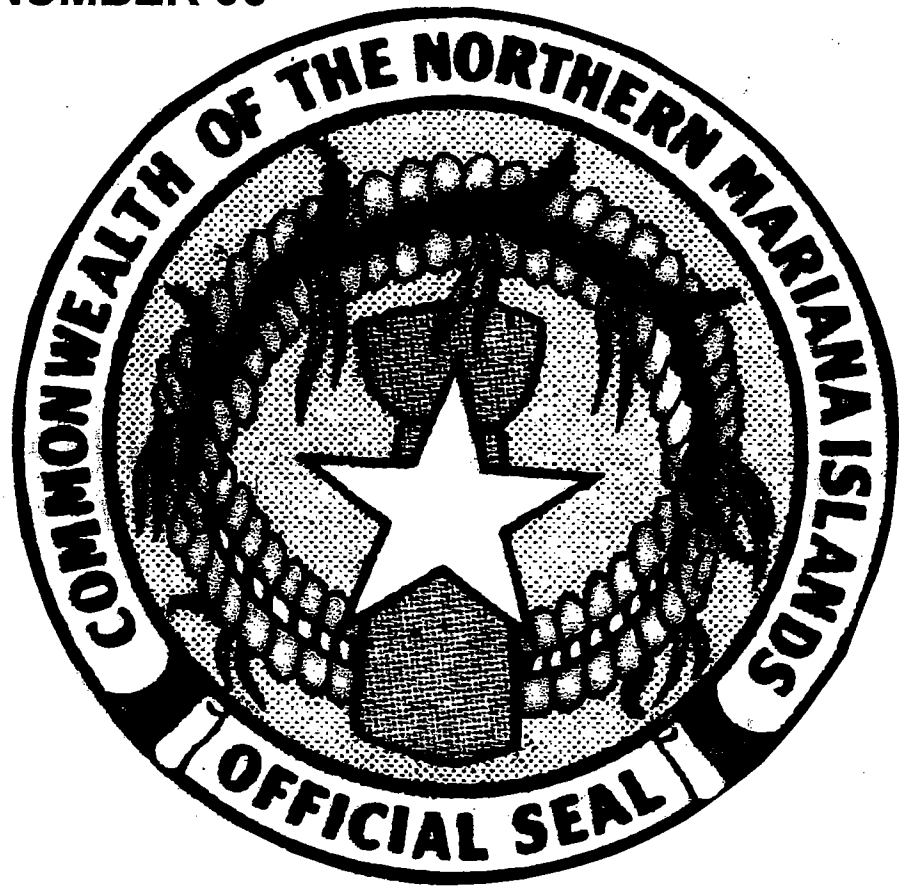


COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
SAIPAN MARIANA ISLANDS

VOLUME 22 NUMBER 06



JUNE 20, 2000

COMMONWEALTH

REGISTER

COMMONWEALTH REGISTER

VOLUME 22 NUMBER 06
JUNE 20, 2000

TABLE OF CONTENTS

PROPOSED AMENDMENTS

Proposed Amendments to Change Counselor's Classification from Non-Certified to Certified of the PSS Personnel Regulations BOARD OF EDUCATION / PUBLIC SCHOOL SYSTEM	17253
Proposed Amendments to Revise Policy 609 and Policy 610 (Student Discipline) of the Board of Education Policy BOARD OF EDUCATION / PUBLIC SCHOOL SYSTEM	17257

ADOPTED RULES AND REGULATIONS

Notice and Certification of Adoption to the Personnel Service System Rules and Regulations to Extend Advance Leave, Compassionate Leave, Maternity Leave and Paternity Leave to Limited-Term Employees CIVIL SERVICE COMMISSION	17279
Notice and Certification of Adoption of Rules and Regulations Regarding Solid Waste Collection and Disposal DEPARTMENT OF PUBLIC WORKS	17280
Notice and Certification of the Adoption of the Amended Rules and Regulations Regarding the Commonwealth of the Northern Mariana Islands Lottery DEPARTMENT OF FINANCE	17281

PUBLIC NOTICE

PROPOSED AMENDMENT TO CHANGE COUNSELOR'S CLASSIFICATION FROM NON-CERTIFIED TO CERTIFIED OF THE PSS PERSONNEL REGULATIONS

The Board of Education, Commonwealth of the Northern Mariana Islands, hereby notifies the general public of its intention to amend the Counselor's Classification from Non-Certified to Certified position. The intention of the proposed amendments is to include school counselors under certified Public School System Regulations. The proposed PSS Personnel Regulations are promulgated pursuant to the authority provided by article XV of the CNMI Constitution, Public Law 6-10 and the CNMI Administrative Procedures Act.

All interested persons may examine the proposed amendments and submit written comments, positions, or statements for or against the proposed amendments to the Chairwoman, Board of Education, P.O. Box 1370 CK, Saipan, MP 96950 within thirty (30) calendar days following the date of the publication of this Notice in the Commonwealth Register.

Dated this 12th day of June, 2000, at Saipan, Northern Mariana Islands.

BOARD OF EDUCATION

By: 
FRANCES H. DIAZ, Chairwoman BOE

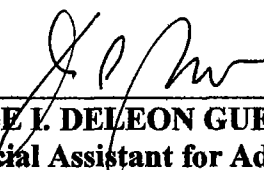
Pursuant to 1 CMC Section 2153, amended by P.L. 10-50 the rules and regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the Office of the Attorney General, Commonwealth of the Northern Mariana Islands.

Dated this 12th day of June, 2000.

HERBERT D. SOLL
Attorney General

Filed By: 
SOLEDAD B. SASAMOTO
Registrar of Corporation

Date: 

Received By: 
JOSE L. DELEON GUERRERO
Special Assistant for Administration

Date: 6/16/00

NUTISIAN PUPBLIKU

MA PRUPONI NA AMENDASION PARA U MA TULAIKA I KLASIFIKASION AKONSEHERON ESKUELA GI REGULASION I EMPLEHON PSS GINEN I TI MA SETTEFIKA ASTA I MA SETTEFIKA

I Akonseheron Idukasion, Notte Marianas, ha nutisia I hinirat pupbleku put I entension ni para u amenda I klasifikasion I Akonseheru ginen I Ti settefika asta I settefika na pusiion. I entension I ma pruponi na amendasion put I para u ma na'saonao I akonseheron idukasion gi papa' I ma settefika gi rigulasion I Sesteman Eskuelan Pubbleku. I ma pruponi na Rigulasion Emplehon PSS para u malaknos sigun gi aoturidat ni mana'guaha gi attekulan XV gi konstetusion CNMI, Lain Pubbleku 6-10 yan I Akton Areklon Manatmenestra gi CNMI.

Todo petsona ni man-interesao, sina maexamina I mapropoponi na amendasion siha yan sina mansatmiti halom tinige na komentu, posision, pat sinangan (kontra pat ahi) pot I mapropoponi na amendasion guato gi Ge'hilo', Akonseheron Idukasion, P.O. Box 1370 C.K., Saipan, MP 96959, ti mas di trenta (30) diaas anai ma-publika este na Nutisia gi Rihiston I Notte Marianas (Commonwealth Register).

Dia 6 gi Junio, 2000, gi Saipan, Northern Mariana Islands.

AKONSEHERON IDUKASION

By: 
FRANCES H. DIAZ, Ge'hilo', Akonseheron Idudasion

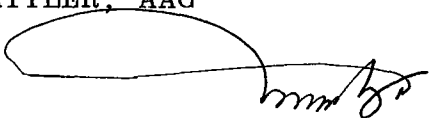
Sigun gi 1 CMC §2153 ni inamenda nui i Lai Pubbleku 10-50, i mapropopone siha na amendasion gi Areklamento yan Regulasion ni chechetton guine, esta manma inan maolek yan apreba para u fotma ligat yan sufisiente ginen i Ofisinan i Abugadun Hinerat giya CNMI.

HERBERT D. SOLL
Attorney General

ELLIOTT A. SATTLER, AAG

Fecha: _____

Ma file as: _____


SOLEDAD B. SASAMOTO
Registrar of Corporation

Fecha: 6/14/00

Rinisibi as: _____

JOSE I. DELEON GUERRERO
Special Assistant for Administration

Fecha: _____

PROPOSED CHANGES TO PSS CERTIFIED REGULATIONS

A. Requirements of Certification

§ 2101 Certification Required. (add)

c. Counselors: In accordance with 3 CMC 1181, no person shall serve as a counselor in any school in the Commonwealth without first possessing either a valid temporary, or basic or intermediate counselor certificate granted by the Board of Education.

§ 2102. Effect on Employment Contract. As it is illegal for any person to serve as a teacher, librarian, or counselor without a certificate, the failure of any teacher, librarian or counselor to qualify to hold a certificate or to continue to qualify to hold a certificate during that person's contract term shall immediately render the contract of employment void.

§ 2103 Definitions. (add)

l. "Counselors" shall mean any person providing counseling to students as their primary responsibility, and who receives pay for this counseling services.

B. Requirements for Issuance of Certificate

§ 2201 The Basic Certificate. Eligibility for either Basic Teaching Certificate, Basic Librarian Certificate, or Basic Counseling Certificate requires:

c. No Disciplinary Sanctions: The applicants must have never suffered a suspension or revocation of his or her teaching, librarian, or counseling certificate or license by any other state or national education agency.

§ 2202 Limited Reciprocity. Any teacher, Librarian, or Counselor who possesses certificate from any United States education agency need not show proof of education under § 2201(a).

§ 2203 Intermediate Certificate. Any teacher, librarian, or counselor who meets the requirements of 2201 and who has taken and passed the following courses of college level instruction shall be awarded and intermediate teaching certificate, librarian certificate, or counseling certificate:

§ 2302 Application for Basic Certificate.

a. All teachers, librarians, or counselors must file an application for a teacher, librarian or counselor immediately after beginning employment with any school in the CNMI. The form to be used for the application must be filled out completely and the form may not be altered in any manner. The form to be used is Exhibit "E" found at the end of these regulations. The employee shall sign the form in the Commonwealth under penalty of perjury. The form shall be filed within 14 days of the commencement of the contract period at the office of the Board of Education.

§ 2402 Renewal or Reapplication. A teacher, librarian, or counselor applying for a new license or renewal of a prior license must comply with the procedures set above as though applying for the first time, except that the Board may waive the submission of documents which are already on file and which do not need to be updated (e.g. college transcripts).

§ 2403 Intermediate Certificate Required for PSS Teachers/ Librarians/ Counselors. Upon the expiration of a Basic Certificate, any teacher, librarian, counselor employed by the Public School System must qualify for and receive an Intermediate Certificate in order to continue to serve as a teacher, librarian, counselor. The Basic Certificate shall not be renewed for PSS teachers, librarians, or counselors.

§ 2404 Tenure Not Created by Certificate. The granting of a Basic or Intermediate Certificate does not entitle a teacher, librarian, or counselor to tenure, nor does it imply, *promise or suggest continued employment with PSS.*

§ 2405 Grounds for Revocation and Suspension. The Board of Education shall have the authority to suspend or revoke any teacher certificate, librarian certificate or counselor certificate whether temporary, basic or intermediate, whether the certificate holder is employed by PSS or private school.

PUBLIC NOTICE

PROPOSED AMENDMENTS TO REVISE POLICY 609 AND POLICY 610 (STUDENT DISCIPLINE) OF THE BOARD OF EDUCATION POLICY

The Board of Education, Commonwealth of the Northern Mariana Islands, hereby notifies the general public of its intention to revise Board of Education Policies 609 and 610 regarding Student Discipline. The proposed amendments, among other things would more clearly distinguish between suspension and expulsion of Public School System students. The proposed amended Policy is promulgated pursuant to the authority provided by article XV of the CNMI Constitution, Public Law 6-10 and the CNMI Administrative Procedures Act.

All interested persons may examine the proposed amendments and submit written comments, positions, or statements for or against the proposed amendments to the Chairwoman, Board of Education, P.O. Box 1370 CK, Saipan, MP 96950 within thirty (30) calendar days following the date of the publication of this Notice in the Commonwealth Register.

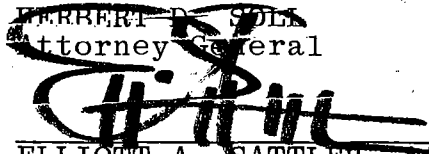
Dated this 10th day of June, 2000, at Saipan,
Northern Mariana Islands.

BOARD OF EDUCATION

By: 
FRANCES H. DIAZ, Chairwoman BOE

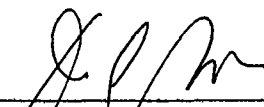
Pursuant to 1 CMC Section 2153, as amended by P.L. 10-50, the rules and regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the Office of the Attorney General, Commonwealth of the Northern Mariana Islands.

Dated this 12th day of June, 2000.


ELLIOTT A. SATTLER, AAG

Filed By: 
SOLEDAD B. SASAMOTO
Registrar of Corporation

Date: 6/14/00

Received By: 
JOSE I. DELEON GUERRERO
Special Assistant for Administration

Date: 6/16/00

NUTISIAN PUPBLIKU

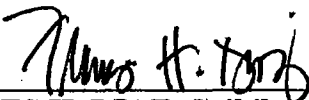
MA PRUPONI NA AMENDASION PARA U MARIBISA I AREKLAMENTON 609 YAN 610 (AREKLAMENTON ESTODIANTE) GI AREKLAMENTON I AKONSEHERON IDUKASION

I Akonseheron Idukasion, Notte Marianas, ha nutisia I hinirat pupbleku put I extension ni para u ma'agon ina ya u matulaika I Areklamenton 609 gi Akonseheron Idukasion yan I 610 put mangurihen Estodiante. I ma pruponi na amendasion gi entre todú put para u klaru dumestingge entre I mas suspende yan ma laknos estodiante ginen I sesteman eskuelan pupbleku. I ma pruponi ni ma amenda na areklo u malaknos sigun gi aoturidat ni mana'guaha gi attekulán XV gi konstetusion CNMI, Lain Pubbleku 610 I Akton Areklon Manatmenestra.

Todo petsona ni man-interesao, sina maexamina I mapropoponi na amendasion siha yan sina mansatmiti halom tinige na komentu, posision, pat sinangan (kontra pat ahi) pot I mapropoponi na amendasion guato gi Ge'hilo', Akonseheron Idukasion, P.O. Box 1370 C.K., Saipan, MP 96959, ti mas di trenta (30) diaas anai ma-publika este na Nutisia gi Rihiston I Notte Marianas (Commonwealth Register).

Dia 6 gi Junio, 2000, gi Saipan, Northern Mariana Islands.

AKONSEHERON IDUKASION

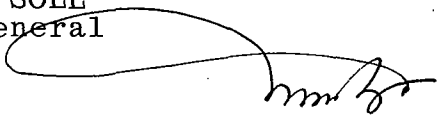
By: 
FRANCES H. DIAZ, Ge'hilo', Akonseheron Idudasion

Sigun gi 1 CMC §2153 ni inamenda nui i Lai Pubbleku 10-50, i mapropone siha na amendasion gi Areklamento yan Regulasion ni chechetton guine, esta manma inan maolek yan apreba para u fotma ligat yan suficiente ginen i Offisinan i Abugadún Hinerat giya CNMI.

