AN ACT

To further amend title 11 of the Code of the Federated States of Micronesia, as amended, by repealing chapters 1 through 10 and 12 through 14 in their entirety and enacting new chapters 1 through 10, to eliminate all references to major crimes and to define national crimes; to enact a new chapter 12 entitled sentencing; to enact a money laundering prohibition and related matters with an effective date delayed to July 1, 2001; and for other purposes.

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

Section 1. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by repealing chapters 1 through 10 and 12 through 14 in their entirety.

Section 2. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 1 entitled "General Provisions".

Section 3. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 101 of chapter 1 to read as follows:

"Section 101. Title. This act shall be known and cited as the 'Revised Criminal Code Act'."

Section 4. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 102 of chapter 1 to read as follows:

"Section 102. Applicability to crimes committed before and after effective date.

(1) Except as provided in subsection (2) of this section, this act does not apply to crimes committed before its effective date. For purposes of this section, a crime is committed before the effective date if any of the elements of the crime occurred before that date.

(2) Prosecutions for crimes committed before the
effective date are governed by the prior law, which is continued in effect for that purpose, as if the act were not in force."

Section 5. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 103 of chapter 1 to read as follows:

"Section 103. Jurisdiction of the Federated States of Micronesia.

(1) The National Government of the Federated States of Micronesia has exclusive jurisdiction over all national crimes, as defined in section 104(7) of this title, pursuant to article IX, section 2(p) of the Constitution of the Federated States of Micronesia.

(2) A person may be convicted and sentenced under the laws of the Federated States of Micronesia if:

(a) he or she commits, or attempts to commit a crime, in whole or in part within the Federated States of Micronesia; or

(b) being outside the Federated States of Micronesia, he or she conspires with, causes, assists, aids or abets another to commit or attempt to commit a crime within the Federated States of Micronesia; or

(c) being outside the Federated States of Micronesia, he or she intentionally causes, or attempts to cause a result within the Federated States of Micronesia prohibited by the criminal laws of this
Section 6. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 104 of chapter 1 to read as follows:

"Section 104. Definitions. The definitions in this section shall apply throughout this title, unless otherwise specified or a different meaning is plainly required.

(1) 'Crime' means an act committed or omitted in violation of any law forbidding or commanding it, and which, upon conviction, is punishable by either or both of the following:
   (a) imprisonment; or
   (b) fine.

(2) 'Criminal negligence' means to engage in conduct which creates a substantial and unjustifiable risk of bodily injury to another, or to engage in conduct which constitutes gross deviation from the standard of care that a reasonable person would exercise, which conduct causes the criminal result.

(3) 'Felony' means any crime which is punishable by imprisonment for more than one year.

(4) 'Intent' means acting with the conscious purpose to engage in the conduct specified, refrain from the omission specified or cause the specific result.

(5) 'Knowledge' means being aware of the nature of the
conduct or omission or of the existing circumstances, or believing that a fact exists which brings the conduct or omission within the provisions of this code. It does not require any knowledge of the unlawfulness of such conduct or omission.

(6) 'Misdemeanor' means any crime which is not a felony.

(7) 'National crime' means:

(a) any crime which is

(i) inherently national in character and defined anywhere in this title; or

(ii) otherwise a crime against the Federated States of Micronesia.

(b) A crime is 'inherently national in character' when any of the following is true:

(i) the crime is committed in the exclusive economic zone of the Federated States of Micronesia as defined in title 18 of this Code;

(ii) the crime is committed in the airspace above the territory comprising the Federated States of Micronesia as defined in article I, section 1 of the FSM Constitution;

(iii) the crime is committed on any airborne vehicle of the National Government, regardless of that vehicle’s location;

(iv) the crime is committed on any watergoing
vessel flagged and registered by the Federated States of Micronesia regardless of that watergoing vessel’s location;

(v) the crime is committed on any watergoing vessel of the National Government regardless of that vessel’s location;

(vi) the crime is committed against a national public servant in the course of, in connection with, or as a result of that person’s employment or service;

(vii) the crime is committed against a former national public servant in retaliation for an act undertaken while that person was engaged in public service and within the scope of his or her official duties;

(viii) the crime is committed by a national public official or public servant while that person is engaged in his or her official duties or in violation of a fiduciary duty;

(ix) the crime involves property belonging to the National Government; or

(x) the crime is committed against any person participating in or attempting to participate in a national election.

(8) 'Official proceedings' means any procedure conducted by or under the supervision of a judge,
magistrate, judicial officer or other public official in relation to any alleged offense or proven offense, and includes an inquiry, investigation, or preliminary or final determination of facts.

(9) Person. The terms 'person', 'he', 'she', 'accused' and 'defendant' include any natural or legal person, including but not limited to, a government, corporation or unincorporated association, or other organization.

(10) 'Principal' means a person who commits or participates in the commission of a crime and shall include a co-conspirator, accomplice or an aid or abettor.

(11) 'Public official' and 'public servant' means any person elected, appointed or employed to perform a governmental function on behalf of the Federated States of Micronesia, or any department, agency or branch thereof, or any allottee as defined in the Financial Management Act of 1979, in any official function under or by authority of any such agency or branch of government. The terms include, but are not limited to, legislators, judges, law enforcement officers, advisors and consultants, but do not include witnesses.

(12) 'Reckless' means to engage in conduct with a willful disregard for the safety of others or to engage in conduct in a manner that constitutes a gross
deviation from the standard of care that a reasonable
person would exercise in the situation.

(13) 'Serious bodily injury' means bodily injury which
creates a high probability of death or which causes
serious permanent disfigurement or which causes a
permanent or protracted loss or impairment of the
function of any bodily member or organ, or other bodily
injury of like severity.

(14) 'Willfully' means to act with a purpose or
willingness to commit an act, or to make an omission.
It does not require any intent to violate the law, or to
injure another, or to acquire any advantage.

(15) 'Property' shall mean both real and personal
property."

Section 7. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 105 of chapter 1 to read as follows:

"Section 105. Statute of limitations.

(1) A prosecution for murder or treason may be
commenced at any time.

(2) A prosecution for a crime which is punishable by
imprisonment for ten years or more must be commenced
within six years after it is committed or within two
years after it is discovered or with reasonable
diligence could have been discovered, whichever is
longer.
(3) A prosecution for any other felony must be commenced within three years after it is committed, or within one year after it is discovered or with reasonable diligence could have been discovered, whichever is longer. 

(4) A prosecution for a misdemeanor must be commenced within two years after it is committed. 

(5) The time limitation set by the statute does not run:

   (a) during any time when the accused is continuously absent from the complaining jurisdiction or has no reasonably determinable place of abode or work within the jurisdiction; or 

   (b) during any time when a prosecution against the accused for the same conduct is pending in this jurisdiction. 

(6) A prosecution is commenced either when an information or complaint is filed or when an arrest warrant, summons or other process is issued, provided that reasonable attempts are made at service."

Section 8. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 106 of chapter 1 to read as follows:

"Section 106. Venue.

(1) All trials of national crimes shall be held in the State in which the crime was committed.
(2) If elements of the crime(s) were committed in different States, the trial may be held in any State in which a material element was committed.

(3) If elements of a national crime were committed in the exclusive economic zone, or elsewhere out of the boundaries of any State, the trial shall be held in the State in which the accused is arrested or is first brought or in which the majority of the witnesses are located.

(4) Either a defendant or the Government may petition the court for a change of venue for good cause. The court shall determine the place of trial with due regard to the convenience of the defendant and the witnesses and the prompt administration of justice."

Section 9. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 107 of chapter 1 to read as follows:

"Section 107. **Defenses.**

(1) A defense is a fact or set of facts which removes or mitigates penal liability.

(2) No defense may be considered by the trier of fact unless evidence of the specified fact or facts has been presented.

(a) a defendant is entitled to an acquittal if, in light of all the evidence presented, a reasonable doubt as to the defendant’s guilt is found to exist;
however,

(b) if a defense is designated an affirmative defense by this act or another statute, the defendant is entitled to an acquittal if the defense evidence presented, when considered in the light of any contrary evidence, proves by a preponderance of the evidence the specified fact or facts, which fact(s) remove or mitigate penal liability.

(3) It is a complete defense to a criminal charge that at the time of engaging in the wrongful conduct the defendant was legally incapable of committing a crime as defined in chapter 3, section 301A of this title."

Section 10. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 108 of chapter 1 to read as follows:

"Section 108. Customary law.

(1) Generally accepted customs prevailing within the Federated States of Micronesia relating to crimes and criminal liability shall be recognized and considered by the national courts. Where conflicting customs are both relevant, the court shall determine the weight to be accorded to each.

(2) Unless otherwise made applicable or given legal effect by statute, the applicability and effect of customary law in a criminal case arising under this act shall be determined by the court of jurisdiction in such
(3) The party asserting applicability of customary law
has the burden of proving by a preponderance of the
evidence the existence, relevance, applicability, and
customary effect of such customary law."

Section 11. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 109 of chapter 1 to read as follows:

"Section 109. Severability. If any provision of this
title or amendments or additions thereto, or the
application thereof to any person, thing or circumstance
is held invalid, the invalidity does not affect the
provisions, application, amendments or additions that
can be given effect without the invalid provisions or
application, and to this end the provisions of this
title and the amendments or additions thereto are
severable."

Section 12. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new chapter 2 entitled "Inchoate Crimes".

Section 13. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 201 of chapter 2 to read as follows:

"Section 201. Attempt.

(1) A person commits the crime of an attempt to commit
a crime if, with intent to commit a national crime, he
or she does an act which constitutes a substantial step in a course of conduct planned to culminate in the commission of that crime.

(2) It is an affirmative defense to a charge of attempt that the crime was not committed because the defendant desisted voluntarily and in good faith and abandoned his or her intention to commit the crime.

(3) Conduct shall not be considered a substantial step under this section unless it is strongly corroborative of the defendant's criminal intent."

Section 14. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 202 of chapter 2 to read as follows:

"Section 202. Solicitation.

(1) A person commits the crime of solicitation if, with intent to promote or facilitate the commission of a national crime, he or she commands, encourages, or requests another person to engage in conduct or cause the result specified by the definition of the crime, which would be sufficient to establish complicity in the specified conduct or result.

(2) Communication with the person being solicited may be direct or indirect. It is immaterial under subsection (1) of this section that the defendant fails to actually communicate with the person being solicited or if the defendant fails to convince the person being
solicited to participate. 

(3) It is an affirmative defense to the prosecution for solicitation that the defendant, under circumstances showing a complete and voluntary renunciation of his or her criminal intent, made a reasonable effort to prevent the conduct or result solicited."

Section 15. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 203 of chapter 2 to read as follows:

"Section 203. Conspiracy.

(1) A person commits the crime of conspiracy if he or she agrees with one or more persons to:

(a) commit any crime; and

(b) any party to the conspiracy commits an overt act in furtherance of the conspiracy.

(2) If a person conspires to commit a number of crimes, he or she is guilty of only one conspiracy if the multiple crimes are the object of the same agreement or continuous conspiratorial relationship.

(3) The agreement to conspire may be implicit or explicit and need not be oral or in writing but may be shown by the circumstances surrounding the conduct of the conspirators.

(4) The crime underlying the conspiracy need not have been accomplished for the crime of conspiracy to occur.

(5) Nothing in this section shall be construed as a
(6) A defendant is responsible for all actions of a co-conspirator that are taken in furtherance of the conspiracy, whether or not those actions were part of any plan and whether or not the defendant was privy to them.

(7) It is an affirmative defense to a prosecution for conspiracy that the defendant, under circumstances showing a complete and voluntary renunciation of criminal intent, made a reasonable effort to prevent the conduct or result which was the object of the conspiracy."

Section 16. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 204 of chapter 2 to read as follows:

"Section 204. Penalties for attempt, solicitation, and conspiracy. A person convicted of attempt, solicitation, or conspiracy shall be imprisoned:

(1) for not more than ten years if the maximum sentence provided for any crime which was the object of the attempt, solicitation, or conspiracy is life imprisonment; or

(2) for not more than one-half the maximum sentence which is provided for the most serious crime which was the object of the attempt, solicitation, or conspiracy, if the maximum is less than life imprisonment."
Section 17. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 3 entitled "General Principles of Responsibility".

Section 18. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 301 of chapter 3 to read as follows:

"Section 301. Liability for crimes.

(1) All persons shall be treated as a principal to a crime if that person:

(a) directly commits any act constituting a crime;

(b) while acting with the state of mind that is sufficient for the commission of the crime, causes an innocent person or person legally incapable, as defined by section 301a of this chapter, to engage in such conduct;

(c) having a legal duty to prevent the commission of a crime, fails to make proper effort to do so; or

(d) whether or not being present during the commission of the crime, intentionally aids, abets, advises, solicits, counsels, encourages, commands, threatens, menaces or coerces another to commit a crime, or conspires with or otherwise procures another to commit a crime.

(2) A person liable under subsection (1) of this section is also liable for any other crime committed in
the pursuance of the intended crime if that crime is reasonably foreseeable by him as a probable consequence of committing, or attempting to commit, the crime intended.

(3) A person liable under this section may be charged with and convicted of the crime although other principals to the same crime have not been prosecuted or convicted, or have been convicted of a different crime or degree of crime."

Section 19. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 301A of chapter 3 to read as follows:

"Section 301A. Persons capable of committing crimes. All persons are capable of committing crimes except the following:

(1) Children under the age of 14, unless there is clear proof that at the time of engaging in the wrongful conduct, they knew it was wrong.

(2) Persons under the legal conservatorship of another, unless there is clear proof that at the time of engaging in the wrongful conduct, they knew it was wrong.

(3) Persons whose conduct was a result of an ignorance or mistake of fact, which disproves criminal intent.

(4) Persons who engaged in the wrongful conduct without being conscious.
(5) Persons whose actions are a result of duress such that they had reasonable cause to and did believe that they would suffer immediate, life threatening injury if they refused to act."

Section 20. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 302 of chapter 3 to read as follows:

"Section 302. Physical or mental disease, disorder, or defect excluding criminal responsibility.

(1) No person shall be convicted, sentenced, or otherwise punished for any crime committed while suffering from a physical or mental disease, disorder or defect such that the disease, disorder or defect prevented that person from knowing the nature of the criminal act or that it was wrong.

(2) The terms 'physical or mental disease, disorder, or defect' do not include voluntary intoxication or an abnormality manifested only by repeated criminal or otherwise antisocial conduct.

(3) The party asserting such a condition has the burden of proving the existence of the physical or mental disease, disorder, or defect by clear and convincing evidence.

(4) When the defendant is acquitted on the grounds of physical or mental disease, disorder, or defect excluding responsibility, the verdict and the judgment
shall so state. If the court determines that a person accused of a felony was suffering such a condition at the time of the criminal conduct, judgment in favor of the defendant shall be entered and:

(a) the court shall retain jurisdiction over the accused for a period not to exceed the maximum time of imprisonment allowed for the crime;

(b) the court shall, subject to the law governing the civil commitment or conditional release of persons suffering from physical or mental disease, disorder, or defect, order the defendant to be committed or released on such conditions as the court determines necessary; or

(c) the court may, at regular intervals, review the condition and behavior of the defendant and continue or revise any orders as the court determines necessary.

(5) Judgment in favor of the defendant shall reflect the physical or mental disease, defect or disorder suffered by the defendant at the time the crime was committed, the condition of the defendant at the time judgment is entered and the course of treatment, if any is ordered."

Section 21. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 303 of chapter 3 to read as follows:

"Section 303. Evidence of physical or mental disease, disorder, or defect admissible when relevant to element
of the crime. Evidence that the defendant suffered from a physical or mental disease, disorder, or defect is admissible whenever it is relevant to prove that the defendant did or did not have a state of mind which is an element of the crime."

Section 22. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 304 of chapter 3 to read as follows:

"Section 304. Physical or mental disease, disorder, or defect excluding fitness to proceed.

(1) No person who, as a result of physical or mental disease, disorder, or defect, lacks capacity to understand the proceedings against him or her, or to assist in his or her own defense, shall be tried, convicted, or sentenced for the commission of a crime so long as such incapacity endures.

(2) If the court determines that the defendant lacks fitness to proceed, the proceeding against him or her shall be suspended, and the court shall commit him or her, for a reasonable period of time, to an appropriate institution for the purpose of restoring fitness to proceed. If the court is satisfied that the defendant may be released on conditions without danger to himself or herself or to the person or property of another, the court shall order his or her release, which shall continue at the discretion of the court, on such
conditions as the court determines necessary.

(3) When the court, on its own motion or upon the application of the institution, or the prosecuting attorney, or the defendant, determines after a hearing, if a hearing is requested, that the defendant has regained fitness to proceed, the proceeding shall be resumed. If the court determines that so much time has elapsed due to the unfitness of the defendant to proceed that it would be unjust to resume the criminal proceeding, the court may dismiss the charge and may order the defendant to be discharged or, subject to the law governing the civil commitment or conditional release of persons suffering from physical or mental disease, disorder, or defect, order the defendant to be committed or released on such conditions as the court determines necessary."

Section 23. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 305 of chapter 3 to read as follows:

"Section 305. **Statements for purposes of examination and treatment.** A statement of a person made pursuant to treatment under this chapter, or made pursuant to an examination for the purpose of assessing criminal responsibility or fitness to proceed, shall not be admissible in evidence against him or her in any criminal proceeding on any issue other than that of his
or her physical or mental condition excluding responsibility or fitness to proceed, but it shall be admissible upon those issues of whether or not it would otherwise be deemed a privileged communication, unless such statement constitutes an admission of guilt to the crime charged."

Section 24. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 306 of chapter 3 to read as follows:

"Section 306. Voluntary intoxication.

(1) An act committed while in a state of voluntary intoxication is not less criminal by reason thereof. Evidence of voluntary intoxication shall not be admitted regarding the capacity to form any mental states for the crimes charged. Evidence of voluntary intoxication is admissible solely on the issue of whether or not the defendant actually formed a required specific intent, when a specific intent crime is charged.

(2) Intoxication does not, in itself, constitute a physical or mental disease, disorder, or defect within the meaning of this chapter.

(3) When recklessness establishes an element of the crime, if the defendant, due to voluntary intoxication, is unaware of a risk that he or she would have been aware of had he or she been sober, such unawareness is immaterial.
(4) 'Intoxication' means a disturbance of mental or physical capabilities resulting from the introduction of substances into the body regardless of whether the substance introduced is legal, illegal, prescribed by a medical practitioner, or otherwise taken for health reasons."

Section 25. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 4 entitled "Crimes Against National Security".

Section 26. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 401 of chapter 4 to read as follows:

"Section 401. **Treason.**

(1) A person who is a citizen or national of, or who is domiciled in, the Federated States of Micronesia commits the crime of treason if that person:

(a) levies war against the Federated States of Micronesia; or

(b) adheres to the enemies of the Federated States of Micronesia, giving them aid and comfort.

(2) 'Levying war' includes an act of war or insurrection of several persons with intent to prevent, by force or intimidation, the execution of a statute of the Government, or to force its repeal. It does not include either a conspiracy to commit an act of war or a single instance of resistance to the execution of the
law for a private purpose.

(3) A person convicted under this section shall be imprisoned for not less than two years and may be imprisoned for life."

Section 27. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 402 of chapter 4 to read as follows:

"Section 402. Armed insurrection.

(1) A person commits the crime of armed insurrection if he or she engages in an armed insurrection with intent to overthrow, supplant, or change the form of Government of the Federated States of Micronesia, or, knowing that such armed insurrection is in progress or impending, he or she facilitates it or solicits, incites, or conspires with another to engage in or facilitate it.

(2) A person convicted under this section shall be imprisoned for not more than twenty years."

Section 28. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 403 of chapter 4 to read as follows:

"Section 403. Advocating armed insurrection.

(1) A person commits the crime of advocating armed insurrection if, with intent to induce or otherwise cause another to engage in armed insurrection in violation of section 402 of this title, he or she:
(a) advocates the desirability or necessity of
armed insurrection under circumstances in which there is
substantial likelihood that his or her advocacy will
immediately produce a violation of section 402 of this
title; or

(b) organizes an association which engages in the
advocacy prohibited in subsection (1)(a) of this
section, or, as an active member of such association,
facilitates such advocacy.

(2) A person convicted under this section may be
imprisoned for life if death or serious bodily injury
results from the violation, otherwise that person shall
be imprisoned for not more than ten years."

Section 29. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 404 of chapter 4 to read as follows:

"Section 404. Revealing classified information.

(1) A person commits the crime of revealing classified
information if he or she:

(a) intentionally communicates classified
information to an unauthorized person;

(b) knowingly obtains classified information
without authorization; or

(c) solicits another to communicate classified
information to an unauthorized person.

(2) 'Classified information' means information the
dissemination of which has been restricted by the
President for reasons of national security.

(3) A person convicted under this section shall be
imprisoned for not more than twenty years."

Section 30. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new chapter 5 entitled "Crimes Against Public Administration".

Section 31. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new subchapter I of chapter 5 entitled "Obstructing Government
Operations".

Section 32. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 501 of chapter 5 to read as follows:

"Section 501. Obstructing a public official in
discharge of duties.

(1) A person commits a crime if he or she willfully
interferes with, delays, or obstructs a public official
in the discharge or attempted discharge of any duty of
his or her office.

(2) A person convicted under this section shall be
imprisoned for not more than one year."

Section 33. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 502 of chapter 5 to read as follows:

"Section 502. Resisting arrest or other law
enforcements.

(1) A person commits a crime if, for the purpose of preventing a public official from effecting a lawful arrest or discharging any other duty, the person creates a substantial risk of bodily injury to the public official or anyone else, or employs means justifying or requiring substantial force to overcome the resistance.

(2) A person convicted under this section shall be imprisoned for not more than five years."
to a warning given in connection with an effort to bring
another into compliance with the law; or
    (e) volunteers false information to any law
enforcement officer.

(2) A person convicted under this section shall be
imprisoned:
    (a) for not more than five years if the conduct
which the defendant knows has been charged or is liable
to be charged against the person aided is punishable by
imprisonment for ten or more years;
    (b) otherwise, for not more than one year."

Section 35. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 504 of chapter 5 to read as follows:

"Section 504. Compounding.

(1) A person commits a crime if he or she accepts or
agrees to accept any pecuniary benefit in consideration
of refraining from reporting to law enforcement
authorities the commission or suspected commission of
any national crime or information relating to such a
crime, or from cooperating with prosecution of such a
crime. It is a defense to prosecution under this
section that the pecuniary benefit did not exceed an
amount which the defendant believed to be due as
restitution or indemnification for harm caused by the
crime.
(2) A person convicted under this section shall be
imprisoned for not more than one year."

Section 36. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 505 of chapter 5 to read as follows:

"Section 505. Escape.

