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Office of Registrar of Corporations Commonwealth of the Northern, Mariana Islands

PUBLIC NOTICE

PROPOSED REGULATIONS FOR THE NUTRITION ASSISTANCE PROGRAM FOR THE DEPARTMENT OF COMMUNITY AND CULTURAL AFFAIRS

The Director of the Department of Community and Cultural Affairs is proposing regulations for the Administration of the Nutrition Assistance Program in the Northern Marianas in compliance with the requirements of the Memorandum of Understanding between the Commonwealth and the U.S. Department of Agriculture.

These regulations are embodied in a Manual of Operations which describe the policies and procedures pertaining to the operation of the NAP in the Commonwealth of the Northern Mariana Islands. The manual includes the following subject areas:

- Eligibility of Household
- Certification of Households
- 3. Issuance and Use of Food Coupons 4. Participation of Retail Food Stor Participation of Retail Food Stores and Banks
- 5. Penalties for Non-compliance

The proposed regulations are available for review during regular working hours, Monday thru Friday, at the Department of Community and Cultural Affairs, NAP Division, Lower Base, Saipan, CM 96950.

Anyone interested in commenting on the proposed NAP Manual of Operations may do so by submitting comments in writing to the Director, Community and Cultural Affairs Office, Lower Base, Saipan, CM 96950, within thirty (30) days from the date this notice is published in the Commonwealth Register.

GILBERT C. ADA

Director, CCA

NUTISIAN PUPBLIKU

MA'ENTENSIONA NA AREKLAMENTO PARA I PRUGRAMAN AYUDON NENGKANNO' DIPATTAMENTON I COMMUNITY & CULTURAL AFFAIRS

I direktot i Dipattamenton i Community & Cultural Affairs esta gumai planu na para u na'guaha areklamento para i atministrasion i Programan Ayudon Nengkanno' gi Sangkattan ni Islan Marianas ni para u afakcha' yan i ginagaggao na arekamento anai gumaha inakomfotma gi entalo' i Commonwealth yan i Dipattamento Agrikottura giya Amerika.

Este na arekamento inembrarasa gi halom i lepblon cho'cho (MANUAL OF OPERATION) ni ha esplilika i areklamento yan direksion pot ma' emplimenta-ña i NAO gi CNMI. Este na lepblo ha na'guaguaha i sigiente siha na patte:

- 1. Manilihipble na numiron taotao ni mañasaga gi un guma'
- 2. Manmasettefika na numiron taotao ni mañasaga gi un guma'
- 3. Malaknos yan ma'usan i Food Coupon
- 4. Mañasaonao na tenda yan bangko
- 5. Penan i ti tumattiyi i areklamento

Este na planon areklamento siña un gaggao gi duranten che'cho' gubietno desde Lunes asta Betnes gi Dipattamenton i Community & Cultural Affairs, gi bandan i NAP, Lower Base, Saipan CM 96950.

Hayi na enterisao manayuda gi planon i NAP, siña ha cho'gue yanggen ha tuge' ya ha na'i halom i rikumendasion-ña gi DCCA, Lower Base Saipan, CM 96950 gi halom i trenda dias desde i fecha ni malaknos gi nutisian i Commonwealth Register.

FECHA: 4/1/83

Gil C. Ada Director DCCA

ARONGORONG NGALIIR TOWLAP

Ofisinaal Nutrition Assistance Program mellol Depattamentool Community & Cultural Affairs e kke ayoora eew allégh.

Direktoodul Depattamentool <u>Community & Cultural Affairs</u> e kke ayoora eew allégh mereel Administrasionul <u>Nutrition Assistance</u> Program 1161 <u>Northern Marianas</u>, e kke tóngór ngálighámi bwe ówbwe ayoora komprendi lepetál <u>Commonwealth</u> me Depattamentool Agratuura mellől Amerika.

Aa yoor tiliighiil allégh ye ebwe aweweey ngálighámi mwóghútúghútúl angaang ye Nutrition Assistance Program mellól CNMI.

Tiliighiil allégh yeel e kke ayoora millikka e táttálitiw.

- 1. Numurool schóól 1161 eew iimw kka emmwel rebwe yááyá Food Stam.
- 2. Certifikool schóókka re lollo 1161 eew iimw.
- 3. Efaisúl yááyáál Food Stamp Coupon.
- 4. Tenda me Bangko kka e toolong.
- 5. Kastigoor schóókka rese attabweey allégh yeel.

Emmwel bwe ówbwe 16 1161 ofisinaal NAP mellól Depattamentool Community & Cultural Affairs bwe rebweló amatafa ngálighámi mwóghútúghútúl allégh yeel Lunis mwetengáli Bennis atol angaang. Ofisina yeel nge e lo Lower Base Saipan, CM. 96950.

Ngáre eyoor yáámi aiyegh mellól allégh yeel nge re kke t**ú**ngór ngálighámi bwe ówbwe ischito reel Direktoodul, DCCA, Lower Base, Saipan, CM 96950. Re kke ngálleghámi (30) iliigh rál sangi rállil yaal toowow allégh yeel mellól Commonwealth Register.

Rál: 4/1/83

Gil C. Ada Director DCCA

MAY 27, 1983

PAGE 2023

I. INTRODUCTION

The procedures delineated throughout this Manual are intended to serve as a guide in the administration of the Program and are broadly written within the limits imposed by the CNMI NAP Regulations and the Memorandum of Understanding.

The Manual is not all-inclusive in that it cannot cover every possible variations that specific cases may present. The provisions are brief, simple but workable and are consistent with Regulations which allows for maximum program flexibility.

The CNMI retains much of the decision-making power with regards to the applicability of FNS standards and therefore certain provisions may or may not conform to federally imposed regulatory or other standard program requirements. Standard FNS procedures will be used whenever deemed necessary or in situations not addressed herein.

All NAP staff are encouraged to exercise reasonable and prudent judgment in the performance of their duties and responsibilities.

II. PURPOSE

This Manual describes the terms and conditions under which food coupons may be issued to eligible households in the Northern Mariana Islands (NMI). It also explains how these coupons may be used to purchase eligible foods in the NMI.

III. STATE AGENCY IDENTIFICATION AND AUTHORITY

The Department of Community and Cultural Affairs (DCCA) located in the Commonwealth of the Northern Marianas is herein referred to as the State Agency. DCCA is charged with the responsibility for the administration of the program in the CNMI. The NAP Administrator shall have the responsibility for the day-to-day administration and operation of the Nutrition Assistance Program.

IV. DEFINITIONS

"Allotment" means the total value of coupons a household is authorized to receive during each month or other time period.

"Application Form" means the form which is completed by a household member or authorized representative and which is used by the NAP staff to determine the household's eligibility and allotment level if the household is eligible.

"Authorization to Participate Card (ATP)" means a document which is issued by DCCA to a certified household showing the allotment the household is authorized to receive upon presentation of such document at an appropriate issuance point.

"Bulk storage point" means a secure place for storage of food coupons, the security of which is the responsibility of the CNMI government.

"Coupon" means any coupon or food stamp provided under this subchapter for the purchase of eligible items or local food.

"Coupon issuer" means the agent of the State agency which has the assigned responsibility for issuance of food stamps to households.

"Department" means the U.S. Department of Agriculture.

"Earmarked coupons" means those food coupons identified as for use only in the purchase of locally produced foods. These food coupons may not be used to purchase imported food items nor are they to be used as change in a food coupon transaction.

"Eligible items" means (1) any food or food product intended for human consumption except alcoholic beverages, tobacco, hot food prepared for immediate consumption, and restaurant or snack bar items; (2) fishing equipment such as nets, fish lines, fish hooks, fishing rods, fishing reels, harpoons, diving masks and goggles, or underwater flashlights; (3) garden seeds and plants and fertilizer to grow food for the personal consumption of the eligible household; and (4) hand farm tools such as hoes, rakes and shovels and sickles, but not including clothing, gasoline, motor oil, land or mechanized farm equipment.

"Fiscal year" means a period of 12 calendar months beginning with each October 1 and ending with September 30 of the following calendar year.

"Food stamp" means any coupon or stamp provided under this subchapter for the purchase of eligible items or local food.

"FNS" means the Food and Nutrition Service of the U.S. Department of Agriculture.

"Fraud" means an action taken by any person, authorized representative or household member to knowingly, willfully and with deceitful intent obtain funds or food stamp benefits to which the State agency employee, authorized representative or household member is not entitled.

"'Good cause' means circumstances beyond the household member's control, such as illness, illness of another household member requiring the presence of the member, a household emergency which prevents the member from complying with a NAP requirement.

"Household" means that unit, either an individual or a group, upon which determinations of eligibility and levels of benefits are based.

"Identification (ID) card" means a card provided by the State agency which identifies the bearer as eligible to receive and use food coupons.

"Local foods" means those food items grown, caught or processed in the CNMI. Examples are fruits and vegetables grown locally; fish caught locally; beef and dairy products, poultry and eggs, pork and other meats obtained from animals raised in the CNMI; as well as bread and bakery products processed in the CNMI.

"NAP" means the Division of Nutrition Assistance Program which is responsible for the day-to-day administration's of the program.

"Official food list" means an FNS approved list of items that may be purchased with food coupons.

"Overissuance" means the amount by which food coupons issued to a household exceeds the amount the household was eligible to receive.

"Project area" means the administrative unit for Program operations. In the CNMI, it is the Commonwealth as a whole.

"Retail food store" means (1) a retail establishment or recognized retail department of an establishment, or a house-to-house trade route, whose eligible food sales volume is more than 50 percent staple food items for home preparation and consumption; (2) a farmer's or fish market; or (3) a store specializing in the sale of eligible non-food items such as fishing or gardening supplies.

"Secretary" means the Secretary of the U.S. Department of Agriculture.

"Signature" means a person's name or witnessed mark indicating the person's name on a document.

"State" means the Government of the Commonwealth of the Northern Mariana Islands (CNMI).

"State agency" means the Department of Community and Cultural Affairs (DCCA) in the CNMI which has the responsibility for the administration of the Nutrition Assistance Program.

"Supplemental security income (SSI)" means monthly cash payments made under the authority of title XVI of the Social Security Act. as amended, to the aged, blind, and disabled.

"SSI household" means that all members of the household receive SSI benefits.

"Thrifty food plan" means the diet required to feed a family of four persons consisting of a man and a woman 20 through 54, a child 6 through 8, and a child 9 through 11 years of age in the CNMI, determined in accordance with the Secretary's calculations. The cost of such diet shall be the basis for uniform allotments for all households regardless of their actual composition.

V. ELIGIBILITY OF HOUSEHOLDS

A. Household concept.

- Eligibility for participation in the program shall be determined on a household basis. A household is defined as an individual who commonly purchases and prepares meals alone or as a group of persons who commonly purchase food and prepare meals together.
- 2. Residents of institutions, and roomers and boarders shall not be considered household members. Other individuals who share living quarters with the household but who do not customarily purchase food and prepare meals with the household shall not be considered household members.
- Disqualified individuals and ineligible aliens. Individuals disqualified from the Program because of fraud, individuals disqualified for noncompliance with the work registration requirements and aliens that do not meet citizenship or eligible alien status shall not be considered household members when determining household size. The prorated income of disqualified individuals and ineligible aliens shall be included in the household's income for determination of eligibility and level of benefits. The resource of disqualified individuals and ineligible aliens shall be included in the household's resources for determination of eligibility.

B. Authorized representative.

- 1. The DCCA may permit, on a case by case basis, on Rota, Tinian and Saipan, the use of authorized representatives designated by the nead of the household, spouse, or any other responsible member of the household and approved by the NAP Administrator to act on behalf of the nousehold in making application for food coupons, obtaining food coupons, serving as liaison between the NAP and the nousehold, and/or purchasing eligible items with food coupons. The State agency shall permit the use of authorized representatives for individuals who live on one of the islands north of Saipan.
- The following shall not be permitted to act as authorized representatives: NAP staff, Issuance Agent employees directly involved with the issuance of coupons, retailers that are authorized to accept food coupons, and all elected officials (except for the Mayor of the Northern Islands), and individuals disqualified from the program.

C. Residency.

A household must be living in the CNMI when it files an application for participation in the Program. Residency shall not mean domicile nor shall DCCA impose any durational residency requirement. However, people in the CNMI solely for vacation purposes shall not be considered residents. No individual may participate as a member of more than one household in any month.

D. Citizenship and alien status.

- 1. The State agency shall prohibit participation in the Program by any person who is not a resident of the CNMI and not one of the following:
 - a. A Northern Mariana Islands citizen;
 - b. A United States citizen; or
 - c. An alien lawfully admitted for permanent residence in the U.S. or the CNMI.
- 2. No aliens other than those described above shall be eligible to participate in the Program as members of any household. Among those excluded are alien visitors, tourists, laborers, and diplomats who enter the CNMI temporarily with no intention of abandoning their residences in a foreign country.
- An individual may be presumed, at State agency discretion, to be permanently residing under the color of law upon satisfactory proof that he or she is a spouse or a legal unmarried child under the age of 18 of a citizen of the Trust Territory of the Pacific Islands, said citizen having been domiciled in the CNMI at least five (5) consecutive years immediately prior to the submission of the application to participate in NAP.
- 4. The income of an ineligible alien living with a household shall be prorated and the amount ascribed to the eligible members of the household shall be considered in determining the eligibility or level of benefits of the household; The ineligible alien shall not be counted for determining household size.

E. Work registration.

People required to register. The EW shall determine which household members are required to register for employment at the time when the household files an application. Each household member who is not exempt by paragraph (2) of this section shall register for employment at the time of application and once every 6 months after initial registration. Upon reaching a determination that a member is required to register, the EW shall explain to the applicant both the work registration requirement and the consequences of failure to comply. The EW shall provide work registration forms to the applicant or the authorized representative for each household member who is required to register for employment. Household members are registered when a completed work registration form is submitted to the EW or Employment Service Office. The EW shall forward the work registration forms filed with NAP to ESO, Department of Commerce and Labor.

- 2. Exemptions from work registration. The following people are exempt from the work registration requirement:
 - a. A person younger than 18 years of age or a person 60 years of age or older.
 - b. A person physically or mentally unfit for employment. If a mental or physical disability is not evident to the EW, verification may consist of receipt of temporary or permanent disability benefits issued by governmental or private sources, or of a statement from a licensed physician or certified psychologist.
 - c. One parent or other household member who is responsible for the care of dependent children under 12 or an incapacitated person in the household.
 - d. A person who is employed or self-employed and working at least 30 hours a week and earning the equivalent of the minimum hourly wage times 30 each week.
 - e. A student enrolled full-time in high school.
- 3. Additional work requirements. Work registrants shall also:
 - a. Report for an interview upon the request of ESO, Department of Commerce and Labor;
 - b. Respond to a request from ESO, Department of Commerce and Labor, for supplemental information regarding employment status or availability for work or job search;
 - c. Report to an employer when referred by ESO,
 Department of Commerce and Labor, if the potential
 employment meets the suitability requirements
 described in paragraph (6) of this section.
 - d. Accept a bona fide offer of suitable employment as defined in paragraph (6) of this section, to which he was referred by ESO, Department of Commerce and Labor; and
 - e. Continue suitable employment to which he was referred by ESO, Department of Commerce and Labor. Household members shall continue such employment until it is no longer considered suitable in accordance with paragraph (6) of this section, or

until they are terminated from employment due to circumstances beyond their control, or until they become exempt from the work registration requirements as provided in paragraph (2) above.

- Failure to comply. If the EW determines that a household member has refused or failed without good cause to comply with work registration requirements, that member shall not be counted as part of the household in determining the household's level of benefits based on household size, but the income and resources of the member in noncompliance shall be counted in determining the household's eligibility for the Program. Upon receipt of the notification of the failure to comply from ESO, the EW shall provide the household with a notice of adverse action at the next scheduled ATP distribution and issue the reduced benefits to the nousehold, if it is still eligible. Each household has a right to a nearing to contest a reduction or termination of benefits due to failure to comply with the work registration requirements. If a hearing is scheduled, the EW snall provide ESO with sufficient advance notice to permit the attendance of an ESO representative, if such attendance is necessary.
- 5. Ending disqualification. A member disqualified because of failure to comply with work registration ends the disqualification by becoming exempt from work registration or complying with all work registration requirements.
- 6. Suitable employment. Employment shall be considered unsuitable for the registrant if: it pays lower than minimum wage; the job will risk the registrant's health or safety; it forces the registrant to join or refrain from joining a labor organization; the commuting time or cost is unreasonable; or the working hours or type of work interferes with religious beliefs.
- 7. Determining good cause. In determining if good cause existed for failure to comply with any registration requirement, the EW shall consider the facts and circumstances, including information submitted by ESO, the household member involved, and the employer. Good cause shall include circumstances beyond the member's control, such as illness, illness of another household member requiring the presence of the member, or a household emergency.
- 8. Voluntary quit. No applicant household whose wage earners voluntarily quit his or her most recent job or reduces his or her regular or normal working hours after an agency determination of ineligibility without good cause shall be ineligible for participation in NAP for a period of at least three months beginning with the date of the notice of ineligibility.

F. Resource eligibility standards.

- 1. Uniform household standards. The EW shall apply the following resource standards to all nouseholds at the time of application to determine household eligibility:
 - a) All households.....\$1,500.00
 - b) Except two or more persons, one of whom is 60 years or older.....\$3,000.00
- 2. Excluded resources. In determining the resources of a household, only cash on hand, money in checking or savings accounts, savings certificates, stocks and bonds, or negotiable instruments shall be counted, except that the following resources shall be excluded:
 - a. The cash value of life insurance policies and pension funds as long as the funds remain in the pension plans.
 - b. Any governmental payments which are designated for the restoration of a home damaged in a disaster, if the household is subject to a legal sanction if the funds are not used as intended.
 - c. Resources, such as those of self-employed people, which have been prorated as income.
 - d. Resources which are excluded by express provision of Federal statute.
 - e. Those resources owned jointly with others which are not accessible to the household or, if accessible, are not considered part of the pro-rata share attributed to the household.
 - 3. Resources of aliens and disqualified members. Resources of aliens and individuals disqualified from participation in the Nutrition Assistance Program for any action to knowingly, willfully and with deceitful intent to obtain NAP benefits to which the individual is not entitled, or for noncompliance with work registration, shall continue to count in their entirety as resources available to the remaining household members when determining the household's eligibility for the Program.
 - 4. Transfer of resources. Households which have transferred resources knowingly for the purpose of qualifying or attempting to qualify for NAP benefits shall be disqualified from participation in the Program for up to one year from the date of the discovery of the transfer.

G. Income.

- 1. Income eligibility standards. Participation in the program shall be limited to those households whose incomes are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet.
 - a. The income eligibility standards shall be uniform for all participating households of the same size in the CNMI. Current standards are delineated in Exhibit A.
 - b. The income eligibility standards shall be adjusted each October 1 to reflect changes in the cost of living in the CNMI.
- 2. Definition of income. Household income shall mean all income from whatever source.
 - a. earned income shall include all wages and salaries of an employee; the total gross income from a self-employment enterprise (payments from a roomer and returns on rental property shall be considered self-employment income); and training allowances from vocational and rehabilitative programs recognized by the Federal and the CNMI government.
 - b. unearned income shall include but not be limited to assistance payment from public assistance programs; annuities; pensions; retirement, veteran's or disability benefits; old-age, survivor's or social security benefits; foster care payment for children or adults; support or alimony payments; education grants, fellowship, or deferred payment loans for education; dividends, interests or royalties; and the earned or unearned income of an individual disqualified from participation in the NAP less the pro-rata share for the disqualified member.
- 3. Income exclusions. Income does not include the following items:
 - a. Any gain or benefit which is not in the form of money payable directly to the household, including;
 - i. In-kind income. Nonmonetary or in-kind benefits, such as meals, clothing, public housing, or produce from a garden.
 - ii. Vendor payments. A payment made by a nonnousehold member in money on behalf of a household directly to a third party shall be considered a vendor payment.

- b. All loans, including loans from private individuals other than deferred repayment education loans.
- c. Reimbursements for past or future expenses to the extent they do not exceed actual expenses. For example, reimbursements for job or training related expenses such as travel and uniforms.
- d. Money received and used for care and maintenance of a third party beneficiary who is not a household member.
- e. Money received in the form of a nonrecurring lump sum payment shall be counted as a resource in the month received unless specifically excluded from consideration as a resource by other Federal law.
- f. Any income that is specifically excluded by any other Federal Statute from consideration as income, as well as funds received by pure SSI nouseholds as defined in Section IV of this manual.
- g. Cost of producing self-employment income. An amount equal to any monthly expense which the household can document as having been incurred to produce the self-employment income.
- 4. Income deduction. Households with earned income shall be allowed a deduction of ten percent of their earned income.
- 5. Procedures for determining income eligibility. The application shall list all income received by the household in the calendar month preceding the date of application and the EW must document any anticipated changes in income during the period of certification. Income eligibility shall be determined by the EW from the application.
 - a. Monthly-reported income includes all income received in the report month except for self-employment income or contract income which is received on an established schedule. Households receiving self-employment income or contract income on other than a monthly basis shall have such income averaged over the number of months the income is intended to cover. For example, self-employed vendors who work only in the summer and supplement their income from other sources during the balance of the year, snall nave their self-employment income averaged over the months rather than the 12-month period. Adjustments to reported averaged income shall not result in payment of retroactive benefits but snall be the basis for recoupment of overissuances, if overissuances have occurred.

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- b. To calculate income eligibility the State agency shall:
 - (i) Determine the monthly-reported incomes for the report month from the application to obtain the gross monthly-reported income.
 - (ii) Determine the incomes from self-employment or contract then divide by the number of months the income should cover to obtain the averaged gross monthly income.
 - (iii) Add the gross monthly-reported income and the gross averaged income for the report month to obtain the total gross monthly income.
 - (iv) The total gross income for the report month shall be compared to the eligibility standard for the appropriate household size to determine the household's eligibility.
- H. Voluntary Changes in HH Circumstances.

No applicant household whose household circumstances changed for the purpose of rendering it eligible following an agency determination of ineligibility shall be eligible for participation in NAP for a period of at least three months beginning with the date of the notice of ineligibility. These include but are not limited to:

- 1. Departure or removal of working members of the nousehold;
- 2. Inclusion of grandchildren or other relatives in the household in order to qualify.

VI. CERTIFICATION OF HOUSEHOLDS.

A. Application Process.

- 1. General purpose. The application process includes filing and completing an application form, being interviewed, and having certain information verified. The State agency shall act promptly on all applications.
- 2. NAP application form. Only a State agency approved form may be used, which form shall include all of the household members' social security numbers and the disqualification penalties for willful misrepresentation in clear, prominent, boldface lettering.
- Filing an application. Households shall file an application for participation in the Program by submitting the form to a certification office or to a NAP representative in Rota, Tinian, and the islands north of Saipan in person or through an authorized representative. For residents of the islands north of Saipan, the State agency shall have the discretion either of desk converting data from the 1982 USDA-FDP case files or allowing filing via a two-way radio conference with the applicants for the initial certification. The State agency shall document the date an application is received. The household may file an incomplete form as long as the application contains the applicant's name and address and is signed by either the applicant or a responsible member of the household. Once the application is filed, the household's circumstances shall be evaluated to determine if the use of an authorized representative for the household shall be allowed by the State agency.
- 4. Household cooperation. To determine eligibility, the application form must be completed and signed, the head of the household or spouse or its authorized representative must be interviewed, and certain information on the application must be verified. If the household refuses to cooperate with the State Agency in completing this process, the application shall be denied or pended. No application will be pended more than 30 days after date of receipt.

B. <u>Interviews</u>.

1. Applicant households shall have an interview with an eligibility worker prior to certification. Additional interviews may be required periodically by the State agency to discuss household circumstances and Program rights and responsibilities. When a face to face interview is not possible for residents of the islands north of Saipan because of transportation difficulties, or if the applicant objects to radio phone interview for reasons of privacy, the interview can be conducted by correspondence transmitted by an authorized representative.

- The State agency may postpone the interview for persons residing on the islands north of Saipan until after the household is certified if the household appears to be eligible.
- 3. At State agency discretion, applicants may be interviewed in the home.
- 4. The individual interviewed may be the head of a household, spouse, any other responsible member of the nousehold or an authorized representative. The interviewer shall explore and resolve unclear or incomplete information with the household. The household shall be advised of their rights and responsibilities during the interview. Facilities shall be adequate to preserve the privacy and confidentiality of the interview.
- C. Verification. Verification is the use of documentation, third party information, or home visits, to establish the accuracy of statements on the application in order to determine the eligibility or ineligibility of the household.
 - 1. Mandatory verification.
 - households prior to certification except where all attempts to verify income or resources have been unsuccessful either because the person or organization providing the income has failed to cooperate with the household and the State agency or because other sources of verification are unavailable. In such cases, the eligibility worker shall determine income or resource amounts to be used for certification purposes based on the best available information.
 - b. Household composition and citizenship status shall also be verified prior to certification of the household by requiring the applicant to submit birth certificates for each household member. Aliens shall be required to present INS permanent resident cards or a certificate of identity in order to establish eligibility.
 - Verification of questionable information. Eligibility criteria other than income, resources, household size, residency, and citizenship status shall be verified prior to certification only if they are questionable. To be considered questionable, the information on the application must be inconsistent with statements by the applicant or inconsistent with other information received by the State agency.

- 3. Responsibility for obtaining verification. The household has primary responsibility for providing documentary evidence or an acceptable collateral contact to support its income statements and to resolve any questionable information. However, the EW may accept any reasonable evidence provided by the household and shall be primarily concerned with how adequate the verification proves the statements on the application.
- D. <u>Documentation</u>. Casefiles must be documented to support a determination of eligibility or denial. Documentation shall be in sufficient detail to permit a reviewer to determine the reasonableness and accuracy of the determination.

