators in question, Yigo Combustion Turbine, is now back online and was o...



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Rojas said he landed in Guam Thursday morning but he was present for the GEDA board meet...



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The Port Authority of Guam and restaurant owners, Kals Corp., yesterday celebrated Marin...



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Guam recently received federal money to build a PSBN that officials say will be unique L...



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Police asking for help to identify injured pedestrian
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Adelup staff got retroactive raises, not bonuses, records show

Gaynor Dumat-ol Daleno, gdumat-ol@guampdn.com

11:52 p.m. ChST November 20, 2015



(Photo: PDN file)

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Personnel records released by the governor's office in response to a Freedom of Information Act request by the Pacific Daily News show that dozens of staffers who work for Gov. Eddie Calvo and Lt. Gov. Ray Tenorio received pay raises authorized in December 2014, but the raises were retroactive, to

January 2014.

The governor's office has said the additional compensation was not a retroactive pay raise, but rather a "reward," or bonuses, for the staffers' hard work.

Governor's and lieutenant governor's offices' staffers who were hired outside of the merit system aren't covered by Public Law 32-208, which authorized pay raises for elected officials and executive branch director appointees, retroactive to January 2014.

The governor, in a Dec. 31, 2014 memo, called the staffers' additional financial incentive a "pay adjustment."

"Such pay adjustment shall be consistent with the formula that was used to determine my and the Lt. Governor's retroactive pay adjustment under Public Law 32-208," the governor wrote in the December 2014 memo.

The personnel documents that allowed the Department of Administration to process the staffers' pay raises had an "action date" of Dec. 17, 2014, which pre-dates the governor's Dec. 31, 2014 memo.

The effective date for the pay adjustments was retroactive, to Jan. 1, 2014, the documents state.



PACIFIC DAILY NEWS
Governor's office releases pay adjustment documents

Oyaol Ngirairiki, the governor's director of communications, said Thursday the retroactive January 2014 effective date on the pay raises was a necessary "inputting" procedure. The raises didn't actually date back to the January 2014 period, she said.

But Vice Speaker Benjamin Cruz, D-Piti, has said the payroll expenses for the governor's office spiked significantly last December. Payroll typically cost the

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AG reviewing request for prosecutor on illegal raises

Dec. 22, 2015, 1 a.m.



Inmate accused of assaulting corrections officers

Dec. 22, 2015, 12:27 a.m.



Senator looking at options to pay GMH debt

Dec. 22, 2015, 12:14 a.m.

governor's office \$210,000 but it increased to more than \$1 million during the December pay period, Cruz has said.

Guam laws does not allow political hires to receive bonuses and it also prohibits any retroactive pay raises, unless specifically authorized.

The Pacific Daily News sought the documents under the local open government law Guam Sunshine Act, and the federal Freedom of Information Act. Both laws promote open government by allowing any member of the public to seek government records.

Several days before the PDN's request, Cruz, who's chairman of the legislative budget committee, asked for the same personnel documents. But his request was denied by the administration, citing employee confidentiality.

In response to Cruz's inquiries about the rewards paid to the governor's staff, the governor has called out Cruz for not mentioning pay raises of as much as \$725,000 for legislative staffers.

"Can you please confirm whether the appropriation authority under which the Legislature spent an additional \$725,000 to give raises to staffers ... is different from or superior to the appropriation authority I have under Public Law 32-181, which includes my transfer authority?" according to a press release from the governor.

Governor's memo

The governor's memo authorizing the pay adjustments to staffers cites Title 4 of Guam Code Annotated, Sections 6201 and 6207.1.

That law and an appropriation authority in Public Law 32-181, Chapter V, § 1(a), and Chapter XIII, § 9, "allow me transfer authority to make adjustments as necessary" on payroll spending, the governor wrote in an earlier letter to Cruz.

"I consider both sections to constitute the appropriation authority necessary to pay my staff what they meritoriously earned," according to the governor.

Cruz has said retroactive pay may have been issued to gubernatorial staff in December of 2014, which is a breach of 4 GCA §§ 6207 and 6207.1.



PACIFIC DAILY NEWS
Vice Speaker's letter to governor on staff pay

Here's what the law says:

"Section 6207. Positions in Governor's Office.

The Governor is authorized to establish such positions as may be necessary for the operation of the Office of the Governor including off-island offices and Government House; provided, however, that no person shall be appointed to fill such a position in the absence of an appropriation to pay the salary set for such position. The Governor shall set the salaries for positions for which salaries are not set by law.

§ 6207.1. Positions in Lieutenant Governor's Office.

The Lieutenant Governor is authorized to establish such positions as may be necessary for the operation of the Office of the Lieutenant Governor, the Guam State Cleaninghouse, and other offices that are established and placed under the purview or direction of the Lieutenant Governor of Guam; provided, however, that no person shall be appointed to fill such a position in the absence of an appropriation to pay the salary

set for that position.

The Lieutenant Governor shall set the salaries for positions for which salaries are not set by law.”

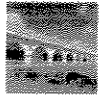
In a letter to Cruz, Calvo cited the following achievements as reasons to give additional compensation to employees at the governor’s office: payment of tax refunds that were owed to taxpayers for several years; and payment of the cost of living allowance settlement to government of Guam retirees.

“Our administration got us out of 20 years of what I say bad finances,” the governor said.

Cruz has said he disagrees with the governor’s position that GovGuam’s finances have dramatically turned around.

“Just because we can occasionally point to a 10-foot ladder does not mean we aren’t still stuck in a 100-foot deep hole,” Cruz said.

GovGuam has accumulated a \$60-million deficit in the short span of two fiscal years, Cruz wrote.



PACIFIC DAILY NEWS
Breakdown of pay raises at Adclup



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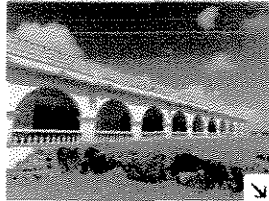
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Breakdown of pay raises at Adelup

Pacific Daily News

11:15 p.m. CST November 20, 2015



(Photo: PDN file)

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The governor's office on Thursday released payroll documents from December 2014, requested by the Pacific Daily News under the Freedom of Information Act. The documents state employees working for the governor and lieutenant governor received pay raises that month, but retroactive to

January 2014.

The data are present by name, title, old salary, new salary and the percent change in salary.

Governor's office

NAME	TITLE	OLD SALARY	NEW SALARY	PERCENT CHANGE
Edward Calvo	Governor	\$90,000	\$130,000	30.77
Arthur Clark	Chief Policy Advisor	\$85,000	\$110,000	22.73
Franklin Arriola	Chief of Staff	\$82,000	\$106,287	22.85
Sandra Miller	Legal Counsel to the Governor	\$82,000	\$106,287	22.85
Bernadette Artero	Special Assistant	\$80,000	\$106,287	24.73
Rose Ramsey	Deputy Chief of Staff	\$79,000	\$102,407	22.86
John Unpingco	Special Assistant	\$80,000	\$83,900	4.65
Jesse Alig	Special Assistant	\$65,000	\$82,071	20.8
Mark Calvo	Special Assistant	\$70,000	\$82,071	14.71
Vincent Leon Guerrero	Special Assistant	\$70,000	\$82,071	14.71

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AG reviewing request for prosecutor on illegal raises

Dec. 22, 2015, 1 a.m.



Inmate accused of assaulting corrections officers

Dec. 22, 2015, 12:27 a.m.



Senator looking at options to pay GMH debt

Dec. 22, 2015, 12:14 a.m.

Breakdown of pay raises at Adelup

Jon Rojas	Special Assistant	\$75,000	\$82,071	8.62
Telo Taitague	Special Assistant	\$65,000	\$82,071	20.8
Troy Torres	Special Assistant	\$65,000	\$82,071	20.8
Edward Alvarez	Special Assistant	\$70,000	\$82,071	14.71
Brian San Nicolas	Special Assistant	\$70,000	\$82,071	14.71
William Castro	Staff Assistant	\$70,000	\$82,071	14.71
Joseph Cameron	Special Assistant	\$70,000	\$76,188	8.12
Victor Cruz	Staff Assistant	\$60,000	\$75,000	20
Michael Perez	Special Assistant	\$58,000	\$72,500	20
Janice Ada	Staff Assistant	\$60,000	\$70,000	14.29
Elaine Gogue	Staff Assistant	\$65,000	\$68,250	4.76
Diane Chaco	Staff Assistant	\$58,000	\$67,860	14.53
Abigail Reyes	Staff Assistant	\$50,000	\$67,100	25.48
Carol Perez	Special Assistant	\$58,510	\$65,824	11.11
Joy Unpingco	Executive Assistant	\$50,000	\$63,500	21.26
Anthony Tenorio	Staff Assistant	\$55,000	\$61,875	11.11
Julie Dela Rosa	Staff Assistant	\$55,000	\$61,875	11.11
Kimberly Camacho	Staff Assistant	\$55,000	\$61,875	11.11
Kate Baltazar	Staff Assistant	\$55,000	\$61,875	11.11
Juanita Cruz	Staff Assistant	\$50,000	\$56,250	11.11
Evert Arevalo	Staff Assistant	\$45,000	\$50,625	11.11
Trisha Topasna	Staff Assistant	\$45,000	\$50,625	11.11
Natalie Quinata	Staff Assistant	\$45,000	\$50,625	11.11
Oyaol Ngirairiki	Staff Assistant	\$45,000	\$50,625	11.11
Phillip Leon Guerrero	Staff Assistant	\$45,000	\$50,825	11.11
Raymond Gibson	Staff Assistant	\$45,000	\$50,625	11.11

Breakdown of pay raises at Adelup

Christine Flores	Staff Assistant	\$45,000	\$50,625	11.11
Cassandra Castro	Staff Assistant	\$45,000	\$50,625	11.11
Ann Aguon	Staff Assistant	\$45,000	\$50,625	11.11
Dwain Sanchez	Program Coordinator (Gov)	\$44,524	\$50,100	11.13
Julius Santos	Staff Assistant	\$44,000	\$49,500	11.11
Patrick Bamba	Staff Assistant	\$42,588	\$47,912	11.11
Carmen, Lujan	Staff Assistant	\$40,000	\$45,000	11.11
Elizabeth Quichocho	Staff Assistant	\$40,000	\$45,000	11.11
Anton Ngata	Staff Assistant	\$40,000	\$45,000	11.11
Tina Rose Jocson	Staff Assistant	\$40,000	\$45,000	11.11
George Franquez	Staff Assistant	\$40,000	\$45,000	11.11
Roe-Ann Cruz	Staff Assistant	\$40,000	\$45,000	11.11
Michelle Taitano	Staff Assistant	\$38,000	\$42,750	11.11
Janna Fernandez	Staff Assistant	\$38,000	\$42,750	11.11
Jevena Bosko	Staff Assistant	\$38,000	\$42,750	11.11
Ann Marie Pangelinan	Staff Assistant	\$35,000	\$39,375	11.11
Rex Hector Hernandez	Staff Assistant	\$35,000	\$39,375	11.11
Juan Dela Rosa	Staff Assistant	\$35,000	\$39,375	11.11
Nikoie Benavente	Staff Assistant	\$35,000	\$39,375	11.11
Violeta Tinoso	Staff Assistant	\$32,000	\$36,000	11.11
Lilla Pascua	Staff Assistant	\$32,000	\$36,000	11.11
Esther Yanza	Staff Assistant	\$32,000	\$36,000	11.11
Evonnie Hocog	Staff Assistant	\$31,493	\$35,430	11.11
Flora	Staff Assistant	\$30,000	\$33,750	11.11

Breakdown of pay raises at Adelup

Weilbacher				
Raymond Perez	Staff Assistant	\$30,000	\$33,750	11.11
Joseph Salas	Staff Assistant	\$30,000	\$33,750	11.11
Glen Santos	Staff Assistant	\$30,000	\$33,750	11.11
Thomas Mendiola	Staff Assistant	\$30,000	\$33,750	11.11
Paul Gogue Jr.	Staff Assistant	\$30,000	\$33,750	11.11
Vicente Flores	Staff Assistant	\$30,000	\$33,750	11.11
Crystal Duenas	Staff Assistant	\$30,000	\$33,750	11.11
Mary Gillan	Staff Assistant	\$30,000	\$33,750	11.11
Frankie Claros	Staff Assistant	\$30,000	\$33,750	11.11
David Charguataf Jr.	Staff Assistant	\$30,000	\$33,750	11.11
Aaron Brimball	Staff Assistant	\$30,000	\$33,750	11.11
Jennifer Barcinas	Staff Assistant	\$30,000	\$33,750	11.11
Jesse Talavera	Staff Assistant	\$30,000	\$33,750	11.11
Alma Olalla	Staff Assistant	\$28,000	\$31,500	11.11
Bienvenida Barasi	Staff Assistant	\$30,000	\$31,500	4.76
Santha Velayuthan	Staff Assistant	\$25,000	\$28,125	11.11
Dolores Sianoya	Staff Assistant	\$25,000	\$28,125	11.11
Christina Quinata	Staff Assistant	\$25,000	\$28,125	11.11
Justine Quinata	Staff Assistant	\$25,000	\$28,125	11.11
Carmin Yosinac	Staff Assistant	\$25,000	\$28,125	11.11
Tina Chofat	Staff Assistant	\$25,000	\$28,125	11.11
Roland Blas	Staff Assistant	\$25,000	\$28,125	11.11
Bryan Biscoe	Staff Assistant	\$25,000	\$28,125	11.11
Kaisha Atalig	Staff Assistant	\$25,000	\$28,125	11.11

Breakdown of pay raises at Adelup

Trinajae Apatang	Staff Assistant	\$25,000	\$28,125	11.11
Joseph Duenas	Staff Assistant	\$15,080	\$16,966	11.12