(1) A person commits the crime of escape if he or she
unlawfully removes himself or herself from official
detention or fails to return to official detention
following temporary leave granted for a specific purpose
or limited period. 'Official detention' means arrest
and detention in any facility for custody of persons
under charge or conviction of a national crime, under
detention for extradition or deportation, or any other
detention for law enforcement purposes. The term
'official detention' shall apply only to detention by a
public servant of the Federated States of Micronesia, or
by any other person legally authorized or empowered to
arrest or detain on behalf of the Federated States of
Micronesia. 'Official detention' does not include
supervision of probation or parole, or constraint
incidental to release on bail.

(2) A public servant involved in detention commits a
crime if he or she knowingly permits an escape or
attempt to escape.

(3) Any person who knowingly causes or facilitates an
escape or attempt to escape commits a crime.

'Facilitating' includes providing any assistance necessary for an escape or attempt to escape.

(4) Irregularity in bringing about or maintaining detention, or lack of jurisdiction of the committing or detaining authority, shall not be a defense to prosecution under this section if the escape is from a prison or other custodial facility or from detention pursuant to commitment by official proceedings. In the case of other detentions, irregularity or lack of jurisdiction shall be a defense only if:

(a) the escape involved no substantial risk of harm to the person or property of anyone other than the defendant; or

(b) the detaining authority did not act in good faith under the color of law.

(5) A person convicted under this section shall be imprisoned:

(a) for not less than six months and not more than ten years if the escaping inmate employs force, a deadly weapon, or other dangerous instrumentality to make the escape; or

(b) otherwise, for not more than three years.

(6) Any sentence imposed under this section shall be served consecutive to all other criminal penalties imposed on the defendant."
Section 37. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 506 of chapter 5 to read as follows:

"Section 506. Implements for escape and other contraband.

(1) A person commits a crime if:

(a) he or she unlawfully introduces, within a detention facility, or unlawfully provides an inmate of a detention facility with any weapon, tool, or other thing which may be useful for escape; or

(b) being an inmate of a detention facility unlawfully procures, makes, or otherwise provides himself or herself with, or has in his or her possession, any weapon, tool, or other thing which may be useful for escape.

(2) A person commits a crime if:

(a) he or she provides an inmate of a detention facility with anything which the defendant knows the inmate may not lawfully possess; or

(b) being an inmate of a detention facility, he or she unlawfully procures, makes, or otherwise provides himself or herself with, or has in his or her possession, anything which he or she knows is unlawful to possess.

(3) 'Detention facility' refers only to a detention facility owned or operated by the Federated States of Micronesia."
Micronesia, or to any other detention facility if the inmate is detained therein pursuant to an arrest, charge, or conviction for a national crime, or to an accusation or adjudication of delinquency based upon a national crime, or detained for extradition or deportation purposes.

(4) 'Unlawfully' means surreptitiously or contrary to law, regulation, or order of the detaining authority.

(5) A person convicted under this section shall be imprisoned for not more than ten years if the unlawful item provided or possessed was a deadly weapon. Otherwise, a person convicted under this section shall be imprisoned for not more than three years."

Section 38. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 507 of chapter 5 to read as follows:

"Section 507. Bail jumping; default in required appearance.

(1) A person set at liberty by court order, with or without bail, upon condition that he or she will subsequently appear at a specified time and place, commits a crime if, without lawful excuse, he or she fails to appear at that time and place.

(2) This section shall apply only to persons whose detention was based upon a charge or conviction for a national crime, or upon an accusation or adjudication of
delinquency based upon a national crime, or whose
detention was for extradition or deportation purposes,
except that this section does not apply to obligations
to appear incident to release under suspended sentence
or on probation or parole.

(3) A person convicted under this section shall be
imprisoned:

(a) for not more than three years if the required
appearance was to answer to a charge of felony, or for
disposition of any such charge, and the defendant took
flight or went into hiding to avoid apprehension, trial,
or punishment;

(b) otherwise, by imprisonment for not more than
one year."

Section 39. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 508 of chapter 5 to read as follows:

"Section 508. Disrupting Government meetings.

(1) A person commits a crime if, with intent to
prevent or substantially disrupt, or recklessly creating
a risk thereof, or after a reasonable warning or request
to desist has been made, he or she continues in conduct
which prevents or substantially disrupts any official
proceeding or any meeting, ceremony, procession, or
other official gathering of the Federated States of
Micronesia, and he or she:
(a) does any act which physically obstructs or interferes with the gathering;
(b) engages in fighting or in violent behavior;
(c) addresses abusive language to any person present, which is likely to provoke a violent response; or
(d) creates a hazardous or physically offensive condition by any act which is not performed under any authorized license or permit.

(2) A person convicted under this section shall be imprisoned for not more than one year."

Section 40. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 509 of chapter 5 to read as follows:

"Section 509. Flight to avoid prosecution or giving testimony.

(1) A person commits a crime if he or she moves or travels in interstate or foreign commerce with intent either:

(a) to avoid prosecution, or custody, or confinement after conviction, under the laws of the jurisdiction from which the fugitive flees, for a crime or an attempt to commit a crime which is a felony under the laws of the jurisdiction from which the fugitive flees;

(b) to avoid giving testimony in any criminal
proceedings in such jurisdiction in which the commission
of a crime which is a felony under the laws of such
jurisdiction is charged; or

(c) to avoid service of, or contempt proceedings
for alleged disobedience of, lawful process requiring
attendance and the giving of testimony or the production
of documentary evidence before an agency of a
jurisdiction empowered by the law of such jurisdiction
to conduct investigations of alleged criminal
activities.

(2) A person convicted under this section shall be
imprisoned:

(a) for not more than three years if the required
appearance was to answer to a charge of a felony, or for
disposition of any such charge, and the defendant took
flight or went into hiding to avoid apprehension, trial,
or punishment;

(b) otherwise, by imprisonment for not more than
one year.

(3) Violations of this section may be prosecuted only
in the Federated States of Micronesia Supreme Court
sitting in the State in which the original crime was
alleged to have been committed, or in which the person
was held in custody or confinement, or in which an
avoidance of service of process or a contempt referred
to in subsection (1)(c) of this section is alleged to
have been committed, and only upon formal approval in
writing by the Secretary of the Department of Justice,
or an assistant Attorney General of the Federated States
of Micronesia, whose function of approving prosecutions
may not be delegated."

Section 41. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new subchapter II of chapter 5 entitled "Public Officials Code of
Conduct".

Section 42. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 510 of chapter 5 to read as follows:

"Section 510. Policy. Inherent in the success of any
democracy is the trust of its citizens in the honesty
and integrity of its public officials. To encourage
such trust and insure the integrity of public office, a
standardized code of conduct is needed. A public
official must conduct himself or herself in such a way,
in both public and private life, so as not to:

(1) place himself or herself in a position in which
there exists a conflict of interest or in which the fair
exercise of his or her public or official duties might
be compromised;

(2) demean his or her office or position;

(3) call into question his or her integrity;

(4) endanger or diminish respect for or confidence in
the integrity of the Federated States of Micronesia, National Government; or
(5) actually use or give the appearance of using his or her public office for personal gain."

Section 43. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 511 of chapter 5 to read as follows:

"Section 511. Definitions. The definitions in this section shall apply throughout this title, unless otherwise specified or a different meaning is plainly required.

(1) 'Benefit' shall mean gain or advantage of any kind, and shall include financial gain, property, service, or improvement of condition.

(2) 'Business' shall mean businesses of any kind whether situated in the Federated States of Micronesia or elsewhere and whether incorporated or not.

(3) 'Family member' shall mean a parent, brother, sister, spouse, nephew, niece or child, including a person who is adopted legally or in accordance with custom, or for whom care was given by the public official such that there exists a relationship in the nature of parent and child. The term shall also include a spouse of any person referred to in this definition and their children.

(4) 'Interest' shall mean either direct ownership of,
indirect ownership of, shares in, financial benefit from, or complete or partial control of, such property or business.

(5) 'National Government' shall mean the National Government of the Federated States of Micronesia.

(6) 'Property' shall mean real or personal property of every description whether situated in the Federated States of Micronesia or elsewhere."

Section 44. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 512 of chapter 5 to read as follows:

"Section 512. Conflict of interest.

(1) A public official who willingly participates in a matter in which he or she knows or reasonably should know there exists a conflict of interest commits a crime.

(2) A public official has a conflict of interest in a matter if the public official or a family member could benefit directly or indirectly from a decision on a matter over which that public official has influence or control, or if a matter over which that public official has influence or control relates in any way to:

(a) a business or property the public official directly or indirectly owns or controls;

(b) a business or property owned or controlled, directly or indirectly, by a family member of the public
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1 official; or
2 (c) a business or property in which the public
3 official has a beneficial interest of any kind, whether
4 through a trust or otherwise.
5 (3) Nothing in this section is meant to interfere with
6 the right of a public official or the family members of
7 a public official to participate in public elections or
8 in decisions of a community or group nature.
9 (4) A person convicted under this section shall be
10 imprisoned for not more than five years."

Section 45. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 513 of chapter 5 to read as follows:

"Section 513. Disqualification of former public
officials.

(1) A public official who, within one year of the
termination of his employment with or appointment to the
National Government, knowingly acts as agent or attorney
for anyone other than the branch of the National
Government or its entity in connection with any judicial
or other matter involving a specific party or parties in
which the branch of the National Government or its
entity is a party or has a direct and substantial
interest, and in which that person participated
personally and substantially as an officer or employee,
commits a crime.
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(2) Any person who is a business partner or family member of a public official and who acts as agent or attorney for anyone other than the branch of the National Government or its entity in connection with any judicial or other matter in which the branch of the National Government or its entity is a party or has a direct and substantial interest and in which such public official participates or has participated personally and substantially in the conduct of his or her official duties, or which is the subject of his or her official responsibility, commits a crime.

(3) A person convicted under this section shall be imprisoned:

(a) for not more than five years if the person is a former public official found guilty of a violation of subsection (1) of this section;

(b) otherwise, for not more than one year."

Section 46. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new subchapter 3 of chapter 5 entitled "Public Corruption".

Section 47. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 514 of chapter 5 to read as follows:

"Section 514. **Official oppression.**

(1) A person acting or purporting to act in an official capacity on behalf of the Federated States of
Micronesia, or taking advantage of such actual or purported capacity, commits a crime if, knowing that his or her conduct is illegal, he or she:

(a) subjects another to arrest, detention, search, seizure, mistreatment, dispossession, assessment, lien, or other infringement of personal or property rights; or

(b) denies or impedes another in the exercise or enjoyment of any right, privilege, power, or immunity.

(2) A person convicted under this section shall be imprisoned for not more than ten years, and shall be disqualified from holding any position in the National Government."

Section 48. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 515 of chapter 5 to read as follows:

"Section 515. Speculating or wagering on official action or information.

(1) A public official commits a crime if, in contemplation of official action by himself or herself, or by a governmental unit with which he or she is associated, or in reliance on information to which he or she has access in his or her official capacity and which has not been made public, he or she:

(a) acquires a pecuniary interest in any property, transaction, or enterprise which may be
affected by such information or official action;
(b) speculates or wagers on the basis of such
information or official action; or
(c) aids another to do any of the foregoing.
(2) A person convicted under this section shall be
imprisoned for not more than ten years, and shall be
disqualified from holding any position in the National
Government."

Section 49. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 516 of chapter 5 to read as follows:
"Section 516. **Bribery in official and political
matters.**

(1) A person commits the crime of bribery if he or she
offers, confers, or agrees to confer upon another, or
solicits, accepts, or agrees to accept from another:
(a) any pecuniary benefit as consideration for
the recipient's decision, opinion, recommendation, vote,
or other exercise of discretion as a public official, or
as a voter in any election, referendum, or plebiscite of
the Federated States of Micronesia;
(b) any benefit as consideration for the
recipient's decision, vote, recommendation, or other
exercise of official discretion as a public official in
a judicial or administrative proceeding; or
(c) any benefit as consideration for a violation
of a known legal duty as a public official.

(2) For the purpose of this section, 'public servant' or 'public official' includes, in addition to those persons who are defined as such under section 104 of this title, persons who have been elected, appointed, hired or designated to become a public official although not yet occupying that position.

(3) A person convicted under this section shall be imprisoned for not more than ten years, and shall be disqualified from holding any position in the National Government.

Section 50. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 517 of chapter 5 to read as follows:

"Section 517. Threats and other improper influence in official and political matters.

(1) A person commits a crime if he or she:

(a) threatens unlawful harm to any person with purpose to influence his or her decision, opinion, recommendation, vote, or other exercise of discretion as a public official, or a voter in any election, referendum, or plebiscite of the Federated States of Micronesia;

(b) threatens harm to any public official with purpose to influence his or her decision, opinion, recommendation, vote, or other exercise of discretion in
a judicial or administrative proceeding;

(c) threatens harm to any public official with purpose to influence him or her to violate his or her known legal duty; or

(d) privately addresses to any public official who has or will have an official discretion in a judicial or administrative proceeding any representation, entreaty, argument, or other communication with the purpose to influence the outcome on the basis of considerations other than those authorized by law.

(2) It is no defense to prosecution under this section that a person whom the defendant sought to influence was not qualified to act in the desired way, whether because he or she had not yet assumed office, or lacked jurisdiction, or for any other reason.

(3) A person convicted under this section shall be punished:

(a) by imprisonment for not more than ten years if the defendant threatened to commit a crime or made a threat with the purpose to influence a judicial or administrative proceeding;

(b) otherwise, by imprisonment for not more than five years."

Section 51. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new
section 518 of chapter 5 to read as follows:

"Section 518. Retaliation for past official action.

(1) A person commits a crime if he or she harms another by any unlawful act in retaliation for anything lawfully done by the latter in the capacity of public official.

(2) A person convicted under this section shall be imprisoned for not more than ten years."

Section 52. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 519 of chapter 5 to read as follows:

"Section 519. Gifts to public officials by persons subject to their jurisdiction.

(1) A public official in any department or agency exercising regulatory functions, or conducting inspections or investigations, or carrying on civil or criminal litigation on behalf of the Government, or having custody of prisoners, commits a crime if he or she solicits, accepts, or agrees to accept any pecuniary benefit from a person known to be subject to such regulation, inspection, investigation, or custody, or against whom such litigation is known to be pending or contemplated.

(2) A public official having any discretionary function to perform in connection with contracts, purchases, payments, claims, or other pecuniary
transactions of the Government commits a crime if he or
she solicits, accepts, or agrees to accept any pecuniary
benefit from any person known to be interested in or
likely to become interested in any such contract,
purchase, payment, claim, or transaction.

(3) A public official having judicial or
administrative authority or employed by or in a court or
other tribunal having such authority, or participating
in the enforcement of its decisions, commits a crime if
he or she solicits, accepts, or agrees to accept any
pecuniary benefit from a person known to be interested
in or likely to become interested in any matter before
such public official or a tribunal with which he or she
is associated.

(4) A public official who is a member of the Congress
of the Federated States of Micronesia, or who is
employed by the Congress or by any committee or agency
thereof, commits a crime if he or she solicits, accepts,
or agrees to accept any pecuniary benefit from any
person known to be interested in a bill, transaction, or
proceeding, pending or contemplated, before the Congress
or any committee or agency thereof.

(5) This section shall not apply to:

(a) fees prescribed by law to be received by a
public official or any other benefit for which the
recipient gives legitimate consideration or to which he
or she is otherwise legally entitled;

(b) gifts or other benefits conferred on account
of custom, tradition, kinship, or other personal,
professional, or business relationship independent of
the official status of the receiver; or

(c) trivial benefits incidental to personal,
professional, or business contacts and involving no
substantial risk of undermining official impartiality.

(6) A person commits a crime if he or she knowingly
confers, or offers, or agrees to confer, any benefit
prohibited in this section.

(7) A person convicted under this section shall be
imprisoned for not more than ten years."

Section 53. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 520 of chapter 5 to read as follows:

"Section 520. Compensating public officials for
assisting private interests in relation to matters
before him or her.

(1) A public official commits a crime if he or she
solicits, accepts, or agrees to accept compensation for
advice or other assistance in preparing or promoting a
bill, contract, claim, or other transaction or proposal
as to which he or she knows that he or she has or is
likely to have an official discretion to exercise.

(2) A person commits a crime if he or she pays or
offers or agrees to pay compensation to a public official with knowledge that acceptance by the public official is unlawful.

(3) A person convicted under this section shall be imprisoned for not more than ten years."

Section 54. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 521 of chapter 5 to read as follows:

"Section 521. Selling political endorsement; special influence.

(1) A person commits a crime if he or she solicits, receives, agrees to receive, or agrees that any other person shall receive any pecuniary benefit as consideration for approval or disapproval of an appointment or advancement in public service, or for approval or disapproval of any person or transaction for any benefit conferred by an official or agency of the Government. 'Approval' includes recommendation, failure to disapprove, or any other manifestation of favor or acquiescence. 'Disapproval' includes failure to approve, or any other manifestation of disfavor or nonacquiescence.

(2) A person commits a crime if he or she solicits, receives, or agrees to receive any pecuniary benefit as consideration for exerting special influence upon a public servant or procuring another to do so. 'Special
influence' means power to influence through kinship, friendship, or other relationship, apart from the merits of the transaction.

(3) A person commits a crime if he or she offers, confers, or agrees to confer any pecuniary benefit receipt of which is prohibited by this section.

(4) A person convicted under this section shall be imprisoned for not more than ten years, and shall be disqualified from holding any position of honor or trust in the National Government."

Section 55. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new subchapter 4 of chapter 5 entitled "Perjury and Related Crimes of Falsification".

Section 56. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 522 of chapter 5 to read as follows:

"Section 522. Perjury.

(1) A person commits the crime of perjury if, in any official proceeding, he or she makes a false statement under oath or equivalent affirmation, or swears or affirms the truth of a statement previously made, when the statement is material and he or she does not believe it to be true.

(2) Falsification is material, regardless of the admissibility of the statement under rules of evidence,
if it could have affected the course or outcome of the proceeding. It is no defense that the declarant mistakenly believed the falsification immaterial.

(3) A person convicted of perjury shall be punished by not more than five years imprisonment."

Section 57. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 523 of chapter 5 to read as follows:

"Section 523. False swearing in official matters.

(1) A person commits the crime of false swearing if:

(a) he or she makes a false statement under oath or equivalent affirmation, or swears or affirms the truth of such a statement previously made, when he or she does not believe the statement to be true, and:

(i) the falsification occurs in an official proceeding;

(ii) the falsification is intended to mislead a public servant in performing his or her official function; or

(b) he or she makes a false statement under oath or equivalent affirmation, or swears or affirms the truth of such a statement previously made, when he or she does not believe the statement to be true and the statement is one which is required by statute or regulation of the Federated States of Micronesia to be sworn or affirmed before a notary or other person.
authorized to administer oaths.

(2) A person convicted of false swearing shall be
imprisoned for not more than five years."

Section 58. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 524 of chapter 5 to read as follows:

"Section 524. Unsworn falsification to authorities.

(1) A person commits the crime of falsification if,
with purpose to mislead a public servant in performing
his or her official function, he or she:

(a) makes any written false statement which he or
she does not believe to be true;

(b) purposely creates a false impression in a
written application for any pecuniary or other benefit,
by omitting information necessary to prevent statements
therein from being misleading;

(c) submits or invites reliance on any writing
which he or she knows to be forged, altered, or
otherwise lacking in authenticity; or

(d) submits or invites reliance on any sample,
specimen, map, boundary mark, or other object which he
or she knows to be false.

(2) A person commits the crime of falsification if he
or she makes a written false statement which he or she
does not believe to be true, on or pursuant to a form
bearing notice, authorized by statute or regulation of
the Federated States of Micronesia, to the effect that false statements made therein are punishable.

(3) A person convicted under this section shall be imprisoned for not more than five years."

Section 59. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 525 of chapter 5 to read as follows:

"Section 525. Limitations on prosecutions of perjury and related crimes. The following limitations apply to prosecutions under sections 522, 523 and 524 of this title:

(1) It is not a defense that the oath or affirmation was administered or taken in an irregular manner or that the declarant was not competent to make the statement. A document purporting to be made upon oath or affirmation at any time when the defendant presents it as being so verified shall be deemed to have been duly sworn or affirmed.

(2) No person shall be guilty of a crime if he or she retracted the falsification in the course of the proceeding in which it was made before it became manifest that the falsification was or would be exposed and before the falsification substantially affected the proceeding.

(3) Where the defendant made inconsistent statements under oath or equivalent affirmation, both having been
made within the period of the statute of limitations, the prosecution may proceed by setting forth the inconsistent statements in a single count alleging in the alternative that one or the other was false and not believed by the defendant. In such case, it shall not be necessary for the prosecution to prove which statement was false but only that one or the other was false and not believed by the defendant to be true.

(4) No person shall be convicted of a crime where proof of falsity rests solely upon contradiction by testimony of a single person other than the defendant."

Section 60. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 526 of chapter 5 to read as follows:

"Section 526. Tampering with witnesses and informants.
(1) A person commits a crime if, believing that an official proceeding or investigation is pending or about to be instituted, he or she:
(a) attempts to induce or otherwise cause a witness or informant to:
   (i) testify or inform falsely;
   (ii) withhold any testimony, information, document, or thing;
   (iii) elude legal process summoning him to testify or supply evidence;
   (iv) absent himself from any proceeding or
investigation to which he or she has been legally
summoned; or

(b) being a witness or informant, solicits,
accepts, or agrees to accept any benefit in
consideration of his or her doing any of the things
specified in subsection (1)(a) of this section.

(2) A person convicted under this section shall be
imprisoned for not more than five years."

Section 61. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 527 of chapter 5 to read as follows:

"Section 527. Retaliation against witness or informant.

(1) A person commits a crime if he or she harms
another by any unlawful act in retaliation for anything
lawfully done in that other person's capacity of witness
or informant.

(2) A person convicted under this section shall be
imprisoned for not more than five years."

Section 62. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 528 of chapter 5 to read as follows:

"Section 528. Tampering with or fabricating physical
evidence.

(1) A person commits a crime if, believing that an
official proceeding or investigation is pending or about
to be instituted, he or she:
(a) alters, destroys, conceals, or removes any record, document, or thing with the purpose to impair its verity or availability in such proceeding or investigation; or

(b) makes, presents, or uses any record, document, or thing knowing it to be false and with the purpose to mislead a public servant who is or may be engaged in such proceeding or investigation.

(2) A person convicted under this section shall be imprisoned for not more than five years."

Section 63. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 529 of chapter 5 to read as follows:

"Section 529. Tampering with public records or information.

(1) A person commits a crime if he or she:

(a) knowingly makes a false entry in, or false alteration of, any record, document, or thing received or kept by a public servant, or belonging to the Government of the Federated States of Micronesia for information or record, or required by statute or regulation of the Federated States of Micronesia to be kept by anyone for information of the Government;

(b) makes, presents, or uses any record, document, or thing knowing it to be false, and with the purpose that it be taken as a genuine part of
information or records referred to in paragraph (a) of this subsection; or
(c) purposely and unlawfully destroys, conceals, removes, or otherwise impairs the verity or availability of any such record, document, or thing. (2) A person convicted under this section shall be punished:
(a) by imprisonment for not more than five years if the defendant's purpose was to defraud or injure anyone; (b) otherwise, by imprisonment for not more than one year."

