



# COMMONWEALTH CASINO COMMISSION

Commonwealth of the Northern Mariana Islands

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## MINUTES

February 24, 2021

### I. PRELIMINARIES:

#### A. Call to Order

Chairman Edward DeLeon Guerrero called the meeting to order at 10:04 am on Wednesday, February 24, 2021 at the Commission's 2<sup>nd</sup> Floor Main Conference Room at the Springs Plaza in Gualo Rai, Saipan. The meeting was also on video conference.

#### B. Roll Call

Commissioners present at the meeting were: Edward DeLeon Guerrero (Chairman), Rafael Demapan (Vice Chairman), Ramon Dela Cruz (Secretary), Mariano Taitano (Treasurer) and Diego Songao (Public Affairs).

#### C. Adoption of Agenda

Commissioner Dela Cruz made a motion to adopt the agenda with the following amendments:

- To correct 2020 to 2021 in item D, Adoption of the Minutes.
- To remove IPI and Ray Yumul under New Business A., and add "Submitted by IPI" at the end.
- To add item C. Approval of Commission Order No. 2021-001: "Authorizing the Executive Director to Require Employees to Provide Proof of Covid-19 Vaccination."
- To add item F. Consideration of Global Settlement Agreement in Enforcement Actions 20-001 (consolidated) and 20-003 (consolidated) under New Business.

The motion was seconded by Vice Chairman Demapan, was put to a vote and unanimously approved. The agenda was adopted as amended.

#### D. Adoption of Minutes. January 20, 2021

Commissioner Taitano made a motion to adopt the minutes of the January 20, 2021 meeting, seconded by Commissioner Dela Cruz. The motion was put to a vote and unanimously approved.

Chairman DeLeon Guerrero thanked the Commissioners and CCC staff for working diligently to record and provide transcripts of the monthly meetings.

### II. REPORTS:

#### A. Report by the Chairman

Chairman DeLeon Guerrero stated that for future meetings, he would like to move the Public Comments section immediately after the adoption of minutes on the order of the agenda.

The Chairman reminded everyone present that the Governor's directive regarding the COVID-19 pandemic is still in effect, noting that everyone should be mindful of wearing their masks

and in keeping their distance from one another. He shared that over five hundred thousand people have perished from the COVID-19 disease nationwide, two of which are fatalities from CNMI. He said that we should all be thankful that the CNMI is not suffering the seriousness of the pandemic but emphasized that we are not out of the woods yet. He elaborated that the CNMI is still treading on dangerous ground and because of this, the Governor has put out a directive mandating that government employees be vaccinated. The Chairman stated that the Commission amended its meeting agenda to include a CCC Order requiring staff to be vaccinated. He noted that further discussion on the matter can be taken up in the appropriate section of the meeting.

The Chairman shared that the Commission has been observing the actions of policy makers particularly in reference to two bills that have been introduced in the Senate. He added that he felt it was important to include the bills as separate items on the agenda and that he would like to express his concerns when the items come up later in the meeting.

The Chairman shared that the Administrative Evidentiary hearings for the five enforcement actions against IPI have been scheduled. The hearing for Complaint 20-001 (consolidated with Complaint No. 20-002) is scheduled for tomorrow, February 25, 2021 at 10:00 am. The hearing for Complaint No. 20-003 (consolidated with 20-004 & 20-005) is scheduled for Tuesday, March 2, 2021 at 10:00 am. The Chairman shared that this process began months ago and was included in the meeting agenda as a reminder and in allowing for due process. He also noted that there seems to be discussions of a global settlement between parties which the Commission will hear and decide on under the New Business section of the agenda. The Chairman closed his report by expressing that the Commission is gravely concerned about the casino industry and its survivability.

#### B. Report by the Executive Director

The Director reported the following:

- **CCC Budget:** For the month of January 2021, the Commission's total expense was \$237,726.00.
  - 79.73% Personnel Wages and Benefits
  - 11.39% Board & Other Compensation
  - 8.88% Office Rental & Other Operational Costs

He noted that there was an increase in personnel expenses because there were three payrolls in January 2021 and there were some lumpsum payout of accrued annual leave for employees who have separated. He stated that the current headcount of FTEs is at 41 inclusive of the Legal Counsel.