Lieutenant governor's office

NAME	TITLE	OLD SALARY	NEW SALARY	PERCENT CHANGE
Raymond Tenorio	Lieutenant Governor	\$85,000	\$110,000	22.73
Dong Choe	Special Assistant	\$70,000	\$82,071	14.71
Jadeen Tuncap	Special Assistant	\$60,000	\$67,500	11.11
Alejandro Gagaring	Special Assistant	\$55,000	\$61,875	11.11
Jim Terbio	Special Assistant	\$55,000	\$61,875	11.11
Leila Uong	Special Assistant	\$53,000	\$59,625	11.11
Sheena Black	Special Assistant	\$50,000	\$56,250	11.11
Lloyd Cubacub	Staff Assistant	\$40,000	\$45,000	11.11
Burt Sardoma Jr.	Staff Assistant	\$40,000	\$45,000	11.11
Tammy Bamba	Staff Assistant	\$35,000	\$39,375	11.11
Desori Bermudes	Staff Assistant	\$30,000	\$37,500	20
Joseph Villagomez	Staff Assistant	\$31,000	\$34,875	11.11
Austin Duenas	Staff Assistant	\$31,000	\$34,875	11.11
Geraldine Dautin	Staff Assistant	\$30,000	\$33,750	11.11
Aaron Unpingco	Staff Assistant	\$25,000	\$28,125	11.11
La'Kiesha Pereda	Staff Assistant	\$24,000	\$28,125	14.67
Demiella Joya	Staff Assistant	\$25,000	\$28,125	11.11
Vangela Naputi	Staff Assistant	\$25,000	\$28,125	11.11

Breakdown of pay raises at Adelup

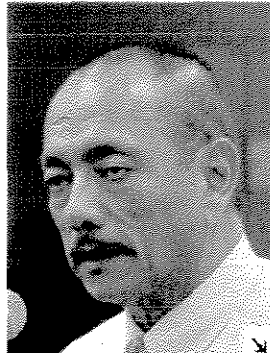
Jessa David	Staff Assistant	\$24,000	\$27,000	11.11
Jerica Cruz	Staff Assistant	\$22,500	\$25,313	11.11
James O'Mallan	Staff Assistant	\$22,500	\$25,313	11.11



Cruz asks AG, OPA to review Adelup raises

Shawn Raymundo,
sraymundo@guampdn.com

12:22 a.m. ChST November 26, 2015



(Photo: PDN file)

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Vice Speaker Benjamin Cruz, D-Piti, is asking the attorney general and public auditor to investigate the pay raises Adelup employees were awarded last December. According to payroll records, the pay raises were retroactive, to January of 2014.

Over the past few weeks, Cruz has questioned Gov. Eddie Calvo as to why salary and benefit costs for Adelup staffers spiked by more than \$800,000 during one pay period last December --- from a normal payroll of \$210,000 to more than \$1 million.

The governor approved the staffers' raises in December 2014, citing his authority to adjust pay, payroll records show. Retroactive pay raises for political hires and all other government employees are prohibited under Guam law unless specifically authorized.

The governor's office has said the additional payments were a reward for hard work. Bonuses also are illegal for political hires.

No longer wanting to "politicize" the issue, Cruz is handing all of the documents related to the raises over to Attorney General Elizabeth Barrett Anderson and Public Auditor Doris Flores Brooks.



Guam Attorney General Elizabeth Barrett-Anderson. (Photo: PDN file)

"I'm submitting it to the two agencies that I think can and should do whatever they believe is appropriate and then there's nothing more we can do," Cruz said. "I've done my part and I'm hoping that they can do their part in reviewing the documents and doing what they think is appropriate."

Since Cruz and Calvo have clashed over the pay raises, the administration has charged that Calvo didn't give his and Lt. Gov. Ray Tenorio's staffers a retroactive payment, but a merit bonus to recognize them for their hard work.

When government employees --- both classified and unclassified --- "receives an increase in pay ... such increase in pay shall not be retroactive from the date of its authorization, unless so specified by law," according to Guam's statutes. "Any person who authorizes a pay raise which is retroactive in violation of this Section shall be guilty of a misdemeanor."

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AG reviewing request for prosecutor on illegal raises

Dec. 22, 2015, 1 a.m.



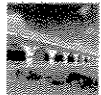
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Dec. 22, 2015, 12:27 a.m.



Senator looking at options to pay GMH debt

Dec. 22, 2015, 12:14 a.m.



PACIFIC DAILY NEWS
Governor's office releases pay adjustment documents

When Pacific Daily News reached out to Barrett-Anderson on Wednesday, she said she had no comment on the issue, other than stating she has "a lot on (her) plate," when asked if she was concerned about the \$800,000 spike in payroll expenses at Adelup.

Cruz acknowledged that while the governor has the authority to set the salaries of his staff, those salaries should reflect the appropriation lawmakers approve in fiscal year budgets. Cruz said he's unsure if the Fiscal 2015 budget's appropriation to the governor's offices included the raises Calvo gave to his staffers.

"I have no problem with (Calvo) giving salaries ... in this last (fiscal 2016) budget I took the budget that he sent me with all the increases in it and it was appropriated without question," Cruz said. "I don't believe the budget that was passed the previous year for last year was included. So I don't know how he could've given increases to salaries that weren't appropriated for."

After the governor stated the payments were bonuses and not retroactive pay, Cruz asked Calvo to specify what legal authority he had to give bonuses to his employees.

"Now that we are told these employees ... received 'bonuses,' I am forced to ask what specific authority allowed these bonuses to be paid to unclassified employees," Cruz wrote to Calvo.

The governor previously cited the Fiscal 2014 budget act, which gives him transfer authority of government funds, and another statute that allows him and Tenorio to establish necessary positions at their offices.

"I consider both sections to constitute the appropriation authority necessary to pay my staff what they meritoriously earned," according to the governor.





Five at Adelup make \$100,000 or more per year

Gaynor Dumat-ol Daleno and Shawn Raymundo,
sraymundo@guampdn.com

12:40 a.m. ChST November 11, 2015



(Photo: PDN file)

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Fourteen people in the governor's office now make more than the \$81,000 Gov. Eddie Calvo made in 2012.

And at least five of the governor's most senior advisers are paid more than \$100,000 a year, according to a fiscal 2015 second quarter list of salaries.

Vice Speaker Benjamin Cruz, budget committee chairman, had called out the governor's and lieutenant governor's offices for overspending \$1.2

million at the end of fiscal 2015, possibly for unauthorized pay raises. Guam law allowed raises for elected officials, but not retroactive pay for governor's staffers, Cruz's office has stated.

The governor's office on Monday responded to Cruz's concerns, stating, in part, that "senior staffers took a pay cut for over a year, along with the governor, lieutenant governor and the Cabinet."

"This is in stark contrast to previous administrations, when staffers were given periodic pay raises," according to the governor's office.

But Cruz's office on Tuesday provided salary information about the governor's office, comparing the salaries paid under the current administration and the salaries paid under former Gov. Felix Camacho's administration.

According to that information, salaries for some employees at the governor's office are now higher than they were before the pay cut. That is, they got their old salary back, plus a raise. Some administration officials and staffers received double-digit pay increases, compared to salaries before the pay cut.

The governor and his staff members, as an austerity measure, took 10-percent pay cuts in 2012, which dropped the governor's salary from \$90,000 to \$82,000. The governor's original salary later was restored, and he received another pay increase, to \$130,000 a year — a 44 percent increase from his old salary.

The governor's top five advisers — Arthur Clark, Sandra Miller, Franklin Arriola, Bernadette Artero and Rose Ramsey — made between \$79,000 and \$85,000 during their first year with the administration, and they now make between \$103,000 and \$110,000 a year, the fiscal 2015 staffing pattern figures show. Arriola left Adelup earlier this year.

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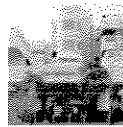
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Guam Delegate Madeleine Bordallo on Tuesday said she will introduce legislation in Congress to "prohibit changes to salaries for the governor, lieutenant governor, and senators until after a General Election takes place." That means sitting governors and lawmakers would not be able to give themselves pay raises, which is what happened late last year.

"Over the past several months our community has debated pay raises for these elected officials and the process that was used to enact them," Bordallo said.

"While I believe that these issues are up to local policymakers, and ultimately the people of Guam to decide, the Organic Act should provide safeguards on this issue that will prevent divisiveness in our community," Bordallo said.

Proposals to roll back pay raises for elected Guam officials were at issue at a public hearing Tuesday evening in the legislative public hearing room, which was packed with supporters on both sides of the issue.

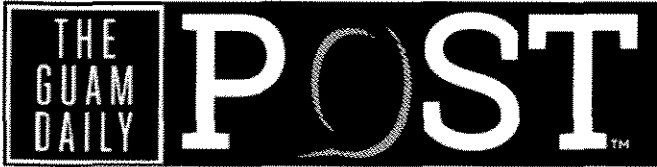
In a statement, the governor said: "When all is said and done, the action senators will take will affect about \$3 million of the GovGuam budget."

"If the Legislature was so concerned about fiscal savings, then senators would have acted on Sen. Rodriguez's bond refinancing bill 11 months ago," the governor said, adding that action would have saved much more for the local government.

The governor also criticized the Pacific Daily News.

"When the only thing we have to say is negative ... when the solution we offer is to destroy rather than construct, or to take away rather than to give and encourage ... then we should stop wondering why the front page of the PDN is always filled with hatred, violence and negativity," the governor said.





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AG, OPA urged to probe Adelup's \$1.2M bonus

WEDNESDAY 23 NOV 2015 03:00AM BY ROBERT O. TUFAZ | POST NEWS STAFF

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The legislative chairman on appropriations said he will involve the attorney general of Guam and the Office of Public Accountability in his inquiry into \$1.2 million in bonuses paid by the Calvo administration to Adelup staffers last December.

"I've decided that I am going to forward the information to the attorney general's office and the public auditor," said Vice Speaker Benjamin Cruz in his capacity as appropriations chairman. "To keep the information here would just continue this back-and-forth with the front office and it's not necessary."



Cruz said he was still perplexed with Gov. Eddie Calvo's contention that he had the legal authority to authorize retroactive meritorious pay to staff at Adelup. Currently, each pay period for Adelup employees costs the government some \$260,000 -- up from \$210,000 last year before the raises.

Cruz said he found an anomaly in Adelup payroll figures which spiked from the \$210,000 figure to approximately \$1.2 million just before Christmas 2014 and shortly after the successful re-election of Calvo and Lt. Gov. Ray Tenorio.

Administration officials called the pay a "performance bonus" and not a retroactive payment.

Cruz added that he was even more perplexed that the governor would dole out what he considered retroactive bonuses "of 5 percent to as high as 30 percent." Especially with a standing legal opinion that forced the return of some bonuses of just 3.5 percent received by unclassified government employees in 2010, during the administration of Gov. Felix Camacho.

"I didn't see anything in the statute where you can authorize or provide for merit bonuses for unclassified employees," Cruz said.

Precedent

"There's precedent in an attorney general opinion regarding merit pay to employees at the Department of Public Health and Social Services," Cruz said. "And even with that, the amount was at 3.5 percent. Some of these amounts reflect a 30 percent bonus."

Cruz said that in the 2010 legal opinion, "There had to be justification and there was a host of items the AG wanted to justify for the bonus that was being proffered at the time. There was also the issue of rules and regulations to determine the merit bonuses. What was their criteria?"

Toward the end of 2010, the attorney general's office, at the request of Cruz, issued an opinion regarding bonuses received through the Special Achievement Awards Program to certain unclassified DPHSS employees.

"The Special Achievement Awards Program is not a proper compensation program under the Uniform Position Classification and Salary Administration Act of 1991. If an unclassified employee received the

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Vice speaker seeks public input on Adelup pay 'debacle'

award, he must repay the amount back to the government," stated the 2010 opinion.

The administration provided Cruz with copies of GC1s and personnel actions of employees who received what are now being dubbed "pay adjustments."

Initially, Department of Administration Director Tony Blaz invoked personnel rules and regulations in denying access to the information requested by Cruz about the payments in a Freedom of Information Act request submitted Nov. 9.

Cruz submitted a second request on Wednesday, Nov. 18. In his second request, Cruz advised DOA to redact information it considered privileged. On Thursday afternoon, administration officials obliged and announced just before 5 p.m. they would release the documents.

Cruz said he believed the payments, which he considered "retroactive," to be illegal and asked Calvo to provide the authority used to issue "bonuses" to unclassified staffers.

Legal

The administration contends the payments were legal and not a retroactive payment. "The intent was to give everybody pay compensation that matches the governor's and the lieutenant governor's retroactive pay adjustments," stated Arthur Clark, Calvo's chief policy advisor. "It was a one-time pay adjustment."

Clark said the governor wanted to reward the hardworking staffers of Adelup who took a pay cut with him at the start of the administration in 2011 and continued into the second Calvo-Tenorio term.

Clark received a \$25,000 annual base pay adjustment. Clark's hourly wage went from \$40.87 or \$85,000 per annum to \$52.88 hourly or \$110,000 a year.

Full-time government annual pay is formulated at 2,080 hours multiplied by the hourly wage and paid in 26 installments. One 80-hour pay period passed before Jan. 26.

Thus, at the direction of Calvo, Clark's salary, effective Jan. 26, 2014 but paid in December 2014, would reflect that at least \$24,020 would have to be made up to show a proper pay adjustment.

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Employees resigned from Adelup, got raises months later

Steve Lintisco,
slintisco@guampdn.com

7:45 a.m. CST December 7, 2015



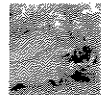
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Gov. Eddie Calvo last December gave a large pay raise to a senior governor's office employee who had resigned from the governor's office a month earlier, according to payroll documents obtained by the Pacific Daily News.

He also gave a pay raise in December to a governor's office employee who had resigned in May 2014, documents state.

The governor's office last week did not respond to requests for comment on how or why Calvo gave pay raises to people who no longer worked for him.



USA TODAY
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Documents state that the administration on Dec. 17, 2014, increased the salary of the governor's communications director Troy Torres from \$65,000 a year to \$82,071 a year, retroactive to Jan. 26, 2014.

But Torres had resigned from his post as communications director a month earlier, effective Nov. 17, 2014, a separate payroll document states.

Torres, who worked briefly for CoreTech International after leaving Adelup, has since rejoined the governor's office, where he received another pay raise, making \$95,000 as a special adviser, according to the latest staffing pattern for the governor's office.