Section 64. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 530 of chapter 5 to read as follows:
"Section 530. Impersonating a public servant.
(1) A person commits a crime if he or she falsely pretends to be a public servant with the purpose to induce another to submit to such pretended official authority or otherwise to act in reliance upon that pretense to his or her prejudice. (2) A person convicted under this section shall be imprisoned for not more than one year."

Section 65. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 6 entitled "Crimes Against Property and Persons".
Section 66. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 601 of chapter 6 to read as follows:

"Section 601. Definitions. As used in this chapter:

(1) 'Deprive' means:

(a) to withhold property of another permanently or for so extended a period as to appropriate a major portion of its economic value, or with intent to restore only upon payment of reward or other compensation; or

(b) to dispose of the property so as to make it unlikely that the owner will recover it.

(2) 'Financial institution' means a bank, insurance company, credit union, building and loan association, investment trust, or other organization held out to the public as a place of deposit of funds or medium of savings or collective investment.

(3) 'Government' means the Federated States of Micronesia, and any department, agency, or subdivision thereof, or any corporation or other association carrying out the functions of Government.

(4) 'Movable property' means property, the location of which can be changed, including things growing on, affixed to, or found on land, and documents, although the rights represented thereby have no physical location. 'Immovable property' is all other property.

(5) 'Obtain' means:
(a) in relation to property, to bring about a transfer or purported transfer of a legal interest in the property, whether to the obtainer or another; or
(b) in relation to labor or service, to secure performance thereof.

(6) 'Property' means anything of value, including real estate, tangible and intangible personal property, contract rights, choses-in-action, and other interests in or claims to wealth, admission, or transportation tickets, captured or domestic animals, food and drink, electric or other power.

(7) 'Property of another' includes property in which any person other than the defendant has an interest which the actor is not privileged to infringe, regardless of the fact that the defendant also has an interest in the property and regardless of the fact that the other person might be precluded from civil recovery because the property was used in an unlawful transaction or was subject to forfeiture as contraband. Property in possession of the defendant shall not be deemed property of another who has only a security interest therein, even if legal title is in the creditor pursuant to a conditional sales contract or other security agreement.

(8) Receiving stolen property.

(a) A person commits theft if he purposely receives, retains, or disposes of movable property of
another knowing that it has been stolen, or believing
that it has probably been stolen, unless the property is
received, retained, or disposed of with the purpose to
restore it to the owner.

(b) 'Receiving' means acquiring possession,
control, or title of the property.

(9) Theft by deception.

(a) A person commits theft if he purposely
obtains property of another by deception. A person
deceives if he purposely:

(i) creates or reinforces a false
impression, including false impressions as to law,
value, intention, or other state of mind, but deception
as to a person's intention to perform a promise shall
not be inferred from the fact alone that he did not
subsequently perform the promise;

(ii) prevents another from acquiring
information which would affect his judgment of a
transaction;

(iii) fails to correct a false impression
which the deceiver previously created or reinforced, or
which the deceiver knows to be influencing another to
whom he stands in a fiduciary or confidential
relationship; or

(iv) fails to disclose a known lien, adverse
claim, or other legal impediment to the enjoyment of
property which he transfers or encumbers in consideration for the property obtained, whether such impediment is or is not valid, or is or is not a matter of official record.

(b) The term 'deceive' does not, however, include falsity as to matters having no pecuniary significance, or puffing by statements unlikely to deceive ordinary persons in the group addressed.

(10) Theft by extortion.

(a) A person commits theft if he purposely obtains property of another by threatening to:

   (i) inflict bodily injury on anyone or commit any other crime;

   (ii) accuse anyone of a crime;

   (iii) expose any secret tending to subject any person to hatred, contempt, or ridicule, or to impair his credit or business repute;

   (iv) take or withhold action as an official, or cause an official to take or withhold action;

   (v) testify or provide information or withhold testimony or information with respect to another's legal claim or defense; or

   (vi) inflict any other harm which would not benefit the defendant.

(b) It is an affirmative defense to prosecution based on subsection (10)(a)(ii), (iii), or (iv) of this
section that the property obtained by threat of
accusation, exposure, lawsuit, or other invocation of
official action was honestly claimed as restitution or
indemnification for harm done in the circumstances to
which such accusation, exposure, lawsuit, or other
official action relates, or as compensation for property
or lawful services.

(11) Theft by failure to make required disposition of
funds received. A person who purposely obtains property
upon agreement, or subject to a known legal obligation
to make a specified payment or other disposition,
whether from such property or its proceeds or from his
own property in equivalent amount, commits theft if he
deals with the property obtained as his own and fails to
make the required payment or disposition. The foregoing
applies notwithstanding that it may be impossible to
identify particular property as belonging to the victim
at the time of the defendant's failure to make the
required payment or disposition. An officer or employee
of the Government or of a financial institution is
presumed:

(a) to know of any legal obligation relevant to
his criminal liability under this section; and

(b) to have dealt with the property as his own if
he fails to pay or account for upon lawful demand, or if
an audit reveals a shortage or falsification of
accounts.

(12) Theft by unlawful taking or disposition.
   (a) A person commits theft if he unlawfully takes or exercises unlawful control over movable property of another with the purpose to deprive him thereof.
   (b) A person commits theft if he unlawfully transfers immovable property of another or any interest therein, with the purpose to benefit himself or another not entitled thereto.

(13) Theft of property lost, mislaid, or delivered by mistake. A person who comes into control of the property of another that he knows to have been lost, mislaid, or delivered under a mistake as to the nature or amount of the property or the identity of the recipient, commits theft if, with the purpose to deprive the owner thereof, he fails to take reasonable measures to restore the property to the person entitled to have it.

(14) Theft of services.
   (a) A person commits theft if he purposely obtains services which he knows are available only for compensation, by deception or threat, or by false token or other means to avoid payment for the service. Services include labor, professional service, transportation, telephone or other public service, accommodation in hotels, restaurants, or elsewhere,
admission to exhibitions, and use of vehicles or other movable property.

(b) A person commits theft if, having control over the disposition of the services of others to which he is not entitled, he knowingly diverts such services to his own benefit or to the benefit of another not entitled thereto."

Section 67. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 602 of chapter 6 to read as follows:

"Section 602. Theft.

(1) A person commits the crime of theft if he or she commits theft of any property or service in which another person has any legal, equitable, or possessory interest.

(2) The amount involved in a theft shall be deemed to be the highest value, by any reasonable standard, of the property or service which the defendant stole or attempted to steal. Amounts involved in thefts committed pursuant to one scheme or course of conduct, whether from the same person or several persons, may be aggregated in determining whether a crime has been committed and the grade of such crime.

(3) It is an affirmative defense to prosecution for theft that the defendant:

(a) was unaware that the property or service was
that of another;

(b) acted under an honest claim of right to the
property or service involved or that he had a right to
acquire or dispose of it as he did; or

(c) took property exposed for sale, intending to
purchase and pay for it promptly, or reasonably
believing that the owner, if present, would have
consented.

(4) A person convicted under this section shall be
imprisoned:

(a) if the value of the property or service is
$5,000 or more, for not more than ten years;

(b) if the value of the property or service is at
least $1,000 but less than $5,000, for not more than
five years;

(c) if the value of the property or service is at
least $100 but less than $1,000, for not more than one
year;

(d) if the value of the property or service is at
least $25 but less than $100 for not more than six
months; or

(e) if the value of the property or service is
less than $25, for not more than thirty days."

Section 68. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 603 of chapter 6 to read as follows:
"Section 603. Criminal mischief.

(1) A person commits the crime of criminal mischief if he or she intentionally or recklessly:
   (a) causes any damage to property in which another person has any legal, equitable, or possessory interest; or
   (b) causes another person by deception or threat to suffer any loss.

(2) The amount involved in a crime of criminal mischief shall be deemed to be the highest value, by any reasonable standard, of the loss which the defendant caused or attempted to cause. Amounts involved in acts of criminal mischief, committed pursuant to one scheme or course of conduct, may be aggregated in determining the grade of such crime.

(3) It is an affirmative defense to prosecution under subsection (1)(a) of this section that the defendant:
   (a) was unaware that the property was that of another; or
   (b) acted under an honest claim of right to dispose of the property as he or she did.

(4) A person convicted under this section shall be imprisoned:
   (a) if the value of the property or service is $5,000 or more, for not more than ten years;
   (b) if the value of the property or service is at least $1,000 but less than $5,000, for not more than five years;
   (c) if the value of the property or service is at least $100 but less than $1,000, for not more than one year;
   (d) if the value of the property or service is at least $25 but less than $100, for not more than six months; or
Section 69. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 604 of chapter 6 to read as follows:

"Section 604. Unauthorized possession or removal of property.

(1) A person commits a crime if, knowing he or she does not have proper authority, he or she has in his or her possession, or has removed from its location any property, wherever situated, in which another person has any legal, equitable, or possessory interest.

(2) The amount involved in a violation of subsection (1) of this section shall be deemed to be the highest value, by any reasonable standard, of either the loss to the Government or the fair rental value of the property involved. Amounts involved in acts of unauthorized possession or removal committed pursuant to one scheme or course of conduct may be aggregated in determining the grade of such crime.

(3) A person convicted under this section shall be imprisoned:

(a) if the value of the property or service is $5,000 or more, for not more than ten years;

(b) if the value of the property or service is at least $1,000 but less than $5,000, for not more than
five years;
(c) if the value of the property or service is at least $100 but less than $1,000, for not more than one year;
(d) if the value of the property or service is at least $25 but less than $100 for not more than six months; or
(e) if the value of the property or service is less than $25, for not more than thirty days."

Section 70. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 605 of chapter 6 to read as follows:

"Section 605. Trespassing.
(1) A person commits the crime of trespassing if he or she knowingly enters or remains unlawfully on any property owned, operated, or controlled by another person.
(2) A person convicted under this section shall be punished:
(a) by imprisonment for not more than three years if the defendant entered or remained in any building or structure, or in any area that is fenced or enclosed in such a manner as to exclude intruders:
   (i) at night;
   (ii) while in possession of a dangerous weapon;
(iii) while any other person is lawfully present on the premises;
(iv) with the purpose to commit any crime therein; or
(b) otherwise, by imprisonment for not more than one year."

Section 71. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 606 of chapter 6 to read as follows:

"Section 606. Murder.
(1) Except as provided in section 607(1)(b) of this title, a person commits the crime of murder if he or she unlawfully causes the death of another human being:
   (a) intentionally or knowingly; or
   (b) recklessly under circumstances manifesting extreme indifference to the value of human life.
(2) A person convicted under this section shall be imprisoned for a minimum of ten years, and may be imprisoned for life."

Section 72. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 607 of chapter 6 to read as follows:

"Section 607. Manslaughter.
(1) A person commits a crime if he or she causes the death of another human being when:
   (a) the person has acted recklessly; or
(b) a homicide which would otherwise be murder is committed under the influence of extreme mental or emotional disturbance for which there is reasonable explanation or excuse. The reasonableness of such explanation or excuse shall be determined from the viewpoint of a person in the defendant's situation under the circumstances as he believes them to be.

(2) A person convicted under this section shall be imprisoned for not more than ten years."

Section 73. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 608 of chapter 6 to read as follows:

"Section 608. Aggravated Assault.

(1) A person commits a crime if he or she causes serious bodily injury to another intentionally, knowingly, or recklessly under circumstances showing extreme indifference to the value of human life.

(2) A person convicted under this section shall be imprisoned for not more than ten years."

Section 74. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 609 of chapter 6 to read as follows:

"Section 609. Assault.

(1) A person commits a crime if he or she unlawfully and intentionally offers or attempts, with force or violence, to strike, beat, wound, or do bodily harm to
another.

(2) A person convicted under this section shall be
imprisoned for not more than one year."

Section 75. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 610 of chapter 6 to read as follows:

"Section 610. Kidnapping.

(1) A person commits a crime if he or she unlawfully
removes another from his place of residence or business,
or a substantial distance from the vicinity where he is
found, or if he or she unlawfully confines another for a
substantial period in a place of isolation, with any of
the following purposes:

(a) to hold for ransom or reward, or as a shield
or hostage;

(b) to facilitate commission of any felony or
flight thereafter;

(c) to inflict bodily injury on or to terrorize
the victim or another; or

(d) to interfere with the performance of any
government or political function.

(2) A removal or confinement is unlawful under this
section if it is accomplished by force, threat, or
deception, or, in the case of a person who is under the
age of fourteen or incompetent, without the consent of a
parent, guardian, or other person responsible for
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Section 76. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 7 entitled "Civil Rights".

Section 77. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 701 of chapter 7 to read as follows:

"Section 701. Deprivation of rights.

(1) A person commits a crime if he or she willfully, whether or not acting under the color of law, deprives another of, or injures, oppresses, threatens, or intimidates another in the free exercise or enjoyment of, or because of his or her having so exercised any right, privilege, or immunity secured to him by the Constitution or laws of the Federated States of Micronesia, the laws of the Trust Territory of the Pacific Islands, or the Constitution or laws of the United States of America which are applicable to the Federated States of Micronesia.

(2) A person convicted under this section shall be imprisoned for not more than ten years.

(3) A person who deprives another of any right or privilege protected under this section shall be civilly..."
liable to the party injured in an action at law, suit in
equity, or other proper proceeding for redress, without
regard to whether a criminal case has been brought or
conviction obtained. In an action brought under this
section, the court may award costs and reasonable
attorney's fees to the prevailing party."

Section 78. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 702 of chapter 7 to read as follows:

"Section 702. Right to full and equal enjoyment of
public accommodations.

(1) Definitions.

(a) Equal access. All persons shall be entitled,
without discrimination on the grounds of race, color,
religion, language, place of origin, or gender, to the
full and equal enjoyment of goods, services, facilities,
privileges, advantages, and accommodations of:

(i) any department, agency, or institution
of, or acting on behalf of, the Federated States of
Micronesia; or

(ii) any public accommodation which affects
commerce, as defined in this section.

(b) 'Public accommodation' means any
establishment which provides lodging to transient guests
for charge, or any establishment which is engaged in
selling food, beverage, or gasoline to the public, or
any place of recreation, amusement, exhibition,
sightseeing, or entertainment which is open to members
of the public, or any facility for the public
transportation of persons or goods.

(c) A public accommodation affects commerce if:

(i) it is a place of lodging;

(ii) it serves or offers to serve interstate
travelers; or

(iii) a substantial portion of the goods or
entertainment it sells or provides has moved in
commerce.

(d) 'Commerce' means travel, trade, traffic,
transportation, communication, and all other forms of
commerce among the several States, or between any State
and any foreign country or other area outside the
Federated States of Micronesia, or between points in the
same State but through any area outside the State.

(2) This section shall not apply to any private club
or other establishment not in fact, open to the public,
except to the extent that the facilities of such
establishment are made available to the customers or
patrons of an establishment within the scope of
subsection (1) of this section.

(3) A person commits a crime if he or she:

(a) withholds, denies, deprives, or attempts to
withhold, deny, or deprive any person of any right or
privilege protected under this section;

(b) intimidates, threatens, coerces, or attempts
to intimidate, threaten, or coerce any person for the
purpose of interfering with any right or privilege
protected under this section; or

(c) punishes or attempts to punish any person for
exercising or attempting to exercise any right or
privilege protected under this section.

(4) A person convicted under this section shall be
imprisoned for not more than five years.

(5) A person who deprives another of any right or
privilege protected under this section shall be civilly
liable to the party injured in an action at law, suit in
equity, or other proper proceeding for redress, without
regard to whether a criminal case has been brought or
conviction obtained. In an action brought under this
subsection, the court may award costs and reasonable
attorney's fees to the prevailing party."

Section 79. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new chapter 8 entitled "Emergency Proclamations".

Section 80. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 801 of chapter 8 to read as follows:

"Section 801. Proclamation of emergency. When required
to preserve public peace, health, or safety in any area,
at a time of extreme emergency caused by civil
disturbance, natural disaster, or immediate threat of
war, or insurrection, the President of the Federated
States of Micronesia may declare a state of emergency
and issue appropriate decrees."

Section 81. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 802 of chapter 8 to read as follows:

"Section 802. Emergency restrictions.

(1) During the existence of a state of emergency, the
President may, by proclamation, prohibit:

(a) any person being on the public roads or at
any other public place during the hours proclaimed by
the President to be a period of curfew;

(b) the manufacture, transfer, use, possession,
or transportation of any device or object designed to
explode or produce uncontained combustion;

(c) the transportation, possession, or use of
combustible, flammable, or explosive materials in a
container of any kind except in connection with the
normal operation of motor vehicles, motor boats, normal
home use, or legitimate commercial use;

(d) the possession of firearms or any other
dangerous weapon by a person in any place other than his
or her place of residence, work, or business;

(e) the sale, purchase, dispensing, importing, or
exporting of alcoholic beverages or other commodities or

goods designated by the President;

(f) the use of certain roads by the public; and

(g) other activities the President reasonably
believes should be prohibited to help preserve public
peace, health, or safety.

(2) Any proclamation issued under this section becomes
effective immediately upon being signed by the
President, who shall immediately give public notice of
its contents by the most effective means available. The
restrictions may be imposed during times, upon
conditions, with exceptions and in areas designated by
proclamation of the President.

(3) Prohibitions imposed by proclamation issued under
this section, shall automatically terminate at noon on
the fifth day after it becomes effective unless sooner
terminated by proclamation of the President "

Section 82. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 803 of chapter 8 to read as follows:

"Section 803. Crime defined and penalty. Any person
who, during a state of emergency, fails to comply with
restrictions imposed by proclamation of the President
under section 802 of this title commits a crime, and
upon conviction, shall be punished by imprisonment for
not more than five years."
Section 83. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 804 of chapter 8 to read as follows:

"Section 804. Powers not limited. Nothing in this chapter shall limit any other power to maintain the public peace and safety which is vested in the President."

Section 84. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 9 entitled "Money Laundering and Proceeds of Crime".

Section 85. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new subchapter I of chapter 9 entitled "General Provisions".

Section 86. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 901 of chapter 9 to read as follows:

"Section 901. Purpose. The purpose of this chapter is to provide for the confiscation of the proceeds of crime and property used in the commission of serious crime, and to prevent the use of the financial system to launder the proceeds of serious crime."

Section 87. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 902 of chapter 9 to read as follows:

"Section 902. Jurisdiction and application. The provisions of this chapter shall extend and apply
throughout all of the Federated States of Micronesia, including the land and waters and the airspace above such land and waters with respect to which the Federated States of Micronesia has legislative jurisdiction."

Section 88. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 903 of chapter 9 to read as follows:

"Section 903. Definition. Under this chapter, unless the context otherwise requires:

(1) 'Account' means any facility or arrangement by which a financial institution or cash dealer does any one or more of the following:

(a) accepts deposits of currency;

(b) allows withdrawals of currency or transfers into or out of the account;

(c) pays checks or payment orders drawn on a financial institution or cash dealer or collects checks or payment orders, made by or on behalf of a person; or

(d) supplies a facility or arrangement for a safety deposit box.

(2) 'Appeal' includes proceedings by way of discharging or setting aside a judgment, and an application for a new trial or for a stay of execution.

(3) 'Authorized officer' means a person or class of persons designated or authorized by the Secretary pursuant to applicable law as an authorized officer or
officers for the purposes of enforcing or implementing
the provisions of this chapter and related laws.

(4) 'Cash dealer' means:

(a) a person who carries on a business of an
insurer, an insurance intermediary, a securities dealer
or a futures broker;

(b) a person who carries on a business of dealing
in bullion, of issuing, selling or redeeming travelers
checks, money orders or similar instruments, or of
collecting, holding and delivering cash as part of a
business providing payroll services;

(c) an operator of a gambling house, bingo
parlor, casino or lottery; or

(d) a trustee, or manager of a unit trust.

(5) 'Covered property' means:

(a) any property held by a defendant;

(b) any property in which a defendant has an
interest; or

(c) any property held by a person to whom a
defendant has directly or indirectly made a gift caught
by this act.

(6) 'Currency' means the coin and paper money of
the Federated States of Micronesia or of a foreign
country that is designated as legal tender and which is
customarily used and accepted as a medium of exchange in
the country of issue.
(7) 'Defendant' means a person charged or about to be charged with a serious offense, whether or not he or she has been convicted of the offense, and includes, in the case of proceedings for a restraining order under section 957 of this title, a person who is about to be charged with a serious offense.

(8) 'Document' means any material on which data is recorded or marked and which is capable of being read or understood by a person, computer system or other device, and any record of information, and includes:

   (a) anything on which there is writing;

   (b) anything on which there are marks, figures, symbols, or perforations having a meaning for persons qualified to interpret them;

   (c) anything from which sounds, images or writings can be produced, with or without the aid of anything else; or

   (d) a map, plan, drawing, photograph or similar thing.

(9) 'Financial institution' means any person or entity which carries on a business of:

   (a) acceptance of deposits and other repayable funds from the public;

   (b) lending, including consumer credit, mortgage credit, factoring (with or without recourse) and financing of commercial transactions;
(c) financial leasing;
(d) money transmission services;
(e) issuing and administering means of payment (such as credit cards, travelers checks and bankers drafts);
(f) guarantees and commitments;
(g) trading for their own account or for account of customers in money market instruments (such as checks, bills, certificates of deposit), foreign exchange, financial futures and options, exchange and interest rate instruments, and transferable securities;
(h) underwriting share issues and participation in such issues;
(i) advice to undertakings on capital structure, industrial strategy and related questions, and advice and services relating to mergers and the purchase of undertakings;
(j) money-brokering;
(k) portfolio management and advice;
(l) safekeeping and administration of securities;
(m) credit reference services; or
(n) safe custody services.
(10) 'Gift' includes any transfer of property by a person to another person directly or indirectly:
(a) after the commission of a serious crime by the first person;
(b) for a consideration the value of which is significantly less than the value of the property transferred; and

c) to the extent of the difference between the market value of the property transferred and the consideration provided by the transferee.

(11) 'Interest', in relation to property, means:

(a) a legal or equitable estate or interest in the property; or

(b) a right, power or privilege in connection with the property.

(12) 'Money laundering' means:

(a) engaging, directly or indirectly, in a transaction that involves property which is a proceeds of crime;

(b) receiving, possessing, concealing, disguising, transferring, converting, disposing of, removing from or bringing into the country any property which is a proceeds of crime;

(c) knowing, or having reasonable grounds for suspecting that the property is derived or realized, directly or indirectly, from some form of unlawful activity;

(d) where the conduct is conduct of a natural person, without reasonable excuse, failing to take reasonable steps to ascertain whether or not the
property is derived or realized directly or indirectly, from some form of unlawful activity; or

(e) where the conduct is a conduct of a financial institution, failing to implement or apply procedures and control to prevent or combat money laundering.

