

PERFORMANCE AUDIT

AMERICAN SAMOA GOVERNMENT DEPARTMENT OF PUBLIC SAFETY

TERRITORIAL AUDIT OFFICE
AMERICAN SAMOA GOVERNMENT



Report Number: 24-03
August 30, 2024



**AMERICAN SAMOA GOVERNMENT
TERRITORIAL AUDIT OFFICE**

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August 30, 2024

Honorable Lemanu P.S. Mauga
Governor of American Samoa
American Samoa Government
Utulei, AS 96799

Subject: Performance Audit Report on the Department of Public Safety

Talofa Governor Lemanu,

The Territorial Audit Office (TAO) has completed a performance audit of the American Samoa Government's Department of Public Safety.

The report includes an executive summary, the audit report, and responses from the Department of Public Safety, Department of Property Management, and the Department of Search and Rescue.

The audit objectives included determining whether Public Safety's purchases were properly authorized in accordance with ASG laws and regulations, were necessary, and consistent with best practices. Additionally, we determined whether Public Safety's purchases were properly received, paid, and recorded. We also assessed whether Public Safety's capital purchases were entered into fixed assets accounts, recorded in a fixed assets register, and periodically inventoried. And, we determined whether the vehicles in Public Safety's possession agrees with Property Management's records. Finally, we assessed whether Public Safety maintains adequate control over cash received at its offices.

The audit report included four finding sections as described below:

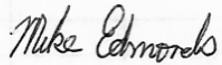
- Improved Coordination is Needed Between the Department of Public Safety and the Department of Property Management to Ensure Better Accountability for Public Safety's Vehicles
- A Limited Review of Public Safety Payments Found Several Irregularities
- Public Safety Needs to Establish Written Criteria to Ensure Car Seats Provided under the Occupant Protection Program are Equitably Distributed to Low-Income Households
- Public Safety Could Improve Controls Over Cash Handling at the Office of Motor Vehicles and at its Records Office

The audit report included report 20 recommendations to address the findings in the report. I'm happy to report that the agencies all agreed with the findings and recommendations in the report and the departments have reported that they already implemented several of the recommendations.

We extend our gratitude to the Directors of Public Safety, Property Management, and Search and Rescue and their respective staffs for their cooperation during this audit and for the official comments and responses provided for the audit report. We did not receive the Office of Property Management's response but we will include it in the report on our website when we will receive it.

I also want to acknowledge the audit team, Venasio Lemana, Audit Manager, Paul Ualesi, Senior Auditor, and Amataga Aloia, Auditor II, for their excellent work on this audit.

Respectfully submitted,



Mike Edmonds
Territorial Auditor

cc: Honorable La'apui Talauega Elesalo Va'alele Ale, Lieutenant Governor
Tuaolo Manaia Fruean, Senate President
Savali Talavou Ale, Speaker of the House of Representatives
Falenaoti S.A. Loi-On Fruean, Director, Department of Port Administration
Lefiti Pese, Commissioner, Department of Public Safety
Poleen Asalele, Director, Department of Property Management
Save Liuato Afa Tuitele, Director, Search and Rescue Agency

EXECUTIVE SUMMARY

In accordance with its Fiscal Year 2023-24 work plan, the Territorial Audit Office (TAO) conducted a performance audit of the Department of Public Safety (Public Safety). The audit objectives included determining whether Public Safety's purchases were properly authorized in accordance with ASG laws and regulations, necessary, and consistent with best practices. Additionally, we determined whether Public Safety's purchases were properly received, paid, and recorded. We also assessed whether Public Safety's capital purchases were entered into fixed assets accounts, recorded in a fixed assets register, and periodically inventoried. And, we determined whether the vehicles in Public Safety's possession agrees with Property Management's records. Finally, we assessed whether Public Safety maintains adequate control over cash received at its offices.

This audit report includes four finding sections as described below:

- Improved Coordination is Needed Between the Department of Public Safety and the Department of Property Management to Ensure Better Accountability for Public Safety's Vehicles
- A Limited Review of Public Safety Payments Found Several Irregularities
- Public Safety Needs to Establish Written Criteria to Ensure Car Seats Provided under the Occupant Protection Program are Equitably Distributed to Low-Income Households
- Public Safety Could Improve Controls Over Cash Handling at the Office of Motor Vehicles and at its Records Office

Each of the findings are briefly summarized below.

Improved Coordination is Needed Between the Department of Public Safety and the Department of Property Management to Ensure Better Accountability for Public Safety's Vehicles

Property Management and Public Safety share responsibilities in accounting for Public Safety's fleet of vehicles. Our audit found that better coordination between the two departments is needed to ensure better accountability for Public Safety's vehicles. Specifically, we noted discrepancies between Property Management's inventory records and the vehicles in Public Safety's possession. These discrepancies included:

- Two Public Safety vehicles in Property Management's records could not be located
- Public Safety had three vehicles in their possession that were not in Property Management's records

- The license plates for six Public Safety's vehicles did not agree with Property Management's records because Public Safety changed the license plates on these vehicles without notifying Property Management
- Five Public Safety vehicles and one motorcycle were damaged beyond repair and stored at private garages
- Two Public Safety vehicle were transferred to the Department of Search and Rescue but continued to use Public Safety's license plates

A Limited Review of Public Safety Payments Found Several Irregularities

Public Safety's Finance Unit is responsible for monitoring and overseeing the financial activities of the Department. They are also responsible for ensuring that appropriate policies and procedures are established as well as ensuring that controls are in place and the Department is in compliance with all relevant regulations.

Our limited review of Public Safety payments identified the following irregularities.

- Public Safety used Quick Purchase Orders to acquire purchases above the authorized threshold of \$3,500
- Public Safety paid a contractor \$32,256 more than the approved contract amount
- Public Safety inappropriately reimbursed a high-level officer for expenses dating back years and for payments his business provided service to Public Safety, which appears to be a conflict of interest
- Public Safety lacks written policies and procedures
- Public Safety does not maintain supporting documentation for payments

Our review of Public Safety's payments was limited because the Finance Unit was unable to provide us with supporting documents needed to review these payments. Thus, we were unable to complete all the work that was planned.

