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2	FOR PUBLICATION	
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5	IN THE SUPERIOR COURT	
6	OF TH	E
7	COMMONWEALTH OF THE NOR	THERN MARIANA ISLANDS
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10	COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS	CIVIL ACTION NO. 01-521E CSC APPEAL NO. 01-006A
11	DEPARTMENT OF PUBLIC SAFETY,	CSC AITEAL NO. 01-000A
12	Petitioner/Plaintiff,	
13	V.	
14	OFFICE OF THE CIVIL SERVICE COMMISSION,	ORDER SETTING ASIDE OCTOBER 4, 2001
15	Defendant,	CIVIL SERVICE COMMISSION DECISION AND ORDER
16	JOSE T. CHONG,	
17	Respondent/	
18	Real Party in Interest	
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20	I.	
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23		n. on May 15, 2002 for a hearing on Petitioner's
24	Motion for Judicial Review. The Department of Put	
25	represented by Allan L. Dollison. Jose T. Chong [herein	nafter Respondent] was represented by Brien Sers
26	Nicholas.	
27	The Petitioner seeks judicial review of a final de	ecision and order by the Civil Service Commission
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1 reinstating Respondent to his position in the Department of Public Service, where he will not work with 2 female employees. For the following reasons, the Civil Service Commission's Decision and Order dated 3 October 4, 2001 will be set aside. II. 4 FACTUAL BACKGROUND 5 The essential facts in this matter are not in dispute. Respondent worked for DPS as a corrections 6 7 officer. On March 19, 2001, the Department of Public Service/Department of Corrections issued a 8 Notice of Proposed Adverse Action seeking to terminate Respondent for sexual harassment. The 9 employer issued a final decision on April 16, 2001 and terminated Respondent. 10 On May 7, 2001 Respondent timely appealed the employer's decision with the Civil Service 11 Commission [hereinafter CSC or Commission]. CSC held a hearing for Respondent's appeal on July 9-12 11, 2001. On October 4, 2001, CSC issued its Decision and Order [hereinafter Order]. The Order 13 stated that Respondent was to be "reinstated to a position within the Department of Public Safety where 14 [he] will not be working with female employees." In the Matter of Chong and Department of Public Safety, CSC No. 01-006A (CSC Oct. 4, 2001) (Decision and Order at 5). On October 5, 2001, the 15 Petitioner filed a petition for judicial review.¹ 16 17 III. 18 DISCUSSION 19 This case is unique because there is no dispute surrounding the existence of Respondent's sexually 20 harassing behavior. Rather, it is the effect and consequence of the Order that compels review. Common 21 ¹ This matter was set for a status conference on March 8, 2002. At that time, this Court ordered additional 22 briefing and hearing on three issues: 1. Whether the Court maintains jurisdiction over this matter when the plaintiff does 23 not dispute the findings of the Civil Service Commission only the remedy that was ordered [sic]. 24 2. Whether a trial Court has the authority to remand an administrative order to the governing administrative body for clarification of the ordered remedy. 25 3. Whether DPS is legally required to create a position that satisfies the Civil Service Commission's order to reinstate Chong to a position that will not require him to 26 work with females. 27 28 2

sense leads any reasonable person to one conclusion. However, the Court must analyze why and how this
 Court will review the Order and set it aside within the legal framework of the Commonwealth's
 Administrative Procedure Act, set forth at 1 CMC §§ 9101-9115 [hereinafter APA]. In this discussion,
 the Court will first establish jurisdiction. Then, the Court will discuss its standard of judicial review and why
 the Order will be set aside.

6 A. <u>Jurisdiction</u>

This Court's jurisdiction to review the agency action arises from Title 1 of the Commonwealth
Code, section 9112. Under section 9112(b) a "person suffering legal wrong because of agency action, or
adversely affected or aggrieved by agency action, is entitled to judicial review . . ." 1 CMC § 9112(b).

