



# Department of Commerce

Fiscal Year 2022 Citizen-Centric Report

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**EDWARD M. DELEON GUERRERO**  
Secretary of Commerce

### Office of the Secretary

- ❖ Banking
- ❖ Insurance
- ❖ Registrar of Corporations

### Divisions

- ❖ Alcoholic Beverage & Tobacco Control
- ❖ Central Statistics
- ❖ Economic Development
- ❖ Enforcement & Compliance
- ❖ Workers Compensation Commission

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### CONTACTS

Office of the Secretary 670-664-3077  
Administrative Services 670-664-3000

## Mission Statement

The mission of the Department of Commerce is to ensure that the policies and procedures governing the conduct of business in the Commonwealth promote sustainable economic growth, stimulate economic development and diversification, and provide a fair and equitable business environment in which both private and foreign businesses, and ultimately the people of the Commonwealth, may prosper. Also, provides technical assistance, administrative guidance and support to the Tinian and Rota Department of Commerce.

The Department of Commerce was originally created under PL I-8 (codified as I CMC § 2451) and later modified or reorganized through Executive Order 94-2 and 94-3, Section 302, with the separation of Labor and Immigration from the former Department of Commerce and Labor.

## Office of the Secretary

The Office of the Secretary of Commerce is responsible for the stimulation, encouragement and regulation of private investment, planning, coordinating, and promoting economic policy decisions of the executive branch to enhance commerce within the CNMI through partnership with other government agencies, non-profit organizations, private sector associations, and other key partners including outside the CNMI.

Banking Section	Insurance Section	Registrar of Corporation
General inquiries and services relating to banking examinations, certificates of clearances and escheatment escrows.	General inquiries and services relating to insurance clearance and certificates of authority.	General inquiries and services relating to non-profit, limited liability, domestic and foreign corporations.
<b>Charlette C. Borja</b> Acting Administrator (670) 664-8020 cnmi.banking@commerce.gov.mp	<b>Charlette C. Borja</b> Licensing Officer (670) 664-8020 cnmi.insurance@commerce.gov.mp	<b>Remedio C. Mafnas</b> Registrar (670) 664-8020 registrar.corp@commerce.gov.mp

## Divisions

ABTC Division	Central Statistics Division	Economic Development Division
General inquiries and services relating to Alcoholic Beverages Tobacco and Betel Nut Control industry licensing and enforcement.	General inquiries and services relating to official statistics for use by local, federal stakeholders and clients for sustainable social and economic development	General inquiries and services relating to economic development programs, projects, and activities.
<b>David R. Maratita</b> Director (670) 488-2282/1006 cnmi.abtc@commerce.gov.mp	<b>Justin H. Andrew</b> Director (670) 664-3023/3045 director.csd@commerce.gov.mp	<b>Jesus I. Taisague</b> Director (670) 664-8024 director.economic@commerce.gov.mp

Enforcement & Compliance Division	Workers' Compensation
General inquiries and services relating to weights and measures, taxicabs, tour company vehicle permit and recycling center monthly reporting.	General inquiries and services relating to workers' compensation such as workers injured on the job and rehabilitation.
<b>David S. Palacios</b> Director (670) 488-1005 director.enforcement@commerce.gov.mp	<b>Francisco D. Cabrera</b> Director (670) 664-8020 director.wcc@commerce.gov.mp