- **IPI Payroll Monitoring:** The Director stated that he is pleased to report that IPI's payroll delay was resolved. He provided the following updates:

PP#	Original Due Date	Actual Pay Date
1	01/01/2021	Paid
2	01/15/2021	Paid
3	01/29/2021	Paid
4	02/12/2021	Paid

The Director stated that according to Ms. Frances Mafnas, IPI Treasury Director, all of IPI's outstanding payroll for last year (2020), as well as pay periods 1 to 4 for this year (2021), were disbursed making payroll current. However, he announced that Ms. Mafnas disclosed that the payroll owed to separated employees have yet to be paid. He stated that these are two different issues that the Commission continues to track and follow up on. The Director offered to provide updates as they become available.

- **Public Law 21-38:** The Director shared that the Commission previously signed a Memorandum of Agreement (MOA) with the Secretary of Finance (SOF) for the temporary continuation of services in reference to the Commission's payroll and procurement until such time the Commission is able to establish its bank accounts. He further reported that he is currently in discussion with the SOF regarding the set up of a bank account, however, he pointed out that the the Attorney General (AG) has not responded to the Commission's request for a legal opinion on the matter. He stated that he believes that the Commission should proceed with its plans to establish its bank account as required by Public Law 21-38, otherwise it would be an intentional violation of the law. He further explained that the Commission would require the SOF's assistance in transferring the funds needed as an opening deposit, anywhere in the amount of \$100K to \$500K. The Director offered to keep the Commissioners updated on the matter.
- **CCC Administrative Hearing:** The Director reported that the hearings will begin tomorrow, February 25, 2021 and will cover Complaints 20-001 and 20-002. He further stated that the next hearing will be held on March 2, 2021 to cover Complaints 20-003, 20-004 and 20-005.
- **IPI's CEO Appointment and Potential Temporary License:** The Director shared that later in the meeting, he wishes to discuss the possibility of issuing a temporary license in accordance with the regulations. He noted that it would be different from the Provisional Casino Key Employee License as Mr. Ray Yumul does not come from a gaming background and has not been previously licensed as a Casino Key Employee in the CNMI, or any other jurisdiction. The Director recommended for a temporary licensure of 90 days with the possibility of extending it for an additional 90 days. He stated that he hopes the Commission will entertain his recommendation in order to allow Mr. Yumul to carry out his duties and responsibilities until such time that a regular license is rendered fit to be issued by the Commission.

The Chairman shared that the Commission had just received the AG's opinion on this matter and were advised that the Commission has no authority to issue any kind of license, absent the application fee. He further noted that he wants to know if Mr. Yumul is legally allowed to speak on behalf of IPI.

Counsel Ernest clarified to the Commission that IPI is the applicant and the Casino Key Employee would be a beneficiary of the license. He stated that the regulations are clear on the matter, and that it requires the applicant to submit a complete application package for licensure. He further stated that the application for licensure is defined in the regulations as the "Application Package", with one of the requirements being all fees, which IPI has failed to pay. Therefore, Counsel Ernest concluded that an application for licensure has not been submitted because the application package was incomplete. The Chairman asked Counsel Ernest if his determination also prevents Mr. Yumul from speaking on behalf of IPI. Counsel Ernest replied that while he does not give Mr. Yumul or IPI advice, he would point them to the regulations which states that it is a violation for the company to employ Casino Key Employees who are not licensed.

Vice Chairman Demapan asked if an application was in fact submitted to the Commission by the applicant. Counsel Ernest answered that the applicant had submitted documents which do not comprise a complete application package. He noted that although documents were submitted, a complete application package for licensure has not. Commissioner Taitano asked if this means that a temporary licensure cannot be issued for 90 days. Counsel Ernest clarified that the regulation which triggers the automatic issuance of a temporary licensure has not yet been met.

