



**OFFICE OF THE GOVERNOR  
AMERICAN SAMOA GOVERNMENT**

June 28, 2024

**GENERAL MEMORANDUM NO. 148 – 24**

To: Secretary of Samoan Affairs, CEOs, Presidents and Executive Directors of Authorities, Directors, Agency and Office Heads

From: Governor of American Samoa

Subject: GAO Territorial Debt Engagement 2024-2025 – Job Code 107560

The Puerto Rico Oversight, Management and Economic Stability Act (PROMESA) authorizes and designates the U.S. Government Accountability Office (GAO) to conduct a review the public debt for each U.S. territory every two years per Congressional Mandate. Per GAO Engagement job code 107560 for the 2025 Territorial Debt Engagement, we are notified on the upcoming review.

In compliance with GAO's letter dated June 6, 2024, announcing the 2024-2025 engagement, I designate Directors of the following departments and agencies or their designee to work on the debt engagement and provide the appropriate responses.

American Samoa Economic Development Authority and Board Members  
Office of Program Planning and Budget  
Governor's Office

The standard preliminary entrance call is scheduled for Tuesday, July 2, 2024, at 10:00 AM in the Governor's Office Conference Room. Designees are hereby notified to be present for this call and provide responses for any and all initial questions attached below.

Our prior 2023 territorial debt engagement was a successful review, and I ask that we do everything possible to ensure a continuity of resources to meet the federal requirements of this GAO notice. Thank you as always for your prompt support and commitment.

LEMANU P. S. MAUGA  
Governor

Enclosure

cc: Honorable La'apui Talauega E.V. Ale, Lieutenant Governor  
Loa Tuimavave T. Laupola, Chief of Staff

**Questions for GAO Entrance Conference with the Government of American Samoa  
2025 Territorial Debt Update (107560)**

**Introduction**

[GAO](#) is an independent, nonpartisan agency that works for Congress. Our mission is to support Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government.

**Engagement objectives**

We are beginning this work in response to a congressional mandate in the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA, Pub. L. 114-187). We are to review the debt outlook for the U.S. Territories every two years. We issued the first report under the mandate in October 2017, see [GAO-18-160](#). We have since issued updates in [June 2019](#), [June 2021](#), and [June 2023](#). PROMESA requires us to issue a fifth report by June 30th of 2025.

Consistent with the prior reports, we will:

- (1) analyze trends in public debt and its composition,
- (2) analyze trends in revenue and expenses; and
- (3) describe what is known about risk factors that may affect American Samoa’s ability to repay public debt.

**Discussion Questions**

**Public Debt and Financial Statements**

1. We have obtained your fiscal year 2022 audited financial statements from the Federal Audit Clearinghouse and noted they did not include fiscal year 2022 financial information for two discretely presented component units, Territorial Bank of American Samoa (TBAS) and Feleti Barstow Public Library (FBPL).
  - a. Can you please state why, if known, the financial statements of TBAS and FBPL have not been audited and made available to American Samoa’s primary government?
  - b. Does American Samoa plan to obtain fiscal year 2022 financial information from TBAS and FBPL and reissue its fiscal year 2022 government-wide financial statements?
  - c. Do you have an estimated completion date for American Samoa’s fiscal year 2023 audited financial statements?
  - d. What issues, if any, have you had or expect to have with obtaining fiscal year 2023 audited financial information from TBAS and FBPL?
2. Has American Samoa’s primary government or have its component units issued any new bonded debt (bonds, notes, or bills) since fiscal year 2022? If so, please describe any new bonds, notes, or bills, their uses, and provide supporting documentation.
  - a. If so, what will any new bonded debt be used for?
  - b. If no, are there any plans to issue new bonded debt in the future?
3. What is the current status of projects funded by the American Samoa Economic Development Authority (ASEDA) 2021 bond series?

4. Has American Samoa received any new federal loans since fiscal year 2022? If so, please describe any new federal loans and provide supporting documentation.
5. To what extent, if at all, have American Samoa's primary government or component units' public debt ratings by any of the rating agencies changed since early 2023?
  - a. If they have changed, what factors contributed to these changes?
6. Please provide any studies or analyses American Samoa has conducted since early 2023 on its public debt, revenue, fiscal position, or economic outlook and provide supporting documentation.
  - a. Is there any similar research conducted by external organizations that we should be aware of?