HERBERT D. SOLL
Attorney General

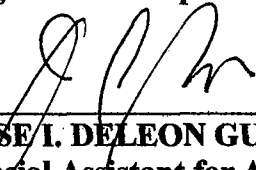
Fecha: _____

Ma file as: _____


SOLEDAD B. SASAMOTO
Registrar of Corporation

Fecha: 6/14/00

Rinisibi as: _____


JOSE I. DELEON GUERRERO
Special Assistant for Administration

Fecha: 6/16/00

POLICY 609. STUDENT DISCIPLINE

609.1 SCOPE OF AUTHORITY

- (a) The right to attend school is a civil right, fully recognized in the courts. However, it is not an absolute right. It is one which an individual possesses until the exercise of this right becomes damaging to the rights of others. The right of one person to attend school must not place in jeopardy the opportunity of others to profit from school attendance.
- (b) The provisions of this code apply in all situations in which students are involved, including, but not limited to:
 - (1) school activities on property owned, rented, leased, or otherwise occupied by the CNMI Board of Education, Public School System (PSS), or Commonwealth Government;
 - (2) travel on school buses or in school vehicles;
 - (3) off-site school sponsored activities;
 - (4) on or off-site school-related problems which are the result or cause of disruptive behavior on school grounds; or
 - (5) violent acts or behavior which occur off school property, pose a threat to the safety of students and/or faculty, or disrupt the learning environment.
- (c) The fact that a student withdraws from PSS or transfers to another school after the alleged commission of a prohibited act shall not be construed to deprive PSS of jurisdiction to suspend or expel the student.
- (d) This code is intended to supplement standard day-to-day disciplinary actions taken at the school level, such as in-house detention, counseling sessions, campus clean-up, community service, required apologies, IEP, creative, discipline, etc. Principals and appropriate administrative personnel are specifically authorized by these regulations to impose such discipline in addition to the disciplinary action hereafter.

POLICY 609 STUDENT DISCIPLINE

609.2 STUDENT SUSPENSION

See the procedures in Policy 609.6 for any disciplinary action, including suspensions, against a student with an identified disabling condition.

- (a) Suspension is an action taken by the principal or his/her designee of a school that excludes a student from school, *any school activities and school property* for a fixed period of time.
- (b) The principal or his/her designee may suspend a student for any one of the following reasons:
 - (1) violation of school regulations;
 - (2) conduct which tends materially and substantially to disrupt the right of others to an education;
 - (3) conduct which endangers the student or other persons;
 - (4) conduct which endangers school property;
 - (5) conduct which is in violation of the laws of the Commonwealth; or
 - (6) other conduct which violates any Board of Education Policy.
- (c) A student may be suspended by the school principal for not more than ten (10) school days if it is found that (s)he committed a Category I offense.
- (d) *In the event that a Principal intends to suspend a student for more than ten (10) days for the commission of a category offense, the principal may suspend the student pending a hearing concerning a longer term suspension. Such hearing will be conducted in accordance with the hearing procedures set forth in Policy 609.4.*
- (e) *In the event of the commission a Category III offense or other criminal conduct or serious action committed by the student, the principal may suspend the student pending a hearing to be held in accordance with the hearing procedures set forth in Policy 609.4.*

POLICY 609 STUDENT DISCIPLINE

609.2 STUDENT SUSPENSION

- (f) Prior to any suspension, the student will be advised of the reason for the proposed suspension and will be *informed of the evidence against him/her*. The student will be given an opportunity to explain his or her version of the facts *surrounding the alleged conduct*. If it is determined that the student *has committed the offense(s)* and that the suspension is reasonably justified, the student will be suspended.
- (g) *An elementary school student shall not be suspended for more than the remainder of the then-current school year. Suspension should be avoided for students in the primary grades K, 1, 2 and 3.*
- (h) The student's parent or guardian shall be notified, *in writing within five (5) school days*, of the reason(s) for the suspension and the right of the student or parent or guardian to appeal the suspension to the Commissioner of Education within ten (10) calendar days *of the notification*.
- (i) *The appeal procedures for suspensions of less than ten days are described in section (j) of Policy 606.2 (below). The appeal procedures for suspensions of ten days or more are described in Policy 603.4*
- (j) If the parent and/or student wishes to appeal a suspension of *less than ten (10) days*, the Commissioner of Education or a designee who shall be someone other than a principal, administrator or teacher in the suspended student's school, shall meet with the student and/or the parent or guardian to discuss the suspension. If the Commissioner of Education or designee finds that the student was suspended unfairly or unjustly, or that the suspension was inappropriate given the nature of the alleged offense, or that the student suffered undue consequences or penalties, the suspension may be overturned and any reference to the suspension in school records will be expunged. Such findings shall be made *in writing* within ten (10) school days of the conference.

POLICY 609 STUDENT DISCIPLINE

POLICY 609.3 STUDENT EXPULSION

- (a) Expulsion is permanent exclusion from public school attendance, school activities and school property. Expulsion shall be used only in severe cases, or where other means of correction have failed, or where no other reasonable alternatives are available. An expulsion may be recommended if the student persistently *engages in* conduct which warrants suspension, or if the student by means of a single action evidences behavior which is serious enough to warrant removal to protect the rights or safety of others.
- (b) Only the Commissioner of Education may expel a student. The principal recommending expulsion shall prepare written documentation in justification of such action.
- (c) The Commissioner of Education reserves the right to exclude other students, if the expulsion is deemed in the best interest of the student or the operation of the school, i.e. student with a contagious health problem.
- (d) *In the event of criminal conduct or other serious action committed by a student, the Commissioner of Education may expel the student immediately and for an unlimited period with a hearing to be held in accordance with this policy after the expulsion..*
- (e) Prior to any expulsion ordered by the Commissioner of Education, the student shall be advised by the principal of the specific conduct resulting in the action, the student shall be given the opportunity to explain his or her version of the facts surrounding the alleged misconduct and the student shall be advised of the applicable *hearing* procedures.

POLICY 609 STUDENT DISCIPLINE

POLICY 609.4 STUDENT DISCIPLINARY HEARING PROCEDURES

- (a) Upon a determination by the principal or the Commissioner of Education that a suspension of more than ten (10) days or an expulsion is necessary, the student and his/her parents or guardians must receive, *within five (5) school days*, a copy of PSS's student disciplinary policy and written notice of the following:
- (1) the Public School System's intent to suspend the student for more than ten (10) days or to expel the student;
 - (2) the charges that require the suspension or expulsion;
 - (3) that a full and fair hearing will be held before an impartial adjudicator if requested, in writing, within ten (10) days of notification; and
 - (4) failure to request a hearing, in writing, within ten (10) school days after being notified of the Public School System's intention to expel the student shall constitute a waiver of the right to a hearing.
- (b) *In the event that a hearing is requested*, written notice of the following will be sent to the parents or guardian of the child, as soon as practically possible:
- (1) the place, date and time of the proposed hearing (allowing sufficient time for a defense to be prepared);
 - (2) the student's right to legal counsel at his/her own expense and/or some other adult representative at the hearing;
 - (3) that the student will be given the opportunity to present evidence at the hearing including the testimony of witnesses;
 - (4) that the student will be given the opportunity to cross-examine opposing witnesses at the hearing; and
 - (5) the availability of a written record of the hearing. This section shall not be construed to prohibit the use of a recording device to record the hearing.

POLICY 609 STUDENT DISCIPLINE

POLICY 609.4 STUDENT DISCIPLINARY HEARING PROCEDURES

- (c) Within a reasonable amount of time after a hearing is requested in writing, the hearing shall be held. The hearing shall be an informal proceeding where relaxed evidence rules will apply.
- (d) The Commissioner of Education or his/her designee shall preside and ensure that all of the aforementioned rights are afforded the student.
- (e) If, *based on the evidence presented at the hearing*, the Commissioner of Education or his/her designee finds that the student *has committed an act which warrants disciplinary action*, he or she may order any appropriate disciplinary action, including, but not limited to, suspension or expulsion.
- (f) When determining whether the disciplinary action and/or the length of suspension/expulsion is appropriate, the Commissioner of Education or his/her designee may consider the severity of the offense, prior disciplinary actions taken against the student by the Public School System and any other prior bad acts of the student.
- (g) Within ten (10) school days after the conclusion of the hearing, the Commissioner of Education or his/her designee shall *inform the student, parent or guardian of his/her decision. The decision must be in the form of a final, written opinion regarding whether or not any disciplinary action, such as expulsion or suspension, is warranted.*
- (h) The student and/or his or her parent or guardian shall have the right to appeal to the Commissioner of Education or his/her designee's decision to the CNMI Board of Education. The Commissioner of Education must be notified, in writing, of the student's and/or parent or guardian's desire to appeal within ten (10) calendar days *from the date the student, parent or guardian was informed of the disciplinary decision.*
- (i) The hearing before the Board of Education shall occur within a reasonable period of time after the appeal of the Commissioner of Education or designee's decision and shall be based solely on the record developed at the expulsion hearing and the Commissioner of Education or designee's written opinion.
- (j) The Board shall review the suspension or expulsion SOLELY on the record of the hearing and decision of the Commissioner of Education or his/her designee. No new evidence shall be received by the Board.

POLICY 609 STUDENT DISCIPLINE

POLICY 609.4 STUDENT DISCIPLINARY HEARING PROCEDURES

- (k) At the hearing the sole issue for the Board of Education to determine is whether the Commissioner of Education's or his/her designee's decision to expel the student constitutes an abuse of authority. The Board of Education shall render its decision by a majority vote of those members in attendance.

- (l) The Board does not have the authority to modify the Commissioner of Education's or his/her designee's expulsion decision. In such cases, the Board may either uphold the Commissioner of Education's decision, overturn it completely, or overturn it and order that a new hearing be conducted in compliance with their order.

POLICY 609 STUDENT DISCIPLINE

609.5 OFFENSE CATEGORIES

- (a) Category I - Examples of offenses which may result in suspension:
- (1) academic dishonesty (cheating on tests, copying term papers, forging signature of teacher or parent)
 - (2) Disrespect to teacher/staff
 - (3) Failure to report to office when directed to do so
 - (4) Gambling
 - (5) Harassment, including, but not limited to, nuisance phone calls to students or staff members; continued comments or passing unofficial notes to another individual who wishes not to hear or receive the notes
 - (6) Igniting matches (when not part of the instructional program)
 - (7) Lack of required immunization
 - (8) Leaving school grounds without prior permission
 - (9) Personal health reasons (When one's state of health threatens the health of others as in the case of communicable disease)
 - (10) Refusing to cooperate with school transportation regulations
 - (11) Refusing to cooperate with school rules and regulations
 - (12) Refusing to do assigned work
 - (13) Refusing to serve detention
 - (14) Tardiness (class/classes)
 - (15) Tardiness (school day)
 - (16) Truancy (class/classes)
 - (17) Truancy (school day)

POLICY 609 STUDENT DISCIPLINE

609.5 OFFENSE CATEGORIES

- (17) Unauthorized sale or distribution, not otherwise described, including, but not limited to, the sale of football pools and the sale of items in school not related to the school's operation *or school fundraising activities*
 - (18) Possession and/or use of tobacco or cigarette rolling papers
 - (19) Possession and/or use of betel-nut (pugua) or betelnut-related paraphernalia
 - (20) Using foul or abusive language
 - (21) Verbal assault on student
- (b) Category II - Examples of offenses for which the student will normally be suspended and which may result in expulsion and referral to Law Enforcement:
- (1) Assault on student from another school
 - (2) Assault on a student from same school
 - (3) Chronic disruption of the school program and/or activities
 - (4) Deprivation through intimidation of another individual' s right to attend school or classes
 - (5) Destruction and vandalism of school property, personal property of students and/or faculty
 - (6) Receipt, sale, possession, or distribution of property stolen from C.N.M.I. Public School System valued less than \$300.
 - (7) Disruptive behavior which results in the interference with the normal school program
 - (8) Distribution, attempt to distribute, or possession with intent to distribute a non-controlled substance upon the representation that the substance is a controlled substance
 - (9) Extortion less than \$300

POLICY 609 STUDENT DISCIPLINE

609.5 OFFENSE CATEGORIES (continued)

- (10) Failure to assume responsibility for, or to control his/her behavior
- (11) False fire alarm/ false fire report
- (12) Harassment for any reason including, but not limited to, sex, sexual orientation, racial, religion, national origin differences
- (13) Indecent exposure (frontal or buttocks)
- (14) Insubordination (constant or continuing intentional refusal to obey a direct or implied order, reasonable in nature, from a school Administrator, teacher, or other school personnel)
- (15) Participating in, or inciting a school disruption
- (16) Possession and/or detonation of an incendiary or explosive material and/or device (firecracker or greater)
- (17) Possession and/or use of a portable pager (beeper) without prior and written approval from school Principal
- (18) Possession and/or use of a portable telephone without prior and written approval from school Principal
- (19) Possession of a pocket knife or possession of objects that may be considered weapons under Category III(j) but are in the student's possession for genuine instructional purposes, (i.e. kitchen knives and exacto knives) without prior approval and under conditions set by the school Principal
- (20) Possession of a look-alike weapon of any kind
- (21) Possession, use or distribution of controlled substance-related paraphernalia (other than betelnut or cigarette rolling papers (see category I)
- (22) Purchase of a non-controlled substance that has been represented to be a controlled substance, excluding betel-nut
- (23) Theft and/or knowingly possessing stolen property
- (24) Trespassing on school property

POLICY 609 STUDENT DISCIPLINE

609.5 OFFENSE CATEGORIES (continued)

- (25) Possession and/or use of tobacco or cigarette rolling paper, repeated offense
- (26) Possession and/or use of betelnut (pugua) and or betelnut-paraphernalia, repeated offense
- (27) Fighting
- (28) Conspiracy involving two (2) or more persons to commit a Category II offense
- (29) Arson
- (30) Assault on a PSS staff member
- (31) Striking a staff member intervening in a fight or other disruptive activity (intentional or unintentional)
- (32) Bomb Threat
- (33) Conspiracy between two or more persons to commit a Category III offense
- (34) Destruction and/or vandalism of school property, personal property of students and/or faculty valued at more than \$300
- (35) Receiving, selling, possessing or distributing property stolen from the C.N.M.I. Public School System valued at \$300 or more
- (36) Distribution and/or sale of alcohol
- (37) Distribution and or sale of controlled substances (illegal drugs), excluding betelnut
- (38) Possession or use of a real weapon of any kind (other than a firearm) including, but not be limited to, a switchblade knife, hunting knife, throwing star, straight razor, nunchaku, spiked glove, spiked wristband, or any mace, tear gas, or pepper-spray derivative. Mace, tear gas, and pepper-spray derivatives may be carried with prior, written approval from the Commissioner of Education
- (39) Extortion of \$300 or more
- (40) Possession of alcohol

POLICY 609 STUDENT DISCIPLINE
609.5 OFFENSE CATEGORIES (continued)

- (41) Possession of controlled substance (illegal drugs), excluding betelnut
- (42) Prescription violation (misuse of properly prescribed medicine including, but not limited to, such drugs as amphetamines and barbiturates)
- (43) Robbery
- (44) Use of a controlled substance (illegal drugs), excluding betelnut. Being under the influence of a controlled substance, or showing evidence of having used a controlled substance, excluding betelnut
- (45) Use of a look alike weapon of any kind
- (46) Use of alcohol, under the influence of alcohol, or showing evidence of having consumed alcohol
- (47) Use of intoxicants which cause a loss of self-control or inebriation which include, but are not limited to, glue and solvents, excluding betelnut
- (48) Violent behavior which creates a substantial danger to persons or property.
- (49) Fighting, repeated offense
- (50) Any crime that is designated a felony by CNMI or federal statutes

POLICY 609 STUDENT DISCIPLINE

609.5 OFFENSE CATEGORIES (continued)

(C) Category III - Offenses which shall result in expulsion and referral to Law Enforcement

1. Possession, use, purchase, or sale of a firearm.

(A) A firearm is defined as:

- i. any weapon which will, or is designed to or may readily be converted to expel a projectile by the action of an explosive;
- ii. the frame or receiver of any weapon which will, or is designed to or may be readily converted to expel a projectile by the action of an explosive;
- iii. any firearm muffler or firearm silencer;
- iv. any explosive, incendiary, or poison gas, bomb, grenade, propellant with a charge of more than four ounces, missile having an explosive or incendiary charge of more than one quarter ounce, mine, or similar device;
- v. any weapon which will, or which may be readily converted to, expel a projectile by the action of an explosive or other propellant, and which has any barrel with a bore of more than one-half inch in diameter;
- vi. any combination of parts either designed or intended for use in converting any destructive device described in the Sections 4 and Section 5 above, and from which a destructive device may be readily assembled.