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1. <u>The "agency action".</u>

Under 1 CMC § 9112(b), agency action is a threshold requirement of conduct by an administrative
entity that must be shown to trigger judicial review. The agency action in this case is CSC's Order of
October 4, 2001. The APA defines "agency," "agency action," "decision," and "order" at 1 CMC §
9101(b), (c), (e), and (h) respectively.

15 "Agency' means each authority of the Commonwealth government, whether or not it is within or 16 subject to review by another agency." 1 CMC § 9101(b). "Agency action' includes the whole or part 17 of an agency rule, order, license, sanction, relief, or the equivalent or denial thereof, or failure to act." 1 18 CMC § 9101(c). "Decision' means the whole or part of a final disposition of an agency in a hearing on 19 a proposed regulation." 1 CMC § 9101(e). And "'[o]rder' means the whole or part of a final disposition, 20 whether affirmative, negative, injunctive, or declaratory in form, of an agency in a matter other than 21 rule-making but including licensing." 1 CMC § 9101(h).

The Civil Service Commission is an authority of the Commonwealthgovernment. 1 CMC §§ 8111-8117. It issued a final Decision and Order on October 4, 2001, which was the final disposition of Respondent's appeal from adverse action taken by his employer. Thus, the Order of October 4, 2001, is agency action for purposes of judicial review.

The "legal wrong" Petitioner suffers.

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Respondent argues that the Court does not have jurisdiction under section 9112(b) because *he* has
 not suffered a legal wrong resulting from the agency action. Respondent asserts that there is "no case or
 controversy." However, Respondent need not be the only one wronged for this Court to review the
 agency's decision. Petitioner can also seek judicial review.

5 Here, the party appealing is DPS. The legal wrong suffered is that DPS would have to 6 accommodate Respondent to comply with the Order. This adversely affects DPS because it could not 7 reasonably know how to comply with the Order without clarification of the meaning and effect of the 8 Order. There may be no position within DPS that can accommodate Respondent, and DPS may have to 9 create a position. Since DPS would suffer a legal wrong to comply with the Order, this Court has 10 jurisdiction to consider the DPS's claims.

11 B. <u>Standard of Review.</u>

The standards for judicial review of agency action are set forth in 1 CMC § 9112(f). *Camacho v. Northern Marianas Retirement Fund*, 1 N.M.I. 362, 366 (1990). The Petitioner recites six reasons
why the Court should set aside the Order. These reasons track the standards of review outlined in §
9112(f)(2)(i)-(vi).

16 Petitioner alleges that the Commission's Order should be set aside because (a) the Commission's 17 Order was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law of 18 the CNMI; (b) that the Commission's Order was contrary to a constitutional right, power, privilege or 19 immunity; (c) that the Commission's Order was in excess of statutory jurisdiction, authority, or limitations, 20 or short of statutory rights; (d) that the Commission's Order was without observance of procedure required 21 by law; (e) that the Commission's Order was unsupported by substantial evidence in a case subject to 1 CMC § 9108 and § 9109 or otherwise reviewed on the record of an agency hearing provided by statute; 22 23 and (f) that the Commission's Order was unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court.² 24

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² In the Petitioner's additional briefings, it assert that the Order violates only §§ 9112(f)(2)(i), (ii), (v) and (vi). *Pet'r Additional Br. in Compliance with Court's March 7, 2002 Order* (April 19, 2002 at 7). However, the original petition for judicial review alleges violations of all six. The Court will discuss each.

1.

Identifying standards of judicial review which are not appropriate in this case.

2 The six standards of review under 9112(f) present a number of alternatives to the Court. However,
3 not all of these alternatives are appropriate.

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a. <u>The 1 CMC § 9112(f)(2)(i) "arbitrary, capricious or abuse of discretion"</u> standard of judicial review is not appropriate.

