

A BILL FOR AN ACT

To amend the Code of the Federated States of Micronesia by establishing a new title 13 thereof for the purpose of establishing a Register of Financial Interests for public officials and candidates for public office, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1           Section 1. The Code of the Federated States of Micronesia  
2 is hereby amended by establishing a new title 13 thereof to be  
3 entitled "Public Officials - Register of Financial Interests".

4           Section 2. Title 13 of the Code of the Federated  
5 States of Micronesia is hereby amended by establishing a  
6 new chapter 1 entitled "General Provisions".

7           Section 3. Title 13 of the Code of the Federated  
8 States of Micronesia is hereby amended by establishing a  
9 new section 101 of chapter 1 to read as follows:

10           "Section 101. Definitions.

11           For the purposes of this title, the following terms shall  
12           be given the meanings described herein:

13                   (1) 'Business' includes every occupation, profession,  
14                   sole proprietorship, partnership, corporation, or any  
15                   other association that engages in business or commerce  
16                   within the Federated States of Micronesia.

17                   (2) 'Candidate' means a person who files a nomination  
18                   paper under section 202 of title 9 of the Code of the

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1 Federated States of Micronesia for an election to the  
2 Congress of the Federated States of Micronesia.

3 (3) 'Contribution' means any loan, gift, donation,  
4 payment, or anything of value, including personal or  
5 professional services, provided other than for  
6 compensation at full market value. The term  
7 'contribution' does not include:

8 (a) Services of the sort commonly performed by  
9 volunteers in election campaigns;

10 (b) Any contribution which is returned to the  
11 giver within five business days of being received;

12 (c) Ordinary home hospitality;

13 (d) Any news item, report or editorial that is  
14 published or broadcast by any news medium that is in the  
15 business of being a news medium and is not controlled by  
16 the candidate or a candidate's committee; or

17 (e) Any sign or poster displayed on a person's  
18 own property.

19 (4) 'Immediate family' means, with reference to a  
20 natural person, that person's spouse, and dependent  
21 children living in the household of the person.

22 (5) 'Public official' includes all members of the  
23 Congress of the Federated States of Micronesia, the  
24 President and Vice President, the Chief Justice and  
25 Associate Justices of the Supreme Court, the Secretaries

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1 of all Executive Departments, the Assistant Secretaries of  
2 all Executive Departments, the Directors of all Executive  
3 Offices, the Public Auditor, and all members of the Board  
4 of Directors of the Development Bank of the Federated  
5 States of Micronesia.

6 (6) 'Remuneration' means any monetary or in-kind  
7 compensation, including salaries, fees, and any taxable  
8 expenses, allowances, or benefits.

9 (7) 'Reporting person' means any public official or  
10 candidate required to file a statement of financial  
11 interest pursuant to this title.

12 (8) 'Secretary' means the Secretary of the Department of  
13 Justice of the Federated States of Micronesia.

14 (9) 'Securities' includes bonds, mortgages, notes,  
15 obligations, warrants, and stocks of any class, investment  
16 interests in limited or general partnerships, and  
17 certificates of deposit."

18 Section 4. Title 13 of the Code of the Federated States of  
19 Micronesia is hereby further amended by establishing a new  
20 section 102 of chapter 1 to read as follows:

21 "Section 102. Forms and rules.  
22 The Secretary shall create such forms and issue such  
23 rules, not inconsistent with the provisions of this title,  
24 as are necessary and appropriate to accomplish the  
25 purposes of this title."

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1           Section 5. Title 13 of the Code of the Federated States of  
2 Micronesia is hereby further amended by establishing a new  
3 section 103 of chapter 1 to read as follows:

4           "Section 103. Enforcement.

5           The Secretary shall have the authority to issue orders  
6           requiring compliance with the provisions of this title and  
7           to seek, in the National Courts, temporary and permanent  
8           restraining orders against any person who is in violation  
9           of this title."

10          Section 6. Title 13 of the Code of the Federated States of  
11 Micronesia is hereby further amended by establishing a new  
12 chapter 2 entitled "Public Official and Candidate Disclosures".

13          Section 7. Title 13 of the Code of the Federated States  
14 of Micronesia is hereby further amended by establishing a new  
15 section 201 of chapter 2 to read as follows:

16          "Section 201. Statement of financial interests.

17                 (1) Every public official shall, after January 1 and  
18                 before April 15 of each year, file with the Secretary on a  
19                 form created for the purpose, a statement of financial  
20                 interests for the preceding calendar year.

