



House of Representatives
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
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Saipan, Mariana Islands 96950

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MEMORANDUM

TO: COMM. FINANCE AND OTHER MATTERS
FROM: LEGAL COUNSEL
SUBJECT: CODE OF ETHICS LEGISLATION
DATE: JULY 1, 1985

You have asked about the current state of code of ethics legislation before the House of Representatives. I understand that the Committee is considering a delegate proposal to amend the code of ethics requirements.

The House of Representatives has passed a financial disclosure bill that is pending now before the Senate (SB 4-61). It has enacted a Lobbying Disclosure Act, PL 4-25. And it has three pending bills before it that deal with ethical issues in public employment. The bills are House Bills 165, 23, and 199.

Before considering these bills, I recommend the Committee review the current state of the law on ethics. The CNMI Constitution requires the legislature to enact a financial disclosure and code of conduct law for executive employees. (Art 3, Sec 6). The CNMI Constitution also requires the legislature to enact a comprehensive code of conduct for its members. (Art 2, Sec 15). Common law notions of public trust and fiduciary responsibility apply in the CNMI. The Romisher case illustrated that a court will throw out an agency's vote if interested directors participate in passing the decision by majority vote. The Criminal Code contains prohibitions against bribery. The Election law contains certain financial disclosure requirements. The new Lobbying Disclosure Act requires lobbyists to disclose their spending and business. The Civil

Service Commission has adopted rules for classified employee conduct and performance. The Executive has procurement policies and proposed regulations to prevent conflicts of interest in government procurement. Finally, the House Rules contain conflict of interest provisions and apply the Civil Service Commission employee code of conduct rules to House employees.

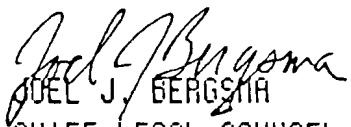
House Bill 165, as amended by the JGO Committee, seeks to supplement the criminal laws of the CNMI in the government ethics area.

House Bill 23 was subject to a public hearing on July 12, 1984. The bill has been redrafted in a suggested committee draft. It is awaiting review by the members as to whether it is still necessary.

House Bill 199 is based on the Conflicts of Interest and Disclosure Act in the District of Columbia. The House has the Washington, D.C. implementing package and forms. The bill overlaps SB 4-61, and must be examined by the members as to which of its provisions they believe are worth saving.

In summary, I believe the legislature has made a late, but good faith attempt to implement the Constitutional ethics provisions. I do not believe the provisions require further amendment. The legislature has sufficiently authority already in the constitution. If desired, I can supply the committee members with copies of the most recent drafts of the proposals.

If you have any questions, please see me.


JOEL J. BERGSMA
CHIEF LEGAL COUNSEL
HOUSE OF REPRESENTATIVES

cc: Convention President
File: Legal Counsel to the Convention
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