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FOR IMMEDIATE RELEASE  
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### **OAG Pleased with DMR's Dismissal**

*Hagatna, Guam*-The Office of the Attorney General (OAG) is pleased by DMR's dismissal with prejudice of its appeal of the POS procurement. There was absolutely no merit to their appeal of the procurement decision made by the government of Guam back in February 2012 to cancel the procurement solicitation of Point of Sale software and maintenance due to insufficient funds.

The facts are that the government of Guam, vis-à-vis the Department of Administration (DOA), had only originally budgeted about \$388,000.00 for this procurement and could not afford DMR's best and final offer of \$1.8 million. However, DMR disagreed that the government of Guam could not afford their bid and appealed in part due to a claim that the government of Guam acted in bad faith because they believed the government of Guam had the money despite evidence to the contrary.

As part of litigating this case, the OAG discovered that DMR also had complete unfettered access via a fiber optic cable connection to all data of DOA. Notwithstanding claims by either DMR or the government of Guam that there may have been authorization for such a connection, the OAG has always been concerned about the potential violations of confidentiality and privacy rights of government of Guam employees and citizens of Guam. These security concerns have been made known to the government of Guam since learning that the fiber optic cable connection had no firewall or security safeguards. Indeed, this unfettered access to government of Guam data- including financial data- caused further concern to the OAG that DMR may have an anticompetitive advantage over all other computer service vendors. This would have been part of the issues litigated before the Office of Public Accountability (OPA).

Other issues that would have also been litigated included OAG's expert witness who provided an unsolicited offer, as allowed under procurement law, for an interface connection between DOA and the Department of Revenue and Taxation (DRT) that mysteriously became inoperable after the expiration of DMR's software and POS maintenance service contract in November 2011. Therefore, DMR's accusations about anti-competitive and anti-collusive practices by the OAG are simply unfounded.

Moreover, the baseless claim by DMR that the OAG compromised the integrity of the

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procurement process insofar as its government clients are concerned is astonishing when the record before the OPA clearly shows the contrary. In fact, when the position of DOA and the Governor's Office was to settle with DMR for terms and conditions that were determined to be contrary to the public trust and interest, the OAG refused to defend those positions and openly opposed those positions as permitted by law.

The OAG protects and continues to protect the integrity of the procurement process through the actions it takes. Contrary to what DMR says, with a process so protected, potential vendors of the government of Guam should feel confident their bids will be dealt with fairly and transparently, all the while, ensuring that the tax payers' dollars are being spent wisely.

Finally, AG Rapadas takes offense at DMR's characterization of the administrative court of the OPA as a "kangaroo" court, which is not only uncalled for and unprofessional, but unfair considering that all appeals before the OPA are handled fairly and justly and subject to appeal all the way up to the Supreme Court of Guam.

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