E. Processing standards.

- 1. The EW shall process all applications so that eligibility is determined and benefits provided within thirty days following receipt of a signed application. An application is filed the day the State agency receives an application which contains the applicant's name and address and which is signed by a responsible member of the household.
- 2. Expedited service. The State agency may at its discretion make provisions to expedite service to households in extreme need. However, mandatory verification and procedures shall not be waived in order to provide expedited service.
- F. Authorized representatives. Once an application is filed, the State agency shall determine from the household's circumstances whether to allow an authorized representative for the household. The State agency shall allow authorized representatives for households not residing on Rota, Tinian or Saipan. Households residing on Rota, Tinian and Saipan may be allowed use of an authorized representative if the State agency determines that the use of an authorized representative is necessary to provide the household with an opportunity to participate in the Program. If the household is allowed an authorized representative, the representative can act for the household in one or all of the following capacities:
 - 1. Representing the household in certification interviews with the State agency. Adults who are nonnousehold members may be designated as authorized representatives for certification purposes only if they are sufficiently aware of relevant household circumstances.
 - 2. Acting as liaison between State agency and the household. An authorized representative shall transmit documents concerning household participation to the household and to the State agency.

- 3. Obtaining food stamps. An authorized representative of the household may be designated to obtain food stamps. Designation shall be made at the time the application is completed. State agencies may issue food stamps to household members or authorized representatives in accordance with the issuance provisions of this manual.
- 4. Using food stamps. An authorized representative may be designated to use food stamps to purchase eligible items for a participating household.

G. Certification Periods

- 1. Certification periods. The State agency shall establish one month periods of eligibility conforming to calendar months. A household is considered to be participating each month, after initial eligibility is established, if it utilizes its ATP card to obtain food coupons for that month. Applications which are received after the first full week of the month shall not be eligible to participate during the month of application except in extreme cases of emergency.
- 2. Initial Certification. The certification period shall be based on the predictability of the household's circumstances but in no case shall it exceed three months. Households which cannot reasonably predict what its circumstances will be in the near future, or when there is a substantial likelihood of frequent and significant changes in income or household status may be certified for as short a certification period as one month. (Example: part-time or commission employees, day laborers, etc., if income is uncertain and subject to large fluctuations during the work season due to the uncertainty of continuous employment, bad weather and other circumstances). Zero income households shall be certified for no longer than one month. Once eligibility and level benefits are determined, the certification unit shall prepare a notice of allotment or change and transmit it to the data management unit. The ATP card shall be prepared from the notice by DMU for issuance at the beginning of the month following the month of application.

H. Certification notices

1. Notice of eligibility. If determined eligible the household shall be provided a written notice of eligibility at the certification office within the 30 day processing time. The notice shall inform the household of the initial allotment. The household shall be provided with its ID card at the same time it receives the initial notice of eligibility.

- Notice of denial. If the application is denied, the EW shall provide the household with written notice of denial at the certification office within the processing time. This notice shall explain the basis for denial, the household's right to request an agency conference or a hearing, and the name, telephone number and address of the person to contact for additional information.
- 3. Notice of adverse action. A notice of adverse action shall be provided to the household any time the household's benefits are reduced or terminated in the middle of a certification period longer than one month.
 - The State agency shall provide the household a notice of adverse action by certified mail within 10 days of the date of discovery of a household circumstance which requires the household's benefits to be reduced or terminated. Example of a change in household circumstance which could result in reduction or termination of benefits are: i) increase in household income; ii) acquisition of liquid resource which exceeds NAP allowable limits: iii) reduction in household size because of a household member's departure, death, or disqualification for fraud or failure to meet work registration requirements. In such instances the State agency shall allow the household at least 10 days from the date of the notice until the effective date of the reduction or termination of benefits, to request an agency conference or a fair hearing if the household disagrees with the adverse action. Upon receipt of a request for an agency conference or fair hearing from the affected household within the 10 day notice period, the State agency shall defer any adverse action until the agency conference or fair hearing is concluded and a decision is reached and rendered by the Hearing Officer. If no request is received from the affected household within the 10 day notice period, then the State agency shall effect the adverse action as scheduled.
 - If a household's benefits must be reduced or terminated within the certification period because one of its members is being disqualified for failure to meet the work registration requirements, or being disqualified on account of fraud, the EW snall issue a notice of adverse action which informs the household that is being disqualified that one of its members is being disqualified, the reason for the disqualification, and the eligibility and benefit level of the remaining members if only a member is disqualified.
 - С. As a clarification, the following illustration may be helpful.

- Household A is certified from July 1 through Sept. 30.
- Household A either reports a change or the State agency discovers a household circumstance on August 15, which requires a reduction or termination of benefits.
- The State agency must act on the reported or discovered change no later than August 25.
- If the State agency provides the household a notice of adverse action by August 21, benefits shall be reduced or terminated (as appropriate) on September 1, unless Household A request an agency conference or fair hearing which could not be scheduled before September 1.
- If the State agency does not send a notice of adverse action by August 21, benefits may not be reduced or terminated for Household A in September because adequate 10 day notice cannot be sent to Household A prior to the effective date of the adverse action, September 1.

I. Recertification

At the expiration of each certification period, entitlement to NAP benefits ends. Further eligibility shall be established only upon recertification based upon a newly completed application, an interview, and verification as required herein. Under no circumstances shall benefits be continued beyond the end of a certification period without a new determination of eligibility. At recertification, the EW shall verify changes in income or household composition. All other changes reported at the time of recertification shall be subject to the same verification procedures used at the initial certification. Zero income households may be recertified for longer than one month if the households circumstances warrant a longer certification period. After issuance of the initial allotments, continued participation shall be provided only if the households circumstances remain unchanged.

J. Determining household eligibility and benefit levels

- 1. Month of application.
 - a. The eligibility and level of benefits for most households submitting an initial application shall be based on circumstances for the entire calendar month in which the household filed its application. A household's eligibility and benefit level shall be determined for the month of application by considering the household's circumstances for the entire month.
 - b. Eligibility and the level of benefits for recertifications shall be determined based on circumstances anticipated for the certification period starting the month following the expiration of the current certification period. If an application for recertification is not received until after the current certification period has expired, the month of application shall be the month in which the application was filed, as for any initial application.
 - c. Because of anticipated changes, a household may be eligible for the month of application, but ineligible in the subsequent month. The household shall be entitled to benefits for the month of application even if the processing of its application results in the benefits being issued in the subsequent month. Similarly, a household may be ineligible for the month of application, but eligible in the subsequent month due to anticipated changes in circumstances. To establish eligibility for the subsequent month, the household must file a new application.

- d. As a result of anticipating changes, the household's allotment for the month of application may differ from its allotment in subsequent months. However, the EW will establish a certification period for the longest possible period over which periods of stability in the household's circumstances can be reasonably anticipated. The household's allotment may vary from month to month within the certification period to reflect changes unanticipated at the time of certification.
- 2. Determining resources. The household's resources at the time the application is filed shall be used to determine the household's eligibility.
- 3. Determining income.
 - Anticipating income. For the purpose of determining the household's eligibility and level of benefits, the EW shall take into account the income already received by the household during the certification period and any anticipated income the household and the EW are reasonably certain will be received during the remainder of the certification period. If the amount of income that will be received, or when it will be received, is uncertain, that portion of the household's income that is uncertain shall not be counted by the EW. example, job or recently applied-for public assistance benefits, may be uncertain as to the timing and amount of the initial payment. These money shall not be anticipated by the EW unless there is reasonable certainty concerning the month in which the payment will be received and in what amount. If the exact amount of the income is not known that portion of it which can be anticipated with reasonable certainty shall be considered as income. In cases where the receipt of income is resonably certain but the monthly amount may fluctuate, the household may elect to average income.
 - b. Income received during the past 30 days shall be used as an indicator of the income that is and will be available to the household during the certification period. However, the EW shall not use past income as an indicator of income anticipated for the certification period if changes in income have occurred or can be anticipated. If income fluctuates to the extent that a 30-day period alone cannot provide an accurate indication of anticipated income, the EW and the household may use a longer prior period if it will provide a more accurate indication of anticipated fluctuations in future income. Similarly, if the household's income fluctuates seasonally, it may be appropriate to use the most recent season comparable to

the certification period, rather than the last 30 days, as one indicator of anticipated income. The EW shall exercise particular caution in using income from a past season as an indicator of income for the certification period. In many cases of seasonally fluctuating income, the income also fluctuates from one season in one year to the same season in the next year. However, in no event shall the EW automatically attribute to the household the amounts of any past income. The EW shall not use past income as an indicator of anticipated income when changes in income have occurred or can be anticipated during the certification period.

- c. Income anticipated during the certification period shall be counted as income only in the month it is expected to be received, unless the income is averaged. Whenever a full month's income is anticipated but is received on a weekly or bi-weekly basis, the EW shall convert the income to a monthly income by multiplying weekly amounts by 4.3 and bi-weekly amounts by 2.15, or use the exact monthly figure if it can be anticipated for each month of the certification period. Nonrecurring lump-sum payments shall not be counted as income.
- d. Wages held at the request of the employee shall be considered income to the household in the month the wages would otherwise have been paid by the employer. Advances on wages shall count as income in the month received only if reasonably anticipated as defined herein.
- e. Households receiving assistance payments, such as SSI benefits or social security payments, on a recurring, monthly basis, shall not have their monthly income from these sources varied merely because mailing cycles may cause two pyments to be received in one month and none in the next month.

4. Income averaging.

a. Households may elect to have its income averaged. To average income, the EW shall use the household's anticipation of income fluctuations over the certification period. The number of months used to arrive at the average income need not be the same as the number of months in the certification period. For example, if fluctuating income for the past 30 days and the month of application are known and, with reasonable certainty, are representative of the income fluctuations anticipated for the coming months, the income from the two (2) known months may be averaged and projected over a certification period of longer than two (2) months.

- douseholds which, by contract or self-employment, derive their annual income in a period of time shorter than 1 year shall have that income averaged over a 12-month period, provided the income from the contract is not received on an hourly or piece-work basis. These households may include school employees, fishermen, farmers, and other self-employed households. The procedures for averaging self-employed income are described in this part.
- c. Households receiving scholarships, deferred educational loans or other educational grants shall have such income averaged over the period for which it was provided.
- 5. Calculating income and benefit levels.
 - a. To determine a household's monthly gross income, the EW shall add the monthly gross income earned by all household members and all unearned income from all sources. Round the product up if it ends in 50 through 99 cents and down if it ends in 1 through 49 cents.
 - b. The total gross monthly income shall be compared to the income eligibility standard for the appropriate household size to determine the household's eligibility.
 - c. If eligible, the earned income deduction (10% of the nousehold's earned income if any) shall be subtracted from the household's monthly gross income to obtain the household's monthly net income.
 - d. The household's monthly net income shall be multiplied by 30%. The product shall be rounded down if it ends in 1 through 49 cents and rounded up if it ends in 50 through 99 cents.
 - e. The product shall be subtracted from the maximum monthly coupon allotment for the appropriate household size to determine the household's monthly benefit level.

K. Reporting changes

- 1. Household responsibility to report. Certified households are required to report the following changes in circumstances:
 - a. Changes in the sources of income or in the amount of gross monthly income;
 - b. All changes in household composition, such as the addition or loss of a household member;
 - c. Changes in residence:

- d. When cash on hand, stocks, bonds and money in a bank account or savings institution reach or exceed a total of \$1,500.00;
- 2. Report form. Households shall report changes within 10 days of the date the change becomes known to the household. The EW shall provide households with a Change Report Form for reporting the changes as required.
- 3. Action on changes. The EW shall take prompt action on all changes to determine if the change affects the household's eligibility or allotment. Even if there is no change in the allotment, the EW shall document the reported change in the casefile, provide another change report form to the household, and notify the household of the effect of the change, if any, on its benefits. The EW shall also document the date a change is reported, which shall be the date the EW receives a report form or is advised of the change over the telephone or by a personal visit. Restoration of lost benefits shall be provided to any household if the EW fails to take action on a change which increases benefits within the time limits specified below.
 - a. Increase in benefits.
 - i. For changes which result in an increase in a household's benefits due to the addition of a new household member who is not a member of another certified household, or due to a decrease in the household's gross income, the EW shall make the change effective the month following the month in which the change is reported provided the required verification is completed prior to the start of that month following the month in which the change is reported.
 - ii. Required verification must be obtained prior to the issuance of the monthly allotment after the change is reported. Until the household provides verification, the household's benefits will remain at the original benefit level. In cases where the EW has determined that a household has refused to cooperate to verify reported changes, the EW shall terminate the household's eligibility.
 - b. Decreases in benefits. If the household's benefits level decreases or the household becomes ineligible as a result of the change, the EW snall issue a notice of adverse action within 10 days of the date the change was reported. The notice of adverse action shall provide the nousehold 10 days to contest the adverse action. If the household does not respond within the 10 days notice given, the decrease in benefit levels shall take effect at the next scheduled issuance of benefits.

- 4. Failure to report. If the EW discovers that the household failed to report a change as required and, as a result, received benefits to which it was not entitled, the EW shall file a claim against the household. If the discovery is made within the certification period, the household is entitled to a 10 days notice of adverse action if the household's benefits are to be reduced or terminated. Individuals shall not be disqualified for failing to report a change unless the individual is disqualified in accordance with the fraud disqualification procedures.
- Mass changes. Certain changes are initiated by the local or federal government which may affect the entire caseload or significant portions of the caseload. These changes include adjustments to the income eligibility standards and benefit levels, adjustments to the maximum coupon allotment and other changes in the eligibility criteria based on legislative or regulatory actions. In such an event, public individual notices to each certified household will not be necessary but a public announcement shall be made regarding the change(s) through mass media.
- M. Treatment of income and resources of disqualified members and aliens. Individual household members may be disqualified for fraud or for failure to meet the work registration requirement or the household may include ineligible member(s) such as aliens. During the period of time a household member is disqualified or as long as an ineligible alien is included in the household the eligibility and benefit level of any remaining household members shall be determined as follows:
 - 1. Resources. The resources of the disqualified member and/or the alien(s) shall continue to count in their entirety to the remaining household members;
 - 2. Income. A pro-rata share of the income of the disqualified member and/or the alien(s) shall be counted as income to the remaining members. This pro-rata share is calculated by dividing the income evenly among the household members, including the disqualified member or the alien(s). All but the disqualified member's or the alien's share is counted as income to the remaining household members.
 - 3. Deductible expenses. The 10 percent earned income deduction shall apply to the prorated income earned by the disqualified member or alien which is attributed to the nousehold.
 - 4. Eligibility and benefit level. The disqualified member or alien shall not be included when determining the nousehold's size for purposes of assigning a benefit level to the household or for purposes of comparing the household's monthly gross income with the income eligibility standards.

5. Reduction or termination of benefits within the certification period. Whenever an individual is disqualified within the household's certification period, the EW shall determine the eligibility or ineligibility of the remaining household members based, as much as possible, on information in the casefile and provide appropriate notice of adverse action to the household.

N. Fair Hearing

- 1. Notification of right to request hearing. At the time of application, each household, or its authorized representative, shall be informed of its right to request an agency conference or a nearing and the method by which they are requested, for any action the State agency takes on the household's NAP case that affects the household's level of benefits. The household or its authorized representative shall also be informed that Program violations will be pursued by the State agency and of the penalties for Program violations. The nousehold or its authorized representative shall be further advised that an agency conference or hearing does not preclude additional prosecutions in civil or criminal court.
- 2. Time period for requesting hearing. An agency conference or hearing may be requested on any action by the State agency which occurred in the prior 60 days and which affects the nousehold's current benefits.
- 3. Request for agency conference or hearing. A request for an agency conference or hearing is any clear expression, oral or written, by a household or its authorized representative to the Administrator that it wishes to present its case to a higher authority. The freedom to make such a request shall not be limited or interfered with in any way. Upon request, the Administrator shall make available, the rules for agency conference or hearing procedures and other materials necessary for a household or its authorized representative to determine whether an agency conference or hearing should be requested or to prepare for the agency conference or nearing.
- 4. The NAP administrator snall not deny or dismiss a request for an agency conference or hearing unless:
 - a. The request is not received within the time period specified in paragraph N2 above;
 - The request is withdrawn in writing by the household or
 its authorized representative; or
 - c. The household or its authorized representative fails, without good cause, to appear at the scheduled agency conference or hearing.

- 5. Timely action on hearings. Within 60 days of the receipt of a request for a hearing from a household or its authorized representative, the State agency shall schedule a hearing, inform the household in writing, conduct the hearing, arrive at a decision and either issue or not issue coupons to the household.
- 6. Postponement or alternative hearing option.
 - a. The household or its authorized representative may request, for good cause, a postponement of a scheduled hearing. The postponement shall not exceed 30 days, and the time limit for action on the decision may be extended for as many days as the hearing is postponed.
 - b. If the time standards cannot be met using normal procedures the State agency may suggest using a telephone or radio phone to conduct the hearing. The household has the option of having the hearing held by telephone or radio phone. However, if the household objects to the use of a telephone or radio phone on grounds of privacy, the State agency shall use some means of private communication such as correspondence to conduct the hearing within the specified time.
- 7. Notification of time and place of hearing. The time, date and place of the hearing shall be held on the island where the household or its authorized representative filed its application. At least 10 days prior to the hearing, written notice shall be provided to all parties involved to permit adequate preparation of the case. The notice shall:
 - a. State where and when the hearing is scheduled;
 - b. Advise the household or its authorized representative of the name and address of the office or the person to notify in the event it is not possible for the household or its authorized representative to attend the scheduled hearing;
 - Specify that the hearing shall be held and the decision shall be made based solely on information provided by NAP if the household or its authorized representative fails to appear at the hearing without good cause; and
 - d. Outline charges.
- 8. Hearing official. Hearings shall be conducted by an impartial official(s), designated by the DCCA Director or the NAP Administrator, who does not have any personal interest or involvement in the case and who was not directly involved in the initial determination of the action which is being contested. The hearing official shall:

- a. Administer oaths or affirmations if deemed necessary by the State agency;
- b. Ensure that all relevant issues are considered;
- c. Request, receive and make part of the record, all evidence determined necessary to decide the issues being raised;
- d. Regulate the conduct and course of the hearing consistent with due process to ensure an orderly hearing; and
- e. Render a hearing decision in the name of the State agency which will resolve the dispute based on a preponderance of the evidence.
- Attendance at hearing. The hearing shall be attended by representatives of the State agency which initiated the action being contested and by the household and/or its representative. The hearing may also be attended by friends or relatives of the household if the household desires. If the houshold member or its authorized representative cannot be located or fails to appear at the hearing without good cause, the hearing shall be conducted and a decision made without the household represented. If it is later determined that the household or its authorized representative had good cause for not appearing, the hearing shall be rescheduled if requested by the household or its authorized representative within 5 days from the date of the hearing decision. If the household or its authorized representative is found knowingly, willfully and with deceitful intent to have abused the Program but a hearing official later determines that the household or its authorized representative had good cause for not appearing, the previous decision may be set aside upon request of the aggrieved party and the State agency shall conduct a new hearing. The hearing official who originally ruled on the case may conduct the new hearing.
- 10. Conduct of hearing. The household or its authorized representative may not be familiar with the rules of order and it may be necessary to make particular efforts to arrive at the facts of the case in a manner that makes the household or its authorized representative feel at ease. The household or its authorized representative shall be given an opportunity to:
 - a. Examine all documents and records to be used at the hearing at a reasonable time before the date of the hearing, as well during the hearing. The contents of the casefile, including the application forms and documents of verification used by the State agency shall be made available, provided that confidential information is protected from release. The State agency

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may provide a free copy of the relevant portions of the casefile if requested by the household or its autorized representative. Confidential information that is protected from release and other documents or records which the household will not otherwise have an opportunity to contest or challenge shall not be introduced at the hearing or affect the hearing official's decision.

- b. Present the case or have it presented by a legal counsel or other person.
- c. Bring witnesses.
- d. Advance arguments without undue interference.
- e. Question or refute any testimony or evidence, including an opportunity to confront and cross-examine adverse witnesses.
- f. Submit evidence to establish all pertinent facts and circumstances in the case.

11. Hearing decisions.

- a. Decisions of the hearing officials shall comply with the MOU and the NAP regulations and shall be based on the hearing record. The verbatim transcript or recording of testimony and exhibits or an official report containing the substance of what transpired at the hearing, together with all papers and requests filed in the proceeding, shall constitute the exclusive record for a final decision by the hearing official.
- b. A decision by the hearing official shall summarize the facts of the case, respond to reasonable arguments made by the household or its authorized representative, specify the reasons for the decision and identify the supporting evidence and pertinent provisions of the regulations, MOU, and the manual. The decision shall become a part of the record.
- c. The household or its authorized representative shall be advised of the decision of the hearing official in writing within five working days of the decision.
- 12. Participation while awaiting a hearing. A pending hearing small not affect the household's right to be certified and participate in the Program. Since the State agency cannot assume Program abuse until the hearing decision is made, the State agency shall determine the eligibility and benefit level of the household in the same manner it would be determined for any other household.

O. Fraud Disqualification

- 1. Fraud disqualification penalties. Individuals found to nave committed fraud by the NAP office shall be ineligible to participate in the program for at least 3 months. Individuals found guilty of criminal or civil fraud by a court of appropriate jurisdiction shall be ineligible for not less than 6 months and not more than 24 months as determined by the court. The State agency shall disqualify the entire household if fraud was committed by either the husband, wife, or authorized representative.
- 2. Definition of Fraud. Fraud shall consist of any action by an individual who knowingly, willfully and with deceitful intent:
 - a. Make a false statement to the State agency or its staff, either orally or in writing, to obtain benefits to which the household is not entitled;
 - b. Conceal information to obtain benefits to which the household is not entitled;
 - c. Alter ATP's to obtain benefits to which the household is not entitled;
 - d. Use coupons to purchase ineligible items including but not limited to alcoholic beverages or cigarettes;
 - e. Use or possess improperly obtained coupons or ATP's, or
 - f. Trade, exchange, or sell coupons or ATP's.
 - g. Use earmarked coupons to purchase other than local foods.
- 3. Notification to applicant households. The State agency shall inform the household in writing of the disqualification penalties for committing fraud each time it applies for program benefits. The penalties shall be written in clear, prominent, and boldface lettering on the application form.
- 4. Administrative disqualification. An administrative review shall be initiated by the State agency whenever the State agency has documented evidence to substantiate that a currently certified household member has committed one or more acts of fraud as defined in 02 above. Such cases may include those in which NAP believes the facts of the individual case do not warrant civil or criminal prosecution through the appropriate court system. Other cases may be those previously referred for prosecution but for which prosecution was declined by the appropriate legal authority.

The State agency will initiate an administrative review and make a determination regardless of the current eligibility of the individual. The disqualification period for non-participants at the time of the administrative decision shall be deferred until the individual applies for and is determined eligible for program benefits.

At its discretion, the State agency may not conduct fraud reviews and make a fraud determination if the amount State agency suspects has been fraudulently obtained is less than \$35 or if the value of the ineligible items that have been purchased with food stamps is under \$35. The burden of proving fraud is on DCCA. The administrative fraud determination may still be conducted regardless of whether other legal action is planned against the household member.

- 5. Fraud hearing procedures.
 - a. The same hearing official(s) for fair hearings will be used to conduct fraud hearings.
 - b. The provisions governing fair hearings are also applicable for fraud hearings.
 - c. Within 60 days of the date the household member is notified in writing that a hearing initiated by the State agency has been scheduled, the State agency shall conduct the hearing, arrive at a decision and initiate administrative action which will make the decision effective. The household member or representative is entitled to a postponement of up to 30 days. If the hearing is postponed, the above time limits shall be extended for as many days as the hearing is postponed. The State agency may not postpone a hearing for its own benefit.
 - d. The State agency shall make available at no cost to affected households upon their request written rules of procedure for fraud hearings.
- 6. Advance notice of hearing. The State agency shall provide written notice to the household suspected of fraud at least 15 days in advance of the date a fraud hearing initiated by the State agency has been scheduled. The notice shall be nand-delivered or mailed and shall contain, at a minimum:
 - a. The date, time, and place of the hearing;
 - b. The charge(s) against the household or its member;
 - c. A summary of the evidence, and how and where the evidence can be examined;

- d. A warning that the decision will be based solely on information provided by the food stamp office if the household member fails to appear at the hearing;
- e. A warning that a determination of fraud will result in a 3-month disqualification;
- f. A statement that the hearing does not preclude the State or Federal Government from prosecuting the household or its member for fraud in a civil or criminal court action, or from collecting the equivalent of the overissuance.

Scheduling of hearing.

- a. The time and place of the hearing shall be arranged so that the hearing is accessible to the household or its member suspected of fraud.
- b. If the household member or its representative cannot be located or fails to appear at a hearing initiated by the State agency without good cause, the hearing shall be conducted without the household member represented.
- Even though the household member is not represented, the C. hearing official is required to carefully consider the evidence and determine if fraud was committed based on a preponderance of the evidence. If the household member is found to have committed fraud but the hearing official later determines that the household member or representative had good cause for not appearing, the previous decision may be set aside upon written request of the aggrieved party, and if the decision is set aside, the State agency shall conduct a new nearing. The hearing official who originally ruled on the case may conduct the new hearing. The household member has 10 days from receipt of notice of the fraud decision to present reasons indicating a good cause for failure to appear. A hearing official must enter the good cause decision into record. If the household member fails to contest the fraud decision within 10 days; or the hearing official determines that the members reason for failing to appear at the hearing is not good cause, the fraud decision shall stand.
- Participation while awaiting a hearing. A pending fraud hearing shall not affect the individual's or the household's right to be certified and participate in the program. Since the State agency cannot disqualify a household member for fraud until the hearing official finds that the individual member or household has committed fraud, the EW shall determine the eligibility and benefit level of the household in the same manner it would be determined for any other household. For example, if the action for which the household

member is suspected of fraud does not affect the household's current circumstances, the household would continue to receive its allotment based on the latest certification action or be recertified based on a new application and its current circumstances. However, the household's benefits shall be terminated if the certification period has expired and the household fails to reapply. The EW shall also reduce or terminate the household's benefits if the State agency has documentation which substantiate that the housenold is ineligible or eligible for fewer benefits (even if these facts led to the suspicion of fraud and the resulting fraud hearing) and the household fails to request a fair hearing and continuation of benefits pending the hearing. For example, the State agency may have facts which substantiate that a household failed to report a change in its circumstances even though the State agency has not yet demonstrated that the failure to report involved a fraudulent act.