Public Safety Needs to Establish Written Criteria to Ensure Car Seats Provided under the Occupant Protection Program are Equitably Distributed to Low-Income Households

The federal Office of Highway's Occupant Protection Program (Program) provided 200 child safety seats to American Samoa to distribute to low-income households in American Samoa. Public Safety distributed the child safety seats without establishing written eligibility requirements. Thus, Public Safety cannot provide adequate assurance that these safety seats were distributed to low-income families.

Public Safety Could Improve Controls Over Cash Handling at the Office of Motor Vehicles and at its Records Office

We conducted surprise cash counts as part of our audit of Public Safety. The surprise cash counts included the Office of Motor Vehicles (OMV) in Tafuna and the Records Office in Fagatogo. We found that Public Safety could improve controls over cash handling.

The audit report includes 20 recommendations to address the deficiencies noted in the report. The Departments of Public Safety, Property Management and Search and Rescue have all agreed to implement these recommendations.

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INTRODUCTION

In accordance with its Fiscal Year 2023-24 work plan, the Territorial Audit Office (TAO) conducted a performance audit of the Department of Public Safety (Public Safety). As described in the Audit Objectives, Scope, and Methodology Section of this report, the audit had the following objectives.

- Determine whether the Department of Public Safety's (Public Safety) purchases were properly authorized in accordance with ASG laws and regulations, were necessary, and consistent with best practices.
- Determine whether the Public Safety's purchases were properly received, paid, and recorded.
- Determine whether the Public Safety's capital purchases were entered into the fixed asset accounts, recorded on a fixed assets register, and periodically inventoried.
- Determine whether the vehicles in Public Safety's possession agree with Property Management's records.
- Determine whether the Public Safety maintains adequate control over cash received at its offices.

BACKGROUND

The Department of Public Safety (Public Safety), formerly the American Samoa Territorial Police, is the police law enforcement agency for American Samoa. Public Safety's mission is to safeguard the lives and property of the people of American Samoa, by reducing the incidence and fear of crime, and enhancing public safety, while working with the diverse communities to improve their quality of life.

Public Safety's goals are to protect the rights of all persons within its jurisdiction to be free from criminal attack, secure their possessions, and live in peace. Public Safety is responsible for formulating and implementing policies and procedures for security, law enforcement, and public safety programs and functions.

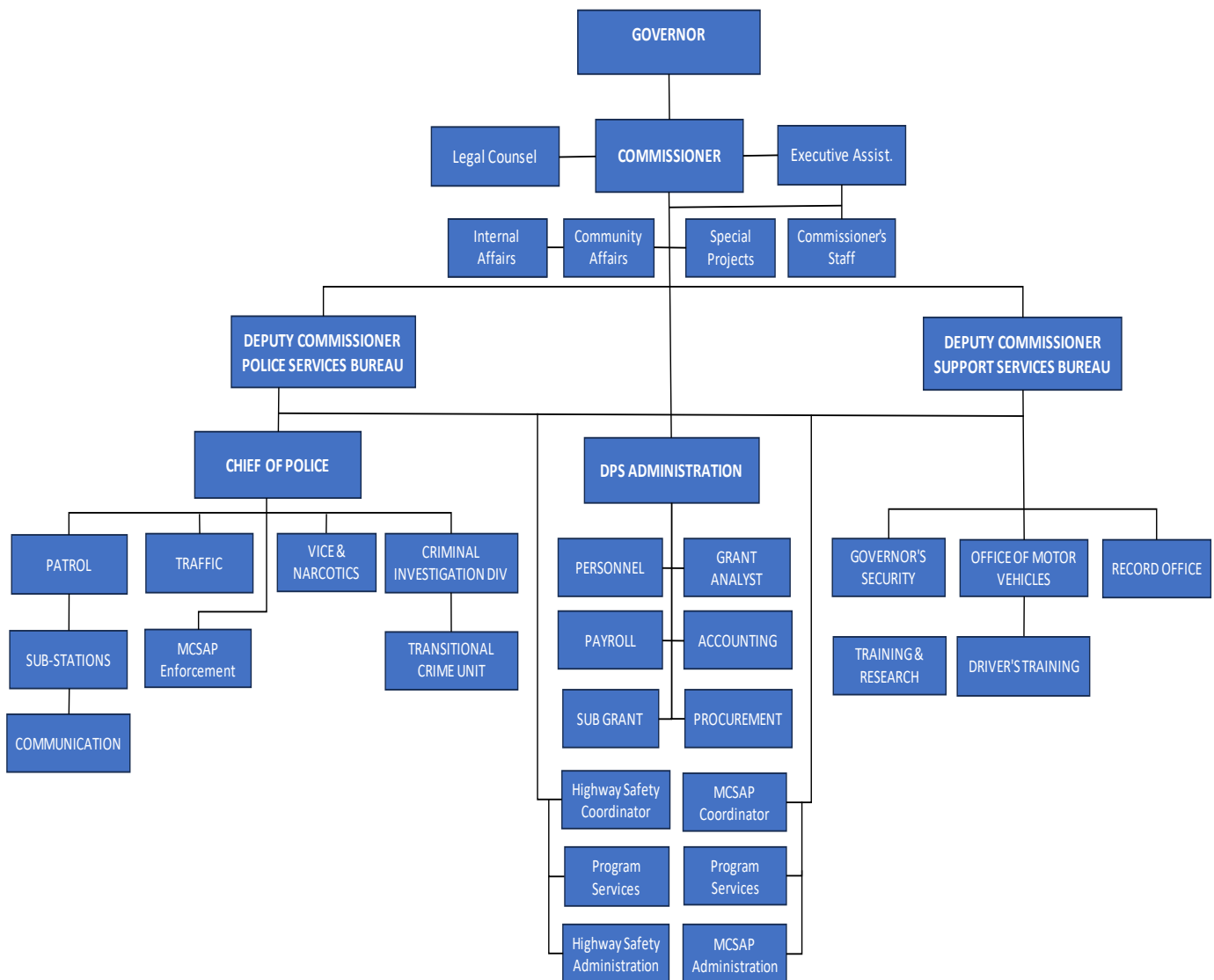
Public Safety is led by the Police Commissioner, who is recommended for appointment by the Governor and is confirmed by both houses of the legislature. The Police Commissioner serves a four-year term. The Police Commissioner is assisted by two Deputy Police Commissioners, who head Police Services and Support Services.