(B) A firearm is not:

- i Class C common fireworks
- ii Any device which is neither designed nor redesigned for use as a weapon; and
- iii Any device, although originally designed for use as a weapon, which is redesigned for use as a signaling pyrotechnic, line-throwing, safety, or similar device.

**State Board of Education Policy 609
Page 13 of 20**

POLICY 609 STUDENT DISCIPLINE

609.5 OFFENSE CATEGORIES (continued)

- (2) Conspiracy between two or more persons to commit a Category III offense.
 - (d) Only the Commissioner of Education may modify the expulsion requirement for Category III Offenses on a case by case basis for compelling reasons. Before (s)he effectuates such an action (s)he must consult with PSS Legal Counsel and must immediately report to the Board of Education in its next official meeting. An executive Session will be permissible as to the reason(s) why such action is necessary.
 - (e) Complete records must be preserved by the Commissioner of Education regarding all Category III offenses. Such records shall remain confidential and shall be released only for Federal compliance purposes.
 - (f) If a particular offense does not appear under offense Category I, II, or III and the Commissioner of Education believes that such an offense is or should be prohibited by the PSS (s)he may make a determination of which offense category it should fall under by looking for similar banned activities amongst the offense categories and suspend/expel the student based upon that determination.

POLICY 609 STUDENT DISCIPLINE

POLICY 609.6 DISCIPLINE OF DISABLED STUDENTS

- (a) To the extent that a student without a disability would be subject to suspension for similar misconduct, a student with an identified disability may be removed from his or her current educational placement for not more than ten (10) consecutive days for a violation of school rules or policy.
- (b) A student may be also be removed for not more than 10 consecutive days in the same school year for separate incidents of misconduct so long as those removals do not constitute a change in placement.
- (c) A change in placement occurs when a student is removed for more than 10 consecutive days or when removals in a school year total more than 10 days and indicate a pattern of exclusion. A pattern of exclusion is determined by reviewing the length of each removal, the total amount of time removed and the proximity of the removals to one another.
- (d) When a child is removed for a period of more than ten (10) days in a school year regardless of whether the removal constitutes a change in placement, the Commissioner of Education and/or designee(s) must comply with the following procedures:
- (e) Either before the removal or within ten (10) business days after the change in placement or 11th day of removal, the IEP team will meet to determine whether a functional behavioral assessment had been performed and whether a behavioral intervention plan had been developed for the student before the alleged misconduct.
 - (1) if a plan was not in place at the time of the misconduct, then the IEP team will prepare a plan to conduct a functional behavioral assessment and to develop a behavioral intervention plan within the 10 business days. Once prepared and as soon as practicable, the IEP team should complete the assessments in the plan, develop appropriate behavioral interventions and implement those interventions.

POLICY 609 STUDENT DISCIPLINE

POLICY 609.6 DISCIPLINE OF DISABLED STUDENTS (CONTINUED)

- (2) if a behavioral assessment plan was in place at the time of the student's misconduct, then the IEP team will review and modify the plan, if necessary, within the 10 business days.
 - (3) if there has already been a change in placement for disciplinary reasons in a school year and PSS desires to undertake a second removal which does not constitute a change in placement, the behavioral intervention plan must be reviewed and modified if necessary.
- (f) When a disciplinary action which constitutes a change in placement is contemplated, PSS must notify the parents of the decision to remove the child from his or her current placement no later than the date on which the decision to take action is made and send a copy of "CNMI Parental Rights under the IDEA" to the parents. The notice must be in the parent or guardians native language.
- (g) Within a reasonable time before the agency plans to change the educational placement, decision, PSS will provide written notice of the following:
- (1) A description of the proposed removal and the basis for such removal.
 - (2) A description of any other options considered and why such options were rejected.
 - (3) A description of every test, evaluation, record or report used as a basis for the removal.
 - (4) A statement that the parents of the child have procedural safeguards under the IDEA and the sources for the parents to contact to obtain assistance in understanding their rights (probably not be necessary because a copy of the rights will be sent on the day the decision to remove is made)

POLICY 609 STUDENT DISCIPLINE

POLICY 609.6 DISCIPLINE OF DISABLED STUDENTS (CONTINUED)

- (h) Immediately if possible but not later than 10 school days after the decision to take action is made, the IEP team must conduct a review to determine whether the student's misconduct is caused by, or has a direct and substantial relation to, his or her disability.
- (i) In conducting the review, the IEP team must consider all relevant information, including evaluations and diagnostic results, observations of the student and the student's IEP and placement, to determine:
 - (1) whether the student's IEP and educational placement were inappropriate;
 - (2) whether the IEP services provided were inconsistent with the student's IEP and placement;
 - (3) whether the student's disability impaired the student's ability to understand the impact and consequences of the behavior subject to the disciplinary action ; and
 - (4) whether the student's disability impaired his or her ability to control the behavior subject to disciplinary action.
- (j) If the IEP team determines that any one of the above four factors was present at the time of the misconduct, then the behavior must be considered a manifestation of the disability and a change in placement cannot be made except through the IEP team process.
- (k) In addition, if the IEP team discovers any deficiencies in the IEP plan during its review, the IEP team must take immediate steps to remedy those deficiencies.
- (l) If the IEP team, after reviewing all relevant information and considering the previous four factors, determines that the behavior was not a manifestation of the disability, then PSS may discipline the child pursuant to policy 609.3, but must ensure that the party making the discipline decision (i.e. the COE or his/her designee) receive and consider the special education and disciplinary records of the child. The IEP team will report this fact to the Commissioner of Education and (s)he or his/her designee may schedule an expulsion hearing.
- (m) Any suspension/expulsion of a disabled child for more than 10 (ten) school days requires PSS to provide free appropriate public education (FAPE) that must be developed by the IEP team.

POLICY 609 STUDENT DISCIPLINE

POLICY 609.6 DISCIPLINE OF DISABLED STUDENTS (CONTINUED)

- (n) To ensure the provision of FAPE a child may be placed in an interim alternative educational setting, as a disciplinary measure, under the circumstances set forth in the following sections. An interim alternative educational setting must enable the disabled child to progress in the same curriculum as that offered to other students, to move towards the goals in his or her IEP and to receive services that are designed to prevent the conduct from recurring.
- (o) In any instances where the child carries a weapon to school or school functions or knowingly possesses, uses, sells or solicits the sale of a controlled substance at school or school functions, PSS may change the placement of the child to an interim alternative educational setting for the same amount of time that a child without a disability would be subject to discipline but not to exceed 45 days.
- (p) A child may also be placed in an interim alternative educational setting for not more than 45 days per order of a hearing officer who has:
- (1) Considered the appropriateness of the child's current placement
 - (2) Considers whether PSS has taken reasonable steps to minimize the risk of harm in the child's current placement
 - (3) Determined that the public agency has shown by a preponderance of the evidence that maintaining the child in the current placement is substantially likely to result in injury to the child or others;
 - (4) Determined that the interim alternative educational setting meets its requirements as defined above.
- (q) A student, parent or guardian may request a due process hearing to challenge a disciplinary action. At the request of the student, parent or guardian, an expedited hearing will be held. If the child was removed and placed in an interim alternative educational setting for possession or use of dangerous weapons or drugs or by order of a hearing officer, then the child will remain in the interim alternative educational setting until the expiration of the 45 day period. If the challenge involves any other disciplinary action, then the child will remain in his/her current placement pending a hearing and/or an appeal. By mutual agreement between the parties, modifications in the educational placement may be made while any hearing or appeal is pending.

POLICY 609 STUDENT DISCIPLINE

POLICY 609.6 DISCIPLINE OF DISABLED STUDENTS (CONTINUED)

- (r) PSS may seek repeated alternate placements through expedited hearings if the child remains dangerous upon the expiration of the original 45 days and any subsequent 45 day period ordered by a hearing officer.
- (s) In the event that PSS desires to change the placement of the child after the 45 days and the post-interim alternative educational setting has been challenged in a due process hearing or appeal, the child will be placed in his/her placement that existed before the interim alternative educational setting (the "current placement").
- (t) If PSS believes that it would be dangerous to return the child to the pre-AES placement then PSS may request an expedited hearing or PSS may seek injunctive relief from the court pursuant to the standard set forth in Honig v. Doe, 108 S.Ct. 592 (1988).
- (u) A Honig injunction may be sought at any time PSS believes that maintaining the child in the current educational setting is substantially likely to result in injury to the child or others and the parents will not agree to a 45 day appropriate interim alternative educational setting regardless of whether PSS has exhausted the administrative learning remedies.

POLICY 609 STUDENT DISCIPLINE

609.7 STUDENT ATTIRE AND APPEARANCE

- (a) It is the responsibility of the Board of Education of the Commonwealth of the Northern Mariana Islands to ensure that every student has a safe environment in which to learn. Attire worn by students that, in the opinion of the school administration, causes distraction or inhibits learning is forbidden. Such attire includes:
- (1) Attire and appearance which promotes gang affiliations;
 - (2) Attire and appearance which promotes the use of drugs, alcohol, or weapons;
 - (3) Attire and appearance that presents a hazard to the student's safety or the safety of other students or staff;
 - (4) Attire and appearance which advocates prejudice;
 - (5) Attire and appearance that causes a substantial disruption of the learning process.
- (b) The definition of attire and appearance should be construed liberally to include items such as bookbags, book-covers, sports-related articles, hats, lunch-boxes, and other similar items that students may bring to school.

**CIVIL SERVICE COMMISSION
NOTICE OF ADOPTION OF THE AMENDMENT TO THE PERSONNEL
SERVICE SYSTEM RULES AND REGULATIONS**

CERTIFICATION

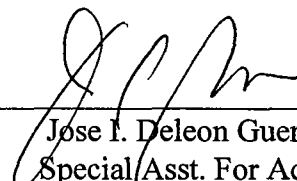
I, Vicente M. Sablan, Chairman of the Civil Service Commission, which is promulgating the amendments to the Personnel Service System Rules and Regulations, published in the Commonwealth Register, Vol. 22, No. 04, on April 20, 2000, at pages 17099 to 17100, by signature below hereby certify that as published such regulations are true, complete, and correct copy of the amendments of the Personnel Service System Rules and Regulations proposed by the Civil Service Commission which, after the expiration of appropriate time for public comment, have been adopted without modification or amendment. I further request and direct that this Notice and Certification of Adoption be immediately published in the Commonwealth Register.

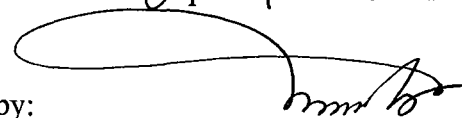
The amendment extend Advance Leave, Compassionate Leave, Maternity Leave, and Paternity Leave to Limited-term employees. The amendments establish standard for timekeepers to use in determining when to charge a tardy employee LWOP or a AWOL. Also, the amendments make provisions for annual and sick leave accrual for part-time employees.

I declared under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 8th day of June, 2000, at Saipan, Commonwealth of the Northern Mariana Islands.



Vicente M. Sablan
Chairman
Civil Service Commission

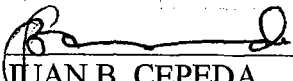
Date: 6/16/00 Received by: 
Jose I. Deleon Guerrero
Special Asst. For Admin.

Date: 6/14/00 Filed by: 
Soledad B. Sasamoto
Registrar of Corporations

NOTICE AND CERTIFICATION OF ADOPTION OF
RULES AND REGULATIONS REGARDING
SOLID WASTE COLLECTION AND DISPOSAL

I, Juan B. Cepeda, Secretary of the Department of Public Works, which is promulgating the Rules and Regulations regarding Solid Waste Collection and Disposal published in the Commonwealth Register Vol. 22 Number 04 on April 14, 2000 at pages 17200 to 17209, by signature below hereby certify that as published such rules are a true, complete and correct copy of the rules regarding Solid Waste Collection and Disposal previously proposed by the Department of Public Works which, after the expiration of appropriate time for public comment, have been adopted without modification or amendment. I further request and direct that this Notice and Certification of Adoption be published in the CNMI Commonwealth Registrar.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 15th day of JUNE 2000 at Saipan, Commonwealth of the Northern Mariana Islands



JUAN B. CEPEDA,
Secretary of the Department of
Public Works

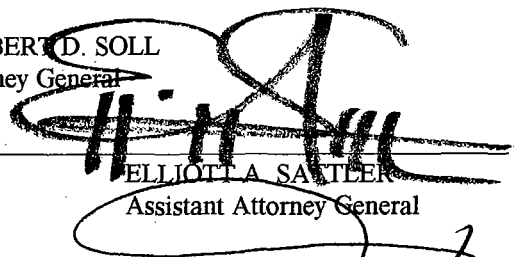
CERTIFICATION BY THE OFFICE OF THE ATTORNEY GENERAL:

Pursuant to 1 CMC § 2153 as amended by Public Law 10-50, the above certification hereto have been reviewed and approved as to form and legal sufficiency by the Office of the Attorney General.

