



Office of the Public Auditor

Commonwealth of the Northern Mariana Islands

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October 5, 2015

Richard B. Seman
Secretary
Department of Lands and Natural Resources
Commonwealth of the Northern Mariana Islands
Caller Box 10007
Saipan, MP 96950

RE: SUBSEQUENT EVENT MEMORANDUM

Dear Secretary Seman:

The Office of the Public Auditor (OPA) has conducted a performance audit on the Outer Cove Marina Facility (OCM). This audit focused on certain financial operations of the facility and the basic safety of the OCM physical structure and its operations. This audit report is dated October 5, 2015 and is hereby attached.

Subsequent to the completion of OPA's fieldwork on the OCM, but prior to the issuance of a report, the OCM suffered the structural failure of a concrete gangway on the "D" dock. This failure occurred with no known traumatic incident such as a storm or collision.

The potential of a structural failure of the OCM was one of OPA's primary concerns as referenced in the above referenced audit report (See audit finding no. 5). Given that such failure has now occurred, it is imperative that OPA's concerns and recommendations be considered and appropriate solutions immediately implemented.

OPA's observations of the current marina operations have shown no changes in its usage or activities, despite the significant structural failure. While OPA has not performed any audit procedures regarding the continuing operations, a reasonable person can conclude that such operations without any mitigating repair efforts would be considered a potential major liability risk to the CNMI Central Government.

OPA strongly recommends that a structural review of the OCM by a qualified engineering firm be immediately completed to determine if continued operations can be safely carried out.

Sincerely,

For [Signature]
David J. Blake, CPA
Audit Manager

Enclosure

**Office of the Public
Auditor**

Department of Lands and Natural Resources
Outer Cove Marina



**OPA Report No.
AR-15-03**



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October 5, 2015

Richard B. Seman
Secretary
Department of Lands and Natural Resources
Commonwealth of the Northern Mariana Islands
Caller Box 10007
Saipan, MP 96950

RE: REPORT ON THE AUDIT OF THE OUTER COVE MARINA

Dear Secretary Seman:

The Office of the Public Auditor (OPA) conducted a performance audit of the Department of Lands and Natural Resources (DLNR), Outer Cove Marina Section (OCM). Our performance audit disclosed that DLNR did not comply with the provisions of the OCM Rules and Regulations (Regulations) relating to collection of fees and penalties, and enforcement. Further, the OCM, due to the lack of dock maintenance and unknown construction design, poses a safety risk for boat operators, passengers, and other users of the docks. For the purpose of this report, the words “vessel” and “boat” are used interchangeably and may be referred to as the same.

In calendar year 2014, DLNR collected about \$58K in total revenues. In addition, OPA obtained an arrearage schedule showing an outstanding amount of \$815K that has yet to be collected from other users. OPA conducted observations and confirmed that nine vessels whose arrears total about \$576K were still utilizing the OCM. DLNR did not perform nor has records showing a daily vessel inventory, therefore OPA could not verify the accuracy of these arrears.

The OCM is located on the northeastern part of the Outer Cove peninsula and due east of Managaha Island. Further, the OCM is a fixed concrete dock providing berthing and transient access to commercial and fishing vessels and is the only marina that supports the majority of Saipan’s marine tourism activities. Hence, if the OCM is not properly maintained and staffed, its full revenue-generating capability will not be realized. The performance audit focused on the following objectives:

- To determine if DLNR is assessing the proper fees and if they are collecting from all users of the OCM in accordance with Regulations; and
- To evaluate if the OCM is safe for boat operators and passengers.

RESULTS IN BRIEF

Our audit found that DLNR's noncompliance with the OCM Regulations and the lack of dock maintenance created the following conditions:

1. The required berthing fees and penalties were not properly assessed and collected. More specifically:
 - The appropriate berthing fees were not used.
 - Security deposits, penalties and passenger fees were not assessed and collected.
2. Lack of enforcement activity made it easy for illegally berthed vessels to utilize the marina.
3. Tenant files maintained by DLNR were not complete and updated.
4. OCM lacks adequate security, basic amenities, and signage.
5. OCM's overall structure and operations are unsafe.