- 9. Criteria for determining fraud. The hearing authority snall base the determination of fraud on a preponderance of the evidence which demonstrates that the household or its member knowingly, willfully, and with deceitful intent committed fraud as defined in paragraph O2 of this section.
- 10. Decision format. The hearing authority's decision shall specify the reasons for the decision, identify the supporting evidence, identify the pertinent provisions of the MOU, Regulations, or Manual, and respond to reasoned arguments made by the household member or representative.
- 11. Appeal rights of the household member. If the hearing authority rules that the household or its member has committed fraud, the household or its member may appeal the decision to the Commonwealth Trial Court. The appeal shall not operate as an automatic stay of the decision.
- Appeal after State level hearing. After a household or its member has been found to have committed fraud by the State agency's hearing official, the household or its member shall be disqualified for a period of not less than 3 months beginning with the first month which follows the date the household or its member has received the State agency's hearing notice. The disqualification period shall not be less than 3 months, regardless of the amount of coupons fraudulently obtained or the number of fraudulent acts the hearing finds the household or individual has committed. No further administrative appeal procedure exists after an adverse hearing. The determination of fraud made by a fraud hearing official cannot be reversed by a subsequent fair hearing decision. The household member, however, is entitled to seek relief in a court having appropriate jurisdiction. The period of disqualification may be subject to a stay or other injunctive remedy.

- 13. Notification of hearing decision.
 - a. If the hearing finds that the household or its member did not commit fraud, the State agency shall provide a written notice which informs the household or its member of the decision.
 - b. If the administrative fraud hearing finds that the household or its member committed fraud, the State agency shall mail a written notice to the household or its member prior to disqualification. The notice shall inform the household of the decision and the reason for the decision. The notice shall also advise the remaining household members, if any, of either the allotment they will receive during the period of disqualification or that they must reapply because the certification period has expired. The procedures for handling the income and resources of the disqualified member are described in paragraph M of this section. The notice shall inform the household members of the date the disqualification will take effect.
 - c. The State agency shall use the forms prescribed for notifying individuals that they have been found to have committed fraud during an administrative fraud hearing.
- 14. Court imposed disqualifications.
 - a. A court of appropriate jurisdiction may order an individual disqualified from participation in the program for not less than 6 months and not more than 24 months if the court finds that individual guilty of civil or criminal fraud. Court ordered disqualifications may be imposed separate and apart from any action taken by the State agency to disqualify the individual through an administrative fraud hearing.
 - b. The State agency shall refer for prosecution under local fraud statutes those individuals suspected of committing fraud, particularly if large amounts of coupons are suspected of being fraudulently obtained or the individual is suspected of committing more that one fraudulent act. DCCA snall confer with the CNMI Attorney General's Office to determine the types of cases which will be accepted for possible prosecution. DCCA shall also encourage the Attorney General's Office to recommend to the courts that a disqualification penalty as provided above be imposed in addition to any other civil or criminal fraud penalties.
 - c. The State agency shall disqualify an individual found guilty of fraud for the length of time specified by the court. If disqualification is ordered but a date for

initiating the disqualification period is not specified, the State agency shall initiate the disqualification period for currently eligible individuals with the first month following the date the disqualification was ordered. If the court fails to address or specify a disqualification period, the State agency shall impose a six-month disqualification period unless contrary to the court order. The court imposed disqualification shall begin the first month following the date the court found a currently eligible individual guilty of civil or criminal fraud. If the individual is not eligible for the program at the time the disqualification period is to begin, the period shall be postponed until the individual applies for and is determined eligible for benefits. If the periods of disqualification imposed by a court and by an administrative fraud hearing coincide, the court-ordered disqualification shall run concurrently with the 3-month disqualification period imposed through an administrative fraud hearing. The State agency shall not initiate or continue a court imposed or administratively imposed fraud disqualification period contrary to a court order.

- d. If the court finds that the household member committed fraud, the State agency shall mail a written notice to the household. The notice shall be sent within five. working days of the finding. The notice shall inform the household of the decision and the reason for the decision. The notice shall also advise the remaining household members, if any, of the allotment they will receive if the household is still eligible, during the period of disqualification. The procedures for nandling the income and resources of the disqualified member are described in paragraph M of this section. The notice shall also inform the household member of the date disqualification will take effect and of the fraud claim repayment requirements in this manual. In addition, the State agency shall include the form letter of agreement for restitution.
- 15. Reversed fraud disqualifications. In cases where the determination of fraud is reversed by a court of appropriate jurisdiction, the State agency shall reinstate the individual in the program if the household is eligible. Subject to availability of funds, the State agency shall restore any benefits that were lost as a result of the disqualification.

P. Restoration of Lost Benefits.

1. Entitlement. The State agency shall restore to the household benefits which were lost whenever the loss was caused by an error by the State agency, or a fraud disqualification was

subsequently reversed. With the exception of benefits which are restored as a result of a reversal of a fraud disqualification penalty, benefits shall not be restored if lost more than 2 months prior to the most recent of the following:

- The month the State agency was notified by the household or by another person or agency in writing or orally of the possible loss to that specific household;
- b. The month the State agency discovers in the normal course of business that a loss to a specific household has occurred; or
- c. The date the household requested a fair hearing to contest the adverse action which resulted in the loss.
- 2. Error discovered by the State agency. If the State agency determines that a loss of benefits has occurred, and the household is entitled to restoration of those benefits, the State agency shall automatically take action to restore any benefits that were lost. No action by the household is necessary. However, benefits shall not be restored if the benefits were lost more than 2 months prior to the month the loss was discovered by the State agency in the normal course of business, or were lost more than 2 months prior to the month the State agency was notified in writing or orally of a possible loss to a specific household. The State agency shall notify the household of its entitlement, the amount of benefits to be restored, any offsetting that was done, the method of restoration, and the right to appeal through the fair hearing process if the household disagrees with any aspect of the proposed lost benefit restoration.

3. Disputed benefits.

a. If the State agency determines that a household is entitled to restoration of lost benefits, but the household does not agree with the amount to be restored as calculated by the State agency or any other action taken by the State agency to restore lost benefits, the household may request a fair hearing within 60 days of the date the household is notified if its entitlement to restoration of lost benefits. If a fair hearing is requested prior to or during the time lost benefits are being restored, the household shall receive the lost benefits as determined by the State agency pending the results of the fair hearing. If the fair hearing decision is favorable to the household, the State agency shall restore the lost benefits in accordance with that decision.

- b. If a household believes it is entitled to restoration of lost benefits but the State agency, after reviewing the casefile, does not agree, the household has 60 days from the date of the State agency determination to request a fair hearing. DCCA shall restore lost benefits to the household only if the fair hearing decision is favorable to the household. Benefits lost more than 2 months prior to the date the State agency was initially informed of the household's possible entitlement to lost benefits shall not be restored.
- 4. Computing the amount to be restored. After correcting the loss for future months and excluding those months for which benefits may have been lost prior to the 2-month time limit described in this section, the State agency shall calculate the amount to be restored as follows:
 - a. If the household was eligible but received an incorrect allotment, the loss of benefits shall be calculated only for those months the household participated.
 - b. If an eligible household's application was erroneously denied, the month the loss initially occurred shall be the month following the month of application, or for an eligible household filing a timely reapplication, the month following the expiration of its certification period.
 - c. If a household's benefits were erroneously terminated, the month the loss initially occurred shall be the first month benefits were not received as a result of the erroneous action.
 - d. After computing the date the loss initially occurred, the loss shall be calculated for each month subsequent to that date until either the first month the error is corrected or the first month the household is found ineligible.
 - e. For each month affected by the loss, the State agency snall determine if the household was actually eligible. In cases when there is no information in the household's casefile to document that the nousehold was actually eligible, the State agency shall advise the household of what information must be provided to determine eligibility for these months. For each month the household cannot provide the necessary information to demonstrate its eligibility, the household shall be considered ineligible.
 - f. For the months the household was eligible, the State agency shall calculate the allotment the household should have received. If the household received a

- smaller allotment than it was eligible to receive, the difference between the actual and correct allotments equals the amount to be restored.
- g. If a claim against a household is unpaid or held in suspense the amount to be restored shall be offset against the amount due on the claim before the balance, if any, is restored to the household.
- 5. Lost benefits to individuals disqualified for fraud. Individuals disqualified for fraud are entitled to restoration of any benefits lost during the months they were disqualified only if the decision which resulted in disqualification is subsequently reversed. For example, an individual would not be entitled to restoration of lost benefits for the 3-month period it was disqualified based solely on the fact that a criminal conviction could not be obtained, unless the individual successfully challenged the 3-month disqualification in a separate court action. For each month the individual was disqualified, the amount to be restored, if any, shall be determined by comparing the allotment the household received with the allotment the household would have received had the disqualified member been allowed to participate. If the household received a smaller allotment than it should have received, the difference equals the amount to be restored. Benefits shall be restored regardless of the length of time that has elapsed since the household member was disqualified.
- 6. Method of restoration. Regardless of whether a household is currently eligible or ineligible, the State agency shall restore lost benefits to a household by issuing an allotment equal to the amount of benefits that were lost. The amount restored shall be issued in addition to the allotment currently eligible households are entitled to receive. The State agency shall honor reasonable requests by households to restore lost benefits in monthly installments if, for example, the household fears the excess coupons may be stolen, or that the amount to be restored is more than it can use in a reasonable period of time.
- 7. Accounting procedures. DCCA will maintain two sets of ledgers: One for documenting a household's entitlement to restoration of lost benefits and for recording the balance of lost benefits that must be restored to the household; and the other is to account for outstanding claims. The casefile contact sheet shall document how the amount to be restored was calculated and the reason lost benefits must be restored. The EW will check the outstanding claims ledger to identify those situations where a claim against a household can be used to offset the amount to be restored prior to establishing a restoration account for any household.

Q. Claims against households

- Establishing claims against the household. Notwithstanding the fraud disqualification provisions of this Manual, claims may be established against any household that has received more food stamp benefits than it is entitled to receive. These include but are not limited to the following:
 - The household failed to provide the EW with correct or complete information.
 - b. The household filed to provide the EW changes in its household circumstances.
 - The household altered its ATP. c.
 - The household transacted both the original and its replacement ATP.
 - The EW failed to take prompt action on a change reported by the household.
 - f. The EW incorrectly computed the household's income or deductions, or otherwise assigned an incorrect allotment.
 - The EW incorrectly issued duplicate ATP's to a household g. which were subsequently transacted.
 - The household was found to be ineligible or eligible for fewer benefits that it received pending a fair hearing decision.
- Nonfraud claims. Nonfraud claims are those claims established against households for overissuances which were not caused by fraud, such as, but not limited to overissuances caused by administrative error on the part of the EW or a misunderstanding or inadvertent error on the part of the household.
 - Criteria for establishing a nonfraud claim. If less than 12 months have elapsed between the month a nonfraud overissuance occurred and the month the EW discovered a specific case involving an overissuance, the EW shall take action to establish a claim against the household which received the overissuance. A nonfraud claim shall not be established if an overissuance occurred as a direct result of the following errors.
 - i. An EW failed to ensure that a household signed the application form, completed a current work registration form, or was certified in the correct island center.

- ii. A household continued to receive food stamp allotments after its certification period has expired without benefit of a reapplication determination, regardless of a subsequent determination of eligibility or ineligibility.
- iii. A household transacted an expired ATP, unless the household altered its ATP in which case the household would be subject to fraud procedures.
- b. Calculating the amount of the nonfraud claim.
 - i. After excluding those months that are more than 12 months prior to the date the overissuance was discovered, the EW shall determine the correct amount of food stamp benefits the household should have received for those months the household participated while the overissuance is in effect. The EW shall complete the CL-01 Claim Determination Report. In cases involving reported changes, the EW shall determine the month the overissuance initially occurred as follows:
 - (A) If due to a misunderstanding or inadvertent error on the part of the household, the household failed to report a change in its household circumstances within 10 days of the date the change became known to the household, the first month affected by the household's failure to report shall be the month in which the change occurred.
 - (B) If the household timely reported a change, but the EW did not timely act on the change, the first month affected by the EW's failure to act shall be the first month the EW should have made the change effective.
 - ii. If the household received a larger allotment than it was entitled to receive, the EW shall establish a claim against the nousehold equal to the difference between the allotment the household received and the allotment the household should have received.
 - iii. After calculating the amount of the nonfraud claim, the EW shall offset the amount of the claim against the following months allotment or initiate collection action.
- c. Collecting nonfraud claims.
 - i. The State agency shall initiate collection action on all nonfraud claims unless the claim is collected through offset; the total amount of the

- nonfraud claim is less than thirty five (35) dollars; the EW has documentation which shows that the household cannot be located.
- ii. The State agency shall initiate collection action through an agency conference, notice of adverse action, or by sending the household a written demand letter, which informs the household of the amount owed, the reason for the claim, the period of time the claim covers, any offsetting that was done to reduce the claim, how the household may pay the claim, and the household's right to a fair hearing if the household disagrees with the EW's determination. In addition, the demand letter for nonfraud claims will include a statement which specifies that, if a household falls behind in making payments or is unable to pay the claim, the household's eligibility or level of benefits will be affected. If the household pays the claim, the payments shall be accepted and submitted to the State agency's account at the Department of Finance.
- iii. If the household does not respond to the first demand letter, the State agency shall have the option of filing an action in small claims court or sending a second letter within 30 days, and each month thereafter, until the household has responded by paying or agreeing to pay the claim, or until the criteria for suspending collection action, as specified below have been met.
- d. Criteria for suspending collection of a nonfraud claim. A claim shall be suspended if no collection action was initiated because of conditions specified in Q2ci above. If collection action was initiated, and at least one demand letter has been sent, further collection action shall be suspended when:
 - The household is financially unable to pay the claim;
 - ii. There is little likelihood that the household will pay the claim;
 - iii. The household cannot be located; or
 - iv. The cost of further collection is likely to exceed the amount that can be recovered.
- e. Terminating collection action of a nonfraud claim. A claim shall be determined uncollectible after it is neld in suspense for 3 years.

- 3. Fraud claim. A claim shall be handled as a fraud claim only if an administrative determination is made that a household member committed fraud. Prior to the determination of fraud, the claim against the household shall be handled as a nonfraud claim.
 - a. Establishing a fraud claim. For each month that a household member fraudulently participated, the EW shall determine the correct amount of food stamp benefits, if any, the household was entitled to receive. The amount of the fraud claim shall be calculated back to the month the fraudulent act occurred, regardless of the length of time that elapsed until the determination of fraud was made. If the household member is determined to have committed fraud by knowingly, willfully and with deceitful intent failing to report a change in its households circumstances, the first month benefits were overissued shall be the month in which the change occurred. Once the amount of the fraud claim is established, the EW shall offset the claim against all subsequent allotments.
 - b. Collecting fraud claims.
 - i. If a household member is found to have committed fraud (through an administrative determination or by a court of appropriate jurisdiction) the NAP Division shall either hold an agency conference with the household to settle the claim or send the individual a form letter of agreement for restitution. The NAP Division shall not initiate such collection if it has documentation which shows the household cannot be located, or the legal representative prosecuting a member of the household for fraud advises, in writing, that collection action will prejudice the case. In cases where a household member was found guilty of fraud by a court, the State agency shall request the matter of restitution be brought before the court.
 - ii. One month prior to the end of the specified period of disqualification, if the household member found guilty of fraud has not responded to the agreement letter, the State agency shall advise the individual that he/she will remain disqualified until such time as an agreement to repay is executed in accordance with the procedures established in Q5a below. The disqualified member shall not be considered a household member until a repayment agreement is reached. The income and resources of this disqualified member shall be counted as part of the household's income and resources in determining eligibility and benefit levels. A demand letter for an unpaid or partially

paid claim shall be sent even if the household has previously received a nonfraud demand letter because the time period covered by the claim and the method of collection is different from fraud and nonfraud claims. The State agency may also initiate civil court action to obtain the claim.

- iii. The individual who committed fraud or the remaining household members may begin restitution prior to or during the period of disqualification imposed by NAP or a court of law. The State agency shall follow the procedures for collecting and submitting payments as well as the applicable accounting procedures in paragraphs Q5 and Q7 below.
- iv. If the household executes a repayment agreement, the State agency shall follow the procedures prescribed in paragraphs Q5 and Q7 below for collecting and submitting payments or the procedures for reducing the food stamp allotment of the fraudulent individual's household.
- v. If the State agency can document that the fraudulent individual cannot be located, collection action shall be suspended. A claim shall be determined uncollectible after it is held in suspense for three years.
- 4. Change in household composition.
 - a. Nonfraud claims. The State agency shall initiate collection against the head of the household or against the individual who was the head of the household at the time of the nonfraud claim. If the head of the household is no longer living or cannot be located, the State agency shall initiate collection against the household containing a majority of the individuals who were household members at the time the error occurred.
 - b. Fraud claims. If the household member found guilty of fraud moves, resulting in a change in household membership, the State agency shall initiate collection against the household currently containing the fraudulent individual.
- Methods of collecting payments Nonfraud.
 - a. The State agency shall collect payments for nonfraud claims in one of the following ways:
 - i. Lump sum. The State agency shall collect payments in one lump sum if the household is financially able to pay the claim in one lump sum. However, the household shall not be required to liquidate all of its resources to make this repayment.

- ii. Repayment in installments. If the household member found guilty of fraud agrees to a repayment in cash, but the household has insufficient liquid resources or is otherwise unable to pay the claim in one lump sum, payments shall be accepted in regular installments. The household shall not be required to liquidate all of its resources to make this repayment. If the full amount of claim cannot be liquidated in 3 years, the State agency shall compromise the claim by reducing it to an amount that will allow the individual to pay the claim in 3 years. The State agency will use the full amount of the claim (including any amount compromised) to offset benefits as provided herein.
- iii. Reduction in food stamp allotment. Prior to reduction, the State agency shall discuss with the household the amount of food stamps to be recovered each month. The amount of food stamps to be recovered each month shall be 25 percent of the household's monthly allotment or the fraudulent individual's pro rata share of the entitlement, whichever is greater. Recovery of less than these amounts shall be accepted only if it results in equal increments or if the full amount can be recovered within a year. If the full amount of the claim cannot be liquidated in a year, the State agency shall compromise the claim by reducing it to an amount that will allow the household to make restitution within 3 years.
- b. If the household member fails to make a payment in accordance with the established cash repayment schedule (either a lesser amount or no payment), the State agency shall send the individual a notice explaining that a payment or an insufficient payment was received. The notice shall also inform the individual that unless he or she makes the overdue payments or contacts the State agency to discuss renegotiation of the payment schedule, the State agency may invoke allotment reduction. If the household does not respond, the State agency shall take one of the following actions as approprite:
 - i. If the individual makes the overdue payments and wishes to continue payments based on the previous schedule, permit the individual to do so;
 - ii. If the individual requests renegotiation, and if the State agency concurs with the request, negotiate a new payment schedule and execute a new written agreement.

- 6. Method of Collecting Payments Fraud.
 - a. The State agency shall collect payments for fraud claims in one of the following ways:
 - i. Lump sum. The State agency shall collect payments in one lump sum if the household is financially able to pay the claim in one lump sum. However, the household shall not be required to liquidate all of its resources to make this repayment.
 - ii. Repayment in installments. If the household member found guilty of fraud agrees to a repayment in cash, but the household has insufficient liquid resources or is otherwise unable to pay the claim in one lump sum, payments shall be accepted in regular installments. The household shall not be required to liquidate all of its resources to make this repayment. If the full amount of claim cannot be liquidated in 3 years, the State agency shall compromise the claim by reducing it to an amount that will allow the individual to pay the claim in 3 years. The State agency will use the full amount of the claim (including any amount compromised) to offset benefits as provided herein.
 - iii. Reduction in food stamp allotment. Prior to reduction, the State agency shall discuss with the household the amount of food stamps to be recovered each month. The amount of food stamps to be recovered each month shall be 25 percent of the household's monthly allotment.

VII. FOOD STAMPS FOR LOCAL USE ONLY

- A. The State agency shall issue NAP Coupons designated for purchase of local foods only. These coupons shall be easily distinguishable from the NAP general-purpose coupons which may be used to purchase any eligible food or non-food item (such as farming and fishing implements). The earmarked coupon shall bear on its face the statement "LOCAL FOOD ONLY".
- B. "Local Food Only" coupons may be used to purchase only food or food products grown, raised, caught, or processed into a finished food product in the Northern Mariana Islands.
- C. An amount equal to 25% of the eligible household's total monthly coupon allotment shall be issued to the household in "Local Food Only" coupons during each monthly issuance.
- D. The percentage of program benefits allocated to local foods to take effect in the coming fiscal year (October 1) shall be determined by the State agency no later than July 31 of the current fiscal year. The State agency shall base its determination on the amount of local foods forecast for the comingfiscal year. The State agency may waive or modify the restriction on the use of earmarked coupons as necessary in response to unexpected shortages in the available local food supply.
- E. Earmarked coupons shall be printed only in one-dollar denominations and shall not be used for change in a NAP transaction.
- F. To encourage and promote the sale of local foods, the State agency shall authorize food stores to accept NAP coupons only if they carry 15% of their declared food sales in local foods.
- G. Persons using or accepting earmarked coupons for anything other than local foods shall be subject to prosecution under pertinent local fraud statutes and the pertinent sections of this Manual.

VIII. ISSUANCE AND USE OF FOOD COUPONS

A. Basic Issuance Requirements.

The State agency is responsible for the timely and accurate issuance of coupons to eligible households in accordance with the provisions of this manual. The State agency shall establish an issuance and accountability system which will ensure that only certified households receive benefits; coupons are accepted, stored, and protected after delivery to receiving points within CNMI; Program benefits are timely distributed in the correct amounts; and coupon issuance and reconciliation activities are properly conducted.

B. Contracting or Delegating Issuance Responsibilities.

The State agency may assign to other parties such as banks, savings and loan associations, or other responsible corporate entities the responsibility for issuance and storage of coupons.

- 1. Any assignment of issuance functions shall clearly delineate the responsibilities of both parties. The State agency remains responsible, regardless of any agreements to the contrary, for ensuring that assigned duties are carried out in accordance with this Manual.
- 2. All issuance contracts shall follow procurement standards set forth by OMB. The State agency shall contract only with rsponsible contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement. In making its selection, the State agency shall consider contractor integrity, the record of past performance, financial and technical resources, and the availability of other necessary resources.
- 3. The State agency shall not assign the issuance of coupons to any retail grocery store authorized to redeem coupons from participant households.

C. State Monitoring of Coupon Issuers.

- 1. The State agency's accountability system shall include procedures for monitoring coupon issuers to assure that the day-to-day operations of all coupon issuers comply with these provisions and to identify and correct deficiencies.
- 2. The State agency shall conduct an onsite review of each coupon issuer and bulk storage point at least once every 3 months. All offices or units of a coupon issuer are subject to this review requirement. The State agency shall base each review on the specific activities performed by each coupon issuer or bulk storage point. A physical inventory of coupons shall be taken at each location and that count compared with perpetual inventory records and the monthly reports of the coupon issuer or bulk storage point.

D. Issuance Systems.

- 1. System classifications. NAP will issue food coupons through an authorization to participate (ATP) system in which an authorizing document is distributed on a monthly basis to eligible households and surrendered by the households to the coupon issuer to obtain coupons.
- 2. Certification documentation. The State agency shall use a notice of change document and transmit information on household eligibility or participation from the certification unit to the data management unit of the State agency.
- 3. HIR master file.
 - which is a composite of the issuance records of all certified food stamp households. The State agency shall establish the HIR master file in a manner compatible with the system used for maintaining case records and divide the HIR master file into active and inactive HIR's. The HIR master file shall contain all the information needed to identify certified households, issue ATP's, record the participation activity for each household, and supply all information necessary to fulfill the reporting requirements of the State agency.
 - b. The HIR master file shall be kept current and accurate. HIR's will be updated, or terminated, based upon notices of change and controls for expired certification periods.
 - c. Before establishing an HIR for a participant household, the State agency shall check the HIR master file to ensure that the household is not currently participating or disqualified.

4. ATP issuance.

- a. ATP's issued by the State agency shall contain, at a minimum:
 - i. Serial numbers;
 - ii. Case name, address, and food stamp case number;
 - iii. The coupon allotment for the household;
 - iv. Expiration date;
 - v. Project area for which the ATP is issued; and
 - vi. Space for the signature of the household member or the authorized representative.
- b. The State agency snall clearly mark each ATP with an expiration date. The ATP shall be valid for the entire month of issuance.

