

STANDING COMMITTEE REPORT NO. 18-245

RE: C.B. NO. 18-233/W&M

SUBJECT: REQUIRE THE SECRETARY OF FINANCE AND  
ADMINISTRATION TO PROVIDE REVENUE PROJECTIONS  
UNDER OATH SUBJECT TO PENALTY.

NOVEMBER 24, 2014

The Honorable Dohsis Halbert  
Speaker, Eighteenth Congress  
Federated States of Micronesia  
Fifth Special Session, 2014

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred  
Congressional Bill 18-233, regarding the requirement of the  
Secretary of Finance and Administration to certify the  
submission of revenue projections under oath, entitled:

"A BILL FOR AN ACT TO FURTHER AMEND SECTION 226 OF  
TITLE 55, AS AMENDED BY PUBLIC LAW NO. 11-80, TO ADD  
SUBSECTION 2 (C), TO REQUIRE THE SECRETARY OF FINANCE  
TO CERTIFY THE SUBMISSION OF REVENUE PROJECTIONS,  
UNDER OATH, AS THE BEST ESTIMATES AVAILABLE OR, IN  
THE EVENT OF PERJURY, MISLEADING SUBMISSION, OR  
FAILURE TO REPORT REVENUES KNOWN TO BE AVAILABLE, BE  
SUBJECT TO A FINE NOT TO EXCEED \$1000, AND FOR OTHER  
PURPOSES.",

begs leave to report as follows:

The intent and purpose of this act is expressed in its  
title.

Your committee first contemplated this bill in the Fifth  
Regular Session 2014 after receiving dubious revenue  
projections for that session. Your committee held oversight

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on September 17, 2014, with the Secretary of Finance and Administration and questioned him about his projections and warning of a shortfall for FY14 in Departmental Communication No. 18-61.

Your committee further notes that in the Fifth Regular Session Congress introduced Congressional Resolution No. 18-188 requesting the President to request the Secretary of Finance and Administration to resign from his position. This resolution cited numerous reasons for the request to the President including misleading revenue projections.

On November 6, 2014, Congress received the revenue projections for the Fifth Special Session 2014, Departmental Communication No. 18-67. The D.C. No. 18-67 is once again ambiguous and misleading with revenue amounts missing from FY14 calculations.

Your committee would like to emphasize the necessity of having the best estimate available reflected in the revenue projections upon which to rely. Congress under Article 4 Section 3 of the Constitution of the Federated States of Micronesia is given the power of the purse. In order to properly appropriate money as mandated in the FSM Constitution, the best estimate of funds available must be provided in the revenue projections.

Your committee notes that C.B. 18-233 seeks to eliminate any outside motivation to provide Congress with misleading or inaccurate revenue projections. The requirement of submitting the projections under oath subject to a fine in the event of perjury, misleading submission, or failure to report known revenue, will prevent the Secretary of Finance and Administration from using future revenue projections for ulterior motives.

#### CONCLUSION

Your committee has carefully reviewed Congressional Bill No. 18-233. Your committee finds that the requirement of the Secretary of Finance and Administration to submit revenue projections, under oath, using the best estimates available,

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subject to a fine, to be an effective measure to ensure that Congress' actions are based on sound fiscal calculations.

Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 18-233, and recommends its passage on First Reading and that it be placed on the Calendar for Second and Final Reading in the form attached hereto as C.B. 18-233.

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Respectfully submitted,

/s/ Isaac V. Figir  
Isaac V. Figir, chairman

/s/ Peter M. Christian  
Peter M. Christian, member

/s/ Yosiwo P. George  
Yosiwo P. George, member

Tony H. Otto, member

/s/ Wesley W. Simina  
Wesley W. Simina, member

/s/ David W. Panuelo  
David W. Panuelo, member

/s/ Joseph J. Urusemal  
Joseph J. Urusemal, member  
DO NOT CONCUR!!!