Please see Appendix C for a detailed discussion of the results.

AUDITOR RECOMMENDATIONS

OPA would like to take this opportunity to acknowledge DLNR for taking initial steps to reach compliance with the Regulations. However, until full compliance can be reached, OPA recommends that DLNR:

1. Properly assess and collect all fees and penalties.
2. Obtain legal advice from the Office of the Attorney General and take appropriate action that will ultimately lead to the impoundment or removal of unauthorized and non-paying vessels. In addition, OPA recommends that DLNR hire trained enforcement personnel pursuant to the Regulations.
3. Review and approve berthing application and all required documents prior to the approval of a lease or permit. OPA also recommends that DLNR require tenants to provide updated documents on an annual basis or at the renewal of a lease.
4. Provide adequate security, basic amenities, and signage.
5. Consult with experts to perform an engineering study to determine needed repairs and the associated costs. Only after having done this, can DLNR make informed decisions to repair or close the dock, build a new dock, or transfer the operation of the dock to a public or private entity which has the expertise and capital to effectively operate the marina.

Our recommendations, if implemented, will improve the overall management of the OCM as it relates to applicable rules and regulations and result in increased revenues. Please see Appendix C for a detailed discussion of the recommendations.

RESPONSE IN BRIEF

The DLNR Secretary agreed with all of OPA's recommendations in a response letter received on September 23, 2015. The Secretary stated in his response, that DLNR will follow OPA's recommendations to enforce its Regulations and will continue work to address all findings.

Please see Appendix D for the DLNR's full response.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Background and Detailed Scope and Methodology are discussed in Appendices A and B.

Sincerely,


For David Blake, CPA
Audit Manager

cc: Governor Eloy S. Inos
House Speaker Joseph P. DeLeon Guerrero
Senate President Victor B. Hocog

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Appendix A. Background

The Outer Cove Marina (OCM), located on the northeastern part of the Outer Cove peninsula and due east of Managaha Island, is a fixed concrete dock, which provides 46 berthing slips and transient access to commercial and fishing vessels. OCM is functionally organized under the Department of Lands and Natural Resources (DLNR) and has one lone Marina Officer that oversees its daily operations. The revenues collected are used to pay for the salary of the Marina Officer and general ground maintenance costs.

On August 25, 1995, DLNR and Marine Revitalization Corporation (MRC) entered into a submerged land lease agreement for 15 years to build and operate a boat marina and marine fueling station. Based on OPA's 2001 prior audit of the lease agreement, both DLNR and MRC failed to comply with the terms of their submerged land lease agreement. Subsequently, a dispute arose from the two parties. MRC filed litigation and succeeded, and on September 27, 2005, the Office of the Attorney General issued an Opinion affirming that the CNMI Government is once again endowed with the same right, title, and interest to OCM and its corresponding lands that it possessed before the lease was undertaken.

DLNR formally adopted rules and regulations for the OCM on September 28, 2013. The Northern Mariana Islands Administrative Code (NMIAC) §85-30.3-001, provides DLNR the authority to maintain the OCM in a sanitary, sightly, and orderly condition and to preserve the public health, safety, peace, welfare, and convenience in the use thereof.

Appendix B. Detailed Scope and Methodology

The scope of the audit covered all assessments and collections made by DLNR for the utilization of the OCM during calendar year 2014. In addition, the scope also encompassed the current condition of OCM for boat operators and passengers. To achieve our objective, we performed the following:

- Gained an understanding of the following:
 - DLNR’s Enabling Legislation,
 - OCM Rules and Regulations,
 - Boating Safety Act of 1992,
 - 2001 Guidelines for the Safe Operation and Maintenance of Marinas by the National Water Safety Congress, and
 - Unified Facilities Criteria issued by the United States Department of Defense.

- Gained an understanding of the processes, systems, procedures, and internal controls used in carrying out the requirements of the Northern Mariana Islands Administrative Code Title 85 Chapter 30.3 by conducting the following:
 - Interviews with DLNR staff;
 - Interview with Department of Public Safety, Bureau of Motor Vehicle (BMV) Director regarding vessel registration process; and
 - Process walkthroughs.