- c. The State agency shall void all ATP's mutilated or otherwise rejected during the preparation process. The voided ATP's shall either be filed for audit purposes or destroyed. Destruction shall be witnessed by at least two people and the State agency shall maintain a list of all destroyed ATP's.
- d. Participating households shall sign for their ATP's when they obtain their ATP's at the State agency issuance office.
- A household may designate an emergency authorized representative to obtain the household's allotment with a particular ATP. The emergency authorized representative must present the household's ID card and a statement signed by the representative and a household member already named on the ID card authorizing the representative to obtain the household's coupons and attesting to the signature of the emergency authorized representative. The household shall not be required to travel to a food stamp office to execute the designation. Control comparable to that of normal issuance transaction is achieved by the comparison of the signature of the household member named on the ID card with the singature designating the emergency authorized representative, and the signature on the ATP at the issuance point with the emergency authorized representative's signature attested to by the household member. A separate written designation is needed each time an emergency authorized representative is used.
- f. Prior to coupon issuance, the cashier shall ask the person requesting food stamps for identification as the certified participant, authorized representative or emergency authorized representative. This person shall present to the cashier both the food stamp ID card and ATP. The cashier shall examine the ATP for authenticity, alteration, and date of expiration. If the ATP is valid, the person requesting food stamps shall sign the ATP in the presence of the cashier. The cashier shall compare the signature on the ATP with the signature on the ID card. In cases where an emergency representative obtains the coupons, the signature and identification check shall be governed by the policy discussed in (e) immediately preceeding. If the person requesting coupons has already signed the ATP, the person shall be required to sign a separate piece of paper for signature comparison. If the signatures agree, coupons shall be issued.
- g. The State agency shall clearly differentiate between initial and replacement ATP issuances.

- h. The coupon issuer shall reconcile its issuance on a daily basis.
- i. The State agency shall provide for the issuance of coupon replacements due to improper manufacture or mutilation.
 - i. The State agency shall examine the improperly manufactured or mutilated coupons to determine the validity of the claim and the amount of coupons to be replaced.
 - ii. If the State agency can determine the value of the improperly manufactured or mutilated coupons, the State agency shall replace the unusable coupons on a dollar-for-dollar exchange. If the unusable coupons are those earmarked for purchase of local foods only, the State agency shall replace them with similarly identified coupons. After exchange, the State agency shall destroy the coupons in accordance with procedures contained in this Manual.
 - iii. If the State agency cannot determine the value of the improperly manufactured or mutilated coupons, the State agency shall cancel the coupons by writing or stamping "cancelled" across the face of the coupons and check with the Issuance Agent to determine the amount issued to the client.
- 5. Manually prepared ATPs'.
 - a. The State agency shall manually prepare and issue ATP's at the local level if necessary to provide an opportunity to participate to households certified on an expedited basis, to comply with processing standards for initial and recertifications and for action on reported changes, and to replace lost or stolen ATP's or allotments. To minimize the possibility of misuse of manually prepared ATP's, the State agency shall:
 - i. Divide responsibility for the issuance of the ATP between at least two people to prevent a single individual from having complete control over both the documents which authorize the issuance of ATP's and the ATP's themselves; and,
 - ii. Record immediately on the HIR master file the serial number and other issuance information from the ATP.
 - iii. Require the NAP Administrator to approve all over-the-counter ATP's prepared after the cut-off date for machine-generated ATPs.

- b. For initial certifications, the State agency shall prevent duplicate or unauthorized participation by checking its records prior to issuing the manual ATP to assure that the household is not currently certified for that month or is not disqualified from participation.
- c. The State agency shall issue an emergency replacement ATP only if the original ATP is reported lost or stolen in the period for which it was intended.
 - i. Prior to authorizing the issuance of a replacement ATP, the State agency shall determine if the household is currently certified and if the lost or stolen ATP was valid for the current month.
 - ii. The participant must sign an affidavit stating that the original ATP will be returned to the State agency if recovered by the household. The affidavit shall be filed in the casefile.
- issuance of coupons to households. The Issuance Agent shall issue coupon books in accordance with the table for coupon book issuance provided by the State agency. The Issuance Agent may deviate from the table if the specified coupon books are unavailable. Exceptions from the table are authorized for blind and visually handicapped participants who request that all coupons be of one denomination. The State agency shall issue the coupon books in consecutive serial number order whenever possible, starting with the lowest serial number of each coupon book denomination. The household member whose name appears on the ID card shall sign the coupon books.

E. <u>Distribution of Coupons</u>.

- 1. Coupon inventory management. The State agency shall establish a coupon inventory management system which ensures that coupons are requisitioned and inventories are maintained in accordance with the requirements of this manual of operations.
 - a. The State agency shall monitor the coupon inventories of the coupon issuer and bulk storage point to ensure inventories are at proper levels and are not in excess of the reasonable needs of the coupon issuer. The State agency shall consider, among other things, in determining the reasonable inventory needs, the ease and feasibility of resupplying such inventories from the manufacturer. The inventory levels at coupon issuer and bulk storage point shall not exceed a 3-month supply.

- b. The State agency shall establish an accounting system for monitoring the inventory activities of the coupon issuer. The State agency shall review periodic reports from the coupon issuer to determine the propriety and reasonableness of the inventories. Reports of improperly manufactured or mutilated coupons, reports of shortages or overages of food coupon books and physical inventory controls shall be used by the State agency to assure the accuracy of monthly reports and the Issuance Agent's compliance with required inventory levels and the accuracy and reasonableness of coupon orders.
- 2. Coupon controls. The State agency shall establish control and security procedures to safeguard coupons similar to those used to protect currency. The State agency and all people in organizations acting on its behalf, shall take the necessary precautions to:
 - a. Safeguard coupons from theft, embezzlement, loss, damage, or destruction;
 - b. Avoid unauthorized transfer, negotiation, or use of coupons; and,
 - c. Avoid issuance and transfer of altered or counterfeit coupons.

The exact nature of security arrangements will depend on State agency evaluation of local coupon issuance and storage facilities. These arrangements will permit the timely issuance of coupons while affording a reasonable degree of coupon security.

- 3. State coupon requisitioning. The State agency shall arrange for the ordering of coupons and the prompt verification and written acceptance of the contents of each coupon shipment. The State agency shall maintain on file copies of appropriate delivery acknowledgments.
- 4. Transporting coupons. In every instance when coupons are transported, the person(s) transporting the coupons shall:
 - a. Acknowledge their receipt in writing;
 - b. Accord the coupons as much protection as is reasonable; and,
 - c. Advise issuance supervisors of the routes to be taken, the shipment departure time and the estimated arrival time.
- 5. Specimen coupons. The State agency will provide non-negotiable specimen coupons to firms upon written request for the purpose of educating and training employees on Program operations.

- a. Authorized firms shall store specimen coupons in secure storage with access limited to authorized personnel.
- b. Specimen coupons that are mutilated, improperly manufactured, or otherwise unusable, shall be destroyed by the State agency. Such destruction snall be witnessed by two people and noted on the perpetual inventory record maintained by the State agency for specimen coupons.

F. Responsibilities of coupon issuers.

- 1. Receipt of coupons. Coupon issuers shall promptly verify and acknowledge, in writing, the contents of each coupon shipment or coupon transfer delivered to them and shall be responsible for the custody, care, control, and storage of coupons.
- 2. Inventory level. Coupon issuers shall maintain a proper level of coupon inventory not in excess of reasonable needs, taking into consideration the ease and feasibility of resupplying such coupon inventories. Such inventory levels shall not exceed a 3-month supply.
- 3. Reporting. Coupon issuers shall report weekly to the State agency. These reports shall be signed by the coupon issuer or appropriate corporate official, certifying that the information is true and correct to the best of that person's knowledge and belief.
- 4. Supporting documentation. Coupon issuance points shall submit to the State agency supporting documentation which will allow verification of the weekly report. At a minimum, such documentation snall include documents supporting coupon shipments, transfers and issuances.
 - The coupon issuer shall submit transacted ATP's batched according to each week's activity, in accordance with the schedule prescribed by the State agency.
- 5. Improperly manufactured or mutilated coupons. Coupon issuers shall cancel improperly manufactured or mutilated coupons or coupon books by writing or stamping "cancelled" across the face of the coupon(s) and coupon book(s). The coupon issuer shall hold the coupons in secure storage for examination and destruction by the State agency.

G. Reconciliation

- 1. Verification of ATP issuance.
 - a. The State agency shall verify the number of transacted ATP's received from the coupon issuer and the total value of authorized coupon issuances. The reconciliation process will be completed and a reconciliation report issued no later than 10 days after

- the end of the month in which the transacted ATPs were in effect.
- b. ATP batches not reconciled shall be maintained intact by the State agency until the discrepancy is resolved with the coupon issuer.
- c. Following receipt and verification of the final batch of ATP's for the month, the State agency shall determine the total value of authorized issuances for each coupon issuer. Any expired or out-of-State ATP's shall be handled as coupon issuer errors and shall not be reported as authorized issuances on the reconciliation report.
- 2. Reconciliation of ATP's with the HIR master file.
 - a. The State agency shall post and reconcile all transacted ATP's against the HIR master file. The reconciliation of ATP's shall be accomplished at the level in the State agency where the HIR was created from the notices of change. This posting and reconciliation shall, at a minimum, include for each ATP a comparison of the total coupon allotment. The State agency shall merge the records of the manually prepared initial and replacement ATP issuances with the HIR master file prior to posting and reconciling the transacted ATP's. ATP's issued to replace ATP's reported lost or stolen shall be separately identifiable, as the transaction of both the original and replacement ATP represents a duplicate issuance which must be reported on a reconciliation report.
 - b. Identification of unreconciled ATP's. The State agency shall identify all transacted ATP's that are not reconciled with the HIR Master file as expired, duplicate, altered, stolen, counterfeit, or out-of-State. Unreconciled ATP's shall be recorded on a reconciliation report. This identification shall be used to establish the liabilities of the Issuance agent and for determination of corrective or claims action.
- H. Issuance record retention and security.
 - 1. Availability of issuance records. The State agency and the Issuance agent shall maintain issuance records for a period of 3 years from the month of origin.
 - a. Issuance records shall include, at a minimum: Notices of change, inventory records, transacted ATP's, Issuance agent's weekly reports, and substantiating documents, cashier's daily reports, receptionist's daily tally sheets, and the HIR master file.

- b. In lieu of the records themselves, microfilm, microfiche, or computer tapes may be maintained, as long as they are easily retrievable for audit review purposes.
- 2. Control of issuance documents. The State agency shall control all issuance documents which establish household eligibility while the documents are transferred and processed within the State agency. The State agency shall use numbers, batching, inventory control logs, or similar controls from the point of initial receipt through the issuance and reconciliation process. The State agency shall also ensure the security and control of ATP's in transit from the manufacturer to the State agency.
- 3. Accountable documents. ATP's shall be considered accountable documents. The State agency shall provide the following minimum security and control procedures for these documents:
 - Preprinted serial numbers;
 - b. Secure storage;
 - c. Access limited to authorized personnel;
 - d. Bulk inventory control records;
 - e. Subsequent control records maintained through the point of issuance or use; and
 - f. Periodic review and validation of inventory controls and records by parties not otherwise involved in maintaining control records.
- 4. Notice of change and ID card security. For blank ID cards and notices of change which initiate, update, or terminate the HIR, the State agency shall at a minimum, provide secure storage and limit access to authorized personnel.
- I. State agency reporting destruction of unusable coupons.
 - 1. State agency reporting.
 - The State agency shall review periodic reports from coupon issuers for accuracy, completeness and reasonableness.
 - b. The State agency shall compile figures after the end of the issuance month based on HIR card data or transacted ATP's. These figures shall include all issuances supported by issuance documents including expired, altered, stolen, counterfeit, and duplicate issuances which occurred during the report month.

- 2. Destruction of unusable coupons.
 - a. The State agency shall require coupon issuers and the coupon manufacturer to hold the unusable coupos in secure storage pending examination and destruction by the State agency. After verification of the reports from those points, the State agency shall destroy improperly manufactured or mutilated coupons or coupon books received from the coupon issuers and coupon manufacturer, and unusable coupons or coupon books returned by households.
 - b. The State agency shall destroy the coupons and coupon books by burning, shredding, tearing, or cutting so they are not negotiable. A State agency official shall witness and certify the destruction.

J. Closeout of a coupon issuer.

- 1. Definition of responsibilities. Whenever the services of a coupon issuer or bulk storage point are terminated, the State agency shall perform the responsibilities described below. If a coupon issuer has more than one functioning unit and one of these facilities is terminated, the coupon issuer shall notify the State agency of the pending termination of any of its services prior to the actual termination.
- 2. Closeout accountability. The State agency shall perform a closeout audit of a coupon issuer within 30 days of termination of the issuance.
- 3. Transfer of coupon inventory.
 - a. Prior to the transfer of coupon inventory to another coupon issuer, the State agency shall perform an actual physical count of coupons on hand.
 - b. The State agency shall transfer the inventory to another issuer. The transfer of coupons shall be properly reported and documented by both the point being terminated and the point receiving the inventory.
- 4. Maintenance of paticipant service.
 - a. At least 30 days before actual termination of a coupon issuer, the State agency shall notify affected participants of the impending closure. Notification shall include identification of alternate issuance locations. The State agency shall post notices at the offices of the coupon issuer of the impending closure and may use mass media or ATP stuffers to advise participants about the expected closure of the issuance office.

- b. If closure of the issuer will affect a substantial portion of the caseload or a specific geographic area, the State agency shall take whatever action is necessary to maintain participant service without interruption.
- with contractual requirements and alternate issuance facilities or systems are not readily available, the State agency may continue to use the coupon issuer for a limited time. In these situations, the State agency shall perform weekly onsite reconciliations of coupon issuance. The State agency shall continue to actively seek other issuance alternatives.

K. Use of Coupons by Eligible Households.

- 1. Eligible food. A household member should sign each coupon book issued to the household. The coupons may be used only by the household, or other people the household selects, to purchase eligible food for the household, which includes, the purchase of basic farming and fishing equipment and livestock with coupons. Food coupons identified as for purchase of local foods only shall not be used to purchase food imported from outside the NMI nor shall they be used as change. Uncancelled and unendorsed coupons of \$1 denomination and \$5 denomination, returned as change by authorized retail food stores, may be presented as payment for eligible food. All other detached coupons may be accepted only if accompanied by the coupon book which bears the same serial number as the detached coupons. It is the right of the household or the authorized representative to detach the coupons from the book.
- 2. Livestock. Eligible households may use all or any part of the coupons issued to them to purchase livestock. Food coupons identified as for purchase of local foods only may be used to purchase livestock.
- Farming/fishing equipment. Eligible households may use all or any part of the coupons issued to them except for food coupons identified as for purchase of local foods only to purchase basic farming equipment such as rakes, hoes, picks and shovels, and fishing equipment such as nooks, rods, harpoons, and knives.
- 4. Use of ID cards. The household or the authorized representative shall present the household's ID card to the retail food store when exchanging food coupons for eligible food.

- for any eligible food purchased prior to the time at which the coupons are presented to authorized retail food stores. Neither shall coupons be used to pay for any eligible food in advance of the receipt of food, except when prior payment is for food purchased for Northern Islands recipients.
- 6. Cash change. When change in an amount less than \$1 is required in a coupon transaction, the household shall receive the change in cash not to exceed 99 cents.
- 7. Changemaking. Only unendorsed uncancelled \$1 coupon and \$5 coupon may be used as change in food coupon transactions. \$1 coupon earmarked for local foods only shall not be used for changemaking.

IX. PROGRAM MONITORING SYSTEM

A. State Agency Responsibilities.

- 1. The State agency shall establish a continuing performance reporting system to monitor Program administration and Program operations. The components of the State agency's performance monitoring system shall be:
 - a. Data collection through management evaluation reviews which the State agency will conduct once a year;
 - b. Analysis and evaluation of data from all sources;
 - c. Corrective action planning;
 - d. Corrective action implementation and monitoring; and
 - e. Providing information copy of Corrective Action Plan to FNS.
- 2. The State agency shall designate the on-site FNS representative to coordinate the activities of the Performance Reporting System.
- 3. The State agency shall employ sufficient staff to perform all aspects of the Performance Monitoring System as required by this section.
- B. FNS Responsibilities. FNS shall review the information copy of the State agency's corrective action plan and may suggest improvements to the Plan within 60 days of receipt of the plan from the State agency. FNS may comment on all functions performed at the State agency level in the administration/operation of the Program, such as, but not limited, to: certification and issuance procedures, security and control procedures, accountability, reconciliation, record keeping and reporting procedures, training, outreach, complaint procedures, fraud, fair hearings, disaster preparedness, and program monitoring.

C. Modified Quality Control Review.

- 1. The State agency shall review 5% of the active (certified) cases and 100% of the negative (denied and terminated prior to the expiration of the household's certification period) cases each month.
- 2. Casefiles shall be desk reviewed to determine proper application of policy, verification, documentation and computation for each review element.

- 3. The reviewer shall use information in the casefile, i.e., applications and supporting documentation. If supporting documentation such as work registration documents is not maintained with the household's casefile then it, too shall be examined during the review. Coupon allotment information shall also be made available to the reviewer.
- 4. The State agency reviewer shall provide the Certification Unit a Review Action Form for each review completed which must be returned to the reviewer within 10 days.
- The State agency shall initiate action to correct individual cases and reduce pervasive deficiencies identified by the review.

Corrective Action Plan.

1. The State agency shall prepare a corrective action plan addressing those deficiencies found by the State agency reviewer in the course of its monthly case reviews and the annual management evaluation of NAP operations.

This corrective action plan is an open-ended plan and shall remain in effect until all deficiencies in Program operations have been reduced substantially or eliminated. Any deficiencies, detected through any source, not previously included shall be incorporated into the State corrective Action Plan within 60 days of identification. As deficiencies are reduced substantially or eliminated, the State agency shall be responsible for documenting why each deficiency is being removed from the Plan.

- State corrective action plans shall contain, but not necessarily be limited to, the following, based on the most recent information available:
 - Specific description and identification of each deficiency;
 - Source(s) through which the deficiency was detected;
 - lientification of causal factor(s) contributing to the С. occurrence of each deficiency;
 - Identification of any action already completed to d. eliminate the deficiency;
 - An outline of actions to be taken, the expected outcome of each action, and the target date for each action, and the date by which each deficiency will have been eliminated: and
 - A description of the manner in which the State agency will ponitor and evaluate the effectiveness of the corrective action in eliminating the deficiency.

- 3. Initial corrective Action Plan. The State shall develop a comprehensive corrective action plan within 60 days of the submittal of the report to NAP management on the findings of the initial annual management evaluation review.
- 4. Assessment of Corrective Action.
 - a. The NAP management will conduct a comprehensive annual assessment of the State agency's corrective action process by compiling all information relative to the State agency's corrective action efforts, including the State agency's system for data analysis and evaluation. The purpose of this assessment and review is to determine if identified deficiencies are analyzed in terms of causes and magnitude and are properly included in the State Corrective Action Plan, the State agency is implementing corrective actions according to the appropriate plan, target completion dates for reduction or elimination of deficiencies are being met, and corrective actions are effective.
 - b. In addition, the NAP management will conduct on-site reviews of selected corrective actions at least annually or as frequently as considered necessary to ensure that proposed corrective actions are completed within the timeframes specified in the State corrective action plans and to determine the effect the corrective action is having. The on-site reviews will provide the State agency with a mechanism for early detection of problems in the corrective action process to minimize losses to the Program, participants, or potential participants.

E. Monitoring and Evaluation.

- 1. The State agency shall establish a system for monitoring and evaluating corrective action. Monitoring and evaluation shall be an ongoing process to determine that deficiencies are being substantially reduced or eliminated in an efficient manner and that the Program provides responsive service to eligible households.
- 2. The State agency shall ensure that corrective action on all deficiencies identified in the State Corrective Action Plan is implemented and achieves the anticipated results within the specified time frames. The State agency shall monitor and evaluate corrective action through a combination of reports, field reviews, and examination of current data available through Program management tools and other sources.
- 3. In instances where the State agency determines that the proposed corrective action is not effective in substantially reducing or eliminating deficiencies, the State agency shall promptly reevaluate the deficiency, causes, and the corrective action taken, and develop and implement new corrective actions.

F. Submission of Corrective Action Plan to Director, DCCA.

- 1. Proposed corrective action for all deficiencies identified as requiring State agency action shall be received by the DCCA Director's Office for approval within 60 days after identification.
- The NAP Division shall advise the Director's Office immediately upon becoming aware that previously reported corrective actions will not be effective in eliminating a deficiency or that a projected target date will not be met.

G. Record Retention.

- 1. The State agency shall maintain Performance Reporting System records to permit ready access to, and use of, these records for a minimum of 3 years from date of origin. Performance Reporting System records include information used in data analysis and evaluation, corrective action plans, corrective action monitoring records and ME review records. To be readily accessible, system records shall be retained and filed in an orderly fashion. Precautions should be taken to ensure that these records are retained without loss or destruction during the 3-year period required by FNS regulations. Information obtained on individual households for Performance Reporting System purposes shall be safeguarded in accordance with rules on disclosure of information for the Nutrition Assistance Program.
- 2. ME review records consist of documentation of review findings, sources from which information was obtained, procedures used to review Program requirements including sampling techniques and lists, and ME review plans. The State agency may submit documented evidence of review findings to the FNS Regional Office upon its request for purposes of evaluating State agency corrective action plans.

H. Determination of State Agency Program Performance.

- 1. FNS may comment on the efficiency and effectiveness of the State agency's administration of the Nutrition Assistance Fragram by measuring State agency compliance with the standards contained in the Food Stamp Act, regulations, the MOU, this Manual, and State agency efforts to improve Program operations through corrective action. This determination may be made based on:
 - a. Reports submitted to FNS by the State agency;
 - b. FAS reviews of State agency operations;
 - c. State agency performance reporting system reports and corrective action efforts; and

- d. Other available information such as Federal audits and investigations, administrative cost data, complaints, and any pending litigation.
- 2. If FNS elects to comment, the assessment of the State agency's performance during the fiscal year shall be provided by FNS to the State agency no later than 90 days after the end of the fiscal year.

X. PARTICIPATION OF RETAIL FOOD STORES AND REDEMPTION AGENT

- A. Approval of Retail Food Stores.
 - 1. Application. Any firm desiring to participate in the Program shall file an application as prescribed by the State agency. The Administrator shall deny or approve authorization, or request more information, within thirty (30) calendar days of receipt of the application.
 - 2. Determination of authorization. An applicant shall provide sufficient data on the nature and scope of the firm's business for the NAP Administrator to determine whether the applicant's participation will further the purposes of the Program. In making this determination the NAP Administrator or his designee shall consider all of the following:
 - The nature and extent of the food business conducted by the applicant. An applicant retail food store with annual gross sales of less than \$100,000 shall be authorized to participate in the Program only if the NAP Administrator determines that the applicant's participation is critical in effecting the purposes of the Program. Retail food stores which sell primarily food for home preparation and consumption and in which one or more staple food items, in addition to a significant amount of local foods as previously defined make up more than 50 percent of eligible food sales shall normally be considered to have food business of a nature and extent which will further the purposes of the Program. The amount of local foods carried by the retail store must equal 15% of its food sales. These stores shall include: full-line grocery stores; convenience stores; stores which sell meat, poultry, or fish; stands which sell agricultural commodities; farmers markets; bakeries which sell bread; and non-profit cooperative food-purchasing ventures which are properly licensed to sell food in the CNAI and locality in which they are operating. Retail stores must have a valid business license issued by the CNMI letamorent of disamerce and Labut.
 - b. The volume of food stamp business which the State agency may reasonably expect the firm to do. The Administrator may consider such factors as the location of the store and previous sales volumes in evaluating the ability of an applicant firm to attract food stamp business.
 - c.7 The business integrity and reputation of the applicant. In considering these factors, the Administrator may examine the following items:
 - (i) Criminal conviction records reflecting on the nonesty or integrity of officers or managers of the applicant firm;

- (ii) Official records of removal from other Federal, State, or local programs;
- (iii) Judicial determinations in civil litigation adversely reflecting on the integrity of officers or managers of the applicant firm;
- (iv) Evidence of an attempt to circumvent a period of disqualification from the Program or a civil money penalty imposed for violations of the Food Stamp Act and the provisions of this section;
- (v) Evidence of prior fraudulent behavior of officers, managers or employees of the applicant firm; and
- (vi) Any other evidence reflecting on the business integrity and reputation of the applicant.
- d. Other factors. Any other factors which the NAP Administrator considers pertinent to the application under consideration.
- Account with Redemption agent. Each authorized retail firm must open an account with the Redemption agent within 10 days of authorization for redemption record tracking purposes. The NAP Administrator shall withdraw the authorization from retail firms which fail to comply with this requirement.
- 4. Authorization card. Upon approval, the Administrator shall issue a nontransferable authorization card to the firm. The authorization card shall be retained by the firm until superseded, surrendered, suspended or revoked as provided for in this section. Authorization cards shall automatically terminate at the end of the calendar year.
- 5. Denying authorization. The Administrator shall deny the application of any firm if it determines that:
 - 2. The firm does not qualify for participation in the Program as specified in this section; or
 - b. The firm has failed to pay in full any fiscal claim assessed against the firm. The Administrator shall issue a notice to the firm by mail or personal service of any authorization denial, and shall advise the firm that it may request review of that determination.
- 6. Withdrawing authorization. The State agency shall withdraw the authorization of any firm authorized to participate in the Program if it determines that the firm's continued participation will not further the purposes of the Program.

The Administrator shall issue a notice to the firm by mail or personal service to inform the firm of the determination and shall advise the firm that it may request review by the Director of the State agency of that determination. The State agency shall remove the firm from the Program if the firm does not request review within 10 days of the date of the delivery of the notice.

- Updating information. The State agency may require, from 7. time to time, a firm to update any or all of the information on the firm's application form. Failure to provide this information may result in the withdrawal of the firm's approval to participate in the Program.
- Applications containing false information. The filing of any application containing false or misleading information may result in the denial or withdrawal of approval to participate in the Program and may subject the firm and persons responsible to civil or criminal action.
- Administrative review. Any withdrawal or denial of authorization to participate in the Program shall be subject to administrative review.
- Safeguarding privacy. The contents of applications or other 10. information furnished by firms, including information on their gross sales, food sales volumes and their redemptions of food stamps, may not be used or disclosed to anyone except for purposes directly connected with the administration and enforcement of the NAP regulations or this Manual.