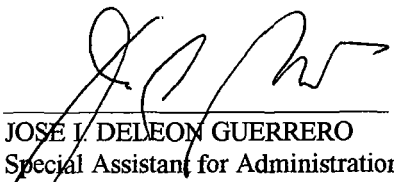
Dated this 20th day of JUNE, 2000.

HERBERT D. SOLL
Attorney General

By: _____


ELLIOTT A. SAUTLER
Assistant Attorney General

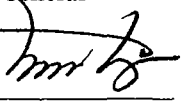
RECEIVED BY: _____


JOSÉ I. DELEÓN GUERRERO
Special Assistant for Administration

Date: _____

6/20/00

FILED BY: _____


SOLEDAD B. SASAMOTO
Registrar of Corporations

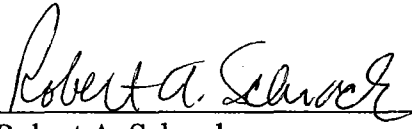
Date: _____

6/20/00

**NOTICE AND CERTIFICATION OF THE ADOPTION OF THE AMENDED
RULES REGARDING THE COMMONWEALTH OF THE
NORTHERN MARIANA ISLANDS LOTTERY**

I, Robert Schrack, Acting Secretary of the Department of Finance which is promulgating the Proposed Amendment to the Rules and Regulations for the Operation of the Commonwealth of the Northern Mariana Islands Lottery, published in the Commonwealth Register Vol. 22, No. 4 on April 20, 2000 at pages 17112 to 17149, by signature below, do hereby certify that as published, such Rules are a true and correct copy of the Rules regarding Operation of the Commonwealth of the Northern Mariana Islands Lottery previously proposed by the Department of Finance which, after the expiration of appropriate time for public comment have been adopted with extensive modification or amendment. By signature below, I hereby certify that the Amended Rules and Regulations regarding the Operation of the Commonwealth of the Northern Mariana Islands Lottery attached hereto and published herewith are a true, correct, and complete copy of the Amended Rules Regarding the Operation of the Commonwealth of the Northern Mariana Islands Lottery adopted by the Department of Finance. I further request and direct that this Notice and Certification of Adoption be published in the CNMI Commonwealth Register.


I declare under penalty of perjury that the forgoing is true and correct and that this declaration was executed on the 15th day of June 2000 at Saipan, Commonwealth of the Northern Mariana Islands.




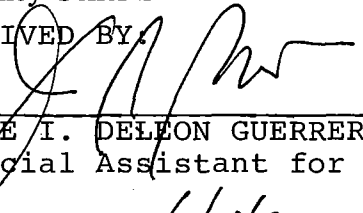
Robert A. Schrack
Acting Secretary of Finance

Pursuant to 1 CMC §2153 as amended by P.L. 10-50 the Rules and Regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General's Office.

Dated this 16th day of June 2000.

FILED BY: 

SOLEDAD B. SASAMOTO
Registrar of Corporations
Date: 6/16/00


for _____
HERB SOLL
Attorney General
RECEIVED BY: 

JOSE I. DELEON GUERRERO
Special Assistant for Administration
Date: 6/20/00

OFFICE OF THE GOVERNOR

Caller Box 10007
Saipan, MP 96950
Tel. (670) 664-2280
Fax. (670) 664-2211

MEMORANDUM

TO: All Department and Activity Heads
FROM: Governor
SUBJ.: Delegation of Authority

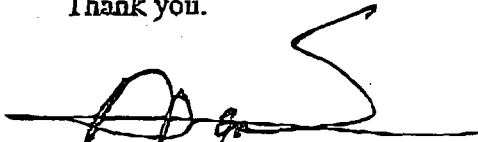


Date: 07 JUN 2000

Mrs. Lucy DLG Nielsen, Secretary of Finance, will be out of the Commonwealth on official business from June 8 until approximately June 22, 2000. During her absence, Mr. Robert A. Schrack is hereby designated Acting Secretary.

Please extend your full cooperation and assistance to Mr. Schrack as he assumes this added responsibility.

Thank you.


PEDRO P. TENORIO

AMENDMENTS TO THE
RULES AND REGULATIONS

FOR THE OPERATION OF THE

COMMONWEALTH OF THE
NORTHERN MARIANA ISLANDS
LOTTERY

TABLE OF CONTENTS

RULE MAKING AUTHORITY	4
INTRODUCTIONS AND PURPOSE	4
DEFINITIONS	4-11
APPLICATION REQUIREMENTS	11
APPLICANT REQUIREMENTS	11
TYPE OF LOTTERY	12
RULE 1 - LOTTERY GAME AUTHORIZED	12
RULE 2 - MANNER OF PLAY	12
RULE 3 - NUMBER AND SIZE OF PRIZES	13-14
RULE 4 - MANNER OF PAYMENT OF PRIZES	14-16
RULE 5- FREQUENCY OF PLAY	16
RULE 6- LOCATIONS WHERE LOTTERY MAY BE PERMITTED	17-18
RULE 7 - METHOD TO PROMOTE THE LOTTERY	18
RULE 8 - LICENSING OF PERSONS TO OPERATE THE LOTTERY	18-20
RULE 9 - SALE OR PURCHASE OF TICKETS BY MINORS	20-21
RULE 10 - GIFT ENTERPRISE LOTTERY	21-23
RULE 11- POLITICAL ACTIVITIES BY CERTAIN LOTTERY LICENSEES	23
RULE 12 - LOTTERY LICENSE FEE	23-24
RULE 13 - SELLING PRICE OF TICKETS	24
RULE 14 - RESTRICTIONS ON SALE OF TICKETS	24-25
RULE 15 - SECURITY OF TICKETS	25-26
RULE 16 - ASSIGNMENT OF LICENSE	26
RULE 17 - CHANGE OF LOCATION OR OWNERSHIP	26
RULE 18 - MERCHANDISING	26-27
RULE 19 - SUSPENSION OR REVOCATION OF LICENSEE	27-30
RULE 20 - INAPPLICABILITY OF REGULATIONS	30-31

RULE 21- CERTAIN LOTTERIES PROHIBITED	31-32
RULE 22 - CONFLICT WITH OTHER LAWS	32
RULE 23 - SEVERABILITY	32
RULE 24 - JUETENG DOCUMENTATION AND RECORD-KEEPING	32-36
RULE 25 - GAME RULES FOR JUETENG GAME RULE	36-37
RULE 26 - GAME RULES FOR SCRATCH AND INSTANT GAME	37-38
RULE 27 - GAME RULES FOR ON-LINE OZ LOTTO	38
RULE 28 - GAME RULES FOR ON-LINE POWER BALL GAME	38
RULE 29- GAME RULES FOR ON-LINE LOTTO GAME	39
RULE 30- GAME RULES FOR ON-LINE KENO	39
CERTIFICATION	40
APPENDIX A	41
APPENDIX A-1	42
APPENDIX B	43
APPENDIX C	44
APPENDIX D	45
APPENDIX E	46

RULES AND REGULATIONS FOR THE OPERATION
OF THE
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS LOTTERY

I. RULE MAKING AUTHORITY

The Rules and Regulations hereinafter set forth, and from time to time amended, are promulgated pursuant to the authority and directions set forth in the Commonwealth Code including, but not limited to, 1 CMC §9305, 1 CMC §9306, 1 CMC §9313(c) and the Commonwealth Administrative Procedure Act, 1 CMC §9101 et. seq., and Executive Order 94-3.

II. INTRODUCTION AND PURPOSE

The Rules and Regulations as herein set forth, and from time to time amended, are enacted to implement, interpret, prescribe and clarify the policies and procedures required to implement, regulate and supervise the operation of the Commonwealth of the Northern Mariana Islands Lottery. Where permissible or appropriate these Rules and Regulations shall have the force of law. These Rules and Regulations are subject to continuing review and modification and, consistent with the requirements of the Commonwealth Lottery Commission Act, 1 CMC §9301 et seq., may be amended, modified or repealed as deemed appropriate by the Commonwealth of the Northern Mariana Islands Department of Finance, successor to the Lottery Commission pursuant to Executive Order 94-3.

III. DEFINITIONS

Unless otherwise specifically defined within 1 CMC §9301 et seq., the Commonwealth Lottery Commission Act, or specifically defined herein, all words and phrases set forth in these Rules and Regulations shall be given their normal and commonly understood meaning with the masculine including the feminine and neuter, the singular including the plural, the plural including the singular, the present tense including the past and future tense as is appropriate. As used in these Rules and Regulations:

Act: The Act is the CNMI Lottery Commission Act currently codified as 1 CMC §9301 et seq.

Batu: The game of batu is a gambling game whereby a stick or other object creating a target is placed on the ground at a certain distance from where the player is standing with the player throwing a disc, or other similar object, at the stick or target in an effort to hit the stick or target or knock the stick or target over. The player, and others present, wager whether after a throw, or series of throws, of the disc or other similar object, the stick or target will be knocked over.

Beneficial Interest: A beneficial interest in an organization (as organization is defined below) means an interest held by a person (as person is defined below) directly or indirectly; (1) that entitles such person to control, directly or indirectly, such organization; or (2) which constitutes more than five percent (5%) of the shares of voting stock or other voting securities which control or regulate the operation of the organization; or (3) that entitles such person to more than five percent (5%) of the earnings and profits or distributions of such organization; or (4) that entitles such person to five percent (5%) or more of the assets of such corporation upon the liquidation or dissolution of such organization; or (5) from which such person receives or is legally entitled to receive over a period of time, interest payments, dividends or other payments totaling more than Five Thousand Dollars (\$5,000.00), other than payments with respect to bonds, certificates of deposit, notes or other evidences of indebtedness which are generally offered to members of the public and for which such person paid a fair market value.

Bingo: As used herein bingo is a lottery game of chance, played at a fixed location, involving the distribution of tickets or play-slips to players, by either sale or in exchange for anything of value, with each of such tickets or play-slips usually containing a "free" square in the center plus various numbers or symbols, which numbers or symbols are printed in such a manner that each "set" of bingo tickets or play-slips distributed for play contain a series of tickets or play-slips numbering not less than 2,000; with each of the 2,000 tickets or play-slips having a different series or configuration of numbers or symbols (also within the bingo industry referred to as "faces") before any one ticket or play-slip is duplicated or replicated; with the tickets or play-slips only sold at the location where the bingo game will be conducted, with the first sale of tickets not to be made more than one-half hour prior to the conducting of the first bingo game; with the bingo ticket or play-slips sold to players being the only basis for the payment of prizes, with players winning prizes only on the basis of matching upon his or her bingo ticket or play-slips various numbers or symbols drawn by lot, at random, by the caller of the game or selected through some similar method with the winner of each game being the player or players who match such numbers or symbols on their ticket or play-slip to create a

previously selected and announced winning pattern used in bingo games which include, but are not limited to, small diamond, large diamond, four corners, horizontal, vertical, diagonal, window pane, picture-frame, X, coverall, etc.; with the drawing of numbers or symbols to conduct the lottery game of bingo limited to determining the winner of each bingo game and such numbers or symbols not being used for any other purpose including, but not limited to, any additional side-games or incidental games conducted as a result of or pursuant to the conduct of the bingo game as defined herein; with all prizes for winning bingo tickets being paid immediately, within five minutes, after the call of bingo and confirmation of winning bingo tickets, and if not paid on this basis prizes shall be forfeited to the bingo operator who may not redistribute such prizes except through the conducting of another bingo game as defined herein.

In order to constitute the game of bingo which may be licensed by the Mayor of a Senatorial District, all wagers must be placed in the presence of all persons playing the bingo game; and all winners must be determined in the presence of all persons playing the bingo game; and, the distribution of prizes must be made in the presence of all persons playing the bingo game.

The offering for sale or sale of cards or tickets having numbers or symbols (whether or not similar in design to a bingo game card), sometimes called break-open tickets, instant lottery tickets, instant bingo tickets, scratch-off tickets, pull-tab tickets, pickle jar games, etc., which numbers or symbols are concealed or reprinted in a manner to provide for the distribution of a specific number of prizes or set dollar amount of prizes from each set or series of tickets, does not constitute the game of bingo; rather, the foregoing constitutes a lottery ticket and all such games are subject to licensing and regulation by the CNMI Lottery and, therefore, may not be sold by the holder of the Mayor's Bingo License unless the sale of such game is also approved by the Secretary of Finance on behalf of the CNMI Lottery.

Cards having numbers or symbols similar to a bingo game card but which numbers or symbols are concealed and reprinted in a manner to provide for the distribution of prizes on other than a completely random basis does not constitute the game of bingo; but rather, constitutes an instant lottery ticket subject to licensing and regulation by the Department.

Chance: Chance creates a result that occurs from an unknown or uncertain force or condition whereby the result is reached by some action or means taken in such a manner that human reason, foresight, or design cannot enable a person to know or determine such result until the same has actually been accomplished. Chance, as used in these Rules and Regulations, means that

the winner of a particular contest is determined by luck rather than skill. The involvement of some element of skill in the award of any particular prize will not remove such game from the classification as a lottery if chance remains as either a principle or predominate element in the award of such prize.

Charitable Purpose: A charitable purpose is the making of a gift, payment or donation which will: promote the welfare of others; or help those in need; or better the condition of society; or benefit the public at large; or promote or support education; or relieve disease and suffering; or assist people in establishing themselves in life; or erecting and maintaining public buildings or public works; or lessen the burdens of government; or to support other similar benevolent purposes. Support of the operation or day-today activities of a non-profit organization is not deemed to be a charitable purpose.

Commonwealth Lottery: The Commonwealth Lottery or CNMI Lottery is comprised of one or more lottery games conducted in the Commonwealth of the Northern Mariana Islands pursuant to a license issued to the CNMI Lottery Operator by the Department.

Department: The Department is the Department of Finance which took over the functions of the Lottery Commission pursuant to Executive Order 94-3, effective August 23, 1994.

Employee or Officer of the Department: An employee or officer of the Department, for the purposes of compliance with 1 CMC §9321(d), is one who is specifically hired by the Department to act either in an employment capacity or management capacity for and on behalf of the Department in its supervision and regulation of the CNMI Lottery; and, who devotes substantially all of his or her time of employment to supervision and regulation of the CNMI Lottery; and, who is paid or otherwise compensated from a fund created specifically for such purpose by or on behalf of the Department.

Full-Service Retail Agency: A full-service retail agency is a person or organization to whom the Department has issued a license and with whom the CNMI Lottery Operator has contracted to sell both instant lottery tickets and on-line lottery tickets or jueteng lottery tickets.

Gaming Rules or Game Rules: The term "gaming rules" or "game rules" means the rules set forth for a particular lottery game as defined in the Rules and Regulations of the CNMI Lottery and other rules or statutes defining lottery matters.