The scope of review will not involve our inquiry into whether the Commission's decision was 6 7 arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law of the CNMI. 8 Arbitrary action under 1 CMC §9112 is not defined in the statute. However, arbitrary agency action has 9 been defined in this jurisdiction as "[c]haracterization of a decision or action taken by an administrative 10 agency or inferior court meaning willful and unreasonable action without consideration or in disregard of facts or without determining principle." In re Blankenship, 3 N.M.I. 209, 217 (1992) (citing BLACK'S 11 12 LAW DICTIONARY (5th ed. 1979)). This jurisdiction has also found that agency action is arbitrary and 13 capricious "if the agency has . . . entirely failed to consider an important aspect of the problem." In re 14 Hafadai Beach Hotel Extension, 4 N.M.I. 37, 45 n.33 (1993).

While this Court could find that CSC's Order was arbitrary within these principles, this standard of review is not appropriate in this matter. This standard of review is typically reserved for informal hearings. *Id.* at 43, n.21. This is not the case here. CSC held a formal hearing. Parties were represented by counsel. Evidence and witnesses were allowed and cross-examination was permitted. This was a formal type hearing and the arbitrary and capricious standard will not apply.

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b. <u>The 1 CMC § 9112(f)(2)(iii) "in excess of power" standard of judicial review</u> <u>is not appropriate.</u>

The 1 CMC § 9112(f)(2)(iv) "without observance of procedure" standard of

This Court's review does not raise issues related to whether the Commission's decision was in excess of its statutory jurisdiction, authority, or limitations, or short of statutory rights. Neither party questions the power of CSC to review the original decision to terminate Respondent on April 16, 2001. The excess of power standard of review is inapplicable.

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judicial review is not appropriate.

Neither party questions the observance of legal procedure of the Commission's Order. Neither 3 party appeals the Order because of the time, place and nature of the hearing. The parties do not question 4 the processes of presenting evidence and witnesses or the notice and opportunity for each of them to be 5 heard. Nor do the parties question other issues related to the conduct of administrative hearings contemplated under 1 CMC §9109.³ 6

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d. The 1 CMC § 9112(f)(2)(vi) "unwarranted by the facts" standard of judicial review is not appropriate.

9 Finally, the scope of review is not about whether the Commission's decision was unwarranted by 10 the facts, to the extent that the facts are subject to trial de novo by the reviewing court. While the Court 11 has not found any discussion, in this jurisdiction, pertaining to this standard of review, the United States 12 Supreme Court has interpreted the federal equivalent standard. This very narrow standard of review 13 subject to a trial de novo is appropriate in only two instances. First, where the action is adjudicatory in 14 nature and the agency fact finding procedures are inadequate; and second, when issues that were not 15 before the agency are raised in a proceeding to enforce nonadjudicatory agency action. See Citizens to 16 Preserve Overton Park, Inc. v. Volpe, 401 U.S. 402, 415, 91 S. Ct. 814, 823, 28 L. Ed. 2d 136, 152-53 (1971). 17

18 Here, the *Overton* test is not an issue because the fact finding procedures are not questioned. 19 Neither party alleges that the fact finding process used by CSC was inadequate. Furthermore, there are 20 no issues before this Court that were not before the Civil Service Commission.

21 Thus, four of the six standards of review asserted by the Petitioner for setting aside the 22 Commission's Order are not appropriate in this case. Additional inquiry, however, is necessary regarding 23 the final two standards of review—the substantial evidence standard and the violation of constitutional rights 24 standard.

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Identifying standards of judicial review that are appropriate in this case.

³ Section 9109 generally outlines the conduct of hearings in administrative procedure.