**"COMMITTED TO THE SUCCESS OF BUSINESSES IN THE CNMI"**

# Accomplishments

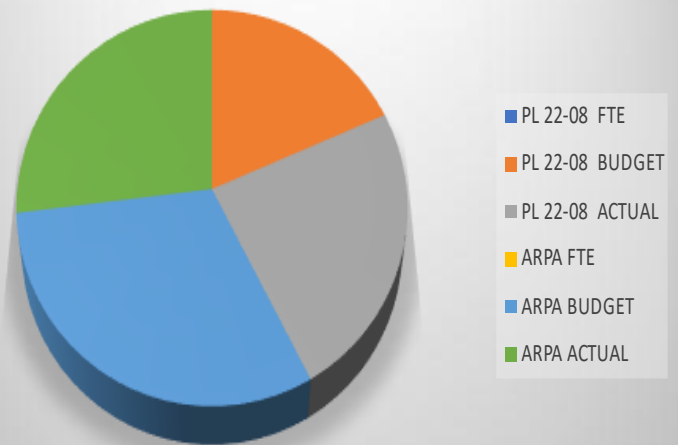
- Hired Economic Development Division Director in January 2022 and (2) Program Coordinators in October 2021;
- Sponsored eight (8) local small businesses to attend and exhibit at the ASD Market Week in Las Vegas, Nevada in February and August 2022 to boost foreign exporting opportunities;
- Increased federal grant funding applications by submitting (7) with \$70.3M in total requests;
- Offered grant application support to 87 registered local agricultural producers for the Micro-Grant for Food Security Program through the CNMI Division of Agriculture. Approximately 27 producers were assisted with the preparation and submission of their grant application;
- Collaborated with the International Economic Development Council (IEDC) and conducted site visits for recommendations on feasible economic development projects;
- Partnered with the Office of the Governor, Department of Finance, and Bank of Saipan to provide assistance for B.O.O.S.T. Grant Program in Saipan. Increased division activities in August 2022 with a total of 71 in-person and telephone inquiries;
- Partnered with Department of Lands & Natural Resources (DLNR) in researching funding opportunities to help subsistence farming, ranchers, and fishermen scale to commercial level to produce substitute import products and create exportable products;
- Awarded \$200K for the Local Food Purchase Assistance Cooperative Agreement Program (LFPA) through the USDA's Agricultural Marketing Service to fund the "Feeding Marianas Food Purchase Program";
- Awarded \$45K for the Technical Assistance Program through the Office of Insular Affairs to fund climate-change literacy, mitigation, and adaptation training for CNMI government employees;
- Monitored all CNMI licensed insurance carriers, ensuring all written policy be in conformance with the Northern Marianas Insurance Association (NMIA) Workers' Compensation Tariff and Underwriting Manual;
- Continued with public information outreach and education about the Workers' Compensation Program to all employers; July 21, 2022 – WCC PI&E presentation for G4S Secure Solution, Inc. – 17 participants (Saipan/Tinian/Rota via remote telecast).
- The Banking Division is in the process of developing rules and regulations to address the operations of selling and exchanging foreign currencies, receiving and transmitting money within and outside the Commonwealth thereby protecting licensees and customers alike;
- In December 2021 the Insurance Commissioner issued Bulletin Notice regarding information on the requirements of the federal NO SURPRISE ACT that apply to health care providers and facilities;
- On July 15, 2022, an order approving Reciprocal Jurisdiction Reinsurers adopting the National Association of Insurance Commissioner model;
- Implementation of P.L. NO 19-20; to require vehicles belonging to tour companies to be registered with the Department of Commerce and issued a permit number for each vehicle; and for other purposes;
- Collaborated with GuamWebz in the design of the CSD data collection portal and launched the data collection portal for the 2022 PWS;
- Published the CNMI 2022 Prevailing Wage Study survey;
- Conducted and completed the Quarterly Consumer Price Index (CPI);
- Completed the CNMI Quarterly Economic Indicators (EI) Report;
- Collaborate with the US Bureau of Economic Analysis (BEA) on the Annual production & the publication of the CNMI's Gross Domestic Product (GDP) report;
- Collaborate with the US Census Bureau for its planned release for its Census 2020 general housing and population figures;
- Communicate and provide key CNMI data to UN Statistical Agencies as well as its key partners in the Asia-Pacific Region;
- Assist auditors in the 2020 Census project audit;
- Continue collaborations with the US Census Bureau for the release of the NMI's 2020 Census results;
- Continue collaborations with the US Bureau of Economic Analysis for the timely release of the NMI's Gross Domestic Product (GDP) report;
- Continue collaborations with the USDA/NASS on 2023 Census of Agriculture for the CNMI;
- Continue collaborations with the US Census Bureau on 2022 Economic Census of the CNMI to be launched in the Spring of 2023;
- Tinian Department of Commerce continued its participation in the Anti-Tobacco Wellness Program and bi-weekly Sabalu Market;
- Assisted sole proprietors and non-profit organizations in Tinian with B.O.O.S.T. Program applications;
- Collaborated with the Tinian Mayor's Office with Go Green Initiative;
- Recruited 5 additional ABTC Support Staff to assist with ABTC and COVID-19 enforcement operations for MVA Travel Bubble Inspections and Covid-19 Routine Compliance Operations;
- Successfully assisted the CDI (contact tracers) conducted the following:
  - Issued and monitored approximately 194 Home Isolation Orders
  - Conducted 764 Covid-19 transportations
- Conducted COVID-19 Protocol Compliance Routine Inspections at approximately 629 licensed business establishments;
- Successfully covered approximately 430 licensed business establishments through the ABTC certification training program;
- Trained and certified approximately 696 employees in responsibly selling and serving alcoholic beverages, tobacco and betelnut products;
- Successfully conducted the Alcohol and Tobacco Merchant Education Workshop to approximately 99 licensed establishments;
- Conducted two (2) public school outreach presentations on the enforcement and prevention of underage drinking, smoking, vaping and betelnut consumption with approximately 124 student participants;
- Successfully conducted ABTC outreach presentation at the DYS Summer Youth Program to approximately 120 youth participants;
- Conducted 424 routine compliance inspections, issued 29 violation citations, and confiscated/seized 125 products;
- Conducted undercover tobacco compliance checks at 139 establishments through SYNAR Program;
- Trained and certified 22 ABTC Support Staff in Law Enforcement and Officer Survival Training;
- Recertified (2) ABTC Law Enforcement Officers on L.O.C.K.U.P. police certification training;
- 27 ABTC staff successfully completed approximately 120 hours of physical training and agility exercise;
- Sponsored (1) youth summer intern and (1) NMC Criminal Justice Fall internship;
- Issued 956 Alcoholic Beverage, Tobacco, and Betelnut Control licenses;
- Awarded \$412K FDA contract successive awards in FY2022.