Gift Enterprise: A gift enterprise is a marketing scheme or program whereby participants register or otherwise obtain tickets at a sponsoring store or other location, and the number of tickets awarded to at least some of the participants in the enterprise is based upon the amount of merchandise, property or services which such participant purchases; and such tickets or other similar evidence of participation are then used for the distribution of property by chance among those who have participated in the program. The fact that the consideration to participate in such gift enterprise lottery is not paid exclusively for the chance pursuant to which one can win a prize does not remove such undertaking from regulation by the Department if the number of tickets, or similar indicia of entry, which are awarded to at least some participants is in any way based upon, or related to, the expenditure of funds at the sponsoring location.

Instant Ticket: An instant ticket is a lottery game whereby the player purchases a ticket that has a play area which, in some manner, is hidden from view, which play area contains numbers or symbols which when revealed will determine whether one or more prizes is won by the player; with such numbers or symbols reprinted in such a manner that the distribution of prizes within each game have been pre-determined as to the number and amount of prizes but not as to the random basis upon which prizes are awarded.

Instant Ticket Retailer: An instant retailer is a person or organization to whom the Department has issued a license and with whom the CNMI Lottery Operator has contracted to sell instant lottery tickets to the public. Without affecting the definition herein, an instant retailer may, at some future date or time, become a full-service retail agency.

Jueteng Game: A Jueteng game is a numbers lottery where a player may select and enter on a pre-printed ticket one number or two numbers from a game matrix of a pre-determined set of numbers or symbols, usually numbers 1 to 38, in an attempt to match one or two numbers randomly drawn or otherwise selected by chance. The winning numbers typically are drawn from a cylindrical tube or tambiola but also may be established on some other random basis that is beyond the ability of the licensee to control or manipulate. When the number(s) drawn matches the number(s) selected by the player, the player is entitled to the winning prize for that particular drawing date and game.

License: A license is a permit or authorization issued by the Department pursuant to the Act and these Rules and Regulations by which a person or organization is entitled to operate the CNMI Lottery or conduct the sale of either CNMI Lottery on-line games and/or CNMI Lottery instant ticket games at

one or more locations within the Commonwealth. The operator of the CNMI Lottery shall be issued the CNMI Lottery Operator's License. A person or organization permitted to lawfully sell or otherwise conduct lottery games in the CNMI at one or more locations shall be issued either a Full-Service Agency Lottery Sales License or an Instant Ticket Sales License by the Department.

Licensee: Any person organization to whom a Full-Service Agency Lottery Sales License or Instant Ticket Sales License has been issued by the Department.

Lottery or lottery games: As used herein "lottery or lottery games" has the same meaning as the definition set forth in §9301(a)-(c) of the Act for a "public lottery" to wit: "public lottery means" a gambling scheme in which: (a) the players pay or agree to pay something of value for chances, represented and differentiated by numbers or by combinations of numbers or some other medium, one or more of which chances are to be designated the winning ones; and (b) the winning chances are to be determined by a drawing or by some other method based on an element of chance; and (c) the holders of the winning chances are to receive something of value.

Lottery Licensee: See "Licensee" above.

Lottery operator: The lottery operator is the party to whom the Department has issued the CNMI Lottery Operator's License.

Moral Turpitude: A crime of "moral turpitude" is such crime, whether a felony or misdemeanor, that involves illegal gambling, bookmaking, embezzlement, theft, bribery, use of controlled substance, corruption, abuse of a minor, contribution to the delinquency of a minor, or any other act or conduct that could or may impair a person's ability to perform his or her duties on behalf of the CNMI Lottery or that could or may impair the business or reputation of the CNMI Lottery.

Non-Profit Organization: A non-profit organization is a person or organization having an existence for at least a period of 180 days which meets one or more of the following requirements: (1) any person or organization which is exempt from taxation under subsection (c)(3) of §501 of the United States Internal Revenue Code and the Northern Marianas Income Tax Act of 1984, 4 CMC §1700 et seq.; or (2) a civic group or similar organization whose primary purpose is other than the operation of a lottery and which donates the net income earned from such lottery exclusively to a charitable purpose with no part of the gross proceeds or net income of such lottery inuring to the benefit of

any member of such organization; or (3) the Commonwealth of the Northern Marianas government or the Mayor's Office or Municipal Council of any senatorial district, or any recognized division, department, or agency of such governmental unit; or (4) a recognized political party or individual candidate for election to a political or non-partisan office; or (5) any public or private school having had a continuing existence for a period of at least 180 days or a parent or teacher's group acting for or on behalf of such school; or (6) any other agency or entity that has been in existence for at least 180 days and which acts primarily for a charitable purpose.

On-line Game: An on-line lottery game is one or more types of game(s) which utilize(s) electronic equipment such as a computer system to administer play and in which a player may select: (1) a combination of numbers to be played; (2) the type of game to be played; and (3) the amount of play for one or more specified drawing dates. The CNMI Lottery Operator then conducts a random drawing whereby, pursuant to chance, the winning combination or combinations of numbers are selected with such numbers then used to determine the award of prizes in accordance with the rules of the specific on-line game being played.

Operator of the CNMI Lottery: See "Lottery Operator" above.

Organization: An organization can be either a corporation, partnership, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or other entity existing for any purpose.

Person: As used herein "person" has the same meaning as the definition set forth in §9313(b) of the Act, to wit: "person" includes an individual, association, corporation, club, trust, estate, society, company, joint stock company, receiver, trustee, or any other person acting in a fiduciary or representative capacity, or any combination of individuals. "Person" includes any department, commission, agency or instrumentality of the Commonwealth, including any municipality or political subdivision and any agency or instrumentality thereof. "Person" excludes any religious or other non-profit organization.

Political Contribution: A political contribution is the giving of money or any other thing of value to: a candidate for election to any political or non-partisan office; or to any political party; or to a political faction of such political party; or to a political action committee within the Commonwealth.

Political Activity: Means any activity by which a person or organization

supports or opposes the election of a candidate for political office; or supports or opposes a political party in an election; or serves as a member of any committee of a political party or faction; or makes or solicits contributions for a political party, faction or candidate; or takes an active part in the management or affairs of a political party, faction or candidate.

Religious Organization: A religious organization is a group having had a continuing existence for at least a period of 180 days and comprised of not less than ten (10) people whose primary purpose is to meet, on a regular basis, in common membership for worship and religious observance.

Retailer: A retailer is any person or organization to whom the CNMI Lottery has issued a license to sell lottery tickets to the public. A retailer may be either an instant ticket retailer as defined herein or a full-service retail agency as defined herein.

Rules of the game: Rules of the game are the "Rules and Regulations" as promulgated, and from time to time amended, by the CNMI Lottery including: (1) Lotto Regulations; (2) Pacific Instant Lottery Sub-Accreditation Agreement; (3) Keno Regulations; (4) OZ Lotto Regulations; (5) Power Ball Regulations; (6) Jueteng Regulations; each of which are attached hereto or, by reference, specifically incorporated herein; except such Rules which are specifically modified herein or insofar as such Rules relate to the payment of fees for the playing of each particular game or duties, fees, taxes or other compensation which will be paid by the lottery licensee to the CNMI government.

Skimming: The skimming of lottery proceeds is the intentional exclusion, or the taking of any action in an attempt to exclude, any money, proceeds or their value from the deposit, counting, collection or computation of the gross revenue or net proceeds of the CNMI Lottery activities.

IV. APPLICATION REQUIREMENT.

Every person interested in engaging in a lottery in the CNMI must submit an application as prescribed by the Department setting forth the type of lottery and other information as required in the rules.

V. APPLICANT'S REQUIREMENTS.

In order to be eligible to apply for a lottery license, the applicant must meet the

following conditions:

1. In the case of an individual, must provide a police clearance that indicates the individual has never been convicted of any crime;
2. Must provide authority for the Department to conduct background investigation;
3. Must be current with all required tax filings and payments.

V. TYPE OF LOTTERIES.

The Commonwealth Lottery shall be comprised of all lottery games set forth below. The CNMI Lottery operator may offer more than one on-line type lottery game and more than one instant ticket lottery game.

RULE 1 - LOTTERY GAMES AUTHORIZED.

- 1.0 Jueteng or other similar lottery game matching one or two randomly selected numbers to the numbers on the player's game card or ticket;
- 1.1 Scratch or instant tickets or other selected similar game;
- 1.2 On-line or other electronic game matching more than two randomly selected numbers to the player's game ticket;
- 1.3 Gift Enterprise or other similar lottery game used to promote a business, product or other similar enterprise.

RULE 2 - MANNER OF PLAY

- 2.0 The manner in which the Commonwealth Lottery will be conducted is pursuant to applicable rules and regulations, copy of which is attached hereto and specifically incorporated herein by reference or have been previously promulgated and are specifically incorporated herein by reference, save and except as noted in or modified by

these Rules and Regulations.

- 2.1 The cost for the play of each game of the Commonwealth Lottery as set forth in the Rules and Regulations shall not be binding or controlling as to the amount charged for participation in the Commonwealth Lottery.
- 2.2 The CNMI Lottery Operator, in consultation with the Department, shall establish the cost in United States dollars for the play of each game offered by the Commonwealth Lottery.
- 2.3 Based upon the appropriate conversion of currency between United States dollars and Australian dollars, or some other acceptable currency to the United States dollar, the CNMI Lottery Operator, in consultation with the Department, may increase or decrease the entry cost for each Commonwealth Lottery game.
- 2.4 The computation of the conversion from Australian dollars or other acceptable currency to United States dollars for the purpose of playing the Commonwealth Lottery shall be at a rate or on a basis mutually acceptable to both the CNMI Lottery Operator and the Department. Such conversion rate shall be deemed fair and reasonable and shall be binding upon all participants in the Commonwealth Lottery.

RULE 3 - THE NUMBER AND SIZE OF PRIZES

- 3.0 The number and size of prizes awarded shall be determined by Game Rules referred to above and hereby made a part of these Rules and Regulations.
- 3.1 Prizes paid for on-line lottery games in which participants in the Commonwealth Lottery will become members of a prize pool for one or more on-line lottery games that are conducted with, and prizes initially awarded in, the currency of Australian dollars or other acceptable currency will have such prize amount then converted to United States dollars prior to the payment of any such prize by the Commonwealth Lottery.
- 3.2 The computation of the conversion from Australian dollars or other acceptable currency to United States dollars for the purpose of

payment of prizes shall be at a rate or on a basis mutually acceptable to both the CNMI Lottery Operator and the Department. Such conversion rate shall be deemed fair and reasonable and shall be binding upon all participants in the Commonwealth Lottery.

RULE 4 - MANNER OF PAYMENT OF PRIZES

- 4.0 The manner of payment of prizes to prize winners shall be dependent upon the game played with such payment for each game being made pursuant to the Game Rules referred to above and made a part of these Rules and Regulations.
- 4.1 A lottery retailer shall pay any lottery prize in the amount of US\$51.00 or less after complying with appropriate validation procedures.
- 4.2 A lottery retailer may pay any prize in the amount greater than US\$51.00 but less than US\$600.00 after complying with appropriate validation procedures.
- 4.3 Prizes of US \$600.00 or more shall be paid by the CNMI Lottery Operator pursuant to the Game Rules.
- 4.4 When paying a prize of US\$600.00 or more, the CNMI Lottery operator shall file the appropriate income tax reporting form with the CNMI Division of Revenue and Taxation.
- 4.5 Each lottery licensee must withhold and report lottery winnings consistent with all applicable CNMI laws including, but not limited to, when paying a prize of US\$5,000.00 or more, the CNMI Lottery Operator shall withhold appropriate income tax at a rate set under the CNMI tax laws and regulations.
- 4.6 The prize for any on-line lottery game not otherwise claimed, paid or distributed by the CNMI Lottery operator within three hundred sixty-five (365) days of the date that such prize is first payable shall be deemed an unclaimed prize and the right of any person or organization to claim such prize shall lapse and all money associated with such prize shall forthwith be transferred to the Department and deposited, for subsequent distribution according

to law, into the Commonwealth Lottery Fund-General Lottery Account established pursuant to the Act.

- 4.7 The CNMI Lottery Operator shall recognize only one person as a claimant of a particular prize. A claim may be made in the name of a person (other than an individual) or an organization, only if such person or organization possesses a Federal Employer Identification Number (FEIN) issued by the United States Internal Revenue Service or such similar identification number issued by the CNMI Division of Revenue and Taxation and such number is shown on the prize claim form. Groups, family units, clubs, persons or organizations without an FEIN shall designate one individual in whose name the claim of prize is to be filed. If a claim of prize is erroneously entered with the name or names of multiple claimants, the claimants shall designate one of them as the individual recipient of the prize, or, if the claimants fail to so designate an individual recipient, the CNMI Lottery Operator must designate anyone of such claimants as the sole recipient. In either case, the claim shall then be considered as if it were originally entered in the name of the designated individual and payment of any prize won shall be made to that single individual.
- 4.8 Proceeds from ticket sales from lottery games shall be kept and maintained by the CNMI Lottery Operator and its agents and sub-agents on the following terms and conditions:
- (a) all proceeds from the sale of any CNMI Lottery tickets received by the CNMI Lottery Operator or a licensee shall constitute a trust fund until paid to the CNMI Lottery either directly or through a deposit with the lottery's authorized collection representative such as a designated bank or similar institution;
 - (b) the CNMI Lottery Operator, shall have a fiduciary duty to preserve and account for lottery proceeds and the CNMI Lottery Operator shall be liable to the CNMI Lottery for all such proceeds;
 - (c) Lottery Licensees and the agents and sub-agents of the CNMI Lottery Operator shall be personally liable to the CNMI Lottery Operator for all such lottery proceeds and shall account for unsold instant tickets received by the licensee,

the cash proceeds for the sale of any CNMI Lottery tickets or lottery-related products (excluding sales commission paid to such licensee and excluding credit for any lottery prize to winners paid by such licensee). Sales proceeds and unused instant lottery tickets shall be delivered on demand made to any licensee or agent or sub-agent of the CNMI Lottery Operator, by either the Department or the CNMI Lottery Operator or their authorized representative.

- 4.9 The CNMI Lottery Operator shall place all lottery proceeds due to the Department in an account in an institution selected by the Department which institution is insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation with such deposit being made not later than the close of the next banking day after the date of the collection of such proceeds.
- 4.10 The CNMI Lottery Operator may require licensees offering the lottery game of Jueteng or selling instant tickets only, and shall require licensees operating a full-service retail agency, to establish in an institution insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation a single separate account (with such account having a capacity for electric funds transfer where available) for the purpose of receiving all monies from the proceeds of the sale of the CNMI Lottery prior to making payments to the CNMI Lottery Operator. Such proceeds shall be kept and maintained separate and apart from all other funds or assets of the licensee and shall not, in any way, become commingled with other funds or assets of the licensee.
- 4.11 A failure to have sufficient funds on deposit in any lottery-related bank account to cover all applicable prize payments plus appropriate payments to the CNMI Lottery and/or the CNMI Lottery Operator shall be cause for immediate suspension or termination of any license previously issued.

