



**EXECUTIVE SUMMARY**  
**Government of Guam COVID-19 Quarantine and Isolation Utilization Analysis**  
**OPA Report No. 23-05, April 2023**

Our audit of the Government of Guam’s (GovGuam) utilization of the Coronavirus Disease 2019 (COVID-19) quarantine and isolation facilities from March 2020 to April 2022 found that 206,405 occupied rooms accounted for \$49 (M) million were utilized at 74% while 122,424 unoccupied rooms accounted for \$12M were utilized at 44%. The utilization rate is measured by the total occupied and unoccupied rooms divided by the total guaranteed rooms. (See table below for breakdown). Utilization was higher within the initial response and pandemic surge months between March 2020 and April 2021, and decreased significantly during recovery response months in June 2021 through October 2021. This is due to the changes in COVID-19 restrictions imposed by the Governor’s Executive Orders (E.O.), the Pandemic Condition of Readiness (PCOR) level, the COVID-19 Area Risk (CAR) Score, and other guidelines, and the vaccination rollout.

**Table 1: Quarantine (QFAC) and Isolation (ISOFAC) Facilities Utilization**

QFAC/ ISOFAC	Utilization Period	Occupied Rooms (%)	Occupied Rooms Cost <sup>a</sup>	Unoccupied Rooms (%)	Unoccupied Rooms Cost <sup>a</sup>	Total Guaranteed Rooms	Total Cost <sup>a</sup>
<b>Hotel A (QFAC)</b>	Mar. 18 – Sept.1, 2020	16,183 (67%) <sup>b</sup>	\$1,940,241	7,433 (31%) <sup>b</sup>	\$483,145	24,048	\$2,423,386
<b>Hotel B (ISOFAC)</b>	Mar. 18 – Sept. 1, 2020	5,535 (85%) <sup>b</sup>	\$904,224	915 (14%) <sup>b</sup>	\$86,468	6,488	\$990,692
<b>Hotel C (QFAC)</b>	Mar. 23 – June 17, 2020	14,482 (53%) <sup>b</sup>	\$3,640,015	12,748 (47%) <sup>b</sup>	\$1,274,800	27,230	\$4,914,815
<b>Hotel D (QFAC)</b>	Mar. 18 – May 27, 2020	1,231 (100%) <sup>b</sup>	\$163,300	0 (0%) <sup>b</sup>	\$0	1,231	\$163,300
<b>Hotel E (QFAC &amp; ISOFAC)</b>	May 27, 2020– April 11, 2022	28,088 (29%) <sup>b</sup>	\$5,104,392	70,524 (72%) <sup>b</sup>	\$6,357,745	97,350	\$11,462,137
<b>Hotel F (QFAC)</b>	Sept. 2, 2020 – Nov. 30, 2021	140,886 (114%) <sup>bc</sup>	\$37,312,783	30,804 (25%) <sup>b</sup>	\$3,806,370	123,318	\$41,119,153
<b>Total</b>		206,405 (74%) <sup>b</sup>	\$49,064,955	122,424 (44%) <sup>b</sup>	\$12,008,528	279,665	\$61,073,483

<sup>a</sup>Costs included additional charges (e.g., taxes, and other misc.).

<sup>b</sup>Utilization rate is calculated by occupied and unoccupied rooms divided by the total guaranteed rooms.

<sup>c</sup>Notes extensive authorized utilization of overflow facility in excess of P.O.

We also found that the unreliability of Guam National Guard (GUNG Reports) utilized by the Guam Homeland Security (GHS) is unreliable for validating the invoices that were transmitted to the Department of Administration (DOA) for payment, and reports submitted did not reconcile with the purchase order or invoices. Therefore, questioned costs totaling \$15.7M from the 171 invoices confirmed by the DOA as paid.

**GovGuam’s Initial Response to COVID-19 Pandemic (March 2020 to May 2020)**

In March 2020, the Governor of Guam issued E.O. 2020-04, which led to the emergency procurement of three quarantine facilities and one isolation facility. It also implemented quarantine requirements for all individuals traveling into Guam. The quarantine facilities: Hotel A, Hotel C, and Hotel D, and the isolation facility: Hotel B, generally started being occupied around the same

time in mid-March 2020. These facilities were negotiated at a flat room rate of \$100 per room regardless of the number of occupied and unoccupied rooms. The minimum daily guaranteed rooms were 144 for Hotel A, 389 for Hotel C, 103 for Hotel D, and 48 rooms for Hotel B.

In April 2020, E.O. No. 2020-11 established the PCOR System, which consisted of four levels, with one (1) as the most urgent condition and (4) as a return to normal operating conditions for the island's public and private sectors. The island was primarily in PCOR 1, and there was minimal travel globally as most borders were closed off or highly restrictive during this period. All four facilities were initially occupied through May 2020. For the quarantine facilities combined, we found that 65% of rooms were unoccupied, accounting for \$2.7M, and 35% of rooms occupied accounted for \$1.3M. The isolation facility did not distinguish between occupied or unoccupied rooms and was invoiced at 100% occupied, accounting for \$322 (K) thousand.

### **COVID-19 Pandemic Surge (May 2020 to December 2020)**

At the end of May 2020, GovGuam continued to use emergency procurement for Hotel A through D. However, the daily rates changed to \$110 per person and \$65 per unoccupied room for Hotel A. For Hotel D, the minimum daily guaranteed rooms changed to 98, at \$99 for occupied rooms and \$90 for unoccupied rooms. Finally, Hotel E was a new quarantine facility with minimum-guaranteed rooms of 270 a day, at \$140 per person and \$90 per unoccupied room.