# Budget & Expenditures

Detail Allocation of Budget and Actual Expenditures	PL 22-08		ARPA	
	BUDGET	ACTUAL	BUDGET	ACTUAL
FTE	53	49	65	49
Wages & Salaries	\$ 898,723	\$ 842,141	\$ 911,960	\$ 754,895
FICA Contributions	\$ 55,721	\$ 50,878	\$ -	\$ 46,368
Medicare Contributions	\$ 13,030	\$ 12,306	\$ -	\$ 10,945
Retirement 401K	\$ -	\$ 19,815	\$ -	\$ 19,367
Health Insurance	\$ -	\$ 95,309	\$ -	\$ 41,667
Personnel Insurance	\$ 16,176	\$ 8,074	\$ -	\$ 6,235
<b>TOTAL PERSONNEL COSTS</b>	<b>\$ 983,650</b>	<b>\$ 1,028,523</b>	<b>\$ 911,960</b>	<b>\$ 879,477</b>
Professional Services	\$ -	\$ 5,600	\$ -	\$ -
Repair & Maintenance	\$ -	\$ 29,143	\$ -	\$ -
Personnel Training	\$ 1,771	\$ -	\$ -	\$ -
Cleaning Services	\$ 960	\$ 750	\$ -	\$ -
Utilities	\$ 990	\$ 17,264	\$ -	\$ -
Dues & Subscriptions	\$ -	\$ 25	\$ -	\$ -
Communications	\$ 13,180	\$ 10,102	\$ -	\$ -
Printing & Photocopying	\$ 100	\$ 3,859	\$ -	\$ -
Travel	\$ -	\$ 12,331	\$ -	\$ -
Office Supplies	\$ -	\$ 14,624	\$ -	\$ -
Operational Supplies	\$ 1,000	\$ 11,469	\$ -	\$ -
Furniture & Fixtures	\$ -	\$ 6,849	\$ -	\$ -
Capital Assets	\$ -	\$ 6,314	\$ -	\$ -
Machinery, Tools & Equipment	\$ -	\$ 548	\$ -	\$ -
Vehicle	\$ -	\$ -	\$ -	\$ 40,490
Technology Equipment	\$ -	\$ 3,839	\$ -	\$ -
Other Expenses	\$ 22,998	\$ 19,938	\$ -	\$ -
Public Auditor's Fee	\$ 10,251	\$ 10,251	\$ 9,120	\$ 9,120
<b>TOTAL OPERATION COSTS</b>	<b>\$ 51,250</b>	<b>\$ 152,906</b>	<b>\$ 9,120</b>	<b>\$ 49,610</b>
<b>TOTAL</b>	<b>\$ 1,034,900</b>	<b>\$ 1,181,429</b>	<b>\$ 921,080</b>	<b>\$ 929,087</b>