RULE 5 - FREQUENCY OF PLAY

- 5.0 The frequency of the Commonwealth Lottery games and the date or time at which each game is held shall be determined by Game Rules herein set forth.

RULE 6 - LOCATIONS WHERE LOTTERY MAY BE PERMITTED

- 6.0 The types of locations at which participation in the Commonwealth Lottery is permitted shall be distinguished between a full-service retail agency and an instant ticket retailer. A full-service retail agency may provide both on-line lottery games and instant ticket lottery games or jueteng games. The premises of a full-service retail agency shall be substantially dedicated to the conduct of the lottery. Those locations which are licensed to sell instant ticket lottery games only shall be designated as an instant ticket retailer whose premises shall be substantially dedicated to other types of retail sales.
- 6.1 Selection of Lottery Licensee(s) and the locations where each will operate either a full-service retail agency or an instant ticket sales facility shall be at the sole discretion of the CNMI Lottery Operator after consultation with the Department. The receipt of a CNMI Lottery License is a privilege not a right, however any such license once issued is revocable by the Department only for cause. In determining to whom such licenses should be awarded and the locations where the Commonwealth Lottery will operate, the Department and CNMI Lottery operator will consider, by way of illustration only and not limitation, the following:
- (a) The financial responsibility and security of the applicant and the business or activity in which the applicant is engaged. Consideration of this factor may include the analysis of the applicant's credit record, compliance with tax laws of this or other jurisdictions, status of other permits and licenses, results of a criminal background investigation, adequacy of security procedures against theft, the type of construction of the applicant's facility and whether the location is fixed and permanent, whether the applicant can provide appropriate security, and any other factor that may assist the Department in such evaluation; or
 - (b) The location of, and public accessibility to, the applicant's place of business or activity. Consideration of this factor may include analysis of the applicant's hours of operation, proximity to major transit routes, proximity to large employers, public parking availability, and any other factor

that may assist the Department in such evaluation; or

- (c) The sufficiency of existing licensees to serve the public convenience. Consideration of this factor may include analysis of number and proximity of other licensed lottery retail agents in a given area, with the possibility that additional licenses for any given area may be denied if the area is determined to be adequately served by existing lottery licensees; or
- (d) The volume of expected sales at the applicants place of business or activity; or
- (e) Whether individuals under 18 years of age constitute a majority of the applicant's customers or as customers provide a majority of the applicant's sales volume.

RULE 7 - METHOD TO PROMOTE THE LOTTERY

7.0 Lottery promotion shall include, but is not limited to: advertising in the various local media; educational television presentations; educational informational brochures in both English and the vernacular; and other sales promotion methods as deemed appropriate by the lottery operator.

RULE 8 - LICENSING OF PERSONS TO OPERATE THE LOTTERY

8.0 The receipt of a CNMI Lottery License is a privilege not a right, however any such license once issued is revocable by the Department only for cause. The Department may grant or deny an application for a license or revoke a license issued to the lottery operator or any Lottery Licensee based on any one or more factors listed in Rule 6.1 of these Rules and Regulations. In addition, the Department may deny an application for a license or revoke a license issued to the Lottery Operator or any Lottery Licensee pursuant to the Act and these Rules and Regulations upon a finding that the applicant or holder of such License:

- (a) has been convicted of a felony, or criminal fraud, or gambling or a gambling-related offense, or any felony or

misdemeanor involving moral turpitude, if less than 10 years has elapsed since the termination of the sentence, parole, mandatory supervision, or probation served for the offense; or

- (b) is or has been a professional gambler. A "professional gambler" is a person whose profession is, or whose major source of income derives from, playing games of chance for profit; or
- (c) is delinquent in the payment of any Commonwealth tax, duty, fee or similar charge or any other debt due the Commonwealth at any time after the application is filed but before the Department acts to grant or deny the license; or
- (d) has a spouse, child, parent, parent-in-law, or spouse's child who is a person described in paragraph (a), (b), or (c) of this subsection; or
- (e) has violated the CNMI Lottery Commission Act or a Rule or Regulation adopted pursuant to the Act; or
- (f) is not an individual, but an individual described in one or more of paragraphs (a)-(e) of this subsection holds a beneficial interest in the corporation or organization; or
- (g) provided false or misleading information on the application form, or failed to provide information required as part of the application or evaluation process; or
- (h) failed to fully cooperate or to provide any additional or supplemental information which the Department deems necessary in order to determine whether the applicant is suitable to hold a license; or any other factor that is or may be helpful in determining whether the applicant's experience, character, and general fitness are such that the applicant's participation as a sales agent will not detract from the integrity, security, honesty, or fairness of the operation of the lottery. An example of the type of factor considered in this regard is the analysis of the type of product currently sold or form of service currently provided or other business activity currently conducted by the applicant.

- 8.1 Any information provided to the Department under these Rules and Regulations or on any application, filing or other instrument submitted to the Department that subsequently becomes incorrect or misleading, shall immediately be updated by the applicants or licensees providing an explanation thereof to the Department. Without limiting the foregoing, all applicants or licensees shall notify the Department immediately if any change in the ownership or beneficial interest or location of the applicant or licensee occurs.
- 8.2 The CNMI Lottery Operator or the Department may develop forms for the retailer applications requesting all such information required by the Act, or by these Rules and Regulations or that is deemed necessary or appropriate to evaluate the retailers' suitability to hold a license. Such application shall be completed, executed, acknowledged and notarized by the applicant as required by the Department.
- 8.3 The CNMI Lottery Operator's License shall be issued for a period of time acceptable and agreed upon between the Department and the Licensee. The CNMI Lottery Full-Service Agency Lottery Sales License and/or the CNMI Lottery Instant Ticket Sales and/or Numbers Game License shall each expire on December 31st of the year in which such license was issued; with such license being renewable, on an annual basis, unless a different term is provided by the Department in writing.
- 8.4 The criteria set forth herein as a basis to grant or deny a license shall also be used by the Department in determining whether to renew a license previously issued.
- 8.5 The Department may establish and charge a fee for either the filing of an application for, and/or the issuance of, any Lottery License issued pursuant to either the Act or these Rules and Regulations.

RULE 9 - SALE OR PURCHASE OF TICKETS BY MINORS

- 9.0 No person under the age of 18 years may sell or, in any manner, be directly involved in the sale of any lottery ticket.
- 9.1 No person under the age of 18 years may purchase a lottery ticket.

Any ticket so purchased shall be void and any prize otherwise payable pursuant to that ticket is treated as an unclaimed forfeited prize and shall forthwith be transferred to the Department and deposited, for subsequent disposition according to law, into the Commonwealth Lottery Fund - General Lottery Account established pursuant to the Act.

RULE 10 - GIFT ENTERPRISE LOTTERY

10.0 A gift enterprise lottery may be conducted by a merchant providing all of the following terms and conditions are met:

- (a) the merchant shall submit an application and pay the appropriate fee, if any, as determined by the Department; and
- (b) that the primary business of the merchant conducting the gift enterprise lottery is other than the conduct of a lottery; and
- (c) that the merchant conducting the gift enterprise lottery has held a CNMI business license and has been in business for at least 180 days; and
- (d) that the merchant conducting the gift enterprise lottery has one or more permanent or fixed places of business within the Commonwealth and that the gift enterprise lottery is conducted only at such fixed location or locations; and
- (e) that only merchandise prizes, not cash, be awarded pursuant to the gift enterprise lottery subject to the following limitations:
 - (1) that the grand prize or top prize awarded have a retail value of \$25,000 or less;
 - (2) that the aggregate or total retail value of all prizes awarded does not exceed \$35,000;
 - (3) that the merchant shall not buy-back, repurchase, or award a cash equivalent for any merchandise prize so awarded, and

- (f) that the duration of any gift enterprise lottery not exceed a term of 90 days from the date of either the announced commencement of the gift enterprise lottery or the date the first entry ticket is awarded (whichever is earlier) until the final drawing at which time any and all prizes advertised must be distributed; and
 - (g) that not more than two gift enterprise lottery promotions be conducted by a merchant in any single calendar year; and
 - (h) that there be at least 90 days between the conclusion of the merchant's previous gift enterprise lottery and the commencement of a second or subsequent gift enterprise lottery.
- 10.1 The Department may develop appropriate forms for the application to conduct and/or disclosure of the results of a gift enterprise lottery conducted by any merchant; with such forms requesting all such information hereinabove set forth and any further or additional information which the Department deems necessary or appropriate to evaluate and regulate the conduct of gift enterprise lotteries in the CNMI. The Department may further require that all such forms be completed, executed, acknowledged or notarized under oath by an authorized representative of the merchant conducting the gift enterprise lottery.
- 10.2 Failure of a merchant to comply with any of these Rules and Regulations regarding the operation of a gift enterprise lottery in the Commonwealth; or to truthfully, honestly and completely provide to the Department any and all information sought in the gift enterprise lottery application form or disclosure form, will result in the Department prohibiting such merchant, or any agent, servant or employee operating for or on behalf of such merchant, from engaging in a gift enterprise lottery for a period of not less than 2 calendar years subsequent to such violation.
- 10.3 The Department may establish and charge a fee for either the filing of an application for, and/or the issuance of, any permit or license issued to the operator of a gift enterprise lottery.
- 10.4 The Department may issue a cease and desist order for any

merchant found to be in violation of these regulations. Upon finding of such violation, such merchant and/or marketing agent shall be subject to a civil penalty not to exceed \$500 per day for each day of violation of these regulations.

RULE 11 - POLITICAL ACTIVITIES BY CERTAIN LOTTERY LICENSEES

11.0 The CNMI Lottery Operator and any CNMI Lottery Full Service Agency Lottery Sales Licensee are prohibited from engaging in any one of the following activities:

- (a) soliciting contributions for a political purpose or using or attempting to use its position to encourage, punish or coerce any political activity of any lottery licensee;
- (b) conducting or performing any political activity on any premises licensed by the CNMI Lottery as a full-service retail agency;
- (c) making any political contribution.

RULE 12 - LOTTERY LICENSE FEE

12.0 For the privilege of engaging in the sale of lottery games in the CNMI, the following annual license fee schedule is established and must be paid as a condition of the issuance or renewal of a lottery license.

- (a) Jueteng Game. A fixed fee of \$150,000 plus additional license fee as determined by the Department of Finance based on a percent of gross sales;
- (b) Instant Scratch Game. A fixed fee plus additional license fee as determined by the Department of Finance based on a percent of gross sales;
- (c) On-Line lottery. A fixed fee plus additional license fee as determined by the Department of Finance based on a percent of gross sales.

- 12.1 All fixed license fees must be paid in full prior to the issuance of a license. The additional license fee computed as a percentage of gross sales must be paid no later than the tenth day of each month following the month in which sales were made.

RULE 13 - SELLING PRICE OF TICKETS

- 13.0 No person or organization shall sell, within the Commonwealth, any CNMI Lottery ticket at a price either above or below the price that has been established by the Department.
- 13.1 Unless otherwise specifically authorized by the Department in writing, neither the CNMI Lottery Operator nor a CNMI Lottery Licensee shall sell, within the Commonwealth, any Commonwealth Lottery tickets at a price either above or below the price that has been established by the Department.

RULE 14 - RESTRICTIONS ON SALE OF TICKETS

- 14.0 No person other than the CNMI Lottery Operator or a person or organization holding a current CNMI Lottery License shall sell CNMI Lottery tickets within the Commonwealth; provided however, that this limitation shall not be construed to prevent a person or organization which has otherwise lawfully purchased a CNMI Lottery ticket from making a gift of such lottery ticket to another.
- 14.1 Unless otherwise specifically authorized by the Department in writing, neither the CNMI Lottery Operator nor a CNMI Lottery Licensee shall sell lottery tickets except from the specific fixed premises or location designated on the CNMI Lottery License.
- 14.2 Lottery tickets validly purchased, may be given by persons or organizations to customers or perspective customers as a means of promoting goods or services; provided however, that the goods or services of the person or organization making such promotional gifts are legal for sale or use in the Commonwealth.
- 14.3 A CNMI Lottery Licensee shall not sell lottery tickets within the Commonwealth by phone, fax or other similar method of

communication.

- 14.4 The CNMI Lottery Operator, or a CNMI Lottery Licensee, shall not directly extend credit to the purchaser of any lottery tickets or lottery products; provided however, CNMI lottery tickets may be sold for cash or by use of any credit card or similar instrument, provided that the payment of any fee or commission to the credit card company shall be the sole responsibility of the CNMI Lottery Operator or Licensee and any such fee or commission so paid shall in no way reduce the payments from the CNMI Lottery Operator or Licensee to the Commonwealth.
- 14.5 The CNMI Lottery Operator, or a CNMI Lottery Licensee, shall not accept a food stamp coupon, an NAP coupon or similar item for the purchase of any lottery ticket.

RULE 15 - SECURITY OF TICKETS

- 15.0 The CNMI Lottery Operator and CNMI Lottery Licensee shall provide reasonable security for all lottery tickets and lottery property.
- 15.1 The CNMI Lottery Licensee is responsible for all lottery tickets delivered to it. The CNMI Lottery Licensee shall immediately, and in no instance longer than twelve (12) hours after discovery, advise the CNMI Lottery Operator of any lost, stolen, missing or counterfeit tickets.
- 15.2 The CNMI Lottery Operator may develop procedures whereby a CNMI Lottery Licensee:
- (a) will be charged a fee, not to exceed \$25.00 per book or package, for not yet activated packs of instant tickets which are lost, stolen or missing; or
 - (b) will be charged full price, less applicable commission, for any activated books or packs of tickets that are lost, stolen or missing; or
 - (c) will be charged the cash equivalent of any prizes paid by such licensee on tickets that are obviously counterfeit,

altered, or otherwise deficient and therefore invalid; or

- (d) will be charged an amount which has been paid as a duplicate prize at a second retail location as a result of the failure of the Licensee at the first retail location to deface or otherwise designate the ticket involved as a winning ticket for which a prize has been previously paid.

RULE 16 - ASSIGNMENT OF LICENSE

- 16.0 No license issued by the Department to the CNMI Lottery Operator, or a CNMI Lottery Licensee shall be transferred or assigned without the express written permission of the Department.

RULE 17 CHANGE OF LOCATION OR OWNERSHIP

- 17.0 Any change in either the location of the business of a CNMI Lottery Licensee or the beneficial interest held in such licensee without the express written approval of the CNMI Lottery Operator and the Department will automatically suspend the CNMI Lottery License for such location. A new application must be filed in the same manner as provided in these Rules and Regulations for the initial application for a Lottery License and the CNMI Lottery License will be reinstated, or issued for a new location, solely at the discretion of the Department. The sale of all lottery tickets is prohibited following either the change in location or a change in beneficial interest of the licensee until a new CNMI Lottery License is issued.

RULE 18 - MERCHANDISING

- 18.0 Unless otherwise specifically provided in writing by the Department, each CNMI Lottery Licensee shall offer to the public, if otherwise permitted by the CNMI Lottery License held by such licensee, each and every on-line lottery game and/or instant ticket lottery game or numbers game offered for sale to the public by the CNMI Lottery Operator. No CNMI Lottery Licensee may contract with any other person or organization for lottery goods or services or promotional materials without the express written

approval of the CNMI Lottery Operator and the Department.