### III. PUBLIC COMMENTS

1. Ray Yumul, who identified that he is with IPI, first apologized for speaking under the Public Comments section. He stated that this was not how he imagined his first encounter with the Commission would be, and noted that he had a few things to say.

Mr. Yumul shared that IPI is under extreme pressure from external issues that has brought the company to where it is today. He stated that the casino is at a standstill, and although IPI plans to reopen, the opening date remains a moving target. He said that he is aware that everyone would like to see IPI reopen so that it can pay the annual regulatory fees, the lawsuits, the vendors, and most especially put people back to work. He further stated that he knows that IPI needs to accomplish all of these things in order to be a business in good standing within the community. He noted that unlike small businesses, IPI cannot just shut its doors overnight at a moment's notice. He added that at one point IPI had thousands of workers performing their tasks diligently and willfully and vendors providing goods and services in good faith that they will be paid.

Mr. Yumul articulated that although prospects were looking good for the economy, the COVID-19 pandemic has dealt the CNMI the worst financial crisis in over a decade. International travel is closed and most of the large hotels are now closed, which are indicators of a shuttered tourism industry, he stated. Mr. Yumul added that he does not expect tourism to resume until the mid-part of 2022. He elaborated that IPI is not immune to the economic hardship facing the CNMI, as they also had to close their doors to comply with the Governor's Executive Order which now stretches into 2021. He explained that IPI's revenue fell to zero and has had to rely on its parent company in Hong Kong to provide funds. He added that even the offices in Hong Kong have instituted austerity measures to conserve funds.

Mr. Yumul divulged that he has been reviewing IPI's records to gain a clear picture of how to implement a wind down of operations due to decreased cashflow as a result of the casino's closure and the numerous legal cases brought against the company. He said that he has been retained by IPI to assist in resolving the multitude of complex issues. He stated that he, along with his team, will put forth a plan to resolve these issues. He added that although he doesn't consider himself an expert in casinos, he possesses a strong background in management and has experience in dealing with conflict and crisis resolution. He added that IPI has within its ranks seasoned casino gaming experts that the Commission has vetted and granted licensure. He said these individuals have decades of experience and that he has already tasked them to prepare a reopening plan.

Mr. Yumul stated that his immediate goal is to stabilize the company. He shared that he has been with IPI for just over a month and payroll has been brought up to date as of last pay period. He stated that the upcoming payroll number 5, which is due Friday, is another challenge that he will attempt to solve, which may mean more cost cutting measures. This unfortunately will include furloughing additional staff who are not critically needed at this time, he disclosed.

Mr. Yumul shared that he submitted an application for licensure with the Commission which is currently pending. He added that he is aware that IPI has not made any payments to the Commission, nor has it paid the required regulatory fee of \$3.15M which was due last year. He said that IPI has not ignored the Commission as it is aware that payment is required for the Commission to do its job including the need to vet him just like they do all others who wish to work for and do business with the casino.

Mr. Yumul commented that he came on board because both the US District Court and the Commonwealth Superior Court require a person of authority at IPI. He said that it is unfortunate that IPI's focus at the time of his hiring was with the back wages that needed to be paid. Mr. Yumul announced that Friday, February 26, 2021 is the deadline for IPI to pay

the USDOL or the company will be placed under receivership in order to liquidate its assets to satisfy the judgment.

Mr. Yumul reported that within a week of accepting the job at IPI, he has attended numerous court hearings and has still found time to meet with key people to find solutions. He expressed his appreciation to the SOF for working out a solution to get the Commission funds in the amount of \$1M or less to ensure its continued operation until a settlement is reached. He stated that he cannot go into the details of the agreement, but stated that the back wages and penalties due to the USDOL will be satisfied via transfer of funds. He then added that he will reserve further comments as they are part of settlement discussions with the Commission which will be determined in the upcoming hearings.

2. Ed Propst, member of the 22<sup>nd</sup> House Representative and Chairman of the House Standing Committee on Gaming, thanked the Commission for putting together one of the most transparent monthly meetings. He applauded the Commission for its commitment in reaching out to the community through the many individuals who have been able to log on and join the meetings. He said that constituents have been very appreciative to be able to attend the meetings.

