

HOUSE OF REPRESENTATIVES  
THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE  
FOURTH SPECIAL SESSION, 2002

FIRST DAY

June 6, 2002

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its First Day, Fourth Special Session, on Thursday, June 6, 2002, at 8:25 a.m., in the House Chamber, Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Heinz S. Hofschneider, Speaker of the House, presided.

A moment of silence was observed.

In accordance with Rule XIII, § 2(a), fifteen members were present; Representatives Oscar M. Babauta, Joseph P. Deleon Guerrero and Ramon A. Tebuteb were excused.

**ADOPTION OF JOURNALS**

Floor Leader Attao moved for the adoption of the Journals for the 5<sup>th</sup> Day, First Regular Session, 1<sup>st</sup> Day, First Special Session, 2<sup>nd</sup> Day, First Special Session and 1<sup>st</sup> Day, Second Special Session, was seconded and carried by voice vote.

**PREFILED AND INTRODUCTION OF BILLS**

H. B. NO. 13-134: A Bill for an Act to amend Public Law 12-45, to conform with the module statute within the meaning of the Tobacco Master Settlement Agreement.

Offered by: Rep. Gloria DLC. Cabrera and ten others

H. B. NO. 13-135: A Bill for an Act to amend 4 CMC §§ 1503(a)(2) and 1503(a)(5); and for other purposes.

Offered by: Rep. Jesus T. Attao and one other

Referred to: Committee on Commerce

H. B. NO. 13-136: A Bill for an Act to amend Public Law 12-64 to appropriate the remaining un-appropriated \$2 million under sections 4 and 5.

Offered by: Rep. Jesus T. Attao and four others

**PREFILED AND INTRODUCTION OF RESOLUTIONS**

H. R. NO. 13-054: A House Resolution to request the Honorable Juan N. Babauta to reprogram funds to the Department of Labor and Immigration and other departments that need funding so that those pending personnel actions due to lack of funds can be expedited.

Offered by: Rep. Jesus T. Attao and two others

H. J. R. NO. 13-010: A House Joint Resolution respectfully requesting the Governor of the CNMI to institute a dialogue with the Governor of Guam on the management of Mariana Islands ecosystems with special emphasis on controlling the migration of invasive species such as the brown tree snake.

Offered by: Rep. Arnold I. Palacios and seventeen others

Speaker Hofschneider: Any other introduction? If none, since this Special Session is called specifically to address the tobacco legislation we go down to Item 15 on our Agenda, Resolution Calendar. Short recess?

**RESOLUTION CALENDAR**

Floor Leader Attao: Two minutes recess for the Resolution to be duplicated, Mr. Speaker.

The Chair declared a short recess at 8:31 a.m.

**RECESS**

The House reconvened at 8:38 a.m.

Speaker Hofschneider: We are back to our session and, with no objection, we go back to introduction of resolutions and I recognize the Vice Speaker.

There being no objection, the House went back to Prefiled and Introduction of Resolutions.

**PREFILED AND INTRODUCTION OF RESOLUTIONS**

H. R. NO. 13-055: A House Resolution “Requesting the Board of Public Lands to reserve at least five thousand (5,000) square meter of public land for the development of a Chamorro Village to protect and promote Chamorro traditions and customs.”

Offered by: Rep. Manuel A. Tenorio and seventeen others  
The Chair recognized Representative Stanley Torres.

H. R. NO. 13-052: A House Resolution requesting that the Northern Marianas College and its Board of Regents acknowledge and implement the mandate of Public Law 9-53, Section 4, Part 2, "...to establish a vocational, occupational and technical, training center and professional development institute (hereinafter referred to as "institute") within the Northern Marianas College; and for other purposes.

Offered by: Rep. Stanley T. Torres

H. R. NO. 13-053: A House Resolution to acknowledge the importance and value of Guam Insurance Adjusters, Inc.

Offered by: Rep. Stanley T. Torres

H. J. R. NO. 13-011: A House Joint Resolution to recommend Public Lands Authority to designate a portion of Civic Center Beach for the construction and operation of a Chamorro Culture Village; and for other purposes.

Offered by: Rep. Stanley T. Torres

Speaker Hofschneider: With no further introductions, we go back to Item 15, Resolution Calendar.

## RESOLUTION CALENDAR

The Chair recognized Floor Leader Attao.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the adoption of the following Resolutions and House Joint Resolutions: H. R. NO. 13-052, H. R. NO. 13-053, H. R. NO. 13-054, H. R. NO. 13-055, H. J. R. NO. 13-010 and H. J. R. NO. 13-011.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader?

Floor Leader Attao: I now move for the adoption of the following resolutions: H. R. NO. 13-052, H. R. NO. 13-053, H. R. 13-054, H. R. NO 13-055, H. J. R. NO. 13-010 and H. J. R. 13-011.