21                 (2) Every candidate shall, within five days of filing  
22                 a nomination paper, file with the Secretary on a form  
23                 created for the purpose, a statement of financial  
24                 interests covering the period from January 1 of the  
25                 preceding calendar year to the date of filing his or her

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1           nomination paper. Every candidate shall file a second  
2           statement of financial interests no later than fifteen  
3           days prior to the election on a form created for the  
4           purpose, and covering the period from the date of filing  
5           his or her nomination paper to twenty days prior to the  
6           election.

7           (3) Every person who becomes a public official by  
8           being appointed to fill a vacant position shall, within  
9           thirty days of being appointed, file with the Secretary on  
10          a form created for the purpose, a statement of financial  
11          interests covering the period from January 1 of the  
12          preceding calendar year to the date of appointment.

13          (4) Each statement of financial interests shall  
14          include a certification, signed by the reporting person,  
15          that the information contained therein is 'complete and  
16          correct'."

17          Section 8. Title 13 of the Code of the Federated States of  
18          Micronesia is hereby further amended by establishing a new  
19          section 202 of chapter 2 to read as follows:

20          "Section 202. Contents of statement of financial  
21          interests.

22          The statement of financial interests required by section  
23          201 of this title shall include, with respect to each  
24          reporting person and his or her immediate family, the  
25          following information:

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1                   (1) Remunerated positions. Any remunerated  
2                   occupation, employment, office, trusteeship, partnership,  
3                   directorship, or position of any nature held by the  
4                   reporting person or a member of his or her immediate  
5                   family with any business, organization, or government  
6                   entity other than the Government of the Federated States  
7                   of Micronesia. The reporting person shall disclose the  
8                   name and principal address of the entity, a general  
9                   description of the nature of the entity and its activity,  
10                  the position held, and the approximate number of hours  
11                  spent on the position.

12                   (2) Business ownership. Any ownership interest in  
13                   excess of \$1,000 in a business held by the reporting  
14                   person or a member of his or her immediate family, where  
15                   such interest represents at least ten percent of the  
16                   business's value. The reporting person shall disclose the  
17                   name and principal address of the business, a general  
18                   description of the nature of the business and its  
19                   activity, and the percentage interest held in the  
20                   business.

21                   (3) Clients. Any person, business, organization,  
22                   or government entity to whom the reporting person or a  
23                   member of his or her immediate family provided services  
24                   with a value in excess of \$1,000 in the course of the  
25                   reporting period. The reporting person shall disclose the

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1        name and address of the client and the nature of the  
2        services provided.

3                (4) Real property interests. Any holdings of  
4        real property, other than the reporting person's primary  
5        residence, in which the reporting person or a member of  
6        his or her immediate family has an interest with a current  
7        market value in excess of \$10,000, either personally or by  
8        virtue of an ownership interest in a business reported  
9        pursuant to subsection 2. The reporting person shall  
10       disclose the location and nature of the property, and the  
11       percentage interest held in the property.

12               (5) Investment interests. Any business not  
13       reportable pursuant to subsection (2) in which the  
14       reporting person or a member of his or her immediate  
15       family owns securities with a value in excess of \$1,000.  
16       The reporting person shall disclose the name and principal  
17       address of the business, and a general description of the  
18       nature of the business and its activity.

19               (6) Indebtedness. Any loans or credit  
20       arrangements for an amount in excess of \$1,000 entered  
21       into by the reporting person or a member of his or her  
22       immediate family or by a business reported pursuant to  
23       subsection (2), but excluding.

24               (a) liabilities to relatives;

25               (b) credit card balances; and

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1                   (c) any loan issued in the ordinary course of  
2                   business by a financial institution to finance:

3                               (i) educational costs;

4                               (ii) the cost of home purchase or  
5                   improvements for a primary or secondary residence; or

6                               (iii) purchase of a personally owned  
7                   motor vehicle, household furniture or appliances.

8                   The reporting person shall disclose the name and address  
9                   of the lender and the purpose of the loan or line of  
10                   credit.

11                   (7) Financial or material support. Any  
12                   contribution from a single source with a cumulative value  
13                   in excess of \$250 in the course of the reporting period,  
14                   which was solicited, encouraged, or received by or on  
15                   behalf of the reporting person or a member of his or her  
16                   immediate family and was in any way related to the  
17                   reporting person's candidacy in an election or to his or  
18                   her public office. The reporting person shall disclose the  
19                   name and address of the donor and, if not a natural  
20                   person, the nature of the donating entity; the reporting  
21                   person shall also disclose whether the donation was cash  
22                   or in-kind and, if in-kind, the nature of the donation.