Representative Propst called to the Commission's attention the matter that was earlier mentioned with respect to the updated payroll of active employees. He said that although it is great news, there are still a number of former employees who were terminated and have not been paid and are still waiting for payment. He said that he has seen in recent news about the court cases but he has not heard enough about the stranded workers. He stated that there were some Turkish workers who left the island a couple of weeks ago, in good faith that they would be paid. Representative Propst shared that on the morning the workers were leaving, they were given and asked to sign a document by IPI which stated that they agreed to forfeit all their future claims for payment. Representative Propst mentioned that he does not know who or where the document came from, but that it was later found to be null and void by Judge Ramona Manglona. He commented that IPI talks a lot about doing good and being good corporate citizens, yet they go and pull a move like that. He disclosed that he had a conversation with the new CEO about this matter but the CEO himself was unaware of such document and was in shock about it.

Representative Propst also shared that a former IPI employee sent him supporting documents showing that she is owed a  $\frac{3}{4}$  guarantee under the code of federal regulations and CW-1 regulations. In her email, she divulged to Representative Propst that she is owed over 300 hours with an additional 170 hours of paid time off. Further, the individual stated that she was supposed to be paid since August 2020, but unfortunately, she has not received any payments. This former employee, he added, is one of many. He stated that as IPI moves forward, he wants to ensure that these workers are taken care of because they are stranded until IPI makes good on their dues. Representative Propst explained that these CW-1 workers are out of status so they are legally unable work, and they do not have any money coming in. He said that all they are asking for is what they are owed, and have stated that they will leave once they are paid.

3. Glenn Bell, member of the public, commented that IPI has been forced to honor their commitments on the issue of outstanding wages amounting to eight pay periods only by action of the court. He advised that no one should be under the illusion that IPI is complying out of the goodness of their hearts, rather as a result of the threat of legal action by the court.

Mr. Bell asked the Commission to verify the validity of the current structural building permit. He inquired if the permit is current and asked for the status of the two stop work orders, which he believes the public has a right to know about. He added that tower crane 4 was dismantled and removed and that he is interested to know whether the other two cranes are fully certified for operation and by whom. Mr. Bell inquired about the extended site closure,

and asked which government departments, specifically, were ordered to propose the resumption of work. He commented that there should be an order issued which would require IPI to ensure that the site is suitable before construction work reconvenes.

4. Tina Sablan, member of the 22<sup>nd</sup> House of Representative and the Vice Chairperson of the House Standing Committee on Gaming, raised the issue of governance failures. She said that she has, on many occasions, expressed her concerns about who is leading IPI and who is making decisions on its behalf. She expressed that she is surprised to hear about a proposed global settlement and asked the Commission why would it settle. She inquired what in return would the CNMI gain should the Casino Commission move forward with a settlement with IPI. She noted that in the past, Chairman DeLeon Guerrero had suggested that the time has come for IPI to undergo a financial suitability assessment. She suggested that even if the Commission were to proceed with a settlement, a financial suitability hearing should still be conducted.

Representative Sablan stated that the Commission is well aware that IPI is facing receivership in federal court related to the consent judgement with the USDOL. She added that she is aware that the SOF has indicated that he will move forward in enforcing a \$9M tax lien. Additionally, Representative Sablan said that there are financial statements for the last couple of years that have indicated that auditors had doubts and have stated a going concern on IPI's survivability. She reiterated the Commission's previous concern when it raised the issue of FinCEN and the 93 pages of violations by IPI, and whether they will be able to successfully address those issues in the absence of personnel in their compliance division.

Representative Sablan said she knows from records that there was a Board Director that had previously certified to the Commission that IPI is financially capable of holding onto its license and completing its promises. She added that there are tens of millions of dollars in judgements that have already been awarded, and that there are still pending lawsuits in both the CNMI and federal courts, which would mean greater liabilities for the company.