In July 2022, the Governor by Executive Order, transferred several organizational units previously under Public Safety and created two new agencies, the American Samoa Corrections

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Agency and the American Samoa Search and Rescue Agency. The American Samoa Correctional Agency oversees the Territorial Correctional Facility and the Juvenile Detention Center. The new American Samoa Search and Rescue Agency is responsible for search, rescue, fire protection, marine patrol, and emergency medical services. The new department includes the Marine Patrol Unit and the Fire Bureau which were transferred from the Department of Public Safety. Emergency medical services was also transferred to the Search and Rescue Agency, from the Emergency Medical Services Department of the American Samoa Medical Center Authority.

Below is Public Safety’s current organization chart.



The Department’s Finance Unit is responsible for managing Public Safety’s financial operations including payroll, revenue, procurement, disbursements, and grants management activities.

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Other functional units of the Department of Public Safety procure goods and services through the Finance Unit. The Finance Unit is then responsible for compiling and processing the documents needed to submit the payment requests to the Department of the Treasury. The Finance Unit processes these payments through the ASG financial and purchasing system, One Solution. The Finance Unit's responsibilities include: verifying payments are properly authorized, ensuring payments are properly recorded, and monitoring for duplicate or erroneous payments to vendors.

In fiscal year 2021-2022, Public Safety spent \$6,920,426. Of this amount, personnel costs accounted for \$4,915,551 of the spending and non-personnel expenses accounted for \$2,004,875. The local funds paid approximately \$868,027 of the non-personnel costs and \$1,136,848 were paid with federal monies.

To assist in carrying out its law enforcement duties, Public Safety maintains a fleet of vehicles. As Exhibit 1 shows below, Public Safety has a fleet of vehicles including sedans, pick-ups, sports utility vehicles (SUV), and motorcycles.

Exhibit 1

Public Safety’s Fleet by Year, Make, Model, and Number of Vehicles

Vehicles			
Year	Make	Model	Number
2009	Jeep	Patriot	1
2009	Chevrolet	Silverado	1
2010	Ford	Explorer	2
2010	Ford	Escape	1
2010	Ford	Tucson	1
2011	Nissan	Titan	1
2011	Ford	F-250	1
2012	Chevrolet	Suburban	1
2014	Ford	F-150	1
2014	Nissan	Titan	1
2014	Chevrolet	Impala	1
2015	Ford	Explorer	1
2016	Ford	F-150	1
2017	Ford	F-150	1
2017	Ford	Interceptor	1
2017	Ford	Explorer	1
2018	Ford	F-150	1
2018	Ford	Explorer	1
2019	Ford	F-150	2
2020	Ford	F-150	1
2020	Toyota	Tacoma	3
2021	Ford	Ranger	1
2021	Ford	F-150	1
2022	Ford	F-150-STX	2
2022	Ford	Transit Minivan	1
2022	Chevrolet	Tahoe	2
2022	Ford	F-150-XLT	1
2023	Ford	F-150	1
2023	Ford	Expedition	1
Total Vehicles			35
Motorcycles			
2018	Harley Davidson	Motorcycles	5
2021	Harley Davidson	Motorcycles	2
2022	Harley Davidson	Motorcycle	1
Total Motorcycles			8
Total Vehicles and Motorcycles			43

Source: Property Management’s records for Public Safety’s fleet

As Exhibit 1 above shows, Public Safety has 35 vehicles and 8 motorcycles in its fleet according to Property Management's records.

Property Management is responsible for managing ASG's assets, by ensuring vehicles are properly accounted for and safeguarded. The Code authorizes Property Management to maintain a Master Inventory Control Record of capital assets, as well as conducting an annual inventory of properties held by each accountable Department.

Objectives, Scope, and Methodology

Audit Objectives

The review included the following objectives:

- Determine whether the Department of Public Safety's (Public Safety) purchases were properly authorized in accordance with ASG laws and regulations, necessary, and consistent with best practices.
- Determine whether Public Safety's purchases were properly received, paid, and recorded.
- Determine whether Public Safety's capital purchases are entered into the fixed asset accounts, recorded on a fixed assets register, and periodically inventoried.
- Determine whether the vehicles in Public Safety's possession agree with Property Management's records.
- Determine whether Public Safety maintains adequate control over cash received at its offices.

Audit Scope

We assessed the internal controls currently in place for vehicles and cash handling and the audit scope for Public Safety's payments included the fiscal year ending September 30, 2022.

Audit Methodology

- Reviewed ASG's purchasing requirements specified in the American Samoa Annotated Code.
- Reviewed ASG's purchasing requirements specified in the Procurement Office's purchasing regulations.
- Interviewed staff at Public Safety to understand how they procure items, process invoices for payments, and submit payment requests to Treasury.
- Developed a flow chart of the Public Safety's procurement and payment processes.

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- Obtained a listing of local payments from Public Safety for fiscal years 2020-21, 2021-22, and 2022-23.
- Selected 35 of Public Safety's local fund payments totaling over \$190,000 to verify that the transactions were appropriate and adequately supported by documentation. We were only able to obtain 16 out of the 35 payments because Public Safety did not maintain all of the supporting documentation of payments submitted to Treasury. In October 2023, we requested Treasury to provide us with the supporting documentation for 19 payments; however, Treasury did not provide these documents to us, which were included in our initial 35 payments selected for testing.
- Reviewed all the expenditures for the Highway Safety Grant.
- Reviewed the American Samoa Annotated Code to understand the Property Management's responsibilities for ensuring that ASG's assets are safeguarded.
- Reviewed Property Management's policies regarding its responsibilities for ensuring that ASG established controls over capital assets.
- Interviewed staff from Property Management to understand how they maintain accountability for ASG's vehicles.
- Inventoried Public Safety vehicles that were in Property Management's records to determine whether all Public Safety's vehicles could be located. In some cases, we had to check the vehicle identification numbers to determine the vehicle identification numbers agreed with Property Management's records (See Appendix 1 for Property Management's listing of Public Safety's vehicles used to inventory Public Safety's vehicles).
- Interviewed Public Safety staff regarding how they account for their vehicles.
- Conducted a surprise cash count at Public Safety's main office and at the Tafuna Office of Motor Vehicles to determine whether Public Safety has two people with keys to the cash box, deposited money on a daily basis as ASG's policies required, whether Public Safety has adequate procedures for handling cash, whether Public Safety uses pre-numbered receipts for cash collections, and whether Public Safety spot checks those responsible for maintaining custody of cash.