- Tested OCM tenant records against attributes relevant to the audit objectives. Specifically, we:
 - Obtained a listing of active OCM tenants and
 - verified if vessels are registered with BMV, and
 - conducted a site visit to determine if vessels utilizing the OCM were included on DLNR’s list.
 - Reviewed DLNR tenant records to determine if:
 - Lease agreements or permits were approved by the DLNR Secretary.
 - Application requirements were submitted and valid.
 - Fees per lease agreement were in accordance with OCM Rules and Regulations.
 - Fees and late charges were properly assessed, billed, and collected.
 - Billings were supported by official cash receipts.

- Conducted interviews with boat operators to obtain general feedback and concerns regarding OCM and its surrounding facility.

- Conducted site visits and took photographs of the physical structure of the OCM.

- Summarized audit results.

Appendix C. Audit Results and Recommendations

1. DLNR did not properly assess and collect all required fees and fines.

OCM Rules and Regulations (Regulations) state that fees shall be assessed on a monthly basis.

- (a) *Berthing Slips Fees*: DLNR did not assess and bill its tenants using the appropriate berthing slips fees. The OCM Officer (Marina Officer) provided a “2008 OCM Rental Fee Guide” to OPA. OPA noted that there was a 15 percent adjustment or discount in the berthing slip fees. DLNR could not furnish any document authorizing the 15 percent fee adjustments. DLNR continued to use the adjusted rates in billing tenants up until May 2015, more than one year and a half since the adoption of the Regulations on September 28, 2013.

OPA also noted that there is a lack of management review and monitoring of billings to ensure that the berthing slip fees are being assessed in accordance with the Regulations. According to the Marina Officer, he was not informed that the Regulations were formally adopted. Subsequently, he continued to use the 2008 adjusted rates to assess and bill tenants.

For calendar year (CY) 2014, DLNR’s forgone revenue from tenants who were billed at the lower rate was approximately \$13K. If DLNR continues to apply 2008 adjusted rates, it will continue to lose revenue and DLNR will not be complying with the Regulations. In addition, the lack of management review and monitoring over the assessment, billing, and collection of berthing slip fees creates an opportunity for fraud and abuse.

Recommendation: OPA recommends that DLNR enforce the Regulations by applying the appropriate berthing slip fees when billing its tenants. Management should also consistently review and monitor the assessment, billing, and collection of berthing slip fees.

- (b) *Security Deposits*: DLNR did not assess and collect security deposits from its tenants. Regulations state that a security deposit in the amount of three months’ berthing fees shall be required of a new applicant for a berthing lease. A security deposit in the amount six months’ berthing fee shall be required of an evicted lessee or permittee whose application is being reconsidered.

OPA noted that there is a lack of management review of OCM berthing slip applications, requirements, and fee assessments to ensure compliance with the Regulations.

The continued noncompliance of the Regulations, more specifically, the assessment and collection of security deposits would result in forgone revenue. The forgone revenue could have been applied to expenses incurred by DLNR for enforcing the Regulations. In

the event that a lease is expired or cancelled, the security deposits could be used to cure delinquent berthing fees, expenses for impoundment, or removal of vessels.

Recommendation: DLNR should assess and collect security deposits from all its tenants. DLNR should work with the Department of Finance to ensure that security deposits are accounted for separately and not commingled with berthing fee revenues.

- (c) *Penalty Fees:* DLNR did not assess or collect delinquency (penalty) fees from tenants who failed to make a timely payment. According to Regulations, a delinquency fee of 10 percent shall be applied if payment is made after the 10th of each month. Failure to pay berthing or mooring fees for a period of 30 days after the due date, shall constitute delinquency, and shall be grounds for cancellation of the lease or permit.