Payroll documents state the governor in December 2014, increased the salary of lieutenant governor's staff assistant Joseph Villagomez from \$31,000 to \$34,875, retroactive to Jan. 26, 2014. But a separate payroll document states Villagomez had resigned months earlier on May 16, 2014.

The Office of the Attorney General last week announced it is investigating the extra pay received by governor's office employees last December.



PACIFIC DAILY NEWS
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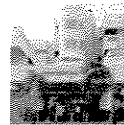
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Dec. 22, 2015, 1 a.m.



Inmate accused of assaulting corrections officers

Dec. 22, 2015, 12:27 a.m.



Senator looking at options to pay GMH debt

Dec. 22, 2015, 12:14 a.m.

Vice Speaker Benjamin Cruz, who noted an unusually large spike in the governor's office payroll costs in December 2014, last month forwarded related documents and other information to the attorney general and to the Office of Public Accountability for possible further action.

Retroactive pay raises for government of Guam employees are illegal, unless specifically authorized by Guam law. And only classified employees are legally eligible for a bonus, called a merit bonus, for superior performance --- not unclassified employees like those at the governor's office, who are political hires.

Cruz, D-Piti, who is chairman of the Legislature's budget committee, found that payroll for the governor and lieutenant governor's office, which typically was about \$210,000 per pay period at the time, jumped to more than \$1 million during one pay period in December 2014.

Payroll documents obtained by the Pacific Daily News through a Freedom of Information Act request show the administration in December 2014 processed large pay raises for employees of the governor and lieutenant governor, retroactive, for most, to January 2014.



PACIFIC DAILY NEWS
Governor defends bonuses

Other raises appear to be retroactive to the employee's date of hire, for those hired sometime during 2014, but the governor's office last week also did not respond to that question.

"Guam law permits the governor to set the salaries of his entire staff within the limits of his authorized budget," according to an email from the attorney general's office when it announced its investigation. "However, retroactive salary adjustments are legally prohibited unless permitted by statute. The AG's Office is continuing its review."

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AG 'reviewing' disputed Adelup bonuses, pay adjustments

THURSDAY 03 DEC 2015 03:00AM BY ROBERT D. TUFAZ (POST NEWS STAFF)

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Noting that "retroactive salary adjustments are legally prohibited unless permitted by statute," the Office of the Attorney General confirmed it is "reviewing" what the governor's office described as pay adjustments.

"The attorney general's office is currently reviewing over 200 pages of FOIA documents regarding pay adjustments given to the governor's staff at the end of December 2014," Carina Charfauros, spokeswoman for the attorney general, stated in a media release yesterday.

"Guam law permits the governor to set the salaries of his entire staff within the limits of his authorized budget," she stated. "However, retroactive salary adjustments are legally prohibited unless permitted by statute. The AG's office is continuing its review."

Charfauros said there would be no further comment from the attorney general on the matter.

Vice Speaker Benjamin Cruz brought the issue to the forefront in early November and said he believed the pay, whether the administration classifies the payments as "performance bonuses" or "pay adjustments," to be retroactive and illegal.

On Wednesday, Nov. 25, Cruz personally handed documents he received from the administration as a result of two Freedom of Information Act requests in November to Attorney General Elizabeth Barrett-Anderson.

Not the first instance

Cruz's inquiry was not the first instance of a lawmaker inquiring about the raise which ranged from several thousand dollars to \$25,000. The Post learned that on Jan. 8, shortly after the pay adjustments, Sen. Michael San Nicolas issued a FOIA of his own to Benita Manglona, who was at the time, the director of the Department of Administration.

San Nicolas requested "all net retroactive salary payments paid to employees of the Office of the Governor of Guam, the Lt. Governor of Guam, and any cabinet official paid from January 1st 2014 through December 31st, 2014, be broken down by the name of the employee or public official paid, the date the payments were made, the certifying officer, and the law or statute authorizing such payments."

Manglona denied San Nicolas' request. "We have no documents responsive to your request as it fails to identify any public records within our possession," Manglona wrote.

Cruz stopped short of penning a request for opinion as he did on a similar matter in December 2010 regarding merit bonuses during the administration of former Gov. Felix Camacho. Instead, Cruz forwarded the information he received to the attorney general as well as the Office of Public Accountability for review.

San Nicolas, for his part, said he was pleased with Barrett-Anderson's announcement and looked forward to her final review. "I am a believer in her credibility. I know it is a quality of her character and she will do the



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Vice speaker seeks public input on Adelup pay 'debacle'

difficult but necessary task of clearing whether or not the people's money was handled appropriately," San Nicolas said.

Cruz said he was still perplexed with Calvo's contention that he had the legal authority to authorize retroactive meritorious pay to staff at Adelup. Currently, each pay period for Adelup employees costs the government some \$260,000 – up from \$210,000 last year before the raises.

Anomaly

During an oversight hearing on Nov. 4 of the Bureau of Budget and Management Research regarding fiscal 2015 expenditures, Cruz said he found an anomaly in Adelup payroll figures.

The amount spiked from an amount of \$210,000 to approximately \$1.2 million just before Christmas 2014 and shortly after the successful re-election of Calvo and Lt. Gov. Ray Tenorio.

Administration officials called the pay a "performance bonus" and not a retroactive payment.

Cruz added that he was even more perplexed that the governor would dole out what he considered retroactive bonuses of 5 percent to as high as 30 percent, especially since the legal opinion he requested in December 2010 forced the return of some bonuses of just 3.5 percent received by similarly unclassified government employees.

Cruz said there had to be justification and there was a host of items the attorney general wanted to justify for the bonus that was being proffered at the time. There was also the issue of rules and regulations to determine the merit bonuses – questions were raised about the criteria used by Adelup to determine the pay adjustments

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"The Special Achievement Awards Program is not a proper compensation program under the Uniform Position Classification and Salary Administration Act of 1991. If an unclassified employee received the award, he must repay the amount back to the government," stated the 2010 opinion.

The administration provided Cruz with copies of Government of Guam personnel requests for (GG1), and notifications of personnel action of employees who received "pay adjustments" on Nov. 19.

Initially, Department of Administration Director Tony Blaz invoked personnel rules and regulations in denying access to the information requested by Cruz about the payments in his initial FOIA request submitted Nov. 9. Cruz, a former chief justice of Guam, submitted a second request and advised DOA to redact information it considered privileged.

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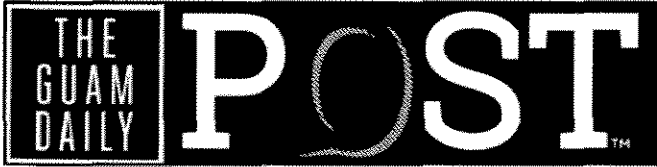
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Calvo told to repay 'retroactive pay'

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Stating that the Calvo administration violated the law when it provided Adelup staffers with \$1.2 million worth of retroactive pay raises, the Guam attorney general said the monies must be repaid.

In response, administration representatives told the Post that Adelup will require current employees to repay the money, but the raises would stand with the issuance of new personnel actions for those who are still employed in the governor's office.

The governor's chief policy advisor, attorney Arthur Clark, explained that the affected employees would not be asked to physically return the raises that were processed as lump sum payments during a pay period in December 2014.

Rather than as retroactive pay, the payments should have been processed as a one-pay-period salary increase, the amount of which was based on what a retroactive payment would have been. "It was a processing error," he said.

Rather, according to Clark, once the new actions are processed, a new check in the same amount of the retroactive payments would be presented to the employees who will be then asked to endorse the check to the Treasurer of Guam. Adelup officials will then collect the checks and submit them to the Department of Administration for deposit to the island's treasury.

"What's going to happen is the pay adjustment I should have got last year, the governor is going to give to me this year. They are going to give that (check) to me and I am going to turn around and give it back to DOA," Clark said. He described the scenario, "Here's your check ... sign the back of it and give it back. So I'm not taking it out of the building."

However, the amount earned in 2014 and 2015 will remain essentially the same according to Clark. For instance, in Clark's case, with the retroactive pay adjustments in 2014, Clark received his base salary of \$85,000 plus the lump sum payment estimated at around \$24,000 for a total annual salary of just under \$110,000 in 2014.

As the 2015 calendar year closes, with the raise intact till Dec. 10, Clark would receive his full \$110,000 salary this year by Dec. 31. Still, Clark insisted, "The net effect is going to be a wash."

The amounts of retroactive pay adjustments paid just before Christmas last year range from several hundred dollars to more than \$24,000 and covered 25 pay periods for 2014.

Clark said he expected the governor to reissue the GG1s and the Department of Administration to reissue and process the personnel action for employees within the next couple of pay periods.

Clark acknowledged that there are up to 30 employees that are no longer staffers at Adelup. He said that the administration is looking at several options to reconcile the issue, including legislation. He could not provide a dollar amount for that group of employees, but at least one individual listed in the original 2014 action, Frank Arriola, former chief of staff to Gov. Eddie Calvo, received more than \$20,000 for his pay adjustment.

Arriola resigned in June after serving the Calvo administration since it took office.

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"We have a group of 20 to 30 individuals who received the pay adjustments, deserved the pay adjustments, and the governor wanted them to get the pay adjustment, but because they are not employed at Adelup today, we cannot reissue the pay adjustment to them. Clark said. The governor's message to them is 'Don't worry,' we know the situation they are in and we are exploring options to make sure that they are made whole."

Attorney General Elizabeth Barrett-Anderson penned a letter dated Dec. 10, that Clark described as providing "guidance" on the matter.

"The governor is following her recommendation. No one is disputing that it needs to be repaid," Clark said.

In the letter received by the administration late Thursday afternoon, Barrett-Anderson advised Calvo that her review found the payments to be retroactive in nature.

"We are unable to find support for the pay adjustments in Public Law 32-208, cited by your office as the basis of the 'formula' for retroactive payment," she said.

"It is my opinion that the salary adjustments from Jan. 26, 2014, to Dec. 15, 2014, represent retroactive compensation for each individual employee in violation of Guam's anti-retroactive payment statutes."

Barrett-Anderson acknowledged the pay raises were up to the governor but noted that the payments she deemed retroactive must be repaid. "The issue presented by these documents is not the setting of the salaries, but the retroactive nature of the payments made," Barrett-Anderson said.

She suggested that the matter can be resolved in one of two ways: "This matter can only be resolved through repayment of the retroactive pay adjustments by each individual employee, or through legislative action," she wrote. "It is not unprecedented for the legislature to take action where employees relied in good faith."

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Pay adjustments given to Adelup staffers will have to be returned

Posted:
Updated:

By Ken Quintanilla **CONNECT**



The attorney general of Guam is officially weighing in on the issue involving retroactive payments to Adelup staffers and according to the island's chief legal officer. Retroactive raises given to more than 100 Governor's Office staffers were against the law, according to AG Elizabeth Barrett-Anderson.

"They were processed retroactively, so therefore I found that they were retroactive pay adjustments that had no support in any particular statute that was given to my attention and I couldn't find any law that supports it," she said. The legal review of the retro was prompted by Vice Speaker BJ Cruz.

The governor's chief policy advisor Arthur Clark says any violation was never the intent and attributed the mistake to a technical error at the Department of Administration, adding, "The Governor's Office tried to work and comply with the law. What happened was instructions weren't carried out, and the date of the effectiveness of the pay adjustment was changed in order to accommodate accounting software, and that just kind of messed everything up. So the AG just told the governor he needs to fix it and the governor is fixing it."

According to the AG's review, the only people entitled to the retro in Public Law 32-208

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A 16-year old girl was found lying on the ground in Dededo in the bushes near the Micronesia Mall, unconscious and with her panties to her ankles.
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Judge Perez denies motion to dismiss former cop's case
Superior Court Judge Vern Perez has denied a motion filed by former police officer Paul Santos to dismiss his case.
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Anigua law firm's annual party is island holiday tradition
Attorney Mike Phillips says more than just celebrating Christmas, the party is also a tribute to the wealth of musical talent on island.
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Statements sent out for due real property taxes
Earlier this month the Department of Revenue & Taxation sent out over 60,000 billing statements for real property taxes due by next year.
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were the governor, lieutenant governor, attorney general and cabinet members, but unfortunately it didn't apply to the 107 rank-and-file individuals at Adelup.

So what does this mean? They'll have to pay it back.

Clark says however pay adjustments will be reissued this year as a single pay period salary adjustment to compensate these same employees. "For example, those who were working last year, who are still working here this year, when they get the pay adjustment this year, they're going to just return that so they can pay off the debt from last year," he explained. "But then we have some employees who because they're not working here, but as the attorney general says, they're going to have to reimburse it. The governor is looking at different options because he feels they deserve that money, so he's looking at options to make those people whole."

Clark says about 30 to 40 of those who received pay adjustments no longer work at Adelup. This perspective repayment however doesn't sit well with the AG.

"And I just want to say for the record, I have indicated to the Governor's Office that I do not support the spike," said Barrett-Anderson. "And for a period of two weeks, spike the salary and then bring it back down and that goes back to the government coffers, and I don't support that only because it's a failure of public trust. And this is not personal money, this is taxpayers' money. And while it is not illegal to do that, it is not illegal to spike up and then bring it back down. I've indicated to the Governor's Office I don't support that remedy."

She believes the proper way of moving forward is for lawmakers to make a policy call and to consider the retro for rank and file employees in legislation. Governor Galvo in a release says it was always the intent to follow the law in paying these staffers, but "unfortunately, we didn't do a good enough job documenting our intent because of the data entry constraints at DOA."

The review we should note was prompted after Vice Speaker Cruz questioned over \$1.2 million in overspending from the governor and lieutenant governor's office and the legality of payouts to staffers.

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Movies with Santa draw hundreds of island children

Aside from free movies, children also got to visit with Santa and take pictures as well they were treated to free popcorn.

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Inmate attacks corrections officers

The Department of Corrections has launched an investigation after an inmate attacked two officers who were on duty.

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Marina Grill Restaurant opens down in Agat

There's a new business in Agat - and it's not a hotel, so no need to worry.