В. Participation of Retail Stores.

- Use of food coupons. Food coupons shall be accepted by an authorized retail store only in exchange for eligible items. Food coupons identified a restricted to purchase of local foods shall only be accepted in exchange for local foods. Food coupons may not be accepted in exchange for cash except when cash is returned as change in a transaction in which coupons were accepted in payment for eligible food at authorized retail firms. Food coupons may not be accepted in payment of interest on loans, or for any unauthorized use.
- Equal treatment for food stamp customers. Food coupons shall be accepted for eligible items at the same prices and on the same terms and conditions applicable to cash purchases of the same foods at the same stores. However, nothing in this part may be construed as authorizing the State agency to specify the prices at which retail stores may sell food. No retail store may single out food stamp users for special treatment in any way.
- Accepting food coupons. No authorized food store may accept food coupons marked "paid" or "cancelled." Nor may a retail

food store accept food coupons bearing any cancellation or endorsement, or food coupons of other than the one dollar or five dollar denomination which have been detached from the food coupon books prior to the time of purchase of delivery of eligible food unless the detached food coupons are accompanied by the food coupon books which bear the same serial number that appears on the detached food coupons. Except as noted above, food coupons may only be detached in the presence of the cashier at authorized retail stores.

- Making change. An authorized retail food store shall use, for the purpose of making change, uncancelled and unearmarked one dollar and five dollar food coupons which were previously accepted for eligible items. The one dollar coupon earmarked for local food only shall not be used for making change. If change in an amount of less than one dollar is required, the eligible household may receive the change in cash. At no time may cash change in excess of 99 cents be returned in a coupon transaction. An authorized retail food store may not engage in a series of coupon transactions of less than one dollar, the purpose of which is to provide the same food stamp customer an amount of cash change greater than the maximum 99 cents cash change allowed in one transaction.
- Accepting food coupons before delivery. Retailers shall not accept food coupons before delivering the eligible items, retain custody of any unspent coupons, or in any way prevent an eligible household from using food coupons in making purchases from other authorized firms. However, an authorized firm billing an order for a recipient living on an island without authorized firms, may accept food coupons at the time the member places a food coupon order for eligible items.
- 6. Paying credit accounts. Food coupons shall not be accepted by an authorized retail store in payment for any eligible items sold to a household on credit.
- 7. Redeeming food coupons. Authorized retail stores may exchange food coupons in accordance with this part for face wiles, upon presentation to the Redemption Agent designated by the State Agency to accept coupons from authorized retailers.
- 8. Identifying food coupon users. Food coupons shall not be accepted from persons who have no right to possession of food coupons. The retailer shall require all persons presenting ccupons to snow the ID card of the household to establish the right of that person to use the food coupons.
- C. Frocedure for Redeeming Food Coupons.
 - 1. Endorsing food coupons. Each authorized retail food store

shall mark its authorization number or name on each food coupon and bundle the coupons by denomination before it presents the food coupons for redemption. The earmarked coupons (local food only coupons) shall be bundled separately from the \$1 general purpose coupon.

- 2. Using redemption certificates. The Redemption agent will provide all authorized firms with redemption certificates. Retail stores shall use the redemption certificates to present food coupons to the Redemption agent for credit or for cash. An authorized retail firm using redemption certificates to redeem food coupons shall fill out the redemption certificate to show the business name of the retail store, the value of the food coupons redeemed, the date, and the signature and title of the official of the firm redeeming the food coupons.
- 3. Food coupons accepted without authorization. Food coupons accepted by a retail store before the receipt by the firm of an authorization card from the State agency may not be presented for redemption unless the NAP Administrator has approved the redemption. Approval may be granted by the NAP Administrator at his discretion under the following conditions:
 - a. The firm presents a written application for approval to the Administrator. This application shall be accompanied by a written statement signed by the firm of all facts about the acceptance of the food coupons. The statement shall also include a certification that the food coupons were accepted in good faith, and without any intent to circumvent the provisions of this part;
 - b. The food coupons were received in accordance with the requirements of this part governing acceptance of food coupons except the requirement that the firm be authorized before acceptance; and
 - c. The firm receives authorization to participate in the Program.
- 4. Burned and mutilated food coupons. The State agency may redeem burned or mutilated food coupons only to the extent that the State agency can determine the value of the food coupons. The firm presenting burned or mutilated food coupons for redemption shall submit the food coupons to the NAP Administrator with a properly filled-out redemption certificate. In the section of the redemption certificate for entering the amount of food coupons to be redeemed, an estimate of the value of the burned or mutilated food coupons submitted for redemption shall be entered if the exact value of the food coupons is unknown.

5. Lost or stolen food coupons. The State agency is not liable for claims from retail food stores for lost or stolen food coupons or counterfeit coupons.

D. Participation of the Redemption Agent.

1. Accepting food coupons. The Redemption agent may redeem food coupons only from authorized retail stores and in accordance with the provisions of this part and the instructions from the State agency. Food coupons submitted to the Redemption agent for credit or for cash must be properly endorsed and shall be accompanied by a properly filled-out and signed redemption certificate. The Redemption agent may require persons presenting food coupons for redemption to show their authorization cards. Copies of the redemption certificates accepted by the Redemption agent shall be forwarded with the weekly Redemption agent's Report to:

ADMINISTRATOR
DIVISION OF NUTRITION ASSISTANCE PROGRAM
DEPT. OF COMMUNITY & CULTURAL AFFAIRS
SAIPAN, CM 96950

Food coupons redeemed must be cancelled by the Redemption agent by indelibly marking "paid" or "cancelled" on each food coupon. A portion of a food coupon consisting of less than three-fifths (3/5's) of a whole food coupon may not be redeemed by the Redemption agent.

- 2. Loss of food coupons by burglary or robbery. The State agency will consider claims from the Redemption agent for cancelled food coupons lost as a result of burglary or robbery. Stolen food coupons, later recovered, for which the Redemption agent was compensated by a claims payment from the State agency shall be returned to the State agency and shall not be redeemed. To be compensated, the Redemption agent must provide the State agency with:
 - a. Documentation showing that the stolen cancelled food coupons were in the possession of the Redemption agent at the time of the burglary or robbery;
 - b. Evidence that the amount of food coupons recovered will not be compensated for by the Redemption agent's insurer;
 - c. An investigation report detailing the facts of the robbery or burglary; and
 - d. Evidence that negligence on the part of the Redemption agent did not contribute to the loss.
 - e. Evidence that credit equal to the amount of the coupons stolen was given to authorized retailer(s) and has not been previously claimed from the State agency by the Redemption agent.

- E. Claims Against Violators, Disqualification of Retail Stores, and Imposition of Civil Money Penalties in Lieu of Disqualification.
 - 1. Claims against violators. The State agency may establish a claim against an authorized firm which has accepted food coupons in violation of applicable rules, regulations, policies, or the provisions of this part. If a firm fails to pay the claim, the State agency may collect the claim by offset against the amount due the firm on redemption of other food coupons, or deny the application for reauthorization by a firm which has been disqualified and failed to pay a claim.
 - 2. Authority to disqualify or subject authorized firm to a civil money penalty. The State agency may disqualify any authorized retail store from further participation in the Program for a reasonable period of time, not to exceed three (3) years, as the State agency may determine, if the firm fails to comply with applicable rules, regulations, policies, or the provisions of this section. Any firm which has been disqualified and which wishes to be reinstated at the end of the period of disqualification or at any later time shall file a new application so that the State agency may determine whether reinstatement is appropriate. The application may be filed starting ten (10) days before the end of the period of disqualification. The State agency may, in lieu of disqualification, subject the firm to a civil money penalty of up to \$5,000 for each violation if the State agency determines that a disqualification would cause hardship to participating households. For purposes of this section, unless otherwise noted, "firm" means the ownership or management of any authorized retail store or any person acting on behalf of the ownership or management.
 - 3. Charge letter. Any firm considered for disqualification or imposition of a civil money penalty under paragraph E shall have full opportunity to submit to the State agency information, explanation, or evidence concerning any instances of noncompliance before the State agency makes a final administrative determination. The NAP Administrator shall send the firm a letter of charges before the determination. The letter shall specify the violations or actions which the State agency believes constitute a basis for disqualification or imposition of civil money penalty. The letter shall inform the firm that it shall respond in writing to the charges contained in the letter within ten (10) days of the date of the letter. The firm's response shall set forth a statement of evidence, information, or explanation concerning the specified violations or acts. The firm shall make its response, if any, to the Administrator.
 - 4. Review of evidence. The letter of charges, the response, and any other information available to the State agency shall be reviewed and considered by the NAP Administrator which shall then issue the determination.

- 5. Basis for determination. In making a determination the State agency shall consider:
 - a. The nature and scope of the violations committed by personnel of the firm;
 - Any prior action taken by the State agency to warn the firm about the possibility that violations were occurring; and
 - c. Any other evidence that shows the firm's intent to violate the regulations, rules, policies, or the provisions of this part.
- 6. Penalties. The State agency shall take action against any firm determined to have violated the regulations, rules, policies, or the provisions of this section as follows:
 - a. Disqualify the firm for three (3) years if the firm has committed flagrant violations of food coupons or trafficked in ATP cards, which have resulted in major diversions of food coupons from their intended purpose.
 - b. Disqualify the firm for one (1) year if the evidence shows that:
 - i. it is the firm's policy to sell expensive or conspicuous nonfood items, cartons of cigarettes, alcoholic beverages or gasoline, in exchange for food coupons, and the firm has engaged in such practices, or
 - ii. the firm bought food coupons at discount, and
 - iii. the firm was warned about the possibility that such violations were occurring and of the possible consequences of violating NAP regulations. The State agency may disqualify a firm for one (1) year, even though the firm was not warned about the possibility that violations were occurring, if the State agency finds that the firm has committed unusually serious violations of the kind described in 6bi or 6bii of this subparagraph.
 - iv. The firm's food coupon redemptions for a specified period of time exceed its sales of eligible items for the same period of time.
 - v. The firm accepted coupons identified as restricted to purchase of local foods only for any eligible food.
 - vi. It is the firm's policy to commit violations such as the sale of common ineligible nonfood items in amounts normally found in a shopping basket, and

the firm was warned about the possibility that violations were occurring and of the possible consequences of violating NAP regulations.

- 7. Warning letter. The State agency shall send the firm a warning letter if violations are too limited to warrant a disqualification.
- 8. Previous penalties. The State agency may assign a penalty that is more severe than the penalty normally warranted by the evidence of violations if the same firm has been previously disqualified or has been previously assigned a civil money penalty.
- 9. Criteria for civil money penalty. The State agency may impose a civil money penalty in lieu of disqualification only when the firm subject to a disqualification is selling a substantial variety of staple food or other eligible items, and the firm's disqualification would cause hardship to food coupon households because there is no other authorized retail store in the area selling as large a variety of items at comparable prices.
- 10. Amount of civil money penalty. The civil money penalty may not exceed \$5,000 for each violation. The State agency shall determine the amount of the civil money penalty as follows:
 - a. Determine the firm's average monthly redemption of food stamps for the twelve (12)-month period ending at the time the firm was charged with violations or the average monthly redemption at the time the firm was charged with violations.
 - b. Multiply the average monthly redemption figure by ten percent (10%) to represent the loss of profits that would result from the loss of food coupon business and related cash business. The State agency may double the ten percent (10%) multiplier in cases in which the firm has been disqualified or subjected to a civil money penalty previously.
 - c. Multiply the product arrived at in subparagraph b immediately above by the number of months for which the firm would have been disqualified under paragraph E6 of this section.
- 11. Notifying the firm of civil money penalty. The NAP Administrator shall inform the firm in writing that it has ten (10) days in which to pay the fine or notify the NAP Administrator in writing of its intent to pay in installments as specified by the State agency. In any event, the fine must be paid in full by the end of the period for which the firm would have been disqualified. The State agency shall disqualify the firm for:

- a. The period determined to be appropriate under paragraph E6 of this section if the firm refuses to pay the fine; or
- b. A period corresponding to the unpaid part of the fine, if the firm does not pay the fine in full or in installments as specified by the State agency.
- 12. Delivery of notice. The delivery by mail or personal service of any notice required of the State agency by this part will constitute notice to the addressee of its contents. The notice shall advise the firm that it may request review in accordance with procedures outlined in Section F of this section.
- 13. Review of determination. The determination of the State agency shall be final and not subject to further review unless a written request for review is filed within ten (10) days of the date of the notice.

F. Requesting Administrative Review - Retail Stores.

- 1. A retailer aggrieved by an administrative action under this section may, within ten (10) days of the date of the adverse notice, file a written request for review of the administrative action with the DCCA Director or his duly authorized designee. On receipt of the request for review, the questioned administrative action may be stayed by the NAP Administrator at the request of the aggrieved retailer pending disposition of the request for review by the DCCA Director or his duly authorized designee.
- 2. The request for review shall be filed with the Director, Department of Community & Cultural Affairs, Lower Base, Saipan, CM 96950.
- 3. An administrative review will be scheduled, conducted and a decision rendered no later than 30 days after the date of request for administrative review. The DCCA Director may at his discretion preside over all administrative review hearings or designate an Administrative Review Officer to hear a case and his decision shall be final and binding on all parties.

G. Judicial Review.

- 1. A firm aggrieved by an order of the State agency may appeal the order to the Commonwealth Trial Court within ten (10) days following the date of the order.
- 2. The commencement of any proceedings in any court shall not operate as a stay of compliance with any provisions of this section, or any NAP rules, regulations, policies, or orders issued hereunder.

H. Other Penalties and Remedies.

In addition to any other penalties prescribed by this part, the Attorney General may bring an action in any court of competent jurisdiction to enjoin violations of the provisions of this section, the CNMI Food Stamp Fraud Statute, or any other applicable NAP rules, regulations, or policies.

XI. EMERGENCY FOOD ASSISTANCE FOR VICTIMS OF DISASTERS

- A. General. The NAP Division shall be responsible for the administration of temporary emergency provisions within CNMI, as authorized by FNS, including certification of households, issuance of emergency food assistance, control and accountability of coupons, publicity activities, conducting evaluations of disaster operations, and submitting accurate and timely reports of emergency food assistance issuance. These emergency provisions shall be specified in a State agency plan of operation for disaster situations.
- B. Coordination. The NAP Administrator shall coordinate with the Governor's Chief Administrative Officer, the CNMI Disaster Control Officer and corresponding individuals in the Federal Emergency Management Agency, Civil Defense, the American Red Cross and other disaster agencies with respect to disasters.
 - 1. The above offices can alert the State agency to any potential disasters, provide assessment of destruction and the number of victims and their needs, and any assistance these Offices can provide in the distribution of emergency food assistance.
 - 2. The State agency shall request those disaster agencies to provide information on disaster eligibility standards to potentially eligible households and refer these households to the NAP disaster program.
 - 3. If the calamity is not designated a disaster by FNS, the State agency shall request disaster relief agencies to provide information on the NAP to potentially eligible households and refer these households to the ongoing NAP.
- C. <u>Disaster Plan</u>. The State agency disaster plan shall include but not be limited to:
 - 1. Procedures for promptly assessing the geographical limits of the areas in need of temporary food assistance.
 - 2. Coordination with federal and private disaster relief agencies and local government officials.
 - 3. Instruction of caseworkers in procedures for implementing and operating the disaster program.
 - 4. Procedures for informing the public about the disaster procedures, how to apply for benefits, household responsibilities and post audit activities.
 - 5. Application procedures to expeditiously determine eligibility.
 - 6. Designation of a Disaster Coordinator and alternate.

7. Procedures to prevent and identify duplicate food stamp issuance.

D. Disaster Declaration Procedures.

- 1. FNS shall determine the need for temporary food assistance for households which are victims of a disaster such as a storm, fire, flood or other catastrophe when the conditions are severe enough and affected households in such a way that the regular NAP cannot respond to their temporary food needs. Emergency NAP coupon assistance is appropriate when, for example, a quick response is needed to meet a sudden, heavy demand at the State agency which the regular NAP is not capable of timely processing the volume of applications. The area authorized by FNS for emergency food coupon issuance may or may not have boundaries congruent with areas designated as a major disaster by the US President. Funds disbursed by the State agency to provide emergency food coupon asistance to affected households upon the authorization of FNS shall not be counted against the NAP grant and shall be reimbursable in full to the State agency by FNS.
- 2. Disaster designation. Conditions which may require a disaster designation include, but are not limited to:
 - Damage has been caused of sufficient severity and magnitude to warrant major disaster assistance under the Disaster Relief Act of 1974.
 - Federal emergency assistance is needed to supplement b. State and local efforts to save lives and protect property, public health and safety.
 - Alternative certification and/or issuance procedures, c. physical facilities, and/or sites are needed on a mass scale to supplement or replace normal certification and issuance procedures, physical facilities and/or sites.
 - Additional certification and/or issuance staff are d. needed to timely handle the volume of applicants.
- Application to conduct emergency operations.
 - When all or part of the CNMI has been struck by a a. disaster and the ongoing NAP cannot respond to the temporary food needs of affected households, the State agency shall apply to FNS for authorization to implement temporary emergency food stamp assistance procedures. This application shall be made as quickly as possible by telephone or otherwise as soon as the need has been established. However, the written application with substantiating facts will be submitted to FNS as soon after the informal application as possible.

- b. This written application must iinclude the following:
 - i. the date the disaster began.
 - ii. a list of the geographical limits of parts of the CNMI in need of assistance.
 - iii. a determination with substantiation that households residing within the disaster area are in need of emergency food assistance.
 - iv. a determination with substantiation that the food needs of these households cannot be met by the ongoing NAP.
 - v. an estimate of the numbers of eligible households in need of assistance.
 - vi. an assessment of the availability and accessibility of NAP certification and isssuance sites in the affected area.
 - vii. a determination that temporary certification and/or issuance arrangements are or are not necessary and a description of any such proposed arrangement.
 - viii. an assessment of the availability and accessibility of authorized food outlets in the affected area.
 - ix. a statement of the estimated length of the food assistance need of the affected households corresponding to the anticipated issuance period and a statement of the estimated period needed for processing disaster applications from affected households. The State agency shall recommend an issuance period of either one half month or one month whichever is appropriate to meet the needs of the affected households. The application processing period shall not exceed the anticipated issuance period.
 - x. Information on the use of a disaster relief agency, if any, with which the State agency wants to cooperate in administering emergency food stamp assistance or in providing information and referral services. A disaster relief agency is a public or private agency designated by the State agency and authorized by FNS to perform specified functions in connection with certification for and distribution of emergency food stamps during a

disaster. The State agency shall specify the functions which it intends to delegate to the disaster relief agency and the specific geographical areas in which such functions will be performed by the agency.

4. FNS authorization.

- a. Approval. If the State agency application for a disaster designation is approved, FNS will authorize the State agency to use the CNMI disaster certification and issuance procedures set out in Exhibit D, specifying the areas where such procedures are authorized. If there is a need for the assistance of a disaster relief agency in providing temporary food assistance, FNS will authorize the disaster relief agency designated by the State agency specifying the functions which it may perform in connection with certification for and distribution of emergency food stamps. This authorization will be made by telephone followed by written confirmation.
- b. Denial. If the application is denied by FNS, FNS will notify the State agency immediately by telephone, confirming this in writing. The State agency shall request a review of the decision if additional information is available to substantiate the request for authorization.
- c. Period of authorization. FNS shall specify the period of food assistance need corresponding to the anticipated issuance period. This period shall be for either a half month or one month. Authorization for an initial issuance period shall not exceed one month. The State agency may apply for an extension. Such an extension may be authorized if FNS determines that emergency food assistance is necessary beyond the original period.
- E. Reporting. When emergency food stamp assistance is authorized, emergency food coupon allotment shall be reported and accounted for. Participation and coupon issuance shall be reported on Form FNS 292. Report of Coupon Issuance for Disaster Relief, Form FNS 292 shall be submitted to FNS by the State agency no later than 45 days following the designated disaster period.

F. Monitoring and Post Audits.

1. The State agency shall implement and maintain program controls over the certification of disaster victims for emergency assistance while disaster operations are in effect.

- 2. The State agency shall conduct a post review of disaster certification activities by selecting and reviewing 5% subsample of case actions.
- 3. The State agency shall utilize the case review information to formulate and implement corrective actions to improve disaster certification procedures.
- G. Household Disaster. The State agency shall provide replacement benefits to households affected by personal calamity outside the scope of disaster assistance which was covered above in this section.
 - 1. Coupons destroyed after receipt. A household may request a replacement for that portion of its allotment, not to exceed one month's food stamp allotment, which it had received but which was destroyed in a household disaster such as fire or flood. To qualify for a replacement, the household shall report the destruction to the food stamp office within 10 days of the incident and sign a statement:
 - a. attesting to the destruction of the household's food stamps; and
 - b. stating that the household is aware of the penalties for intentional misrepresentation of the facts. The statement shall be retained in the casefile.
 - 2. Replacement of coupons. Replacement coupons, if warranted, shall be issued within 10 days of receipt of the request for replacement. Replacement of coupons reported as destroyed subsequent to receipt shall be made only once in a 6 month period. If, in the previous 5 months, the household has been issued a replacement for coupons reported as destroyed subsequent to receipt, then the request for replacement shall be denied.
 - 3. ATP's stolen or destroyed after receipt. A household may request replacement for an ATP which it had received but which was subsequently destroyed in a household disaster such as a fire or flood, or stolen. To qualify for a replacement the household shall report the theft or destruction within 10 days of the incident and sign a sttement:
 - a. attesting to the theft or destruction of the household's ATP;
 - b. stating that the original ATP will be returned to the State agency if recovered by the household; and
 - c. stating that the household is aware of the penalties for intentional misrepresentation of the facts. The statement shall be retained in the casefile.

- 4. Replacement of ATPs. Replacement ATPs, if warranted, shall be issued within 10 days of receipt of the request for replacement. Replacement of ATP reported as stolen or destroyed subsequent to receipt shall be made only once in a 6 month period. If in the previous 5 months the household has been issued a replacement for an ATP reported as stolen or destroyed subsequent to receipt then the request for replacement shall be denied. ATPs stolen or destroyed after the valid period of the ATP shall not be replaced.
- 5. Lost or Misplaced ATPs, Coupons. The State agency shall not issue a replacement ATP or coupons to a household which reports that its ATP or coupons were lost or misplaced after being received.
- 6. Replacement of food destroyed in a disaster. In cases where food purchased with food stamps is destroyed in a disaster affecting participating household, the State agency may replace the actual value of loss not to exceed one month's food allotment, if the loss is reported within 10 days and the household's disaster is verified within 10 days.
- 7. Prohibition of duplicate benefits. Where FNS has issued a disaster declaration and the household is eligible for emergency food stamp benefits, the household shall not receive both the disaster allotment and a replacement allotment under this provision.

XII. BENEFIT REDUCTION PROCEDURES.

- A. General Purpose. This section sets forth the procedures to be followed if unanticipated high program participation or other reasons make it necessary to reduce Program benefits in order not to exceed the authorized grant amount.
- B. Procedures. Should it be determined that a reduction in benefits is needed, the following procedure shall be used to effect the reduction:
 - 1. Calculate the total estimated amount of benefits to be used for the month using the established certification process.
 - 2. Determine the amount of funds available for distribution. This is the total grant amount prorated monthly less authorized administrative expenses.
 - 3. Determine the percentage of total available funds for distribution in relation to the total funds required by certification.
 - 4. Apply the calculated percentage to each case in order to distribute the prorata share.
 - 5. Round cents down to the nearest dollar to determine benefits to be issued to the household.
- C. Notification of Eligible Households. The State agency shall notify households of reductions through mass media. Individual notices of adverse action shall not be provided to households.
- D. Restoration of Benefits. Households whose allotments are reduced as a result of the enactment of these procedures are not entitled to the restoration of the lost benefits at a future date.

XIII. AMENDMENTS

Changes in Income Eligibility Guidelines A.

Effective January 1, 1983

XIV. EXHIBITS

- A. Income Eligibility Guidelines.
- Benefit Levels.
 - C. Hearing Procedures.
 - D. Disaster Procedures.
 - E. Eligibility and Benefit Level Determination Illustration
 - F. Forms.
 - G. Notices.
 - H. Reports.
 - I. Contracts.

EXHIBIT A

HH SIZE	GROSS INCOME LIMITS
1	\$ 306
2	380
3	454
4	528
5	603
6	676
7	751
8	823
9	897
10	971
11	1,044
12	1,118
13	1,191
14	1,265
15	1,339
16	1,412
17	1,486
18	1,559
19	1,633
20	1,707
21	1,780
22	1,854

EXHIBIT B

HH Size		TABLE	- Maxi	imum	Allotments
1			\$	90	
2				165	
3				236	
. 4 5				300	
			- 1	356	
. 6			•	405	•
7				473	
8				540	
9	•			607	
10				674	•
11				741	
12				808	
13				875	
14				942	
15	0			,009	
16			1	,076	
17				,143	
18		•	1	,210	
19			1	,277	
20	*			,344	
21			1	,411	
22			1	478	

EXHIBIT E

New Computation Formula

To determine eligibility for participation in the Program, the EW shall:

- 1. Add the gross earned and unearned income of the household.
- 2. Compare the total gross income from 1 above with the new income guideline for the appropriate household size.
- 3. If eligible deduct 10% from the Gross Earned Income of the household to obtain the adjusted earned income.
- 4. Add the unearned income, with the <u>Adjusted Earned Income</u> of the household to obtain the net income.
- 5. Multiply the <u>Net Income</u> by 30% and subtract the product from the TFP amount for the appropriate household size to obtain the household's monthly NAP benefits.

Example:

Juan Malimanga is an SSI recipient (\$284.00 a month) and he heads a household of five. His wife Maria takes care of their sons Martin, 14 and Jose, 10. And they have a daughter, Dolores, 19 who works for Duty Free earning \$300 a month. There is no other income to the HH.

