



**EDDIE BAZA CALVO**  
*Governor*

**RAY TENORIO**  
*Lieutenant Governor*

*Office of the Governor of Guam*

February 10, 2015

Mr. David L. Manning  
Receiver Representative  
Gershman Brickner & Bratton, Inc.  
c/o Guam Solid Waste Authority  
542 North Marine Corps Drive  
Tamuning, Guam 96913

Dear Mr. Manning:

This is to respond to the questions raised in your letter dated January 22, 2015:

**1. Does the column labeled "Total Credits Available" show the full amount of credits issued to pay the judgment?**

No. The column labeled "Total Credits Available" shows the total amount of tax credits available to the taxpayers should the taxpayers elect to accept tax credits in lieu of a cash payment. The amount of tax credits available for election in lieu of a cash payment is equal to the cash compensation owed for the property, which in this case is \$30,280,247.41, as of September 30, 2014.

**2. If the column labeled "Total Credits Available" does not show the full amount of credits issued to pay the judgment, what is the full amount of tax credits issued to pay the judgment?**

\$10,970,863 (as of September 30, 2014).

**3. Is there a written agreement with the former landowners that the credits made available are full satisfaction of the judgment?**

No.

**4. Has a Satisfaction of Judgment been signed by the landowners, and if not, when will such a document be delivered to the Government and filed with the Court?**

A Satisfaction of Judgment has not been signed by any of the landowners, and it is unknown when such a document will be delivered to the Government and filed with the Superior Court of Guam. The Office of the Attorney General is still counsel of record for the Government of Guam in Superior Court Case No. CV0084-08, and that office is properly the one to file any documents with the Superior Court.

**5. Has the Department of Administration and/or the Department of Revenue & Taxation approved any Tax Credit in Lieu of Cash Payment for any of the payments made to the landowners?**

The Department of Administration certified the gross amount payable to those taxpayer landowners who elected to receive tax credits in lieu of a cash payment as just compensation for the acquisition of their real property. Based upon the amounts certified, the Department of Revenue & Taxation allowed for the tax credits to be applied to the taxpayers' accounts.

**6. Has the Superior Court approved the payment of the judgment by tax credits?**

No. It is not necessary for the Superior Court to approve the payment of the judgment by tax credits.

**7. Do the tax credits shown as "paid" represent only that portion of the total available tax credits used by the former owners as of September 30, 2014?**

Yes.

**8. Is there an expiration date on any unused tax credits?**

No. Credits in excess of taxes due may be carried over to the next succeeding tax month or year. At all times, the taxpayer retains the right to elect to either use or not use any carryover credits, or to revoke his election to receive tax credits in lieu of a cash payment.

**9. Does the judgment continue to accrue interest on its unpaid balance?**

Yes. The legal rate of interest is six percent (6%).

Finally, with respect to your request that the documents sought by your letter of January 6, 2015, be submitted under seal to the District Court of Guam, there exists no legal authority under either the Internal Revenue Code or the general tax laws of Guam which permit the disclosure or use of tax return information without the prior knowing and voluntary consent of the taxpayer, even when the information is submitted under seal. This is particularly so in cases where the taxpayer is not a party to the litigation.

You may recall that the Receiver and the United States vehemently opposed the landowners' Motion to Intervene. [ECF 1071, ECF 1110]. Had intervention been allowed, there may have been some basis justifying a release of the information. As it stands, however, information identifying the exact amount of tax credits, if any, that were allowed to a specific taxpayer is irrelevant for purposes of complying with the Consent Decree. What is relevant is that the condemnation judgment entered by the Superior Court of Guam in CV0084-08 continues to remain unsatisfied, and that the balance owed after payments have been credited is \$19,309,384 as of September 30, 2014.

Thank you.



SANDRA CRUZ-MILLER  
Office of the Governor of Guam

cc: Joyce C.H. Tang  
Robert D. Mullaney  
Rawlen Mantanona