For CY 2014, OPA noted about \$9K in forgone delinquency fees. OPA reviewed the Application and noted that it has not been updated to reflect the payment deadline and penalty fee stipulated in the Regulations. The Application states that “all monthly berthing fees are due on the 15th of every month and the applicant is responsible for the three percent penalty fee, plus court cost and attorney fees.” The Marina Officer did not collect a penalty fee from tenants who made untimely payments. Our review also showed that late fees were not billed and collected. Noncompliance with Regulations resulted in forgone revenue. The continued noncompliance would also create an opportunity for OCM tenants to continue delaying payments for utilizing the OCM.

During our early communication with DLNR, the Secretary in his letter dated April 30, 2015 stated that it has updated its Application form to apply the correct payment due date of the 10th and indicate that a penalty fee of 10 percent will be assessed for late payments. OPA was also provided a copy of the updated Application form and a copy of the letter informing OCM tenants of DLNR’s implementation of the Regulations effective June 1, 2015.

Recommendation: DLNR should assess and collect the proper delinquency fees. Management should consistently review and monitor the assessment, billing, and collection of penalty fees.

- (d) *Passenger Fee:* DLNR did not assess, bill, or collect passenger departure fees from its tenants. Regulations state that a passenger departure fee of \$4.00 will be charged to every passenger boarding on a vessel carrying passengers for hire, regardless of water activity or destination. Boat owners will be billed each month and the billing shall be paid to DLNR within fifteen days from the date of the billing.

OPA could not determine the total amount of forgone revenue for the passenger departure fee, because there is no data to support the number of passengers that depart from OCM. During our early communication with DLNR, the Secretary, in his April 30, 2015 letter stated that his staff has been communicating with the Office of the Attorney General (OAG) regarding the possibility of suspending the passenger departure fee.

Recommendation: DLNR should revisit this requirement and adopt a final decision. If the intention of DLNR is to suspend or not collect passenger departure fees, DLNR should amend the Regulations to reflect this change.

2. Lack of enforcement activity made it easy for illegally berthed vessels to park.

DLNR has made no collection and has not taken any legal action against individuals and business owners who do not have an approved lease but continue to utilize the OCM. Since the adoption of the Regulations, DLNR has not conducted any enforcement activities nor has issued any citations to those who do not have the proper documentation to legally berth and operate at the OCM.

On May 1, 2015, the Marina Officer provided OPA an account receivable listing of lessees, their vessel names and the unpaid balances as of April 2015. OPA conducted an observation of the activities conducted at the OCM from June 1-5, 2015, and was able to identify nine vessels from DLNR's listing that perform active loading and offloading of passengers and/or remain parked throughout the week. In addition, two tenants on the listing are active-paying tenants. There should be no reason why DLNR cannot collect outstanding balances from active-paying tenants.

According to DLNR's records, a total of \$815K stands to be collected from 26 individuals and businesses. OPA was unable to verify if this amount is accurate due to poor documentation of dock usage. However, OPA physically sited nine vessels on the listing that utilize the dock for active loading and offloading of passengers. According to DLNR's records, the arrears for these nine vessels amount to \$576K. This situation occurred because management did not prioritize, monitor and review the activities and transactions that occurred at the OCM. The lack of enforcement on DLNR's part results in significant forgone revenues and creates an unfair business advantage for these businesses.

Recommendation: We recommend that DLNR seek the assistance of the OAG for legal advice and take appropriate action that will ultimately lead to impoundment or removal of vessels if a lease is not approved and the appropriate payments have not been made.

3. Tenant files maintained by DLNR were not complete and updated.

The Regulations require that documents be approved by the DLNR Secretary. The Application has a list of required documentation that must be submitted at the time of application. These include: (1) current year business license, (2) U.S. Coast Guard Certificate, (3) CNMI Boating Safety Registration Certificate, (4) proof of vessel ownership, (5) proof of liability coverage, and (6) other relevant documents as necessary. The Regulations specifically refers to items (2), (3) and (5).

In reviewing the DLNR tenant files, OPA noted the following from the 22 tenant files reviewed:

- Seven did not have an application on file, and nine were not signed by the Secretary.

