

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 10: COMMONWEALTH DEVELOPMENT AUTHORITY**

**§ 10408. Conflicts of Interest.**

(a) No loan or other financial assistance shall be granted to any authority board member, the executive director, or any spouse or member of his or her household. Neither shall any loan or other financial assistance (other than a loan guarantee with a commercial bank or financial institution), be made to any corporation, company, association, partnership or legal entity in which any authority board member, or the executive director, or any spouse, or member of his or her household have any pecuniary interest, whether directly or indirectly. No member of the board, officer, counsel, agent, or employee of the authority shall in any manner, directly or indirectly, participate in the deliberation or upon the determination of any question affecting the personal interests or the interests of any enterprise in which his parent, son, daughter, brother, sister, mother-in-law, father-in-law, sister-in-law, brother-in-law, or any member of his household is directly or indirectly interested.

(b) With the exception of authority board members and the executive director; the officers, counsel, agents, and employees of the authority may apply for loans or other financial assistance from the authority if they do not, directly or indirectly, participate in the deliberation or upon the determination of any question affecting their personal interest or the interests of any enterprise in which their spouse, or any member of their household directly or indirectly interested.

(c) No member of the board, officers, counsel, agent, or employee of the authority, either directly or indirectly for himself or as representative or agent of another person, shall become a guarantor, indorser, or surety for loans from the authority to others, nor in any manner be an obligor for money borrowed from the authority by another, except under a loan guaranty with a commercial bank.

(d) The restrictions of subsections (a), (b) and (c) of this section shall not apply to public sector assistance.

(e) No fee, commission, gift, or charge of any kind shall be exacted or demanded by or paid to any person mentioned in subsection (a) of this section, for obtaining a loan or other financial assistance.

(f) All board meetings shall be held in the Commonwealth of the Northern Mariana Islands.

(g) A willful failure to discuss a conflict of interest as defined in this section, shall be a breach of fiduciary duty and cause for immediate removal by the appointing authority.

**Source:** PL 4-49, § 16; amended by PL 4-63, § 8.