The motion was seconded.

**H. R. NO. 13-052: REQUESTING THAT THE NORTHERN MARIANAS COLLEGE AND ITS BOARD OF REGENTS ACKNOWLEDGE AND IMPLEMENT THE MANDATE OF PUBLIC LAW 9-53, SECTION 4, PART 2, "...TO ESTABLISH A VOCATIONAL,**

OCCUPATIONAL AND TECHNICAL, TRAINING CENTER AND PROFESSIONAL DEVELOPMENT INSTITUTE (HEREINAFTER REFERRED TO AS “INSTITUTE”) WITHIN THE NORTHERN MARIANAS COLLEGE;” AND FOR OTHER PURPOSES.

**H. R. NO. 13-053:** TO ACKNOWLEDGE THE IMPORTANCE AND VALUE OF GUAM INSURANCE ADJUSTERS, INC.

**H. R. NO. 13-054:** TO REQUEST THE HONORABLE JUAN N. BABAUTA TO REPROGRAM FUNDS TO THE DEPARTMENT OF LABOR AND IMMIGRATION AND OTHER DEPARTMENTS THAT NEED FUNDING SO THAT THOSE PENDING PERSONNEL ACTION DUE TO LACK OF FUNDS CAN BE EXPEDITED.

**H. R. NO. 13-055:** REQUESTING THE BOARD OF PUBLIC LANDS TO RESERVE AT LEAST FIVE THOUSAND (5,000) SQUARE METER OF PUBLIC LAND FOR THE DEVELOPMENT OF A CHAMORRO VILLAGE TO PROTECT AND PROMOTE CHAMORRO TRADITIONS AND CUSTOMS.

**H. J. R. NO. 13-010:** RESPECTFULLY REQUESTING THE GOVERNOR OF THE CNMI TO INSTITUTE A DIALOGUE WITH THE GOVERNOR OF GUAM ON THE MANAGEMENT OF MARIANA ISLANDS ECOSYSTEMS WITH SPECIAL EMPHASIS ON CONTROLLING THE MIGRATION OF INVASIVE SPECIES SUCH AS THE BROWN TREE SNAKE.

**H. J. R. NO. 13-011:** TO RECOMMEND PUBLIC LANDS AUTHORITY TO DESIGNATE A PORTION OF CIVIC CENTER BEACH FOR THE CONSTRUCTION AND OPERATION OF A CHAMORRO CULTURE VILLAGE; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Discussion on any of the resolutions?

Several members voiced, “ready.”

The motion to adopt H. R. NO. 13-052, H. R. NO. 13-053, H. R. NO. 13-054, H. R. NO. 13-054, H. J. R. 13-010 and H. J. R. 13-011 was carried by voice vote.

Rep. S. Torres: Mr. Speaker?

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: If I may ask the author of H. R. NO. 13-055 to hold back, reconsider. I see that the area his asking is only for 5,000 square meters, that’s very small.

Vice Speaker Tenorio: Thank you, Mr. Speaker. If he reads carefully, it says “at least 5,000 square meters.” There’s a big difference between “5,000” and “at least.” That’s the minimum and I did that because I was reading his joint resolution and on that beach, you don’t have much area. That’s probably an area that we have to look at carefully because it’s one of the more expensive parts of the island that might be used for other purposes. My resolution asks the Marianas Public Lands

people and the Indigenous Affairs Office to locate areas perhaps where is more meaningful, perhaps areas where we have historic preservation relative to a Chamorro culture and build it there and increase the size. The 5,000 square meters is the minimum if you read it carefully. It could be up to a hectare, 2 hectares or 3 hectares. There's no limit to decide. Let them decide what's good. I hope that answers your question, thank you.

Rep. S. Torres: Thank you for the explanation.

Speaker Hofschneider: Item 16, Bill Calendar.

### **BILL CALENDAR**

The Chair recognized Floor Leader Attao.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move to suspend Rule VII, Section 10, Rule IX, Section 9, 10 and 11 for passage of the following House Bills: H. B. NO. 13-134 and H. B. NO. 13-136.

The motion was seconded.

Speaker Hofschneider: Discussion on the suspension motion?

Vice Speaker Tenorio: I don't have a copy of H. B. NO. 13-136. I don't know if that bill has been prepared, I don't see it on the Calendar and I'd like to see what it is before we adopt the suspension motion.

The Chair declared a short recess at 8:48 a.m.

### **RECESS**

The House reconvened at 8:49 a.m.

Speaker Hofschneider: We are back to our session. I recognize the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the passage on First and Final Reading H. B. NO. 13-134.

The motion was seconded.

Speaker Hofschneider: Discussion on the motion for passage?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-134, on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	excused
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	excused
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	excused
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: For the record since they cast their votes, Representatives William S. Torres, Daniel O. Quitugua and Martin B. Ada are marked present. House Bill No. 13-134 is hereby, passed by the House.