HH Income

Juan's SSI Income Dolores' Duty Free Income Household Gross Income	\$ 284 300 \$ 584
Maximum Income Limit for 5 phh is \$603 -	HH Eligible
Earned Income (Dolores)	\$ 300
Less 10% Earned Income Deduction	30
Adjusted Earned Income	270
Plus Unearned Income	284
Household's Net Income	554
X 30%	X 30%
Purchase Requirement	\$ 166
Allotment for 5 PHH	356
Less Purchase Requirement	166
Monthly NAP Benefits to Juan Malimanga's HH	\$ 190

Commonwealth of the Northern Mariana Islands

Bepartment of Bublic Gealth & Environmental Services Division of Environmental Quality

Saipan, Mariana Islands 96950

Cable Address: Cov. NAI Saipan Tel. 6984/6114

day of

Office of Registrar of Corporations mmonwealth of the Northern Mariana Islands

PUBLIC NOTICE

NOTICE OF ADOPTION OF PESTICIDE REGULATIONS FOR PUBLIC LAW 3-23 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENTAL SERVICES

The Director of the Department of Public Health and Environmental Services hereby gives notice of adopting the pesticide regulations as promulgated. These regulations will be used under the authority of CNMI Public Law 3-23.

The purpose of these regulations is to establish a system of control over the importation, distribution, sale, application, and disposal of pesticides by persons within the Commonwealth of the Northern Mariana Islands for the protection of public health and the prevention of environmental contamination.

The adopted regulations include the following subject areas:

- 1. The authority and purpose of the regulations.
- Unlawful acts concerning pesticides. 2.
- 3. Certification of applicators of pesticides.
- Licensing of restricted use pesticide dealers.
- 5. Record maintenance for the use and application of restricted use pesticides.
- 6. Information concerning the importation of pesticides.
- Restricting and banning of pesticides.
- Experimental use permits.
- 9. Enforcement procedures.

Copies of the adopted regulations may be obtained from the Department of Public Health and Environmental Services, Division of Environmental Quality, Saipan, CM 96950.

Date

Director, Public Health' and

Environmental Services

Marianas Public Land Corporation

P.O. Box 380 Saipan, CM 96950

Office of Registrar of Corporations

Commonwealth of the Northern Mariana Islands

PUBLIC NOTICE

Proposed Rules and Regulations Governing the Administration of the Northern Mariana Islands Homestead Waiver Program (Public Law 2-13, as amended)

The Marianas Public Land Corporation (MPLC) hereby gives public notice that it has developed and established proposed rules and regulations that will govern the administration and implementation of the Homestead Waiver Act of 1980, Commonwealth Public Law 2-13, as amended. The rules and regulations to be promulgated are authorized pursuant to Section 5 of P. L. 2-13, as amended.

MPLC hereby advises the general public that the proposed homestead waiver rules and regulations are available at the MPLC office, at the Nauru Building, 6th Floor, Saipan, Mariana Islands. Interested persons may obtain copies of the proposed rules and regulations for review and comment in writing, addressed to the Executive Director, MPLC, P. O. Box 380, Nauru Building, 6th Floor, Saipan, CM, 96950. The offices of the Corporation open Monday through Friday, 7:30 a.m.-11:30 a.m., and 12:30 p.m.-4:30 p.m. All comments shall be in writing and submitted within thirty (30) days of the day of this notice for consideration and review. The proposed rules and regulations shall become effective ten (10) days after adoption and final publication.

Dated this 27th day of APRIC 1983.

MARIANAS PUBLIC LAND CORPORATION

Executive Director

COMMONWEALTH REGISTER

VOL. 5 NO. 5

MAY 27, 1983

Phone: 6914/6915/7142

PAGE 2109



Marianas Public Land Corporation

P.O. Box 380 Saipan, CM 96950

NOTICIA PARA I PUBLIKO

I ma propopone na areglamento yan
I regulasion siha ni para uginobietna i
administrasion homestead gualo ni timan kumplidu
pat timan areglao sigun i ginagagao ni
lai publiko 2-13 ni ma amenda

I Marianas Public Land Corporation (MPLC) hanotitisia i publiko pot i mafatinas yan maestablesen i ma propopone na areglamento yan regulasion pot i administrasion i 1980 na Homestead Waiver Act, Commonwealth Public Law 2-13 ni ma amenda. Este na areglamento yan regulasion ni para manahuyung inautoririsa ni i seksiona 5 gi papa i Lai Publiko 2-13, ni ma amenda.

I MPLC haabibisa i publiko henerat na i ma propopone na areglamento yan regulasion i programan homestead gualo ni timan kumplidu pat timan areglao sigun i ginagagao ni Lai Publiko 2-13 gaige gi ofisinan MPLC gi mina sais bibienda gi Nauru Building, Saipan, Mariana Islands. Interesao siha na petsonas sina manmanule copian i areglamento yan regulasion ni ma propopone para uma rekunosi yan lokue ufan nahalom ideo yan opinion guato gi Executive Director, MPLC, P. O. Box 380, Nauru Building, 6th Floor, Saipan, CM, 96950. I ofisinan MPLC mabababa Lunes aste Bietnes desde 7:30-11:30 gi egaan yan 12:30-4:30 gi taloane.

Todo ideo yan opinion debe di umatugi ya umasabmiti gi halom trenta (30) dias desde i fechan este na noticia pot para umarekonose yan umakonsidera. I ma propopone na areglamento yan regulasion siempre uefectibo dies (10) dias despues de ma adopta yan ma publika gi Commonwealth Register.

Ma fecha este gi mina $\frac{27}{ABRIT}$ na haane gi

MARIANAS PUBLIC LAND CORPORATION

Renipresenta as:

Jesus G. Villagomez Executive Director

VOI. 5 NO. 5

MAY 27, 1983 Phone: 6914/6915/7142

PAGE 2110

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS MARIANAS PUBLIC LAND CORPORATION

PROPOSED RULES AND REGULATIONS PROMULGATED PURSUANT TO THE NORTHERN MARIANA ISLANDS HOMESTEAD WAIVER ACT OF 1980 (PUBLIC LAW 2-13, AS AMENDED)

The Marianas Public Land Corporation (MPLC), pursuant to its duties and responsibilities under Article XI of the Constitution and the authority given the Corporation by and through the Northern Mariana Islands Homestead Waiver Act of 1980, as amended, do hereby promulgate these rules and regulations that shall govern the implementation and administration of the Homestead Waiver Program.

1. Authority

These rules and regulations are hereby promulgated and issued by the Marianas Public Land Corporation (MPLC) pursuant to Section 5 of the Northern Mariana Islands Homestead Waiver Act of 1980 (Public Law 2-13, as amended).

2. Purpose

The purposes of these rules and regulations are to set forth the necessary procedures with respect to agricultural homestead waiver applications; to set out in detail the standards of eligibility; to provide for certain requirements necessary to meet the goals and objectives of the agricultural homestead waiver program; to provide for a system of issuance of notice and hearing process for applicants whose applications have been denied, and to provide a basic format for applications and other documents and instruments necessary to administer and implement the agricultural homestead waiver program.

3. Standards of Eligibility

The criteria provided hereinunder shall govern the eligibility of the following classes of applicants for agricultural homestead under Public Law 2-13, as amended:

a) An applicant must have, prior to January 9, 1978, entered upon, occupied, and improved a certain public land for agricultural purposes with any form of authorization from the government, and actually entered upon, occupied, improved and continually used said public land for agricultural purposes through the

- effective date of the Northern Mariana Islands Homestead Waiver Act of 1980, as amended; OR an applicant must have, prior to January 9, 1978, entered upon, occupied, and improved a certain public land for agricultural purposes for a period of 15 years or more with or without any authorization from the government.
- b) An applicant must be 18 years or older at the time he/she entered upon, occupied, and improved either with or without government authorization, a certain public land for agricultural purposes.
- c) An applicant or his/her spouse must not own or have more than one (1) agricultural homestead.
- d) An applicant or his/her spouse must not own or have an interest in land within the Northern Mariana Islands that equals or exceeds the land area allowable at the time he/she entered upon, occupied, and improved a certain public land for agricultural purposes.

4. Application Procedure

- a) All applicants for waiver of agricultural homestead shall fill out an agricultural homestead waiver application form provided for by MPLC. The said form is attached hereto as Appendix "A". All applications shall be submitted no later than one year from the date of the final publication of the Rules and Regulations.
- All applications shall be signed and acknowledged b) before a notary public or declared under penalty of perjury.
- c) All applications must be accompanied by a \$200.00 application fee.
- d) After submission of an application, MPLC shall review and verify the eligibility of the applicant and all essential facts set forth in the application, including but not limited to investigation of records, interviewing of applicants and witnesses, inspection of premises and improvements or developments, etc.

5. Issuance of Permit and Deed

An applicant whose application has been reviewed, verified, approved, and found to meet the agricultural homestead requirements, rules, and regulations to the satisfaction of MPLC shall be issued an agricultural homestead permit upon completion of the necessary survey work, preparation of an official survey plat and payment of 10% of the survey cost incurred by MPLC, however, not to exceed \$100 per hectare, whichever is lower. The said form is attached hereto as Appendix "B". Upon issuance of the permit, a deed to the applicant shall be issued and delivered to the said applicant. The said form is attached hereto as Appendix "C".

Notice and Hearing

An applicant whose application for an agricultural homestead waiver has been received, verified, and found not eligible, shall be informed in writing, in the language the applicant is conversant with, of such decision, the reason therefore, and the right of each applicant to appear before the Hearing Committee set up by the Corporation to hear and determine why his/her application should not be denied. Such a hearing shall be held no later than 90 days after receipt of such notice by the applicant. If the applicant has reasons to believe that his/her application should not be denied, he/she should present his/her case before the Committee for consideration. No later than 30 days after the hearing, the Committee, on behalf of the Corporation, shall issue its decision. If the Committee finds that it should deny the application, a written decision to that effect shall be prepared and given to the applicant. Such a decision shall be deemed final for MPLC. The applicant has the right to be represented by a counsel of his/her choosing and to bring witnesses at the said hearing.

MARIANAS PUBLIC LAND CORPORATION P. O. Box 380 Saipan, CM 96950

APPLICATION FOR WAIVER OF AGRICULTURAL HOMESTEAD REQUIREMENTS

A. 1	Bio Data Name of Applican	+(s).			
-•	Name of Applican	.0(5).	(LAST)	(First)	(Middle)
	(Spouse's	Maiden Name) (LAST)	(First)	(Middle)
2.	Place of Birth:	(Applicant)			
3.	Date of Birth:	(Applicant)		Age _	
4.	Date of Marriage	:			
5.	Home Address:				
6.	Mailing Address:				
7.	Telephone Number	(Home)			
8.	Number of depend	ent children	(under 18 years)		
9.	Occupation(s):	(Applicant)			
					The state of the s

10.		e and address of loyer: (Applicant)	
		(Spouse)	
		- paragraman	
		· · · · · · · · · · · · · · · · · · ·	
В.	Lan	d Ownership Statement	
1.	an i	you or your spouse own or have interest in agricultural land the Commonwealth of the thern Mariana Islands?	
	a)	What kind of interest? (Specify whether inheritance, co-heir to decedent's estate, co-owner, through purchase, homesteading program, etc.)	
	ъ)	Where is the land located? (Describe)	
	c)	How large is the land?	
	d)	Who is using the land?	
2.	occ.	you or your spouse presently upying and developing a public d for agricultural purpose?	
	a)	When did you first enter, occupy and develop the land?	
			Month Date Year
	ъ)	Where is the land located?	
	c)	How large is the land?	
	d)	How long have you entered, occupied, and developed the land?	
	e)	Did you apply to homestead the land?	

f)	When did you apply to homestead the land?	Month	Date	Year
g)	Have you ever been issued an agricultural homestead permit?	www.gojnietowagonaton.gom/gond-ton/com/gongoneurogo-105		Vitarri paul Philippin Armadynia kangang Afrikan nganyan sangan sa kita kinandi makandanda sa kina
h)	Did you pay the \$10 filing fee?			
i)	Do you have authorization from the government to enter upon, occupy, and improve the land for agricultural purposes?			·
	1) Who authorized you?			
	2) When?			
j)	Were you ever given a map by the government for that land that you have entered, occupied, and improved for agricultural purposes? (Attach map)			
k)	Have you ever travelled to another island or country after you entered upon, occupied, and improved the land for agricultural purposes?	r		
	1. When?		The Bernstone Joseph on Participation and make a participation of the company of	
	2. Length of travel?			
	3. For what purpose?			
1)	Have you ever authorized or permitted anyone (aside from your spouse or children) to enter upon, occupy, and improve the land or any portion of the said land?			

m)	Who else, if any, beside you, your spouse or children, is occupying or using the land?
	1) Length of time the above person is using the land?
n)	What development(s) or improvement(s), if any, have you made on the land?
	1) In the space below, draw a simple sketch of the land and indicate what portion of the land has what development(s) or improvement(s):
	2) Names of adjoining occupants to your: North
	South
	East
	West
	Certification by Applicant/Spouse
I/We,	
declare declarat Commonwe any of t was/were	under penalty of perjury that the foregoing is true and correct and that this tion was executed on
Date:	Applicant:
Date: _	Spouse:

ACKNOWLEDGMENT

COMMONWEALTH OF THE)			
NORTHERN MARIANA ISLANDS) ss)			
)			
On this day	of		9, before me	
appeared				•
known to me to be the person(s) whose name(s)) is (are) subscribe	d to the foregoing	; Instrument
and acknowledged that he/she	signed and deliv	vered said Instrumen	t as his/her free	and voluntar
act for the purposes therein	set forth.			
In Witness Whereof, I he	ereunto set my ha	and and seal this	day of	·
19				
		Notary Pub	lic	

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS MARIANAS PUBLIC LAND CORPORATION

PERMIT	TO	HOMESTEAD	AGRICULTURAL	TRACT	NO.		

This Agricultural Homestead Permit is issued by the Marianas Public Land Corporation in favor of , referred to hereinafter
as "Homesteader", who is hereby authorized to continue to occupy, use, and improve the parcel of land described as per Attachment "A", referred to as the "Homestead", in accordance with the provisions of the Northern Mariana Islands Homestead Waiver Act of 1980, as amended, and the rules and regulations promulgated thereof.

In issuing this Permit, the Marianas Public Land Corporation has made the following findings:

- That the Homesteader has, prior to January 9, 1978, continuously entered upon, occupied, and improved that parcel of land as described in Attachment "A" for agricultural purposes for a period of
- That the Homesteader does not own or have an interest in agricultural land within the Commonwealth of the Northern Mariana Islands that exceeds or equals the area or size of the above-described Homestead.
- That the Homesteader has paid the application fee of \$200.00 and costs of survey of the Homestead in accordance with §5 of the approved Rules and Regulations.
- That the Homesteader has fully understood and agreed to reserve to the Government of the Commonwealth of the Northern Mariana Islands, its successors and assigns, all mineral rights or such water rights as may be required, the existing roadways, rights of ways and other easements upon said Homestead. The Homesteader further agrees to reserve for the benefit of the Government of the Northern Mariana Islands, its successors and assigns from the land above described necessary rights of way for construction of utility lines, pipelines, or other conduits with necessary maintenance and access roads as may be constructed by the authority of the Government of the Northern Mariana Islands, its successors and assigns, but this reservation shall not be construed to waive any claims for injury to growing crops, damage to improvements or other injuries sustained by the Homestead as a direct result of the execution of work or exercise of the right of entry upon the above-described property under this reservation.

eligibility requirements and is hereby waived from complying with the compliance requirements as mandated by law.
6. That the Homesteader is entitled to receive a Quitclaim Deed to said Homestead within 90 days from the date hereof.
Dated this day of, 19
MARIANAS PUBLIC LAND HOMESTEADER CORPORATION
By: Chairman Board of Directors

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS MARIANAS PUBLIC LAND CORPORATION

$\frac{\text{QUITCLAIM DEED}}{\text{FOR}}$ AGRICULTURAL HOMESTEAD TRACT

This Indenture made this
WITNESSETH THAT:
WHEREAS, Grantee has continuously entered upon, occupied, and improved a certain public land described below for agricultural purposes for a period of years at the effective date of the Constitution of the Northern Mariana Islands, the first entry being made on; and
WHEREAS, Grantee complied with the provisions of the homestead laws pertaining to the said agricultural tract as well as the terms and conditions of the Permit to Homestead Agricultural Tract No, incorporated herein by reference.
NOW, THEREFORE, pursuant to the provisions of the Northern Mariana Islands Homestead Waiver Act of 1980, the Grantor having the powers to manage and dispose of public lands under Article XI of the Constitution on behalf of the Commonwealth, now do hereby by these presents remise, release, and quitclaim forever to the Grantee, all right, title, interest, or claim of the Commonwealth in and to the following described real property situated and lying at, Northern Mariana Islands:
Tract No containing an area of square meters more or less as shown on the Division of Lands and Surveys Official Survey Plat Number dated, the description therein being incorporated herein by reference.

TO HAVE AND TO HOLD the same unto the Grantee, his/her heirs and assigns forever, together with all fixtures and appurtenances belonging thereto, but reserving to the Commonwealth, its successors and assigns, all mineral rights or such water rights as may be required, the existing roadways, and other easements upon the premises. also hereby reserved for the benefit of the Commonwealth, its successors and assigns, from the premises necessary rights of way for construction of utility lines, pipelines, or other conduits with necessary maintenance and access roads as may be constructed by the authority of the Commonwealth, its successors and assigns; but this reservation shall not be construed to waive any claim for injury to growing crops, improvements, surface damage, or other injuries sustained by the Grantee, his/her heirs and assigns, as a direct result of the execution of the work or exercise of the right of entry under this reservation.

IN WITNESS WHEREOF, the Chairman of the Board of Directors of the Marianas Public Land Corporation, pursuant to the authorization of the Board, hereby enters his signature and affixes the seal of the Corporation on the day and year first above written.

MARIANAS PUBLIC LAND CORPORATION

By:				
	Chairman			_
	Board	of	Directors	

Office of Registrar of Corporations PUBLIC NOTICE Commonwealth of the Northern Mariana Islands

PROMULGATION OF EMERGENCY REGULATIONS ESTABLISHING A QUARANTINE FOR ROTA FRUITS AND VEGETABLES

The Director of Natural Resources under authority vested in his office by Public Law No. 1-8, Chapter 13, Section 5, and Title 25 Sections 2 and 4 Trust Territory Code hereby issues regulations to establish a quarantine as to Rota fruits and vegetables which will take effect immediately pursuant to Title 17 Trust Territory Code Section 4(2).

The Director of Natural Resources, with the concurrence of the Governor of the Commonwealth of the Northern Mariana Islands, finds that the public interest requires adoption of these regulations upon fewer than thirty days notice because the fruits and vegetables of the island of Rota are suffering from an infestation of fruit flies. The islands of Tinian, Saipan and the Northern Islands have no fruit flies and the introduction of fruit flies to these islands could destroy their agricultural resources. At present there is no quarantine to stop Rota fruits and vegetables infested with fruit flies from being transported into other islands. Therefore, a quarantine must be declared immediately.

Director of Natural Resources

Concurred By:

TENORIO

Covernor

PROPOSED RULES AND REGULATIONS

DEPARTMENT OF NATURAL RESOURCES

Section 1. Quarantine.

There is hereby established in the Commonwealth of the Northern Mariana Islands a quarantine upon all fruits and vegetables from the island of Rota. No fruits or vegetables that have been present on Rota shall be allowed on any other island of the Commonwealth.

Section 2. Exce tions.

Those fruits or vegetables which are "root crops" shall not be subject to exclusion. "Root crops" consist of plants in which the edible portion is the root, including but not limited to, taro.

Section 3. Insection.

All animals, plants or parts thereof from the island of Rota are subject to inspection. All aircraft and vessels or their cargoes and passengers and their baggage are subject to inspection if the aircraft or vessel has stopped in Rota.

NICOLAS M. Director of Natural Resources

office of Legistrar of Corporations

Commonwealth of the Northern Mariana Islands

PUBLIC NOTICE

PROPOSED REGULATIONS TO PLACE A QUARANTINE UPON FRUITS AND VEGETABLES FROM ROTA

The Director of Natural Resources is proposing to promulgate regulations to establish a quarantine upon the fruits and vegetables of Rota in accordance with Public Law No. 1-8, Chapter 13, Section 5 and Title 25 Trust Territory Code Sections 2 and 4.

These regulations will establish a quarantine upon fruits and vegetables from Rota prohibiting their introduction upon other islands of the Commonwealth in order to prevent the spread of infestation by the fruit fly to the agricultural resources of islands other than Rota.

Copies of the proposed regulations may be obtained from the Department of Natural Resources, Saipan, CM.

Anyone interested in commenting on the proposed regulations may do so by submitting comments in writing to the Director, Department of Natural Resources, Saipan, CM. 96950 within thirty days from the date this notice is published in the Commonwealth Register.

Director of Natural Resources

NOTICIAN PUBLICO

Ma Proposa Na Regulacion Pot Para Managuahaye Ouarantina Para Fruta Yan Golai Siha Ginen Rota

I Directot Natural Resources hapropoposa na para manaefectibo regulasion pot para maestablisi quarantina para fruta yan golai Rota, segun gi Titulo 25, Secsiona 2 yan 4 gi Codigon Trust Territory.

Este na regulasion siha para uestablesi quarantina para fruta yan golai siha ginen Rota, maprohibe maintroduse osea munahalom para otro isla siha gi halom Commonwealth pot para ma'adahi naufamta osea umachalapun i lalu "fruit flies" gi finkas fangualuan in islas Marianas fueraha ke Rota.

Copian maproposito na regulasion siñaha manae ginen Oficinan Depatamenton Natural Resources, Saipan, CM. 96950.

Quatket petsona nui hainteres "mancomment" osea uoppi pot i maproposito na regulasion siha masedi na husubmite i ineppenfia gi tinigi guato gi Directot, Depatamenton Natural Resources, Saipan, CM. 96950 gi halom trenta dias ginen mafechan este na tinige gi halom Commonwealth Register.

Director of Natural Resources

PUBLIC NOTICE

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
BOARD OF EDUCATION
PROPOSED AMENDMENTS TO REGULATIONS
FOR TEACHER CERTIFICATION AND
ANNUAL LEAVE FOR DEPARTMENT OF EDUCATION
EMPLOYEES

The Board of Education of the Northern Mariana Islands is proposing to promulgate amendments to the Board regulations on teacher certification and annual leave to all department of education employees in accordance with the Constitution of the Northern Mariana Islands, Article III, Section 13 and P.L. 3-43, Section 203.

These amendments will amend sections 503.1, 503.2, 503.3 and 505.1 of the Board regulations found in volume 3, Number 2 of the March 30, 1981 issue of the Commonwealth Register.

Copies of these proposed regulations may be obtained from the Office of the Chairman of the Board of Education or the Superintendent of Education, located in Saipan. The Board solicits views, opinions, facts and data for or against the proposed amendments to regulations from the general public.

Anyone interest in commenting on the proposed regulations may do so by submitting in writing to the Board within 30 days from the date of this publication in the Commonwealth Register. If no comments are received within 30 days from the date of this publication, these amended regulations shall be adopted without further notice and will have the force of law.

Dated this 2 th day of Nay, 1983.

Concurrence:

Henry I. Sablan

Superintendent of Education

Juan Nekai Babauta Chairman, Board of Education

NOTISIAN PUBLIKU

COMMONWEALTH I SANKATTAN NA ISLAS MARIANA BOARD OF EDUCATION I MA INTENSIOSIONA NA TINILAIKA SIHA GI REGULASION SIHA POT SETTIFIKASION MAESTRA/MAESTRO YAN ANNUAL LEAVE PARA I EMPLEAO SIHA GI DEPATTAMENTON EDUKASION

I Board of Education para i Sankattan na Islas Mariana ha intensiosiona para hu publika ofisiatmente tinilaika siha gi regulasion pat areglu siha pot i Board pot settifikasion maestro/maestra yan pot annual leave para todo impleaon i depattamenton edukasion, segun i ginagagao gi Konstitusion i Sankattan na Islas Mariana, Attikulu 3, Seksiona 13 yan gi Lai Publiku 3-43, Seksiona 203.

Este siha na tinilaika para utulaika i Seksiona 503.1, 503.2, 503.3 yan i 505.1 gi regulasion osino areglu siha pot i Board ni gaege gi Volume 3, Numero 2 gi Commonwealth Register ni mana' huyong gi Matso dia 30, 1981.

Kopia siha pot este i man ma intensiosiona na regulasion osino areglu siha sina man ma qaqau i Ofisinan i Kabesan I Board of Education pat qi Superintendent i Depattamenton Edukasion giya Saipan. I Board man solisisita hinasso siha, opinion siha, fakto siha yan infotmasion fabot de osino kontra i ma intensiosiona na tinilaika siha para i regulasion osino areglu siha ginen i publiku inerat.

Masea haye ni interesao para hu sangan osino kuentus pot i ma intensiosiona na regulasion osino areglu siha sina man submite gi tinigi guato gi Board qi halom 30 dias desde i fechan este na publikasion gi halom i Commonwealth Register. Yangin taya finihu osino kuestus ma resibe gi halom 30 dias desde i fechan este na publikasion, este siha na regulasion osino areglu i man ma tulaika siempre ufan ma adopta sin hafa mas na notisia ya siempre ufama'lai.

Mafecha pago dia 4th de Mau

Kabesa, Board of Education

Siniqunduyi as:

Henry I. Sablan Superintendent of Education

ARONGORONG NGALTIR ARAMAS TOWLAP

Board of Education mellol Northern Marianas e kke pomoli bwe ebwe alleghuuwlo lliiwel kka re feeru mellol yaar allegh reer mestera ngare mesteru me annual leave reer alongeer school tarabwaagool bwulaasiyool Depattamentool Edukasiyoon iye lo isiisiwow mellol alleghul faluw towlap mellol Northern Marianas, Article III, Section 13 me P.L., Section 203.