The review was performed in accordance with Generally Accepted Government Auditing Standards, except for an external peer review, which is planned for late 2025. Those standards require that we plan and perform the audit to obtain sufficient evidence to provide a reasonable basis for our findings and conclusions as per audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions in accordance with the audit objectives.

Finding 1
**Improved Coordination is Needed Between the
Department of Public Safety and the Department of Property Management
to Ensure Better Accountability for Public Safety's Vehicles**

Summary paragraph

Property Management and Public Safety share responsibilities in accounting for Public Safety's fleet of vehicles. Our audit found that better coordination between the two departments is needed to ensure better accountability for Public Safety's vehicles. Specifically, we noted discrepancies between Property Management's inventory records and the vehicles in Public Safety possession. These discrepancies included:

- Two Public Safety vehicles in Property Management's records could not be located
- Public Safety had three vehicles in their possession that were not in Property Management's records
- The license plates for six Public Safety vehicles license did not agree with Property Management's records because Public Safety changed the license plates on these vehicles without notifying Property Management
- Five Public Safety vehicles and one motorcycle were damaged beyond repair and stored at private garages
- Two Public Safety vehicle were transferred to the Department of Search and Rescue but continued to use Public Safety's license plates

Property Management and Public Safety share responsibilities in accounting for Public Safety's fleet

American Samoa Annotated Code (Code), assigns responsibility to Property Management to ensure that ASG's assets are properly accounted for and safeguarded. The Code authorizes Property Management to maintain a Master Inventory Control Record of capital assets, as well as conducting an annual inventory of properties held by each accountable Department. In addition, Property Management has the authority to write off and dispose of such property.

Consistent with the Code, Public Safety is responsible for maintaining accurate and up-to-date records of ASG's motor vehicle fleet. In accordance with these requirements, Property Management has developed written policies and procedures to ensure that vehicles are accounted for properly. These procedures state, "All motor vehicles of the ASG, except those excepted elsewhere in this chapter, shall bear special markings and identification consisting of the following:

- (1) "For Official Use Only";

- (2) ASG decalcomania;
- (3) Identification plates such as plate numbers prefixed by letters, indicating department or office.

While Property Management is ultimately responsible for overseeing ASG’s assets, it is largely dependent on the department to assist in carrying out its responsibilities. In regards to Public Safety vehicles, Public Safety needs to provide Property Management with the necessary information to compile and maintain complete and accurate inventory records. Property Management’s procedures further stipulate that all property acquired by the government will be charged to an accountable officer who will maintain inventory records. The accountable officer of each department must complete a physical inventory of equipment annually and reconcile that inventory with the Department’s records and with Property Management’s inventory records to ensure continued accuracy.

Public Safety was unable to provide an inventory list or list of vehicles in their possession; therefore, the review and findings noted in this report used the vehicle records provided by Property Management.

Discrepancies exist between Property Management’s vehicles records and the vehicles in Public Safety’s possession

We conducted a physical inventory of Public Safety’s vehicles using Property Management’s records to determine whether all of Public Safety’s vehicles could be located. Our physical inventory identified discrepancies between Property Management’s asset records and the vehicles in Public Safety’s possession. These discrepancies are described below.

Two Public Safety vehicles in Property Management’s records could not be located

The Department of Property Management’s records included two police vehicles that could not be located. Exhibit 2 below shows the year purchased, the make, the model, and the reported location of the vehicles.

Exhibit 2
Police Vehicles in Property Management’s
Records that could not be located

Year	Make	Model	Location per Property Management’s records
2014	Nissan	Titan	Manu’a Island - Ta’u
2009	Jeep	Patriot	Main Office

Exhibit 2 above shows the two Public Safety vehicles that were in Property Management’s records but could be not located.

Public Safety had three vehicles in their possession but were not in Property Management’s records

We identified three vehicles in Public Safety’s possession but were not in Property Management’s records. Exhibit 3 below lists the three Public Safety vehicles that were not in Property Management’s records.

Exhibit 3
Vehicles in Public Safety’s possession but not in Property Management’s records

License Plates	Make	Model
DPS-14	Ford	F-150
DPS-4	Ford	F-150
Loaner	Ford	Escape

As Exhibit 3 above shows, Public Safety had two Ford F-150 pickups and a Ford Escape that were not in Property Management’s records. In regards to the loaner vehicle, a car dealership provided Public Safety with 2010 SUV Hyundai Tucson, which was used for drivers’ education. The car dealership later replaced the original loaner vehicle with a 2022 Ford Escape. The original vehicle was still in Property Management’s records but the replacement vehicle was not reflected in their records.

The license plates for six Public Safety’s vehicles license did not agree with Property Management’s records because Public Safety changed the license plates on these vehicles without notifying Property Management

The audit identified six Public Safety vehicles for which the license plates did not agree with Property Management’s records because Public Safety changed the license plates on the vehicles without notifying Property Management. To account for these vehicles, we had to compare the vehicle identification numbers on vehicles and trace them back to Property Management’s inventory records.

The license plates were changed because these vehicles were inoperable and Public Safety transferred the license plates to usable vehicles, without notifying Property Management. These vehicles had been either damaged beyond repair or stored at vehicle repair workshops. Exhibit 4 below lists the Property Management’s records of license plates and vehicles, Public Safety records of the vehicles license plates, the vehicle make, and the vehicle model.

Exhibit 4

Public Safety’s vehicles with license plates that did not match Property Management’s inventory records

Property Management’s License Plate	Public Safety’s License Plate	Make	Model
DPS-14	DPS 58	Ford	Interceptor
DPS-39	DPS 34	Toyota	Tacoma
DPS-47	DPS 44	Toyota	Tacoma
DPS-44	DPS 26	Ford	F-150
PS-80	DPS 50	Ford	F-150
DPS-4	DPS 3	Ford	Explorer

As Exhibit 4 shows, the license plates for six Public Safety vehicles did not agree with the license plates on the Property Management’s records because Public Safety changed the license plates on six vehicles without notifying Public Safety.

Five Public Safety vehicles and one motorcycle were damaged beyond repair and stored at private garages

The audit identified five Public Safety vehicles and one motorcycle that were damaged beyond and stored at private auto repair shops. The five vehicles and one motorcycle are shown in Exhibit 5 below.

