FEDERATED STATES OF MICRONESIA

Office of The National Public Auditor

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July 11, 2002

The Honorable Members of the FSM Congress
His Excellency, Leo A. Falcam, FSM President
Federated States of Micronesia National Government
Palikir, Pohnpei FM 96941

Executive Summary

We respectfully submit this report regarding our audit of the Joint Law Enforcement (JLE) for the period, from fiscal years 1996 through 2000.

We conducted this audit pursuant to 55 FSM Code Chapter 5 and in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances.

The objectives of our audit were:

1. To verify details of actual expenditure of JLE funds by the State Governments; and
2. To determine whether the terms and conditions of the Agreements for joint administration of law enforcement by the FSM National and State governments have been complied with.

As a result of our audit, we conclude that:

1. The provisions of the JLE Agreement signed by the FSM President and the States' Governors to draw down funds for the programs have not been complied with.
2. There is a lack of specific guidance and procedures at the Executive Branch as to who or what department is responsible for ensuring that the provisions of the agreement are complied with prior to disbursements of funds.
3. The JLE funds were commingled with the operations funds of the Public Safety Divisions at the States and it is difficult for the audit to determine whether costs charged to JLE funds were appropriate or not.

We are recommending to the FSM Congress that future appropriation for JLEA be subjected to performance budgeting procedures wherein responsible departments/divisions are identified for activities and functions, and the expected outputs are described and measurable. We are also recommending that a requirement for separate accounting and reporting of fund be included in the appropriation law. Details of the audit findings and recommendations can be found on page 5 through 8 of this report.

In conformity with general practice, we provided the Auditees with draft report of this audit for their review and comments. Attached at the end of this report are their comments.

We wish to take this opportunity to express our sincere appreciation for the excellent cooperation rendered to us by the Director/Administrator and staff of the JLE funds, and the staff of the FSM Department of Administration and Finance during the course of the audit.

Respectfully submitted,

Moses W. Russel
Acting National Public Auditor

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Audit of Joint Law Enforcement Funds
Audit Report No. AD-01-0007
Fiscal Years ended September 30, 1996 to September 30, 2000

CONTENTS

I. Background

Pursuant to Title 12 Chapter 12 Section 1202 of the FSM Code, "The President of the Federated States of Micronesia may authorize appropriate State government officials to act on behalf of the National Government in performing the following law enforcement functions:

1. detection and prevention of National offenses;
2. arrest and detention of persons having committed or being charged with a National offense;
3. investigation and prosecution of criminal cases involving the commission of a National offense;
4. providing legal defense and assistance to persons being prosecuted for a National offense;
5. incarceration of persons convicted of a National offense and under a sentence of imprisonment;
6. granting of parole to persons convicted of a National offense and eligible under applicable laws for parole from a sentence of imprisonment;
7. probation and parole supervision over persons serving a penal sentence following conviction of a National offense; and
8. extradition and transfer of prisoners.

Section 1203 states that "Joint administration of law enforcement functions pursuant to section 1202 shall be undertaken only as provided for in a formal written agreement between the President and the State government with which joint administration of law enforcement functions is to be established. An agreement for joint administration of the law enforcement functions specified in section 1202 of this chapter shall clearly define policies and procedures under which state government officials may act on behalf of the National Government. Each agreement for joint administration of law enforcement functions between the National Government and a State Government shall be signed by the President and shall expressly reserve to the President final legal and administrative authority for the proper and lawful performance of National law enforcement functions."

Each year an agreement is drawn and signed by the FSM President and Governors of each state to implement Title 12 of the FSM Code. During the five (5) fiscal years from 1996 through 2000, the FSM Congress authorized the total amount of $460,000 for this purpose. The allocations of assistance for each state are as follows:

Chuuk -	$ 160,000
Pohnpei	140,000
Yap	90,000
Kosrae	70,000
Total	$ 460,000

V. Other Noteworthy Matters

As indicated on Appendix E-H, pages 12-15 of this report, it is worthwhile to note that during the five (5) years period from FY 1996 through 2000, the number of conviction at the four FSM states have been kept at a low average of: 9 cases in Pohnpei, 7 cases in Chuuk, 2 cases in Yap and 2 cases in Kosrae. Based on the reported expenditure of the Public Safety operations for the FY 2000 in Yap, Pohnpei, Kosrae and Chuuk states, the allocated JLE funds represent 16%, 11%, 20% and 3% of the total expenditures, respectively (see Appendix D on page 11).

VI. Conclusions

The audit has determined that during the FY 1996 through 2000, the provisions of the JLE agreement signed by the FSM President and the States' Governors to draw down funds for the program have not been complied with. This condition is attributed to the lack of specific guidance and procedures at the Executive Branch as to who or what department is responsible for ensuring that the provisions of the agreement are complied with prior to disbursements of funds. This condition has resulted to the co-mingling of funds with the operations budget of the Public Safety Divisions at the States and made it difficult for the audit to determine whether those were spent for allowed costs or not.

For future JLE funding requests, our audit is recommending that the FSM President and Members of the FSM Congress consider subjecting the JLE program funds to a performance budgeting procedures and include a language in the appropriation law that will restrict the use of funds to approved costs in the budget and to require separate accounting and reporting of funds. We have determined that the causes of non-compliance with the many provisions of the JLE agreement are attributed to the lack of knowledge of the JLE requirements by the personnel directly involved in the JLE functions at the State. We, therefore, recommend that the Agreement document be revised to identify and include all the responsible personnel of the States' Divisions of Public Safety to indicate their knowledge and understanding of the requirements through signatures.