#### Potential Risk Factors

7. [GAO-23-106045](#) highlighted fiscal risk factors that may affect the repayment of public debt. For American Samoa we identified the risk factors below. In your opinion, have there been any changes in the fiscal risk factors, and, if so, why?
  - a. Reliance on a single industry
    - i. We reported on the importance of a federal tax credit to the tuna industry and how the credit's temporary nature contributes to economic uncertainty. Could you provide an update on whether this credit has been extended?
    - ii. How, if at all, has uncertainty regarding the extension of this tax credit affected the government's fiscal planning since 2023?
  - b. Significant pension liabilities
    - i. How, if at all, did the American Samoa legislation passed in January 2022 to increase contributions to the pension fund affect the territory's net pension liability?
8. [GAO-23-106045](#) reported on efforts to diversify American Samoa's economy, including the establishment of a call center industry. Since June 2023, has the government made any additional investments in that industry or others?
9. How, if at all, has the establishment of the Territorial Bank of American Samoa impacted American Samoa's fiscal condition in the short-term and long-term?
  - a. How, if at all, have FDIC rules regarding public banks' eligibility for FDIC insurance affected TBAS's functions as a bank and American Samoa's economy overall?
  - b. Does the government have any plans to obtain FDIC insurance for TBAS deposits, either through the sale of TBAS to a private bank or by other means? If so, please describe these plans.
10. How, if at all, have the COVID-19 pandemic and related federal funding affected American Samoa's fiscal condition in the short-term and long-term, particularly any effects on revenue, expenditures, and GDP? Please provide supporting documentation, including budgets, revenue and expense projections, or other relevant impacts on government operations.
11. How, if at all, have recent natural disasters and related federal funding affected American Samoa's fiscal condition in the short-term and long-term, particularly any effects on revenue, expenditures, and GDP? Please provide supporting documentation, including budgets, revenue and expense projections, or other relevant impacts on government operations.
12. From your perspective, what are the biggest risks climate change poses to American Samoa's fiscal and economic position? What steps, if any, are being taken to mitigate these risks?
13. How, if at all, have climate risks been accounted for in American Samoa's near or long-term fiscal plans?

14. Are there any other risk factors that may affect American Samoa’s fiscal condition in the short-term and long-term, particularly any effects on revenue, expenditures, and GDP?
  - a. What types of contingency planning or risk management efforts, if any, have you put in place to address these risks?

Other

15. As a part of this engagement, we want to schedule a meeting with officials who create the annual financial statements and can answer detailed questions regarding the amounts recorded and disclosed. Please let us know who we can work with to arrange that meeting and if there are other government agencies or subject matter experts you suggest we speak with about these topics.

**Document Requests**

Please provide any relevant documentation including budgets, revenue and expense projections, related to federal funding for COVID-19, past natural disasters, any new bonded debt or federal loans, and any studies or analyses American Samoa has conducted.



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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441 G St. N.W.  
Washington, DC 20548

June 6, 2024

The Honorable Lemanu Palepoi Sialegā Mauga  
Governor  
American Samoa

Dear Governor Mauga:

This letter is to inform you of a new U.S. Government Accountability Office (GAO) engagement on **The Public Debt Profile of the U.S. Territories (Job Code 107560)**. The enclosure provides information and points of contact for the engagement.

We would appreciate your notifying the appropriate officials of this work. The next step will be to set up a virtual entrance conference. At that meeting, we will request that you or your designee identify a point of contact for this engagement.

We would also like to explore the feasibility of visiting American Samoa and meeting with officials in person. In prior work, GAO has met with the Economic Development Authority, the Department of Commerce, and the American Samoa Chamber of Commerce. During our entrance conference, we would like to discuss timeframes when officials from those organizations might be available to meet.

Sincerely yours,

A handwritten signature in cursive script that reads 'Yvonne D. Jones'.

Yvonne D. Jones  
Director  
Strategic Issues

Enclosure

cc: Tuimavave Tauapa'I Laupola, Governor's Office  
Joseph Pereira, Governor's Office  
Blanche Lulu Barber, American Samoa Economic Development Authority

Enclosure

Information on New Engagement

Engagement subject: 2025 Territorial Debt Update

Engagement code: 107560

Source for the work: The Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA, Pub. L. 114-187) contains provisions for GAO to review the public debt of each U.S. territory every two years.

Issue(s) under review/Objectives(s)/Key question(s):

We issued the first report under the mandate in October 2017, see [GAO-18-160](#). We have since issued updates in [June 2019](#), [June 2021](#), and [June 2023](#). PROMESA requires us to issue a fifth report by June 30th of 2025.

Consistent with prior reports, we will: (1) analyze trends in public debt and its composition; (2) analyze trends in revenue and expenses; and (3) describe what is known about risk factors that may affect American Samoa's ability to repay public debt. We will highlight changes from the last report, including possible ongoing effects of the COVID-19 pandemic.

Agencies and anticipated locations to be notified: Department of the Interior, Washington, D.C.

Other territories to be notified: The Commonwealth of the Northern Mariana Islands, Guam, the Commonwealth of Puerto Rico, and the United States Virgin Islands.

Estimated start date for the work: Immediately

Time frame for holding the entrance conference: The GAO team would like to hold the entrance conference as soon as possible.

GAO Teams performing the engagement: Strategic Issues and International Affairs and Trade

GAO contacts:

Yvonne D. Jones, Director, 202-512- 2717, [jonesy@gao.gov](mailto:jonesy@gao.gov)

Latesha Love-Grayer, Director, 202-512-4409, [lovegrayerl@gao.gov](mailto:lovegrayerl@gao.gov)

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