Lliiwel kkaal nge ebwe liiwiliiy <u>sections</u> 503.1, 503.2, 503.3, me 501.1 llol alléghúl <u>Board</u> kka re schuungi llól <u>volume</u> 3, numuro 2 llól Mótso 30, 1981, iye e isiisiwow mellól <u>Commonwealth Register</u>.

Koopiyaal lliiwel kkaal nge emmwel rebwe bwughi mellol bwulaasiyool Board of Education ngare reel bwulaasiyool Superintendent of Education me Seipel.

Iyo ye e mwuschel ebwe isiisilong kkepas reel lliiwel kka re ayoora llól allégh kkaal nge emmwel schagh ówbwe féérú nge ówbwe ischiiy nge óuwa afanga ngáliir Board llól 30 rál sángi schagh ráálil la re atoowowu lliiwel kkaal mellól Commonwealth Register. Ngáre esóór kkepas ye e isiisilong mereer arams towlap nge lliiwel kkaal ebwe bwal toowow ebwe laayiló (law).

E isch wool Z H maram ye May 1983.

Juan Nekai Babauta •Hairman, Board of Education

Alughulugh Sangi:

Henry I. Sablan

Superintendent of Education

- 503.1 Except as otherwise provided herein, no person shall be initially employed as a classroom teacher unless such person is the holder of or is immediately eligible for the issuance of a Continuing Certificate, as defined herein. Two types of certificates will be issued to teachers: a Continuing Certificate or a Specialized Skills Certificate.
- 503.2 Every person who is employed or to be employed as a classroom teacher is eligible for and shall be issued a Continuing Certificate if such person possesses an associate, baccalaureate, masters, or doctorate degree, or is the holder of a comparable teaching certificate issued by an authority of any jurisdiction of the United States of America or its territories or possessions.

A classroom teacher who is unable to receive a Continuing Certificate but has demonstrated performance, previous experience or specialized training in areas such as vocational education, bilingual education, arts and crafts, or music is eligible for and shall be issued a Specialized Skills Certificate upon approval by the Board.

503.3 "Every person who is employed as a classroom teacher prior to the effective date of this paragraph and who, while not the holder of or eligible for the issuance of a Continuing Certificate or Specialized Skills Certificate, is a high school graduate, shall be eligible for and be issued a Temporary Certificate. A Temporary Certificate is valid for a period of one year from the date of its issuance, and is renewable for additional successive one-year periods if the Superintendent of Education finds that the holder of such certificate has successfully progressed toward an AA degree according to an individualized plan agreed to and signed by the employee."

Office of Registrar of Corporations

Commonwealth of the Northern Mariana Islands

POLICY 505 Annual Leave

All department employees fall under the leave policy of the Personnel Service Rules and Regulations, VII A3.A, except when the taking of annual leave conflicts with Board Policy 403.

PUBLIC NOTICE OF ADOPTED REGULATIONS

Pursuant to Public Law 3-11, at Section 503 thereof, provides for issuance of business licenses by the Director of Commerce and Labor. Section 3(d), Chapter 9 of Public Law 1-8 places authority for issuance of business licenses in the Department of Commerce and Labor. The Director of Commerce and Labor hereby adopted the rules and regulations establishing criteria for procedures of issuing and/or revoking licenses to corporations intending to engage in the operation of a retail banking business in the Commonwealth of the Northern Mariana Islands.

May 5, 1983

JESUS R. SABLAN

Director

Department of Commerce & Labor

Filed this __

__day_of

Office of Registrar of Corporations

Commonwealth of the Northern Mariana Islands

NUTISIAN PUBLIKU POT I MAADAPTAN REGULASION

Segun i Lai Publiku 3-11, gi Sektiona 503 tineteka i maprebeniye para i manahuyong i licensian bisnis ginen i Direktot i Commerce yan Labor. Sektiona 3(d), Chapter 9 gi Lai Publiku 1-8 hanaguahaye autoridat para i manahuyong i licensian bisnis gi halom Depattamenton i Commerce yan Labor. I Direktot i Commerce yan Labor guine ha adopta i Otdin yan Regulasion maestablelesi para areklon i manahuyongna yan osino maribokan licensia para corporasion ni hahasusuye para husaonao gi kinalamten i retail na bisnis banko gi halom i Commonwealth gi Islas Marianas.

Mar 5, 1983 FECHA

JESU R. SABLAN

Direktot

Depattamenton i Commerce yan Labor

Filed this 5th day of May 1983.

Office of Registrar of Corporations

Commonwealth of the Northern Mariana Islands

Jasamo D

NOTISIAL PUBLIKO REEL ADOOPTAL REGULESIUN

Laiil Publiko 3-11, Ilol Seksion 503 ekke oyoora rel issiis woowul lisensial bisnis me rel Direktodol Commerce bwal Labor. Llol Seksion 3(d), Chapter 9 me Ilol Laiil Publiko 1-8, Deppattamentol Commerce bwal Labor eyoor yaal authoridad ebwe issiis wow lisensial bisnis. Direktodol Commerce bwal Labor a adooptali Oddin me Regulesunol issiis wowuul me liilool lisensial koporesion ikka re muschal rebwe auwruu yaar bisnisil bankol retail me Ilol Commonwealth Islal Marianas.

May 5 1983

JESUS R. SABLAN

Direktod

Commerce bwal Labor

iled this _____

__day_of

Office of Registrar of Corporations Commonwealth of the Northern Mariana Islands

COMMONWEALTH REGISTER

VOL. 5 NO. 5

MAY 27, 1983 PAGE 2134

RETAIL BANKING RULES AND REGULATIONS

DEPARTMENT OF COMMERCE & LABOR

Section 1. Purpose.

Public Law 3-11, at Section 503 thereof, provides for issuance of business licenses by the Director of Commerce and Labor. Section 3(d), Chapter 9 of Public Law 1-8 places authority for issuance of business alicenses in the Department of Commerce and Labor. These Retail Banking Rules and Regulations are hereby promulgated for purposes of establishing criteria for procedures of issuing and/or revoking licenses to corporations in the CNMI intending to engage in the operation of a retail banking business.

Section 2. Definitions.

- (a) "Bank" means any corporation operating a banking business, whether subject to the laws of the Commonwealth or the laws of any other jurisdiction. It shall not include the Development Bank of the Government of the Commonwealth.
- (b) "Banking Business" means the business of accepting deposits that provide the depositor with a legal right to withdraw, combined with the business of making loans in other than a fiduciary capacity.
- "Commonwealth" means of the Commonwealth of the Northern Mariana Islands.
- (d) "Corporation" means any corporation incorporated under the laws of the Commonwealth, pursuant to Title 37 of the Trust Territory Code, or any foreign corporation registered to do business in the Commonwealth, pursuant to Title 37 of the Trust Territory Code.
- "Off-shore Bank" means a bank operating a banking business, incorporated under the laws of the Commonwealth, whose purpose and activities are limited to:
- (1) negotiating, making and extending loans to borrowers who are not residents or citizens of the Commonwealth and/or
- (2) borrowing from lenders, or accepting deposits from depositors, who are not residents or citizens of the Commonwealth.

- (f) "Director" means the Director of Commerce and Labor of the Commonwealth of the Northern Mariana Islands, or his designee.
- (g) "Retail Bank" means a corporation engaged in the banking business whose functions include the acceptance of deposits from residents or citizens of the Commonwealth.
- "Retail Banking License" means a license issuable, renewable or revocable by the Director under these rules and regulations necessary for operation of a Retail Bank in the Commonwealth.

Section 3. Requirement of Retail Banking License.

No person shall engage in the operation of a retail bank in the Commonwealth without first obtaining, and maintaining in currently valid status, a retail banking license pursuant to these rules and regulations.

Section 4. Exceptions.

Section 2 does not apply to credit unions holding a license to do business in the Commonwealth, or the Development Bank of the Commonwealth of the Northern Mariana Islands Government, as may be established by law.

Section 5. Qualifications for Initial Retail Banking License.

A retail banking license shall be issued by the Director when a retail bank has fulfilled the following requirements:

- The applicant has filed an application and supplied information indicating compliance with these qualifications pursuant to Section 8 herein.
- The applicant submits proof that it has obtained federal depsoitor insurance with the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC).
- (c) The applicant is a corporation incorporated under the laws of the Commonwealth, or a foreign corporation registered to do business in the Commonwealth, pursuant to Title 37 of the Trust Territory Code, or any subsequently enacted Commonwealth Corporations Code.

- The Director finds, after a reasonable review of the retail banking business in the Commonwealth, that the addition of another retail bank in the Commonwealth would not have an adverse effect on the public interest.
- The Director finds, after a reasonable review of information provided on personal backgrounds of principal officers, directors and principal shareholders (defined in Section 8 herein), that these persons associated with the existing or proposed banking business are of good moral character.

Section 6. Existing Banks.

- (a) Any licensed retail bank doing business in the Commonwealth on the effective date of these rules and regulations is allowed a period of eighteen (18) months from the effective date of these rules and regulations for purposes of securing either FDIC or FSLIC federal depositor insurance under Section 5(b) herein. Failure to secure such federal depositor insurance prior to the expiration of the eighteen-month period will subject the licensee to revocation proceedings under Section 16 herein.
- Any licensed retail bank doing business in the Commonwealth on the effective date of these rules and regulations, which bank does not operate under FDIC or FSLIC federal depositor insurance, must for a maximum period of eighteen (18) months after the effective date of these rules and regulations, or until such time as the bank obtains FDIC or FSLIC federal depositor insurance, establish and maintain a minimum paid-in-capital which shall not be less than:
- Capital consisting of common or preferred stock paid-up-in-cash of not less than \$500,000.00; and
- ii. Paid-in-surplus amounting to not less than \$200,000.00.
- (c) For purposes of complying with the interim minimum capitalization requirements of Section 6(b), licensed retail banks doing business in the Commonwealth on the effective date of these rules and regulations are allowed a period of one hundred and twenty (120) days following the effective date of these rules and regulations in which to supply proof of compliance with Section 6(b). Existing banks presently operating under FDIC or FSLIC, or existing banks which obtain FDIC or FSLIC federal depositor insurance within the 120-period following the effective date of these regulations, are allowed one hundred

and twenty (120) Can's fol wint the effective date of these rules and regulations in which to supply proof of compliance with Section 6(a). Failure to supply proof of either the Section 6(b) minimum capitalization requirements, or FDIC or FSLIC status, within the one hundred and twenty (120) day period following the effective date of these rules and regulations, will subject the licensee to revocation proceedings under Section 16 herein.

(d) Any licensed retail bank doing business in the Commonwealth on the effective date of these rules and regulations shall have its licensed status, subject to the requirement of proof of compliance with either minimum capitalization or federal depositor insurance specified in Section 6(c), continue for the balance of the calendar year. No fee shall be assessed for purposes of submitting proof of compliance with Section 6(c).

Section 7. Retail Banking License Renewal.

- (a) Corporations holding current retail banking licenses must file renewal applications each year between September 1 and November 1, unless they desire their retail banking license status to terminate on December 31 of that year. The Director shall provide forms for purposes of filing renewal application, which forms shall require information identical to that required in an application for initial retail banking license.
- (b) Decisions by the Director on renewal applications must be rendered within sixty days following receipt of the application, or else the prior existing license shall continue in force and effect until such time as the Director issues a decision on the renewal application.
- (c) In considering a decision on the renewal application, the Director shall apply to criteria specified in Section 5 herein, except that no new finding regarding "public interest" pursuant to Section 5(d) is eighter appropriate or necessary. Further, licensed retail banks doing business in the Commonwealth on the effective date of these reuls and regulations are subject to the minimum capitalization requirements in Section 6(b) during the first eighteen (18) months following the effective date of these rules and regulations, rather than the immediate federal depositor insurance requirement for initial license applicants in Section 5(b).

Section 8. Application Procedure for Initial License.

An application for an initial retail banking license shall be made to the Director on forms supplied by the Director and shall include, but not be limited to, the following:

- (a) The name of the applicant corporation;
- (b) The location of the principal place of business of the corporate applicant;
- (c) A copy of the applicant corporation's articles of incorporation, corporate charter, or certificate of registration of foreign corporation, whichever is applicable;
- (d) The name and address of a corporate officer who is a resident of the Commonwealth and who will act as the applicant's authorized agent in the Commonwealth;
- (e) Information with respect to the character, criminal record, business activities, financial affairs and business associates of the corporate applicant's principal officers, directors and principal shareholders covering a period of at least seven years prior to the date of application. The term "principal officers" includes all officers of the proposed or existing retail bank associated with its Commonwealth operation, as opposed to officers working in banks operated by the applicant in other jurisdictions. The term "principal shareholders' includes any shareholder which owns a beneficial or legal interest in more than five perscent (5%) of any class of outstanding stock of the applicant corporation;
- (f) Information providing proof of compliance with federal depositor insurance specified in Section 5(b);
- (g) A license fee in an amount specified by law, and a non-refundable application fee as specified in Section 10(b).

Section 9. Duration of Retail Banking License.

- (a) Initial retail banking licenses may be applied for or issued at any time during the calendar year. If they are issued after November 1 of any calendar year, they will remain in effect for the balance of the calendar year, and also through the subsequent calendar year. If they are issued prior to November 1 in any calendar year, they will remain in effect only for the balance of the calendar year in which they are issued. License fees for retail banking are set by law, and they are chargeable in full regardless of the duration of the license period during any particular calendar year.
- (b) Retail banking license renewals may be sought between September 1 and November 1 during any calendar year. After issuance, they are effective during the entire

calendar year following the year of application. If an existing bank fails to submit a renewal application within the time period specified herein, it must make application for a new, "initial" license, the duration of which is established in Section 9(a). Qualifications for "initial" retail banking licenses are provided in Section 5, while renewal applications are described in Section 7.

Section 10. License and Application Fees.

- (a) Banking business fees for retail banking licenses shall be as established by law.
- Applicants filing initial or renewal (b) applications for retail banking licenses shall tender a nonrefundable application fee of One Hundred Dollars (\$100.00) payable to the Treasurer of the Commonwealth, in addition to the license fee prescribed in Section 10(a) by law. additional fee is assessed for purposes of defraying the extensive costs of reviewing applications for retail banking licenses pursuant to these rules and regulations.

Section 11. Public Notice of Application.

An applicant for an initial retail banking license shall cause to be published a notice of such application once each week for a period of four (4) weeks in a newspaper of general distribution in the Commonwealth, immediately subsequent to filing its application with the Director. The notice should be reviewed and approved by the Director prior to its publication.

Section 12. Application Schedule.

Upon determining that an application for renewal or initial license status includes the materials specified in Sections 7 and 8 herein, the Director shall issue a letter indicating acceptance of filing and receive payment for license and application fees pursuant to Section 10. The Director shall then investigate the information provided in the application and render the decision thereon within sixty (60) days of the date of application. If the Director is unable, despite diligence, to render a decision within sixty (60) days, he shall notify the applicant in writing after sixty (60) days of the reasons for the delay, and in the case of a renewal application, pursuant to Section 7(b), the prior license remains in force and effect until such time as the Director renders a final decision.

Section 13. Required Reports.

- Each calendar year upon application for renewal existing retail banks shall submit consolidated, written financial statements signed by the applicant's chief financial officer, certified to be true and correct and in accordance with generally accepted accounting principles, and audited by an independent, certified public accountant (certified under the laws of any U.S. state).
- (b) In addition to the statements required upon renewal by Section 13(a), the Director may require additional statements, including unconsolidated financial statements limited to the applicant's Commonwealth banking operations, if the Director determines that such information is necessary for further review of the application, or for purposes of statistical analysis of the Commonwealth banking community.
- In addition to the statements allowable under Sections 13(a) and 13(b), the Director may require, at any time during the period of licensure, examination for particular books or records of any licensee necessary to assure the Director of compliance with these rules and regulations.

Section 14. Changes in Principal Officers, Directors, Shareholders.

In furtherence of the Director's responsibility to make a finding on the moral character of principal officers, directors and principal shareholders under Section 5(e) and 8(e), licensees shall notify the Director in writing during the pendency of licensure of any changes of principal officers or directors, and any transfers of stock in amounts greater than five percent (5%) of any class of outstanding stock of the corporation. Upon receipt of such notice, the Director may require the licensee to submit additional information, under Section 8(3) on the character, criminal record, etc., of any such new individuals.

Section 15. Penalties for Operating Without a License.

Any person who knowingly and willfully participates in the operation of a retail banking business within the definition provided in Section 2, in violation of Section 3 herein, shall be guilty of a misdemeanor, punishable by a fine not greater than one thousand dollars (\$1000.00) or jail sentence of six months, or both.

- Section 16. Revocation of Retail Banking License.
- (a) The Director, after permitting the licensee (or its authorized representative) to appear before him, in person, and finding, upon a preponderance of the evidence reviewed by the Director, that the licensee has:
- i. pursuant to Section 5(c), failed to maintain the corporate status of the bank under Title 37, Trust Territory Code;
- ii. pursuant to Section 5(b), in the case of licensees issued after the effective date of these rules and regulations, failed to maintain either FDIC or FSLIC federal depositor isurance during the pendency of licensure;
- iii. pursuant to Section 6, in the case of licensed banks doing business in the Commonwealth on the effective date of these rules and regulations, failed to supply the Director with proof of compliance with Section 6 within one hundred and twenty (120) days of the effective date of these rules and regulations;
- iv. pursuant to Section 6(a), in the case of licensed banks doing business in the Commonwealth on the effective date of these rules and regulations, without FDIC or FSLIC federal depositor insurance, failed to obtain said federal depositor insurance within eighteen (18) months following the effective date of these rules and regulations;
- v. pursuant to Section 6(a), in the case of licensed banks doing business in the Commonwealth on the effective date of these rules and regulations, failed to maintain FDIC or FLSIC federal depositor insurance after notice of compliance therewith prior to the expiration of the eighteen (18) month period commencing on the effective date of these rules and regulations;
- vi. pursuant to Section 13, failed to submit annual or specially requested required reports, either at the time specified in the Section, or when requested by the Director;
- vii. pursuant to Section 14, failed to report changes in principal officers, directors or principal shareholders within a reasonable time after changes occur in licensee's banking business;

pursuant to see ion : an elication process, committed fraud or misrepresentation in any material assertion in an application for initial license or renewal of license, or any reports required under Section 13;

pursuant to Section 6(b), in the case of licensed banks doing business in the Commonwealth on the effective date of these rules and regulations, failed to maintain minimum capitalization requirements (or FDIC or FSLIC federal depositor insurance) during the eighteen (18) month period following the effective date of these rules and regulations;

х. violated any provision of these rules and regulations;

carried on its business in a manner detrimental to the public interest, or to the interests of its depositors or creditors, or conducted its business in a manner violative of Commonwealth or federal laws;

shall, depending on the particular circumstances of the case, either take steps to secure correction of any such insufficiency or non-compliance, or revoke the licensee's retail banking license. This revocation may occur at any time during the pendency of an initial or renewed retail banking license.

(b) Should the Director determine that serious grounds for license revocation exist, the Director shall cause written notice of any insufficiency or non-compliance to be dispatched to the offending licensee, requesting a response in writing to the Director's concerns. While the Director may exercise discretion in terms of utilizing corrective steps rather than the more drastic response of revocation, any of the grounds listed in Section 16(a) are sufficient, standing alone, to justify the decision to revoke a retail banking license. Any decision revoking a retail business license shall be in writing, including a detailed statement of the reasons therefore, and shall be communicated to the revoked licensee, as well as the Attorney General for the Commonwealth.

Section 17. Severability.

Should any provision of these rules and regulations, or the application of any rule or regulation to any person, corporation or other entity be held invalid, by a court of competent jurisdiction, the remainder of the rules and

regulations, and the application of the rules and regulations to any other such person, corporation or entity, shall not be affected thereby.

DATE: Mar 5, 1983

JESUS R. SABLAN

Director

Department of Commerce & Labor Commonwalth of the Northern Mariana Islands

Commonwealth of the Northern Mariana Islands



REGISTRAR OF CORPORATIONS
Office of the Attorney General
Saipan, CM 96950

Telephone No. 6207/7111

Timothy H. Bellas
Registrar of Corporations

PUBLIC NOTICE

GUIDELINES FOR PUBLICATION IN THE COMMONWEALTH REGISTER

Pursuant to the authority vested in the Registrar of Corporations by Title 17 Trust Territory Code, Section 2 and Section 15, the Registrar of Corporations hereby gives notice of the intent to promulgate regulations establishing a procedure for the submission of items to be published in the Commonwealth Register. All regulations previously promulgated, dealing the subject of these regulations, are hereby vacated. Specifically those regulations found in the Commonwealth Register Volume 3, No. 1.

All persons interested in submitting data, views, or arguments in writing, concerning these regulations, may do so by submitting them to the Registrar of Corporations, 5th Floor Nauru Building, Saipan, CM 96950. Written comments must be submitted no later than the close of business thirty (30) calendar days following the date of publication of this notice.

DATE: May 2 ,1983

TIMOTHY H. BELLAS Regis far of Corporations

GUIDELINES FOR PUBLICATION IN THE COMMONWEALTH REGISTER

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PROMULGATION OF NEW REGULATIONS

- 1. Notice of Proposed Action
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- 10. Format Required for Publication

PROCEDURES

Promulgation of New Regulations

1. Notice of Proposed Action

(a) The agency must publish a <u>Public Notice</u> of its intention to adopt or amend regulations. Section 4(1)(a) requires that the public notice be published at least 30 days prior to official adoption by the agency. The public notice should be published in the Commonwealth Register and posted in convenient places throughout the Commonwealth such as post office bulletin boards, shopping center bulletin boares, public libraries, with clerk of courts, and in other places where the general public would reasonably be expected to notice it.

(b) Printed public notice <u>must</u> be given in both Chamorro and English. Radio broadcasts and other forms of verbal public notice must be made in both Chamorro and English and, additionally, may be made in other languages.

2. Content of Public Notices

The Public Notice must contain:

- (a) A statement of the statutory or other authority for the proposed regulations;
- (b) Either the entire text or a summary description of the subject matter to be regulated; and
- (c) A statement as to where, how, and when interested persons may comment or submit views on the proposed regulations.

As noted in 1(a) above, Section 4(1)(a) requires at least a 30-day period for review and comment by the public, however, the agency in its discretion may extend the 30-day period. Refer to the attached Form "A".

Translation: For efficienty (since the public notice must also be translated and the translated notice published), the public notice should be limited to a summary description or a listing of the subject areas to be regulated. Upon adoption of the final regulations, the agency must maintain for public inspection at least one complete copy of the final translated Chamorro version of the regulations, in addition to the English version. The agency must make arrangements for translation services. However, all translations of public notices and regulations are subject to review and approval by the Office of the Registrar of Corporations as to legal form and correctness prior to publication in the Commonwealth Register. Reasonable costs for review of translated documents submitted to the Registrar shall be borne by the agency. The Registrar will maintain a list of persons interested in performing translation services which will be made available to agencies upon request.

3. Public Hearings on Proposed Regulations

17 TTC 4(1)(b) requires that the agency provide interested persons the opportunity to submit written comments, data and arguments. The agency may, in its

iscretion, hold a public hearing on proposed regulations, PROVIDED that where a request for a public hearing is made by the Commonwealth Legislature or one of its committees, a government subdividison or agency, an oral hearing must be granted. Each agency should routinely hold public hearings on all proposed regulations.

Adoption of Regulations

Upon the expiration of the notice period and the conclusion of the public hearing, if any, the agency should then formally adopt the proposed regulations. Formal adoption is accomplished by: (1) obtaining the signature and approval of the official or officials authorized by law (usually the Director, and sometimes the Governor's approval is required) to adopt or approve the adoption of the agency's regulations; (2) the regulation must be certified by the signing and approving official(s) as a true copy of the regulations as formally adopted by the agency; and (3) the certified original and one copy of the regulations must be filed with the Registrar of Corporations. After formal adoption by the agency, the regulations must be published in their final form in the Commonwealth Register. The regulations become effective 10 days after this publication unless a later date is stated in the regulations or required by law (Section 5). These requirements will be contained in a Notice of Adoption. This notice shall contain a statement which specified whether the regulations were adopted as originally promulgated or whether substantial substantive changes were made. If the changes were substantive then the final regulations must be reprinted along with this notice. If no substantial changes were made then the final regulations need not be reprinted if they were printed at the time of promulgation.

Interested Persons' Right to Request Agency Justification for Regulations

The agency, "upon adoption of a regulation...if requested...by an interested person either prior to adoption or within thirty (30) days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, incorporating therein its reasons for overruling the considerations urged against its adoption." 17 TTC 4(11)(b). A sample copy of an agency's response statement (justification) is attached as Form "B".

6. Publication

For purposes of Sections 2, 4, and 5 of 17 TTC, publication is deemed to be made where a copy of the rule or remutation is filed with the Registrar, and the Registrar and agency maintain and make copies available for public inspection and copying. Thus, where mass publication and dissemination by a printer or otherwise is not possible, for example, due to power failure, typhoon, etc., publication will be deemed to be effected in substantial compliance with Sections 2, 4, and 5 of 17 TTC by one or a combination of, posting public notices in places frequently visited by a substantial number of the general public, newspaper notices, radio and other forms of public notice as warranted under the particular circumstances, and then filing a copy of the regulations with the Registrar. Accordingly, the notice period (at least 30 days) under Section 4(a) of intention to adopt regulations and the effective dates of rules and regulations under Section 5(2) and other relevant dates and time periods in 17 TTC will be determined by reference to the date that regulations in compliance with these rules are filed with the Registrar.

