

Finian

Allege Tinian Govt. Squandered Funds

By Diane Maddex
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SAIPAN - The Marianas District Attorney has been asked to investigate allegations that the Tinian municipal government manipulated fiscal records and misused public funds.

A just-completed audit report has uncovered a general "looseness in fiscal procedures and controls that has caused or permitted certain questionable conditions to occur." Among these the report mentions the possible personal use of a public money, the unauthorized diversion of a Congress of Micronesia grant for a trip to the Orient, "overtones of manipulation" in the Tinian scholarship fund, unaccounted funds, "a most questionable control of cash" and excessive operating expenses, especially for travel.

Prepared by the Trust Territory internal auditors, the report covers the period Jan. 1, 1971, to June 15, 1973. It was completed Aug. 2 and referred to the Marianas District Administrator's office Aug. 8. The report is now in the hands of the district attorney for further investigation as was recommended by the auditors.

The audit report found \$2,473 unaccounted for among the \$77,038 the Tinian government received during the audit period. The auditors state that because of the widespread lack of records, its figures could not be fully verified. Of 600 payments studied, the auditors said that 40 percent had no "acceptable supporting documentation."

This has created in the Finian treasury, says the

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Charge Tinian Manipulated Books

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report, "a situation in which an accountability or a responsibility for an exact amount of public funds cannot be easily or readily ascertained."

While making a formal investigation of its findings the primary recommendation, the audit report also urges that the District Administrator relieve the Tinian mayor and treasurer of "direct control of cash and checking accounts" so that all collections and disbursements will be handled by district finance personnel.

"A small community like Tinian permits more personal interaction on fiscal matters with less reliance on stringent controls," say the auditors.

To remedy the particular discrepancies cited in the report, the auditors also recommend that the Tinian government in the future maintain current receipts and disbursements journals, deposit all funds in a bank account, make all payments except petty cash by check and have supporting documentation for all payment vouchers. The report suggests that the DistAd and his representative on Tinian review and approve all vouchers for payment.

Although municipal audits are regular procedures, the DistAd was specifically requested

to have the TT auditors look into the propriety of using the congress grant for the May trip to the Orient. The request came from former municipal council speaker Felipe C. Mendiola, who lost his seat in the last election.

The 10-day trip was undertaken to assess the impact of military installations on the local communities. A subsequently disclosed memo also lists a study of the shark industry as another motivation for the trip.

According to the audit report, the mayor and municipal council agreed to "borrow" \$6,000 for the trip from a \$12,500 congress grant earmarked for community projects on Tinian. The grant carried a provision expressly prohibiting its use for travel. The municipal government is also required to pass an ordinance specifically appropriating such funds, explains the audit report.

Participants in the trip were Mayor Antonio S. Borja, council speaker Harry L. Cruz, vice speaker Leonardo F. Diaz, council member Sylvestre T. Cruz and Felipe Q. Atalg, Tinian's representative in the Congress. Each was allotted \$900, of which \$432 was used for air fare, says the audit report. The remaining \$468 applied toward each traveler's per diem was called excessive by the auditors.