

On My Mind
2/23/07

Bridge Capital and its co-owner, Shawn Scott, who recently made headlines for donating \$49,000 to various groups and schools on island, would seem to have a rather murky background. According to web searches, both Scott, and the company - originally located in the Virgin Islands - have been involved in any number of gambling ventures, most apparently unsuccessful, in various parts of the U.S.

A 2004 *Washington Times* article reports that Bridge Capital and Scott, along with his financier, failed in five attempts in just that one year to establish gaming operations in Washington, D.C., Idaho, Maine, New Mexico and New York. Reasons for the failures included insufficient legal signatures on an initiative petition, "ownership in dozens of other companies that exercised 'sloppy, if not irresponsible' financial management," and "intertwined finances between Mr. Baldwin and Mr. Scott" [Baldwin is a Bridge Capital official], according to the article.

Nonetheless, an article in a St. Thomas publication datelined 3/08/06 refers to Scott and Bridge Capital as "the St. Croix-based financial operation operated by gambling promoter Shawn Scott" in an article headlined, "Gambling Promoter Gets Major Tax Breaks in the Marianas." It said that Bridge Capital had been given a "no-taxes-for-25-years arrangement" from the NMI Commonwealth Development Corporation, a statement confirmed in an earlier *Saipan Tribune* article.

According to a *Marianas Variety* story also referenced in the St. Thomas publication, the Qualifying Certificate granted by the CDA requires, as one of its conditions, that Bridge Capital make annual contributions of at least \$57,000 to local nonprofit organizations, of which the recent \$49,000 donations are presumably a first partial payment.

A *Tribune* article about the CNMI's CDA award to Bridge Capital from about a year ago made reference to the gambling involvement. The article noted that Glen Quitugua, then CDA chair, though aware of the company's history, was not concerned, noting that "their company in itself was able to come up with the necessary information that made the board comfortable to proceed with these tax request....We do our own research. We are satisfied with it."

Scott and Bridge Capital have been involved in the move to allow slot machine gaming at the Greyhound Race Park in Guam - so far unsuccessfully. In the CNMI, in addition to its financial ventures, Bridge Capital has applied for and received a license from the Tinian Gaming Commission to open a casino on Tinian.

It is not re-assuring to know that the CNMI once again finds itself involved in a financial relationship with a seemingly questionable business enterprise. One might also note that both Bridge Capital and businesswoman Sedy Demesa found their way to the CNMI via those conferences held by the Department of Interior to promote business opportunities in the CNMI.

Well, the governor can refuse to go to Washington, D.C., but now that Washington is coming to the CNMI, will he meet with the Senate staffers who will be arriving on island this week-end? He, together with his cabinet, are scheduled to meet with the Senate staffers on Tuesday. The state of his health notwithstanding, the coconut wireless has it that the governor

has been avoiding going to D.C. so as not to be put on the spot about his relationship with his good friend Jack Abramoff.

While it is ostensibly the FBI that is investigating CNMI connections to Jack Abramoff, rather than U.S. Senate Energy & Resources Committee staff members Al Stayman and Josh Johnson, and Stephen Sander, the Department of Interior Office of Insular Affairs's Congressional liaison, will that make a difference?

Will he take the same approach as that put forward by his spin doctor in reacting to the FBI investigation - take the offensive, and demand that Washington investigate "how American can help our desperate community survive these economic times" - in that instance, rather than "investigating Jack Abramoff, who has already been successfully prosecuted;" in this instance, rather than describing how the CNMI intends to resolve the crises it is facing?

We can only wait and see.

Then there's the spin put out that the government has only paid \$200 to the firm given exclusive Chinese-English translation rights by Attorney General Matthew Gregory this past October. The firm allegedly has close ties to the governor.

Are we to understand that if it's only a little bit wrong, it's not really wrong?

The contract was originally made public by Representative Stanley T. Torres in a memorandum to the presiding officers of the Legislature. Not so reassuring, either, is the Senate response that it intends to wait for "the administration's findings" before taking any action on the matter.

Also disturbing, and much closer to home, is the threat by NMI Retirement Fund board chairman Juan T. Guerrero that members with "deficient" contributions will not receive their full retirement pensions until all monies due from the government are fully paid. Granted, that is the prudent fiscally-responsible thing to do. And Guam does it all the time - holding up people's retirement until the government pays its share of the pension in full.

It's not clear what scenario Guerrero envisions for getting the government to ante up its delinquent share - maybe there isn't one yet. Or maybe he doesn't think the government will ever be able to afford to make up the deficit.

In either case, it is not fair to the retiree to withhold the promised pension amount because of a problem the retiree had nothing to do with, had no control over. That's rather like letting the passengers of a leaky boat drown because rescuing them, or fixing the leaks, would cost too much.

Nor is Representative Justo Quitugua's solution - a bill that would prohibit the Retirement Fund from paying out less than a full pension to retirees - the best answer. What scenario does he envision for obtaining the funds required to do so?

What are needed are meaningful cuts in the excessive benefits now included in the pension system. If anyone is to be deprived of pension rights it ought to be those who are receiving exorbitant sums due to the past mis-guided generosity of the legislature. Also needed is a means of holding the government responsible for meeting its debts. Wasn't a suit filed to do this? Why isn't it being actively pursued?

As mentioned last week, the CNMI is fortunate to have two newspapers, particularly since one of them would appear to be taking a more conservative approach - in its editorial pages, at least. In case no one has noticed, the *Variety* makes almost daily use of one or more editorials from "Townhall" - a web site described on its home page thusly: "Townhall.com is designed to amplify conservative voices in America's political debates just as the 2006 and 2008 election cycles begin to heat up....By providing daily news and opinion articles, sophisticated activism tools, a vibrant blog community, online radio shows and more, Townhall.com will arm conservatives with the tools and information necessary to have an impact in shaping the news."

The *Tribune*, on the other hand, uses commentary from the *Washington Post*, the *LA Times*, and independent columnists on its editorial page. None make a similar claim to representing only one point of view.

Yes, the *Variety* also publishes editorials from the *Washington Post* and other sources on occasion. But the Townhall columns seem to dominate.

Short takes:

It's sort of scary to follow the stories emanating from the White House about Iran. Now the reports say that Iran is providing arms to the Pakistani for use in Iraq's civil strife. Sounds too much like the statements that were issued about Iraq and its alleged weapons of mass destruction to me. Will Bush argue that the U.S. must enter Iran and destroy its weapons supply? It's even scarier to contemplate what will be left of Iraq, Israel, Palestine by the end of Bush's term of office.

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And it's disappointing, to say the least, to learn that the U.S. congressional budget for 2008 has no provision for providing the U.S. Geological Survey with funds to establish a Mariana Islands Volcano Observatory in the CNMI. It was reported, recently, that while a Memorandum of Understanding had been drawn up between the USGS and the CNMI to provide the observatory at no cost, the governor had not signed it. Without the MoU, however, the USGS could not show adequate local support for the undertaking. What a loss! The MoU offered a rare chance for effective monitoring of the CNMI's Northern Island volcanoes.

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En passant, people might be interested in < <http://saipanwriter.blogspot.com/> >, put up by Micronesian Legal Services Corporation Marianas Office Directing Attorney Jane Mack.

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New movies: only one, rated R. Total count: 2 R's (the *Trib* errs in labelling "Hannibal Rising" as PG-13; the *Variety* errs in labelling "Abandoned" as PG-13), and 6 PG-13's. Of the top five money-getters, only the bottom two; of the top five new hits, the only one not yet rated.