Exhibit 5

Five Public Safety vehicles were damaged beyond repair and stored in private auto repair shops

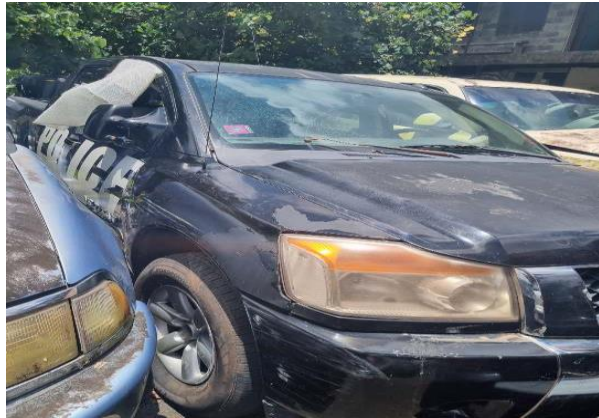
License Plates	Make	Model
DPS 61	Nissan	Titan
DPS 10	Ford	Explorer
No plate	Chevrolet	Silverado
DPS 50	Ford	F-150
DPS 7	Ford	Escape
No plate	Harley Davidson	Electra Glide Motorcycle

As Exhibit 5 above shows, five Public Safety vehicles and one motorcycle were found damaged and stored at private auto repair shops for more than one year. Additionally, a motorcycle was damaged and also stored at private repair shop. Below are the photos of these vehicles showing that they are unrepairable.

Chevrolet Silverado



Nissan Titan – DPS 61



Ford F150 – DPS 50



Ford Explorer – DPS 10



Harley Davidson Motorcycle



Ford Escape – DPS 7



The auto repair shops reported that they will not release the vehicles until Public Safety pays for the garage and storage fees. We estimate that storage fees would be more than \$9,000 annually for each vehicle.

Two Public Safety vehicles were transferred to the Department of Search and Rescue but continued to use Public Safety’s license plates

Under the Governor’s Executive Order 005-2022, the Search and Resue Agency (Search and Rescue) was established as an independent entity of the American Samoa Government. Search and Rescue is responsible for providing search, rescue, fire protection, marine patrol, and emergnecy medical services. The order took effect on July 1, 2022, but the preparations for the establishment of the search and rescue agency began immediately upon issuing of this order. Search and Rescue has its own appointed Director, budget, and account.

Before Search and Rescue was created, the duties of the new department were handled by the Public Safety’s Fire Bureau (Bureau) and Marine Patrol Unit (Unit). The Executive Order instructed that all personnel and property under this Bureau and Unit shall be transferred to Search and Rescue.

Although Search and Rescue has their own assigned license plates, we identified two vehicles used by the Search and Rescue Agency that still use Public Safety license plates. Exhibit 6 shows the license plates of the two vehicles used by the Search and Rescue Agency.

Exhibit 6
Two vehicles of the Search and Rescue Agency
were using DPS license plates

License Plates	Make	Model
DPS-18	Ford	F-150
DPS-19	Ford	F-250

As Exhibit 6 shows, the Search and Rescue Agency is using two vehicles with Public Safety’s license plates. An operating department should not be using the license plates of another department, once the transfer is finalized.

At our exit conference on August 15, the Search and Rescue Director and the Property Management Director noted that Public Safety’s license plates have been removed and replaced with Search and Rescue Agency’s license plates.

The lack of accountability for Public Safety’s vehicles point to the need for better coordination between Property Management and Public Safety. The problems stem from not strictly adhering to the requirements in the Code and in Property Management’s policies and procedures. This includes developing written policies and procedures to ensure compliance with the Code and Property Management’s policies and procedures. Public Safety needs to designate a staff person to be responsible for maintaining accurate and complete records on its fleet, conduct periodic inventories of vehicles, report changes on the status of vehicles to Property Management, compare Public Safety’s records with Property Management’s records, and reconcile differences. Property Management also needs to conduct at least annual inventories of Public Safety’s vehicles and reconcile any differences in the two departments records.

Conclusion

Our audit found that better coordination between Property Management and Public Safety is needed to ensure adequate accountability for Public Safety’s fleet.

To improve accountability for its fleet, Public Safety should implement the following recommendations.

Recommendations

To address these issues, we recommend Public Safety:

- 1) Develop written a policy and procedure that assigns responsibility for overseeing its fleet. This procedure should assign responsibility for maintaining accurate and complete records on vehicles, conducting regular inventories of vehicles, reconciling differences between the inventories and Property Management’s inventory records, and

coordinating with Property Management's to ensure that Public Safety's records and Property Management's records agree.

- 2) Report to Property Management when a license plate is changed on a vehicle.
- 3) Discontinue the practice of towing unrepairable vehicles to private garages. Vehicles damaged beyond repair should be reported to Property Management for the proper disposition of these vehicles.

We also recommend Property Management implement these recommendations:

- 4) Conduct an annual inventory of Public Safety vehicles to determine whether all Public Safety vehicles can be accounted for and located.
- 5) Work with Public Safety to resolve any differences between its inventory records and Public Safety's vehicles.

Finally, Search and Rescue should implement the following recommendation:

- 6) Request new license plates for vehicles with Public Safety plates and report the new license plate information to Property Management.

Finding 2
A Limited Review of Public Safety Payments
Found Several Irregularities

Summary Paragraph

Public Safety's Finance Unit is responsible for monitoring and overseeing the financial activities of the Department. They are also responsible for ensuring that appropriate policies and procedures are established as well as ensuring that controls are in place and the Department is in compliance with all relevant regulations.

Our limited review of Public Safety payments identified the following irregularities.

- Public Safety used Quick Purchase Orders to acquire purchases above the authorized threshold of \$3,500
- Public Safety paid a contractor \$32,256 more than the approved contract amount
- Public Safety inappropriately reimbursed a high-level Officer for expenses dating back years and for payments his business provided service to Public Safety, which appears to be a conflict of interest
- Public Safety lacks written policies and procedures
- Public Safety does not maintain supporting documentation for payments

Our review of Public Safety was limited because the Finance Unit was unable to provide us with supporting documents needed to review these payments. Thus, we were unable to complete all the work that was planned.