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Special counsel sought to look into Adelup raises

AG Elizabeth Barrett-Anderson says she agrees with the vice speaker's concerns regarding the importance of maintaining public confidence in the criminal justice system.

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Physicians donate toys to GMH pediatrics ward

The Season of Giving continued at the Guam Memorial Hospital today as the Guam Medical Association hauled dozens of toys to the GMH Pediatrics Ward for its holiday toy donation.

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Hills' attorney gets more time to prepare

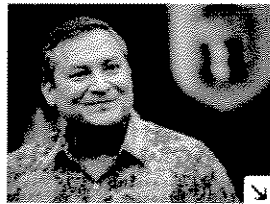
During today's hearing, Hills' attorney asked for more time to review the information. It was granted and a hearing was scheduled for December 23.

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Adelup plans to have taxpayers cover reimbursement of illegal raises

Shawn Raymundo,
sraymundo@guampdn.com

9:54 a.m. ChST December 15, 2015



(Photo: PDN file)

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The Calvo administration plans to use taxpayer money to repay illegal raises it gave to employees of the governor's office last December. The plan is intended to comply with Attorney General Elizabeth Barrett-Anderson's recent opinion that states Adelup staffers who received retroactive pay raises last

December must repay the money.

The attorney general said she does not agree with the administration's repayment plan.

In her opinion sent to Gov. Eddie Calvo last Thursday, Barrett-Anderson confirmed the raises given to governor's office employees violated the law, as they were paid retroactively — not as part of merit bonuses, as the administration had stated in recent weeks.

She wrote that the employees who were political hires outside of the merit system must return the money, or the Legislature could intervene, providing a way for the staffers to keep their retroactive payments.

"This matter can only be resolved through repayment of the retroactive pay adjustments by each individual employee, or through legislative action," she wrote.

"It is not unprecedented for the Legislature to take action where employees relied in good faith."

Personnel documents from Adelup that the Pacific Daily News obtained through a Freedom of Information Act request show that a number of the governor and lieutenant governor's staffers were given pay raises authorized in December 2014, but were retroactive to January 2014.



PACIFIC DAILY NEWS
POLL: Do you think Gov. Calvo will be held accountable for giving illegal pay raises?

According to a press release from Adelup, the pay raises appeared to be retroactive because "limitations" with the Department of Administration's software caused the agency to input earlier dates "in order to calculate the pay adjustments."

"After multiple discussions it was decided that for data entry purposes, the January 2014 date would be used," the release stated. "A memo was sent by the Governor to

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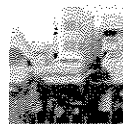
AG reviewing request for prosecutor on illegal raises

Dec. 22, 2015, 1 a.m.



Inmate accused of assaulting corrections officers

Dec. 22, 2015, 12:27 a.m.



Senator looking at options to pay GMH debt

Dec. 22, 2015, 12:14 a.m.

DOA in December 2014 to make clear the non-retroactive intent.”

“The governor is following the (attorney general’s) advice and will have last year’s pay adjustments returned,” the release also stated. “And in order to properly implement the governor’s original intent, pay adjustments have been reissued this year as a single pay period salary adjustment to compensate these same employees.”

AG disagrees with plan



Guam Attorney General Elizabeth Barrett-Anderson speaks during a press conference at her office on April 15. (Photo: PDN file)

To repay the money, Barrett-Anderson explained Monday, the governor plans to spike payroll for a short period of time, providing employees the equivalent of their retroactive payment and then sign the checks back to the government of Guam.

Barrett-Anderson stressed she doesn’t agree with the governor’s remedy, which Chief Legal Counsel Arthur Clark explained on local radio Monday morning. She said she supports the legislative route as she suggested in her opinion, but acknowledges it’s the senators’ prerogative whether to accept her advice.

“If the Legislature does not believe that the suggestion is viable, that’s fine. They don’t have to,” she said.

“But the 107 individuals will have to pay it back and I do not agree with the remedy that Mr. Arthur Clark stated on the radio.”



PACIFIC DAILY NEWS

AG: Gov’s office gave illegal retroactive pay raises

Vice Speaker Benjamin Cruz, D-Piti, said he’s disappointed with the attorney general for not addressing whether she will take any action against the administration for authorizing the illegal retroactive raises.

Cruz said that as the chief legal counsel to the island, Barrett-Anderson represents both the people of Guam and the governor. She provided Calvo a way to resolve the issue, he added, “but she has failed to address her other responsibility.”

“She’s taken care of her client, the governor, but when is she going to take care of her client, the people of Guam?” Cruz asked. “She mentions nothing in the letter that she’s taking any action against anybody.”

Guam’s anti-retroactive payment law states a person who authorizes a retroactive pay raise is guilty of a misdemeanor.

Barrett-Anderson said Monday she’s currently not ready to disclose how she will move forward with an investigation into the matter.

“I am not ready to state what legal action I may or may not take. And there are still other considerations to review,” she said, adding: “I’m not prepared at this minute to answer what I will or will not be doing.”

Special prosecutor?

Since the attorney general serves as the governor’s legal counsel, Vice Speaker Benjamin Cruz floated the possibility of appointing a special prosecutor for the investigation.



Vice Speaker Benjamin Cruz (Photo: PDN files)

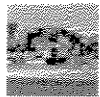
Generally speaking, Barrett-Anderson said, she would be on board with recruiting a special prosecutor.

However, she wouldn't say that would happen for this investigation.

"Because of my role of representing the government and the governor and the agencies, yes, ... If is it prudent for the attorney general to recruit a special prosecutor, a special review, yes, I agree with that," she said.

Cruz had brought the pay raise issue to light in early November, sending a letter to Calvo inquiring why Adelup's payroll costs spiked by about \$800,000 in a single pay period last December.

In the letter, Cruz pointed out that payroll expenses averaged about \$210,000 a pay period prior to December. Since then, average payroll costs have been about \$260,000, prompting the vice speaker to believe staffers got retroactive raises.



PACIFIC DAILY NEWS
List of retroactive pay for governor's office employees

"What I find most alarming is the mere possibility that retroactive pay may have been issued to gubernatorial staff in December 2014, which is a breach of (Guam law)," Cruz wrote to Calvo last month.

Calvo's administration contended Cruz's suspicion, repeatedly calling the payments merit bonuses that were awarded to the hard working staff at Adelup.

After weeks of going back and forth with the governor over the raises, Cruz said he no longer wanted to politicize the issue and forwarded Adelup's personnel documents to Barrett-Anderson so she could review and investigate the matter.

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Vice speaker seeks public input on Adelup pay 'debacle'

Local News Adelup cuts 68 checks to reimburse 'illegal' pay

Adelup cuts 68 checks to reimburse 'illegal' pay

WEDNESDAY, 16 DEC 2015 03:00AM BY ROBERT O. TUPAZ | POST NEWS STAFF

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As of yesterday, the Calvo administration said 68 of a reported 107 checks had been processed for Adelup staffers in order to address an attorney general's memo that found the December 2014 retroactive payments to be in violation of the law and had to be returned.



According to Oyaol Ngirairiki, director of communication for the governor, as of yesterday, "68 checks were processed and reimbursed."

Ngirairiki could not provide the dollar figure as of press time. However, she said the amount should be in the ballpark of the original amount of between \$1 million and \$1.2 million distributed in December 2014.

Ngirairiki also couldn't say if the 68 checks concluded the repayment process by current Adelup staffers, who received the retroactive checks initially described initially as "performance bonuses" and subsequently "pay adjustments."

She added that the fiscal team is looking at reimbursement alternatives for approximately 30 staffers who received the "adjustment" checks but are no longer employed by Adelup.

Attorney General Elizabeth Barrett-Anderson on Dec. 10 issued a memo to the Calvo administration informing them that they violated the law when they provided Adelup staffers with \$1.2 million worth of retroactive pay raises. The Guam attorney general said the money must be repaid.

On Sunday, the governor's chief policy advisor, attorney Arthur Clark, said the affected employees would not be asked to physically return the raises that were processed as lump sum payments in December 2014.

'Processing error'

Instead, going forward, the payments would be processed as a one-pay-period salary increase, the amount of which was based on what a retroactive payment would have been. Clark described the initial payout in December as a "processing error" due to a "technical glitch."

Clark said once the new personnel actions are processed, a new check in the same amount of the retroactive payments would be presented to the employees, who will be then asked to endorse the check to the Treasurer of Guam. Adelup officials will then collect the checks and submit them to the Department of Administration for deposit into the island treasury.

Ngirairiki said that process began Monday and continued yesterday.

The amounts of retroactive pay adjustments paid just before Christmas 2014 ranged from several hundred dollars to more than \$24,000 and covered 25 pay periods during 2014.

Clark said that with the repayment, "The net effect is going to be a wash."

However, Vice Speaker Benjamin Cruz, who called for the AG's opinion on the payments after finding an

anomaly in a December 2014 payroll period, told K57's The Breakfast Show radio host Ray Gibson that Clark was wrong, and instead the repayment would cost the taxpayer double.

"There is no wash, Ray," Cruz said during the popular morning talk-show interview on Monday. "They're using your own money to pay you back."

'Guidance'

Clark said Barrett-Anderson's letter dated Dec. 10, provided "guidance" on the matter. In the letter received by the administration late Thursday afternoon, Barrett-Anderson advised Calvo that her review found the payments to be retroactive in nature.

"We are unable to find support for the pay adjustments in Public Law 32-208, cited by your office as the basis of the 'formula' for retroactive payment," she said. "It is my opinion that the salary adjustments from Jan. 26, 2014 to Dec. 15, 2014 represent retroactive compensation for each individual employee in violation of Guam's anti-retroactive payment statutes."

Barrett-Anderson acknowledged the pay raises were within the authority of the governor but noted that the payments she deemed retroactive must be repaid. "The issue presented by these documents is not the setting of the salaries, but the retroactive nature of the payments made," Barrett-Anderson said.

She suggested that the matter can be resolved in one of two ways: "This matter can only be resolved through repayment of the retroactive pay adjustments by each individual employee, or through legislative action," she wrote. "It is not unprecedented for the legislature to take action where employees relied in good faith."

In November, Cruz received documents related to the retroactive pay raises after he sent two Freedom of Information Act requests to the administration. Cruz asked the attorney general to review the legality of the lump sum payments and personally delivered copies of the GG1s and government of Guam personnel action forms processed for the Adelup raises.

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Adelup raises put staff in hazy tax territory

THURSDAY, 17 DEC 2015 03:00AM BY JASMINE STOLE | POST NEWS STAFF

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If the extra money Adelup employees received from the Department of Administration this week to pay back illegal retroactive raises is reflected in the employees' W-2 tax forms, then that income is taxable.

But whether or not that will happen is still up in the air.

Marie Benito, deputy director of the Department of Revenue and Taxation, said it depends on how DOA treats the check because the money could be a wash. DRT as of yesterday had not yet communicated with DOA about the extra income.

"Right now we cannot answer that because of the treatment of DOA and they haven't done anything yet with it. So I don't know how it will be treated and how it will be reported," Benito said. "So if it's on the W-2 then yes, it would be reflected on their return so until they decide how they're going to treat it, I can't answer that."

Attorney General Elizabeth Barrett-Anderson issued a memo to the Calvo administration on Dec. 10 informing officials that they violated the law when they provided Adelup staffers with \$1.2 million worth of retroactive pay raises. The Guam attorney general said the money must be repaid.

On Sunday, the governor's chief policy advisor, attorney Arthur Clark, said the affected employees would not be asked to physically return the raises that were processed as lump sum payments in December 2014.

The amounts of retroactive pay adjustments paid just before Christmas 2014 ranged from several hundred dollars to more than \$24,000 and covered 25 pay periods during 2014.

Clark said that with the repayment, "The net effect is going to be a wash.

Employers are required by law to report wage and salary information for employees on the W-2 form which is filed with the employees' income tax return.

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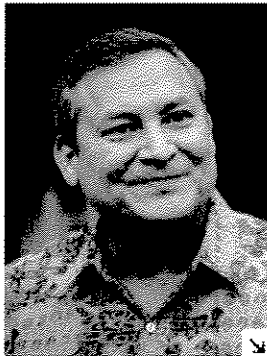
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- Long-haul flights 'not viable' for now
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According to TMG officials, long-haul flights are not viable in the short-term and won't...
- Derick Baza Hills hearing continued
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Hills, with attorney Randall Cunliffe, appeared before Judge Vernon P. Perez in the Supe...
- Concerns over charter school funding bill
Tuesday, 22 Dec 2015 03:00am
Bill 219-33, introduced by Sen. Nerissa Underwood would provide charter schools with a t...
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On Dec. 18, the defendant's attorney, Randall Cunliffe, filed a motion to dismiss the ...
- AG acknowledges Cruz's request for investigation
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- Vice speaker seeks public input on Adelup pay 'debacle'

Adelup still working on former employees' retro pay

Shawn Raymundo,
sraymundo@guampdn.com

2:13 a.m. ChST December 19, 2015



(Photo: PDN file)

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Gov. Eddie Calvo's administration is still working on a legal remedy to address the fraction of Adelup employees who were illegally given retroactive pay raises last December but have since left the governor's office.

"We don't quite know yet what's going to happen with the other employees," said Oyaol Ngirairiki, director of communications at Adelup. "So we're still working on that right now."

Attorney General Elizabeth Barrett-Anderson, who said in a letter sent to the governor that the retroactive raises violated Guam's anti-retroactive payment law, instructed Calvo to have the employees repay the money or introduce legislation to make the raises legal.

Instead of having employees return the retroactive payments, the governor on Monday gave 68 checks to employees still working at Adelup, in amounts similar to what they were paid in December 2014. Those employees then signed the new checks back to the government as part of a procedural fix.

"We are exploring various options to make sure that they are also compensated as was originally intended."

Governor Eddie Calvo

Pacific Daily News compiled data after requesting for the personnel documents under the Freedom of Information Act.

Calvo: Enjoy holiday

In an Adelup press release on Monday, the governor said he didn't want those former

The governor said this week that former employees wouldn't be included in the administration's "repayment" plan.