Representative Sablan emphasized that she would like to know the identity of the person leading IPI. She stated that there have been numerous CEOs, resignations and furloughs of key staff and board members. She added that IPI has individuals with no formal roles who seem to be very involved in the operations and the decision making of the company. She added that just recently, the Chairwoman of the parent company testified under oath during deposition that she has never attended a board meeting and has not been involved or been informed about some of the most basic operations and decision-making actions at IPI. She said that the Chairwoman claimed to have never met with CNMI government officials and had no involvement in IPI Saipan or IPI Holdings as the Chairperson. Representative Sablan urged the Commission to read the deposition transcripts which she found shocking. Meanwhile, she noted that the Legislature is being asked to change laws and consider making changes to the license in order to give IPI more breaks in terms of its obligations to the CNMI.

Representative Sablan reiterated that IPI CNMI continues to state that they are relying on IPI Hong Kong to make the decisions, but they have a Chairwoman presently in the CNMI who testified under oath that she has nothing to do with what happens on Saipan. Representative Sablan added that the Chairwoman claimed she had no responsibility and no money invested in the company. Representative Sablan noted that there are real questions of failures of governance occurring, and if the Commission moves forward with the hearings, she hopes that the failures are taken in serious consideration. She stressed the necessity for a financial suitability regardless of the outcome of the hearings on the five complaints.

Representative Sablan announced that the Gaming Committee has scheduled a meeting for March 2, 2021 and that the Senate bill that aims to remove some of the Commission's oversight of the casino is on the agenda. She said that she hopes the Commission will submit its comments on the bill and that she is glad to see its inclusion in the Commission's meeting agenda.

The Chairman stated that although he appreciates hearing public comments, he has heard a lot of criticism towards the Commission including comments on the Commission's competency in making a decision when they are not engineers. He also added that he's heard members of the House criticize the Commission for not enforcing federal laws typically handled by Labor or OSHA. Another comment that he heard from the Senate is that the Commission is too powerful and that certain powers have to be stripped; powers the Chairman noted the Commission did not have to begin with. The Chairman believes that there seems to be some confusion as to what the Commission is responsible for, which he said he will address further later in the appropriate sections of the agenda. The Chairman expressed his concern about IPI and its financial suitability, and noted that the Commission will also discuss the matter later on in the meeting.

#### IV. MISCELLANEOUS MATTERS:

##### A. Casino Licensee -- Imperial Pacific International (CNMI), LLC ("IPI") -- Updates:

###### 1. Imperial Pacific Resort & Hotel ("IPR"). Update on the construction project

Mr. Tao Xing announced that no one is available to provide an update on construction. He disclosed that IPI is operating with limited staff due to funding issues. He also noted that there are no construction activities due to the recent stop work orders issued by the Department of Public Works (DPW). Mr. Tao reported that tower crane 4 was completely removed and that IPI is in the process of getting their deposit back. He noted that there are no other activities to report.

###### 2. IPI Personnel:

- a) Organizational Chart Update
- b) Resident Employment Objectives
- c) Status of Employee Payroll
- d) Status of Employee Housing

Mr. Tao shared that Ms. Redie Dela Cruz is out sick and will not be able to provide an update on HR matters. He noted that if the Commission has any questions, he can take notes and follow up on them later.

###### 3. IPI Financial Matters.

- a) Annual Exclusive Casino License Fee
- b) Annual Casino Regulatory Fee

Ms. Frances Mafnas, IPI Treasury Director, reported that payroll is currently up to date through payroll number 4. She noted that payroll number 5 will be paid on Friday, February 26, 2021, as they are working diligently to confirm the funding for it. She stated that she had no updates with regards to the Annual Exclusive Casino License Fee and the Annual Casino Regulatory Fee. She requested to be allowed to discuss the matter of account receivables in executive session. She noted that IPI does not have an account receivables team on island and that the marketing team who were handling it in Macau were all furloughed.

The Chairman inquired on the status of the construction extension request since Mr. Tao mentioned earlier that a stop work order remains in place and that a construction team no longer exist at the construction site. He pointed out that the IPR's projected completion date is February 28, 2021. Mr. Tao responded that IPI's new CEO already submitted a request for an extension, and that they are trying to reach out to the Lottery Commission and the Governor to ensure that they are working with the right parties in reference to their request.