SCHEDULE OF FINDINGS AND RECOMMENDATION

Finding no. 1 – Lack of Enforcement and Monitoring Procedures

Criteria – The agreement for Joint administration of law enforcement signed by the FSM President and State Governors is the official document that delegated the FSM National Government's authority and responsibility to handle national crimes at the states to the State Governments. This document is specific in the scope of crimes, law enforcement functions and support to be provided by both the National and States Law Enforcement Divisions. Provision no. 6 of the agreement states that "The terms of this Agreement are to be funded by a grant in the amount of $....., to be administered by the allottee of the funds". ....."Payments shall be made subject to the terms of this Agreement as follows:

(a) The FSM shall disburse fifty percent (50%) of the funds upon the President's certification of the parties' entry into this agreement.
(b) The remaining fifty percent (50%) of the funds shall be disbursed upon the FSM's receipt of the state's full and complete written accounting of the funds for the first six (6) months of this agreement."

Condition –The actual disbursements of JLE funds by the FSM Department of Finance and Administration is not based on (a) & (b) above but on a reimbursement basis.

Cause – The FSM Executive Branch has no procedures and nobody responsible for ensuring that provision number 6 of the agreement is complied with prior to disbursements of JLE funds.

Effect – In not enforcing the provisions of the Agreement, the FSM National Government had lost control over the uses of JLE funds and program results are not verifiable.

Recommendation – We recommend that the FSM President designate a department in the Executive Branch to be responsible in developing and implementing procedures to ensure that the provisions of the JLE agreement are complied with prior to disbursements of funds.

Finding no. 2 - JLE lacks audit trail

Criteria – Per the JLE Agreement, the following will transpire as it relates to national offenses and major crimes:

1. Delegation of authority for detection and prevention, arrest and detention, investigation and prosecution, incarceration, and transportation of prisoners.

2. Technical assistance – FSM agrees to provide technical assistance to the States, as requested by the States, and to the extent practicable.

3. Incarceration requirements as availability of current state disciplinary policy, prisoners rights, prisoners certification, permit FSM to enter prison and inspect premises, state to provide adequate medical assistance to each national prisoner, and national prisoners not to participate in any early release, work release, work furlough, or parole program without express authorization of the sentencing court.

4. Cooperation and notification – FSM law enforcement officials shall immediately notify State law enforcement officials of the detection of offenses, which fall within law enforcement authority of State under this Agreement vice versa.

5. Cooperation in Marine surveillance – State and FSM are mutually authorized to inspect, detain, and arrest upon probable cause non-FSM fishing within and outside of the island's 12-mile marine space; the state may arrest a vessel in the FSM EEZ only after obtaining authorization from the FSM Division of Marine Surveillance.

6. Extradition – FSM will be responsible for preparing request for required documents and communicating with the government to whom the request for extradition is addressed. FSM shall bear cost for national crime and State shall bear cost of State crime.

7. Transfer of prisoners – State may request the assistance of FSM in transferring an FSM citizen from a prison outside the jurisdiction of the FSM to the State jail.

8. Civil Actions – State agrees to assist the FSM, upon request in the execution of civil orders issued by the FSM Supreme Court.

9. Statistics – State agrees to provide certain statistics in the format requested by FSM.

Conditions – Audit verifications of the above functions and activities in all the FSM States and at the FSM Department of Justice disclosed the following:

1. No supporting documents to support the use of JLE funds for overtime of Public Safety Officers in Chuuk.

2. No documentation to verify technical assistance.

3. None of the state prisons can present State disciplinary policy, prisoner rights and responsibilities, certifications signed by National Prisoners, and inspection reports by FSM. One national prisoner in Pohnpei was on parole program without express authorization of the sentencing court.

4. No documented costs to verify cooperation and notification by the FSM and States.

5. No documented costs to verify cooperation in Marine Surveillance.

6. No documented costs to verify extradition activity.

7. No documented costs to verify transfer of prisoners.

8. No documented costs to verify civil actions.

9. No documented costs to verify that States/FSM provided/requested statistics.

Cause – The JLE agreement lacks procedures for monitoring the specific activities agreed to. The personnel designated to perform the functions covered by the Agreement lacked knowledge of the requirements.

Effect – Program's measure of performance is confusing.

Recommendation - We recommend to the Members of the FSM Congress and FSM President to subject the JLE funding requests to a performance budgeting procedures wherein responsible departments/divisions are identified for activities and functions, the costs and measures of outputs are indicated, and expected outcomes are described. We also recommend that the JLE Agreement be revised to include a provision for dissemination of the requirements in the Agreement and acknowledged through signatures by all responsible departments/divisions head of the governments.

Finding no. 3 – JLE funds are used for expenditures that are regular operations in nature

Criteria – The JLE program funds is to defray the State Government's expenses for incarceration of national prisoners and prosecution of national or major crimes as defined by national law, and for other expenses, as specified in the approved budget, or as otherwise agreed to in writing by the parties.

Conditions - The results of the review performed on JLE disbursements for fiscal years 1999 and 2000 for all the FSM States indicated that although accounted for and reported under JLE accounts, the nature of expenditures that were paid for by the funds were for regular operations of the Public Safety divisions of the States. Yap State is using funds for national activities, Pohnpei State is using it for incarceration activities, while Kosrae and Chuuk State are co-mingled with regular operation.

Cause – The recipients of funds, which are the Division of Public Safety of the State's Governments, had no knowledge of specific requirements or use of the JLE funds.

Effect – The use of JLE funds cannot be specifically identified to its purpose.

Recommendations – To ensure transparency in the use of JLE funds in the future, we recommend that the Members of FSM Congress consider including a language in the law that appropriates the fund that will restrict the use to approved costs in the performance budget and to separate the accounting and reporting of funds from the Division of Public Safety's regular operations.

Appendix A

Joint Law Enforcement Expenditures by All FSM States
As Reported in the Audited Financial Statements
Of The FSM National Government
Fiscal Years 1999 and 2000

Other National Government Program:	2000 Audited Amounts	1999 Audited Amounts
Yap State Joint Law Enforcement	68,961.00	86,535.00
Pohnpei Joint Law Enforcement	9,116.00	35,564.00
Kosrae State Joint Law Enforcement	-	71,326.00
Chuuk State Joint Law Enforcement	-	137,363.00
Total	78,077.00	330,788.00

Source: Deloitte Touche Tohmatsu Single Audit Report for the National Government Years Ended September 30, 2000 and September 30, 1999.