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I now move for the rejection of the proposed amendment to the Rules of Admission to the Supreme Court with reference to Dept. & Agency Comm. 13-40.

The motion was seconded.

Speaker Hofschneider: Floor Leader, would you rephrase your motion and cite the Judicial Communication?

Floor Leader Attao: Can I have the number on that, Mr. Speaker?

The Chair declared a short recess at 8:59 a.m.

## RECESS

The House reconvened at 9:00 a.m.

Speaker Hofschneider: We are back to our session and I recognize the Floor Leader to rephrase his motion.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I withdraw my original motion relative to Dept. & Agency Comm. 13-40. And, I move to withdraw from JGO Committee, as permitted by the Chair, Jud. Br. Comm. 13-4 relative to the Rules of Admission of the Supreme Court for the House to consider for rejection in today's session.

The motion was seconded.

Speaker Hofschneider: Discussion on the motion?

Several members voiced, "ready."

The motion to withdraw Jud. Br. Comm. 13-4 from the Committee for consideration was seconded and carried by voice vote.

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the rejection of Jud. Br. Comm. 13-4, this is relative to the Amendment to the Rules of Admission of the Supreme Court.

The motion was seconded.

Speaker Hofschneider: Discussion on the motion?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to reject JUD. BR. COMM. 13-4 is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	excused
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	excused
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes

Rep. Ramon A. Tebuteb	excused
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: The proposed Rules of Admission from the Jud. Br. Comm. 13-4 is hereby rejected by the House. For the record, this is by no means rejecting and leaving it at that state. It is the intention of the House to notify the Supreme Court Justice and the Attorney General simply to resolve the issue raised by the Attorney General in his letter dated May 30, 2002. We will do that and allow the Judicial Branch to resubmit once the concerns of the Attorney General is taken up and resolved.

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the passage of H. B. NO. 13-136 on First and Final Reading.

The motion was seconded.

Speaker Hofschneider: Discussion on the motion?

Several members voiced, “ready.”

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-136, on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	excused
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	excused
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	excused
Rep. Manuel A. Tenorio	yes

Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: House Bill No. 13-136 is hereby passed by the House. Representative Stanley Torres?

Rep. S. Torres: Mr. Speaker, can we go back to House Communications, Item 7, please?

Speaker Hofschneider: With no objection, we go back to House Communication.

There was no objection raised.

### HOUSE COMMUNICATION

Rep. S. Torres: Mr. Speaker and fellow members, I am making a formal response to the former House Speaker Benigno R. Fitial and the Calvo & Clark Law Firm for blaming that our Governor Juan Nekai Babauta cause the “run” on the Bank of Saipan, as it appeared on the *Marianas Variety* newspaper of May 31, 2002. Mr. Speaker and Colleagues, in the defense of our Governor Juan Nekai Babauta, I said that Ben Fitial’s statement and declaration against the Governor are all sack of lies. Ben Fitial knew everything in the Bank of Saipan. Fitial was the Chairman of the Board of the Bank of Saipan before he became the Speaker of the Twelfth CNMI House of Representatives and remain a member of the Board of Directors and the Chairman of the Loan Committee of the Bank after his term in the Twelfth Legislature. Ben Fitial is also amongst the few major shareholders of Bank of Saipan who are selling their shares to the three (3) crooks also known as B.M.W. when they were in Las Vegas, Nevada sometime in the 2001. Again, Mr. Speaker and fellow Colleagues, I am making a formal statement in regards to the scandal of the Bank of Saipan. I am calling on the Calvo brothers, namely the former Governor of Guam Paul M. Calvo, Edward M. Calvo, Thomas M. Calvo and Guam Attorney David J. Lujan, the Tan’s brothers and Billy Ben Fitial and other greedy selling shareholders-Board of Directors of the Bank of Saipan, conspirators who defalcate the Bank for their self-serving interest and to profit and have commit a crime against the people of the CNMI. The Board of Directors of the Bank of Saipan decided to put the Bank for sale, not known by the rest of the little shareholders that their Bank is up for sale, however the sale scheme was an orchestrated scheme. The three (3) crooks, or the three electronic robbers from U.S. mainland have been in contact with the major selling shareholders-directors, conspirators, to sell the Bank of Saipan. The advertisement of the selling of the Bank of Saipan was caught by the three (3) crooks, I call them the B.M.W. as (Berdich, Montgomery and Wilson) and they were in contact with the major selling shareholders-directors, Calvo brothers and David Lujan, Tan’s brothers and Billy Ben met in Las Vegas, Nevada, U.S.A. Their meeting was sometimes in early of 2001, before the gubernatorial election of Ben Fitial. I believed that this was one of the platforms of Ben Fitial that there are investors coming to the CNMI as soon as he becomes governor-elect. These three crooks are his investors. Can you imagine if Billy Ben become our Governor. He will have all the Government money in the Bank of Saipan, believe it or not. Once a point in time, the

