

On My Mind
6/05/09

What IS the governor is so afraid of? Now he's not merely "suggesting" negotiation or mediation to end the court case filed against him by the Retirement Fund, he has made a formal offer to enter into an out-of-court settlement. With only actuarial evidence from the Fund's investors (scheduled for next week) yet to be submitted, the case is practically over. So why the panic now?

The coconut wireless has it that, what with elections coming up, the governor is concerned that his access to all those random pockets of money he's finding to fund all sorts of voter-pleasing activity would dry up once the court reaches its decision on the case and issues its expected order for payment to the Retirement Fund. Settlement negotiations would, of course, take time - leaving the governor free to play his games unhampered by any control or restrictions. Perhaps he also believes he could reach settlement terms that would not deprive him of his freedom to manipulate monies for voter-pleasing activities.

The latest example? The \$81,000 check recently given to the Retirement Fund by the acting secretary of finance, with instructions that it be used to make the current annuity payment due former governors and lieutenant governors. Ordinarily, this payment is made through appropriation by the legislature. While the chairman of the board at yesterday's meeting of the Fund recommended that the check be used to allow the 13 members, whose retirement has been put on hold because their agencies did not make the required contribution to the Fund, to finally retire, Board members voted to follow the finance secretary's instructions.

At least, the Board held firm on its decision to let the trial run its course. Sessions are scheduled next week at the Federal District Court on June 8, 9, 10 and 12, to allow the Fund's California-based actuaries to testify via the Federal Courts' video-conferencing facilities. Retirees are especially encouraged to attend, as are current members under the defined benefit plan. Their attendance gives notice to the court that both continue to be very concerned about the Fund's future and their retirement, as well as their own future security.

The Board's meeting Thursday revealed a "scam" of sorts: government employees are resigning and withdrawing their retirement funds - apparently for the cash - but are then immediately re-hired in their same positions without the 6-month delay required by law. While it reduces the Fund's long-term liability to those employees, it also reduces the income to the Fund that had been received from employee contributions to the Fund.

And while the employees may get some immediate cash, it forces them to join the Defined Contribution Retirement Plan, to which the government contributes very little. From an attendee at the Board meeting, "A document provided by Retirement on April 13 listed DC Plan members at 1156. Today, we were told that number is now 1321. This is

165 new enrollees in the Defined Contribution Plan in less than one [sic] month. These could be new hires for new positions, new hires to fill vacancies in critical positions, re-hires who quit just to get their money out of the DB Plan, or converts."

No matter how you cut it, that's 165 new government employees in a little less than two months, despite the supposed moratorium on new hires.....

Much as I respect Deputy Secretary of Labor Cinta Kaipat, I don't think the labor system now in place is a win-win situation for both labor and business, as she stated in her article in today's *Saipan Tribune*. What the system takes no notice of is how businesses operate. In discussing local preference provisions, Kaipat acknowledges that "there are substantial costs involved in losing the experience of the worker who has previously held the job."

But more than just experience is at issue. Business employees become a team, who learn to work with each other, to help each other out in cases of need, to understand and care enough about the business to be able to anticipate problems, and to eventually acquire an institutional history, so to speak. All of which leads to a generally productive, and effective operation. But this can only be accomplished if there is continuity in staff.

Yet the CNMI system with, until recently, only one-year contracts for most of its employees, insists that employers open up positions and seek new employees on an annual basis, as their existing employee contracts expire. This is counter-productive, and can only be disruptive to what may have been a smoothly-functioning business. It serves neither the employer nor the employee well.

Willie Brundidge, who told a story in the 6/3 *Marianas Variety* of applying for 50 jobs but not being hired for any of them, makes a good point. He suggested that government only require employers to post job vacancy notices if there really was a vacancy, and the employer really was seeking a new employee.

It should also be pointed out (and this is NO reflection on Brundidge, who I believe would make a very capable and reliable employee) that much of the expectation in the work sector is plain myth. In most economies, it takes knowledge and experience to get jobs. Only here does it seem to be considered some sort of entitlement.

An interesting anomaly in this past week's papers: Monday's *Marianas Variety*, on page 13, ran two WIC (Women, Infants & Children) documents, neither of which is dated, and both of which bear Joseph Kevin P. Villagomez' signature block as Secretary of the Department of Public Health. But the signatures themselves are vastly different - they bear no resemblance to one another - and while one purports to be that of Villagomez, the other clearly is not, but no indication is provided as to who may have signed the other document.

On the very next day, Tuesday, the *Saipan Tribune* ran the same two WIC docu-

ments on its page 9, again not dated, but in this appearance, both documents again bear the Villagomez signature block, and this time both signatures are clearly by the same person - presumably that of Villagomez.

There was a repeat performance on Wednesday and Thursday - the *Variety's* with the two different-looking signatures, the *Trib's* with similar-looking signatures. And on Friday, the unmatched signatures appeared once more in the *Variety*. Weird indeed!

The latest non-informative (as opposed to just puzzling) public notice generated by our government is the notice, in the 6/3 issue of the *Trib*, of a Request for Public Comments on House Bill 16-248, without any information as to what the bill is about. This leaves the public without a clue as to what House Bill 16-248 would do, whether it would affect them, whether there is a need for them to be heard on the bill.

Granted, the notice, issued by the House Standing Committee on Commerce and Tourism, does list ways of obtaining a copy of the bill, but how hard would it have been to add one more line that says, "the bill would exempt businesses with an annual total gross revenue of less than \$50,000 from paying gross revenue taxes"?

All the information would be there - without anyone having to take any extra steps unless they were involved in small businesses or in what happens to gross revenue.....

Scams are a dime a dozen, as the saying goes - more than enough, no doubt, to fill at least one thick volume. One that seems to be making the rounds at the moment has to do with jury duty, and I'm not sure it would work in the CNMI, but here's how it goes: the scammer claims to work for the court, and tells the person answering the phone that s/he failed to show up for jury duty, and that an arrest warrant has therefore been issued for his/her arrest. When the person called denies that s/he ever received a jury notice, the scammer asks for a social security number and date of birth, sometimes credit card numbers or other personal information, allegedly for verification purposes, but enough information to now enable him to commit identify theft.

Most people eligible for jury duty probably know court staff well enough to be able to tell whether the caller does work for the courts, and I don't know a single instance where someone has been threatened with arrest for not showing up for court duty. Nevertheless, be forewarned. As "snopes" says, this is but the latest in a series of identity theft scams people use to try obtain personal information, reminding people once again never to provide such information to someone who calls over the phone. Snopes, the prime site for determining when a scam is for real, is on the web at < <http://www.snopes.com> >.