Note: Per Deloitte Touche Tohmatsu the difference between the National Government Single Audit Report and the State Government Single Audit Report is the lag time between reimbursement request and disbursement of funding.

Appendix B

Joint Law Enforcement Funds - Budget and Actual Amounts
As Reported in the FSM National Government Audited Financial Statements
For the Fiscal Year Ended September 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Department of Justice			
Chuuk Joint Law Enforcement	26,667.00	26,667.00	-
Total	26,667.00	26,667.00	-
Other National Government Programs:			
Joint Law Enforcement - Pohnpei	140,000.00	9,213.00	130,787.00
Joint Law Enforcement - Yap	90,000.00	138,935.00	(48,935.00)
Joint Law Enforcement - Kosrae	70,000.00	-	70,000.00
Total	300,000.00	148,148.00	151,852.00

Source: Deloitte Touche Tohmatsu Single Audit Report for the National Government Year Ended September 30, 2000.

Appendix C

Joint Law Enforcement Expenditures
As Reported in the States' Audited Financial Statements
For Fiscal years ended 1999 and 2000

Grantors Account Title		State Org. #	2000 Audit Amounts	1999 Audited Amounts
Yap State Joint Law Enforcement	FY96	5830	71,921.00	117,247.00
Pohnpei Joint Law Enforcement	FY98	4956	129,822.00	139,790.00
Kosrae State Joint Law Enforcement		4632	70,000.00	65,884.00
Chuuk State Joint Law Enforcement		101234	1,800.00	137,362.00
	Total		273,543.00	460,283.00

Source: Deloitte Touche Tohmatsu Single Audit Report for the State Governments Years Ended September 30, 1999 and 2000

Note: Per Deloitte Touche Tohmatsu the difference between the National Government Single Audit Report and the State Government Single Audit Report is the lag time between reimbursement request and disbursement of funding.

Appendix D

States' Public Safety Divisions
FY 2000 Alloted Amount Vs. Joint Law Enforcement Alloted Amount
Fiscal Year 2000

Other National Government Program:	*2000 Public Safety Alloted State Funds	Allotted JLE Funds	Percent of JLE fund to State Operation Fund
Yap State Joint Law Enforcement	550,933.00	90,000.00	16.34%
Pohnpei Joint Law Enforcement	1,250,689.00	140,000.00	11.19%
Kosrae State Joint Law Enforcement	355,553.00	70,000.00	19.69%
Chuuk State Joint Law Enforcement	971,800.00	26,667.00	2.74%
Total	3,128,975.00	326,667.00	10.44%

* Source: Deloitte Touche Tohmatsu Single Audit Report for the National Government Year Ended September 30, 2000.

Note: Per Deloitte Touche Tohmatsu the difference between the National Government Single Audit Report and the State Government Single Audit Report is the lag time between reimbursement request and disbursement of funding.

Pohnpei State
Joint Law Enforcement
Fiscal Years Ending
September 30, 1996 to September 30, 2000

FY: 1996 As of 7/30/96
Type: Under Jailtime

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1990-501	Augustine Helgenberger	Murder	9	6/15/1990	6/15/1990	6/15/1999
2	1985-506	Harry Plais	Manslghtr.	12	9/9/1985	10/3/1985	10/2/1997
3	1986-500	Youper Primo	Manslghtr.	16	4/22/1985	4/22/1986	4/22/2002
	1989-509		Aggr. Asslt	3	6/11/1989	4/22/2002	4/22/2005

Notes: None

Type: Under Probation As of 7/30/96

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1985-514	Rainer Gilmete	Murder	6	11/11/1985	11/11/1991	12/11/1997
2	1987-514	Bensis Gusto	Attempted Arson	6	11/26/1986	11/18/1991	12/18/1997
3	1991-502	Simion Kihleng*	Theft	5	2/9/1993	2/9/1993	2/9/1996
4	1989-518	Ponciano Sahm	Manslghtr	7	1/24/1990	7/22/1992	2/24/1997
5	1990-502	Timothy Sanel	Manslghtr	6	8/23/1990	8/7/1993	8/7/1996
6	1995-201	Tony Boaz	Theft	2	2/13/1996	2/13/1996	2/13/1998

Notes: None

FY: 1997
Type: Under Jailtime As of 12/31/97

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1985-506	Harry Plais	Manslghtr.	12	9/9/1985	10/3/1985	10/2/1997
2	1986-500	Youper Primo	Manslghtr.	16	4/22/1985	4/22/1986	4/22/2002
	1989-509		Aggr. Asslt	3	6/11/1989	4/22/2002	4/22/2005
3	1997-502	Masaro Saimon*	Murder	21	6/12/1990	6/12/1990	6/12/2010

Notes: *Transfer Prisoner from CNMI

Type: Under Probation As of 12/31/97

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1985-514	Rainer Gilmete	Murder	6	11/11/1985	11/11/1991	12/11/1997
2	1987-514	Bensis Gusto	Attempted Arson	6	11/26/1986	11/18/1991	12/18/1997
3	1991-502	Simion Kihleng*	Theft	5	2/9/1993	2/9/1993	2/9/1996
4	1995-201	Tony Boaz	Theft	2	2/13/1996	2/13/1996	2/13/1998
5	1990-501	Augustus Helgenberger	Murder	9	6/15/1990	6/15/1990	6/15/1999
6	1992-1502	Pihno Tanaka**	Theft	2.5	2/4/1997	2/4/1997	10/4/1998

Notes: *In United States
**In Guam

FY: 1998
Type: Under Jailtime As of 9/30/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1986-500	Youper Primo	Manslghtr.	16	4/22/1985	4/22/1986	4/22/2002
	1989-509		Aggr. Asslt	3	6/11/1989	4/22/2002	4/22/2005
2	1997-502	Masaro Saimon*	Murder	21	6/12/1990	6/12/1990	6/12/2010