Public Safety's use of Quick Purchase Orders does not comply with ASG policy

Section 2.3 of ASG accounts payable policies and procedures manual states that "To expedite certain payments, a direct payment voucher or Quick Purchase Order can be utilized at the discretion of the Department Director or Department Head. The Quick Purchase Order may be used under specific conditions, but never to avoid Procurement and Property Management policies or the federal Common Rule for purchases under grants or federal award". The Treasury Department's policy guidance for direct payment vouchers states that Direct Payment Vouchers above \$500 must be approved in advance by the Treasurer. Additionally, the Direct Payment Vouchers or Quick Purchase Orders should only be used to purchase items classified as "Materials and Supplies" or "Other Expenses." In the General Memorandum serial #003-22 of Oct 2021, the ASG Office of Procurement revised the threshold for all micropurchases to a dollar value up to \$3,500.

Our limited review of six purchases over \$3,500 found Public Safety used Quick Purchase Orders, without obtaining prior approval from the Treasurer. These six purchases totaled \$116,673, and the amounts ranged from \$3,550 to \$60,693. The \$60,693 payment was for emergency food.

The frequent use of Quick Purchase Orders increases the risks of purchasing goods and services with little consideration for transparency, fairness, and accountability as encouraged by purchasing and procurement rules.

The Department paid a contractor \$32,000 more than the approved contract amount

Department of Public Safety contracted with a vendor to provide \$54,432 in radio advertisements using federal monies. Specifically, Public Safety issued two contracts of \$27,216 each for a vendor to provide radio advertising (1) to raise awareness of using seat belts and other safety measures, and (2) to raise awareness on the dangers of driving under the influence and speeding.

We determined that Public Safety paid the vendor \$86,688, or \$32,256 more than the amount in the contract. The additional monies were used to pay for additional radio advertising to raise awareness of the dangers of driving under the influence and speeding.

The contract specifically states that any amendments to the contract for additional services or payments must be approved in writing by the contractor and ASG. No such amendment was signed for the services and payments. Thus, Public Safety did not comply with the terms of the contract and paid the contractor \$32,256 more than the amount specified in the contract.

A high-level Public Safety officer was paid approximately \$3,300 in questionable expenses

The limited review identified several payments totaling \$696 paid to a high-level Public Safety officer for fuel purchases dating back to 2014, 2015, 2016 and 2019 respectively. Additionally, the Public Safety Commissioner's authorized signature was missing on the supporting invoices for these payments.

These payments conflict with Treasury Department Policy 1.17, which states, "All purchase/travel requests must be authorized by the department director or designee." The Office of Procurement Standard Operating Procedure (SOP) under section 4.0 Employee Reimbursements states that, "Employees shall always keep receipts and submit them for reimbursement within 60 days of the expense."

In addition, this same high-ranking officer was paid another \$2,662 for services provided by a business in which the officer has a financial interest. These payments were for car repair services provided by auto repair shop owned by the officer.

Section 10.0292 of the American Samoa Administrative Code Section addresses ethical standards of conduct and specifically addresses employee conflicts of interest. Specifically, this section reads as follows:

- a. **“Policy. It shall be a breach of ethical standards for any employee to participate directly or indirectly in a procurement when the employee knows that:**
- b. **the employee or any member of the employee’s immediate family has a financial interest pertaining to the procurement.**
- c. **A business or organization in which the employee, or any member of the employee’s immediate family, has a financial interest pertaining to the procurement: ~~or~~**
- d. **The Department shall develop and establish policies, procedures and processes to identify, reporting and administration of conflicts of interest situations.”**

We also noted identified similar reimbursement requests totaling \$15,745 from the same officer. According to the Public Safety Finance Manager, he refused to pay the officer for the \$15,475 in reimbursement requests.

We believe that this high-ranking officer’s business interest in the car repair shop and doing business with Public Safety is a conflict of interest. We suggest that Public Safety discuss this matter with the Office of the Attorney General to determine whether this situation poses a conflict of interest and how to address this issue in the future. Additionally, Public Safety should, as the American Samoa Administrative Code requires, develop and implement policies, procedures, and processes to identify, report, and administer conflicts of interests.

Public Safety’s Finance Unit lacks written procedures

Developing and implementing written procedures is an integral part of a successful quality control system. Such procedures provide employees with information to perform a job properly and facilitate consistency in the quality and integrity of the result. These can be prepared in the form of instructions, worksheets, or guidelines and should be written and staff should be trained on the use of these procedures.

Public Safety’s Finance Unit lacks a formal set of written policies and procedures to guide the activities of this unit.

Public Safety's Finance Unit needs to maintain better supporting documentation for its payments

Public Safety's Finance Unit is responsible for preparing the supporting documents necessary to support the processing of payments before submitting a payment request to Treasury, the department responsible for reviewing, approving, and issuing the payments to vendors. Generally, Public Safety compiles the certified invoices and vouchers for payment referred collectively as "supporting documents" and submits them to Treasury. Treasury then reviews the supporting documents for accuracy, completeness, and compliance with the ASG procedures. Once the payment vouchers are certified, Treasury issues the payment, either by check or electronic fund transfer. Treasury maintains the original supporting at its Disbursement Section. Public Safety's Finance Unit, or any department initiating payments, should maintain copies of the supporting documents at their office.

We selected 35 payments for testing. We were only able to test 16 payments because Public Safety did not maintain all supporting documentation for payments submitted to Treasury.

We found that the Finance Unit of Public Safety did not securely file all relevant supporting documents. The lack of supporting documents occurred because Public Safety did not make copies of the documents or obtain copies from Treasury. Also, even when Public Safety obtained copies, they could not locate the supporting documentation in their files.

Additionally, we requested Treasury to provide the supporting documentation, but as described in the Objectives, Scope, and Methodology, Treasury did not provide us these documents that were requested in October 2023.

Conclusion

Our limited review of Public Safety payments identified the following irregularities: Public Safety used Quick Purchase Orders to acquire purchases above the authorized threshold; Public Safety paid a contractor \$32,256 more than the approved contract amount; Public Safety inappropriately reimbursed a high-level officer for expenses dating back years; and this officer also owns an auto repair shop, which Public Safety paid for services provided by the officer's business, seemingly violating American Samoa's conflict-of-interest laws. Additionally, Public Safety lacks written policies and procedures and does not maintain supporting documentation for its payments.