(13) 'Person' means any natural or legal person.

(14) 'Proceeding' or 'proceedings' means any procedure conducted by or under the supervision of a judge or judicial officer, however described, in relation to any alleged or proven offense, or property derived from such offense, and includes an inquiry, investigation, or preliminary or final determination of facts.

(15) 'Proceeds of crime' means fruits of a crime, or any property derived or realized directly or indirectly from a serious offense and includes, on a proportional basis, property into which any property derived or realized directly from the offense was later successively converted, transformed or intermingled, as well as income, capital or other economic gains derived or realized from such property at any time since the offense.

(16) 'Property' means currency and all other real or personal property of every description, whether situated in the Federated States of Micronesia or elsewhere and whether tangible or intangible, and includes an interest in any such property.
(17) 'Property of or in the possession or control of any person' includes any gift made by that person.

(18) 'Realizable', with respect to 'covered property' as defined by subsection (6) of this section, means:
   (a) capable of being acquired, obtained, taken, seized, confiscated, or procured, and is either cash or is capable of being liquidated and converted into cash; or
   (b) capable of being detected, located, found, discovered, and converted into cash through payment of the amount or value of the defendant's interest therein.

(19) 'Secretary' means and is synonymous with the 'Secretary of the Department of Justice' of the Federated States of Micronesia, or with the chief law enforcement officer of the Federated States of Micronesia, whatever the title of such position is or in the future becomes.

(20) 'Serious offense' means a violation of:
   (a) any law of the Federated States of Micronesia or any of its States or political subdivisions, which is a criminal offense punishable by imprisonment for a term of more than one year; or
   (b) a law of a foreign state, in relation to acts or omissions, which, had they occurred in the Federated States of Micronesia or any of its States or political subdivisions, would have constituted a criminal offense.
punishable by imprisonment for a term of more than one year;

(21) 'Supreme Court' means the Supreme Court of the Federated States of Micronesia, and all its divisions, wherever or whenever constituted.

(22) 'Tainted property' means:

(a) property used in, or in connection with, the commission of a serious offense; or

(b) proceeds of crime, as defined in subsection (16) of this section.

(23) 'Unit trust' means any arrangement made for the purpose or having the effect of providing for a person to have the funds available for investment; facilitates for the participation by a person as a beneficiary under a trust, or in any profits or income arising from the acquisition, holding, management or disposal of any property pursuant to the trust.

(24) A reference in this chapter to the law of:

(a) the Federated States of Micronesia;

(b) any State of the Federated States of Micronesia; or

(c) any foreign state, includes a reference to a written or unwritten law of, or in force in, any part of the Federated States of Micronesia (including its States and political subdivisions); any part of that State of the Federated States of Micronesia, or any part of that
Section 89. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 904 of chapter 9 to read as follows:

"Section 904. Charge in relation to a serious offense. Any reference in this act to a person being charged, or about to be charged, with a serious offense is a reference to a procedure, however described, in the Federated States of Micronesia or elsewhere, by which criminal proceedings may be commenced."

Section 90. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 905 of chapter 9 to read as follows:

"Section 905. Conviction in relation to a serious offense.

(1) For the purposes of this chapter, a person shall be taken to be convicted of a serious offense if:

(a) the person is convicted, whether upon a plea of guilty or no contest, or after trial, of the offense;

(b) the person is charged with, and found guilty of the offense but is discharged without any conviction being recorded; and

(c) the Supreme Court, with the consent of the convicted person, takes the offense, of which the person has not been found guilty, into account in passing sentence on the person for another serious offense.
(2) For the purposes of subsection (1) of this section, judgment or sentence need not have been imposed."

Section 91. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 906 of chapter 9 to read as follows:

"Section 906. Quashing of convictions. For the purposes of this chapter, a person's conviction for a serious offense shall be taken to be quashed in any case:

(1) where section 905(1)(a) of this title applies, if the conviction is reversed or set aside;

(2) where section 905(1)(b) of this title applies, if the finding of guilt is reversed or set aside; or

(3) where section 905(1)(c) of this title applies, if either:

(a) the person's conviction for the other offense referred to in that section is reversed or set aside; or

(b) the decision of Supreme Court to take the offense into account in passing sentence for the other offense is reversed or set aside."

Section 92. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 907 of chapter 9 to read as follows:

"Section 907. Value of property.

(1) Subject to subsections (2) and (3) of this
section, for the purposes of this chapter the value of property (other than cash) in relation to any person holding the property is:

(a) its market value; or

(b) where an innocent third party holds an interest in the property:

(i) the market value of property, less the interest of the innocent third party; and

(ii) less the amount required to discharge any valid liens or encumbrances.

(2) References in this chapter to the value of a gift, or the value of any payment or reward, means the value of the gift, payment or reward to the recipient when it was received, adjusted to account for any subsequent changes in the value of money."

Section 93. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 908 of chapter 9 to read as follows:

"Section 908. Dealing with property. For the purposes of this act, dealing with property held by any person includes, without prejudice to the generality of the expression:

(1) where the property is a debt owed to that person, making a payment to any person in reduction or full settlement of the amount of the debt;

(2) making or receiving a gift of the property; or
(3) removing the property from the Federated States of Micronesia."

Section 94. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 909 of chapter 9 to read as follows:

"Section 909. Gift caught by this act."

(1) A gift, including a gift made before the effective date of this act, is caught by this act where:

(a) it was made by a defendant charged with or convicted of a serious offense, at any time after the commission of the offense to which the proceedings relate (or where more than one offense was committed, at any time after commission of the earliest of the offenses to which the proceedings relate); and, the Supreme Court considers it appropriate, after consideration of all of the relevant circumstances, to take the gift into account; or where

(b) it was made by a defendant charged with or convicted of a serious offense and was a gift of property:

(i) received by the defendant in connection with the commission of a serious offense committed by the defendant or by another person; or

(ii) which (in whole or in part, directly or indirectly) represented (when in the defendant’s hands) property received by the defendant in connection with
the commission of a serious offense by the defendant or another person.

(2) For purposes of this act:

(a) the circumstances in which a defendant must be treated as making a gift include those where the defendant transfers property to another person, directly or indirectly, for a consideration, the value of which is significantly less than the value of the property transferred by the defendant; and

(b) in those circumstances, the court shall apply the provisions of section 907 of this title, taking into account the difference between the value of the gift and the consideration, if any, provided to the defendant by the recipient."

Section 95. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 910 of chapter 9 to read as follows:

"Section 910. Deriving a benefit. A reference to a benefit derived or obtained by or otherwise accruing to a person, includes a reference to a benefit derived, or obtained by, or accruing to, a third party at the first person's request or direction."

Section 96. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 911 of chapter 9 to read as follows:

"Section 911. Benefiting from the proceeds of a serious
offense. For the purposes of this act:

(1) A person has benefited from an offense if that person has at any time (whether before or after the commencement of this act) received any payment or other reward in connection with, or derived any pecuniary advantage from, the commission of a serious offense, whether committed by that person or someone else.

(2) A person's proceeds of a serious offense (whether received or derived before or after the commencement of this act) are:

(a) any payments or other rewards received by the person at any time in connection with the offense; and/or

(b) any pecuniary advantage derived by the person at any time from the commission of an offense.

(3) The value of a person's proceeds of a serious offense is the aggregate of the values of all payments, rewards or pecuniary advantages received by that person in connection with, or derived by the person from, the commission of the offense."

Section 97. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new subchapter II of chapter 9 entitled "Money Laundering".

Section 98. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 912 of chapter 9 to read as follows:
"Section 912. Department of Justice to have authority over money laundering offenses. The Federated States of Micronesia Department of Justice shall have primary enforcement authority with respect to the provisions of this chapter, and:

(1) shall receive and investigate reports of suspicious transactions issued by financial institutions and cash dealers pursuant to section 915(1) of this title;

(2) may enter the premises of any financial institution or cash dealer during ordinary business hours to inspect any records kept, pursuant to section 914(1) of this title, and ask any question relating to such records, make notes and take copies of the whole or any part of the records;

(3) may instruct any financial institution or cash dealer to take such steps as may be appropriate to facilitate any investigation;

(4) may compile statistics and records, disseminate information within the Federated States of Micronesia or elsewhere, make recommendations arising out of any information received, promulgate regulations to be followed by financial institutions and cash dealers, and advise the President;

(5) may provide lists of training facilities for any financial institution in respect of transaction record-
keeping and reporting obligations provided for in sections 914(1) and 915(1) of this title;

   (6) may consult with any relevant person, institution or organization for the purpose of exercising its powers or duties; and

   (7) may enter into joint law agreements with the States of the Federated States of Micronesia with respect to the enforcement and implementation of the provisions of this chapter, as deemed appropriate."

Section 99. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 913 of chapter 9 to read as follows:

"Section 913. Financial institutions and cash dealers to verify customers identity.

   (1) A financial institution or cash dealer shall take reasonable measures to satisfy itself as to the true identity of any applicant seeking to enter into a business relationship with it, or to carry out a transaction or series of transactions with it, by requiring the applicant to produce an official record reasonably capable of establishing the true identity of the applicant, such as a birth certificate, passport or other official means of identification, and in the case of a corporation, a certificate of incorporation together with its latest tax return filed with the Government of the Federated States of Micronesia."
(2) Where an applicant requests a financial institution or cash dealer to enter into a continuing business relationship, or in the absence of such a relationship, any transaction, then the institution or cash dealer shall take reasonable measures to establish whether the person is acting on behalf of another person.

(3) If it appears to a financial institution or cash dealer that an applicant requesting to enter into any transaction, whether or not in the course of a continuing business relationship, is acting on behalf of another person, then the institution or cash dealer shall take reasonable measures to establish the true identity of any person on whose behalf, or for whose ultimate benefit, the applicant may be acting in the proposed transaction, whether as trustee, nominee, agent or otherwise.

(4) In determining what constitutes reasonable measures, for the purposes of subsections (1) or (3) of this section, regard shall be given to all circumstances of the case, and in particular:

(a) to whether the applicant is based or incorporated in a country in which applicable provisions are in force to prevent the use of the financial system for the purpose of money laundering; and

(b) to custom and practice, as may from time to
time be current, in the relevant field of business.

(5) Nothing in this section shall require the production of any evidence of identity where:

(a) the applicant is itself a financial institution or a cash dealer to which this act applies;

or

(b) there is a transaction or a series of transactions taking place in the course of a business relationship, in respect of which the applicant has already produced satisfactory evidence of identity."

Section 100. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 914 of chapter 9 to read as follows:

"Section 914. Financial institutions and cash dealers to establish and maintain customer records.

(1) A financial institution or cash dealer shall establish and maintain:

(a) records of all transactions exceeding $10,000, or its equivalent in foreign currency, carried out by it, in accordance with the requirements of subsection (3) of this section; and

(b) where evidence of a person’s identity is obtained in accordance with section 913 of this title, a record that indicates the nature of the evidence obtained, and which comprises either a copy of the evidence or such information as would enable a copy of
it to be obtained.

(2) Customer accounts of a financial institution or cash dealer shall be kept in the true name of the account holder.

(3) Records required under subsection (1)(a) of this section shall contain particulars sufficient to identify the:

(a) name, address and occupation (or where appropriate, business or principal activity) of each person conducting the transaction, or if known, on whose behalf the transaction is being conducted, as well as the method used by the financial institution or cash dealer to verify the identity of each such person;

(b) nature and date of the transaction;

(c) type and amount of currency involved;

(d) the type and identifying number of any account with the financial institution or cash dealer involved in the transaction;

(e) if the transaction involves a negotiable instrument other than currency, the name of the drawer of the instrument, the name of the institution on which it was drawn, the name of the payee (if any), the amount and date of the instrument, the number (if any) of the instrument and details of any endorsements appearing on the instrument; and

(f) the name and address of the financial
institution or cash dealer, and of the officer, employee or agent of the financial institution or cash dealer who prepared the report.

(4) Records required under subsection (1) of this section shall be kept by the financial institution for a period of at least five (5) years from the date the relevant business or transaction was completed."

Section 101. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 915 of chapter 9 to read as follows:

"Section 915. Financial institutions and cash dealers to report suspicious transactions.

(1) Whenever a financial institution or cash dealer is a party to a transaction and has reasonable grounds to suspect that the information it has concerning the transaction may be relevant to an investigation or prosecution of a person for a serious offense, it shall as soon as possible, but no later than three (3) working days after forming that suspicion, and wherever possible before the transaction is carried out:

(a) take reasonable measures to ascertain the purpose of the transaction, the origin and ultimate destination of the funds involved, and the identity and address of any ultimate beneficiary;

(b) prepare a report of the transaction in accordance with subsection (2) of this section; and
(c) communicate the information contained therein to the Department of Justice in writing.

(2) A report required by subsection (1) of this section shall:

(a) contain particulars of the matters specified in subsection (1)(a) of this section, and in section 913(1) of this title;

(b) contain a statement of the grounds on which the financial institution or cash dealer holds the suspicion; and

(c) be signed or otherwise authenticated by the financial institution or cash dealer.

(3) A financial institution or a cash dealer which has reported a suspicious transaction in accordance with this subchapter shall, if requested to do so by the Department of Justice, give such further information as it has in relation to the transaction."

Section 102. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 916 of chapter 9 to read as follows:

"Section 916. Financial institutions and cash dealers to establish and maintain internal reporting procedures. A financial institution or cash dealer shall establish and maintain internal reporting procedures to:

(1) identify persons to whom an employee is to report any information which comes to the employee's attention
in the course of employment, and which gives rise to
knowledge or suspicion by the employee that another
person is engaged in money laundering, and enables any
person so identified to have reasonable access to any
information relevant to determine if a sufficient basis
exists to report the matter pursuant to section 915(1)
of this title; and

(2) require the identified person to report the matter
pursuant to section 915(1) of this title, in the event
that he or she determines that sufficient basis exists."

Section 103. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 917 of chapter 9 to read as follows:

"Section 917. Further preventive measures by financial
institutions and cash dealers. A financial institution
or cash dealer shall establish and maintain internal
reporting procedures to:

(1) take appropriate measures for the purpose of
making employees aware of domestic laws relating to
money laundering, and the procedures and related
policies established and maintained by it pursuant to
this act;

(2) provide its employees with appropriate training in
the recognition and handling of money laundering
transactions."

Section 104. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new section 918 of chapter 9 to read as follows:

"Section 918. Money laundering offenses.

(1) A person commits the offense of money laundering if the person:

(a) acquires, possesses or uses property, knowing, or having reason to believe, that it is derived directly or indirectly from acts or omissions that would constitute a serious offense;

(b) renders assistance to another person for:

(i) the conversion or transfer of property derived directly or indirectly from the acts or omissions referred to in subsection (1)(a) of this section, with the intention of concealing or disguising the illicit origin of that property, or of aiding any person involved in the commission of the offense to evade the legal consequences thereof; or

(ii) concealing or disguising the true nature, origin, location, disposition, movement or ownership of the property derived directly or indirectly from the acts or omissions referred to in subsection (1)(a) of this section.

(2) The offense of money laundering, established under subsection (1) of this section, is a felony offense, punishable by imprisonment for a maximum term of ten years or a maximum fine of $100,000, or both;
PROVIDED, however, in the case of a corporation, company, commercial enterprise, commercial entity or other legal person, the maximum fine shall be increased to $500,000."

Section 105. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 919 of chapter 9 to read as follows:

"Section 919. Related offenses.

(1) A person who knowingly opens or operates an account with a financial institution or a cash dealer under a false name commits a felony offense, punishable by imprisonment for a maximum of five years or a maximum fine of $50,000, or both; PROVIDED, however, in the case of a corporation, company, commercial enterprise, commercial entity or other legal person, the maximum fine shall be increased to $250,000.

(2) A financial institution or cash dealer who fails to comply with any requirement of this subchapter for which no penalty is specified commits a felony offense, punishable by imprisonment for a maximum of five (5) years or a maximum fine of $50,000, or both; PROVIDED, however, in the case of a corporation, company, commercial enterprise, commercial entity or other legal person that is not also a natural person, the maximum fine shall be increased to $250,000.

(3) In determining whether a person, or a financial
institution or cash dealer has complied with or failed

to comply with any requirement of this subchapter, the
Supreme Court shall have regard to all the circumstances
of the case, including such custom and practice as may,
from time to time, be current in the relevant trade,
business profession or employment, and may take into
account any relevant regulations adopted and/or approved
by a public authority, exercising public interest
supervisory functions in relation to the financial
institution or cash dealer, or any other body that
regulates or is representative of any trade, business,
profession or employment carried on by that person.

(4) Any person who knows or suspects that a report
under section 915(1) of this title is being prepared or
has been sent to the Department of Justice and discloses
to another person information or other matters which are
likely to prejudice any investigation of an offense, or
possible offense of money laundering under section 918
of this tile, commits a felony offense; such offense is
punishable by imprisonment for a maximum of five (5)
years or a maximum fine of $50,000, or both; PROVIDED,
however, in the case of a corporation, company,
commercial enterprise, commercial entity or other legal
person, the maximum fine shall be increased to $250,000.

(5) In proceedings for an offense against subsection
(4) of this section, it is an affirmative defense that
the person did not know, or have reasonable grounds to suspect, that the disclosure was likely to prejudice any investigation of an offense or possible offense of money laundering under section 918 of this title."

Section 106. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 920 of chapter 9 to read as follows:

"Section 920. Seizure and detention of suspicious imports or exports of currency.

(1) An authorized officer may seize and, in accordance with this section, detain any currency which is being imported into or exported from the Federated States of Micronesia if the authorized officer has probable cause to believe that it was derived from a serious offense, or is intended by any person for use in the commission of a serious offense.

(2) Currency detained under subsection (1) of this section shall not be detained for more than twenty-four (24) hours after seizure, unless a justice of the Supreme Court grants an order of continued detention for a period not exceeding three (3) months from the date of seizure, upon being satisfied that:

(a) there is probable cause to believe that it was derived from a serious offense or is intended by any person for use in the commission of a serious offense; and
(b) its continued detention is justified while:
  (i) its origin or derivation is further investigated; or
  (ii) consideration is given to the institution in the Federated States of Micronesia or elsewhere of criminal proceedings against any person for an offense with which the currency is connected;
PROVIDED, however, upon request by the person from whom the currency was seized and detained, the court shall grant a hearing before entering an order of continued detention.

(3) A justice of the Supreme Court may subsequently order, after hearing, with notice to all parties concerned, the continued detention of the currency if satisfied of the matters mentioned in subsection (2) of this section, but the total period of detention shall not exceed two (2) years from the date of the order.

(4) Subject to subsection (5) of this section, currency detained under this section may be released in whole or in part to the person on whose behalf it was imported or exported:
  (a) by order of a justice of the Supreme Court that its continued detention is no longer justified, upon application by or on behalf of that person and after considering any views of the Secretary to the contrary; or
(b) by an authorized officer, if satisfied that its continued detention is no longer justified.

(5) No currency detained under this section shall be released where:

(a) an application is made under subchapter III of this chapter for the purpose of:

(i) the confiscation of the whole or any part of the currency; or

(ii) its restraint pending determination of its liability to confiscation; or

(b) proceedings are instituted in the Federated States of Micronesia or elsewhere against any person for an offense with which the currency is connected, unless and until the proceedings relating to the relevant application or the proceedings for the offense as the case may be have been concluded."

Section 107. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 921 of chapter 9 to read as follows:

"Section 921. Power to obtain search warrant.

(1) The Department of Justice may apply to the Supreme Court for a warrant, under this section or title 12 of the Code of the Federated States of Micronesia, to enter any premises belonging to or in the possession or control of a financial institution, cash dealer, or any officer or employee thereof, and to search the premises
and remove any document, material or other thing therein for the purposes of the Department of Justice as ordered by the Supreme Court and specified in the warrant.

(2) The Supreme Court shall grant an application for a search warrant made pursuant to this act if it is satisfied that there is probable cause to believe that:

(a) the financial institution or cash dealer has failed to keep a transaction record, or report a suspicious transaction, as required by this act; or

(b) an officer or employee of a financial institution or cash dealer is committing, has committed or is about to commit an offense of money laundering or other violation of this act."

Section 108. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 922 of chapter 9 to read as follows:

"Section 922. Property tracking and monitoring orders. For the purpose of determining whether any property belongs to, or is in the possession or under the control of any person, the Department of Justice may, upon application to the Supreme Court, obtain an order:

(1) that any document relevant to:

(a) identifying, locating or quantifying any such property; or

(b) identifying or locating any document necessary for the transfer of any such property,"
belonging to, or in the possession or control of that person be delivered forthwith to the Department of Justice;

(2) that the financial institution or cash dealer forthwith produce to the Department of Justice all information obtained about any transaction conducted by or for that person during such period before or after the order as the Supreme Court directs."

Section 109. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 923 of chapter 9 to read as follows:

"Section 923. Orders to enforce compliance with obligations under this subchapter.

(1) The Department of Justice may, upon application to the Supreme Court, after satisfying the Court by a preponderance of the evidence, that a financial institution or cash dealer has failed to comply with any obligation provided for under sections 913, 914, 915, 916, or 917 of this title, obtain an order against all or any officers or employees of the institution or dealer in such terms as the Supreme Court deems necessary, in order to enforce compliance with such obligation.

(2) In granting the order pursuant to subsection (1) of this section, the Supreme Court may order that should the financial institution or cash dealer fail, without
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reasonable excuse, to comply with all or any provisions of the order, such institution, dealer, officer or employee shall pay a financial penalty in the sum and in the manner directed by the Supreme Court.

(3) Nothing in this section shall preclude the Department of Justice from instituting criminal charges and seeking other orders, warrants, remedies or penalties; and notwithstanding any other penalty which may be imposed under this act, the Department of Justice may apply for an order directing compliance with any requirement of this act or regulations."

Section 110. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 924 of chapter 9 to read as follows:

"Section 924. Secrecy and confidentiality obligations overridden. The provisions of this act shall have effect notwithstanding any obligation as to secrecy, confidentiality, or other restriction on the disclosure of information imposed by law and regulations, including the policies, practices and regulations of any financial institution, cash dealer or other commercial entity or person, with respect to secrecy and confidentiality of banking matters, in the Federated States of Micronesia."

Section 111. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 925 of chapter 9 to read as follows:
"Section 925. Immunity where suspicious transaction reported. No action, suit or other proceedings shall lie against any financial institution or cash dealer, or any officer, employee or other representative of the institution acting in the ordinary course of the person's employment or representation, in relation to any action taken in good faith by that institution or person pursuant to section 915(1) of this title."

Section 112. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 926 of chapter 9 to read as follows:

"Section 926. Immunity where official powers or functions exercised in good faith. No suit, prosecution or other legal proceedings shall lie against the Government of the Federated States of Micronesia, or any officer or other person in respect of anything done by or on behalf of that person, with due diligence and in good faith, in the exercise of any power or the performance of any function under this act or any regulation or order made pursuant to this act."

