

Legislative roundtable addresses \$8K theft at Agueda Johnston Middle School

By **Rebecca Elmore** - July 20, 2017



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Guam – Every year, students, parents, and staff from GDOE’s 41 campuses work tirelessly to fund raise for their school. But what happens when those funds are stolen? That’s the scenario facing Agueda Johnston Middle School: about \$8,000 was reportedly missing from their non-appropriated fund which houses the students’ hard-earned cash.

To address and mitigate these issues, Education Oversight Chairman Senator Joe San Agustin held roundtable meeting on the alleged theft of non-appropriated funds.

“NAF are basically funds raised at the school level which are then used to support activities and organizations for school wide needs,” the superintendent said.

In his testimony, Superintendent Fernandez says they’re currently working to update the NAF policies.

"I know the impetus of this hearing has been some recent concern regarding NAF about Agueda, but because there's an ongoing investigation in this matter I would defer any comments that refer to the specifics in order to maintain the integrity of the investigation. However, we're happy to address questions about NAF across the system. I want to assure you though that we do take that matter very seriously and it has been on our radar as a matter of high priority. It's even risen to the level of us filing a police report," he said.

But addressing this issue is just the tip of a problematic iceberg as unaccounted NAF funds has been plaguing the department for some time.

"On a yearly basis, GDOE reports upwards of \$2 – \$2.5 million dollars in NAF that are on the books at any one time. And that reflects very active fundraising at any of our 41 schools," he said.

The Superintendent says this amount is divided across roughly 50 separate bank accounts including over 900 sub-ledgers and that alone, represents 30-50 thousand transactions a year.

To manage an account as admittedly complex and large as GDOE's, Fernandez says it is no easy task. And whenever cash is involved, there's always that added risk of misuse of funds.

"I want to just emphasize that it would be a clean and easy approach for DOE to minimize this risk by simply not allowing or not having NAF on our campuses and eliminating that risk altogether. However, the challenge is that NAF is relied upon by 31K students and their families to support student needs and events including club activities, participation in off-island programs, or competitions, award ceremonies, and other similar uses," he explained.

Maria Gutierrez says one of the issues stems from GDOE's inability to audit Parent Teacher Organizations. She says each PTO has the responsibility to register with Rev and Tax, but she admits that not every PTO under GDOE has done so, leaving them susceptible for audit.

“It’s true, some of [the PTO’s] are not registered. Some of them have been doing fundraising and they’re not registered, I told them you know, if you get audited you’re really going to be in trouble with Rev and Tax. A lot of these officers of the PTO’s are employees of DOE,” she said.

And Senator San Agustin agreed.

“The department has made every effort, I know that. And I know that the tax enforcement administrator wants to start closing down the PTO’s. Enough is enough... that’s why I’m very concerned that the PTO’s have got to have some strong connection or hands tied with the department because they can’t keep doing this. Because out of 41 schools, I would not hesitate to state that not even half of that is fully in compliance,” he said.

Ultimately, the Education Oversight Chairman said he would work with the Department of Rev and Tax, to once again promote awareness on the regulations and even potentially streamline the process for PTO’s.

Comments

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