At least 30 of the 107 staffers who received retroactive pay increase at Adelup last year no longer work for Calvo or Lt. Gov. Ray Tenorio, the administration's latest staffing pattern shows. A handful of those staffers are still government of Guam employees working at different agencies or departments.

The retroactive payments to 30 of the former staffers amount to roughly \$174,500, according to Adelup's personnel data related to the retroactive raises.

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AG reviewing request for prosecutor on illegal raises

Dec. 22, 2015, 1 a.m.



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employees to worry about the retroactive pay raises issue and to instead continue enjoying their holiday season.

"Unfortunately, these 20 (to) 30 individuals are caught in the middle of this. But I don't want them to worry," Calvo said. "We are exploring various options to make sure that they are also compensated as was originally intended. They should go ahead with their Christmas shopping and enjoy the holiday season."

While administration officials have stated they're complying with the attorney general's advice, Barrett-Anderson has come out against the governor's plan.



The Ricardo J. Bordallo Governor's Complex at Adelup (Photo: PDN file)

"What the governor is doing right now, I disagree with," Barrett-Anderson said. "I disagree with his remedy."

She said she prefers a legislative solution, but understands that it's a suggestion lawmakers don't have to follow.

"If the Legislature does not believe that the suggestion is viable, that's fine. They don't have to," she said.

"But the 107 individuals will have to pay it back and I do not agree with the remedy (of the governor's office)."

Pay raises were given retroactively to 107 governor's office employees in December 2014, spiking Adelup's payroll expenses for a single pay period to about \$1.2 million -- roughly \$800,000 more than the executive branch's average payroll costs per pay period. Payroll costs at Adelup averaged \$260,000 a pay period after December 2014.



PACIFIC DAILY NEWS
AG: Gov's office gave illegal retroactive pay raises

The raises to most Adelup staffers, who are considered "unclassified," or political hires outside of the merit system, were retroactive to January 2014.

In some cases, raises were retroactive to the date employees were hired after Jan. 1, 2014.

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Wednesday, 16 December 2015

Vice-Speaker Cruz Introduces Bill to "Straighten Crooked Salary Schemes" & He Urges A.G. to Investigate and OPA to Audit

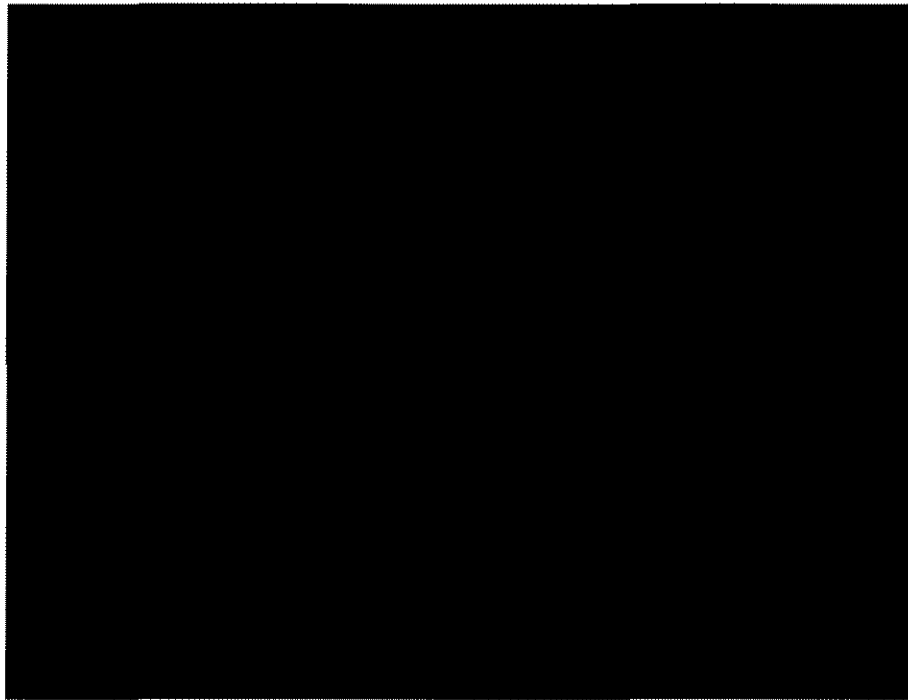
Written by PRESS RELEASE



Vice-Speaker B.J. Cruz has introduced a bill to close the loophole that allowed the Governor to give retro pay to GovGuam staffers and he's asked both the A.G. and the OPA to look into the matter.

Guam - Vice-Speaker B.J. Cruz has introduced a bill that he says will "straighten crooked salary schemes", he's also asking the Attorney General to appoint a special attorney to review the matter and he's calling on the public auditor to audit the retro pay the Governor gave to his staffers.





"So that was the intent of the bill was to try to close the loophole that somebody discovered just this last week to be able to do this," said Cruz. The Vice-Speaker is referring to bill 222 that he introduced to prevent the manipulation of salary settings for unclassified GovGuam employees. The Governor currently has the authority to set the salaries for his unclassified employees. This is what has allowed him to pay out large lump sum payments which appear to be some form of bonus pay or retro pay to his unclassified staffers for two consecutive years. Vice-Speaker Cruz's bill would essentially prevent this by requiring that these payments be spread out over the course of the year.

Cruz is also calling upon the A.G. to appoint a special attorney to investigate these bonuses and prosecute this case if necessary. "She is in a predicament in that she represents the government and the Governor and she also has to take care of the electorate the citizens of Guam and that's really hard to do. Which client do you take care of?" said the Vice-Speaker

The Vice-Speaker has also written to the Public Auditor asking her to conduct a full blown audit of the entire bonus payout process. "I wanted her to go back in and check whether or not the Governor and Lt Governor's office were the only ones to have this special pay," said Cruz. The Vice-Speaker says he's seen some indication that other departments may have also received bonuses.

He also wants the Public Auditor to look into both the bonuses and the method the Governor's office came up with to help the employees pay their bonuses back. The Governors' office will be cutting checks for the amounts of the bonuses to the employees who will then sign the checks back over to the Government of Guam. "Also I've asked her too look at the tax ramification. Did that increase everybody's salaries for 2016? What's that going to do to their salary in 2015 when their W-2 form comes out?" asked Cruz.

The Vice-Speaker says he hopes that both the AG and Public Auditor will be able to conduct thorough investigations and audits on behalf of the taxpayers who are in the end footing the bill for these salary adjustment bonuses.

[Read First Press Release Below:](#)

Cruz Bill to Straighten Crooked Salary Schemes

(Hagåtña -- December 16, 2015) Manipulation of salary settings relative to unclassified government employees—akin to implementation of the much-publicized Adelup retro pay raises—is barred through legislation introduced by appropriations chair Vice Speaker Benjamin J. F. Cruz this morning.

"Adelup has called these payments incentive pay, performance bonuses, and one-time, lump-sum salary adjustments; but the old adage is still true: you can put lipstick on a pig, but it's still a pig," said Cruz, referring to the various terms the administration has used to characterize the pay raises it issued its unclassified gubernatorial staff. ***"For two consecutive years, unclassified employees at Adelup received large lump-sum payments the law never intended to allow; this bill says that***

has to stop."

Bill No. 222-33 (COR) arrives on the heels of Governor Calvo's decision to use taxpayer funds to compensate for the retroactive pay raises illegally issued to 107 unclassified Adelup employees. Subsequent to the Attorney General's opinion calling for the repayment of retroactive raises, Governor Calvo's repayment plan to distribute new checks to unclassified employed staff at Adelup has incited an immediate response from the Vice Speaker.

"Illegal payments were made with taxpayer funds and the way the Governor proposes to fix it is to pay taxpayers back with their own money," said Cruz. ***"This is wrong and the only people who believe otherwise work for the Governor of Guam."***

Aimed to prevent strategic corruption and manipulation of salaries of unclassified government employees, Bill No. 222-33 (COR) prevents further unlawful salary adjustment by amending sections that authorize the regulation of gubernatorial staff salaries. While the law currently allows the Governor and Lieutenant Governor to set salaries for positions in their respective offices, Bill No. 222-33 (COR) would ensure that those salaries are paid in 26 equal installments from the authorized salary date, preventing any scheme to pay a year's salary in one pay period.

"Bill No. 222-33 (COR) isn't perfect but it's a strong start," said Cruz. ***"This bill sends a clear message: pay adjustments can't be manipulated to give a special class of people thousands of dollars in lump-sum pay just because an elected official says so."***

The measure also adds new language that would prohibit unclassified staff of the offices of the Governor and Lieutenant Governor from receiving bonus pay, defined as payment "separate and apart from" base pay; and requires that other increases to an unclassified employee's base pay be made in 26 equal installments from the authorized adjustment date. If such salaries are then reduced within two pay periods from the authorized date, the employee must return the increased compensation before the next pay period.

The three amendments work in tandem to prohibit lump-sum payments during one pay period, preventing future manipulation of the processing for pay adjustments.

"With his army of highly-paid lawyers, the Governor had a clear choice: make it legal or make it right," said Cruz. ***"His actions clearly show that despite all the legal expertise at his disposal, he has no one to tell him what is right."***

###

Read Second Release Below:

Cruz to AG: Appoint Special Counsel to Review Illegal Retro Pay

(Hagåtña -- December 16, 2015) Appropriations chair Vice Speaker Benjamin J. F. Cruz has called on the Attorney General of Guam (AG) to appoint a special prosecutor to independently investigate and, if necessary, prosecute responsible parties in the illegal issuance of retroactive payments to Adelup employees in December of last year. In a letter to Attorney General Elizabeth Barrett-Anderson transmitted this morning, Cruz advocated for the appointment of a special prosecutor nominated by the Guam Bar Association Committee on Professional Ethics and Unauthorized Practice of Law.

"As I have said to you in the past, I do not believe that one person can serve two masters; the same adage applies to your office's ability to independently investigate and, if need be, prosecute this matter while simultaneously representing the Governor of Guam in several ongoing concerns," said Cruz in the letter, noting that the AG had stated to the media that she was open to the recruitment of special counsel to review the retro pay fiasco given her clear conflict in her duties in representing the government of Guam.

In a December 15 *Pacific Daily News* article, Barrett-Anderson was quoted to have said, "Because of my role of representing the government and the governor and the agencies, yes, ... If it is prudent for the attorney general to recruit a special prosecutor, a special review, yes, I agree with that."

"At the heart of this issue is a simple question: Can the People of Guam trust that the justice system will work as fairly for the powerful as it does for the powerless?" Cruz posits in his letter to the AG, asserting that the appointment of an independent prosecutor or conflict counsel ***"will ensure that an independent third party reviews the facts and, if necessary, prosecutes those who broke the law, without fear of personal or political reprisal."***

Cruz further states that the Governor's reimbursement scheme—specifically, authorizing a new set of "pay adjustments" to Adelup employees to cover the repayment of the illegal retroactive compensation from January to December of 2014 —further compounds the need for independent legal review. Since the AG issued her December 10 opinion on the legality of the "bonuses" retroactively granted in December 2014, the administration has acted swiftly. The Governor's legal counsel has admitted, and AS400 data appears to indicate, that Adelup employees have been recently granted a one-time, lump-sum salary adjustment, to be made effective this month, that would serve in place for repayment of the illegally issued retro pay.

The request for the appointment of special counsel to investigate Adelup's retro pay scheme is part of Cruz's approach in addressing the administration's dogged efforts to give bonuses to, as described in the AG's December 10 opinion, "107 rank and file individuals in [the gubernatorial] Offices who were possibly the only category of unclassified government employees in the Executive Branch whose salaries were not addressed by the Competitive Wage Act (CWA) or legislation, presumptively based on [the Governor and the Lieutenant Governor's] Section 6207 authority [to set salaries for staff]."

"Our people need to know that the justice system can be just as fair to the powerful as it is to the powerless; this is why I am recommending a simple three-point approach: appoint an independent prosecutor recommended by the Guam Bar Association's ethics committee, have the Public Auditor conduct a full audit of the Governor's actions, and pass a bill to prevent this type of scheming from ever happening again," said Cruz. ***"When the Governor of Guam is so focused on protecting his people that he isn't protecting The People, the Public Auditor, Attorney General and Legislature must act clearly and decisively."***

###

Read Release Below:

Cruz to OPA: Audit Adelup Retro Pay Raises

(Hagåtña – December 16, 2015) A performance audit of the illegal retroactive pay raises in December 2014 and the recently authorized new set of salary adjustments to be used as repayment of the former, has been requested by appropriations chair Vice Speaker Benjamin J. F. Cruz in a letter to the Public Auditor this morning.

The vice speaker has also transmitted a letter to the Attorney General of Guam calling for the appointment of special counsel to investigate the implementation of the Adelup pay raises and, if necessary, prosecute responsible parties.

"While the Attorney General deals with legal issues on the matter, it is imperative that our independent and objective Office of Public Accountability (OPA) ensures that the public is made aware of the cost details of both the illegal adjustments made in December of 2014 and the process for their repayment," said Cruz in the letter to Public Auditor Doris Flores Brooks, referring to the administration's decision to issue checks to currently employed recipients in the same amount that was paid in the previous year. Said checks will then be given back to GovGuam as repayment for the illegal retroactive adjustment made last December.

Cruz proposes that the audit should, in addition to other objectives, provide information relative to both pay adjustments to include the total cost of the raises, an all-inclusive list of executive branch agencies whose employees received either pay adjustments, the eligibility criteria and specific formula used to calculate amounts of individual pay raises, total withholding taxes paid, total amount of retirement contribution paid for each of the raises, the effects of the pay adjustments on the calculation of retirement annuities for recipients enrolled in the Defined Benefit Retirement Plan, the total amount of "repayment" to the General Fund.

The OPA has also been requested to determine the limitations of the accounting software or "technical glitches", which the administration purports had made the December 2014 pay adjustments appear to be retroactive.

The request for a performance audit is part of Cruz's approach in response to the administration's dogged efforts to give bonuses to its unclassified employees whose salaries were not addressed by the Competitive Wage Act. In addition to calling for the appointment of an independent prosecutor recommended by the Guam Bar Association's ethics committee, the vice speaker has also introduced legislation, Bill No. 222-33 (COR) to prohibit lump-sum payments during one pay period, preventing future manipulation of the processing for pay adjustments.