The Chairman inquired if the letter indicated how much more time IPI needs to complete the facility, and he also asked who provided the estimated timeline since IPI does not have a construction team. Mr. Tao answered that a timeline was included and that it came from the construction management team who provided the information two weeks ago when they were still actively working. The Chairman asked where IPI plans to secure their construction workforce given the fact that they are no longer eligible to hire H2B or CW workers. Mr. Tao replied that it will be based on an estimated number of on-shore and off-shore workers, taking into consideration the restrictions surrounding H2B and CW restrictions. Mr. Tao announced that the Commission was provided a copy of their extension request letter.

The Chairman confirmed that the Commission received a copy of the letter. He noted that the letters were addressed to the CCC's Executive Director, the Lottery Commission and the Legislature, which clearly showed that IPI did not know who exactly is the appropriate party to direct their request to. Mr. Tao responded that based on past experience, it was the Lottery Commission that would receive such requests. However, he noted that he is aware of recent changes in duties which is why they decided to send their request to the different parties. The Chairman informed Mr. Tao that Public Law 21-38 amended Public Laws 18-56 and 19-24, effectively removing the Lottery Commission of any authority over future licensing amendments.

The Chairman asked Mr. Tao if he had any knowledge of who was behind the document that was presented and signed by the Turkish workers who recently left the island. Mr. Tao answered that he was not aware of the issue until the Executive Director forwarded him a copy of the document and inquired about it. He noted that an internal investigation would have to be conducted to find who and where the document came from.

The Chairman inquired on IPI's progress on its compliance with the \$800K payroll reserve imposed by the federal court. Ms. Mafnas replied she does not have an update on the matter. The Chairman asked Ms. Mafnas who she receives her updates from. Ms. Mafnas disclosed that IPI hired an on-island Finance Assistant who is in communication with the Hong Kong office on all funding requests. The Chairman reminded Ms. Mafnas of the Commission's licensure requirements and advised that all employees apply for licensure before they start making decisions for the company.

The Chairman went back to Ms. Mafnas' request to discuss accounts receivables in executive session. He said that to his recollection, the amount of the accounts receivables is over \$1B of which \$700M were determined to be too difficult to collect. He noted that the Commission later uncovered, through the annual audit, that IPI had already collected about \$127M. Mr. Tao stated that he was not made aware of those transactions.

The Chairman reminded Mr. Tao that the Commission has brought up the issue of accounts receivables in previous meetings. He further added that in accordance with the regulations, IPI must make good faith effort to collect on its receivables which are more than 365 days due. Mr. Tao commented that whether or not the company collects or transfers funds occur, it would all be reflected in the annual report. He also noted that he and Ms. Mafnas have attempted to reach out to the collection team, but they have all been furloughed. He requested that further discussion on this financial issue be in executive session. The Chairman noted that he was advised that these matters are no longer privileged information and should not be discussed in executive session. Mr. Tao stated that because the company is facing challenges in terms of its accounts receivable operations, he strongly believes it to be sensitive information.

Commissioner Dela Cruz asked for an update on the status of the Commission's request for a listing of separated employees with unpaid wages which Ms. Redie Dela Cruz was to provide. Mr. Tao answered that he believes Ms. Dela Cruz is working on it and that it is in



its final stages. He said that he will make a note to follow up.

Mr. Tao disclosed that IPI is trying to scale back its operations therefore reducing cost. However, because there are still employees who are unwilling to leave the island, several housing units still need to be provided and maintained, inclusive of power and water services. IPI, at the same time, is still trying to save funds for other purposes, he said.

**B. Other Miscellaneous Matters**

The Chairman asked if Mr. Don Browne is still with IPI, to which Mr. Tao replied yes, disclosing that he is currently on personal leave.