Section 113. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 927 of chapter 9 to read as follows:

"Section 927. Restitution of restrained property. Where an investigation has begun against a person for a serious offense, or property was restrained under this
Section 114. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 928 of chapter 9 to read as follows:

"Section 928. Damages. Nothing in this act affects the right of a person, whose property has been restrained, to seek redress for due process or civil rights violations pursuant to the laws of the Federated States of Micronesia."

Section 115. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new subchapter III of chapter 9 entitled "Confiscation".

Section 116. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new subchapter III of chapter 9 entitled "Confiscation".
Micronesia, as amended, is hereby further amended by enacting a new part 1 of subchapter III of chapter 9 entitled "Application for Confiscation and Pecuniary Penalty Orders".

Section 117. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 929 of chapter 9 to read as follows:

"Section 929. Application for confiscation order or pecuniary penalty order.

(1) Where a defendant is convicted of a serious offense, the Secretary may apply to the Supreme Court for one or both of the following orders:

(a) a confiscation order against property that is tainted property in respect of the offense; or
(b) a pecuniary penalty order against the defendant in respect of benefits derived by the defendant from the commission of the offense; PROVIDED, however, such application must be made within one (1) year of the date the defendant was convicted for the serious offense.

(2) An application under subsection (1) of this section may be made in respect of one or more than one offense.

(3) Where an application under this section is finally determined, no further application for a confiscation order or a pecuniary penalty order may be made in respect of the offense for which the defendant was
convicted without the leave of the Supreme Court. The Supreme Court shall not give such leave unless it is satisfied that:

(a) the property or benefit to which the new application relates, accrued or was identified after the previous application was determined;

(b) necessary evidence became available after the previous application was determined and could not reasonably have been discovered before such determination; or

(c) it is in the interest of justice that the new application be made."

Section 118. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 930 of chapter 9 to read as follows:

"Section 930. Notice of application.

(1) Where the Secretary applies for a confiscation order against property in respect of the defendant’s conviction of a serious offense:

(a) the Secretary must give no less than fourteen (14) days written notice of the application to the defendant and to any other person who the Secretary has reason to believe may have an interest in the property;

(b) the defendant and any other person who claims an interest in the property may appear and adduce evidence at the hearing of the application; and
(c) the Supreme Court may, at any time before the final determination of the application, direct the Secretary to:

(i) give notice of the application to any person who, in the opinion of the Supreme Court, appears to have an interest in the property; and

(ii) announce on public radio, post a notice at the main Post Office and all branch offices, and at the National Government headquarters in Palikir, and publish in a newspaper published and circulating in the Federated States of Micronesia, a notice of the application.

(2) Where the Secretary applies for a pecuniary penalty order against a defendant:

(a) the Secretary shall give the defendant no less than fourteen (14) days notice of the application; and

(b) the defendant may appear and adduce evidence at the hearing of the application."

Section 119. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 931 of chapter 9 to read as follows:

"Section 931. Amendment of application.

(1) The Supreme Court, upon hearing the application under section 929(1) of this title, may, before the final determination of the application, and on the
application of the Secretary, amend the application to include any other property or benefit, as the case may be, upon being satisfied that:

(a) the property or benefit was not reasonably capable of identification when the application was made; or

(b) necessary evidence became available only after the application was originally made.

(2) Where the Secretary applies to amend an application for a confiscation order and the amendment would have the effect of including additional property in the application for confiscation, the Secretary must give no less than fourteen (14) days written notice of the application to amend, to any person who the Secretary has a reason to believe may have an interest in the property to be included in the application for a confiscation order.

(3) Any person who claims an interest in the property to be included in the application of a confiscation order may appear and adduce evidence at the hearing of the application to amend.

(4) Where the Secretary applies to amend an application for a pecuniary penalty order against a defendant and the effect of the amendment would be to include an additional benefit in the application, the Secretary must give the defendant no less than fourteen
(14) days written notice of the application to amend."

Section 120. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 932 of chapter 9 to read as follows:

"Section 932. Procedure on application.

(1) Where an application is made to the Supreme Court for a confiscation order or a pecuniary penalty order in respect of a defendant's conviction of a serious offense, the Supreme Court may, in determining the application, have regard to the transcript of any proceedings against the defendant for the offense.

(2) Where an application is made for a confiscation order or a pecuniary penalty order to the Supreme Court before which the defendant was convicted, and the Supreme Court has not, when the application is made, passed sentence on the defendant for the offense, the Supreme Court may, if it is satisfied that it is reasonable to do so in all circumstances, defer passing sentence until it has determined the application for the order."

Section 121. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new part 2 of subchapter III of chapter 9 entitled "Confiscation Orders".

Section 122. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new
section 933 of chapter 9 to read as follows:

"Section 933. Procedure for in rem confiscation order where a person dies or absconds.

(1) Where an information or a complaint has been filed alleging the commission of a serious offense by a person and a warrant for the arrest of the person has been issued in relation to that information or complaint, the Secretary may apply to the Supreme Court for a confiscation order in respect of any tainted property if the defendant has died or absconded.

(2) For the purposes of subsection (1) of this section and section 934 of this title, the person is deemed to have absconded if reasonable attempts to arrest the person pursuant to the warrant have been unsuccessful during a period of six (6) months commencing on the day the warrant was issued, and the person shall be deemed to have so absconded on the last day of that period.

(3) Where the Secretary applies under this section for a confiscation order against any tainted property, the Supreme Court shall, before hearing the application:

(a) require notice of the application to be given to any person who, in the opinion of the Supreme Court, appears to have an interest in the property; and

(b) direct that notice of the application be announced on public radio, posted at the main Post Office and all branch offices, and at the National
Government headquarters in Palikir, and published in a newspaper published and circulating in the Federated States of Micronesia, containing such particulars and for so long as the Supreme Court may require."

Section 123. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 934 of chapter 9 to read as follows:

"Section 934. Confiscation where a person dies or absconds.

(1) Subject to section 933(3) of this title, where an application is made to the Supreme Court under section 933(1) of this title, for a confiscation order against any tainted property by reason of a person having died, or absconded in connection with a serious offense, and the Court is satisfied that:

(a) any property is tainted property in respect of the offense;

(b) proceedings in respect of a serious offense committed in relation to that property were commenced; and

(c) the accused charged with the offense referred to in subsection (1)(b) of this section has died or absconded, the Supreme Court may order that the property or such property as is specified by the Supreme Court in the order be confiscated.

(2) The provisions of section 933(2), 935, 936, 937
and 938 shall apply with such modifications as are necessary to give effect to this section."

Section 124. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 935 of chapter 9 to read as follows:

"Section 935. Confiscation order on conviction.

(1) Where, upon application by the Secretary, the Supreme Court is satisfied that property is tainted property in respect of a serious offense of which a person has been convicted, the Supreme Court may order that specified property be confiscated.

(2) In determining whether property is tainted property, the Supreme Court may presume, in the absence of evidence to the contrary:

(a) that the property was used in or in connection with, the commission of the offense if it was in the person's possession at the time of, or immediately after, the commission of the offense for which the person was convicted;

(b) that the property was derived, obtained or realized as a result of the commission of the offense if it was acquired by the person before, during or within a reasonable time after the period of the commission of the offense of which the person was convicted, and the Supreme Court is satisfied that the income of that person, from sources unrelated to criminal activity of
that person, cannot reasonably account for the
acquisition of that property.

(3) Where the Supreme Court orders that property,
other than money, be confiscated, the Supreme Court
shall specify in the order the amount that it considers
to be the value of the property at the time when the
order is made, taking account of how such value is to be
determined under section 907 of this act.

(4) In considering whether a confiscation order should
be made under subsection (1) of this section the Supreme
Court shall have regard to:

(a) the rights and interests, if any, of innocent
third parties in the property;

(b) the gravity of the offense concerned;

(c) any hardship that may reasonably be expected
to be caused to any innocent person by the operation of
the order; and

(d) the use that is ordinarily made of the
property, or the use to which the property was intended
to be put.

(5) Where the Supreme Court makes a confiscation
order, the Supreme Court may give such directions as are
necessary or convenient for giving effect to the order."

Section 125. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 936 of chapter 9 to read as follows:
"Section 936. Effect of confiscation order.

(1) Subject to subsection (2) of this section, where a Court makes a confiscation order against any property, the property vests absolutely in the Federated States of Micronesia by virtue of the order, except with respect to real property, where any legislation then in force in any State of the Federated States of Micronesia prohibits the Federated States of Micronesia from taking title to such real property, in which case a lien shall be immediately attached to the property in favor of the Federated States of Micronesia, in the amount of the value of the property less any prior recorded encumbrances. In the case of such real property, the Secretary shall be authorized to make application to the Supreme Court, and the Supreme Court may grant an order forcing the sale of such property (unless the sale of such property is prohibited by legislation then in force in the State), with proceeds to be paid to the Federated States of Micronesia after sale, less prior recorded encumbrances.

(2) Where property ordered to be confiscated is recordable property, and where not prohibited under the laws of a State of the Federated States of Micronesia:

(a) the property vests in the Federated States of Micronesia in equity but does not vest in the Federated States of Micronesia at law until the applicable
(b) the Federated States of Micronesia is entitled to be recorded as owner of the property; and

(c) the Secretary has power, on behalf of the Federated States of Micronesia, to do or authorize the doing of anything necessary or convenient to obtain the recordation of the Federated States of Micronesia as owner, including the execution of any instrument to be executed by a person transferring an interest in property of that kind.

(3) Where the Supreme Court makes a confiscation order against property:

(a) the property shall not, except with the leave of the Supreme Court, and in accordance with any directions of the Supreme Court, be disposed of, or otherwise dealt with, by or on behalf of the Federated States of Micronesia before the relevant appeal date; and

(b) if, after the relevant appeal date, the order has not been discharged, the property may be disposed of and the proceeds applied or otherwise dealt with in accordance with the direction of the Secretary.

(4) In this section:

(a) 'Recordable property' means real property, the title to which is passed by recordation in accordance with the provisions of the applicable state
(b) 'Relevant appeal date' used in relation to a confiscation order made in consequence of a person's conviction of a serious offense means:

(i) the date on which the period allowed by rules of court for the lodging of an appeal against a person's conviction, or for the lodging of an appeal against the making of a confiscation order expires without an appeal having been lodged, whichever is the later; or

(ii) where an appeal against a person's conviction or against the making of a confiscation order is lodged, the date on which the appeal is finally determined."

Section 126. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 937 of chapter 9 to read as follows:

"Section 937. Voidable transfers. The Supreme Court may, before making a confiscation order and in the case of property in respect of which a restraining order was made, where the order was served in accordance with section 960 of this title, set aside any conveyance or transfer of the property that occurred after the seizure of the property, or the service of the restraining order, unless the conveyance or transfer was made for valuable consideration to a person acting in good faith
Section 127. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 938 of chapter 9 to read as follows:

"Section 938. Protection of third parties.  

(1) Where an application is made for a confiscation order against property, a person who claims an interest in the property may apply to the Supreme Court, before the confiscation order is made, for an order under subsection (2) of this section.  

(2) If a person applies to the Supreme Court for an order under this section in respect of property and the Supreme Court is satisfied:  

(a) that the person was not in any way involved in the commission of the offense; and  

(b) where the person acquired the interest during or after the commission of the offense, that he or she acquired the interest:  

(i) for sufficient consideration; and  

(ii) without knowing, and in circumstances such as not to arouse a reasonable suspicion, that the property was, at the time he or she acquired it, tainted property, the Supreme Court shall make an order declaring the nature, extent and value (at the time the order is made) of the person's interest.  

(3) Subject to subsection (4) of the this section,
where a confiscation order has already been made
directing the confiscation of property, a person who
claims an interest in the property may, before the end
of the period of twelve (12) months, commencing on the
day on which the confiscation order is made, apply to
the Supreme Court for an order under subsection (2) of
this section.

(4) A person who:

(a) had knowledge of the application for the
confiscation order before the order was made; or

(b) appeared at the hearing of that application,
shall not be permitted to make an application under
subsection (3) of this section, except with leave of the
Supreme Court.

(5) A person who makes an application under
subsections (1) or (3) of this section must give no less
than fourteen (14) days written notice of the making of
the application to the Secretary, who shall be a party
to any proceedings in the application.

(6) An applicant or the Secretary may, in
accordance with the rules of court, appeal the Court’s
order made under subsection (2) of this section.

(7) Any person appointed by the Supreme Court under
section 968 of this title shall, on application by any
person who has obtained an order under subsection (2) of
this section, and where the period allowed by the rules
of court with respect to the making of a claim has expired and any appeal from that order has been determined:

(a) direct that the property or part thereof to which the interest of the applicant relates, be returned to the applicant; or

(b) direct that an amount equal to the value of the interest of the applicant, as declared in the order, be paid to the applicant."

Section 128. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 939 of chapter 9 to read as follows:

"Section 939. Discharge of confiscation order on quashing or reversal of conviction.

(1) Where the Supreme Court makes a confiscation order against property in reliance on a person's conviction of a serious offense and the conviction is subsequently reversed by a court of final jurisdiction, the reversal of the conviction discharges the order. However, upon notice of intent by the Department of Justice to recharge the matter, the court may order continued detention of the property pursuant to section 935 of this act.

(2) Where a confiscation order against property is discharged as provided for in subsection (1) of this section or by the Supreme Court, hearing an appeal
against the making of the confiscation order, any person
who claims to have an interest in the property
immediately before the making of the confiscation order
may apply to the court in writing for the transfer of
the interest to the person.

(3) On receipt of an application under subsection (2)
of this section, the court shall conduct a hearing to
determine, by a preponderance of the evidence, ownership
of the property, and if satisfied that the applicant is
lawfully entitled, and has no complicity with respect to
the offense, shall:

(a) if the interest is vested in the Federated
States of Micronesia, give directions that the property
or part thereof to which the interest of the applicant
relates, be transferred to the person; or

(b) in any other case, direct that there be
payable to the person an amount equal to the value of
the interest as at the time the order is made."

Section 129. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 940 of chapter 9 to read as follows:

"Section 940. Payment instead of a confiscation order.
Where the Supreme Court is satisfied that a confiscation
order should be made in respect of the property of a
person convicted of a serious offense, but that the
property or any part thereof or interest therein cannot
be made subject to such an order and, in particular:
(1) cannot, on the exercise of due diligence be
located;
(2) has been transferred to a third party in
circumstances which do not give rise to a reasonable
inference that the title or interest was transferred for
the purpose of avoiding the confiscation of the
property;
(3) is located outside the Federated States of
Micronesia;
(4) has been substantially diminished in value or
rendered worthless; or
(5) has been commingled with other property that
cannot be divided without difficulty, the Supreme Court
may, instead of ordering the property or part thereof or
interest therein to be confiscated, order the person to
pay to the Federated States of Micronesia an amount
equal to the value of the property, part or interest,
taking into account section 907 of this act."

Section 130. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 941 of chapter 9 to read as follows:
"Section 941. Application of procedure for enforcing
fines. Where the Supreme Court orders a person to pay
an amount under section 940 of this title, that amount
shall be treated as if it were a fine imposed upon him
or her in respect of a conviction for a serious offense, and the Supreme Court shall:

(1) notwithstanding anything contained in any other act, or law, including the Code of the Federated States of Micronesia, impose, for contumacious default of the payment of that amount, a term of imprisonment:

(a) of not more than thirty (30) days, where the amount does not exceed $1,000;

(b) of not more than one (1) year, where the amount does not exceed $5,000;

(c) of not more than five (5) years, where the amount does not exceed $50,000 dollars; or

(d) of not more than ten (10) years, where the amount exceeds $50,000;

(2) direct that the term of imprisonment imposed, pursuant to subsection (1) of this section, be served consecutively to any other form of imprisonment imposed on that person, or that the person is then serving; or

(3) direct that other provisions of the Code of the Federated States of Micronesia regarding the disposition of offenders serving a term of imprisonment, shall not apply in relation to a term of imprisonment, imposed on a person pursuant to subsection (1) of this section."

Section 131. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new part 3 of subchapter III of chapter 9 entitled "Pecuniary
Penalty Orders”.

Section 132. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 942 of chapter 9 to read as follows:

"Section 942. Pecuniary penalty order on conviction.

(1) Subject to this section, where the Secretary applies to the Supreme Court for a pecuniary penalty order against a defendant in respect of the defendant's conviction for a serious offense, the Court shall, if it is satisfied that the defendant has benefited from that offense, order the defendant to pay to the Federated States of Micronesia an amount equal to the value of the defendant's benefit from the offense, or such lesser amount as the Court determines in accordance with section 945 of this title, to be the amount that might be recovered at the time the pecuniary penalty order is made.

(2) The Supreme Court shall assess the value of the benefits derived by a person from the commission of an offense in accordance with sections 943, 944, 945, and 946.

(3) The Supreme Court shall not make a pecuniary penalty order under this section:

(a) until the period allowed by the rules of court for the lodging of an appeal against the conviction has expired without such appeal having been
lodged; or

(b) where an appeal against the conviction has
been lodged, until the appeal is dismissed in accordance
with the rules of court or is finally determined,
whichever is the later date."

Section 133. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 943 of chapter 9 to read as follows:

"Section 943. Determination of benefit and assessment
of value.

(1) Where a defendant obtains property as the result
of, or in connection with the commission of a serious
offense, the defendant's benefit is the value of the
property so obtained. Value means fair market value at
the time the property was obtained or at the time of
conviction, at whichever time the value is greater.

(2) Where a defendant derived an advantage as a result
of or in connection with the commission of a serious
offense, the defendant's advantage shall be deemed to be
a sum of money equal to the value of the advantage so
derived.

(3) The Supreme Court, in determining whether a person
has benefited from the commission of a serious offense
or from that offense taken together with other serious
offenses shall, unless the contrary is proved by the
defendant by satisfactory evidence, presume:
(a) all property appearing to the Supreme Court
to be held by the person:
   (i) on the day on which the application is
       made;
   (ii) at any time within the period between
       the day the serious offense, or the earliest serious
       offense, was committed and the day on which the
       application is made; or
   (iii) within the period of six (6) years
       immediately before the day on which the application is
       made, whichever is the longer, to be property that came
       into the possession or under the control of the person
       by reason of the commission of that serious offense or
       those serious offenses for which the defendant was
       convicted;
(b) any expenditure by the defendant since the
    commission of the offense to be expenditure meted out of
    payments received by the defendant as a result of, or in
    connection with, the commission of that serious offense
    or those serious offenses; and
(c) any property received or deemed to have been
    received by the defendant at any time as a result of, or
    in connection with the commission by the defendant of
    that serious offense, or those serious offenses, to be
    property received by the defendant free of any interest
    therein.
(4) Where a pecuniary penalty order has been previously made against a defendant, in assessing the value of any benefit derived by the defendant from the commission of the serious offense, the Supreme Court shall leave out of account any benefits that are shown to the Supreme Court to have been taken into account in determining the amount to be recovered under that order.

(5) If evidence is given at the hearing of the application that the value of the defendant's property at any time after the commission of the serious offense exceeded the value of the defendant's property before the commission of the offense, then the Supreme Court shall, subject to subsection (6) of this section, treat the value of the benefit as being not less than the amount of that excess.

(6) If, after evidence of the kind referred to in subsection (5) of this section is given, the defendant proves to the Supreme Court by satisfactory evidence that the whole or part of the excess was due to causes unrelated to the commission of the serious offense, subsection (5) of this section does not apply to the excess or, as the case may be, that part."

Section 134. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 944 of chapter 9 to read as follows:

"Section 944. Statements relating to benefits from the
1 commission of serious offenses.

(1) Where:

(a) a defendant has been convicted of a serious offense and the Secretary tenders to the Supreme Court a statement as to any matters relevant to:

(i) determining whether the defendant has benefited from the offense or from any other serious offense of which the defendant is convicted in the same proceedings or which is taken into account in determining his or her sentence; or

(ii) an assessment of the value of the defendant's benefit from the offense or any other serious offense of which the defendant is convicted in the same proceedings or which is taken into account; and

(b) the defendant admits to any extent an allegation in the statement, the Supreme Court may, for the purposes of so determining or making that assessment, treat the defendant's admission as conclusive of the matters to which it relates.

(2) Where:

(a) a statement is tendered under subsection (1)(a) of this section; and

(b) the Court is satisfied that a copy of that statement has been served on the defendant, the Supreme Court may require the defendant to indicate to what extent the defendant admits each allegation in the
statement and, so far as the defendant does not admit any allegation, to indicate any matters the defendant proposes to deny or reply on.

(3) Where the defendant fails in any respect to comply with a requirement under subsection (2) of this section, the defendant may be treated, for the purposes of this section, as having admitted every allegation in the statement except for any allegation in respect of which the defendant complied with the requirements of subsection (2) of this section.

(4) Where:

(a) the defendant tenders to the Supreme Court a statement as to any matters relevant to determining the amount that might be recovered at the time the pecuniary penalty order is made; and

(b) the Secretary admits to any extent any allegation in the statement, the Supreme Court may, for the purposes of that determination, treat the admission of the Secretary as conclusive of the matters to which it relates.

(5) An allegation may be admitted, denied, or a matter indicated for the purposes of this section, either:

(a) orally before the Supreme Court; or

(b) in writing, in accordance with the rules of court.

(6) An admission by a defendant under this section
that the defendant received any benefits from the
commission of a serious offense is admissible in any
proceedings for any offense."

Section 135. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 945 of chapter 9 to read as follows:

"Section 945. Amount recovered under pecuniary penalty
order.

(1) The amount to be recovered from the defendant
under a pecuniary penalty order shall be the amount that
the Supreme Court assesses to be the value of the
defendant's benefit from the serious offense, or if more
than one offense, the aggregate benefit of all the
offenses.

(2) Where the amount of the benefit derived by the
defendant from the serious offense(s) greatly exceeds
the amount which might be recovered from the defendant
at the time the pecuniary penalty order is made, the
Supreme Court may order a pecuniary penalty in such
amount as the court finds is realizable at the time of
issuance of the pecuniary penalty order, but shall be
required to issue findings of fact justifying such
lesser amount."

Section 136. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 946 of chapter 9 to read as follows:
"Section 946. **Variation of pecuniary penalty order.**

Where:

(1) the Supreme Court makes a pecuniary penalty order against a defendant in relation to a serious offense;

(2) in calculating the amount of the pecuniary penalty order, the Court took into account a confiscation order of property or a proposed confiscation order in respect of property; and

(3) an appeal against confiscation or a confiscation order is allowed, or the proceedings from the proposed confiscation order terminate without the proposed confiscation order being made, the Secretary may apply to the Supreme Court for a variation of the pecuniary penalty order to increase the amount of the order by the value of the property not so confiscated and the Supreme Court may, if it considers it appropriate to do so, vary the order accordingly."