18.1 Each CNMI Lottery Licensee shall:

- (a) only use the lottery ticket dispensers provided by the CNMI Lottery Operator for the sale of instant lottery tickets; and
- (b) place such instant ticket dispensers in a prominent location in the retail establishment in the cash register or store check-out area; and
- (c) prominently display any and all point of sale materials supplied by the CNMI Lottery Operator including, by way of illustration and not limitation, door decals, game posters, display tickets, banners, flags, danglers, change mats and interior and exterior signage unless otherwise excused, in writing, from compliance with one or more of these requirements by the Department.

18.2 The CNMI Lottery Licensees shall make lottery tickets available and shall provide for the redemption of tickets consistent with the CNMI Lottery Commission Act and these Rules and Regulations.

RULE 19 - SUSPENSION OR REVOCATION OF LICENSE

19.1 Pursuant to the specific authority of 1 CMC §9313(h) the Department may suspend or revoke any CNMI Lottery License previously issued upon the finding of one or more of the following:

- (a) The determination by the Department, of the existence of any one or any combination of factors previously listed as grounds for denial of issuance of a license under Rule 8 hereinabove set forth under the heading "Licensing of Persons to operate the Lottery"; or the determination by the Department that the existence of any one or more factors listed in subsection (b) below directly apply to or relate to the holder of the CNMI Lottery License. Notice of suspension or revocation of license shall, if possible, be given to the licensee in writing setting forth the reasons

therefore. A suspended or revoked license shall immediately be surrendered to the Department; or

- (b) Without in any way limiting or restricting the ability of the Department to consider the factors listed in Rule 8 concerning "Licensing of Persons to Operate the Lottery" as grounds for suspension or revocation of a License issued by the Department, the Department may also suspend or revoke a license held by a Lottery Licensee based upon a finding of one or more of the following:
- (1) that the beneficial interest in the ownership of the business premises has changed or the business location of the retailer has changed without approval of the Department; or
 - (2) that the licensee has permitted a sale of a lottery ticket by a person under 18 years of age or has sold a lottery ticket or paid a prize to a person under 18 years of age; or
 - (3) that the licensee has not prominently displayed, at the licensed location, the license issued by the Department; or
 - (4) that the licensee has refused or failed to promote the sale of lottery tickets by failing to prominently display or make accessible and/or available, lottery game tickets, lottery game advertising or other public information material; or
 - (5) that the licensee has redeemed a lottery prize in an amount greater or less than the authorized amount; or conditioned redemption of a lottery prize upon the purchase of any other item or service; or imposed any restriction upon the redemption of a lottery prize not specifically authorized by the Department and the CNMI Lottery Operator; or
 - (6) that the licensee has violated any directive or instruction issued by either the Department to the Lottery Operator or Lottery Licensee or issued by the

CNMI Lottery Operator to a CNMI Lottery Licensee; or

- (7) that the licensee has violated any express term or condition of its license, the Act or these Rules and Regulations; or
- (8) that the licensee and/or its employees has exhibited discourteous treatment including, but not limited to, abusive language toward customers or the Department ; or
- (9) that the licensee has assigned or transferred or attempted to assign or transfer its licenses to another party without the prior written approval of the Department and the Lottery Operator; or
- (10) that the licensee has failed to exercise due care in the treatment of the CNMI Lottery property; or
- (11) that the licensee endangered the security of the lottery; or
- (12) that the licensee engaged in fraud, deceit, misrepresentation or other conduct prejudicial to public confidence in the lottery; or
- (13) that the licensee engaged in telecommunication or printed advertising that the Department determines to have been false, deceptive, or misleading; or
- (14) that the licensee failed to follow instructions and procedures for the conduct of any particular lottery game or lottery special event; or
- (15) that the licensee failed to establish or maintain reasonable security precautions with regard to the handling of lottery tickets and other lottery-related materials; or
- (16) that the licensee has insufficient sale of lottery tickets; or

- (17) that the licensee has engaged in skimming of lottery funds; or
- (18) that the CNMI Lottery operator or the CNMI Lottery Full-Service Agency Lottery Sales Licensee has engaged in prohibited political activity; or
- (19) the failure to make payments when due by any CNMI Lottery Licensee to the CNMI Lottery Operator; or, by the CNMI Lottery Operator to the Department; or, by failing to handle lottery funds in a prescribed manner consistent with either the Act or these Rules and Regulations.
- (20) the licensee's failure to comply with the CNMI tax laws including, but not limited to, the requirement to file tax returns and pay applicable taxes.

RULE 20 - INAPPLICABILITY OF REGULATIONS

20.0 Pursuant to 1 CMC §1402(a)(10) these Rules and Regulations do not apply to the lottery game Bingo and the game of Batu as each is defined in these Rules and Regulations provided that:

(a) such game of Bingo or Batu is a traditional game played at a fixed location; and

(b) that the traditional game of Bingo or Batu has been licensed or otherwise approved pursuant to 1 CMC §1401 et seq., the CNMI Local Law Act of 1983.

20.1 Pursuant to 1 CMC §9321 these Rules and Regulations do not apply to a lottery game conducted by:

(a) a religious organization; or

(b) a non-profit organization.

20.2 The right of religious or non-profit organizations to conduct or operate lotteries or raffles does not authorize such religious or non-profit organizations to permit, contract, license or otherwise engage or hire any person or organization which is not otherwise

qualified as a religious or non-profit organization to conduct a raffle or lottery on behalf of the religious or nonprofit organization since such licensing authority is specifically reserved to the Department by the Act.

20.3 The Department may develop appropriate forms for the filing with the Department by any person or organization which desires to be recognized as a religious organization or non-profit organization whose lottery game(s) are exempt from regulation by the Department. Such forms shall require the disclosure of all information which the Department deems necessary or appropriate to determine whether such applicant is exempt from having its lottery game(s) regulated by the Commission. The Department may further require that all such forms be completed, executed, acknowledged or notarized under oath by an authorized representative of the religious organization or non-profit organization seeking such exemption.

20.4 The Department may establish and charge a fee for either the filing of an application for, and/or the issuance of, any permit or other similar certificate exempting the lottery game(s) of such religious organization or non-profit organization from regulation by the Department.

RULE 21 - CERTAIN LOTTERIES PROHIBITED

21.0 No lottery may be conducted within the Commonwealth of the Northern Mariana Islands if:

(a) the distribution of a lottery prize or prizes is determined in whole or in part by the number of total votes cast, or the number of votes received by any candidate, in any local, Commonwealth-wide or national election; or

(b) the lottery is sponsored or funded in whole or in part by, or involves, or in any way promotes any cigarette, cigar, smoking tobacco, pipe tobacco, chewing tobacco, snuff or similar tobacco product; or

(c) the lottery is sponsored or funded in whole or in part by or involves or in any way promotes any alcohol, wine, beer or other similar malt or spiritus beverage.

- 21.1 Provided however that the prohibitions set forth immediately above in paragraphs (b) - (c) will not preclude a merchant who is operating an otherwise permissible gift enterprise lottery from including moneys spent by participants on beer, wine, alcohol or tobacco products in the determination of the number of tickets to be distributed to the participants in such gift enterprise promotion.

RULE 22 CONFLICT WITH OTHER LAWS

- 22.0 Unless specifically set forth herein, these Rules and Regulations are intended to supplement and not to conflict with other Commonwealth law or applicable federal law. Consequently, notwithstanding anything contained herein to the contrary, to the extent that any provision hereof conflicts with any other Commonwealth law or applicable federal law, including the CNMI Lottery Commission Act, and the apparent conflict cannot be reconciled on a basis to permit implementation of the Rules and Regulation set forth herein, such other Commonwealth law or applicable federal law shall control, but only to the extent of such conflict, and the remaining provisions of these Rules and Regulations shall remain in full force and effect.

RULE 23 - SEVERABILITY

- 23.0 If any provision of these Rules and Regulations or any portion of any particular provision of such Rule or Regulation is held, by a court of competent jurisdiction, to be invalid, illegal, unconstitutional or otherwise unenforceable in any respect; the validity, legality, constitutionality or enforceability of these Rules and Regulations as a whole and the remaining provisions, or remaining portion of any particular provision, shall remain in full force and effect and shall not be affected or impaired by such holding.

RULE 24 - JUETENG DOCUMENTATION AND RECORD-KEEPING.

- 24.0 Tickets. Tickets shall be printed using only one color for each

type of game (i.e., two number game or one number game) and using only one number series for each type of game. A different number shall be assigned for each ticket. In order to maximize the numbering, a letter must be assigned after the number for the first 999,999 (i.e. 999,999A) and then another letter (i.e. 999,999B) for the next 999,999 tickets, and so on. (See example in Appendix A for two-number game and Appendix A-1 for one-number game).

- 24.1 **Monitoring Log Sheets.** Two monitoring log sheets shall be established to control tickets printed and issued to agents; and sold and unsold by agents.
- 24.2 **Monitoring Log Sheet for Tickets Printed and Issued to Agents.** Each log sheet must show the booklet number series received from the printing companies and issued to agents. The lottery operator and printing company's representative and agents must sign the log sheet every time tickets are issued.
- 24.3 **A Separate Log Sheet.** A separate log sheet must be maintained for each game type (i.e., one number game and two number game) to properly monitor and account for all tickets. Since each ticket booklet could be issued to different agents, the logging of the number series in the log sheet shall be per booklet. The recording of booklet number series received from the printing companies must be sequential and must be issued to agents on a sequential basis. (See example in Appendix B).
- 24.4 **Monitoring Log Sheet for Tickets Sold and Unsold by Agents.** Each log sheet must show the accounting of the ticket number series issued to an agent by summarizing daily ticket sales in a month, and the unsold or voided tickets at the end of the month. The lottery operator representative and the agent must sign the log sheet every time tickets are accounted for.
- 24.5 **Separate Log Sheet Shall Be Maintained.** A separate log sheet shall be maintained for each game type (i.e., one number game and two numbers game) for each agent. A reconciliation of the total tickets issued to the total tickets sold, unsold and voided shall be done not less than once every calendar month. (See example in Appendix C).

24.6 Activity Reports. Two activity reports shall be established to summarize ticket sales.

- (a) Daily Activity Report Details. A daily activity report must show activities for the day with details on individual agent's ticket sales for each game type, collection after agent's commission, prizes paid by agent, computation of total commission or fees due to the government. (See example in Appendix D).
- (b) Daily Activity Report Summary. A daily activity report summary must show activities for the month with details on daily total ticket sales for each game type prizes paid, prizes unclaimed, computation of commission or fees due to the government. (See example in Appendix E).

24.7 Duties and Responsibilities. In addition to the full compliance with all aspects applicable CNMI Law and the Amended Rules and Regulations of the CNMI Lottery, a licensee holding a Jueteng Lottery License shall be required to:

- (a) Accurately and fully fill out information in both the log sheets, and the activity reports on a timely basis.
- (b) Sort tickets sold daily by agent and by game type and then bundle and indicate the name of the agent and the quantity of tickets sold by game type.
- (c) At the end of the month, conduct an inventory of all voided and unsold tickets and determine if unsold tickets can still be sold the following month. If such tickets are to be sold, the number series should be included again in the "tickets issued" column in the following month's log sheet. Voided tickets shall be marked "voided" and kept for audit purposes. The Jueteng Lottery Licensee must assume that agents are accountable for all tickets issued to them. i.e., requiring return of either all ticket sale proceeds and unsold tickets.
- (d) Before the 5th day of the month, provide the Department of Finance with copies of both the Detail and Summary Daily Activity Reports of the previous month and corresponding

bank deposit slips.

- (e) Keep copies of tickets sold, unsold, and voided until final period under audit is completed and disposal of tickets is authorized, in writing, by both the Office of the Public Auditor and Secretary of Finance.
- (f) Insure that each agent turns in sold tickets and proceeds at the lottery operator's office on a daily basis.
- (g) Insure that each agent turns in unsold and voided tickets at the lottery operator's office for inventory at the end of each month. All tickets issued to agent shall be accounted for, and all unreturned (lost) tickets shall be deemed sold for purposes of the computation of payments to the CNMI government pursuant to the Jueteng Lottery License.

24.8 Department of Finance Authority. At the end of each month and at other times deemed appropriate, representatives of the Department of Finance or their designee may visit the Jueteng Lottery Licensee's office and perform the following random document review for audit purposes:

- (a) Obtain the Monitoring Log Sheet for Tickets Printed and Issued to Agents and check if booklet number series recorded are in sequence.
- (b) Obtain the Monitoring Log Sheet for tickets sold and Unsold by Agents and review the following:
 - (i) Check if the Total tickets issued are reconciled to total tickets sold, unsold, and voided;
 - (ii) Review list of voided and unsold tickets; determine disposition of the unsold tickets; if decided to be sold the following month, ticket number series should be included again in the "tickets issued" column in the following month's log sheet, if voided, tickets should be marked "voided";
 - (iii) Tie in daily ticket sales of each agent to Daily Activity Report (Details).

- (c) Reconcile daily ticket sales of each day per Daily Activity Report (Details) to Daily Activity Report (Summary).
- (d) Obtain explanation for findings.

RULE 25 - GAME RULES FOR JUETENG GAME

- 25.0 One Number Game. A one number game is a game played in which game cards, or tickets, are sold to players. A ticket has pre-printed numbers from 1 to 38 and consists of a set of 3 copies. The player then selects a number from the pre-printed ticket and prints it in a designated box on the ticket. The player keeps one copy, the seller keeps the duplicate, and the seller returns one copy to the Jueteng Lottery Licensee's office prior to the daily drawing being held.
- 25.1 Two Number Game. A two number game is played similarly to the One Number Game as described in Rule 25.0, immediately above, except that the player selects two numbers from the ticket and places one number in each box on the game ticket.
- 25.2 The lottery operator determines the winning number or numbers for one and/or both of the games played as described in Rules 25.0 and 25.1 based on the drawing from a "tambiuolo", of the numerically numbered balls from 1 to 38. A player's ticket having the number or numbers selected matching to the number or numbers drawn is entitled to the winning prize for that particular drawing date and game. The player must have the winning numbers listed in the exact sequence as the winning numbers drawn. Any order of numbers listed not in sequence with the drawn winning combination does not win the grand prize.
- 25.3 The cost of a 1 number game ticket shall be \$1.00 for each ticket. The cost of a two number game shall be \$1.00 for each ticket.
- 25.4 The prize pool available each day is \$50,000. Each one number winning ticket receives \$30.00, payable at the time of drawing. Each two number winning ticket receives \$600.00, payable at the time of drawing. If there is more than one winner, each winner receives \$600.00 for the two number game or \$30.00 for the one

number game until there is a payout totaling \$50,000 for that drawing. Before any winner of any game is paid, the licensee shall determine the number of winners and if the sum of prizes exceeds the prize pool, each winner shall receive a pro-rata share of the prize pool.