1	Of the six grounds for setting aside agency action, only two apply in this case. First, this Court can
2	consider whether the Commission's decision was contrary to a constitutional right, power, privilege or
3	immunity, 1 CMC § 9112(f)(2)(ii); and second, whether the Commission's decision was unsupported by
4	substantial evidence in a case subject to 1 CMC §9108 and §9109 or otherwise reviewed on the record
5	of an agency hearing provided by statute, 1 CMC § 9112(f)(2)(v).
6	First, the Court examines whether this Order should be set aside under the substantial evidence
7	standard since it is preferred to decide cases on non-constitutional grounds. Christopher v. Harbury,
8	U.S, 122 S. Ct. 2179, 2188, 153 L. Ed. 2d 413, 425 (2002).
9	a. The 1 CMC § $9112(f)(2)(v)$ "unsupported by substantial evidence" standard of
10	judicial review is appropriate.
11	The substantial evidence standard of review is appropriate for this case. This standard only applies
12	to "a case subject to 1 CMC §§ 9108 and 9109 or otherwise reviewed on the record of an agency hearing
13	provided by statute." 1 CMC § 9112(f)(2)(v).
14	Section 9108 of the Commonwealth Code pertains to administrative procedures for adjudications.
15	Section 9109 of the Commonwealth Code pertains to the administrative procedures for conducting
16	hearings. These provisions generally provide a mechanism of procedural due process when a "sanction"
17	may be imposed. Sanction is broadly defined and includes the restrictive and/or compulsory action that
18	is a consequence of the agency's order. 1 CMC § 9101(0)(1-7). ⁴ This is a case subject to sections 9108
19	and 9109. CSC held a formal hearing where the parties presented evidence and witnesses.
20	i. <u>Court action mandated in context of its standard of judicial review.</u>
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22	⁴ Under 1 CMC § 9101(o)(1)-(7) "sanction" includes the whole or part of an agency:
23	(1) Prohibition, requirement, limitation, or other condition affecting the freedom of a person;
24	(2) Withholding of relief where adjudication is required by law;(3) Imposition of penalty or fine;
25	(4) Destruction, taking, seizure, or withholding of property;(5) Assessment of damages, reimbursement, restitution, compensation, costs,
26	(c) Assessment of damages, reinfoursement, residuation, compensation, costs, charges, or fees;(6) Requirements, revocation, or suspension of a license; or
27	(7) Taking other compulsory or restrictive action.
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The Commonwealth APA mandates certain action by the court within its standard of review. The
 court must determine the meaning and applicability of terms of the agency action and the court must hold
 unlawful and set aside agency action which cannot be reconciled within the standard of review. 1 CMC
 § 9112(f).

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1) <u>Mandate to determine the meaning and applicability of terms of an agency action.</u>

Under Section 9112, a court must "determine the meaning or applicability of the terms of an agency action." 1 CMC § 9112(f). The Court begins by determining the meaning and applicability of the word "reinstated."

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a) <u>Meaning of the word "reinstated".</u>

11 The Petitioner argues that the term "reinstated" carries legal significance. This Court agrees. In 12 its Order, CSC ordered that the Respondent be "reinstated to a position within the Department of Public 13 Safety where the Employee will not be working with female employees." The Court finds the meaning of 14 the word "reinstated," in the context of the Order, requires the placing of Respondent in the same job 15 position he occupied before the adverse action was taken against him. City of Jackson, Miss. v. Martin, 623 So. 2d 253, 256 (1993), (citing Ohio ex. rel. Olander v. Ohio Envt'l Prot. Agency, 543 N.E.2d 16 17 1262, 1264 (Ohio 1989); Gorski v. Dickson City Borough Sch. Dist., 113 A.2d 334, 339 (1955); 18 Minn. ex. rel. Spurck v. Civil Serv. Bd., 32 N.W.2d 583, 588 (1948); Berg v. Seaman, 271 N.W. 924, 19 925 (1937). But see Dep't of Transp. v. Pa. Civil Serv. Comm'n, 290 A.2d 434, 436 (Pa. 1972) 20 (court created an exception to the rule that reinstatement requires restoring employee to his former job, 21 where employee clearly lacked the skills and qualifications necessary to perform the job he formerly held 22 and would face the possibility of termination in the future for inadequately performing the job.).