Notes: *Transfer Prisoner from CNMI

Type: Under Probation As of 9/30/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1990-501	Augustus Helgenberger	Murder	9	6/15/1990	6/15/1990	6/15/1999
2	1992-1502	Pihno Tanaka*	Theft	2.5	2/4/1997	2/4/1997	10/4/1998
3	1997-503	Karlihse Ben	Theft	2	1/1696	1/21/1996	1/21/2000
4	1997-504	Katmiel Aloka	Theft	2	1/20/1998	1/21/1996	1/21/2000
5	1997-505	Yolanda Elca	Custom Violation	1	1/15/1997	1/21/1996	1/21/1999
6	1996-501	Steve Etse	Theft	4	5/26/1998	5/26/1998	5/26/2002
7	1998-502	Silverose Edwin	Tax Violation	1	11/18/1998	11/18/1998	11/18/1998

Notes: *In Guam

FY: 1999
Type: Under Jailtime As of 9/30/99

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	No Reported Criminals serving Jailtime						

Notes: None

Type: Under Probation As of 9/30/99

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1990-501	Augustus Helgenberger	Murder	9	6/15/1990	6/15/1990	6/15/1999
2	1997-503	Karlihse Ben	Theft	2	1/1696	1/21/1996	1/21/2000
3	1997-504	Katmiel Aloka	Theft	2	1/20/1996	1/21/1996	1/21/2000
4	1996-501	Steve Etse	Theft	4	5/26/1998	5/26/1998	5/26/2002
5	1998-502	Silverose Edwin	Tax Violation	1	11/18/1998	11/18/1998	11/18/1998
6	1999-500	Francisco Kerman	Misapp. Postl funds	5	6/21/1999	6/21/1999	6/21/2004

Notes: None

FY: 2000
Type: Under Jailtime As of 9/30/99

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1986-500	Primo, Youper	Manslaughter	16	4/22/1985	4/22/1986	4/22/2002
2	1989-509		Aggravated Assault	3	6/11/1989	4/22/2002	4/22/2005

Notes: None

Type: Under Probation As of 9/30/99

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1997-502	Saimon, Masaro	Murder	21	5/24/2000	5/24/2000	6/12/2001
2	1996-501	Steve Etse	Theft	4	5/26/1998	5/26/1998	5/26/2002
3	1998-502	Silverose Edwin	Tax Violation	1	11/18/1998	11/18/1998	11/18/1998
4	1990-501	Augustus Helgenberger	Murder	9	6/15/1990	6/15/1990	6/15/1999
5	1999-500	Francisco Kerman	Misapp. Postl funds	5	6/21/1999	6/21/1999	6/21/2004
6	2000-504	Hull, Bernadette	Quarantine Violation	1	6/20/2000	6/20/2000	6/20/2001
7	2000-505	Materne, Mary	Grand Theft	5	6/14/2000	6/14/2000	6/14/2005

Notes: None

Source: FSM Supreme Court's National Justice Ombusman; Quarterly Statistical Report

Kosrae State
Joint Law Enforcement
Fiscal Years Ending
September 30, 1996 to September 30, 2000

Audit No. AD-01-0007

FY: 1996 As of 3/30/96
Type: Under Jailtime

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	None						

Notes: None

Type: Under Probation As of 3/30/96

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1985-500	John Ittu	Murder	8	1/19/1988	3/16/1992	3/16/1999
2	1990-2505	Andon Jonah	Murder	7	7/25/1990	7/25/1990	7/25/2000
3	1995-2501	Dwight Likiaksa	Theft	2	4/23/1996	4/23/1996	4/23/1998

Notes: None

FY: 1997 As of 12/31/97
Type: Under Jailtime

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	None						

Notes: None

Type: Under Probation As of 12/31/97

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1985-500	John Ittu	Murder	8	1/19/1988	3/16/1992	3/16/1999
2	1990-2505	Andon Jonah	Murder	7	7/25/1990	7/25/1990	7/25/2000
3	1995-2501	Dwight Likiaksa	Theft	2	4/23/1996	4/23/1996	4/23/1998

Notes: None

FY: 1998
Type: Under Jailtime As of 9/30/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	None						

Notes: None

Type: Under Probation As of 12/31/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1985-500	John Ittu	Murder	8	1/19/1988	3/16/1992	3/16/1999
2	1990-2505	Andon Jonah	Murder	7	7/25/1990	7/25/1990	7/25/2000

Notes: None

FY: 1999
Type: Under Jailtime As of 12/31/99

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	No Reported Criminals serving Jailtime						

Notes: None

Type: Under Probation As of 12/31/97

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
1	1990-2505	Andon Jonah	Murder	7	7/25/1990	7/25/1990	7/25/2000

Notes: None

FY: 2000
Type: Under Jailtime As of 12/31/99

Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
No Reported Criminals serving Jailtime						

Notes: None

Type: Under Probation As of 12/31/97

Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	End
No Reported Criminals serving under Probation						

Source: FSM Supreme Court's National Justice Ombusman; Quarterly Statistical Report

Chuuk State
Joint Law Enforcement
Fiscal Years Ending
September 30, 1996 to September 30, 2000

Audit No. AD-01-0007

FY: 1996

Type: Under Jailtime — As of 7/30/96

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	83-1509	Robert Loch	Murder	12	10/17/1983	7/2/1985	6/7/1997
2	89-1500	Williander Kimoul	Murder	12	11/17/1989	2/8/1990	10/31/2000
3	89-1510	Kantito Sangechik	Murder	15	3/20/1990	4/11/1990	4/11/2005
4	89-1508	Garry Main	Mansightr.	6	7/25/1990	9/10/1990	9/10/1996
5	89-1504	Iowanes Bernardo	Murder	10	8/4/1989	7/7/1989	7/799
6	90-1527	Ningoch Kerman	Mansightr.	7.5	4/15/1991	5/24/1991	11/24/1998
7	90-1507	Baska Wasan	Murder	15	12/13/1991	1/25/1991	1/25/2006

Notes: None

Type: Under Probation — As of 7/30/96

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	81-1512	Kirino Otokichi*	Murder	12	10/17/1983	7/2/1985	6/7/1997
2	91-1510	Steve Eroch*	Mansightr.	12	11/17/1989	2/8/1990	10/31/2000
3	14-9400	Juvenile**	Mansightr/Aggr. Asslt.	15	3/20/1990	4/11/1990	4/11/2005