In July 2020, GovGuam continued to use Hotel A and Hotel E as quarantine facilities. Also in July, the Governor's Physicians Advisory Group established and implemented the COVID-19 Area Risk (CAR) Score, which became the primary tool used to assess the risk of an area's potential to spread COVID-19 to other states or countries through travel. In September 2020, GovGuam consolidated the quarantine facilities into one, procuring Hotel F as the only quarantine facility with minimum daily guaranteed rooms of 300, at \$159 per occupied room and \$120 per unoccupied room. In October 2020, Hotel E became the sole isolation facility with minimum daily guaranteed rooms between 48 and 150, at \$175 per person and \$90 per unoccupied.

Throughout this period, the island fluctuated between PCOR levels (max. 1 and min. 3) and CAR Scores, which directly impacted the requirements for quarantine and isolations. Of the combined quarantine facilities, based on available data, we found 32% of rooms were unoccupied, accounting for \$2.2M, and 95% of rooms occupied accounted for \$17.8M during the period. For the isolation facilities, we found that 62% of rooms were unoccupied, accounting for \$1.5M, and 38% of rooms occupied accounted for \$2.1M. Although isolation facilities experienced a disproportionate utilization rate, according to the Department of Public Health & Social Services (DPHSS), this resulted from the need to isolate those individuals with a positive COVID-19 test.

### **COVID-19 Recovery Response (January 2021 to April 2022)**

Guam started moving towards recovery response with the rollout of vaccinations that began in December 2020 for the first dosage and January 2021 for the second dosage for those who were initially eligible. Vaccination eligibility began expanding in the subsequent months. In January 2021, the Governor of Guam launched the "Operation Liberate Guam" campaign to get the island to herd immunity, which would have 80% of the eligible population vaccinated. During this period, Guam continued to use Hotel F as the quarantine facility with a minimum guaranteed rooms of 300 a day, at a daily rate of \$159 per occupied room and \$120 per unoccupied room. Of the

quarantine facilities, we found that 36% of rooms were unoccupied, accounting for \$3.7M, and 97% of rooms were occupied, accounting for \$22M.

Starting in June 2021, the number of individuals required to quarantine began to decrease because of E.O. 2021-10, which removed the quarantine requirement for fully vaccinated travelers entering Guam and reduced the length of quarantine from 14 days to 10 days. In June 2021, E.O. 2021-13 was issued, and travelers with a negative COVID-19 test taken within 72 hours became exempted from quarantine requirements. In July 2021, the Acting Governor announced that Guam had reached the Operation Liberate Guam goal of an 80% fully vaccinated rate. Knowing this, GovGuam should have amended the minimum number of guaranteed rooms for Hotel F as early as July 2021. Instead, GovGuam waited until October 2021 to amend the minimum daily guaranteed rooms from 300 to 74 at a daily rate of \$150 per occupied room plus tax, regardless of occupied or unoccupied.

Hotel E was continually occupied as the isolation facility with a minimum guaranteed 48 to 150 rooms a day, at a rate of \$175 per person occupied and \$90 per unoccupied room. Of the isolation facilities, we found 77% of rooms were unoccupied, accounting for \$3.3M, and 22% of rooms occupied accounted for \$2.1M during the period. While GovGuam had control over the quarantine requirements, which directly impacted the number of rooms needed in the quarantine facility, we understand that it would not be the same for the isolation facility. Predicting utilization of the isolation facility is a lot more challenging as it solely depends on the number of positive COVID-19 cases in the community and if individuals cannot isolate at home.

### **Review and Payment Process of Invoices for Quarantine and Isolation Facilities**

Although the GHS had no formalized standard operating procedures for invoice review and verification, they did have a process. Per purchase order guidelines, awarded hotels and lodging vendors directed all billings and invoices to GHS. GHS stated they review the invoices and compare them against the GUNG reports. GHS then submits the invoices to DOA for payment, which are reimbursable through the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act. Moreover, OPA could not ensure all invoices paid by DOA were accurately reviewed by GHS based on unreliable GUNG reports. Therefore, questioned costs totaling \$15.7M documenting 171 invoices identified by OPA and confirmed by DOA as paid.

### **Conclusion and Recommendation**

The need for quarantine and isolation facilities was vital to combat the COVID-19 pandemic. While we recognize that a number of individuals needing isolation was harder to predict and control even with the rollout of vaccinations, the number of visitors and returning residents traveling to Guam requiring quarantine began to decrease significantly because of vaccinations and the lessening of quarantine requirements.

GovGuam was making amendments to purchase orders for quarantine facilities to increase utilization dates when it knew that quarantine was continually needed. However, GovGuam should have known quarantine numbers would significantly decline around June 2021 because of the reduction in quarantine days and lifting of quarantine requirements for fully vaccinated travelers and those coming in with a negative COVID-19 test. Therefore, they should have amended to reduce the minimum number of guaranteed rooms at the quarantine facility. Instead, it was not

until October 2021 that GovGuam reduced the number or minimum guaranteed quarantine rooms. GovGuam should use the available data and information to help reduce unnecessary expenses when possible. In addition, improvements in the review and approval of invoices are needed to ensure that all expenditures were valid. We made three recommendations to DOA and GHS.



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