



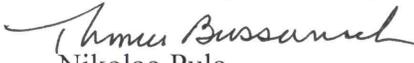
United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

October 27, 2011

MEMORANDUM

To: Ms. Kimberly Elmore
Assistant Inspector General for Audits, Inspections, and Evaluations

From: 
Nikolao Pula
Director of the Office of Insular Affairs

Subject: Evaluation Report – *ADMINISTRATIVE FUNCTIONS OF THE VIRGIN ISLANDS GOVERNMENT EMPLOYEES RETIREMENT SYSTEM*
OIG Report No. VI-EV-OIA-0004-2011

The Office of Insular Affairs (OIA) has reviewed the Office of the Inspector General's (OIG) evaluation report entitled *ADMINISTRATIVE FUNCTIONS OF THE VIRGIN ISLANDS GOVERNMENT EMPLOYEES RETIREMENT SYSTEM* (Report). The Report highlighted issues critical to the responsibilities of the Board of Trustees in place to oversee the Virgin Islands Retirement System, an independent, subsidiary branch of the Government of the U.S. Virgin Islands (Government). Moreover, the Government, as the appropriate entity responsible for management and oversight of the local retirement system, presented its corrective action plan developed to address the issues identified in the Report.

The Report contained four recommendations addressed to the Governor of the U.S. Virgin Islands and included the Governor's corrective action plan in Appendix 2. Additionally, per the memorandum dated September 27, 2011 from the Acting Inspector General to the Assistant Secretary of Insular Areas, OIA is recommended to:

Ensure that the Virgin Islands Government provides documentation that demonstrates implementation of much needed and agreed upon actions that revamp and strengthen the Virgin Islands' retirement system to avoid default.

OIA will implement the above recommendation as follows:

- Review steps planned by the U.S. Virgin Islands Government relative to each recommendation.
- Communicate with the person responsible as identified in the U.S. Virgin Islands Government's plan to determine what documentation is available or may be created to allow verification that the planned step is completed.
- Obtain information of the progress of the U.S. Virgin Islands Government monthly to complete the planned step and, as appropriate, review documentation to verify the progress.
- Maintain a matrix to track the communications and reviews conducted and notate the progress of the U.S. Virgin Islands Government.
- Provide the OIG with a progress report quarterly until all the recommendations have been implemented, beyond the March 31, 2012 deadline identified in the U.S. Virgin Islands Government's action plan if necessary.

If you have any questions or require additional information, please do not hesitate to communicate with me at 202-208-6816. Or you or your staff may wish to communicate with Marina Tinitali, OIA's Accountability Specialist and Audit Liaison Officer at (202) 208-5920 or by email at <marina_tinitali@ios.doi.gov>.

cc: Basil Ottley, Field Representative for the U.S. Virgin Islands, OIA