Notes: *On Parole
**Chuuk State Supreme Court's case

FY: 1997

Type: Under Jailtime — As of 12/31/97

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	89-1500	Williander Kimoul	Murder	12	11/17/1989	2/8/1990	10/31/2000
2	89-1510	Kantito Sangechik*	Murder	15	3/20/1990	4/11/1990	4/11/2005
3	89-1504	Iowanes Bernardo**	Murder	10	8/4/1989	7/7/1989	7/799
4	90-1527	Ningoch Kerman*	Mansightr.	7.5	4/15/1991	5/24/1991	11/24/1998
5	90-1507	Baska Wasan	Murder	15	12/13/1991	1/25/1991	1/25/2006

Notes: *Work release
**Release during the qtr.

Type: Under Probation — As of 12/31/97

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	No Reported Criminals serving Jailtime						

Notes: None

FY: 1998

Type: Under Jailtime — As of 12/31/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	89-1500	Williander Kimoul	Murder	12	11/17/1989	2/8/1990	10/31/2000
2	89-1510	Kantito Sangechik*	Murder	15	3/20/1990	4/11/1990	4/11/2005
3	90-1527	Ningoch Kerman*	Mansightr.	7.5	4/15/1991	5/24/1991	11/24/1998
4	90-1507	Baska Wasan	Murder	15	12/13/1991	1/25/1991	1/25/2006

Notes: *Work release

Type: Under Probation — As of 12/31/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	89-1504	Ioanis Bernardo	Murder	12	5/7/1982	11/1/1984	6/7/1997
2	14-9400	Juvenile	Mansightr./Aggr. Asslt.	5	6/27/1995	11/27/1995	11/17/2000
3	97-1500	Grace Tereas	Poss.	6 mos.	3/30/1998	5/18/1998	11/18/1998
4	97-1501	Chitomu Nimwes	Unauth. Poss. Gov't Pty.	4	3/398	8/6/1998	8/6/2002

Notes: None

FY: 1999

Type: Under Jailtime — As of 12/31/99

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	89-1500	Williander Kimoul	Murder	12	11/17/1989	2/8/1990	10/31/2000
2	89-1510	Kantito Sangechik	Murder	15	3/20/1990	4/11/1990	4/11/2005
3	90-1507	Baska Wasan	Murder	15	12/13/1991	1/25/1991	1/25/2006

Notes: None

Type: Under Probation — As of 12/31/99

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	14-9400	Juvenile*	Mansightr./Aggr. Asslt.	5	6/27/1995	11/27/1995	11/17/2000
2	97-1501	Chitomu Nimwes	Unauth. Poss. Gov't Pty.	4	3/398	8/6/1998	8/6/2002
3	99-1500	Rickson Ranu	Poss. Firearm	6 mos.	8/24/1999	8/24/1999	2/24/2000

Notes: *Chuuk State Supreme Court's case

FY: 2000

Type: Under Jailtime — As of 12/31/99

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	89-1510	Kantito Sangechik	Murder	15	3/20/1990	4/11/1990	4/11/2005
2	90-1507	Baska Wasan	Murder	15	12/13/1991	1/25/1991	1/25/2006
3	2000-1506	Henzel Akapito	Theft	2	5/16/2001	6/7/2001	6/7/2003
4	2000-1508	Joannes Bob	Misappropriation/Theft	8 months	4/9/2001	4/13/2001	12/22/2001

Notes: None

Type: Under Probation — As of 12/31/99

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	97-1501	Chitomu Nimwes	Unauth. Poss. Gov't Pty.	4	3/398	8/6/1998	8/6/2002
2	1998-503	Julius Sander	Attempting to board w/ firearm on board	6 months	1/26/1999	7/9/2001	1/9/2002
3	2000-1501	Shinya Kuranga	Failure to comply w/ law	2	11/27/2000	11/27/2000	11/27/2000

Source: FSM Supreme Court's National Justice Ombusman; Quarterly Statistical Report

Yap State
Joint Law Enforcement
Fiscal Years Ending
September 30, 1996 to September 30, 2000

Audit No. AD-01-0007

FY: 1996 As of 3/30/96
Type: Under Jailtime

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	No Criminals reported serving jailtime						

Notes: None

Type: Under Probation As of 3/30/96

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	1982-3500	YALMAD	Murder	15	11/9/1982	4/23/1993	5/14/1997
2	1992-3500	Rudolf Ken	Aggr. Asslt	5	4/24/1992	1/8/1992	1/8/1997
3	1986-3514	Kathlina Fagaluguruw	Manslghtr.	10	3/9/1988	3/9/1988	3/9/1998

Notes: None

FY: 1997
Type: Under Jailtime As of 12/31/97

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	No Criminals reported serving jailtime						

Notes: None

Type: Under Probation As of 12/31/97

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	1992-3500	Rudolf Ken	Aggr. Asslt	5	4/24/1992	1/8/1992	1/8/1997
2	1986-3514	Kathlina Fagaluguruw	Manslghtr.	10	3/9/1988	3/9/1988	3/9/1998

Notes: None

FY: 1998
Type: Under Jailtime As of 12/31/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	1997-501	Aloysius J. Tuuth	Cnflct of Intr. Overobligation	5	9/1897	9/18/1997	9/18/2002

Notes: None

Type: Under Probation As of 12/31/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	1992-3500	Rudolf Ken*	Aggr. Asslt	5	4/24/1992	1/8/1992	1/8/1997

Notes: *Petition for failure to pay restitution was filed on 1/8/97

FY: 2000
Type: Under Jailtime As of 12/31/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	1997-501	Aloysius J. Tuuth	Cnflct of Intr. Overobligation	5	9/1897	9/18/1997	9/18/2002
2	2000-3500	Namori Kuramoto Kaname Kuramoto	Offshore fishing				