- 25.5 To assure the Department that all prizes will be paid and there is sufficient money to pay each days winners, the Jueteng Lottery Licensee shall deposit and maintain a balance of not less than \$50,000 in a Prize Trust Account on terms and conditions established by the Department.
- 25.6 Drawing for the games are to be held once daily, not later than 10:00 p.m. A second or subsequent drawing shall not be conducted without the written approval of the Department.
- 25.7 Drawing for winning number(s) are open to public for viewing. For each drawing a video tape of the drawing is to be made and maintained for one year subsequent to the drawing unless erasures or destruction of the video tape(s) is authorized in writing by the Department.
- 25.8 In addition to the specific rules relating to the play and/or record-keeping for the Jueteng game, the holder of a Jueteng Lottery License shall also be bound by and strictly adhere to, Rules 6.1 through Rule 23 of these Rules and Regulations.

RULE 26 - GAME RULES FOR SCRATCH OR INSTANT GAME

- 26.0 The rules for play of the Scratch or Instant game are those rules published in the Commonwealth Register, Volume 15, Number 10, October 15, 1993, pages 10943 through 10958.
- 26.1 The rules and regulations for the Scratch or Instant game as published in the Commonwealth Register, Volume 15, Number 10, October 15, 1993, with the exception of the Recitals and Rule 2.1, are adopted and incorporated herein for purposes of these rules and regulations with the exception of the following: Rules 1.1 and 1.5 on page 10944 shall not be adopted; and the Recitals and Rule 2.1 on page 10949 shall not be adopted.

26.2 Any reference to "Trustees", "Melbourne Office", "Tattersall" "T.M.S." or "P.I.L." shall be deemed to be a reference to either the Lottery Operator, or Licensee, who is licensed and authorized to offer these games within the CNMI.

RULE 27 - GAME RULES FOR ON-LINE OZ LOTTO GAME

27.0 The rules for play of the on-line OZ Lotto game are those rules published in the Commonwealth Register, Volume 19, Number 01, January 15, 1997, pages 14856 through 14868.

27.1 The rules and regulations for the on-line OZ Lotto game as published in the Commonwealth Register, Volume 19, Number 01, January 15, 1997, with the exception of Rules 1.1 through 1.5, are adopted and incorporated herein for purposes of these rules and regulations.

27.2 Any reference to "The Trustees", "Tattersall", or "The Mail Service" shall be deemed to be a reference to either the Lottery Operator, or Licensee, who is licensed and authorized to offer these games within the CNMI.

RULE 28 - GAME RULES FOR ON-LINE POWER BALL GAME

28.0 The rules for play of the on-line Power Ball game are those rules published in the Commonwealth Register, Volume 19, Number 01, January 15, 1997, pages 14869 through 14877.

28.1 The rules and regulations for the on-line Power Ball game as published in the Commonwealth Register, Volume 19, Number 01, January 15, 1997, with the exception of Rules 1.1 and 1.2, are adopted and incorporated herein for purposes of these rules and regulations.

28.2 Any reference to "Tattersall", "Tatts", "Trustees", or "Malvern East Office" shall be deemed to be a reference to either the Lottery Operator, or Licensee, who is licensed and authorized to offer these games within the CNMI.

RULE 29 - GAME RULES FOR ON-LINE LOTTO GAME

- 29.0 The rules for play of the On-Line Lotto game are those rules published in the Commonwealth Register, Volume 15, Number 10, October 15, 1993, pages 10917 through 10942, and in the Commonwealth Register, Volume 20, Number 7, July 15, 1998, pages 15986 through 15995.
- 29.1 The rules and regulations for the On-Line Lotto game as published in the Commonwealth Register, Volume, 15, Number 10, October 15, 1993, and published in the Commonwealth Register, Volume 20, Number 7, July 15, 1998, are adopted and incorporated herein for purposes of these rules and regulations with the following exceptions: Rule 1.1 and 1.9 on pages 10919-10920 and page 10935 in the Commonwealth Register, Volume, 15, Number 10, October 15, 1993 shall not be adopted. Additionally, Rules 1.1 and 1.9 on page 15986 in the Commonwealth Register, Volume 20, Number 7, July 15, 1998, shall not be adopted.
- 29.2 Any reference to "Tattersall", "Tatts", "Trustees", "Melbourne Office", "The Mail Service", "TMS Global Lottery Service", or "TMS" shall be deemed to be a reference to either the Lottery Operator, or Licensee, who is licensed and authorized to offer these games within the CNMI.

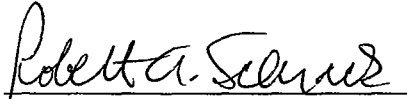
RULE 30 - GAME RULES FOR ON-LINE KENO

- 30.0 The rules for play of the on-line Keno game are those rules published in the Commonwealth Register, Volume 15, Number 10, October 15, 1993, pages 10959 through 10971.
- 30.1 The rules and regulations for the On-Line Keno game as published in the Commonwealth Register, Volume, 15, Number 10, October 15, 1993, with the exception of Rules 1.1 and 1.5 on page 10960, are adopted and incorporated herein for purposes of these rules and regulations.
- 30.2 Any reference to "Tattersall", "Tatts", "Trustees", "Melbourne Office", or "The Mail Service", shall be deemed to be a reference to either the Lottery Operator, or Licensee, who is licensed and authorized to offer these games within the CNMI.

CERTIFICATION OF THE AMENDMENTS TO THE RULES AND REGULATIONS
FOR THE OPERATION OF THE CNMI LOTTERY

I, Robert Schrack, Acting Secretary of the Department of Finance, which is promulgating the Proposed Amendments Rules and Regulations for the Operation of the CNMI Lottery by signature below hereby certify that the attached Amendments to the Rules and Regulations for the Operation of the CNMI Lottery are a true, complete and correct copy of the CNMI Lottery proposed Amendments.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 15th day of June 2000 on the island of Saipan, Commonwealth of the Northern Mariana Islands.



Robert Schrack
Acting Secretary
Department of Finance

\$1.00 N^o 470460 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

9 25

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470476 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

27 10

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470464 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

12 25

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470459 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

22 18

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470475 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

10 27

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470463 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

12 25

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470458 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

18 22

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470474 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

10 27

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470462 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

12 25

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470457 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

18 22

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470473 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

10 27

First No. Second No.

TWO NUMBERS

\$1.00 N^o 470461 A

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

25 9

First No. Second No.

TWO NUMBERS

\$1.00 N^o 158468 **A**

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

1st Ball
 2nd Ball

\$1.00 N^o 158472 **A**

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

1st Ball
 2nd Ball

\$1.00 N^o 158467 **A**

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

1st Ball
 2nd Ball

\$1.00 N^o 158471 **A**

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

1st Ball
 2nd Ball

\$1.00 N^o 158466 **A**

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

1st Ball
 2nd Ball

\$1.00 N^o 158470 **A**

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

1st Ball
 2nd Ball

\$1.00 N^o 158465 **A**

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

1st Ball
 2nd Ball

\$1.00 N^o 158469 **A**

NUMBERS INTERNATIONAL CORPORATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
16 17 18 19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36 37 38

1st Ball
 2nd Ball

**NAME OF LOTTERY OPERATOR
MONITORING LOG SHEET FOR TICKETS PRINTED AND ISSUED TO AGENTS
FOR TWO-NUMBER GAME**

DATE RECEIVED	INVOICE NO.	NUMBER SERIES PER BOOKLET		ISSUED BY PRINTING COMPANY		RECEIVED BY LOTTERY OPERATOR PERSONNEL	ISSUED TO AGENT BY LOTTERY OPERATOR PERSONNEL	RECEIVED BY AGENT			
		FROM	TO	NAME OF COMPANY	REPRESENTATIVE SIGNATURE			AGENT CODE	NAME OF AGENT	AGENT SIGNATURE	DATE RECEIVED
Nov. 29, 1999	123456	000001A	000200A	XYZ Co.				1	Ric Yan	Ryan	Nov. 30, 1999
		000201A	000400A	XYZ Co.			M. Agustin	1	Ric Yan	Ryan	Nov. 30, 1999
		000401A	000600A	XYZ Co.				1	Ric Yan	Ryan	Nov. 30, 1999
		000601A	000800A	XYZ Co.				2	Diet Ocampo	DOcampo	Nov. 30, 1999
		000801A	001000A	XYZ Co.			M. Agustin	2	Diet Ocampo	DOcampo	Nov. 30, 1999
		001001A	001200A	XYZ Co.				2	Diet Ocampo	DOcampo	Nov. 30, 1999
		001201A	001400A	XYZ Co.			M. Agustin	3	One Miguel	OMiguel	Nov. 30, 1999
		001401A	001600A	XYZ Co.				3	One Miguel	OMiguel	Nov. 30, 1999
		001601A	001800A	XYZ Co.	J. Santos	M. Agustin	M. Agustin	4	Gary Valencia	GValencia	Nov. 30, 1999
		001801A	002000A	XYZ Co.				4	Gary Valencia	GValencia	Nov. 30, 1999
		002001A	002200A	XYZ Co.			M. Agustin	5	Pat Dela Rosa	Pdclarosa	Nov. 30, 1999
		002201A	002400A	XYZ Co.				5	Pat Dela Rosa	Pdclarosa	Nov. 30, 1999
		002401A	002600A	XYZ Co.			M. Agustin	6	Ariel Riviera	Ariwiera	Nov. 30, 1999
		002601A	002800A	XYZ Co.				6	Ariel Riviera	Ariwiera	Nov. 30, 1999
		002801A	003000A	XYZ Co.			M. Agustin	7	Mart Nivera	Mnivera	Nov. 30, 1999
		003001A	003200A	XYZ Co.				7	Mart Nivera	Mnivera	Nov. 30, 1999
		003201A	003400A	XYZ Co.			M. Agustin	8	Mon Bagat	MBagat	Nov. 30, 1999
		003401A	003600A	XYZ Co.				8	Mon Bagat	MBagat	Nov. 30, 1999
		003601A	003800A	XYZ Co.							
		003801A	004000A	XYZ Co.							

- NOTE: (1) Tickets printed should be accounted sequentially.
 (2) Recording of number series should be per booklet.
 (3) Maintain a separate log sheet for each game type.

COMMONWEALTH REGISTER VOLUME 22 NUMBER 06 JUNE 20, 2000 PAGE 17325

NAME OF LOTTERY OPERATOR
 MONITORING LOG SHEET FOR TICKETS SOLD AND UNSOLD BY AGENTS
 FOR TWO-NUMBER GAME

FOR THE MONTH OF: December 1999
 NAME OF AGENT: Ric Yan
 AGENT CODE: 1

PAGE 17326
 JUNE 20, 2000
 NOVEMBER 06
 VOLUME 22
 COMMONWEALTH REGISTER

DATE ISSUED	TICKET NUMBER SERIES*		QTY	QUANTITIES OF TICKETS SOLD PER DAY																												TOTAL SOLD	UNSOLD TICKETS SERIES							
	FROM	TO		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		29	30	31	FROM	TO	QTY		
11/30/99	000001A	000600A	600	350	38	25	12	0	0	0	0	43	30	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	553	000191A	000200A	10
																																						000150A	000160A	
																																						000151A	000160A	10
TOTAL			600	350	38	25	12	0	0	0	0	43	30	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	553				
			SOLD TICKETS FOR THE MONTH																															553						
			UNSOLD TICKETS FOR THE MONTH																															47						
			VOIDED TICKETS FOR THE MONTH																															0						
			SERIES:																																					
TOTAL ISSUED TO AGENT			TOTAL SOLD, UNSOLD & VOIDED TICKETS FOR THE MONTH (This should tie in with the TOTAL ISSUED TO AGENT)																															600						
CONFIRMED BY AGENT (Affix initial per day)			19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19					
VERIFIED BY LOTTERY OPERATOR PERSONNEL (Affix initial per day)			MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS	MRS				

* Returned from the Monitoring Log Sheet for Tickets Printed and Issued to Agents

**NAME OF LOTTERY OPERATOR
DAILY ACTIVITY REPORT-DETAILS**

DATE December 1, 1999

DAY: Wednesday

TICKETS SALES & COLLECTION:

ITEM NO.	AGENT CODE	TWO NUMBER		ONE NUMBER		TOTAL	
		QUANTITY	COLLECTION	QUANTITY	COLLECTION	QUANTITY	COLLECTION
1	1	330	297.30	85	72.25	415	369.55
2	2	281	240.55	123	106.25	408	346.80
3	3	390	331.30	135	114.25	525	446.25
4	4	124	105.40	50	42.50	174	147.90
5	5	368	312.80	183	142.25	553	455.05
6	6	193	163.75	11	9.35	208	173.10
7	7	273	232.05	124	103.40	397	337.45
8	8	238	219.30	111	94.35	349	311.65
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29							
TOTAL		2,241	\$1,804.85	976	\$787.10	3,167	\$2,601.95

GOVERNMENT COMMISSION:

RATE 10% 5%

AMOUNT \$224.10 + \$46.30 = \$270.40

* After 15% agent's commission

Basis: Obtain information from the Monitoring Log Sheet for Tickets Sold and Unsold by Agents

WINNINGS:

FIRST BALL

8

SECOND BALL

20

AGENT CODE	GAME TYPE	QUANTITY	TICKET NO.	PRIZE PER TICKET	TOTAL
1	TWO #	1	000100A	600.00	600.00
2	ONE #	2	000100A/609.A	20.00	40.00
2	ONE #	1	001000A	20.00	20.00
TOTAL PAY OUT					\$660.00

SUMMARY

TOTAL COLLECTIONS (After 15% agent's commission)	\$2,601.95
LESS: TOTAL PAY OUT	660.00
NET INCOME (LOSS)	2,001.95
CASH BREAKDOWN	
CURRENCIES	\$1,951.00
COINS	0.05
CHECKS	50.00
CASH SHORT (OVER)	

PREPARED BY/DATE: M. Aquino 12/1/99

CHECKED BY/DATE: Juan Martinez 12/1/99

NAME OF LOTTERY OPERATOR _

DAILY ACTIVITY REPORT-SUMMARY

FOR THE MONTH OF: December 1999

DATE	TICKETS SOLD		GROSS INCOME	PRIZES PAID	UNCLAIMED PRIZES	COMMISSION DUE TO GOVERNMENT	CREDIT TO BGRT
	TWO	ONE					
1	2,241.00	926.00	3,167.00	690.00	0.00	270.40	158.35
2							
3							
4							
5							
6							
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30							
31							
TOTAL	\$2,241.00	\$926.00	\$3,167.00	\$690.00	\$0.00	\$270.40	\$158.35

* Unclaimed prizes are winnings not claimed or obtained by an agent in behalf of a winner.
 **Credit to BGRT is computed by multiplying 5% (tax rate) to the gross income.

Basis: Obtain information from the Daily Activity Report-Details.