Section 137. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 947 of chapter 9 to read as follows:

"Section 947. **Lifting the corporate veil.**

(1) In assessing the value of benefits derived by a defendant from the commission of a serious offense, the Supreme Court may treat as property of the defendant, any property that, in the opinion of the Supreme Court, is subject to the effective control of the defendant,
whether or not the defendant has:

(a) any legal or equitable interest in the

property; or

(b) any right, power or privilege in connection

with the property.

(2) Without prejudice to the generality of subsection

(1) of this section, the Supreme Court may take into

consideration:

(a) shareholdings in, debentures over or
directorships in any company, corporation or commercial
enterprise that has an interest, whether direct or
indirect, in the property, and for this purpose the
Supreme Court may order the investigation and inspection
of the books and records of any named company,
corporation or commercial enterprise;

(b) any trust that has any relationship to the

property; or

(c) any relationship whatsoever between the

persons having an interest in the property or in
companies of the kind referred to in subsection (2)(a)
of this section or trust of the kind referred to in
subsection (2)(b) of this section, and any other
persons.

(3) Where the Supreme Court, for the purposes of

making a pecuniary penalty order against a defendant,
treats particular property as the defendant's property
pursuant to subsection (1) of this section, the Supreme Court may, on application by the Secretary, make an order declaring that the property is available to satisfy the order.

(4) Where the Supreme Court declares that property is available to satisfy a pecuniary penalty order:

(a) the order may be enforced against the property as if the property were the property of the defendant against whom the order is made; and

(b) a restraining order may be made in respect of the property as if the property were property of the defendant against whom the order is made.

(5) Where the Secretary makes an application for an order under subsection (3) of this section, that property is available to satisfy a pecuniary penalty order against a defendant:

(a) the Secretary shall give written notice of the application to the defendant and to any person who the Secretary has reason to believe may have an interest in the property; and

(b) the defendant and any person who claims an interest in the property may appear and adduce evidence at the hearing."

Section 138. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 948 of chapter 9 to read as follows:
"Section 948. Enforcement of pecuniary penalty orders. Where the Supreme Court orders a defendant to pay an amount under a pecuniary penalty order, the provisions of section 941 shall apply with such modifications as the Supreme Court may determine for the purpose of empowering the Supreme Court to impose a term of imprisonment on a defendant in contumacious default of compliance by the defendant with a pecuniary penalty order."

Section 139. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 949 of chapter 9 to read as follows:

"Section 949. Discharge of pecuniary penalty orders. A pecuniary penalty order is discharged:

(1) if the conviction of the serious offense or offenses in reliance on which the order was made is reversed and no conviction for the offense or offenses is substituted;

(2) if the order is rescinded; or

(3) on the satisfaction of the order by payment of the amount due under the order."

Section 140. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new part 4 of subchapter III of chapter 9 entitled "Control of Property".

Section 141. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new part 4 of subchapter III of chapter 9 entitled "Control of Property".
Micronesia, as amended, is hereby further amended by adding a new section 950 of chapter 9 to read as follows:

"Section 950. Powers to search for and seize tainted property.

(1) In addition to any powers granted under title 12 of the Code of the Federated States of Micronesia and other applicable laws, a police officer may:

(a) search a person for tainted property;

(b) enter upon land or upon or into premises and search the land or premises for tainted property; and

(c) in either case, seize any property found in the course of the search that the police officer believes, on reasonable grounds to be tainted property, provided that the search or seizure is made:

(i) with the consent of the person or the occupier of the land or premises as the case may be;

(ii) under a warrant issued under section 951 of this title; or

(iii) under section 953 of this title.

(2) Where a police officer may search a person under this act, the officer may also search:

(a) the clothing that is being worn by the person; and

(b) any property in, or apparently in, the person's immediate control."

Section 142. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new section 951 of chapter 9 to read as follows:

"Section 951. Search warrants in relation to tainted property.

(1) Where a police officer has probable cause to believe that there is, or may be within the next seventy-two (72) hours, tainted property of a particular kind:

(a) on a person;

(b) in the clothing that is being worn by a person;

(c) otherwise in a person's immediate control; or

(d) upon land or upon or in any premises;

the police officer may lay before a justice, a sworn affidavit setting out those grounds and apply for the issuance of a warrant under this act or under title 12 of the Code of the Federated States of Micronesia, to search the person, the land or the premises as the case may be, for tainted property of that kind.

(2) Where an application is made under subsection (1) of this section for a warrant to search a person, land or premises, the justice may, subject to subsection (4) of this section issue a warrant authorizing a police officer (whether or not named in the warrant) with such assistance and by such force as is necessary and reasonable:
(a) to search the person for tainted property of that kind;
(b) to enter upon the land or in or upon any premises and to search the land or premises for tainted property of that kind; and
(c) to seize property found in the course of the search that the police officer has probable cause to believe to be tainted property of that kind.

(3) A warrant may be issued under subsection (2) of this section in relation to tainted property, whether or not information or a complaint has been filed in respect of the relevant offense.

(4) A justice shall not issue a warrant under subsection (2) of this section unless, where information or a complaint has not been filed in respect of the relevant offense at the time when the application for the warrant is made, the justice is satisfied that there is probable cause to believe a crime has been or is about to be committed and that tainted property or evidence of such crime is located at the place or on the person or thing to be searched.

(5) A warrant issued under this section shall state:
(a) the purpose for which it is issued, including a reference to the nature of the relevant offense;
(b) a description of the kind of property authorized to be seized;
(c) a time at which the warrant ceases to be in force; and
(d) whether entry is authorized to be made at any time of the day or night or during specified hours.
(6) If, during the course of searching under a warrant issued under this section, a police officer finds:
   (a) property that the police officer has probable cause to believe to be tainted property either of a type not specified in the warrant or tainted property in relation to another serious offense; or
   (b) anything the police officer has probable cause to believe will afford evidence as to the commission of a serious offense (whether or not such offense is the same as that described in the warrant), the police officer may seize that property or thing and the warrant shall be deemed to authorize such seizure."

Section 143. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 952 of chapter 9 to read as follows:
"Section 952. Application for search warrants by telephone or other means of communication.
(1) Where by reason of urgency, a police officer considers it necessary to do so, the officer may make application for a search warrant under section 951 of this title by telephone, radio communication, facsimile or other means of communication by which identity of the
requesting officer can be identified.

(2) A justice, to whom an application for the issuance of a warrant is made by telephone or other means of communication, may sign a warrant if the justice is satisfied that there is probable cause to do so, and shall inform the police officer of the terms of the warrant so signed.

(3) The police officer executing the warrant shall inform any persons subject to and present at the time of the search of the terms of the warrant.

(4) The police officer to whom a warrant is granted by telephone or other means of communication shall, not later than three (3) working days following issuance of the warrant, provide the justice with a duly sworn application for a warrant completed by the officer, together with the officer's sworn affidavit in support of the warrant."

Section 144. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 953 of chapter 9 to read as follows:

"Section 953. Searches in emergencies.

(1) Where a police officer has probable cause to believe that:

(a) particular property is tainted property;

(b) it is necessary to exercise the power of search and seizure in order to prevent the concealment,
loss or destruction of the property; and
(c) the circumstances are so urgent that they require immediate exercise of the power without the authority of a warrant or the order of a court, the police officer may:
   (i) search a person;
   (ii) enter upon land, or upon or into premises and search for the property; and
   (iii) if property is found, seize the property.
(2) If during the course of a search conducted under this section, a police officer finds:
   (a) property that the police officer has probable cause to believe to be tainted property; or
   (b) any thing the police officer has probable cause to believe will afford evidence as to the commission of a serious offense; the police officer may seize that property or thing.”

Section 145. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 954 of chapter 9 to read as follows:

"Section 954. Record of property seized.
A police officer who seizes property under section 951 or section 953 of this title, shall retain the property seized, make a written record thereof, and take reasonable care to ensure that the property is
Section 146. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 955 of chapter 9 to read as follows:

"Section 955. Return of seized property.

(1) Where property has been seized under section 951 or section 953 of this title, (otherwise than because it may afford evidence of the commission of an offense), a person who claims an interest in the property may apply to the Supreme Court for an order that the property be returned to the person.

(2) Where a person makes an application under subsection (1) of this section and the Supreme Court is satisfied that:

(a) the person making the application is entitled to possession of the property;

(b) the property is not tainted property; and

(c) the defendant has no interest in the property, the Supreme Court shall order the return of the property to the person making the application."

Section 147. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 956 of chapter 9 to read as follows:

"Section 956. Search for and seizure of tainted property in relation to foreign offenses. Where a foreign state requests assistance with the location or
seizure of property suspected to be tainted property in respect of an offense within its jurisdiction, the provisions of sections 951, 952 and 953 of this title apply, with the necessary changes in points of detail, provided that the Secretary has, pursuant to applicable law, authorized the giving of assistance to the foreign state."

Section 148. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new part 5 of subchapter III of chapter 9 entitled "Restraining Orders".

Section 149. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 957 of chapter 9 to read as follows:

"Section 957. Application for restraining order.

(1) The Secretary may apply to the Supreme Court for a restraining order against any covered property whether held by a defendant or held by a person other than a defendant.

(2) An application for a restraining order may be made ex parte and shall be in writing and be accompanied by an affidavit stating:

(a) where a defendant has been convicted of a serious offense, the serious offense for which the defendant was convicted, the date of the conviction, the court before which the conviction was obtained and
whether an appeal has been lodged against the conviction;

(b) where a defendant has not been convicted of a serious offense, the serious offense with which the defendant is charged or about to be charged and the grounds for believing that the defendant committed the offense;

(c) a description of the property sought to be restrained;

(d) the name and address of the person who is believed to be in possession of the property;

(e) the grounds for the belief that the property is tainted property in relation to the offense;

(f) the grounds for the belief that the defendant derived a benefit directly or indirectly from the commission of the offense;

(g) where the application seeks a restraining order against property of a person other than the defendant, the grounds for the belief that the property is tainted property in relation to the offense and is subject to the effective control of the defendant; and

(h) the grounds for the belief that a confiscation order or a pecuniary penalty order may be or is likely to be made under this subchapter in respect of the property."

Section 150. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new section 958 of chapter 9 to read as follows:

"Section 958. Restraining orders.

(1) Subject to this section, where the Secretary applies to the Supreme Court for a restraining order against property and the Supreme Court is satisfied that:

(a) the defendant has been convicted of a serious offense, or has been charged or is about to be charged with a serious offense;

(b) where the defendant has not been convicted of a serious offense, there are reasonable grounds for believing that the defendant committed the offense;

(c) there is reasonable cause to believe that the property is tainted property in relation to an offense, or that the defendant derived a benefit directly or indirectly from the commission of the offense;

(d) where the application seeks a restraining order against property of a person other than the defendant, there are reasonable grounds for believing that the property is tainted property in relation to an offense, and that the property is subject to the effective control of the defendant; and

(e) there are reasonable grounds for believing that a confiscation order or a pecuniary penalty order is likely to be made under this subchapter in respect of
the property, the Supreme Court may make an order prohibiting the defendant or any person from disposing of, or otherwise dealing with, the property or such part thereof or interest therein as is specified in the order, except in such manner as may be specified in the order and at the request of the Secretary, or upon its own motion, where the Supreme Court is satisfied that the circumstances so require:

   (i) the court is authorized to appoint a receiver or fiduciary to take custody of the property or such part thereof as is specified in the order, and to manage or otherwise deal with all or any part of the property in accordance with the directions of the Supreme Court; and

   (ii) require any person having possession of the property to give possession thereof to the receiver or fiduciary.

(2) In extreme cases, where undue hardship to innocent parties would otherwise occur, an order under subsection (1) of this section may be made subject to such conditions as the Supreme Court deems fit providing for meting out of the property, or a specified part of the property, the reasonable living expenses of defendant's immediate family.

(3) In determining whether there are reasonable grounds for believing that the property is subject to
the effective control of the defendant, the Supreme Court may take into account the matters referred to in section 947 of this title.

(4) Where the court appointed receiver or fiduciary is given a direction in relation to any property, he or she may apply to the Supreme Court for directions or any question respecting the management or preservation of the property under his or her control.

(5) An application under section 957 of this title, shall be served on all persons interested in the application or such of them as the Court deems expedient and all such persons shall have the right to appear at the hearing and be heard.

(6) When the application is made under section 957 of this title on the basis that a person is about to be charged, any order made by the Supreme Court shall lapse if the person is not charged:

(a) where the offense is an offense against the law of the Federated States of Micronesia, within five (5) working days; and

(b) where the offense is an offense against the law of a foreign state, within one hundred-fifty (150) working days."

Section 151. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 959 of chapter 9 to read as follows:
"Section 959. Notice of application for restraining order. Before entering a restraining order the Supreme Court may require notice to be given to, and may hear, any person who, in the opinion of the Supreme Court, appears to have an interest in the property, unless the Supreme Court is of the opinion that giving such notice before making the order would result in the disappearance, dissipation or reduction in value of the property."

Section 152. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 960 of chapter 9 to read as follows:

"Section 960. Service of restraining order. A copy of a restraining order shall be served on a person affected by the order in such manner as the Supreme Court directs or as may be prescribed by rules of court."

Section 153. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 961 of chapter 9 to read as follows:

"Section 961. Recording of restraining order.

(1) A copy of a restraining order which affects land in the Federated States of Micronesia shall be recorded with the relevant state authority in the state where the land is situated.

(2) A restraining order is of no effect with respect to recorded land unless it is recorded as an encumbrance
under the applicable state law.

(3) Where particulars of a restraining order are recorded under the applicable state law, a person who subsequently deals with the property shall, for the purposes of section 962 of this title, be deemed to have notice of the order at the time of the dealing."

Section 154. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 962 of chapter 9 to read as follows:

"Section 962. Violation of restraining order.

(1) A person who knowingly violates a restraining order by disposing of or otherwise dealing with property that is subject to the restraining order, commits a felony offense, punishable upon conviction by imprisonment for a maximum of five (5) years or a maximum fine of $50,000, or both; PROVIDED, however, in the case of a corporation, company, commercial enterprise, commercial entity or other legal person, the maximum fine shall be increased to $250,000.

(2) Where a restraining order is entered against property and the property is disposed of, or otherwise dealt with, in violation of the restraining order, and the disposition or dealing was not for sufficient consideration or not in favor of a person who acted in good faith and without notice, the Secretary may apply to the Supreme Court that entered the restraining order
for an order that the disposition or dealing be set
aside.

(3) Where the Secretary makes an application under
subsection (2) of this section in relation to a
disposition or dealing, the Supreme Court may:

(a) set aside the disposition or dealing as from
the day on which the disposition or dealing took place;
or

(b) set aside the disposition or dealing as from
the day of the order under this section and declare the
respective rights of any persons who acquired interests
in the property on, or after the day on which the
disposition or dealing took place, and before the day of
the order under this section."

Section 155. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 963 of chapter 9 to read as follows:

"Section 963. Duration of restraining order. A
restraining order issued under this act remains in force
until:

(1) it is discharged, revoked or varied;

(2) the period of six (6) months from the date on
which it is made or such later time as the Supreme Court
may determine; or

(3) a confiscation order or a pecuniary penalty order,
as the case may be, is made in respect of property which
Section 156. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 964 of chapter 9 to read as follows:

"Section 964. Review of restraining orders.

(1) A person, other than the defendant, who has an interest in property in respect of which a restraining order was entered may, at any time, apply to the Supreme Court for an order under subsection (4) of this section.

(2) An application made under subsection (1) of this section shall not be heard by the Supreme Court unless the applicant has given the Secretary at least five (5) working days notice in writing of the application.

(3) The Supreme Court may require notice of the application to be given to, and may hear, any person who, in the opinion of the Supreme Court, appears to have an interest in the property.

(4) On an application under subsection (1) of this section the Supreme Court may revoke or vary the order or make the order subject to such conditions as the Supreme Court deems appropriate. For the purposes of this subsection the Supreme Court may:

(a) impose conditions on the applicant; or

(b) vary the order to permit the payment of reasonable living expenses of the applicant, including his or her dependents, if any, and reasonable legal or
business expenses of the applicant.

(5) An order under subsection (4) of this section may only be made if the Supreme Court is satisfied that the:

(a) applicant is the lawful owner of the property or is entitled to lawful possession thereof, and appears to be innocent of any complicity in the commission of a serious offense or of any collusion in relation to such offense; and

(b) that the property will no longer be required for the purposes of any investigation or as evidence in any proceedings."

Section 157. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 965 of chapter 9 to read as follows:

"Section 965. Extension of restraining orders.

(1) The Secretary may apply to the judge of the Supreme Court that entered a restraining order for an extension of the period of the operation of the order.

(2) Where the Secretary makes an application under subsection (1) of this section, the Supreme Court may extend the operation of a restraining order for a specified period, if it is satisfied that a confiscation order may be made in respect of the property or part thereof or that a pecuniary penalty order may be made against the person."

Section 158. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a new part 6 of subchapter III of chapter 9 entitled "Realization of Covered Property".

Section 159. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 966 of chapter 9 to read as follows:

"Section 966. Realization of covered property.

(1) Where:

(a) a pecuniary penalty order is made;

(b) all conditions of the order have been met;

and

(c) the order is not discharged, the Supreme Court may, on an application by the Secretary, exercise the powers conferred upon the Supreme Court by this section with respect to covered property (as defined by section 903(1)(f)) of this title.

(2) The Supreme Court may appoint a receiver in respect of covered property.

(3) The Supreme Court may empower a receiver appointed under subsection (2) of this section to take possession of any covered property subject to such conditions or exceptions as may be specified by the Supreme Court.

(4) The Supreme Court may order any person having possession of covered property to give possession of it to any such receiver.

(5) The Supreme Court may empower any such receiver to
realize (liquidate and convert into cash and/or obtain payment of the value of defendant's interest) any covered property in such manner as the Supreme Court may direct.

(6) The Supreme Court may order any person holding an interest in covered property to make such payment to the receiver in respect of any interest held by the defendant or, as the case may be, the recipient of a gift caught by this act as the Supreme Court may direct, and the Supreme Court may, on the payment being made by order, transfer, grant or extinguish any interest in the property.

(7) The Supreme Court shall not, in respect of any property, exercise the powers conferred by subsections (3), (4), (5) or (6) of this section, unless a reasonable opportunity has been given for persons holding any interest in the property to make representations to the Supreme Court."

Section 160. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 967 of chapter 9 to read as follows:

"Section 967. Application of proceeds of realization and other sums.

(1) Subject to subsection (2) of this section, the following property in the hands of a receiver appointed under this act, being:
(a) the proceeds of the realization of any property under section 966 of this title; and 

(b) any other sums, being property held by the defendant, shall, after such payments, if any, as the Supreme Court may direct have been made out of those sums, be payable to the Clerk of the Supreme Court and be applied on the defendant's behalf towards the satisfaction of the pecuniary penalty order in the manner provided by subsection (3) of this section.

(2) If, after the amount payable under the confiscation order has been fully paid, any such sums remain in the hands of such a receiver, the receiver shall distribute those sums:

(a) among such of those innocent third persons who held covered property which has been recovered under this subchapter (either through seizure and liquidation or by payment of defendant's interest therein by the holder) who have come forward and made application to the Court for return of the property; and 

(b) in such proportions, as the Supreme Court may direct, after giving a reasonable opportunity for those persons to make representations to the Supreme Court.

(3) Property received by the Clerk of the Supreme Court on account of an amount payable under a confiscation order shall be applied as follows:

(a) if received by the Clerk of the Supreme Court
from a receiver under subsection (1) of this section, it
shall first be applied in payment of the receiver's
remuneration and expenses; and

(b) the balance shall be paid or, as the case may
be, transferred, to the General Fund of the Federated
States of Micronesia, until such time that a Federated
States of Micronesia Fund For Drug Abuse Prevention And
Control is established pursuant to law, at which time,
any balance then accrued, shall be paid, or as the case
may be, transferred, to said Fund."

Section 161. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 968 of chapter 9 to read as follows:

"Section 968. Exercise of powers of receiver or
fiduciary.

(1) The following provisions of this section apply to
the powers conferred on the Supreme Court by sections
958, 964, 965 and 966 of this title, or on a receiver or
fiduciary appointed under section 958(1)(e) or section
966(2) of this title.

(2) The position of receiver or fiduciary shall be one
of confidence and trust, and the powers of a receiver or
fiduciary shall be exercised by him or her with the
highest degree of competence, honesty, good faith and
fair dealing.

(3) Subject to the following provisions of this
section, the powers of a receiver or fiduciary shall be exercised first so as to satisfy any pecuniary penalty order, which order shall be satisfied first from the present value of covered property of the defendant.

(4) In the case of covered property held by a person to whom the defendant has directly or indirectly made a gift caught by this act, the receiver or fiduciary shall endeavor to realize the present value of the gift.

(5) The powers shall be exercised with a view to allowing any innocent person or the innocent recipient of any such gift to retain or recover the value of any property held by him or her.

(6) An order may be made or other action taken in respect of costs arising from the case.

(7) In exercising the powers granted under this section, no account shall be taken of any obligations of the defendant or of the recipient of any such gift which conflict with the obligation to satisfy the pecuniary penalty order or any confiscation order issued in the case."

Section 162. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 969 of chapter 9 to read as follows:

"Section 969. Supremacy of this subchapter in bankruptcy or winding up.

(1) Where a person who holds covered property is
adjudged bankrupt in any proceeding wherever held, the
Federated States of Micronesia shall stand as first
lienholder to the extent of any amount owed by the
bankrupt person in the Federated States of Micronesia as
a pecuniary penalty or under a confiscation order; and

(a) property located in the Federated States of
Micronesia which is subject to a restraining order made
before the order adjudging the person bankrupt; and

(b) any proceeds of property confiscated under
this act, or recovered by virtue of sections 966(5) or
(6) of this title, and held by a person appointed under
section 958(1)(e) or 966(2) of this title, shall not be
considered as property of the bankrupt person or the
estate for the purposes of the applicable bankruptcy act
or any civil attachment proceedings.

(2) Subject to subsection (1) of this section, where a
person has been adjudged bankrupt, the powers conferred
on the Supreme Court by sections 958 and 966 of this
title, or on a person appointed under section 958(1)(g)
or 966(2) of this title, shall not be exercised in
relation to property comprised as property of the
bankrupt person for the purposes of the applicable
bankruptcy act.

(3) Where a receiver stands appointed under an
applicable bankruptcy act, and property of the debtor is
subject to a restraining order under or for the purposes
of the bankruptcy act, the powers conferred on the receiver by virtue of the bankruptcy act do not apply to tainted property or proceeds of crime which are subject to forfeiture or confiscation under this act until such time as the period of time for bringing an action for forfeiture or confiscation under this act is exhausted.

(4) Where a person is adjudged bankrupt and has directly or indirectly made a gift caught by this act:

(a) no order shall be made under the applicable bankruptcy act relating to such gift where:

(i) the bankrupt person has been charged with a serious offense and the proceedings have not been concluded, either by the acquittal of the defendant or final dismissal of the proceedings; or where

(ii) property of the person to whom the gift was made is subject to a restraining order or confiscation order under this act; and

(b) any order made under the applicable bankruptcy act, shall take into account any recovery under this act of property held by the person to whom the gift was made."

