



June 27, 2002

CONFIDENTIAL

Mayor James Matayoshi
Rongelap Atoll Local Government
Republic of the Marshall Islands

Dear Mayor Matayoshi:

In planning and performing our audit of the general purpose financial statements of the Rongelap Atoll Local Government (RALGOV) for the year ended September 30, 2001, on which we have issued our report dated June 27, 2002, we developed the following recommendation concerning a certain matter related to RALGOV's internal control and certain observations and recommendations on other accounting, administrative, and operating matters. Our principal recommendation is summarized below:

Purchases/Disbursements

Of twenty-five check disbursements selected for testing, we noted one item, check # 1858, which represented a void check. The original copy of the check voucher was not made available. Accordingly, we were unable to determine that the check voucher was endorsed as void. We recommend that RALGOV ensure that original copies of voided checks be retained.

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We have previously communicated certain matters noted during our audit of the general purpose financial statements of RALGOV for the year ended September 30, 2001, which we considered to be reportable conditions, in our report dated June 27, 2002.

This report is intended solely for the information and use of management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank the accounting staff and management for their assistance during the course of our audit. Should you have any questions regarding the matters discussed herein, please contact our office at your convenience.

Very truly yours,

A handwritten signature in cursive script that reads "Deloitte & Touche".