To address these deficiencies, Public Safety should implement the following recommendations:

Recommendations

- 7) Develop written policies and procedures to comply with the ASG's purchasing requirements.
- 8) Develop written policies and procedures for processing payment requests to Treasury.
- 9) Maintain its own documentation supporting payment requests submitted to Treasury.
- 10) Use Quick Purchase Orders in accordance with ASG procurement regulations.
- 11) Ensure that any change orders for contracts are approved in advance of the vendor providing the service.
- 12) Comply with the Office of Procurement Standard Operating Procedure under section 4.0, requiring receipts to be submitted for requests for reimbursement within 60 days of incurring the expense. Reimbursements claimed for expenses incurred more than 60 days should be denied.
- 13) Meet with the Office of the Attorney General to discuss the conflict-of-interest situation involving a high-ranking officer with a business interest in a car repair shop doing business with Public Safety.
- 14) Develop and implement policies, procedures, and processes to identify, report, and administer conflicts of interests.

Finding 3

Public Safety Needs to Establish Written Criteria to Ensure Car Seats Provided under the Occupant Protection Program are Equitably Distributed to Low-Income Households

Summary Paragraph

The federal Office of Highway's Occupant Protection Program (Program) provided 200 child safety seats to American Samoa to distribute to low-income households in American Samoa. Public Safety distributed these child safety seats without establishing written eligibility requirements. Thus, Public Safety cannot provide adequate assurance that these safety seats were distributed to low-income families, the intended target of these child safety seats.

The Program provided child safety seats for low-income households in American Samoa but Public Safety distributed these seats without developing written procedures

The Program provided child safety seats to Public Safety to be distributed to low-income households in American Samoa. The primary goal of the Program is to reduce traffic-related crashes, injuries, and fatalities resulting from individuals riding unrestrained or improperly restrained in motor vehicles. The Program is intended to assist low-income families and others to have access to the correct car seat for every child at every age. These car seats are made available for free to parents and legal guardians of children from birth until the child is ready to ride safely without a seat.

Public Safety received and distributed at least 200 child safety seats intended for low-income households. The audit revealed Public Safety did not establish eligibility requirements before distributing the car seats to families. Public Safety distributed the car seats to families based solely on written applications. Thus, Public Safety cannot provide adequate assurance that the car seats were distributed to low-income families, as the Program intended.

Conclusion

The Program provided child safety seats to be distributed to low-income households in American Samoa. Public Safety received and distributed these child safety seats without establishing written eligibility criteria. Thus, Public Safety cannot provide adequate assurance that the car seats were distributed to low-income families, as the program intended.

To ensure that in the future these car seats are given to low-income households, Public Safety should:

Recommendation

- 15) Establish certain written criteria for the proper distribution of Occupant Protection Program car seats to low-income households. The program is meant for low-income people and criteria such as proof of income, the household applicant must have a vehicle, and shall attend training on how to use car seats for the safety of passenger(s). The information should be logged, reviewed, and approved by a designated officer of the Department and filed accordingly.

Finding 4
**Public Safety Could Improve Controls Over Cash Handling
at the Office of Motor Vehicles and at its Records Office**

Summary Paragraph

We conducted surprise cash counts as part of our audit of Public Safety. The surprise cash counts included the Office of Motor Vehicles (OMV) in Tafuna and the Records Office in Fagatogo. We found that Public Safety could improve controls over cash handling.

The Records Office only has one key to the cashbox

The ASG Cash Receipts Policy Manual under section 1.9 “Cash Collections Will Be Adequately Safeguarded” states, ***“Ideally, the combination to the safe and/or key to the lock box should be controlled by only two individuals, the custodian and the individual in management as back up”.***

The Record Office’s Manager does not keep a key to the cash box; thus, only one staff in the Records Office has a key.

Public Safety should ensure that cash is deposited daily as required

Section 1.8 of the ASG Cash Receipts Policy Manual requires all deposits should be made daily and intact and no cash should be retained or spent. The sooner the funds can be deposited, the less exposure to theft or loss. Ideally, all funds shall be deposited daily or immediately of the next business day.

Although our surprise cash count did not identify any exceptions, the Records Office Manager reported that some cash could not be deposited daily due to the unavailability of vehicles.

Management is still responsible for ensuring that all cash is deposited daily and intact.

Public Safety lacks written procedures for its cash handling activities

Written procedures are necessary to guide staff in the proper handling of cash. The handling of cash poses a number of fraud risks so written procedures are needed to minimize these risks. Although the Treasury Department has established a written Cash Receipts Policy Manual, departments, including Public Safety should establish its own written procedures to ensure that staff understand the cash handling procedures they should follow for their own operations.

Public Safety lacks formal written procedures for its cash handling activities. Such procedures are necessary to ensure that Public Safety's cash handling activities comply with the ASG's Cash Receipts Policy Manual. During our cash count, Public Safety could not provide us with a written set of instructions for cash handling. Additionally, we found no evidence that the staff in the Finance Unit was provided Treasury's Cash Receipts Policy Manual.

Pre-printed manual receipts were not always checked and as a result, the manual cash receipt book at the OMV has two same receipt numbers

Although Public Safety uses pre-printed manual receipts, we found receipts with duplicate numbers at OMV. Having duplicate receipt could potentially create an internal control weakness, which could lead to malfeasance. With two receipts having duplicate numbers, someone who pocket the cash from one receipt and still be able to account for all of the pre-numbered receipts.

To remedy this problem in the future, Public Safety should develop a written procedure requiring staff to review the pre-numbered receipts in the receipt book and void all duplicate receipts.

Public Safety's Finance Unit does not conduct periodic spot counts of the cash custodian(s) collections

Periodic spots counts are an internal control to ensure that the custodian of cash to ensure that person responsible for maintaining control of cash is handling this responsibility properly.

During our surprise cash counts, we found that Public Safety does not conduct periodic spot counts to ensure that monies have been properly accounted for. In fact, the cash custodians could not recall if these spot checks have ever been performed.

Additionally, we noted that Public Safety has improved its cash handling since our last cash count audit in June 2022.

Conclusion

We conducted surprise cash counts as part of our audit of Public Safety. The surprise cash counts included OMV and the Records Office in Fagatogo. Generally, Public Safety's controls over cash handling were sufficient but minor improvements would enhance its cash handling processes.

To address these cash handling issues, we recommend Public Safety implement the following recommendations:

Recommendations

- 16) Keep a spare key for the cashbox with the Manager of the Records Office.
- 17) Deposit all cash received on a daily basis in accordance with ASG procedures.
- 18) Formalize and develop cash handling procedures to comply with the ASG Cash Receipts Policy Manual.
- 19) Check all receipt books to ensure that receipt sequence is in order and that there are no missing or duplicated numbers. Any duplicate receipts should be voided.
- 20) Formalize procedures for conducting spot counts of the custodian(s) for cash funds and clarify roles and responsibilities for conducting such spot counts.

