

IN THE
SUPREME COURT OF THE REPUBLIC OF PALAU
APPELLATE DIVISION

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SUPREME COURT
REPUBLIC OF PALAU

ULAI TELTULL,
Appellant,
v.
**SOCIAL SECURITY ADMINISTRATION, HEFFLIN BAI,
SATORU ADACHI, TERRENCE RULUKED, and EVALISTA
KYOTA,**
Appellees.

Cite as: 2025 Palau 9
Civil Appeal No. 24-023
Appeal from Civil Action No. 23-022

Decided: July 3rd, 2025

Counsel for Appellant Johnson Toribiong
Counsel for Appellee Siegfried B. Nakamura

BEFORE: OLDIAIS NGIRAIKELAU, Chief Justice, presiding
FRED M. ISAACS, Associate Justice
KATHERINE A. MARAMAN, Associate Justice

Appeal from the Trial Division, the Honorable Honora E. Remengesau Rudimch, Associate Justice, presiding.

OPINION¹

PER CURIAM:

[¶ 1] Appellant Ulai Teltull appeals the Trial Division’s September 10, 2024 Judgment, which held that Ms. Teltull had breached her fiduciary duty to her employer, the Social Security Administration. Because Ms. Teltull did not

¹ Although Appellant and Appellee request oral argument, we resolve this matter on the briefs pursuant to ROP R. App. P. 34(a).

get an opportunity to be heard prior to her termination, the trial court awarded her with nominal damages for the violation of her right to due process.

[¶ 2] For the reasons set forth below, we **AFFIRM**.

BACKGROUND

[¶ 3] The Social Security Administration (hereinafter, “SSA”) hired Ulai Teltull as Administrator, pursuant to an Employment Contract starting January 20, 2022. The Employment Contract stated that Ms. Teltull would administer the SSA and the Healthcare Fund (hereinafter “HCF”). The Contract’s provision on termination states that “[a]nything herein contained to the contrary notwithstanding, the SSA may immediately terminate this Contract without notice upon violation by the Employee of any of the terms hereof or upon malfeasance or misfeasance in office by Employee, with pay only to the date of termination.”

[¶ 4] The SSA is governed by the Social Security Board, as provided for by 41 PNC § 708. The HCF was created by the National Healthcare Financing Act, which established a Medical Savings Fund, including individual Medical Savings Accounts and universal coverage under Palau Health Insurance, and the National Healthcare Financing Governing Committee, which administers the systems established by this Act. 41 PNC § 902; 907. The SSA Administrator is responsible for the general administration of the Social Security System. 41 PNC § 724. The same Administrator is responsible for the general day-to-day administration and operation of the Medical Savings Fund and Palau Health Insurance. 41 PNC § 909.

[¶ 5] On or about June 17, 2022, Ms. Teltull used a HCF debit card to purchase a round-trip ticket from Taiwan to Palau for her son to attend his biological father’s funeral, in the amount of \$1,600.90. At the same date, she made a payment labeled as “HCF Miscellaneous Income” back to the HCF.

[¶ 6] Use of the HCF Debit Card is regulated by a Debit Card Policy adopted by the SSA Board. The Debit Card Policy states that the SSA shall maintain a Bank of Hawaii Visa Check Card for Health Care Fund expenditures, and that the card is established to accommodate payments for

purchases of emergency airfare travel for Health Care Fund beneficiaries, as deemed necessary.

[¶ 7] Johana Ngiruchelbad was the chairperson of the SSA Board until on or about October 2022. On or about October 3, 2022, in her capacity as SSA Administrator, Ms. Teltull entered into a contract with Ms. Ngiruchelbad, who was doing business as “JN Services” for professional services. The contract required the services of an HCF In-House Utilization Reviewer. It further included tasks such as “Attend MRC [Medical Referral Committee] meetings on behalf of Administrator” and “Review Disability Claims from ROP SSA to confirm eligibility based on medical conditions at the time and prolonged medical care.” During the course of the JN Services Contract, Ms. Teltull authorized payments amounting to a total of \$11,796.25 to Ms. Ngiruchelbad.