The Chairman asked Mr. Tao for an update on the FinCEN inquiries. Mr. Tao divulged that there are three things that IPI needs to do regarding the inquiry. The first would be to submit all the documents requested, which is currently at 95% completion. The second is to conduct an internal investigation and review of all records dating back to August 2018, and the third is to hire a third-party auditor. The Chairman inquired if IPI has fulfilled all of the requirements from FinCEN, Mr. Tao answered yes, noting that IPI has an outside counsel in California who is guiding them through the process. The Chairman asked if IPI has paid a deposit to the lawyer as a retainer fee, Ms. Mafnas replied no. The Chairman asked the Director to obtain IPI's consent to communicate directly with the lawyer and to get an update on the issues related to FinCEN.

**V. OLD BUSINESS:**

**A. Administrative Evidentiary Hearings - Announcement of Schedules:**

1. February 25-26, 2021: Consolidated Complaint #20-001
2. March 2-3, 2021: Consolidated Complaint #20-003

The Chairman announced that the Commission included this item in the agenda for purpose of announcement. He noted that the first hearing will be held tomorrow, February 25, 2021 at 10:00 am. He added, however, that holding the hearing will be dependent on the consideration of a global settlement between parties.

**B. Other Old Business Matters - None.**

**VI. NEW BUSINESS:**

**A. Provisional Casino Key Employee License Application. Submitted by IPI.**

The Chairman reported that although an application was submitted by IPI, the Commission agreed to defer further discussion on the matter until there is a clear picture of what steps should be taken next.

**B. Approval of CCC's Fiscal Year 2022 Budget Appropriations Request.**

The Chairman announced that the Office of Management and Budget (OMB) has issued the "Budget Call" for FY2022 requiring that all budget requests be submitted to OMB no later than Friday, February 26, 2021. He noted that the Commission's annual budget request relies solely on general appropriations and the annual Casino Regulatory Fee Fund (CRFF). He further stated that the Commission is looking to request the amount of \$3.15M of the CRFF and \$1 of general appropriations for FY2022, while maintaining the same numbers of FTEs as in previous request.

Commissioner Dela Cruz made a motion to approve the CCC's Fiscal Year 2022 Budget Appropriations Request. The motion was seconded by Commissioner Songao, was put to a vote and unanimously approved.

The Chairman shared that the budget request will be forwarded to OMB, the Governor's Office and the Legislature tomorrow, February 25, 2021. He thanked all the staff involved for their efforts in putting together the budget request.

C. Approval of Commission Order No. 2021-001: *"Authorizing the Executive Director to Require Employees to Provide Proof of Covid-19 Vaccination"*.

The Chairman shared that the proposed order is to authorize the CCC Executive Director to require employees to provide proof of the COVID-19 vaccination. As earlier mentioned, the Governor issued a directive requiring all employees of the executive branch to take the COVID-19 vaccine. He noted that the only exceptions to the requirement would be those with existing medical conditions and persons with religious exemptions.

Counsel Ernest explained that great consideration has been taken to allow for the religious and medical flexibilities. He noted that the Commission would be ordering the Executive Director to report on the numerical data of those vaccinated and would not include any individual employee's identifying information. He stated that this is unchartered waters for the Commission but that there are various federal Equal Employment Opportunity (EEO) laws that apply to these situations. He further explained that the Director can ask any one of the employees if they have come into contact with anyone with COVID-19 like symptoms, but he cannot mention specifics about who of the employee's family members were rumored to have COVID-19, as it is a violation of the Genetic Information Nondiscrimination Act (GINA). He added that the Order also allows for administrative leave with pay to allow employees to get their vaccination, and noted that there is no specific deadline to have it completed.

Commissioner Dela Cruz made a motion to approve Commissioner Order No. 2021-001, seconded by Commissioner Songao. The motion was put to a vote and unanimously approved.

The Chairman recommended the meeting be recessed until tomorrow, February 25, 2021, due to pending matters within the agenda. He noted that the public meeting will resume at 9:00 am to entertain the remaining items on the agenda and the evidentiary hearing will follow at 10:00 am.

Recess was called by the Chairman at 11:56 am on Wednesday, February 24, 2021.

The Chairman called the meeting back to order at 9:04 am on Thursday, February 25, 2021. All Commissioners were present.

