

MEMORANDUM OF UNDERSTANDING
COOPERATION AND MUTUAL SUPPORT BETWEEN OFFICE OF
KOSRAE STATE PUBLIC AUDITOR AND THE OFFICE OF THE
ATTORNEY GENERAL

Whereas, it is understood that the 10 KSC 4 *et seq.* states that the Public Auditor shall inspect and audit personally, or by his duty authorized assistants, all accounts, books and other financial records of the State Government, to include but not be limited to, every branch, department, office, political subdivision, board, commission, agency, other public legal entity (owned, or partially owned, by the State), whether they receive public funds or not, and nonprofit organizations that receive public funds from the State Government and other laws promulgated thereafter.

Whereas, it is understood that 5 KSC 5(6) *et seq.* grants the Office of the Attorney General the authority to enforce penal laws by initiating and conducting investigations against violations of state laws, the authority to delegate enforcement to a department in its discretion and the power to appoint persons as deputies for the enforcement of specific laws, it is hereby agreed that:

- The Office of the Attorney General will provide assistance to the Compliance Investigation Unit within the Office of the Public Auditor as may be needed on a case by case basis.
- The State Public Auditor will provide investigative assistance from the Compliance Investigation Unit to the Office of the Attorney as may be required on a case by case basis

Whereas, the objective of the Public Auditor's Office is to serve the government citizens of Kosrae State to conduct independent audits and investigation to promote accountability, fiscal integrity in the State and Local Governments and to assist the government with timely recommendations to improve its operations and performance in terms of improved services, reduced costs and increased public satisfactions; it is hereby agreed that:

- The State Public Auditor, when he/she receives allegation of non-compliance in Public Office, misuse of public resources, financial crime,

financial corruption or any other breach of the State Law or regulations involving in whole or in part, public funds from the State Government, may authorize the Compliance Investigation Unit to conduct a preliminary inquiry to ascertain whether there is reasonable cause to warrant an investigation into the allegation.

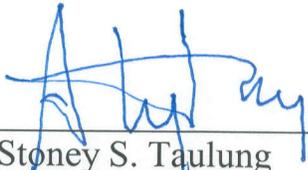
- The State Public Auditor, when he/she as a part of his/her duties as defined in the scope of responsibility authorize, has a reasonable cause to suspect non-compliance in public office, misuse of public resources, financial crime, financial corruption or any other breach of State Law or regulations involving, in whole or in part, public funds from the State Government, may authorize the Compliance Investigation Unit to investigate such matters.
- The Compliance Investigation Unit, when conducting a preliminary inquiry or an investigation, shall liaise with the Office of the Attorney General during the course of conducting such a preliminary inquiry or investigation and advise the Office of the Attorney General of the result of the preliminary inquiry or investigation.

Whereas, the undersigned do both desire to promote to the fullest extent possible integrity, honesty, accountability, and excellence in government service, it is agreed that:

- To the greatest extent possible, a team approach utilizing the cooperative efforts of both, the Office of the Attorney General and the Public Auditor's Office, will be emphasized.
- The Compliance Investigation Unit will work, advise and train with the legal staff as well as the State Police under the auspices of the Attorney General of the Office of the Attorney General to develop, investigate, and assist in investigation and prosecution of government corruption cases; and
- The Investigators of the Compliance Investigation Unit shall be deputized Police Officers of the State Police; and
- The Compliance Investigation Unit will be recognized as a law enforcement agency for the purpose of conducting preliminary inquiries, investigations or other functions as agreed under this memorandum of understanding; and

- The Compliance Investigation Unit will collect, store, analyze and apply information and intelligence obtained during the course of its functions under this memorandum of understanding and, where appropriate, disseminate and exchange this information and intelligence with other appropriate law enforcement agencies of government bodies within the State of Kosrae on a confidential basis; and
- The State Police will assist in designating a Detective to assist the Compliance Investigation Unit on a part time, as needed basis. Such Detective will be considered member of the Compliance Investigation Unit, and will be responsible to such, during the respective time they are utilized. Expenses and salaries of the designated Detective will be borne by the respective employing agency.

This agreement is entered into on 21st day of February 2014 and supersedes any such previous agreement.



Stoney S. Taulung
Public Auditor
Office of the Public Auditor
Kosrae State Government

2/21/14
Date



Lorrie Johnson -Asher
Attorney General
Office of the Attorney General
Kosrae State Government

2/21/2014
Date