- Five had no Vessel Registration on file and 12 were expired.
- 13 had no insurance policy on file and six were expired.
- Six had no valid business license on file and 14 were expired.
- All tenant files reviewed had no approved lease agreement or permit on file for calendar year 2014.

OPA determined that there is a lack of management review of OCM Berthing Permit Application and requirements. Lack of documentation hinders the DLNR's ability to evaluate and approve leases and permits in accordance with the Regulations.

Recommendation: The Secretary or his/her designee should review the berthing application and required documents prior to the Secretary's approval of the berthing. OPA also recommends that DLNR require its tenant to provide current documentation on an annual basis or at the renewal of a lease.

4. OCM lacks adequate security, basic amenities, and signage.

OPA conducted on-site observations and noted the following:

- (a) *The OCM lacks adequate security and oversight.* The OCM has no physical security in the form of fencing, lighting or security cameras. In addition, DLNR has no permanent representative monitoring on-site activities, passengers, and visitors.

The Regulations clearly state that general public access is to be restricted and only operators, passengers and approved visitors are authorized within the OCM premises. DLNR's lack of enforcement on its Regulations increases the potential for random acts of vandalism to both the facility and the vessels.

Recommendation: The OCM should be fenced off from the general area with access gates for passengers and operators. DLNR needs a presence at the dock during all hours of operation to ensure and enforce compliance with the Regulations.

- (b) *OCM lacks the basic amenities.* The marina lacks running water, trash receptacles, sewage pump-out station, and restrooms. Garbage bins are not in evidence and barrels used for this purpose often lack watertight construction. Littering is prohibited both by law and by Regulations, yet trash is common, left by both passengers and other users of the OCM. Furthermore, sanitary conditions threaten the lagoon environment both from human effluent and from leaching of garbage into the lagoon waters. (*See Appendix E, Exhibit 11*).

DLNR is responsible for maintaining the OCM in a sanitary, sightly, and orderly condition in order to preserve the public health, safety, peace, welfare, and convenience in the use thereof.

Recommendation: DLNR must enforce its own Regulations and conduct the operations of OCM in a safe, professional, and business-like manner. Furthermore, DLNR should

find the necessary funds to provide, at the very least, basic amenities for users of the marina.

- (c) *The OCM lacks signage and waterway markers.* There is no signage at the OCM and waterways which indicates prohibited activities (fishing, littering, and swimming), restricted areas, channel markers and the location of water hazards. The marina breakwater is submerged at high tide and a large submerged vessel rests in the center of the marina. Vessel operators, passengers and the general public need to be informed of the inherent dangers and prohibited activities.

Recommendation: DLNR must enforce its own Regulations, standard marine regulations, and conduct the operations of OCM in a safe, professional, and business-like manner, including the finding of necessary funds to maintain standard operational features to protect the passengers and vessel operators.

5. OCM's overall structure is unsafe.

The original construction of the dock is classified by the Unified Facilities Criteria (UFC) as a "typical fixed finger pier." The pier is supported by pre-stressed concrete piles, which support a precast slab that acts as the dock area. This is additionally stabilized by concrete, reinforced plastic piles. In the case of OCM, these plastic piles also had horizontal stabilizers.

A now defunct third party authorized and managed the actual construction of the OCM. There appears to have been no transfer of engineering or specification documents to the now owner, DLNR. As a result, it is not possible to determine basic structural calculations such as load and stress factors of the various physical components.

OPA's physical inspection revealed the following conditions (*See Exhibits in Appendix E*):

- The OCM has no specific marine quality fenders, bumpers and rub-railings. The walkways and docks lack proper railings, curbs and joint covers. Existing bumpers consists of used tires haphazardly chained to the dock and vessel operator installed boards and in some cases carpet instead of rub-rails. Boarding stairs, gangplanks and ladders lack uniformity and cannot be used by individuals with disabilities. These features have been installed by boat operators and in many cases remain on the dock after use.
- Virtually all of the horizontal stabilizers had fallen into disrepair and that the majority of the concrete, reinforced plastic piles had been sheared off on the loading side of the dock.
- The condition of the concrete support and crossbeams which support the slab decking, showed extensive spalling of the concrete, this includes the gangways used for dock access. This was readily apparent on the main dock and walkways where in many sections rebar were exposed and hanging into the water and large portions of concrete had broken off. In some areas, this appeared to be 4" to 8" of loss in a structure that varies in width from approximately 24" to 36".