Emergency Regulations

Emergency regulations are governed by Section 4(2) entitled "Procedure for Adoption of Regulations" and Section 5(2)(b) entitled "Filing and Effective Date of Rules and Regulations". For purposes of those sections, it is our position that emergency regulations become effective and enforceable on the date they are filed with the Registrar. This result is consistant with the language of § 2(3) which applies to all regulations except emergency regulations. Otherwise, the emergency nature of this protection to be afforded by these regulations would be nullified.

8. Interested Persons' Right to Propose Rules

"Petition for adoption of rules. An interested person may petition an agency requesting the adoption, amendment, or repeal of a rule. Within thirty (30) days after submission of a petition, the agency shall either deny the petition in writing, stating its reasons for the denial, or shall initiate rule-making proceedings in accordance with this Chapter." (Section 6)

A copy of the agency's written denial and the petition of the interested person shall be filed with the Registrar for publication as a proposed rule or amendment or repeal of a rule pursuant to Section 1(8) or (9) and Section 2(1).

interested Persons Right to Request Declaratory Ruling by Agency

"Declaratory rulings by agencies. Any person may petition an agency for declaratory ruling as to the applicability of any statutory provision or of any rule or order of the agency. Rulings disposing of petitions shall be issued promptly and shall have the same status as final agency decisions or orders in contested cases." (Section 7)

A copy of each agency ruling shall be filed with the Registrar for publication as an agency order, rule or decision pursuant to Section 1(3), (8), and (15), and Section 2(1).

Format Required for Publication 10.

Printing concerns for the Commonwealth Register require that all materials submitted to the Registrar of Corporations conform to the following:

- Material must be single spaced, with double spaces between paragraphs. Triple spacing may be used to set out headings.
- White $8-1/2 \times 11$ paper will be used. Please 2. note that any material submitted for publication on legal size paper will be returned to the agency.
- Ample margins of at least 1" must be allowed on top, left side and bottom of each page.
- The signed original and at least one clear photostatic copy of the material must be submitted to the Registrar for publication.
- Materials submitted should not be stapled or otherwise bound together.



Commonwealth of the Northern Mariana Islands

REGISTRAR OF CORPORATIONS Office of the Attorney General Saipan, CM 96950

Telephone No. 6207/7111

Timothy H. Bellas Registrar of Corporations

PUBLIC NOTICE

PROPOSED IMMIGRATION REGULATIONS FOR TITLE 53 NATIONALITY, EMIGRATION AND IMMIGRATION

The Governor of the Commonwealth of the Northern Mariana Islands, in accordance with Title 53, Section 54 of the Trust Territory Code, Article V, Section 505 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands, and the Schedule on Transitional Matters, Section 2 of the Constitution of the Northern Mariana Islands, is proposing to promulgate new regulations to be used in conjunction with Title 53, Trust Territory Code of the Pacific Islands.

The proposed regulations include the following subject areas:

- 1) General Provisions
- 2) Entry Permits
- 3) Entry for Vessel and Aircraft
- 4) Port of Entry
- General Rules Pertaining to Immigration Policy

Copies of the proposed regulations may be obtained from the Immigration and Naturalization Office, Susupe, Saipan, CM 96950

The Office of Immigration and Naturalization is soliciting views, opinions, facts and data for or against the proposed Immigration Regulations from the general public.

Anyone interested in commenting on the proposed Immigration Regulations may do so by submitting comments in writing to the Immigration and Naturalization Officer, Office of the Govern, Commonwealth of the Northern Mariana islands, Civic Center, Susupe, Saipan, CM 96950, within thirty (30) days from the date this notice is published in the Common-Register.

DATE:	
	(DEPARTMENT HEAD)

PUBLIC NOTICE

ADOPTED REGULATIONS

Department of Public Health and Environmental Services

Authority

In accordance with Public Law 1-8, Chapter 12, Section 3, the Department of Public Health and Environmental Services has the responsibility of administering all government-owned health care facilities and of adopting relevant regulations as deemed necessary. The Director of Public Health and Environmental Services has the responsibility of carrying out the duties of the Department. In accordance with those duties, the Director of Public Health and Environmental Services promulgated a schedule of fees for the provision of health services. The fee schedule was adopted after the expiration of a period of time designated for public comment.

Subject Matter

The adopted regulations included the following subjects:

- Fees for medical services
- 2. Fees for emergency medical transportation
- 3. Fees for purchase and rental of medical and surgical
- 4. Fees for purchase of prescription drugs and medication

Public Comment

During the period of time designated for public comment on the proposed regulations of the Department of Public Health and Environmental Services, the Senate of the Commonwealth of the Northern Marianas received complaints about the amount of the increase in the fees for medical services and about the proposed two-tiered fee schedule for Micronesians and non-Micronesians. In addition, a lawsuit was filed challenging the constitutionality of a two-tiered fee schedule.

In response to these comments, the proposed regulations were changed to their present form. Despite adverse public comment, it was necessary to increase the fees previously charged for medical services. Because of the continuous increase in costs in health delivery systems including the purchase of medicine, equipment and medical supplies in the national and international market, the cost of providing

health services has increased substantially since health care fees were originally established in 1963. Even with the increase in fees, recipients of medical care and related services pay only a small percentage of the actual cost of providing such care. The proposed fee schedule was changed to provide for uniform application to all recipients regardless of race or national origin.

Copies of the adopted regulations may be obtained from the Department of Public Health and Environmental Services.

The Department of Public Health and Environmental Services is soliciting views, opinions, facts and data for and against the adopted regulations from the general public.

Anyone interested in commenting on the adopted regulations may do so by submitting comments in writing to the Department of Public Health and Environmental Services, Commonwealth of the Northern Mariana Islands, Saipan, CM 96950, within 30 days from the date this notice is published in the Commonwealth Register.

DIRECTOR
Public Health and
Environmental Services

NOTISIAN PUBLIKO

I MA ADAPTA NA AREKLO

Depattamenton Public Health yan Environmental Services

Atoridat

Gi papa i Lai Publiko 1-8, Kapitilu 12, Seksiona 3, Depattamenton Public Health yan environmental Services gaige i responsabilidad na para hu atministra todo fasilidat hinemlo ni gaige gi halom gobeitnon Commonwealth ya sina ha man adapta otro siha na areklo yangen nesesario para hu choque. I Direktot Public Health yan Environmental Services gai responsobilidat na hu lihe na i che'cho Depattamento ma chochoque. Ginen este na responsobilidat ani sina i Direktot Public Health yan Environmental Services man langos areklon apas pot setbision hinemlo. Este na eskeleran apas (fee schedule) siempre ma adapta yanggen ahupos i tiempo ni manahe publiko para hu nahalom hafa na opinion pot este na sunto.

Hafa Para Uma Deskuti

I ma dapata na areklo umahalom lokue este siha:

- 1. Apa para setbision hinemlo
- 2. Apas para transpotasion manmalango yanggen guaha emergency
- 3. Apas yanggen para un fahan pat hatkila trastis hinemlo kon todo trastis operasion.
- 4. Apas para umafahan amot ni ginen i dokto yan lokkue hafa na setbision hinemlo ni manahe manmalango.

Opinon Publiko

Durantin i tiempo ni manannahe publiko para hu nahalom opinion nish para i ma propoponi na areklon Depattamenton Public Health yan Environmental Services, i Commonwealth Senate manmaresibi kinentra ginen i publiko pot asunton apas setbision hinemlo ni ma kahat hulo yan guaha dos klasin preson setbisio, para Micronesian yan Non-Micronesian. Lokkue guaha keha gi halom koti na ma kokontra este na dos klasin preson setbision hinemlo

I inepin este siha na kinentra, pot i ma propoponi na areklo para apas setbision hinemlo esta matulaika. Masaha guaha kinentra ginen publiko nesesario na uma kahat hulo i apas setbison hinemlo. Pot motibo na sisighiha hulo i preson hamot,

matiriat yan trastis hinemlo gi metkao (market) eteramenti gi tano, i preso ni para umana guaha setbision hinemlo esta maulek kumahulona disti anai ma establesi gi 1963 na sakkan. Esta pago ha parereho ha i presion i setbision hinemlo. Maseha ma kahat hulo i apas setbision hinemlo, i mannapapasi pot este siha na setbisio tarabiha dididiha i pusento yanggen para uma kompara i deputsi presion hayo na setbisio pat amot. Ma tulaika i finenena na proposito para apas setbision hinemlo pot rasion na para umana pareho ha i apas setbisio para todo rasan taotao.

Kopian este na adaptan areklo sina machule ginen Depattamenton Public Health yan Environmental Services.

I Depattamenton Public Health yan Environmental Services man espipia opinion parehoha fabot yan tifabot pot este siha na areklo ni esta ma adapta ginen i publiko.

Haye interesao para hu nahalom opinionna pot este siha na areklo pat lai ni ma adapta esta, hu tugi ya una halom gi Depattamenton Public Health yan Environmental Services, Commonwealth of the Northern Marianas, Saipan, CM 96950, gi halom trenta dias anai ma langos este na notisia ginen Commonwealth Register.

DIREKTOT
Public Health yan
Environmental Services

PUBLIC NOTICE

ADOPTION OF EMERGENCY REVENUE REGULATIONS

The Director of Finance, in accordance with Public Law No. 1-8, Public Law No. 1-30, and Title 17, TTC, Section 4(2), wishes to advise the public that new rules and regulations, identifies as Revenue Regulations Chapter No. 5901 of the Division of Revenue and Taxation, have been adopted.

The adopted regulations include the following subjects:

- 1. General Provisions
- 2. Definitions
- 3. Tax on Wages and Salaries
- 4. Deposit of Withheld Wage and Salary Taxes
- 5. Individual to File Return and Earned Income
- 6. Tax on Business Gross Revenues
- 7. Apportionment
- 8. Territorial Income Tax Effective January 1, 1979

These regulations will be published in the Commonwealth Register and copies may be obtained from the Registrar of Corporations, Office of the Attorney General, 5th Floor Nauru Building, Susupe, Saipan, or from the Department of Finance, Susupe, Saipan, CM 96950.

THE PUBLIC INTEREST in avoiding confusion in filing and paying taxes and avoiding a loss of Revenue to the Common-wealth, requires that these regulations be adopted immediately and prior to April 15, 1980, which is the deadline for filing Commonwealth Tax Returns.

Certified	by:		
		(DIRECTOR)	DATE
Concurred	by:		
	-	(GOVERNOR)	DATE

Filed this Office of Registrar of Corporations

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 \Diamond

Commonwealth of the Northern Mariana Islands

Office of the Governor Saipan, Mariana Islands 96950

Cable Address: Gob. AMI Saipan

PUBLIC HEALTH

PROPOSED RULES AND REGULATIONS GOVERNING THE OPERATION, MANAGEMENT AND MAINTENANCE OF A PUBLIC CEMETERY - SAIPAN, CNMI

The Director, Department of Public Health and Environmental Services, in accordance with the provision of Section 5, Public Law 3-45, and pursuant to the authority granted said Director under Section 3 (g) (8) of Chapter 12, Title I of PL 1-8, is proposing to promulgate Rules and Regulations relative to the establishment of a publicly-owned cemetery and conditions governing the operation, the management, and the maintenance of said cemetery.

The proposed regulations include the following subject matters:

- Legal Authority
- Definitions of Words
- General Provisions viz
 - Location a.
 - b. Burial Procedure
 - c. Lot sizes, locations, and Assignment

 - e. Grave Preparations
 - Ground Maintenance

Copies of the proposed regulations may be obtained from the office of the Director or the office of the Administrator, Division of Public Health in Chalan Kanoa, Saipan, CNMI 96950.

The Department of Public Health and Environmental Services is soliciting comments for or against said Rules and Regulations, from any member of the public. Anyone interested may do so by submitting comments in writing to the Director, Department of Public Health and Environmental Services, within thirty (30) days from the date hereinumaer shown.

JØ≶É T. V™ AGOMEZ

DIRECTOR OF HEALTH & ENVIRONMENTAL SERVICES

DATE: 6/9/83

Filed this ______day of

Office of Registrar of Corporations PUBLIC HEALTHommonwealth of the Northern Mariana Islands Dasamoo

I MAN MAINTENSIOSIONA NA AREGLU YAN REGULASION SIHA NI HA GOBIEBIETNA I MANA'KALAMTEN, MAMANEA, MANA'GASGAS YAN MANA'BONITON UN SIMENTIEYUN PUBLIKU - SAIPAN, CNMI

I Direktod i Depattamenton Public Health yan Environmental Services, segun i ginagagao gi provision i Seksiona 5, Lai Publiku Numero 3-45 (Public Law 3-45), yan segun i ginagagao gi autoridad ni manae i mansangan na Direktod gi papa i Seksiona 3, (g) (8) Chapter 12, Titulo I gi Lai Publiku Numer 1-8 (PL 1-8) ha intensiosiona para hu publika ofisiatmente areglu yan regulasion siha pot para maestablesin simentieyun publiku yan kondision siha ni ha gobiebietna i mana'kalamten, mamanea, mana'gasgas yan mana'boniton i mansangan na simentievu.

I maintensiosiona na regulasion siha ha inkluluso i man sigiente na asunto siha:

- 1. Legat na Autoridad
- 2. Sustansian i Palabra siha
- 3. Inerat na Provision viz
 - a. Lugat
 - b. Areglun Manhafut
 - c. Minedung i Sulat, Lugat siha yan Maganyin i Lugat

 - e. Preparasion Naftan
 - f. Mana'boniton yan mana'gasgas i Lugat

Kopia siha pot i man maintensiosiona na regulasion siha sina man magagao gi ofisinan i Direktod pat i ofisinan i Administradot i Division i Public Health giya Chalan Kanoa, Saipan, CNMI 96950.

I Depattamenton i Public Health yan Environmental Services man man solisisita opinion siha fabot de pat kontra i mansangan na areglu yan regulasion siha, ginen masea haye na miembron i publiku. Masea haye ni interesao sina man submite opinion gi tinigi' guato gi Direktod i Depattamenton i Public Health yan Environmental Services, gi halom 30 dias desde i fecha ni uma'anog guine gi sanpapa.

VILLAGOMEZ DIRECTOR OF HEALTH & ENVIRONMENTAL SERVICES

Filed this ______day of

PUBLIC HEALTH

Office of Registrat of Corporations

Masam 1

ALLECH MIL IREIRETACOTRRAWeelth of the Northern Mariana Islands AMWUSCHÚ ÓMMWOGHÚTÚL, MWÓGHÚTÚL ANGAANGAL LLÖL PEEY - SEIPÉL, CNMI

Direktoodul, Depattamentool Public Health me Environmental Services, sángi alúghúlúgh ye Seksiyoona 5, Alléghúl Towlap ye 3-45; me attabwal ngáli le aa yoor yaal ówtoridóód iye Direktood aa ira mellól Seksiyoona 3 (g) Cha•ter 12, <u>Title I</u>, mellól Alléghúl Towlap ye 1-8, e memmángiiy bwe ebwe arongaawow mwóghútúghút me Allégh kka ewewweewe ngáli fféérúl Towlapeer Aramas iye re yááyáálong 1161 peey me apilúghúlúghúl me

Allégh kka e memmángiiy e bwal toolong milikka e tettálletiw faal:

- 1) Schóól Lemelem
- 2) Weeweel Kkepas
- Alúghúlúghúl Alongal, sibwe ira
 - bwuléy a.
 - alléghúl libwilibw
 - tool yáálil bwuléy, me ighila raa áytiingálúgh iye
 - d. óbwóssul
 - ammwelil leeliyel libwilibw e.
 - schóól angaangal 11ól peey

Emmwel schagh ubwe 16 bweibwogh y66mw koopiiyaal Allégh kkaal ngáre u tipeli me bwulaasiyool Direktood ngare bwulaasiyool Administradood me Division of Public Health, la e lo Elal Ghaloowa (Chalan Kanoa), Seipél CNMI 96950.

Depattamentool Public Health me Environmental Services, e kke tottongór palawal ngáre ów tipeli me ówsi tipeli Allégh kka aa ischitiw ngáli inaamwo iyo. Le e enteresóów emmwel schagh ówbwe ischiiytiw meta tipámi nge óuwa ngálleeylong Direktoodul, Depattamentool Public Health me me Environmental Services, 1161 eliigh rál (30) sángi ráálil ye e toowow milleel.

angaangal 1161 peey.

MARAM/RÁL/RÁÁGH: 6/19/23

JOSE T. VILLAGOMEZ DIREKTOODUL HEALTH ME ENVIRONMENTAL SERVICES

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENTAL SERVICES RULES AND REGULATIONS

GOVERNING THE OPERATION, MANAGMENT AND Filed this

MAINTENANCE OF CEMETERIES

Office of Registray of Corporations Commonwealth of the Northern Mariana Islan

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I. AUTHORITY

> In accordance with the provision of Section 5, PL 3-45, and pursuant to the authority vested in the Director of Public Health and Environmental Services under Section 3 (g) of Chapter 12, Title I, of Public Law 1-8, as amended, the following Rules and Regulations are hereby prescribed governing the establishment, the operation, the management and the maintenance of Public Cemetery hereinafter called Wireless Hill on Saipan, CNMI.

II. DEFINITIONS

Unless the context clearly otherwise requires, and for the purpose of these rules and regulations, the definitions to the words hereinunder listed shall apply;

- Director The duly appointed director of the Department of Public Health & Environmental Services.
- 2. Cemetery - Any approved burial ground; the Wireless Hill Public Cemetery.
- Burial Permit The authority granted by the Director releasing human remains for burial.
- Grave Marker Any headstone, cross, or other ornament used to mark a burial plot.
- 5. Human Remains The lifeless remains of a human being.
- Death Certificate A document prepared and duly attested by a responsible official reporting the demise of a human being.
- Disinternment The authorized opening of a grave for the purpose of transferring remains.
- 8. Burial Plot A parcel of lot measuring about 10'6" X 6'6" in a cemetery lot.

III. GENERAL

- Until such time that the Marianas Public Land Corporation completes its environmental impact and general feasibility study of proposed and currently in use cemeteries, and unless otherwise deemed a threat to the health of the Community by the Director, all existing cemeteries shall remain in operation subject to these Rules and Regulations as made applicable thereto.
- Wireless Hill Cemetery is hereby declared a Public Cemetery and shall be used for the internment of human remains without regard to race, creed, religion or citizenship.
- 3. The cemetery shall be under the administration of the Director, Department of Public Health and Environmental

Services with the Department of Public Works and Natural Resources providing field landscaping, surveying, mapping and other maintenance services as needed.

A. BURIAL PROCEDURE

- 1. No dead human remains will be accepted for burial unless a Death Certificate has been filed and a Burial Permit is issued by the Director.
- Burial shall take place no later than sunset nor earlier than sunrise uless special written permission is granted by the Director.

B. LOT LOCATION, ASSIGNMENT AND FEE

- 1. The cemetery ground shall be subdivided into ten feet six inches by six feet six inches (10'6" X 6'6") lots which will provide a three-foot spacing between graves in each direction.
- Each lot shall be numbered and burial assignments will be made in a consecutive order without reference to race, creed, or religion.
- 3. For the purpose of space conservation, the cemetery shall provide space for children with six feet six inches by five feet (6'6" X 5') lots which provide a three-foot spacing between graves in each direction.
- 4. The office of Vital Statistics shall keep a current and accurate map and plot record showing the location of each burial.
- 5. A plot fee shall be established to defray the cost of digging and coverning of each grave, as well as for general ground maintenance.
- 6. Payment of the plot fee shall be made to the office of the Director, Department of Public Health and Environmental Services.

C. GRAVE PREPARATION

- 1. Upon receipt of a request for a burial plot and payment having been made and burial permit issued, the office of Vital Statistics shall proceed to make arrangements with the Department of Public Works for the digging of the grave.
- 2. Each grave shall not be less than six feet (6') in

- depth and shall be at least one foot (1') larger in width and length than the coffin.
- 3. Only one (1) body shall be buried in each grave, except that in the case of a woman in an advanced stage of gestation in which the foetus may have been delivered dead, both bodies may be buried together if the family so wishes.
- 4. Upon completion of the burial ceremony, the Department of Public Works shall backfill each grave or as in the case where members of the family desiring to do so, supervise such back filling to its completion.
- No dead body shall be disintered or removed from the cemetery or its place of burial, for reburial or otherwise, without a written permit from the Director.

D. CEMETERY MAINTENANCE

- 1. To discourage desecretion, vandalism and invasion by domestic and wild animals, the cemetery shall be enclosed by a fence with a gate which shall be kept locked except at such times as a burial is actually being performed. A pedestrian gate will be provided however for public access between the hours of sunrise and sunset.
- The Department of Public Works and Natural Resources will provide periodic care of the grounds to cut grass and control vegetation, and insure accessibility to the cemetery at all times.
- 3. To facilitate ground maintenance, markers may either be a cross no larger than three (3) feet in height, or a 12" X 18" flush-mounted marker, placed at the top edge of the "head" end of the lot.
- 4. No permanent plants will be permitted on individual lots although a recessed vase or pot may be installed flush with the ground surface in front of, or to the side of, each grave marker to facilitate the placement of flowers.

Filed this John day of

PUBLIC NOTICE

Office of Registrer of Corporations
Commonwealth of the Northern Mariana Island:

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ADOPTED REGULATIONS FOR THE PROTECTION OF RESIDENT WORKERS AND EMPLOYMENTS OF NON-RESIDENT WORKERS

The Director of the Department of Commerce and Labor is adopting amendments to the regulations for the protection of resident workers and employment of non-resident workers in accordance with Public Law 1-8, Chapter 9, Section 6; Title 49 of the Trust Territory Code and Title 17, Section 5(1) and (2) of the Trust Territory Code.

These amendments will amend sections 3.4.1 and 3.2.4 of the regulations found in Volume 3, Number 5 of the July 31, 1981 Commonwealth Register to remove the four (4) year limit on renewals of identification certificates and to assess a late penalty fee by employer's failure to renew identification certificate after expiration date.

5/20/83

JESUS R. SABLAN

Director, Commerce and Labor

AMENDMENT TO RULES AND REGULATIONS

The adopted Rules and Regulations cover the following subjects:

SECTION 1. Elimination of Four (4) Year Maximum

Section 3.4.1 of the Regulations for the Protection of Resident Workers and Employment of Non-Resident Workers adopted on July 31, 1981, in Volume 3, Number 5, Page 1320 of the Commonwealth Register shall read:

"3.4.1 - The identification certificate shall be issued for a period not to exceed one (1) year and is renewable annually subject to the restriction adopted in these regulations and in other law. Every application for renewal shall be submitted complete within thirty (30) days prior to expiration date of the worker's identification certificate."

SECTION 2. Amendment of Section 3.2.4

Section 3.2.4 of the Rules and Regulations referred to in Volume 3, Number 5, Page 1319 of the Commonwealth Register shall read:

"3.2.4 - Any employer who shall fail to renew the worker's identification certificate as required by this regulation within the time specified shall be subject to a penalty as set by the Director.

Date of Filing with Registrar

COMMONWEALTH PORTS AUTHORITY



Main Office: SAIPAN INTERNATIONAL AIRPORT P. O. BOX 1055 • SAIPAN • CM 96950

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PUBLIC NOTICE OF PROPOSED AMENDMENT TO CPA RULES AND REGULATIONS

The Commonwealth Ports Authority, pursuant to the authority of Section 4(4) of Public Law No. 2-48, and in accordance with the provisions of Section 4(1) of Title 17 of the Trust Territory Code, hereby gives notice to the public of its intention to adopt new regulations and amend existing regulations for the Commonwealth Ports Authority concerning fuel flowage fees. The proposed regulations are publised herewith.

All interested persons will be given a reasonable opportunity to submit data, views, or arguments, in writing, concerning the proposal regulations. Written comments must be submitted to the Executive Director, Commonwealth Ports Authority, not later than the close of business thirty (30) calendar days following the date of publication of this Notice.

DATED, this 1944 day of May, 1983:

J.M. GUERTERO

Chairman

Board of Directors

Commonwealth Ports Authority

COMMONWEALTH PORTS AUTHORITY



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Office of Registrar of Corporat

NOTISIAN PUBLIKO commonwealth of the Northern Mariana Islands

I Commonwealth Ports Authority, sigun qi Seksiona 4(4), Lai Publiko 2-48, yan sigun gi probision siha nui Seksiona 4(1), Kapitulo Numero 17, Kodikon Trust Territory, ha notitisia a publiko pot i intension para umaadapta man nuebo na regulasion yan para umaamenda i regulasion Mariana Islands Airport Authority pot i fuel flowage fee. I mapropopone na regulasion para mapublika guine.

Todos personas ni man interesao siempre manae opportunidad ni unfanmatuqi ya umasubmiti opinion pot este na mapropopone na regulasion qi Executive Director, Mariana Islands Airport Authority, gi halom trenta (30) dias despues de mapublika este na Notisia.

FECHA i Mayo dia 19/4, 1983:

J.M. GUE RERO

Chairmai

Board of Directors

Commonwealth Ports Authority



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COMMONWEALTH PORTS AUTHORITY

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Office of Registra of Corporations Commonwealth of the Northern Mariana Islands

PROPOSED AMENDMENT TO CPA RULES AND REGULATIONS

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Section 1. Part 12.7 of the Airport Rules and Regulations of the Commonwealth Ports Authority is hereby amended to read as follows:

"12.7. Fuel Flowage Fee.

"A fee equal to one and one half cents (\$0.015) for each gallon of aviation gasoline and jet fuel delivered to the Airport. The fuel flowage fee shall be paid by the seller thereof, upon the delivery of aviation gasoline and jet fuel to the Airport. The seller may pass the fuel flowage fee on to the purchaser thereof. The seller shall deliver to the Authority, not later than the 15th day of every month, the fuel flowage fee payable on deliveries to the Airport during the previous month, together with appropriate documentation evidencing such deliveries."

Section 2. This amended regulation shall take effect upon its adoption by the Board of Directors and its promulgation in the manner provided by law.