B.M.W. crooks namely Berdich, Montgomery and Wilson met with the Calvo brothers, the former Governor of Guam Paul M. Calvo, whose shares of 28,644, Edward M. Calvo of 28,643 shares and Thomas M. Calvo of 28,644 shares, Guam Attorney David J. Lujan, Trustee of Junior Larry Hillblom 113,396 shares, the Tan's 85,000 shares and Ben Fitial's 1,000 shares. These people are the controlling shareholders-Board of Directors met with the B.M.W. in the U.S. of A., Las Vegas Nevada, they meet and deal their games of chance and came back to Saipan to redeem their winnings at the Bank of Saipan, which turns out to be a scam and conspiracy to defalcate the people's Bank of Saipan. I am calling the Governor of the CNMI, the CNMI Attorney General, the CNMI OPA and all the CNMI government entities to file a criminal charge against all the names I have mentioned to seize all their properties and businesses and sell them to recover all the monies they received of \$3.5M and including the monies their co-conspirators, the B.M.W. to return all monies taken out of Bank of Saipan plus their penalties and interest of all monies taken out of Bank of Saipan. This is best way to put back Bank of Saipan in full and normal operating Bank. The Calvo's and Lujan are respectable people of Guam and I am sure that they would not risk their businesses and integrity to go down the tube for what they have caused the Bank of Saipan these scandals which they are parties to. On the other hand, I learned that the Attorney for the Bank of Saipan is Law Firm of Calvo and Clark. How can the Calvo and Clark prosecute his own father who owns 28,643 shares and a member of the Board of Directors of Bank of Saipan? That is a direct in conflict of interest and a joke to let his own son to continue to be the Attorney for the Bank of Saipan when the Calvo and Clark Law Firm is also a participant of the scandal? I am officially calling our Executive Branch and the AG to immediately move and charge especially the three (3) Calvo's, Lujan and it's Legal Counsel to recover all the monies they have fraudulently obtained our citizens and public funds from the Bank of Saipan. This is the only way that we can return the confidence of our CNMI people to have faith in their Bank, the Bank of Saipan nothing else. Mr. Speaker and Members, in closing Governor Paul M. Calvo and Attorney David J. Lujan paid a visit to Governor Babauta a few days after the news of the indictment of Montgomery nervously informing Governor Babauta and other government officials, including myself that the Bank of Saipan is under control and in a normal operation and that they are personally guaranteeing the Bank with their own money. Governor Calvo and Attorney Lujan are only offering 1.2 million dollars now known by any of us at that meeting that they have already received \$3.5 million dollars from the sell of their shares. Thank you for your attention.

The Chair recognized the Floor Leader.

Floor Leader Attao: I move to recess subject to the call of the Chair, Mr. Speaker.

Speaker Hofschneider: Before I recognize that motion, Vice Speaker?

Vice Speaker Tenorio: Thank you, Mr. Speaker. These are very, very serious allegations done here on the floor of the House and I want, Mr. Speaker, for the record to request that copies of the handwritten testimony that the good Colleague of ours just finished, be made copies and be placed in the journal in case something else follows after this and this is a very, very serious allegation and is a breach, a serious breach of fiduciary for those people who are members of the Board of

Directors for the Bank to be doing this and you have be prepared for any bad ration, that might come as a result. I know we are protected by the Constitution being member of this Legislature but we still have to bear the crunch if anything comes as a result of this. So for the record, I would like to move that Congressman Torres' handwritten testimony be placed in the journal, thank you.

Speaker Hofschneider: His statement will be on official material in the transcript. Representative Palacios?

Rep. H. Palacios: Mr. Speaker, I just want the members know that I am scheduled to depart on Wednesday for my transplant.

Vice Speaker Tenorio: I want to wish Rep. Palacios, Mr. Speaker, good luck and fast recovery. Thank you very much.

Speaker Hofschneider: We all do. Representative Palacios, our thoughts and prayers are with you and we're hoping for a speedy recovery so you can come back and join us, from our hearts.

Rep. Herman T. Palacios: Thank you, Mr. Speaker.

The Chair recognized the Floor Leader.

Floor Leader Attao: I move to recess subject to the call of the Chair.

The motion to recess, subject of the Chair, was seconded, and carried by voice vote.

The House recessed at 9:16 a.m.

Respectfully submitted,

Lavida S. Palacios, Acting Journal Clerk  
House of Representatives

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APPEARANCE OF LOCAL BILLS

**H. L. B. NO. 13- 030:** To appropriate \$325,000.00 from the fees collected under the Saipan Local Law 11-2; and for other purposes. [2<sup>nd</sup> Appearance]