- At the time of construction, the original breakwater had failed and at high tide was submerged. In the ensuing decade, this decline continued and the breakwater is mainly submerged during low tides as well.

There has been no preventive maintenance or repairs conducted on the OCM for over a decade. The lack of maintenance and repairs will shorten the useful life of the marina by an undetermined amount. The historical failure to maintain the breakwater has reduced the usefulness of the OCM considerably as any Westerly storm causes waves and currents to dramatically affect any moored boats in the marina. This will directly affect the revenue generation capability of OCM, as many commercial boats will not berth in that location due to inadequate protection.


The deterioration of the structural components of the dock combined with the lack of an effective breakwater, assures that at some point failure of the dock(s) or a significant safety issue will occur. The factors of an inadequate breakwater, no maintenance, a weakened dock structure, when combined with high wind and waves will multiply the stress of moored vessels on the dock until a failure occurs. In essence, a properly maintained concrete structure should be repaired immediately upon notice of spalling to preserve the physical integrity of the dock.

Recommendation: Prior to making formal audit recommendations, generally accepted government auditing standards stresses that a cost/ benefit analysis be conducted. OPA is not, at this time, equipped to conduct engineering studies and calculations to determine the needed renovations to provide an adequate level of safety. Prior to any expenditure of funds an engineering study should be conducted to determine needed repairs and the costs associated with such repairs. Only at that time can management make informed decisions.

However, DLNR needs to immediately affect policies and controls, which will enhance the operational safety of the dock. This will require day-to-day oversight of the dock itself. Further, any cost/benefit analysis should also consider that the OCM is the only facility that currently supports the majority of Saipan's marine tourism activities. If the facility closes or fails, the cost in related tourism revenues will be substantial.

Essentially, DLNR is faced with no easy solutions. Based upon the engineering study either (1) repairs must be performed, (2) the OCM closed, (3) a new facility is built, or (4) the OCM is transferred to a public or private entity, which has the expertise and capital to effectively operate the marina.

Appendix D. Agency's Response



Commonwealth of the Northern Mariana Islands
Department of Lands and Natural Resources
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Saipan, MP 96950

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September 14, 2015

Mr. David J. Blake, CPA
Audit Manager
Office of the Public Auditor
1236 Yap Drive, Capitol Hill
Saipan, MP 96950

OFFICE OF THE PUBLIC AUDITOR
9/23/15
SIGNATURE

Dear Mr. Blake:

Thank you for your letter dated September 9, 2015, regarding the "draft report on the audit of the Outer Cove Marina." Here are my response:

1. Finding:
 - A) **DLNR did not properly assess and collect all required fees and fines.**
Response: DLNR will follow OPA recommendations to enforce the regulations by applying the appropriate berthing slip fee when billing tenants. A quarterly submission will be required of the Marina Officer hereforth.
 - B) Finding: **DLNR did not assess and collect security deposits from its tenants.**
Response: To address this situation DLNR issued notices to OCM tenants on April 30, 2015 with a copy provided to you on the same date. (See attachment).
 - C) Finding: **DLNR did not assess and collect penalty fees from all its tenants.**
Response: To address this situation, DLNR issued notices to OCM tenants on April 30, 2015 regarding such. Majority of the tenants have already paid security deposit fees.
 - D) Finding: **DLNR did not assess, bill or collect passenger fees.**
Response:
DLNR has submitted a proposed amendment to our AAG for review in reducing passenger fees from \$4.00 to .50cents. We agree with recommendation and will proceed with revision.

Appendix D. Agency's Response continued.

2. **Lack of enforcement activity made it easy for illegally berthed vessels to park.**

Response: DLNR will address this situation with the Marina Officer and require a full detailed report as to how this became about, to include possible administrative remedies. We agree with recommendation and will work with AGO.