"By fully auditing each of these payments, calling for a thorough investigation by an independent prosecutor and passing Bill No. 222-33 (COR), I hope we can prove to people that the law can be used protect taxpayers instead of swindle them," said Cruz.

###

Bill to amend governor's authority in setting salaries

Shawn Raymundo,
sraymundo@guampdn.com

2:31 a.m. ChST December 17, 2015



(Photo: PDN file)

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Vice Speaker Benjamin Cruz on Wednesday introduced legislation to further prevent the executive branch from illegally authorizing retroactive pay raises.

Bill 222-33 would amend Sections 6207 and 6207.1 in Title 4 of the Guam Code Annotated — the law

that gives the governor and lieutenant governor the authority to set the salaries of their staff — by including language specifically prohibiting the governor from retroactively setting salaries of Adelup employees.

A year ago, Gov. Eddie Calvo gave retroactive pay raises in a lump-sum payment to Adelup staffers who are considered “unclassified,” or political hires outside of the merit system.

The raises, paid in December 2014, were retroactive in most cases to one year, and in certain cases, to the date employees were hired after Jan. 1, 2014.



PACIFIC DAILY NEWS
Public auditor is asked to review pay raises

“For two consecutive years, unclassified employees at Adelup received large lump-sum payments the law never intended to allow; this bill says that has to stop,” Cruz said in a press release.

A “Prohibition on Retroactive Pay Raises” statute already exists, forbidding both classified and unclassified employees from receiving pay increases that are retroactive to the date of its authorization. The law also makes it a misdemeanor for any person who authorizes a retroactive pay raise.

However, since the pay raises were made public, Calvo has cited his and Lt. Gov. Ray Tenorio’s authority in Sections 6207 and 6207.1 to defend his position on giving the raises last December, when payroll costs at Adelup spiked by about \$800,000 during one pay period. Prior to December 2014, payroll expenses per pay period averaged \$120,000, but jumped to \$160,000 a pay period in the subsequent months.

In the past few weeks, the governor’s office called the lump-sum payment in December merit bonuses, but a recent opinion from the attorney general stated the raises were paid retroactively, violating Guam law.

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AG reviewing request for prosecutor on illegal raises
Dec. 22, 2015, 1 a.m.



Inmate accused of assaulting corrections officers
Dec. 22, 2015, 12:27 a.m.



Senator looking at options to pay GMH debt
Dec. 22, 2015, 12:14 a.m.

"Adelup has called these payments incentive pay, performance bonuses, and one-time, lump-sum salary adjustments; but the old adage is still true: you can put lipstick on a pig, but it's still a pig," Cruz said.



PACIFIC DAILY NEWS
Prosecutor sought in pay scandal

Adelup said they've remedied the illegal action by giving those employees another set of paper checks, in amounts similar to what they were paid a year ago. Those employees then signed the new checks back to GovGuam as part of the procedural fix.

Oyaol Ngirairiki, director of communications at Adelup, said 68 checks amounting to \$407,000 were processed, released and endorsed Monday. As for the remaining 39 employees, Ngirairiki said they no longer work at the governor's office.

Adelup officials are working on a plan to address those employees, whose lump-sum payments amount to \$200,000, Ngirairiki said.

"We don't quite know yet what's going to happen with the other employees," she said. "So we're still working on that right now."

Cruz, however, disagrees with the governor's plan, stating that only the governor's office employees see it as a solution.

"Illegal payments were made with taxpayer funds and the way the governor proposes to fix it is to pay taxpayers back with their own money," Cruz said. "This is wrong and the only people who believe otherwise work for the governor of Guam."



PACIFIC DAILY NEWS
Senior Adelup adviser explains pay raise dispute

Legislation's message

Cruz's bill also includes the proposal to add a new section in Guam's compensation laws that would prohibit unclassified employees from receiving merit bonus payments.

"This bill sends a clear message: Pay adjustments can't be manipulated to give a special class of people thousands of dollars in lump-sum pay just because an elected official says so," Cruz said.

Attorney General Elizabeth Barrett-Anderson's legal opinion stated the governor's staffers must repay the money unless the Legislature introduces a measure to statutorily authorize the retroactive raises.

"With his army of highly paid lawyers, the governor had a clear choice: Make it legal or make it right," said Cruz, a former Supreme Court justice. "His actions clearly show that despite all the legal expertise at his disposal, he has no one to tell him what is right."



PACIFIC DAILY NEWS
POLL: Should the AG appoint an independent prosecutor to examine the Adelup pay raises?

In conjunction with his bill, the vice speaker also has called for a special prosecutor to continue a criminal investigation into the retroactive raises at Adelup.

In a letter to Barrett-Anderson, Cruz said the special prosecutor should be independent from her office.

Cruz pointed out that a person who authorizes illegal retroactive pay raises could face a year in prison if convicted, according to Guam law. Barrett-Anderson's legal opinion, Cruz said, didn't reference the criminal prohibition against the authorization of retroactive payments.

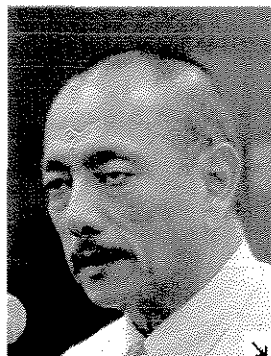
"Our people need to know that the justice system can be just as fair to the powerful as it is to the powerless," Cruz said. "This is why I am recommending a simple three-point approach: appoint an independent prosecutor recommended by the Guam Bar Association's ethics committee, have the public auditor conduct a full audit of the governor's actions, and pass a bill to prevent this type of scheming from ever happening again."



Prosecutor sought in pay scandal

Gaynor Dumat-ol Daleno and Shawn Raymundo, sraymundo@guampdn.com

2:23 a.m. ChST December 17, 2015



(Photo: PDN file)

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Sixty-eight governor and lieutenant governor's office staffers who received illegal pay raises in December last year received additional paychecks on Monday, and gave them back to the government of Guam the same day.

The issuance and immediate return of the checks to the government of Guam attempted to correct retroactive pay raises that the island's attorney general has deemed illegal. The artificial repayment means employees didn't have to pay money.

The "unclassified," or political hire employees, weren't entitled to retroactive pay raises and should pay the money back, Attorney General Elizabeth Barrett-Anderson said in a Dec. 10, 2015 legal opinion.

The governor's office decided to go about it in a way that the attorney general disagrees.

"Can the People of Guam trust that the justice system will work as fairly for the powerful as it does for the powerless?"

Vice Speaker Benjamin J. Cruz

Vice Speaker Benjamin Cruz is calling for the appointment of a special prosecutor to look into the criminal aspect of retroactive pay raises for unclassified employees, or political hires.

Barrett-Anderson's opinion stated the pay raises for 107 employees in the governor's and lieutenant governor's offices were illegal. The raises, paid in December 2014, were retroactive in most cases to one year, and in certain cases, to the date employees were hired after Jan. 1, 2014.

At least 30 employees are no longer employed at the governor or lieutenant governor's offices, so it's unclear how they're supposed to repay.

Guam law forbids retroactive raises to all employees --- classified or unclassified --- unless specifically authorized by law.

The special prosecutor, or conflict counsel, should be independent from the attorney general and her office because Barrett-Anderson has a conflict. Cruz wrote to Barrett-Anderson on Dec. 16.

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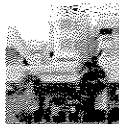
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PACIFIC DAILY NEWS
Public auditor is asked to review pay raises

A person who authorizes illegal retroactive pay raises could face a year in prison if convicted, according to Guam law, but Barrett-Anderson's legal opinion did not address the criminal aspect of the violation, Cruz stated.

Instead, the attorney general suggested a legal remedy. She suggested enacting a new law that would sanction the illegal retroactive pay raises.

Letter to AG

Cruz also is introducing legislation to limit the governor's ability to give pay raises.

"Adelup has called these payments incentive pay, performance bonuses, and one-time, lump-sum salary adjustments; but the old adage is still true: you can put lipstick on a pig, but it's still a pig," Cruz said.



PACIFIC DAILY NEWS
Bill to amend governor's authority in setting salaries

In a letter to the attorney general, Cruz said:

"At the heart of this issue is a simple question: Can the People of Guam trust that the justice system will work as fairly for the powerful as it does for the powerless?" Cruz asked.

The question is best answered by an independent prosecutor or conflict counsel deputized by the AG's office, but nominated by the Guam Bar Association Investigative Panel of Professional Ethics and Unauthorized Practice of Law, according to Cruz.

"Doing this will ensure that an independent third party reviews the facts and, if necessary, prosecutes those who broke the law, without fear of personal or political reprisal," the vice speaker, who is a former Supreme Court justice, wrote to Barrett-Anderson.

Barrett-Anderson is a former Superior Court judge.



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POLL: Should the AG appoint an independent prosecutor to examine the Adelup pay raises?

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Retroactive reimbursement cost \$407K; audit proposed

THURSDAY 17 DEC 2015 03:00AM BY ROBERT G. TUPAZ / POST NEWS STAFF

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The Calvo administration yesterday said it processed \$407,000 worth of checks for affected Adelup staffers to rectify part of an illegal retroactive payment provided as lump sum salary adjustments to 107 unclassified employees one year ago.

Meanwhile, Vice Speaker Benjamin Cruz, budget chairman of the Guam Legislature, wants the Office of Public Accountability to conduct a performance audit of the illegal retroactive payments, and the recently authorized new set of salary adjustments and corresponding check disbursements used as repayment for the raises in question.

Cruz is also calling for a special prosecutor to expand the scope of the attorney general's findings. And as an interim step, the vice speaker introduced legislation that seeks to ensure there will be no future lump sum bonuses for unclassified government employees.

Just 68 individuals of the original 107 recipients of the December 2014 retroactive payments remain employed in the governor's office. A Dec. 10 memo from Attorney General Elizabeth Barrett-Anderson informed Gov. Eddie Calvo that the raises were illegal and the money must be repaid.

As a solution, the administration issued a second bonus check in the same amount of the original 2014 pay adjustment for the affected employees. Most received their checks on Monday and were instructed to endorse the checks to the government of Guam which was expected to be returned to the Treasurer of Guam by Adelup officials as they are handed back.

The amounts ranged from several hundred dollars to nearly \$24,000. In December 2014, the total amount issued for one pay period at Adelup spiked from \$210,000 to \$1.2 million, an anomaly which sparked Cruz's concern.

A regular payroll period, before the 2014 raises cost taxpayers \$210,000. The average pay period since January 2015 costs \$260,000 as a result of the raises.

In a quagmire are some 39 individuals, an increase from an initial estimate of 30 in previous reports, who are no longer staffers at Adelup. The governor's chief policy advisor, attorney Arthur Clark, said the administration is looking at several options to reconcile the issue, including possible legislation as suggested by the attorney general in her memo.

Clark could not provide a dollar amount for that group of employees nor could Oyaoli Ngrairiki, the governor's spokeswoman.

Clark said the whole issue was brought about because of a "processing error" due to a "technical glitch." Clark explained that the glitch was that the Department of Administration could not input the one-time salary adjustments into its computer program for payroll.

The processing error was the printing and disbursement of the checks without following instructions from Adelup. "They should have done it manually the first time," Clark said in light of the system's restriction. "This time the instruction to the Department of Administration is to sit there however long it takes and input each

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Vice speaker seeks public input on Adelup pay 'debacle'

and every action manually."

Cruz said he wants to audit the administration's reasoning regarding the technical glitch. Cruz called on Public Auditor Doris Flores Brooks to "conduct a performance audit of the illegal retroactive pay raises in December 2014 and the recently authorized new set of salary adjustments to be used as repayment of the former."

In tandem, Cruz asked the attorney general to appoint a "special counsel to investigate the implementation of the Adelup pay raises and, if necessary, prosecute responsible parties." Cruz said he wants the attorney general to appoint an independent prosecutor recommended by the Guam Bar Association's ethics committee.

"While the attorney general deals with legal issues on the matter, it is imperative that our independent and objective Office of Public Accountability ensures that the public is made aware of the cost details of both the illegal adjustments made in December of 2014 and the process for their repayment," Cruz said.

The appropriations chairman took issue with Adelup's solution of cutting a second bonus check for remaining staffers so that they could repay the money and come into compliance with the law.

Cruz proposed that the audit should, in addition to other objectives, provide information relative to both pay adjustments to include the total cost of the raises, an all-inclusive list of executive branch agencies whose employees received either pay adjustment, the eligibility criteria and specific formula used to calculate amounts of individual pay raises, total withholding taxes paid, total amount of retirement contribution paid for each of the raises, the effects of the pay adjustments on the calculation of retirement annuities for recipients enrolled in the Defined Benefit Retirement Plan, the total amount of "repayment" to the general fund.

Further, Cruz asked the OPA to determine the limitations of the accounting software or "technical glitches," which the administration purported made the December 2014 pay adjustments appear to be retroactive.

In a final move to prohibit future lump sum bonus payouts or salary adjustments to unclassified employees, Cruz introduced Bill 222-33 yesterday.

The bill proposes to prohibit lump-sum payments during one pay period, preventing future manipulation of the processing of pay adjustments.

"For two consecutive years, unclassified employees at Adelup received large lump-sum payments the law never intended to allow; this bill says that has to stop," Cruz said in a media release.

The bill, if passed, would prevent further unlawful salary adjustment by amending sections that authorize the regulation of gubernatorial staff salaries.

Though the provision keeps intact the ability of the governor and lieutenant governor to set salaries for positions in their respective offices, the measure seeks to ensure that the salaries are paid in 26 equal installments from the authorized salary date, preventing any scheme to pay a year's salary increase in one pay period.

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Friday, 18 December 2015

Governor's Buildup Office Staffers Given Raises & Retro Pay With Federal Funds

Written by Clynt Ridgell



Staffing pattern, GG1 forms and personnel action forms show that Guam Buildup office staff were given raises and retro pay with federal funds. Governor's Spokeswoman Oyaol Ngiririki says that the raises were aproved by the federal government.