D. Senate Bill No. 22-09, SD1. A Bill for An Act *"To amend 4 CMC § 2313(g) relative to the compensation of the commissioners; to amend 4 CMC § 2314 to separate the regulation of the casino gaming and the hotel facilities; and for other purposes"*.

The Chairman shared his opinion that he is unsure of the intent of the bill as it is attempting to remove statutory authority from the Commission that it currently does not have in reference to the regulation of the casino gaming and hotel facilities. On the other hand, he said that the bill appears to be reasonable as far as the compensation of the Commissioners is concerned. He added that the bill makes reference to those receiving benefits from the CNMI retirement program which would require Commissioners to choose between receiving retirement pensions or the Commission's compensation. He noted that there seems to be two issues with the bill; one being that, based on existing law, Commissioners are not considered government employees. If they were, they would be entitled to benefits such as health and

life insurance, which they are not, the Chairman explained. Another issue noted by Chairman is if the bill becomes law, it would not be applicable until three or four years from its enactment. The Chairman concluded that he does not see the urgency to pass the bill and that the only comment from the Commission would be that it is unnecessary.

- E. Senate Bill No. 22-23. A Bill for An Act *"To authorize a second casino license in the event that the exclusive casino license is revoked by the Commonwealth Casino Commission; and for other purposes"*.

The Chairman shared that he included this bill on the agenda purely for informational purposes and noted that the Commission should refrain from commenting as it is prefaced on future action by the Commission in reference to the revocation of the exclusive license.

- F. Consideration of Global Settlement Agreement in Enforcement Actions 2020-001 (consolidated) and 2020-003 (consolidated).

The Chairman asked Counsel Ernest brief the Commission on the matter.

Counsel Ernest disclosed that negotiations were ongoing through the night and noted that the substance of the discussions is not admissible and would be improper. He said that there were some matters presented that he was uncomfortable with, therefore, there is nothing for the Commission to act on, further noting that the Commission is ready to move forward with the hearing on the first consolidated complaint.

Counsel Ernest stated that IPI's Counsel, Mr. Tiberius Mocanu, is the Attorney he's been dealing with. He believes Mr. Mocanu wishes to address the Commission during the hearing. Counsel Ernest apologized for having the Commission amend the agenda to include this item knowing that the negotiations were not completed, but he felt it necessary for the interest of the public and his client had the negotiations gone through. Mr. Mocanu confirmed that Counsel Ernest's factual rendition of the events that transpired leading up to today are exactly correct.

The Chairman announced that the hearing scheduled for 10:00 am will be postponed until 2:00 pm today, February 25, 2021, to allow the Commission to finish up with its regular meeting.

## VII. EXECUTIVE SESSION:

Commissioner Taitano made a motion to enter into executive session to consult with Legal Counsel and to hear reports from the CCC's Enforcement, Compliance and Audit Divisions. The motion was seconded by Commissioner Songao and was put to a roll call vote with all Commissioners voting yes. Executive session began at 9:15 am.

- A. Consult with Legal Counsel
- B. Report by the CCC Divisions (Enforcement, Compliance, and Audit)

Commissioner Dela Cruz made a motion to exit executive session, seconded by Commissioner Taitano. The motion was put to a vote and unanimously approved. Chairman DeLeon Guerrero called the public meeting back to order at 11:03 am.

The Chairman reported that during the executive session, that Commission consulted with both Legal Counsels, Mr. Ernest and Mr. Lowrey. The Commission also heard a report from IPI on the current issues with the collection efforts of the accounts receivables. The Commission also received updates from the different divisions of the CCC.


VIII. ADJOURNMENT

Commissioner Dela Cruz made a motion to adjourn the meeting, seconded by Commissioner Taitano. The motion was put to a vote and unanimously approved. The meeting was adjourned at 11:08 am on February 25, 2021.

Prepared by:  Date: 4/7/2021  
Elicia San Nicolas, Executive Secretary

And  Date: 4/7/2021  
Ruth Ann P. Sakisat, Executive Assistant

APPROVED AND ADOPTED ON: 22nd day of April, 2021.

 Date: 04/22/2021  
Ramon M. Dela Cruz  
Commission Secretary