Detail Allocation of Budget and Actual Expenditures by Division	PL 22-08				ARPA				
	FTE	BUDGET	ACTUAL	FTE	BUDGET	ACTUAL	FTE	BUDGET	ACTUAL
Secretary of Commerce	14	\$ 276,977	\$ 353,156	18	\$ 458,165	\$ 400,863			
Alcoholic Beverage Tobacco Division	16	\$ 212,936	\$ 339,005	22	\$ 203,906	\$ 160,072			
Central Statistics Division	9	\$ 184,040	\$ 143,298	7	\$ 83,291	\$ 83,746			
Economic Development Division	4	\$ 146,649	\$ 134,655	7	\$ 54,301	\$ 87,598			
Enforcement & Compliance	6	\$ 129,376	\$ 97,040	6	\$ 59,095	\$ 111,946			
Workers Comp. Commission	4	\$ 84,922	\$ 114,274	5	\$ 62,322	\$ 84,862			
<b>TOTAL</b>	<b>53</b>	<b>\$ 1,034,900</b>	<b>\$ 1,181,429</b>	<b>65</b>	<b>\$ 921,080</b>	<b>\$ 929,087</b>			

## Budget & Expenditures

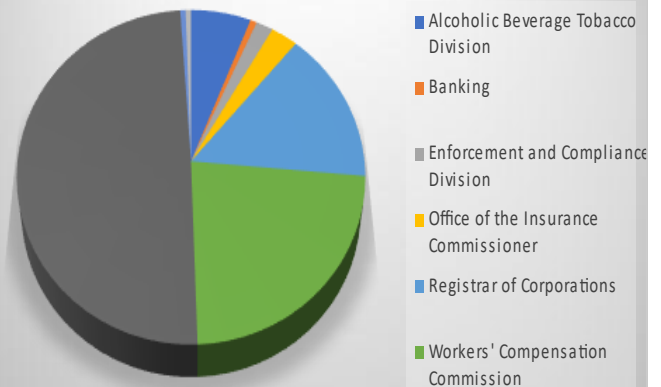


# Performance Indicators

SERVICES	FY 2020		FY 2021		FY 2022	
	ACTIVITIES	REVENUE	ACTIVITIES	REVENUE	ACTIVITIES	REVENUE
Alcoholic Beverage Tobacco Division	1,185	\$ 190,397	2,356	\$ 176,250	2,790	\$ 213,225
Banking	129	\$ 46,509	347	\$ 25,217	123	\$ 19,204
Enforcement and Compliance Division	335	\$ 21,507	440	\$ 25,905	555	\$ 40,904
Office of the Insurance Commissioner	531	\$ 26,900	576	\$ 29,318	806	\$ 35,350
Registrar of Corporations	2,950	\$ 223,512	2,838	\$ 443,153	4,431	\$ 671,420
Workers' Compensation Commission	4,476	\$ 58,255	5,240	\$ 59,815	5,455	\$ 47,154
Rota - Commerce	-	\$ -	355	\$ 16,735	259	\$ 13,915
Tinian - Commerce	-	\$ -	50	\$ 10,245	-	\$ 14,855
<b>TOTAL</b>	<b>9,606</b>	<b>\$ 567,080</b>	<b>12,202</b>	<b>\$ 786,638</b>	<b>14,419</b>	<b>\$ 1,056,027</b>

SERVICES	FY 2020	FY 2021	FY 2022
	ACTIVITIES	ACTIVITIES	ACTIVITIES
Central Statistics Division	106	111	123
Economic Development Division	-	20	71
<b>TOTAL</b>	<b>106</b>	<b>131</b>	<b>194</b>

## FY 2020-2022 Performance Indicators



# Challenges

- Additional staffing needed to pursue other funding opportunities and to meet mandates;
- Increase in number of staff requires more funding for operations and office space;
- The Registrar's Office tasked with entering 483 Corporations into EnerGov by September 27, 2022 for Business License renewal and upload 3,000 active corporate files, while receiving and processing new applications and filings in-person and via telephone;
- Unfunded Workers' Compensation coverage for Government Employees for work-place injury or death in the event of a catastrophic situation;
- Additional enactment to the Banking Code, Regulations for Credit Union, and other current regulations;
- Finding funding sources to produce consistent and timely statistical reports;
- Need for a Hearing Officer to conduct hearing for the disposal of ABTC cases;
- Auditing of the books and records at ABTC licensed business establishments;
- Cracking down direct source(s) of AAFES products being resold at licensed establishments; and
- Enforcement of Underage Drinking Laws – Minors Consuming Liquor (MCL)
  - Jurisdictional matters
  - Processing of arrestees for underage drinking
  - Lack of data analysis and communication on MCL cases between law enforcement agencies (DPS, DYS, DOC, ABTC)

## HIGHLIGHT OF 2022



**CNMI STEP CLIENTS AT THE AUGUST 2022 AFFORDABLE SHOPPING DESTINATION (ASD) TRADE-SHOW IN THE LAS VEGAS CONVENTION CENTER**