Guam - Documents from the Governor's office show that Mark Calvo and four other staffers received raises and retro pay bonuses from federal funds.

According to the Governor's staffing patterns Mark Calvo, Cassandra Castro, Evonnie Hocog, Carol Perez and Dwain Sanchez were all given raises and retro pay for their raises in December of 2014. It has already been reported that other

GovGuam staffers received retro pay that was deemed illegal by the the Attorney General but according to documents from the Governor's office this batch of retro pay came from federal funds. According to Governor's office Spokeswoman Oyoal Ngiririkl these federal funds were meant for the Guam Buildup office which is the office that Mark Calvo and these four employees worked under. She says all of this spending was approved by the federal government. The staffing pattern shows that these positions were 100 percent federally funded and they show the account number that they were paid from. The GG1 forms that show the retro pay also show that the retro pay came from the same federal account as their regular salaries.

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1 comment

Comment by : **Beatrice Garrido (Saturday, 19 December 2015 11:31)**

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First let me state that I am a loyal Republican. I have supported Governor Eddie Calvo since he decided to [Link](#) run in 2010 and was ecstatic when he and Ray won the that election. I once again voted for Eddie & Ray in 2014 in which they beat the opposition in every village. This issue of granting bonuses has raised my concern because it was something I would never have suspected from this administration. Senator B.J. Cruz ((whom I've never voted for) was able to bring these bonuses to light and I commend him for that. We the people have a right to know how our tax money is being spent. Please hear me out Governor Calvo. As a supporter of yours for years, I feel let down. You need to have your employees pay back these bonuses even if it takes a year to do so. Your idea of returning this money (which the A.G. disagrees with) into GovGuam's coffers is an insult to every hardworking individual on this island. What you ultimately decide to do will not only determine what the history books say about your tenure as governor but also your Lt. governor's plans on running for the island's top post in 2018. I have faith that you will do the right thing.

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Tuesday, 22 December 2015

AG To Decide Whether to Appoint Special Prosecutor

Written by Press Release



Attorney General Elizabeth Barrett-Anderson received the request after she deemed the raises illegal.

Guam - Attorney General Elizabeth Barrett-Anderson says she will review a request made by Vice Speaker BJ Cruz to appoint a special prosecutor to investigate the pay raises Adelup employees received last year.

Read the release from the AG below:

The Attorney General acknowledges and appreciates the Vice Speaker's request for appointment of a Special or

Independent Prosecutor to investigate the 2014 executive staff retroactive pay adjustments. "I agree with the Vice Speaker's concerns regarding the importance of maintaining public confidence in the criminal justice system. It requires that the Office thoroughly and impartially review the circumstances, the law, as well as ethical and legal responsibilities supporting any action to appoint. These are issues under consideration. I simply ask for everyone's patience and trust," said General Barrett-Anderson. "I wish all a very safe and Happy Holidays!"

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Public hearing set for Bill 222

Posted: Dec 24, 2015 1:47 PM
Updated: Dec 27, 2015 12:00 AM
By Ken Quintanilla **CONNECT**

It's in response to illegal retroactive raises given to Adelup staffers last year and on Monday a public hearing will be heard on a bill to "prevent unclassified pay manipulation". Bill 222 introduced by Vice Speaker BJ Cruz prohibits unclassified gubernatorial staff from receiving bonus pay and requires that other increases are made in 26 equal installments instead of one lump-sum payment.

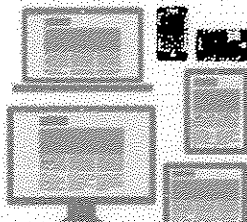
As we reported, the attorney general of Guam issued a legal opinion that retroactive raises given to 107 Adelup staffers was illegal. AG Elizabeth Barrett Anderson says she will review the request by the vice speaker for the appointment of a special prosecutor to do an investigation. The Office of Public Accountability meanwhile says they will move forward a performance audit on the raises. Deputy public auditor Yuka Hechanova and Cruz are set to meet on December 28 to discuss the matter.

The public hearing is set for the same day at 4pm at the Guam Legislature Public Hearing Room.

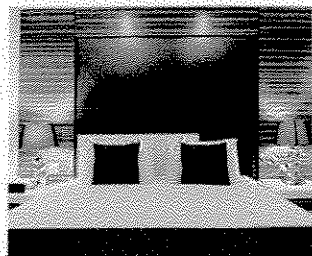
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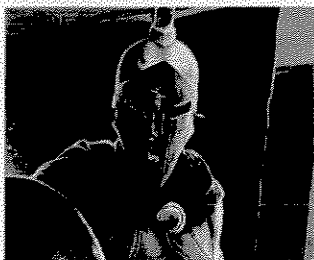
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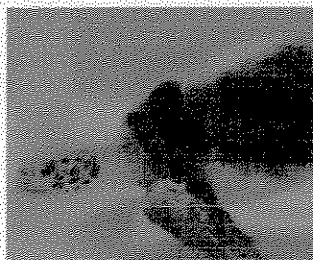
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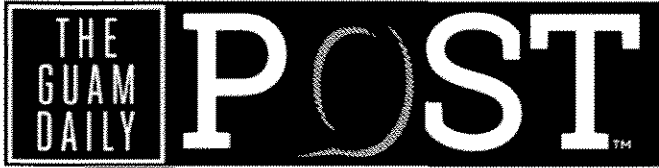
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Local News AG, governor weigh in on pay adjustment bill

AG, governor weigh in on pay adjustment bill

TUESDAY, 29 DEC 2015 03:06AM BY JOHN O'CONNOR | POST NEWS STAFF

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A public hearing for a bill designed to remove loopholes that allow for pay adjustments or pay raises for unclassified government of Guam employees proceeded with relative ease yesterday at the public hearing room of the Guam Legislature.

Bill 222-33 was introduced by Vice Speaker Benjamin Cruz as a direct response to what he dubbed "unclassified pay manipulation" by the Calvo administration.

Few people attended the hearing which largely consisted of staff from the Office of the Attorney General. Attorney General Elizabeth Barrett-Anderson gave her full support to the bill through written testimony read at the hearing by Deputy Attorney General Fred Nishihara.

The bill would ensure that salaries of those in the employ of the offices of the governor and lieutenant governor are paid in 26 equal installments from the authorized salary date, preventing any effort to pay a year's salary in one pay period.

The measure also prohibits unclassified gubernatorial staff from receiving bonus pay, defined as payment "separate and apart from" base pay. It also requires that other increases to an unclassified employee's base pay are made in 26 equal installments from the authorized adjustment date.

"We fully support the passage and enactment of Bill 222, an act that would abridge gubernatorial authority ... to increase executive staff salaries in a single lump-sum-bonus-style payment," Nishihara said on behalf of Barrett-Anderson.

Cruz thanked Barrett-Anderson for her support of the bill and in a statement said that Barrett-Anderson's testimony would be instrumental in passing the legislation.

Calvo amendments

Although not at the hearing, Gov. Eddie Calvo also weighed in on the issue. In a statement from Adelup, Calvo said he wanted to extend Cruz's idea to all three branches of government. He proposed four amendments to the bill that would "create equity and fairness" with regard to unclassified employees.

The first amendment proposes to replace any reference in Chapter 6, Title 4 of Guam Code Annotated specific to the governor and lieutenant governor's office with language referencing "the three branches of government."

The second amendment proposes that the legislature pay its employees in 26 equal installments from the date the salary was set. It would also prevent legislative employees from receiving cash payments for annual leave accrued at the time the employee leaves service.



From left, Deputy Attorney General Ken Orcutt, Deputy Attorney General Fred Nishihara, and Jackie Cruz, chief of staff for the Office of the Attorney General, testify yesterday in favor of Bill 222 during a public hearing at the Guam Legislature in Hagåtña. The bill would prevent the executive branch from granting bonuses and retroactive pay to unclassified employees. Norman Tanig / For the Post

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Similarly, the governor's third and fourth amendments propose that no unclassified employee leaving GovGuam for any reason receive cash payment for annual leave accrued at the time they chose to leave service.

In a letter from Calvo to Cruz, the governor noted that retroactive pay adjustments were disallowed except when permitted by legislation as was previously done for employees of the Office of Public Accountability, the Judiciary of Guam, the governor, the lieutenant governor, the senators, directors and deputy directors, law enforcement personnel, Guam National Guard and reserve employees, mayors and vice mayors.

The governor called Cruz's bill "blatant divisive partisan politics" and that he would give Cruz his support if the vice speaker would consider a bill that addresses all branches of government.

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Local News AG acknowledges Cruz's request for investigation

AG acknowledges Cruz's request for investigation

TUESDAY, 22 DEC 2015 03:00AM BY JACQUELINE PERRY GUZMAN | POST NEWS STAFF

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Attorney General Elizabeth Barrett-Anderson yesterday issued a release in which she acknowledged Vice Speaker Benjamin Cruz's request for the appointment of a special or independent prosecutor to investigate the 2014 executive staff retroactive pay adjustments that occurred at the governor's office in Adelup.

"I agree with the vice speaker's concerns regarding the importance of maintaining public confidence in the criminal justice system. It requires that the office thoroughly and impartially review the circumstances, the law, as well as ethical and legal responsibilities supporting any action to appoint. These are issues under consideration. I simply ask for everyone's patience and trust," Barrett-Anderson stated.

In response, Cruz thanked the AG for acknowledging his request and said he "remains confident she will continue to act in the best interest for the people of Guam."

According to Carlina Charfauros, spokeswoman for the attorney general, "A timeline for review and any subsequent action into the matter has not been laid out."

In hopes of gauging public sentiment on a three-tiered response to the Adelup pay "debacle," Cruz issued an invitation to the island community to provide testimony during an upcoming public hearing.

In a release from Cruz's office, the vice speaker called for "public input" on Bill No. 222-33, a measure he introduced in direct response to what he cited as "unclassified pay manipulation" by the Calvo administration.

Cruz scheduled a hearing for Monday, Dec. 28 at 4 p.m. According to Cruz, the bill would prevent future changes to annual pay schedules of unclassified employees once they are hired. The measure would ensure that salaries of those in the employ of the offices of the governor and lieutenant governor are paid in 26 equal installments from the authorized salary date. Cruz suggested that this would prevent any scheme to pay a year's salary in one pay period.

Second, the measure proposes to prohibit unclassified gubernatorial staff from receiving bonus pay, defined as payment "separate and apart from" base pay. Finally, the bill requires that additional increases to an unclassified employee's base pay are made in 26 equal installments from the adjustment date.

"Together, the three amendments prohibit lump-sum payments during one pay period, preventing further unlawful processing for pay adjustments," Cruz said.


Cruz said he introduced the bill after learning of what he called a "reimbursement scheme to cover the retroactive pay raises illegally issued to 107 unclassified Adelup employees."


According to Cruz, subsequent to the attorney general's opinion calling for the repayment of the raises, Gov. Eddie Calvo authorized a new set of salary adjustments to be distributed to Adelup employees -- all at the





Attorney General Elizabeth Barrett-Anderson says she agrees with Vice Speaker Benjamin Cruz's concerns regarding the importance of maintaining public confidence in the criminal justice system. Post file photo


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
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Last week, concurrent with the bill's introduction, Cruz requested further investigation of the matter from both the attorney general and the Office of Public Accountability.

Cruz said he wants the independent prosecutor nominated by the Guam Bar Association ethics committee to investigate the 2014 retro pay.

As well, Cruz said the OPA acknowledged his request for a performance audit of both 2014 and 2015 Adelup pay adjustments.

The OPA informed Cruz an audit supervisor has already been designated for the project.

Cruz said he wants the OPA to determine, among other concerns, whether other executive branch agencies whose unclassified employees also received retro pay, the true taxpayer cost of the pay adjustments after government contributions and the accounting software limitations or "technical glitches," if any, to which Adelup officials have attributed the retroactive nature of a portion of the pay adjustments processed in December 2014.

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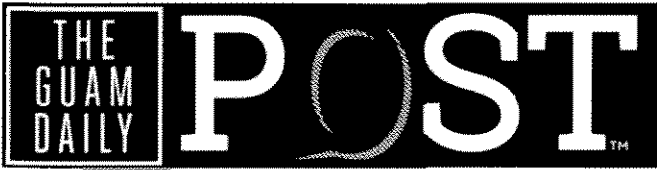


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Vice speaker seeks public input on Adelup pay 'debacle'

MONDAY 21 DEC 2015 03:00AM BY ROBERT O. TUPAZ | POST NEWS STAFF

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In hopes of gauging public sentiment on a three-tiered response to the Adelup pay "debacle," Vice Speaker Benjamin Cruz issued an invitation to the island community to provide testimony during an upcoming public hearing.

In a release from Cruz's office, the vice speaker called for "public input" on Bill No. 222-33, a measure he introduced in direct response to what he cited as "unclassified pay manipulation" by the Calvo administration.

Cruz scheduled a hearing on Monday, Dec. 28 at 4 p.m. According to the vice speaker, Bill 222 prevents future changes to annual pay schedules of unclassified employees once hired. The measure will ensure that salaries of those in the employ of the offices of the governor and lieutenant governor are paid in 26 equal installments from the authorized salary date. Cruz suggested that this would prevent any scheme to pay a year's salary in one pay period.

Second, the measure proposes to prohibit unclassified gubernatorial staff from receiving bonus pay, defined as payment "separate and apart from" base pay. Finally, Bill 222 requires that additional increases to an unclassified employee's base pay are made in 26 equal installments from the authorized adjustment date.

"Together, the three amendments prohibit lump-sum payments during one pay period, preventing further unlawful processing for pay adjustments," Cruz said.

Cruz said he introduced Bill 222 after learning of what he called a "reimbursement scheme to cover the retroactive pay raises illegally issued to 107 unclassified Adelup employees."

According to Cruz, subsequent to the attorney general's opinion calling for the repayment of the raises, Gov. Eddie Calvo authorized a new set of salary adjustments to be distributed to Adelup employees -- all at the expense of Guam taxpayers.

Further investigation

Last week, concurrent with the bill's introduction, Cruz requested further investigation of the matter from both the attorney general and the Office of Public Accountability.