Section 163. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 970 of chapter 9 to read as follows:

"Section 970. Winding up of corporation, company, or other commercial enterprise or entity holding covered
(1) Where covered property is held by a corporation, company, or other commercial enterprise or entity and an order for the winding up has been made, or a resolution has been passed by the corporation, company, or other commercial enterprise or entity for its voluntary winding up, the functions of the liquidator or receiver appointed for the winding up shall not be exercisable in relation to:

(a) property subject to a restraining order or confiscation order made before such winding up; or

(b) any proceeds of property recovered by virtue of sections 966(5) or (6) of this title, and in the hands of a person appointed under section 958(1)(e) or 966(2) of this title, but there shall be payable out of such property any expenses (including the remuneration of the liquidator or receiver) properly incurred in the winding up of the corporation, company, or other commercial enterprise or entity.

(2) Where, in the case of a corporation, company, or other commercial enterprise or entity, an order for winding up has been made or a resolution for winding up has been passed, the powers conferred on the Supreme Court by section 958 or 966 of this title shall not be exercised in relation to any covered property held by the corporation, company, or other commercial enterprise.
or entity:

(a) which will unfairly inhibit the liquidator or receiver from exercising his or her proper functions for the purpose of distributing any property held by the company to the company’s legitimate creditors; or

(b) which will prevent the payment out of any property the corporation, company, or other commercial enterprise or entity, of expenses (including the remuneration of the liquidator or receiver) properly incurred in the winding up.

(3) Subsection (2) of this section does not affect the enforcement of a restraining order or confiscation order made before the order or resolution for winding up.

(4) Nothing in other laws of the Federated States of Micronesia or its states relating to corporations, companies, or other commercial enterprises or entities shall be taken as restricting, or enabling the restriction of, the exercise of the powers conferred on the Supreme Court by section 958 or 966 of this title, and in case of conflict, this act shall take precedence."

Section 164. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new part 7 of subchapter III of chapter 9 entitled "Production Orders and Other Information Gathering Powers".

Section 165. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new section 971 of chapter 9 to read as follows:

"Section 971. Production orders.

(1) Where a defendant has been charged with or convicted of a serious offense, and a police officer has probable cause to believe that any person has possession or control of:

(a) a document relevant to identifying, locating or quantifying property of the defendant, or to identifying or locating a document necessary for the transfer of property of the defendant; or

(b) a document relevant to identifying, locating or quantifying tainted property in relation to the offense, or to identifying or locating a document necessary for the transfer of tainted property in relation to the offense, the police officer may apply, ex parte and in writing, to a justice for an order against the person suspected of having possession or control of a document of the kind referred. The application shall be supported by an affidavit.

(2) The justice may, if he or she considers there is probable cause for so doing, make an order under this act, that the person produce to a police officer, at a time and place specified in the order, any documents of the kind referred to in subsection (1) of this section.

(3) A police officer to whom documents are produced
may:

(a) inspect the documents;

(b) make copies of the documents; or

(c) retain the documents for so long as is reasonably necessary for the purposes of this act.

(4) Where a police officer retains the documents produced, the officer shall make a copy of the documents available to the person who produced them.

(5) A person is not entitled to refuse to produce documents ordered to be produced under this section on the grounds that the document might tend to incriminate that person or make such person liable to a penalty."

Section 166. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 972 of chapter 9 to read as follows:

"Section 972. Evidential value of information.

(1) Where a person produces a document pursuant to an order issued under this act, the production of the document, or any information, document, or thing obtained as a direct or indirect consequence of the production of the document, is not admissible against that person in any criminal proceedings except proceedings under section 973 of this title.

(2) For the purposes of subsection (1) of this section, proceedings on an application for a restraining order, a confiscation order or a pecuniary penalty order
Section 167. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 973 of chapter 9 to read as follows:

"Section 973. Failure to comply with a production order.

(1) Where a person is required by a production order issued under this act, to produce a document to a police officer, the person is guilty of a felony offense if the person knowingly:

(a) violates the order without reasonable cause; or

(b) in purported compliance with the order, produces or makes available a document known to the person to be false or misleading in a material way, and does not so indicate to the police officer and provide to the police officer any correct information of which the person is in possession.

(2) The offense established by subsection (1) of this section is a felony offense, punishable by imprisonment for a maximum of five (5) years or a maximum fine of $50,000, or both; PROVIDED, however, in the case of a corporation, company, commercial enterprise, commercial entity or other legal person, the maximum fine shall be increased to $250,000."

Section 168. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 973 of chapter 9 to read as follows:

"Section 973. Failure to comply with a production order.

(1) Where a person is required by a production order issued under this act, to produce a document to a police officer, the person is guilty of a felony offense if the person knowingly:

(a) violates the order without reasonable cause; or

(b) in purported compliance with the order, produces or makes available a document known to the person to be false or misleading in a material way, and does not so indicate to the police officer and provide to the police officer any correct information of which the person is in possession.

(2) The offense established by subsection (1) of this section is a felony offense, punishable by imprisonment for a maximum of five (5) years or a maximum fine of $50,000, or both; PROVIDED, however, in the case of a corporation, company, commercial enterprise, commercial entity or other legal person, the maximum fine shall be increased to $250,000."
Micronesia, as amended, is hereby further amended by adding a new section 974 of chapter 9 to read as follows:

"Section 974. Production orders in relation to foreign offenses. Where a foreign state requests assistance to locate or seize property suspected to be tainted property in respect of an offense within its jurisdiction, the provisions of section 971 of this title apply, with the necessary changes in points of detail, provided that the Secretary has, pursuant to applicable law, authorized the giving of assistance to the foreign state."

Section 169. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 975 of chapter 9 to read as follows:

"Section 975. Power to search for and seize documents relevant to locating property.

A police officer may:

(1) enter upon land or upon or into premises;

(2) search the land or premises for any document of the type described in section 971(1) of this title; and

(3) seize any document found in the course of that search that the police officer has probable cause to believe to be a relevant document in relation to a serious offense, provided that the entry, search and seizure is made:

(a) with the consent of the occupier of the land
or the premises; or
(b) under a warrant issued under section 976 or
951 of this title, or under title 12 of the Code of the
Federated States of Micronesia."

Section 170. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 976 of chapter 9 to read as follows:

"Section 976. Search warrant for location of documents
relevant to locating property.

(1) Where:
   (a) a defendant has been charged or convicted of
   a serious offense; or
   (b) the police officer has probable cause to
   believe that there is, or may be within the next seventy
two (72) hours, upon any land or upon or in any
premises, a document of the type described in section
971(1) of this title in relation to the offense, the
police officer may make application supported by sworn
affidavit to a justice for a search warrant in respect
of that land or those premises.

(2) Where an application is made under subsection (1)
of this section for a warrant to search land or
premises, the justice may, subject to subsection (4) of
this section issue a warrant authorizing a police
officer (whether or not named in the warrant), with such
assistance and by such force as is necessary and
reasonable:

(a) to enter upon the land or in or upon any premises and to search the land or premises for property of that kind; and

(b) to seize property found in the course of the search that the police officer has probable cause to believe to be property of that kind.

(3) A justice shall not issue a warrant under subsection (2) of this section unless the justice is satisfied that:

(a) a production order has been issued in respect of the document and has not been complied with;

(b) a production order in respect of the document would be unlikely to be effective;

(c) the investigation for the purposes of which the search warrant is being sought might be seriously prejudiced if the police officer does not gain immediate access to the document without any notice to any person;

or

(d) the document involved cannot be identified or described with sufficient particularity to enable a production order to be obtained.

(4) A warrant issued under this section shall state:

(a) the purpose for which it is issued, including a reference to the nature of the relevant offense;

(b) a description of the kind of documents
authorized to be seized;
(c) a time at which the warrant ceases to be in
force; and
(d) whether entry is authorized to be made at any
time of the day or night or during specified hours.
(5) If during the course of searching under a warrant
issued under this section, a police officer finds:
(a) a document of the type described in section
971(1) of this title, that the police officer believes
on probable cause to relate to the relevant offense, or
to another serious offense; or
(b) any thing the police officer believes on
probable cause will afford evidence as to the commission
of a serious offense, the police officer may seize that
property or thing and the warrant shall be deemed to
authorize such seizure."

Section 171. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 977 of chapter 9 to read as follows:
"Section 977. Search warrants in relation to foreign
offenses. Where a foreign state requests assistance to
locate or seize documents of a type described in section
971(1) of this title relating to an offense within its
jurisdiction, the provisions of section 976 of this
title apply, with the necessary changes in points in
detail, provided that the Secretary has, pursuant to
applicable law, authorized the giving of assistance to
the foreign state."

Section 172. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 978 of chapter 9 to read as follows:

"Section 978. Monitoring orders.

(1) A police officer may apply, ex parte and in
writing, to a justice for a monitoring order directing a
financial institution to give information to a police
officer. An application under this section shall be
supported by an affidavit.

(2) A monitoring order:

(a) may direct the financial institution to
disclose information obtained by the institution about
transactions conducted through an account held by a
particular person with the institution;

(b) shall not have retrospective effect; and

(c) shall only apply for a period of a maximum of
three (3) months from the date of making.

(3) A justice shall not issue a monitoring order
unless the justice is satisfied that there is probable
cause to believe that the person in respect of whose
account the order is sought:

(a) has committed or was involved in the
commission, or is about to commit or be involved in the
commission of a serious offense; or
(b) has benefited directly or indirectly, or is about to benefit directly or indirectly from the commission of a serious offense.

(4) A monitoring order shall specify:

(a) the name or names in which the account is believed to be held; and

(b) the type of information that the institution is required to give.

(5) Where a financial institution, which has been given notice of a monitoring order, knowingly:

(a) violates the order; or

(b) provides false or misleading information in purported compliance with the order, the institution commits a felony offense, punishable by imprisonment for a maximum of five (5) years or a maximum fine of $50,000, or both; PROVIDED, however, in the case of a corporation, company, commercial enterprise, commercial entity or other legal person, the maximum fine shall be increased to $250,000."

Section 173. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 979 of chapter 9 to read as follows:

"Section 979. Monitoring orders not to be disclosed.

(1) A financial institution that is, or has been subject to a monitoring order shall not knowingly disclose the existence or operation of the order to any
person except:

(a) an officer or agent of the institution for
the purpose of ensuring compliance with the order;
(b) a legal adviser for the purpose of obtaining
legal advice or representation in respect of the order;
or
(c) a police officer authorized in writing to
receive the information.

(2) A person described in sections (1)(a), (b) or (c)
of this section shall not knowingly disclose the
existence or operation of a monitoring order except to
another such person, and may do so only for the purposes
of the performance of the person's duties or functions.

(3) Violation of this section is a felony offense,
punishable by imprisonment for a maximum of five (5)
years or a maximum fine of $50,000, or both; PROVIDED,
however, in the case of a corporation, company,
commercial enterprise, commercial entity or other legal
person, the maximum fine shall be increased to $250,000.

(4) Nothing in this section prevents the disclosure of
information concerning a monitoring order for the
purposes of, or in connection with, legal proceedings or
in the course of proceedings before a court, provided
that nothing in this section shall be construed as
requiring a legal adviser to disclose to any court the
existence or operation of a monitoring order."
Section 174. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 10 entitled "Federated States of Micronesia Weapons Control".

Section 175. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1002 of chapter 10 to read as follows:

"Section 1002. General prohibition. No person shall manufacture, purchase, sell, possess or carry any firearm, dangerous device, or ammunition other than as hereinafter provided."

Section 176. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1003 of chapter 10 to read as follows:

"Section 1003. Exemptions from provisions of chapter. This chapter shall not apply to:

(1) law enforcement officers while engaged in official duty except to the extent that particular provisions of this chapter are expressly made applicable to them;

(2) firearms which are in unserviceable condition and which are incapable of being fired or discharged and which are kept as curios, ornaments or for their historical significance or value;

(3) weapons or other dangerous devices which are not firearms and which are kept as ornaments, curios, or objects of historical or archeological interest;"
provided, that the article or articles referred to herein are kept or displayed only in private homes, museums, or in connection with public exhibitions;

(4) persons in the Armed Forces of the United States, whenever such persons are engaged on official duty except to the extent that particular provisions of this chapter are expressly made applicable to them;

(5) persons designated from time to time by the Secretary of the Department of Justice (hereinafter referred to as the "Secretary" in this act), where such exemption is in the best interest of the National Government; provided, however, that the Secretary shall define the time, manner and purpose of the exemption, and limit the size and type of weapons which may be used by such persons."

Section 177. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1004 of chapter 10 to read as follows:

"Section 1004. Definitions.

(1) 'Automatic weapon' means a weapon of any description irrespective of size, by whatever name designated or known, loaded or unloaded, from which may be repeatedly or automatically discharged a number of bullets contained in a magazine, ribbon or other receptacle, by one continuous movement of the trigger or firing mechanism.
(2) 'Carry' means having on one's person or in a motor vehicle or other conveyance.

(3) 'Dangerous device' means any explosive, incendiary or poison gas bomb, grenade, mine or similar device, switch or gravity blade knife, blackjack, sandbag, metal, wooden or shark's tooth knuckles, dagger, any instrument designed or redesigned for use as a weapon, or any other instrument which can be used for the purpose of inflicting bodily harm and which under the circumstances of its possession serves no lawful purpose.

(4) 'Department of Justice' means the Federated States of Micronesia Department of Justice.

(5) 'Firearm' means any device, by whatever name known, which is designed or may be converted to expel or hurl a projectile or projectiles by the action of an explosion, a release, or an expansion of gas, including but not limited to guns, except a device designed or redesigned for use solely as a signaling, line throwing, spearfishing, or industrial device, or a device which hurls a projectile by means of the release or expansion of carbon dioxide or air.

(6) 'Gun' means a handgun or long gun.

(7) 'Handgun' means a pistol or revolver with an overall length of less than twenty-six inches.

(8) 'Law Enforcement Officer' means an employee of a
national or state law enforcement agency authorized to
enforce the laws of the National or State Governments.
Employees of municipal law enforcement agencies may be
included for the purposes of this chapter, at the
discretion of the Secretary, upon a showing that
municipal law enforcement officers meet the training
requirements for National or State law enforcement
officers.

(9) 'Long gun' means a rifle with one or more barrels
more than eighteen inches in length.
(10) 'Person' means any natural person, corporation,
partnership, or other business entity.
(11) 'Semi-automatic weapon' means a weapon of any
description irrespective of size, by whatever name
designated or known, loaded or unloaded, from which may
be repeatedly or automatically discharged a number of
bullets contained in a magazine, ribbon or other
receptacle by a like number of movements of the trigger
or firing mechanism without recocking or resetting the
trigger or firing mechanism.
(12) 'Transfer' means sale, gift, purchase or any other
means by which ownership or temporary rights of use and
control are conveyed or shifted from one person to
another."

Section 178. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
"Section 1005. Identification cards required; Issuance.

(1) No person shall acquire or possess any firearm, dangerous device, or ammunition unless he or she holds an identification card issued pursuant to this chapter. The identification card is evidence of the holder's eligibility to possess and use or carry firearms, dangerous devices, or ammunition. A person need not own or possess any firearm, dangerous device, or ammunition to apply for and have issued to him an identification card.

(2) Identification cards shall be issued only by the Department of Justice pursuant to regulations made by the Department of Justice in the manner which is or may be provided by law. The identification card shall have on its face all of the following:

(a) the name and address of the holder;
(b) the sex, height, and weight of the holder;
(c) the birth date of the holder;
(d) the date of expiration for the card, which shall be two years from the date of issue;
(e) a photograph of the holder taken within ten days prior to issuance;
(f) an endorsement setting forth the extent of the holder's eligibility to possess, use, and carry firearms, dangerous devices, or ammunition; and
(g) the number of the identification card.

(3) An applicant for the issuance or renewal of an identification card shall make application therefor on a form approved by the Department of Justice and shall supply such information as may be necessary to afford the issuing agency reasonable opportunity to ascertain the facts required to appear on the face of the identification card, and to determine whether the applicant complies with all requirements of this chapter to possess and use, or carry firearms, dangerous devices, or ammunition, as the case may be. Such information shall include a complete description and serial number, if any, of any firearm or dangerous device the applicant owns or possesses.

(4) No identification cards shall be issued until fifteen days after application therefor, and unless the issuing agency is satisfied that the applicant may lawfully possess and use, or carry firearms, dangerous devices, or ammunition of the type or types enumerated on the identification card; provided, however, that the Secretary may issue an identification card prior to the expiration of fifteen days where such issuance is in the best interest of the National Government. Unless the application for use and possession is denied, the identification card shall be issued within sixty days from the date of application. An identification card
issued pursuant to this section shall be valid for two years from the date of its issuance unless it has been revoked. A valid identification card issued pursuant to this section may be renewed biannually upon application by the holder made on the form approved by the Department of Justice.

(5) No person shall be issued an identification card if he or she has been:

(a) acquitted of any criminal charge by reason of insanity;

(b) adjudicated mentally incompetent;

(c) treated in a hospital for mental illness, drug addiction, or alcoholism;

(d) convicted of a crime of which actual or attempted personal injury or death is an element;

(e) convicted of a crime in connection with which firearms or dangerous devices were used or found in his or her possession; or

(f) convicted of a crime of which the use, possession, or sale of narcotics or dangerous drugs is an element.

(6) No person shall be issued an identification card unless that person is at least twenty-one (21) years of age at the time of application therefor.

(7) No person shall be issued an identification card if he or she has a physical condition or impairment
which makes him unable to use a firearm or dangerous
device with proper control.

(8) Any person suffering from a physical or mental
defect, condition, illness, or impairment which would
make him ineligible for an identification card pursuant
to this section may submit the certificate of a
physician licensed to practice in the Federated States
of Micronesia to the issuing agency or officer. If the
certificate states that it is the subscribing
physician's best opinion that the defect, condition,
illness, or impairment does not make the applicant
incapable of possessing and using a firearm or dangerous
device without danger to the public safety, the
identification card may be issued. But no such card
shall be valid for a period longer than six months.

(9) Any person who is ineligible for an identification
card by reason of conviction of a crime may be issued
such a card if his or her most recent discharge from
probation or parole or the termination of his or her
most recent sentence, whichever is later, is more than
ten years prior to the time of application for the
identification card and if the issuing agency finds that
his or her record, taken as a whole, does not indicate
that his or her possessing and using, or carrying, a
firearm or dangerous device, as the case may be, are not
likely to constitute a special danger to the public
safety; provided, that if the crime which renders him
ineligible for an identification card is solely the
failure to have an identification card issued to him,
then the reinstatement to eligibility pursuant to this
subsection shall occur five years after the date of his
or her sentencing.

(10) A duplicate identification card may be issued to
the holder of a lost, destroyed, or defaced
identification card upon proof of such loss,
destruction, or defacement as the Department of Justice
may require, upon payment of the fee required by section
1030 of this chapter, and upon surrender of any
remaining portion of the original card. Notice shall be
given to the Department of Justice by the holder within
forty-eight hours of his or her discovery of such loss,
defacement, or destruction. The holder shall notify the
Department of Justice of any change of name or address
from those appearing upon the identification card within
forty-eight hours of such change.

(11) A person who is neither a citizen nor resident of
the Federated States of Micronesia shall not be eligible
for an identification card, except upon receiving
special permission from the Secretary."

Section 179. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 1006 to chapter 10 to read as follows:
"Section 1006. Identification cards required; prima facie evidence of possession.

(1) No person shall purchase, possess, or use a firearm, dangerous device, or ammunition unless he or she is the holder of an identification card issued pursuant to this chapter evidencing the eligibility of such person to purchase, possess, and use a firearm, dangerous device or ammunition. Such person shall be at least 21 years of age.

(2) Where a firearm, dangerous device, or ammunition is found in a vehicle or vessel, it shall be prima facie evidence that such firearm, dangerous device, or ammunition is in the possession of the occupant if there is but one. If there is more than one occupant, it shall be prima facie evidence that it is in the possession of all, except under the following circumstances:

(a) where it is found upon the person of one of the occupants;

(b) where the vehicle or vessel is not a stolen one and the firearm, dangerous device, or ammunition is out of view in a glove compartment, automobile trunk, or other enclosed customary depository, in which case it is prima facie evidence that such firearm, dangerous device, or ammunition is in the possession of the occupant or occupants who own or have authority to
operate the vehicle or vessel;

(c) where, in the case of a taxicab, the firearm, dangerous device, or ammunition is found in the passengers' portion of the vehicle, it shall be prima facie evidence that it is in the possession of all the passengers, if there are any, and, if not, that it is in the possession of the driver."

Section 180. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1007 to chapter 10 to read as follows:

"Section 1007. Carrying firearms. No person shall carry a firearm unless he or she has a valid identification card and is carrying the firearm unloaded in a closed case or other securely wrapped or closed package or container, or locked in the trunk of his or her vehicle while en route to or from a target range or area where he or she hunts or takes part in other sports involving firearms, or carries the firearm in plain sight on his or her person while actively engaged in hunting or sports involving the use of firearms."

Section 181. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1008 to chapter 10 to read as follows:

"Section 1008. New residents, temporary residents, and visitors in the Federated States of Micronesia. Visitors, new residents, and temporary residents in the
Federated States of Micronesia shall not import, transport, purchase, use, or possess any firearm, dangerous device or ammunition in the Federated States of Micronesia without an identification card issued pursuant to this chapter. Any person who possesses any firearms, dangerous devices, or ammunition shall, before or immediately upon his or her entrance into the Federated States of Micronesia, turn it in to the Secretary, or his or her duly designated representative. Such firearm, dangerous device, or ammunition shall be returned to such person upon his or her being issued an identification card pursuant to the provisions of this chapter or upon his or her departure from the Federated States of Micronesia."

Section 182. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1009 to chapter 10 to read as follows:

"Section 1009. Law enforcement officers.

(1) Possession, use, and carriage of firearms, ammunition and dangerous devices by law enforcement officers derives from the laws governing the powers, functions and organization of the police and other organized forces of peace officers. Eligibility of law enforcement officers to possess, use, and carry firearms, ammunition or dangerous devices while on duty is not subject to the holding of identification cards or
any other qualifications prescribed in this chapter. Regulations issued pursuant to section 1029 of this chapter may include minimum qualifications for any law enforcement officer authorized to carry firearms, ammunition or dangerous devices while on duty.

(2) Transfer of any firearm from or to a law enforcement officer or agency shall, except as provided in subsection (1) of this section, be subject to the provisions of this chapter and regulations made pursuant thereto.

(3) The head of any national, state, or municipal law enforcement agency of the Federated States of Micronesia shall furnish to the Department of Justice the names, addresses, ranks, and badge numbers or similar identification of each person on his or her force who is authorized to possess, use, and carry firearms in the course of his or her official duty. Upon the occurrence of any changes in personnel to whom this subsection applies, the head of the law enforcement agency shall inform the Department of Justice promptly of the change.