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b) <u>Meaning of the words "position not working with</u>

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in his former position, as an officer, with the same duties and the same responsibilities and the same

interaction with the same employees prior to any adverse action by the employer.

In the context of CSC's Order, the word "reinstated" means that Respondent would be placed

1 females." 2 The Court finds this phrase ambiguous and unenforceable. The phrase does not identify the female 3 employees with whom the Respondent may not work. Nor does the phrase identify any scope of work. 4 On one extreme, this phrase could mean that Respondent is not to have any contact with female employees 5 such as, for example, administrative assistants within governmental support agencies such as payroll. On the other hand, it could mean that Respondent is not to have a female officer as his partner. 6 7 2) Mandate to hold unlawful and set aside agency action within 8 standard of judicial review. 9 Under the APA, if the court cannot reconcile the agency action within the standard of review, the 10 court must set aside the agency action. In the context of the substantial evidence review, the court must 11 "[h]old unlawful and set aside agency action, findings, and conclusions found to be [unsupported by 12 substantial evidence]." 1 CMC § 9112(f)(2). 13 3. The evidence. Finally, now that the Court has interpreted the meaning of the words of the agency action and 14 15 identified the standard of review, the Court turns to the evidence to determine whether there is, indeed, 16 substantial evidence to support the Order of the Commission. The Court finds that the decision is not 17 supported by substantial evidence. 18 In fact, there is no evidence to support the Commission's findings that the Respondent could hold 19 a position within DPS where he could not work with females. The record is bare of any evidence indicating 20 that such a position exists. While the Commission made evidentiary findings regarding the scope and 21 severity of Respondent's inappropriate work behavior and concluded that he engaged in sexual harassment, 22 there is no evidence in the record that supports their finding that a position exists within DPS where the 23 Respondent could work without female employees. 24 At the May 15, 2002, hearing in this Court, the parties identified a position in the armory, where 25 no female employees are currently employed. However, the Respondent would still have contact with 26 female officers turning in their weapons. The parties also identified a position in the Criminal Investigation 27 28 9

Unit where no female employees are currently employed; however, Respondent may still have contact with
 female officers dispatched to a crime scene. Regardless of this Court's inquiry into whether a position
 existed, or whether DPS was required to create a position for Respondent, further discussion on the issue
 is futile. The evidence regarding the existence of a position where the Respondent would not work with
 females must support the conclusion of the Commission's Order and not this judicial review.

Furthermore, given this Court's interpretation that "reinstated" means that the Respondent would
be restored to his former position, the record supporting the Commission's Order lacked any evidence
supporting the existence, or lack thereof, of female employees within his former position. This leads the
Court to only one conclusion. The Order was not supported by substantial evidence and must be set aside.

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4. <u>Contrary to a constitutional right</u>

12 As indicated earlier, the Court can also consider whether the agency action violates a constitutional 13 right. 1 CMC § 9112(f)(2)(iii). The Court is gravely concerned that the Order violates constitutional rights 14 respecting equal protection and employment opportunities under Title VII. Even assuming the Respondent 15 was to be placed in his former position or into a position where he does not work with females, compliance 16 with the Order would exclude future employment of females who would otherwise be qualified for a 17 position in the same division of DPS as Respondent. This Court, however, will refrain from deciding these 18 constitutional issues because this case may be decided on other grounds. See Harbury, ____ U.S. at ____, 19 122 S. Ct. at 2188, 153 L. Ed. 2d at 425.

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IV.

CONCLUSION

The October 4, 2001 Civil Service Commission Order is unlawful because it is not supported by
substantial evidence and is hereby set aside.

- 26 **SO ORDERED** this 12th day of September 2002.
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3	/s/ David A.Wiseman DAVID A. WISEMAN Associate Judge
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