Cruz said he received confirmation that the attorney general received his request for the appointment of a special prosecutor who he wants nominated by the Guam Bar Association's ethics committee to investigate the implementation of the illegal 2014 retro pay.

As well, Cruz said the OPA acknowledged his request for a performance audit of both 2014 and 2015 Adelup pay adjustments.



Vice Speaker Benjamin Cruz has issued an invitation to the island community to provide testimony during an upcoming public hearing on Bill 222-33, a measure Cruz introduced in direct response to what he cited as "unclassified pay manipulation" by the Calvo administration. Post file photo

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 Inos' family members informed acting Gov. Ralph Torres of his death at 9:42 a.m. Tuesd...

Q Adelup questions legislature on \$725,000
 Wednesday 30 Dec 2015 03:00am
 A seven-point FOIA request was listed in the Sunshine Act request signed by Troy Torres...

Q 'Stormwater treatment not feasible for Tumon flooding'
 Wednesday 30 Dec 2015 03:00am
 Oceanographer and retired biology professor Ernie Matson suggested that government offic...

Q Port topifier bid awarded
 Wednesday 30 Dec 2015 03:00am
 Acting port general manager Alfred Duenas said there was no appeal filed with the Office...

Q Department of Corrections promotes Aguan to captain
 Wednesday 30 Dec 2015 03:00am
 Email correspondence with regard to DOC news reflected a promotion for at least one con...

Q Guam farmers ready to move into new market
 Wednesday 30 Dec 2015 03:00am
 With the occupancy permit granted, Stacia San Nicolas, general manager of the Farmers Co...

Q Gun-toting driver threatens neighborhood on Christmas
 Wednesday 30 Dec 2015 03:00am
 Police received a report of a gunshot at 11:36 p.m. on Christmas in the vicinity of the ...

Q Chamorro animated film hopefully part of larger plan
 Wednesday 30 Dec 2015 03:00am
 "Maisa: The Chamoru Girl who Saves Guahan" recently had its public debut at the Univ...

Q Trade wind disturbance passing through region
 Wednesday 30 Dec 2015 03:00am
 As the disturbance continues to move across the Marianas, a small craft and high surf ad...

Guam officials on Inos' death

The OPA informed Cruz an audit supervisor has already been designated for the project.

Cruz said he wants the OPA to determine, among other concerns, whether other executive branch agencies whose unclassified employees also received retro pay; the true taxpayer cost of the pay adjustments after government contributions; and the accounting software limitations or "technical glitches," if any, to which Adelup officials – in an attempt to exonerate the administration – have attributed the retroactive nature of a portion of the pay adjustments processed in December 2014.

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Tuesday, 29 Dec 2015 01:23pm
Anthony Babauta, Former Asst. Secretary of the Interior for Insular Areas said: "To...



CNMI Gov. Eloy Inos has died
Thursday, 29 Dec 2015 11:34am
Lt. Gov. Ralph Torres will be sworn in as governor at 3 p.m. (ChST) at the Governor Pedr...



Taxis oppose airport plan
Tuesday, 29 Dec 2015 03:00am
Calling the effort in favor of "big business" and "bad for the community," Indep...



Fishing platform bill questioned
Tuesday, 29 Dec 2015 03:00am
Bill 217-33, introduced by Sen. Brant McCreadie, seeks to appropriate \$200,000 derived f...



AG, governor weigh in on pay adjustment bill
Tuesday, 29 Dec 2015 03:00am
Bill 222-33 was introduced by Vice Speaker Benjamin Cruz as a direct response to what he...



Thousands of airline seats chartered for New Year
Tuesday, 29 Dec 2015 03:00am
More than 6,300 seats on aircraft chartered to fly out of Osaka, Tokyo, Nagoya and Hiros...



Group opposes tearing down trees at Paseo
Tuesday, 29 Dec 2015 03:00am
Baltazar Aguon, owner of retail store I Pution: The Star boutique at the Chamorro Villag...



Procurement for toplifters hangs in balance on appeal
Tuesday, 29 Dec 2015 03:00am
According to acting port general manager Alfred Duenas, the port will find out today if ...



Second submarine tender to be homeported in Guam
Tuesday, 29 Dec 2015 03:00am
As part of the U.S. Navy's long-range plan to put the most advanced and capable units ...



Some polling sites changed
Monday, 28 Dec 2015 03:00am
Moreover, the commission added nine new precincts to better process and serve the island...



Simon Sanchez RFP moving to negotiations
Monday, 28 Dec 2015 03:00am
According to the superintendent, evaluations were completed on Dec. 21. The evaluation w...



Public hearings today on fishing platform, pay raises
Monday, 28 Dec 2015 03:00am
At 10 a.m. today, a measure that seeks to add another \$200,000 to augment a fishing plat...



GWA seeks assessment of damaged water wells
Monday, 28 Dec 2015 03:00am
According to a request for proposal, the utility is seeking design services from consult...



Team GMH will meet again Tuesday
Monday, 28 Dec 2015 03:00am
Calvo led the meeting at Adelup and set the direction he expects the team to take. "We mu...

Derick Baza Hills spends time in jail

Cruz: File charges in illegal pay raises



Guam Legislature Vice Speaker Benjamin J. Cruz comments on the accountability of the governor's office in regards to illegal pay raises. Rick Cruz/PDN

Gaynor Dumat-ol Daleno and Shawn Raymundo, sraymundo@guampdn.com

11:33 p.m. ChST January 5, 2016



(Photo: Rick Cruz/PDN)

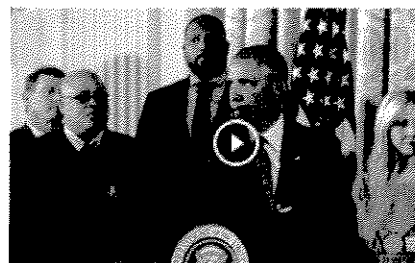
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The controversial retroactive pay raises for 107 Adelup office staffers should lead to the filing of a criminal charge because the attorney general has determined those were illegal, said Vice Speaker Benjamin Cruz on Tuesday.

The raises, which were paid in December 2014 but were retroactive to a year for most of the staffers, cost Guam taxpayers more than \$800,000.

Attorney General Elizabeth Barrett-Anderson issued a legal opinion last month stating the payments were illegal because retroactive pay raises are only allowed if authorized by a specific law.

"If it is against the law, then there are criminal sanctions," said Cruz. "Who those



Obama announces gun actions: We can't wait for Congress

01:56

charges can be held against? I suppose somebody should be charged."

Such violation is considered a misdemeanor and carries a possible penalty of up to a year in prison if the person or persons charged is convicted under Guam law.

"I am not asking for capital punishment," he said. "The local statute says it is a misdemeanor, so it is just to make a point that it cannot and should not be done."

Cruz said he expects the AG's office to appoint a special prosecutor and bring charges forward.



PACIFIC DAILY NEWS
Timeline of Adelup pay raise controversy

Troy Torres, Adelup's policy adviser, said Tuesday, the administration would "welcome any sort of inquiry or investigation by anybody."

The Pacific Daily News talked to Cruz Tuesday, a day after similar requests for interviews with Gov. Eddie Caivo and Barrett-Anderson were made.

As of press time, the PDN hadn't received an answer on whether the governor will agree to an interview.

The AG's office wasn't ready to make a public announcement on the issue, according to spokeswoman Carlina Charfauros.

Cruz's decision to take on the issue of illegally paid retroactive pay raises has generated more public support than any other issue he's dealt with in his nine years as a senator, he said. Cruz is a former Superior Court of Guam judge and former Supreme Court of Guam chief justice.

"I am not asking for capital punishment. Do something that the law said you should do. So, I am hoping (the attorney general) can and will do whatever is necessary," Cruz said.

Cruz said he recently met with Barrett-Anderson and was told she wanted to do her due diligence before making her next move on the issue.



PACIFIC DAILY NEWS
Legislature releases financial documents

"I am also confident that the attorney general is also moving forward. She is doing her due diligence to determine how this is supposed to be done," Cruz said.

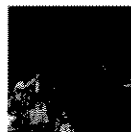
Cruz also has met with Office of Public Accountability auditors who have started an audit that will try to determine, in part, whether illegal retroactive pay raises also were approved elsewhere in the executive branch, beyond the offices of the governor and the lieutenant governor.

The governor's office has stated there was no intent to violate the restriction on retroactive raises. Adelup has previously stated that a "technical glitch" was part of the problem.

Cruz said calling the problem a glitch is contrary to what personnel documents show — signed paper documents that indicate pay raises were approved December 2014 and retroactive to January that year for many of the staffers.



Vice Speaker BJ Cruz
comments on pay raises
01:24



Driver dies in first fatal crash
of year
00:46



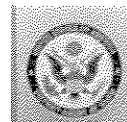
Trump appears in purported
terrorist recruitment video
01:10



Girl Scout cookies arrive on
island
00:36



Legislature releases
financial documents
Jan. 5, 2016, 11:36 p.m.



Guardsman signs plea
agreement
Jan. 5, 2016, 11:47 p.m.



PHOTOS: Dededo Pay-Less
to close for renovations
Jan. 5, 2016, 8:45 p.m

For staffers who were hired after January 2014, their retroactive raises had effective dates during or near their dates of hire, the personnel documents show.

Cruz said the governor and his advisers may have been able to say, back in December 2014, that the retroactive pay raises weren't intended to violate the law.

However, after the attorney general determined last month the retroactive raises were illegal, the governor's office's actions now can be investigated for possible criminal intent, Cruz said.



PACIFIC DAILY NEWS
AG reviewing request for prosecutor on illegal raises

After the AG's legal opinion, the governor's office had about 60 of the 107 staffers receive checks in amounts similar to their retroactive pay raises and had the checks endorsed back to the government of Guam. The staffers didn't have to repay the money out of pocket; instead the "repayment" was symbolic.

The AG's opinion had stated the staffers should pay the money back, or the governor's office could ask the Legislature to pass legislation for an after-the-fact approval of the retroactive raises.

The governor has called the payments a reward for the staffers' hard work. He said the staffers helped to improve the quality of life of island residents.

By calling it a bonus, the public was misled, Cruz said, because the personnel documents clearly stated retroactive effective dates for salary increases.

"We've responded as many times as the question has been asked," Torres said. "The attorney general has opined ... she understands that Adelup's intentions were not to give a retroactive pay raise but to give a one-time pay adjustment."

Retroactive pay raises were approved for senators, Cabinet officials and the governor and lieutenant governor via legislation that became law in 2014.

Cruz said he wants to make it "very, very clear" that the legislation came from the governor's office, and that the governor's office could have included the staffers in the legislation to make it legal and public.

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Timeline of Adelup pay raise controversy

THE FOLLOWING TIMELINE OF EVENTS HAS BEEN CREATED USING PDN FILES.

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The following timeline of events has been created using PDN files.

- **Nov. 21, 2014:** During a special session called by Lt. Gov. Ray Tenorio, lawmakers vote 10-1 in favor of a bill to raise the salaries of the attorney general, governor, lieutenant governor, senators and members in the governor's Cabinet in accordance with the Competitive Wage Act of 2014. The wage act, submitted to the Legislature in January 2014, included recommended pay increases to government of Guam employees based on a 2010 assessment by the consulting firm Hay Group.
- **Nov. 10, 2015:** Vice Speaker Benjamin Cruz, citing data from the government's financial management system, says the governor and lieutenant governor's offices overspent by \$1.2 million during fiscal 2015. Salary and benefit costs for Adelup staffers spiked by more than \$800,000 during one pay period in December 2014. A governor's spokeswoman, in a written statement, said employees working for the governor and the lieutenant governor received a "reward." Cruz says that the 2014 law that authorized pay raises for elected and appointed officials didn't authorize retroactive pay increases for their staffers.
- **Nov. 20, 2015:** Personnel records released by the governor's office in response to a Freedom of Information Act request by the Pacific Daily News show that dozens of staffers who work for Gov. Eddie Calvo and Lt. Gov. Ray Tenorio received pay raises authorized in December 2014, but the raises were retroactive to January 2014.
- **Nov. 25, 2015:** PDN reports that Vice Speaker Benjamin Cruz is asking the attorney general and public auditor to investigate pay raises of Adelup employees.
- **Dec. 10, 2015:** Attorney General Elizabeth Barrett-Anderson sends a letter to Gov. Eddie Calvo stating that, in her opinion, the salary adjustments made for Adelup employees between January 2014 and December 2014 were retroactive payments made in violation of Guam law.
- **Dec. 15, 2015:** Adelup describes the retroactive pay raises made to more than 100 political hires as a "technical glitch." The Calvo administration doesn't require employees to return the money, but instead gives those employees checks in amounts similar to what they were paid in December 2014. Those employees then sign the checks back to the government as part of a procedural fix.
- **Dec. 16, 2015:** Vice Speaker Benjamin Cruz, in a written statement addressed to Attorney General Elizabeth Barrett-Anderson, asks that a special prosecutor, or conflict counsel, look into the retroactive pay raises made by Adelup. That same day, Cruz also introduces legislation to further prevent the executive branch from illegally authorizing retroactive pay raises.
- **Dec. 18, 2015:** PDN reports that Elected Public Auditor Doris Flores Brooks has designated Deputy Public Auditor Yuka Hechanova as the supervisor for auditing the retroactive pay raises that were made by the governor's office and the rest of the executive branch.

Dec. 18, 2015: PDN reports that federal money, including from the Department of Defense, was the source of retroactive pay raises for a former government of Guam buildup director and four other governor's office staffers.

- **Dec. 21, 2015:** Attorney General Elizabeth Barrett-Anderson says in a written statement that her office is reviewing Vice Speaker Benjamin Cruz' request for a special prosecutor.
- **Dec. 29, 2015:** Gov. Eddie Calvo's administration launches a probe into the Legislature's finances, filing the first of several FOIA requests. A governor's office press release states the inquiry is "to ensure fiscal accountability applies everywhere."
- **Jan. 5, 2016:** The Guam Legislature posts documents sought in Adelup's FOIA requests to the Legislature's website.

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