(4) Whenever a law enforcement officer is not engaged in official duties, this chapter shall be applicable to him in the same manner and to the same extent as to any other person."

Section 183. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new
section 1010 to chapter 10 to read as follows:

"Section 1010. Licenses for transfer - requirements.

(1) No dealer, manufacturer or wholesaler shall transfer firearms, dangerous devices or ammunition except pursuant to a license therefor as provided in this section.

(2) Any person, firm, corporation, association, or other entity proposing to engage in the business of selling firearms, ammunition, and dangerous devices at retail shall apply for a dealer's license. The application shall be on a form approved by the Department of Justice and shall contain the following information:

(a) the name and address of the applicant, including the address of each separate location within the Federated States of Micronesia at which the applicant proposes to do business pursuant to the license;

(b) if the applicant is a partnership or association, the names and addresses of the partners or associates, or if the applicant is a corporation, the names and addresses of the officers and directors; and

(c) such other information bearing on the applicant's ability to operate the business in a manner consonant with the public safety as the Department of Justice may require."
Section 184. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1011 of chapter 10 to read as follows:

"Section 1011. Dealer's license - issuance and renewal.

(1) Upon receipt of a proper application and payment of the prescribed fee, the Department of Justice shall, within sixty days, issue a dealer's license to an applicant, if he or she is found to be eligible therefor pursuant to this chapter and any applicable regulations of the Department of Justice. Such regulations shall place a reasonable limit on the number of dealer's licenses available. The license shall list the types of firearms, ammunition, and dangerous devices which the dealer has been authorized to offer for sale.

(2) A license issued pursuant to this section shall be valid for one year from the date of its issuance, unless cancelled sooner, suspended, or revoked. A license shall bear the expiration date thereof on its face.

(3) A license issued pursuant to this section may be renewed annually upon application by the holder made on a form approved by the Department of Justice. Eligibility for renewal shall be on the same terms and conditions as for an original license, except that renewal also may be denied on account of violation of this chapter or regulations of the Department of Justice made pursuant thereto or for any conduct in the
operation of the applicant's business which gives the
Department of Justice grounds to believe that the
applicant will no longer operate in a manner consonant
with the public safety."

Section 185. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 1012 of chapter 10 to read as follows:

"Section 1012. Dealer's license - conduct of dealer's
business. The holder of a dealer's license shall:

(1) display his or her license in a conspicuous place
at all times at the establishment described in the
license. If a dealer has more than one place of
business at which he or she sells firearms, dangerous
devices, and ammunition or any of them, he or she shall
display in the same manner a certified copy of his or
her license at each such additional place of business;

(2) keep the records and file the reports required by
this chapter and regulations made pursuant thereto;

(3) display no firearms, dangerous devices or
ammunition in any place where they can be seen from
outside the premises;

(4) keep all firearms, dangerous devices and
ammunition in a securely locked place at all times
except when they are actually being shown to a customer
or prospective customer or when actually being repaired
or otherwise worked on;
(5) permit only employees who are holders of identification cards making them eligible to purchase, possess and use firearms, ammunition, or dangerous devices, to have access to firearms, dangerous devices, or ammunition."

Section 186. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1013 of chapter 10 to read as follows:

"Section 1013. Records and reports by dealers. (1) Every licensed dealer shall maintain records containing an inventory of firearms, dangerous devices, and ammunition or any of them received, together with the name and address of the person from whom they were received, and the manufacturer, type and serial number of each firearm and dangerous device, the name and address of the person to whom it was transferred, the identification card number of such person, the manufacturer, type and serial number of the gun or dangerous device transferred and the date of transfer. Such records shall be available for inspection at all reasonable times by the Secretary, and his or her duly designated representatives. Such records shall be retained for at least five years.

(2) Every dealer, at the time of any transfer of any firearm or dangerous device to any person other than a licensed dealer shall, within twenty four hours of the
transfer, supply the following information to the
Department of Justice on a form approved by it:

(a) the name, address and license number of the
dealer;

(b) the manufacturer, type, and serial number of
firearm or dangerous device transferred. No firearm
shall be transferred which does not have a serial number
or from which the serial number has been removed,
defaced, or altered;

(c) the name, address and identification card
number of the transferee."

Section 1014. Repair of firearms.

(1) No person, other than a dealer or manufacturer
licensed pursuant to this chapter shall repair firearms
or accept the same for repair.

(2) No person shall accept any firearms for repair
unless he or she is shown an identification card
evidencing eligibility of the holder to possess and use
a firearm of the type offered for repair. Prior to
returning any such firearm, the manufacturer or dealer
shall make and keep a record identical with that
required for the purchase of a firearm pursuant to
section 1013 of this chapter, and shall maintain such
record for at least one year.

(3) Nothing in this section shall be construed to prohibit the repair or maintenance of a firearm by the owner thereof."

Section 188. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1015 of chapter 10 to read as follows:

"Section 1015. Transfer of ammunition.

(1) No person may transfer ammunition, unless he or she is a manufacturer, wholesaler or dealer licensed pursuant to this chapter. If the transfer is other than to another manufacturer, wholesaler, or dealer, the transfer shall not be made until the transferor has ascertained that the transferee is the holder of an identification card evidencing eligibility to possess and use a firearm of the type for which the ammunition is suited. Upon transfer the transferor shall record the quantity, type and caliber or gauge transferred, the name and address of the transferee and the number of the transferee's identification card.

(2) No transferee of ammunition shall transfer it to any person other than a dealer licensed pursuant to this chapter. Upon receipt of ammunition, the dealer shall make and keep all records with respect to the ammunition in the manner required by this section for ammunition sold by him."
Section 189. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1016 of chapter 10 to read as follows:

"Section 1016. Transfer of firearms and dangerous devices. No person other than a manufacturer, wholesaler, or dealer licensed pursuant to this chapter shall transfer a firearm or dangerous device to any person other than a manufacturer, wholesaler, or dealer without first ascertaining that the transferee is the holder of an identification card issued pursuant to this chapter. Prior to any such transfer, the transferor shall furnish to the Department of Justice in person or by registered or certified mail, return receipt requested, a properly completed form approved by the Department of Justice providing information equivalent to that required to be furnished by a dealer upon the transfer by him of a firearm or dangerous device."

Section 190. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1017 of chapter 10 to read as follows:

"Section 1017. Secured transactions in firearms.

(1) No person, other than a licensed dealer, shall receive a firearm as a pledge or pawn, or in any other manner as security.

(2) A dealer receiving a firearm as a pledge, pawn or otherwise as security, shall record promptly:
(a) the date of receipt;

(b) the full description of the item or items received, including the manufacturer, type, and serial number or numbers, if any;

(c) the name and address of the person making the pledge, pawn, or other deposit as security; and

(d) the number of said person's identification card.

(3) No dealer shall accept the pledge, pawn, or other deposit as security unless the person making the same exhibits an identification card evidencing his or her entitlement to possess and use a gun of the type involved.

(4) Upon the return or other disposition of the firearm in his or her possession pursuant to this section, the dealer shall make a record of the return or other disposition, including the date thereof and the name and address of the person to whom the firearm was returned or disposed. No firearm shall be returned or disposed of to any person who, at the time of such return or disposition, does not exhibit a valid identification card issued in his or her own name and entitling him to possess and use the firearm involved."
"Section 1018. Manufacturer's and wholesaler's license.

(1) No person shall manufacture or deal in firearms, dangerous devices, or ammunition at wholesale unless:

(a) he or she is the holder of a dealer's license issued pursuant to section 1011 of this chapter; or

(b) he or she is the holder of a license issued pursuant to this section.

(2) Any person proposing to manufacture or deal at wholesale in firearms, dangerous devices, or ammunition, which person is not the holder of a dealer's license, shall make application for a manufacturer's or wholesaler's license. Such application shall contain the same information required for a dealer's license and any additional information required by the Secretary, as may be appropriate to administer this chapter. No manufacturer's license or wholesaler's license shall authorize transfer or delivery within the Federated States of Micronesia except to a licensed dealer, manufacturer, or wholesaler or to an authorized law enforcement agency in the Federated States of Micronesia or, subject to applicable laws of the Federated States of Micronesia, for export.

(3) The Department of Justice shall issue, renew, cancel, deny, suspend, or revoke manufacturers' and wholesalers' licenses on the same terms and subject to the same conditions as provided for dealers' licenses.
(4) Every manufacturer shall assign a unique serial number to each firearm he or she manufactures and shall inscribe such number in or on the firearm in such manner as will resist removal, alteration, defacement or obliteration. The Department of Justice may make regulations for the style of such serial numbers and for the manner of their inscription."

Section 192. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1019 of chapter 10 to read as follows:

"Section 1019. Registry of firearms and ammunition.

(1) The Department of Justice shall maintain a registry of firearms. The records in the registry shall be kept permanently unless there is a record of the destruction of the gun.

(2) Records kept in the registry shall include all records required to be filed with the Department of Justice pursuant to this chapter, copies of all records filed with an agency or officer of local government pursuant to this chapter, and any records deposited with the Department of Justice pursuant to subsection (3) of this section.

(3) Any dealer, manufacturer, or wholesaler licensed pursuant to this chapter, upon his or her discontinuance of the licensed business or activity, shall transmit all records kept by him pursuant to this chapter to the
Department of Justice.

(4) Records relating to the transfer or repair of firearms shall be kept by the Department of Justice for a period of at least five years after transmittal.

(5) Records in the registry shall not be public records. They shall be made available only to law enforcement officers of the national, state and municipal governments of the Federated States of Micronesia, or at the discretion of the Department of Justice, to law enforcement officers and agencies of foreign governments."

Section 193. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1020 of chapter 10 to read as follows:

"Section 1020. Cancellation, denial, suspension and revocation of licenses.

(1) Any license issued pursuant to this chapter shall be surrendered for cancellation immediately on the discontinuance or termination of business or upon the holder's discontinuing the manufacturing, selling, acquisition for sale or repair of firearms, and the sale of ammunition.

(2) The issuing officer or agency may deny, suspend or revoke an identification card or a license issued pursuant to this chapter for failure of the applicant or holder to meet or continue to meet any of the
requirements for eligibility therefor, or for any
violation of this chapter or regulations in force
pursuant thereto.

(3) The Department of Justice by regulation shall make
classifications of crimes and other violations of this
chapter or regulations in force thereunder. Regulations
made pursuant to this subsection shall set forth those
crimes and violations for which identification cards and
licenses may be suspended or revoked, and those for
which the penalty must be revocation. Such regulations
shall be of general application.

(4) Any person who, by reason of the suspension or
revocation of his or her identification card, is no
longer eligible to continue in possession of a firearm,
dangerous device, or ammunition shall surrender any and
all firearms, dangerous devices, and ammunition to the
Secretary, or his or her duly designated representative,
or shall dispose of the firearms, dangerous devices, and
ammunition forthwith under the direction and supervision
of the Secretary, or his or her duly designated
representative. In the case of suspension of an
identification card, the owner of the firearm, dangerous
device, or ammunition may request that the Department of
Justice keep same during the period of suspension and,
except as herein provided, the firearm, dangerous
device, or ammunition shall be restored to the owner
when he or she again becomes eligible to possess same
and requests return. Any firearm, dangerous device, or
ammunition in the possession of the Secretary, or his or
her duly designated representative, pursuant to this
subsection may be disposed of, without compensation to
the owner, upon revocation of the suspended
identification card or at the end of sixty days after
receipt or the date of termination of the suspension,
whichever is later. However, if proceedings in
connection with the suspension or revocation are not yet
finally determined, disposal shall not be until such
final determination has been made.

(5) Any denial, suspension, or revocation of an
identification card or a license shall be subject to
review by the Trial Division of the FSM Supreme Court
upon petition by the aggrieved person."

Section 194. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 1021 of chapter 10 to read as follows:

"Section 1021. Shipment and delivery of firearms,
dangerous devices, and ammunition.

(1) No person shall ship, transport or deliver any
firearm, dangerous device, or ammunition to anyone other
than a licensed manufacturer, wholesaler, dealer, or
person who possesses a valid identification card.

(2) Any person who ships, transports or delivers
firearms or dangerous devices to a manufacturer,
wholesaler, dealer, or person possessing an
identification card in the Federated States of
Micronesia shall, before delivery, furnish to the
Department of Justice an invoice listing his or her name
and address, the name and address of the manufacturer,
wholesaler, dealer, or person possessing the
identification card to whom such firearms or dangerous
devices are to be delivered, the place of origin of the
shipment, the number of firearms and dangerous devices
of each type, and the manufacturer and serial number of
each firearm and dangerous device in the shipment.

(3) Any person who ships, transports or delivers
ammunition to a manufacturer, wholesaler, dealer or
person possessing an identification card in the
Federated States of Micronesia shall, before delivery,
furnish to the Department of Justice an invoice listing
his or her name and address, the name and address of the
manufacturer, wholesaler, dealer, or person possessing
an identification card to whom the ammunition is to be
delivered, the place of origin of the shipment, and the
quantity of ammunition of each type in the shipment.

(4) If shipment is by common carrier, a copy of the
invoice required by subsections (2) and (3) of this
section shall also be delivered to the common carrier.
The common carrier shall deliver the invoice and any
said shipment to local law enforcement authorities who
will verify the accuracy of the shipment, and compliance
with this chapter, before delivery to the manufacturer,
wholesaler, dealer, or person possessing an
identification card. A copy of the invoice shall be
left with the manufacturer, wholesaler, dealer, or
person possessing an identification card at the time of
delivery.

(5) If shipment is by other than common carrier, a
copy of the invoice shall be furnished to the
manufacturer, wholesaler, dealer, or person possessing
an identification card at the time of delivery.

(6) No person shall ship, transport, or deliver
firearms, dangerous devices, or ammunition via air
without first complying with international regulations
pertaining to air shipment of firearms, dangerous
devices, or ammunition."

Section 195. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new
section 1022 of chapter 10 to read as follows:

"Section 1022. Loss, destruction or theft of firearms,
dangerous devices, or ammunition. Whoever owns or
possesses a firearm, dangerous device, or ammunition
shall, within twenty-four hours of discovery, notify the
Department of Justice of the loss, theft, or destruction
of any such firearm, dangerous device or ammunition,
and, after such notice, of any subsequent recovery thereof."

Section 196. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1023 of chapter 10 to read as follows:

"Section 1023. Prohibited acts. No person shall:

(1) knowingly remove, obliterate, or alter the importer's or manufacturer's serial number of any firearm;

(2) knowingly deface, alter, or destroy an identification card;

(3) acquire, possess, or use any firearm silencer or muffler;

(4) carry any gun or dangerous device while under the influence of alcohol or narcotic or other disabling drug;

(5) import, sell, transfer, give away, purchase, possess or use any handgun, automatic weapon, rifle larger than .22 caliber, shotgun larger than .410 gauge, or any other firearm;

(6) board or attempt to board any commercial aircraft while carrying any firearm, dangerous device, or ammunition, either on his or her person or in his or her luggage. Such firearm, dangerous device, or ammunition shall be turned in prior to departure to an appropriate official or to the pilot of the airline or aircraft.
concerned, who shall keep a record of the name of the person turning in such firearm, dangerous device, or ammunition, and the type and quantity turned in. Upon completion of such person's travel, the official of the airline or pilot of the aircraft shall personally deliver the article or articles turned in to the Secretary, or his or her duly designated representative, or another authorized law enforcement officer, at the point of disembarkation. If the point of disembarkation is in the Federated States of Micronesia, such person may recover the article or articles turned in upon either:

(a) presentation of a valid identification card or license for such article or articles to the police officer having custody thereof, or

(b) departure from the Federated States of Micronesia; provided, however, that persons departing the Federated States of Micronesia via commercial aircraft shall be subject to the provisions of this section;

(7) use or attempt to use any firearm, dangerous device, or ammunition in connection with or in aid of the commission of any crime against the laws of the Federated States of Micronesia, except those set forth under other provisions of this chapter."

Section 197. Title 11 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by adding a new section 1024 of chapter 10 to read as follows:

"Section 1024. Forfeiture. All firearms, dangerous devices, or ammunition unlawfully possessed, carried, used, shipped, transported or delivered into the Federated States of Micronesia are declared to be inimical to the public safety and are forfeited to the Federated States of Micronesia. When such forfeited articles are taken from any person, they shall be surrendered to the Department of Justice."

Section 198. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1025 of chapter 10 to read as follows:

"Section 1025. Closing of establishments during emergencies. In case of emergency concerning the public safety declared by the President, pursuant to chapter 8 of this title, all establishments dealing in guns, dangerous devices, or ammunition may be ordered closed and required to remain closed during the continuance of the emergency. During any such closure, any and all guns, dangerous devices, and ammunition belonging to or in the keeping of a closed establishment may be impounded."

Section 199. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1026 of chapter 10 to read as follows:
"Section 1026. Registration of weapons possessed on effective date of chapter.

(1) Any person having in his or her possession a firearm or dangerous device on the effective date of this chapter shall, within ninety days of such effective date, furnish, on a form approved by the Department of Justice, to the agency or officer authorized to receive information concerning the transfer of firearms or dangerous devices pursuant to this chapter, equivalent information concerning any firearm or dangerous device in his or her possession.

(2) If, prior to the expiration of the ninety day period provided in subsection (1) of this section, the firearm is transferred, the transferor shall comply with the provisions of this chapter for furnishing of information on transfer and need not comply with subsection (1) of this section."

Section 200. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1027 of chapter 10 to read as follows:

"Section 1027. Surrender of and compensation for weapons held on effective date by ineligible persons.

Any person who possessed any firearm or dangerous device in the Federated States of Micronesia prior to the effective date of this chapter, and who is determined to be ineligible to possess or is prohibited from
Section 201. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1028 of chapter 10 to read as follows:

"Section 1028. Local laws. Nothing in this chapter shall be deemed to prevent any state or municipal government from further restricting, by local law or ordinance, the transfer, possession, use, or carriage of firearms, ammunition, or dangerous devices. This chapter shall supersede all state laws and municipal ordinances in conflict with this act."

Section 202. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1029 of chapter 10 to read as follows:

"Section 1029. Regulations. The Secretary shall have power to issue, amend, and repeal regulations implementing this chapter in the manner which is or may be provided by law, as may be required by the public interest, safety, and welfare."

Section 203. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1030 of chapter 10 to read as follows:
"Section 1030. Fees for licenses and identification cards.
(1) The fees for issuance and renewal of licenses and identification cards as required by this chapter shall be as follows:
(a) for an identification card, $5;
(b) for a dealer's license, $150;
(c) for a manufacturer's license, $500;
(d) for a wholesaler's license, $500;
(e) for replacement of lost, destroyed, or defaced identification card, $5.
(2) Fees collected pursuant to the provisions of this chapter shall be paid to the General Fund of the Federated States of Micronesia."

Section 204. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1031 of chapter 10 to read as follows:
"Section 1031. Penalties for violation of chapter.
(1) Any person convicted of a violation of section 1007 or section 1022 of this act shall be imprisoned for not more than one year.
(2) Any person convicted of a violation of any other provision of this chapter or any regulations issued pursuant thereto shall be imprisoned for not more than ten years, and shall be subject to confiscation of any firearm, dangerous device, or ammunition, without
compensation, involved in a violation of this act. The holder of any dealer's license, or the manager or supervisor of employees of any establishment so licensed, or both, shall be liable for any violation of this act by his or her employee or agent committed in the course of the dealer's business, to the same extent as such employee or agent.

(3) It shall be an affirmative defense under subsection (1) of this section, that the defendant was issued a valid identification card before the time of his or her arrest, but neglected to have it upon his or her person."

Section 205. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 12 entitled "Sentencing".

Section 206. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1201 of chapter 12 to read as follows:

"Section 1201. Fines. A person who has been convicted of a national crime, in addition to any other punishment authorized by law, may be ordered to pay a fine not exceeding:

(1) $100,000, when the conviction is for a crime punishable by a maximum of ten years imprisonment;

(2) $50,000, when the conviction is for a crime punishable by a maximum of five years imprisonment;
Section 207. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1202 of chapter 12 to read as follows:

"Section 1202. Authorized sentences. In any case where the court finds that the ends of justice and the best interests of the public and the defendant do not require that the maximum sentence permitted by law be imposed on a person convicted of a crime, the court may impose a sentence consisting of any one or any combination of the following; provided, however, that where a mandatory minimum sentence is imposed by statute, the court may not impose a term of imprisonment less than that minimum:
(1) imprisonment for a term less than the maximum allowed by law;
(2) imposition of a fine as prescribed by law;
(3) suspension of a term of imprisonment and/or fine upon such reasonable conditions as shall be set by the court;
(4) suspension of imposition of sentence on such reasonable conditions as shall be set by the court;
(5) probation for a period not exceeding the maximum term of imprisonment to which the convicted person could have been sentenced upon such reasonable conditions as shall be set by the court;
(6) appropriate restitution, reparation, or service to the victim of the crime or to his or her family;
(7) confinement to a particular geographical area; and
(8) a period of community service.

Section 208. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new section 1203 of chapter 12 to read as follows:

"Section 1203. Custom in sentencing. In determining the sentence to be imposed, the court shall apply subsection (6) of section 1202 wherever appropriate, and shall otherwise give due recognition to the generally accepted customs prevailing in the Federated States of Micronesia."

Section 209. Title 11 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by adding a new
section 1204 of chapter 12 to read as follows:

"Section 1204. Parole authorization. Any trial justice of the National courts, or any duly appointed temporary justice thereof, is hereby authorized to review a sentence he or she imposed on a prisoner, after the prisoner has served one third of his or her sentence, and, in the case of any prisoner serving a life sentence or a sentence of thirty or more years, after said prisoner has served ten years of his or her sentence, for the purpose of determining the eligibility for parole of said prisoner.

If the justice who sentenced a prisoner is not available to review the sentence, the Chief Justice may designate another justice for the review. The justice, in doing so, shall request and consider the views of the prosecution, the prisoner and his or her counsel, the victim or head of the victim's family, and, when requested by the prosecution or the prisoner, such community leaders as clergy and municipal and village leaders. The justice shall base his or her determination upon the prisoner's behavior in prison and any factors indicative of the prisoner's chances for a successful adaptation to community life after release. The determination of the justice may be appealed only on the grounds of abuse of discretion resulting from the justice exceeding constraints imposed by this statute, rules made pursuant thereto, or the Constitution of the Federated States of
Micronesia. The Chief Justice may make rules to implement
this section, and in these rules may provide for a
reasonable minimum waiting period between successive
reviews of the same sentence."

Section 210. Notwithstanding this act becoming law pursuant to
section 211 hereof chapter 9 of this act shall take effect on July
1, 2001.

Section 211. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its becoming
law without such approval.

1/25/01, 2000

/s/
Leo A. Falcam
President
Federated States of Micronesia