



SAIPAN HIGHER EDUCATION FINANCIAL ASSISTANCE (S H E F A)
Office of the Mayor
Municipality of Saipan

BOARD MEMBERS

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(ex-officio)

April 11, 2008

Michael S. Sablan, CP
Public Auditor
Office of the Public Auditor
Commonwealth of the Northern Mariana Islands
1236 Yap Drive
P.O. Box 501399
Saipan MP 96950

Re: OPA's Review of SHEFA

Dear Mr. Sablan:

I have received your April 7, 2008 Review ("Review") of the Saipan Higher Education Financial Assistance ("SHEFA") Program. It is clear your office conducted a "review" of SHEFA as opposed to an "audit". It is also clear the review was conducted pursuant to a March 2007 request from Congressman Justo S. Quitugua.

SHEFA provides supplemental financial assistance to Saipan and Northern Islands residents pursuing post-secondary education. These residents are expected to return home in order to address the mass exodus of our residents and a potential brain drain of our community. The SHEFA Board has worked diligently to ensure an honest and transparent financial aid program for all their applicants. We take great pride in the services we have and will provide and will continue to do so. We, therefore, are going to address every allegation with a response.

Every entity and/or person, whether they are private or public, will make mistakes. However, organizations and/or people must be given an opportunity to respond in order to ensure there are no justifications for allegations prior to being accused of misconduct.

Your office is statutorily obligated to avoid fraud, waste and abuse of public funds. I applaud the intent of OPA's enabling act, however, I am dismayed that a "review" could be conducted of our program without so much as an interview with any of the SHEFA Board or the Mayor of Saipan. It is also very disturbing and alarming to read the findings delineated in your review in

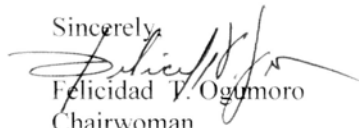
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the newspapers knowing no one at SHEFA, whether it be the Board, staff or the Saipan Mayor's Office, was ever consulted on the alleged deficiencies.

Our office welcomes the services of the Office of the Public Auditor and their functions. Therefore, please be advised the SHEFA Board and the Saipan Mayor's Office will conduct their own review of these very serious allegations outlined in your Review. In addition, we will be requesting information and documents from your office to ensure we follow the correct procedure; we will be gathering documents and information from our office to address any of the discrepancies in your Review; and, upon completion, we will respond accordingly to your office detailing every discrepancy in your Review with supporting documents, if any.

Thank you for your immediate attention concerning this matter. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



Felicidad V. Ogunoro
Chairwoman

Board of Directors

Saipan Higher Education Financial Assistance

cc: Hon. Benigno R. Fitial, Governor, Commonwealth of the Northern Mariana Islands

Hon. Timothy Villagomez, Lt. Governor, Commonwealth of the Northern Mariana Islands

Hon. Juan B. Tudela, Mayor, Saipan, Commonwealth of the Northern Mariana Islands

SNILD Members

SHEFA Board Members

Matthew Gregory, Attorney General, Commonwealth of the Northern Mariana Islands

Mark Aguon, Administrator, Northern Mariana Islands Retirement Fund

Eloy Inos, Secretary of Finance, Commonwealth of the Northern Mariana Islands

Herman Sablan, Director of Procurement & Supply