Notes: None

Type: Under Probation As of 12/31/98

	Case No.	Offender	Conviction Charged	Duration (yrs)	Conviction Date	Probation/Parole Start	Probation/Parole End
1	No Criminals						

Notes: *Petition for failure to pay restitution was filed on 1/8/97

Source: FSM Supreme Court's National Justice Ombusman; Quarterly Statistical Report

DEPARTMENT OF JUSTICE

FEDERATED STATES OF MICRONESIA
P.O. Box PS - 105
Palikir, Pohnpei FM 96941
Phone: (691) 320-2608 / 2644 Fax: (691) 320-2234

May 24, 2002

MEMORANDUM

TO: Acting Public Auditor

FROM: Secretary

SUBJECT: Comments on Draft JLEA Report

Thank you for providing this office an opportunity to review and respond to the draft audit report on the Joint Law Enforcement program. Although the report was dated May 17, 2002 we did not receive it until May 22, 2002, and since the comment period is only 15 days the following comments represent our preliminary assessment.

We note several areas of concern, particularly in the accuracy of the data the report was based upon and the conclusions that are reached. The following are some of our specific concerns.

1. The executive summary correctly states that each agreement between the national government and the individual states shall "expressly reserve to the President final and legal and administrative authority for the proper and lawful performance of the National law enforcement functions." However, the report fails to note that since 1999 the President has not been the allottee of the JLEA funds. The governor of each state is the allottee of that state's JLEA funds and therefore the governors, and not the President, control the obligation of the JLEA funds. The split between the President's "final legal and administrative authority" and the governors' control of fund obligations makes supervision difficult, if not impossible, and is a major problem with the program. This is not to say that there were not problems with the program prior to making the governors' the allottees, only that the split in authority between enforcement responsibility and fund obligation authority aggravated the situation.

2. The report lacks financial information on expenditures of JLEA funds by the states and scant information of state budgeting of JLEA funds. The records of the allotments, control documents and expenditure ledgers for each state

during each of the audited years should be readily available in the Department of Finance and Administration and should have been reviewed as part of the audit. Since the budget and expenditure figures for the reported years have been omitted from the report, it is difficult to support these figures.

3. The report of the numbers of persons on probation and incarcerated are inaccurate. Our office directly contacted the Supreme Court in Chuuk and was given contrary numbers of incarcerated persons. Moreover, the Court indicated that the draft report accounted for very few of the cases filed in Chuuk. Direct contact should have been made to the Court's records.

4. The report contains a conclusion that the cause of noncompliance with the many provisions of the JLEA agreements can be attributed to the lack of knowledge of the JLEA requirements by personnel directly involved in the JLE functions in the state, and suggested that the responsible parties in Public Safety divisions be identified.

It is difficult to believe that the personnel, who have signed, reviewed and implemented the agreements, lack the knowledge of their roles and responsibilities under the agreements. These agreements have been in place for many years, and are reviewed annually by the Governor and his legal counsel. We should not now infer, as the draft report concludes, that state personnel either have not bothered to read or understand the agreement while implementing them over a very long period of time.

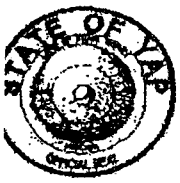
5 ~~7.~~ We disagree with the draft audit report recommendation that the JLEA be amended to identify the responsible personnel of the States' public safety divisions, to indicate their knowledge and understanding through the requirement of signatures. The agreements are between the President and the governors...not between the President, Governors and those who implement the agreements. Even if required, it is doubtful that such a change would have much, if any, effect. The appendices to the draft report show that in 1998 Chuuk used $55,000 for personnel, Pohnpei used $93,706 and Kosrae used $52,000. The appendices also show that in the year 2000 Yap budgeted $13,000 for travel without prosecuting a single national crime and that in the year 1998 Chuuk budgeted $15,000 for travel and Pohnpei budgeted $17, 491. Prior years were even worse. In each case, the budgeting of JLEA funds for personnel and travel proved crucial to the financing for the individual state's public safety divisions. The documentation is not present, however, to indicate the actual amount spent by the states on personnel and travel and therefore any conclusions drawn from the data must be purely conjecture. However, given the data contained within the draft audit report, it appears that the states used the JLEA funds to finance travel and personnel rather than to enforce the national criminal laws.

6 ~~8~~. The draft audit report, at pages 6 through 7, states that are no documented costs to verify a number of the JLEA In many instances, there are no documented costs because no events occurred justifying such expenditures. Examples of events that did not occur and therefore require no documentation of expenses are extraditions and prisoner transfers.

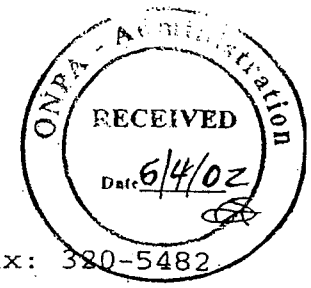
The listing of these concerns should not be taken as an indicator that this department doesn't agree with most of your positions. This office recognizes that there are serious problems in the JLEA program and appreciates the efforts of your office to identify those problems and to suggest solutions. Aside from the conclusery finding that state personnel lack knowledge of the purpose of the program funding, your office has identified many of the same problems that we have identified over the years. However, your audit would be more useful as a guide if it had been based on the most accurate information available

Of the five years covered by the draft audit report, only the year 2000 falls within the current executive branch's administration. The administration is aware of the problems in the JLEA program and with the help of Congress and your office intends to pursue changes that will provide more clear guidance to our law enforcement, in compliance with sound fiscal management. Your continued support is greatly appreciated.

Paul E. McIlrath



THE GOVERNOR
STATE OF YAP



May 31, 2002

Fax: 320-5482

Mr. Abbas Talib
Acting National Public Auditor
Office of the National Public Auditor
Palikir, Pohnpei FM 96943

Re: Response to JLEA Audit Draft

Dear Mr. Talib,

I take this opportunity to thank you and your staff for giving me the opportunity to review and respond to this audit, namely, the draft audit report of the Joint Law Enforcement Funds (Audit Report No. AD-01-0007) covering the Fiscal Year that ended October 31, 1996 and October 31, 2000. I understand that this audit is the first by your office for JLEA funds. I appreciate it. The audit will help Yap State and its law enforcement program with respect to JLEA funds.