3. **Tenant files maintained by DLNR were not complete and updated.**

Response: DLNR will address this situation with the Mariana Officer and will work on protocols to ensure such issues are addressed.

4. A) **OCM lacks adequate security, basic amenities and signage.**

Response: DLNR will station the OCM to be at the marina daily for four hours/day to ensure presence and visibility among OCM Tenants.

B) OCM lacks the basic amenities: DLNR will procure trash service. We may not be able to provide a restroom immediately but we will input such in future and upcoming budget proposals.

C) OCM lacks signage and waterway markers. DLNR will procure signage and work to remedy trash situation.

5. **OCM's overall structure is unsafe.**

OPA was unable to provide engineering study and calculations to determine the needed renovations. DLNR will discuss issues with the administration.

The issue of the OCM has been a long standing one, an issue that the DLNR inherited unwillingly. So that as may be, we will work to address all findings with possible remedies.

Thank you for the opportunity to comments.

Regards,



Richard B. Seman
DLNR Secretary

Appendix E. Outer Cove Marina Exhibits

Exhibit 1



Exhibit 2



Exhibit 3



Exhibit 4



Exhibit 5



Exhibit 6

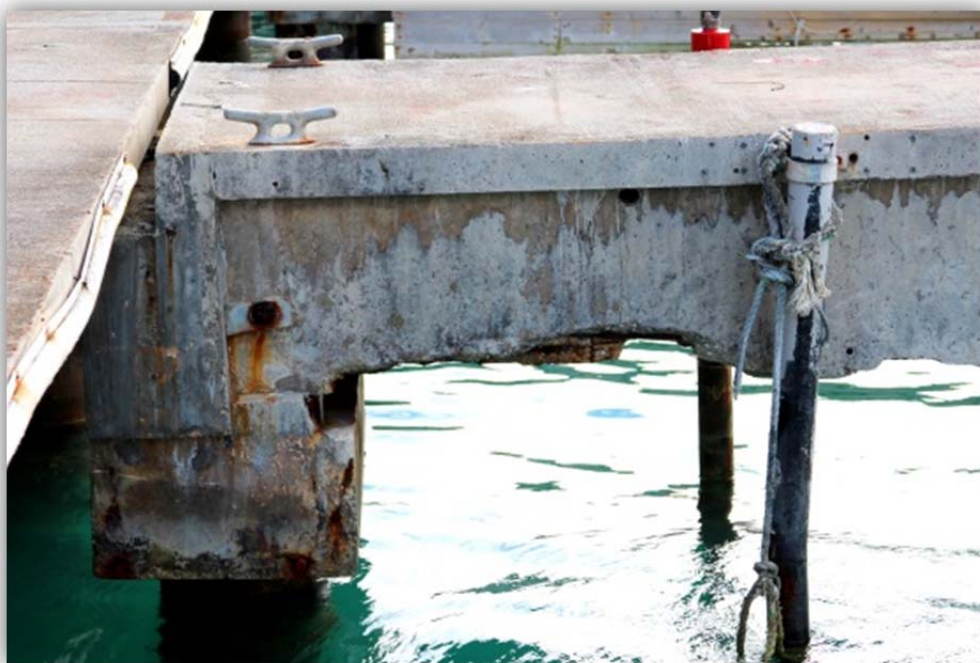


Exhibit 7



Exhibit 8



Exhibit 9



Exhibit 10



Exhibit 11





Department of Lands and Natural Resources, Outer Cove Marina
Report No. AR-15-03, October 2015

ACKNOWLEDGEMENTS

Key contributions to this report were made by:

Joaquin Borja, Auditor
Thomas Borja, Auditor
Wilma Atalig-Fejeran, Auditor
Geraldine Tenorio, CGAP, Audit Supervisor
David Blake, CPA, Audit Manager

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- Visit our website and fill out our online form at www.opacnmi.com
- Contact the OPA Investigators at 322-3937/8/9
- OR visit our office on 1236 Yap Drive, Capitol Hill

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