23                   (8) Overseas visits. Any overseas visit made by  
24                   the reporting person or a member of his or her immediate  
25                   family which in any way arose out of the reporting

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1 person's candidacy or public office, where the cost of  
2 such visit was not wholly borne by the reporting person,  
3 by the Government of the Federated States of Micronesia,  
4 or by a combination thereof; the reporting person shall  
5 disclose the destination and purpose of the trip, the  
6 elements of the trip donated or funded by the donation,  
7 the name and address of the donor and, if not a natural  
8 person, the nature of the donating entity.

9 (9) Concessionary transactions. Any transaction  
10 with a value in excess of \$250, the terms of which  
11 differed substantially from standard prevailing commercial  
12 terms to the benefit of the reporting person or a member  
13 of his or her immediate family, either personally or with  
14 respect to an interest reported pursuant to subsection (1)  
15 or (2); the reporting person shall, disclose the nature of  
16 the transaction, the reason for the favorable terms, the  
17 names and addresses of the parties to the transaction and,  
18 if not a natural person, the nature of the entity granting  
19 the favorable terms."

20 Section 9. Title 13 of the Code of the Federated States of  
21 Micronesia is hereby further amended by establishing a new  
22 section 203 of chapter 2 to read as follows:

23 "Section 203. Guidance as to disclosure of interests.  
24 For the purpose of determining whether any interest must  
25 be reported under section 202 of this chapter, the

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1 interests of the reporting person and members of his or  
2 her immediate family shall be aggregated.

3 Section 10. Title 13 of the Code of the Federated States of  
4 Micronesia is hereby further amended by establishing a new  
5 section 204 of chapter 2 of title 13 to read as follows

6 "Section 204. Voluntary disclosures. Although nothing in  
7 this chapter should be interpreted as requiring the  
8 disclosure of dollar amounts, and no penalty shall be  
9 incurred for not making such a disclosure, the reporting  
10 party may voluntarily disclose that any amount was "less  
11 than \$1,000", "at least \$1,000, but less than \$5,000", "at  
12 least \$5,000, but less than \$10,000", "at least \$10,000,  
13 but less than \$25,000", "at least \$25,000, but less than  
14 \$100,000", or "more than \$100,000". Such voluntary  
15 disclosure is subject to the same penalties for incorrect  
16 reporting as the information required to be disclosed by  
17 this chapter."

18 Section 11. Title 13 of the Code of the Federated States of  
19 Micronesia is hereby further amended by establishing a new  
20 section 205 of chapter 2 to read as follows:

21 "Section 205. Publication of Register of Financial  
22 Interests. The Secretary shall:

23 (1) Publish a Register of Financial Interests  
24 compiling the individual statements of financial  
25 interests of public officials no later than June 1

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1           of each year;

2           (2) Publish a Register of Financial Interests  
3           of Candidates compiling the individual statements  
4           of financial interests of candidates no later than  
5           one hundred days prior to a general election and no  
6           later than thirty days prior to a special election,  
7           and a Supplemental Register of Financial Interests  
8           of Candidates no later than ten days prior to a  
9           general or special election;

10           (3) Ensure that such Registers of Financial  
11           Interests are made readily available to citizens of  
12           the Federated States of Micronesia, both online and  
13           in printed form."

14   Section 12. Title 13 of the Code of the Federated States of  
15   Micronesia is hereby further amended by establishing a new  
16   section 206 of chapter 2 to read as follows:

17           "Section 206. Civil and criminal penalties.

18           (1) Any reporting person who fails to file a properly  
19           completed statement of financial interests within the time  
20           prescribed by section 201 of this title, shall be subject  
21           to a civil penalty of \$100 for each day that such  
22           delinquency continues.

23           (2) Any reporting person who files a Statement of  
24           financial interests that is incorrect or lacks any  
25           information required by section 201 of this title shall be

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1           subject to a civil penalty in an amount not to exceed  
2           \$1,000 per violation.

3           (3) Any reporting person who, with an intent to  
4           deceive or to avoid any reporting requirement under this  
5           section, (a) files a Statement of Financial Interests  
6           that is incorrect or lacks any information required by  
7           section 201 of this title, (b) transfers any  
8           compensation, gift, debt or ownership interest to another  
9           person, or (c) causes any compensation, gift, debt or  
10          ownership interest to appear, inaccurately, to be the  
11          asset or liability of another person, shall be guilty of  
12          a crime punishable by a fine not to exceed \$10,000 per  
13          violation, imprisonment for a period not to exceed six  
14          months per violation, or both."

15          Section 13. This act shall become law upon approval by the  
16          President of the Federated States of Micronesia or upon it  
17          becoming law without such approval.

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19          Date: 8/1/11

Introduced by: /s/ Isaac V. Figir  
Isaac V. Figir

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