I am also happy to learn from the draft report that Yap State has used JLEA funds for national law enforcement activities as defined in the JLEAs.

Finding No. 1-Lack of Enforcement and Monitoring Procedures

Lack of established procedures or a national agency to ensure compliance with provision 6 of JLEAs prior to disbursement of JLEA funds may, to an extent, be a problem. However, I believe the that people in charge of a program are the bigger and more common problem. It is my view that much of what we already have in place is more than adequate if implemented as required. And this is true with JLEA funds disbursement-the JLEA, in my view, is adequate to address the concerns in the draft report if implemented as required by the FSM agency tasked with disbursement.

Often times, we create greater problems on top of existing problems simply because we introduce more or new procedures when we are not familiar yet with existing procedures, i.e., when we do not know if existing procedures are adequate to address the problems. And when we do not know that, changing or replacing existing procedures is generally not a solution.

Finding No. 2-JLE lacks audit trail

Some of the activities in the JLEAs as listed in the draft report may not have a trail with respect to Yap State because the activities, even though listed, have not taken place and therefore no costs can be assigned to them. For example, technical assistance, extradition, transfer of prisoners, etc. are

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activities Yap State has not expended JLEA funds on because they have not occurred and therefore have not been a cost. And as far as I know, the JLEA only requires documentation of matters on which JLEA funds are expended.

Others, e.g., incarceration requirements, cooperation and notification, cooperation in marine surveillance, civil actions, and statistics, should have certain documentation kept by Yap law enforcement, the FSM Justice Department and FSM Finance.

With incarceration requirements, Yap policies, prisoners' rights, etc. are not only attached to or made reference to in each JLEA each fiscal year, but are available at Public Safety and at the Yap Attorney General's Office. They have to be available also at the national level because it is a party to the JLEA. If Yap Correction, for example, could not provide copies of the documents, then I must say that I am very surprised.

Costs on cooperation and notification were incurred and the FSM Justice Department should have copies of such communications if in written form. Yap State law enforcement should also have copies. One problem I see is one of tracing and locating the documents for cost determination. Another is some of the communications may be by phone calls—not logged.

With marine surveillance, Yap and the FSM had experimented in the past, one or two-year period with cost sharing method, i.e., communication and fuel costs to be paid for by the FSM when Yap surveillance boat patrolled the fishery zones. Other than those years, the current situation where each observes whatever costs it incurs has pretty much been the situation. For those two years, the FSM National Police or FSM Finance should have documentation on money expended as Yap law enforcement was only allowed to charge certain accounts authorized by the FSM National Police for those items. Yap would not have the records.

In civil actions, keeping track of costs by way of documentation is not required by JLEA—the agreement basically says such costs are included in the funds. Also, serving of processes, etc. is a rather routine thing, more like patrolling the public roads, and keeping track of man-hours, fuel and wear and tear on vehicles may not be realistic, especially at where we are or where we are not with management efficiency.

On statistics, Yap has always provided statistics to the FSM upon request. It generally happens when the FSM as a nation has to report to the U.N. or certain international bodies. And keeping track of time and costs of such the activity is also not required by the JLEA. Like civil actions, the JLEA merely says it is included in the funds.

Perhaps the best thing is for the FSM to identify in some form how the states should keep track of the activities mentioned—the JLEA can require it. It may not be prudent with some of the activities,

but if accountability is more important even with routine law enforcement work, it can probably be accommodated at both levels, Yap and FSM.

The recommendations to subject JLEA to performance based budgeting procedures and with designated agency to do the work may work out fine, if, and only, the agency tasked with the responsibility can do the work and do it well. An acknowledgement in the agreements by heads of governments may not make any difference as such acknowledgements may not help if the officials involved are not serious enough to implement the JLEAs as required.

I want to add that the draft finding should have been a bit more specific, i.e., rather than lumping all the states together, the audit, and I recommend it for future audits, should name each state and the problems thereof so the state review and response are easier and so that the problems identified can be dealt with effectively. I cannot clearly say from the audit that certain conditions are Yap's problems while others are not. In certain other instances, the audit was clear and helpful, but in others, the lumping of all the states and not identifying which conditions are caused by a given state are not helpful to Yap.

Finding No. 3-JLE funs are used for expenditures that are regular operations in nature

Although Yap is mentioned here as using JLEA funds for national law enforcement activities in Yap, i.e., JLEA funds' activities, and that it has not com-mingled JLEA funds with other funds, the audit, in my opinion, should reconcile the JLEA activities with the items indentified in the project control document which the FSM requires Yap to process each year in order to get JLEA funds. That document, when filed by Yap and approved by the FSM, spells out the funds' activities. And some of the activities spelled out have direct or substantial link to the activities mentioned in the JLEA. I know that things can get a bit gray here, but there are so many situations where it is difficult, if not impossible, to say that certain expenditures of JLEA funds, e.g., regular operations, are not on activities covered by the JLEA. And I believe, since the beginning of JLEA, that it has been understood by both the FSM and Yap that as long as the activities are not clearly Yap State's in nature only, JLEA funds can be used for them.

This is important to the recommendations in Finding No. 3. Whether future JLEA appropriation laws should restrict the use of approved costs using performance based budgeting, much can be fixed in future JLEAs without inserting more restrictions in the appropriation laws. Certain flexibilities are often necessary with JLEA funds because of the nature of law enforcement activities for which the funds are earmarked.

Conclusion

I am happy to learn from the audit that Yap has done okay so far with JLEA funds. It is consistent with Yap State's laws and policy that funds earmarked for a purpose are spent on that purpose and no other purposes.

I believe future JLEA agreements can be refined a bit more to address the concerns expressed in the draft report. And if it must be refined, it should be done in a way that will not jeopardize effective law enforcement in the nation, i.e., practical and clear on the required documentation.