**Appendix 1:
Property Management's Record of
Public Safety's Fleet by Section**

Public Safety Section	Year	Make	Model	No. of Vehicles
Traffic	2018	Harley Davidson	Motor Cycles	5
	2021	Harley Davidson	Motor Cycles	2
	2022	Harley Davidson	Motor Cycle	1
Traffic	2017	Ford	Interceptor	1
	2019	Ford	F-150	1
	2020	Toyota	Tacoma	2
	2022	Chevrolet	Tahoe	2
	2022	Ford	F-150 STX	2
Highway Safety	2019	Ford	F-150	1
	2020	Toyota	Tacoma	1
	2021	Ford	Ranger	1
	2022	Ford	Transit Mini Van	1
Vice and Narcotics	2009	Chevrolet	Silverado	1
	2012	Chevrolet	Suburban	1
	2017	Ford	F-150	1
	2018	Ford	F-150	1
	2023	Ford	F-150	1
Director	2023	Ford	Expedition	1
Main Office	2009	Jeep	Patriot	1
	2010	Ford	Explorer	2
	2015	Ford	Explorer	1
	2018	Ford	Explorer	1
	2020	Toyota	Tacoma	1
Criminal Investigation	2010	Ford	Escape	1
	2014	Chevrolet	Impala	1
Motor Commercial Safety	2011	Ford	F-250	1
	2016	Ford	F-150	1
	2017	Ford	Explorer	1
	2021	Ford	F-150	1
	2022	Ford	F-150 XLT	1
Tafuna Sub Station	2014	Ford	F-150	1
Manu'a Islands • Ofu • Ta'u	2011	Nissan	Titan	1
	2014	Nissan	Titan	1

Department of Public Safety's Response



HON. LEAMANI P.S. MAUGA
Governor

HON. LA'APU'U AUEGA L.V. ALE
Lieutenant Governor

DEPARTMENT OF PUBLIC SAFETY
AMERICAN SAMOA GOVERNMENT
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Office of the Commissioner



PC LEFITIAHULAGI F. PESE
Commissioner

VAIPUNA FO'IFUA, Jr.
Deputy Commissioner

TERRY S. IETULI
Deputy Commissioner

August 22, 2024

Serial No. 136-2024

Mr. Mike Edmonds, Territorial Auditor
Territorial Audit Office
2nd floor, Tedi of Samoa Building
Pago Pago, American Samoa 96799

Dear Mr. Edmonds:

Thank you for the opportunity to have our department be audited for their services within our government operation. Since my staff were in attendance during our exit conference, most of the issues cited were verbally answered to determined our position in the matters of finding and recommendation.

Please find the following response to some of the mentioned finding as discussed:

1. **ACCOUNTABILITY OF PUBLIC SAFETY'S VEHICLES:**

As discussed in our exit conference, our office now working to have all our existing vehicles to be recorded into our filing system. We REQUEST Director Poleen Asalele for a copy of all DPS aka Police Department vehicles with known VIN Number of each vehicle to complete our search for vehicles that should be account for surveying and be taken-off from our record and Property Management Office files.

With these actions, all the survey vehicles at each individual garage must be returned to the Office of Procurement Management.

With these actions, all the survey vehicles at each individual garage must be returned to the Office of Procurement Management.

For the current Loaner vehicle at the Office of Motor Vehicle, we are now waiting a response from the Dealership for terms and condition of how we acquired this vehicle and any other future transactions on this matter.

2. **MONITORING AND OVERSEEING – FINANCIAL ACTIVITIES:**

Starting in Fiscal Year 2023, all these irregularities in finance unit were now implemented through fiscal year 2024. Except that we are now acquired information through Budget Office and Office of Procurement of why they approved all these transactions of up to \$10k.

For matters of highly purchases and conflicts of interest transaction with most of them have no documents on file. Wish we have on board our last Financial Manager to give us and explained these matters.

For the over-payment of one contract in the amount of \$32,256, the Grantor authorized the overpaid amount as prescribed in the finding, following our validation request.

Failure to approve the overpayment will result in the Grantor withholding reimbursement for the local funding utilized for the paid advertising. The change notice request was duly processed and approved by Procurement before any payment processing.

3. **ESTABLISHED CRITERIA FOR OCCUPANT RESTRAING PROGRAM:**

For the past fifteen (15) years, the Child Seat Safety Program has been diligently serving our community without a formal written procedure. Our mission is to support drivers who are stopped by the police for not having a car seat by providing them with one and waiving the citation. We have now expanded the program to include low-income families, ensuring that care seats are readily available as needed. Our aim is to ensure that all drivers comply with the 22.0332 Child Passenger Restraints Law in American Sama.

4. **CASH HANDLING – RECORD OFFICE & OFFICE OF MOTOR VEHICLES:**

We acknowledge your recommendation on two (2) sites at DPS that handle cash every working day. We will develop procedures and written policies to cover both offices that handled cash and must be deposited every day. Also, we will formalize procedures to have our financial office to conduct spot counts on each location.

If more information be needed, please do not hesitate to contact our office.

Regards,



PC Lefiti Atiulagi F. Pese
Commissioner

Department of Search and Rescue's Response



LEMANU P. S. MAUGA
Governor
LA'APUI TALAUEGA E.V. ALE
Lt. Governor

**DEPARTMENT OF SEARCH AND RESCUE
AMERICAN SAMOA GOVERNMENT**

5050 Mosooi Business Center, Suite 202, Pago Pago, American Samoa 96799 ~ (684)699-4462



SAVE LIUATO A. TUITELE
Director

August 19, 2024

SERIAL: 2024-061

Mr. Mike Edmonds
Territorial Auditor
Territorial Audit Office
American Samoa Government
Pago Pago, American Samoa 96799

Dear Mr. Edmonds:

This is to inform your office that corrective actions have already been taken with regards to the two vehicles reflected in Finding of your audit report pertaining to the Department of Public Safety.

The license plates on the two said vehicles have already been replaced with Department of Search and Rescue's license plates. The Office of Property Management has also been informed of the corrective actions.

Should you have any other questions, feel free to contact me at 699-4462.

Sincerely,


SAVE LIUATO A. TUITELE
Director