Thank you very much for the opportunity to review and comment on the draft. I appreciate it.

Sincerely,

Vincent Figir, Governor
The State of Yap

Xc: Chief of Police
Attorney General
Director, Administrative Services
Director, Planning and Budget
File

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RECEIVED
Date 6/18/02

June 18, 2002

Mr. Abbas Talib
Acting National Public Auditor
P.O. Box PS 05
Palikir, Pohnpei FM 96941

RE: Kosrae State Comments to Audit of Joint Law Enforcement (JLE) Funds Draft Report for Fiscal Years 1996 Through 2000.

Dear Mr. Talib:

This letter represents the State of Kosrae's written response to the draft audit of JLE funds, which was received by Governor Sigrah on June 3, 2002.

Kosrae is concerned that even though the draft report indicates that the FSM Executive Branch lacks adequate procedures for implementing the Joint Law Enforcement Agreements (JLEA's) and that the Agreement itself lacks adequate procedures for monitoring the specific activities agreed to, some readers may interpret this report as reflecting an inappropriate expenditure of JLE funds by Kosrae and the other States as well. Kosrae disagrees with any such interpretation.

National and Major Crimes Issue. The JLEA for FY 2002 is the first JLEA to completely eliminate funding for major crimes. The JLEA provision of FSMC Chapter 12 allows funding for "National Offenses" which is defined as an offense defined by the National Criminal Code of the FSM or a major crime contained in other applicable law. Section 1201(2). Recently, FSMC Title 11, Section 104(6) was amended to completely eliminate the definition of major crimes in the FSM Criminal Code. The effect of this is to eliminate JLEA funding for these crimes effective with the FY 2002 Agreement. Attached is a copy of a letter (Encl. 1) sent to the FSM Secretary of Justice and copying the Speaker of the FSM Congress stating Kosrae's position that the elimination of funding for major crimes is a violation of the "Memorandum of Understanding With Respect to the Division of Grant Assistance Under the Compact of Free Association Among the National and State Governments of the Federated States of Micronesia." As this letter explains, this MOU contemplates the continued funding of major crimes with JLEA funds. Kosrae State has not received a response from the FSM Government on this issue and, as a result, Kosrae has not signed the FY2002 JLEA as of this time.

Finding No. 2 – JLE lacks audit trail. The report finds within the States no documentation to verify costs covered by the JLEA funds. This finding erroneously contemplates that it was possible to keep all JLEA funds segregated for the coverage of national offense, which included major crimes. The JLEA allowed use of these funds for the detection and prevention, arrest and detention, investigation and prosecution, and transportation of prisoners for these national offenses and major crimes. See for example FY 1999 Kosrae JLEA, para. 1. Specifically, "detection and prevention" of these crimes occurs simultaneously with the detection and prevention of all crimes, and covers a wide range of activities to include training, patrols, and crime prevention programs. The detention of these prisoners necessarily required that they be housed with the other prisoners, and a separation of every individual cost in connection with their detention is unrealistic. Use of funds generally is documented in Kosrae and those funds included JLE moneys.

Attached to this response is a letter (Encl. 2) from then Kosrae State Attorney General Andrew Blum, dated September 6, 1999, which provides information to the Acting Secretary of Justice documenting the specific use of funds for the incarceration and police work associated with national case prisoners, establishing the costs at approximately $65,000. This letter was in response to a request from the Secretary of Justice (Encl. 3) and AG Blum indicates in his reply letter that he is certainly willing to answer any further questions as to the accountability of these funds. Our records contain no further inquiries from the FSM in that time frame.

Finding No. 3 – JLE funds are used for expenditures that are regular operations in nature. As stated in response to Finding No. 2, JLEA funds were authorized and used for activities for which complete accounting separation was not possible. Kosrae disagrees with the report's conclusion that expending some of these funds in support of "regular operations" is not in compliance with the JLEA. The JLEA authorized spending in support of the detection and prevention of national and major crimes. This necessarily means that portions of the funds go toward general efforts towards detection and prevention of all crimes inclusive of those supported by JLEA. Patrolling would necessarily include federal offices. Crime prevention programs would include information on national and major crimes. Personnel and other overhead costs for performing these functions which inherently include crimes covered by the JLEA are not in violation of the letter or the spirit of the JLEA. Attached to this response is a letter (Encl. 4) from then AG Andrew Blum to the Acting Secretary of the Department of Justice, dated September 24, 1999, in which AG Blum itemizes the FY 2000 use of JLEA funds into "Personnel" and "Others" categories. In that letter, he asks the Department of Justice to let him know if this meets the requirements of the Congressional JLEA appropriation. A review of our files reveals no response to this letter. Kosrae was therefore justified in its understanding that the funds were allocated in an appropriate manner. Also attached to this response (Encl. 5) is the JLEA FY 2001 Year End Report letter from Attorney General Bickett to the FSM Secretary of Justice. Although FY 2001 was not included in this audit, the report reflects the use of JLEA funds in support of those activities authorized under the JLEA, and indicates the costly nature of housing

inmates, and the investigation and prosecution of national offenses and major crimes, crime prevention and other activities.

This documentation reveals the appropriate use of JLEA funds by the State of Kosrae and show attempts were made to provide the National Government whatever information was necessary for accountability purposes. Kosrae certainly supports maintaining accountability for funds received under the JLEA. However, a balancing approach is urged to any future documentation requirements to insure adequate accountability while avoiding the imposition of administrative requirements that would be too onerous on the States given the difficulty in separating out individual costs in many areas.

Notwithstanding the current disagreement Kosrae has with the National Government as to the future use of these funds to support law enforcement activities in connection with Major Crimes, JLEA funds expended in the past have been used in conformance with the JLEA. Kosrae urges the reinstatement of the previous levels of JLEA assistance. Doing so would indicate the National Government's commitment to assisting the States in maintaining a safer environment for the citizens of the FSM.

Sincerely,

Paul J. Simonett
Assistant Attorney General
Kosrae State

Encls.

Cc: Governor, Kosrae State