[¶ 8] On or about October or November 2022, the SSA Board reorganized and Appellee Hefflin Bai became Chairman, replacing Ms. Ngiruchelbad. The SSA Board became aware of Ms. Teltull’s actions regarding the purchase of the ticket and the execution of the JN Services Contract. On November 28, 2022, the SSA delivered to Ms. Teltull a letter of termination, citing seven actions that qualified as “malfeasance of misfeasance” as cause for termination:

1. Signing contract without Boards Approval and or knowledge.
2. Not divulging all pertinent information to the Board.
3. Giving false information to the Leadership of Palau.
4. Insubordination to Board of Trustees.
5. Putting the Board and Administration reputations at risk.
6. Loss of confidence from the Board of Trustees.
7. Lack of confidence from the Congress.

[¶ 9] The SSA requested that Ms. Teltull leave the office immediately. Ms. Teltull’s attorney sent two letters in December 2022, requesting an explanation of the underlying facts supporting the allegations and that the SSA reconsider the decision. On February 1, 2023, the SSA Board’s legal counsel responded

with specific information as to the underlying facts supporting the termination, including the JN Services Contract and the June 2022 purchase of her son's ticket.

[¶ 10] Ms. Teltull filed a Complaint in the Trial Division on March 1, 2023. She argued that her right to due process was denied during her termination, that her termination was based on false accusations, that the SSA breached the contract and its fiduciary duty towards Ms. Teltull, that the SSA's actions had caused her emotional distress, and that the November 28, 2022 letter was libelous. The SSA filed a Counterclaim on April 11, 2023. The Counterclaim averred that Ms. Teltull breached her fiduciary duty towards the SSA and violated the Code of Ethics.

[¶ 11] The trial court held that Ms. Teltull's right to procedural due process had been violated by the SSA's failure to give her an opportunity to be heard and awarded her nominal damages for the violation. *See Judgment, Teltull v. Soc. Sec. Admin. et al.*, C.A. No. 23-022, at 1 (Tr. Div. Sept 10, 2024). The trial court further found that Ms. Teltull breached her fiduciary duty to the SSA when she entered the JN Services Contract and used the HCF Debit Card for her personal use, but no damages were awarded. Ms. Teltull timely filed this appeal.

STANDARD OF REVIEW

[¶ 12] "A trial judge decides issues that come in three forms, and a decision on each type of issue requires a separate standard of review on appeal: there are conclusions of law, findings of fact, and matters of discretion. Matters of law we decide de novo. We review findings of fact for clear error. Exercises of discretion are reviewed for abuse of that discretion." *Kiuluul v. Elilai Clan*, 2017 Palau 14 ¶ 4 (internal citations omitted).

DISCUSSION

[¶ 13] Ms. Teltull contends that she did not violate her fiduciary duty to the SSA by signing the JN Services Contract, because it was subject to the exclusive authority of HFC. She presents a similar argument for her use of the HCF debit card, maintaining that it did not violate any law or regulation and was approved by the HCF Committee. Finally, she states that the trial court

should have awarded compensatory and punitive damages for the violation of due process.

[¶ 14] A fiduciary duty “extends to all relations in which confidence is reposed, and in which dominion and influence resulting from such confidence may be exercised by one party over another.” *Estate of Remed v. Ucheliou Clan*, 17 ROP 255, 261 (2010) (quoting 37 Am. Jur. 2d *Fraud and Deceit* § 32). “Once a fiduciary or confidential relationship is established, it is the duty of the person in whom the confidence is reposed to exercise the utmost good faith in the transaction with due regard to the interests of the one reposing confidence, to make full and truthful disclosures of all material facts, and to refrain from abusing such confidence by obtaining any advantage to himself or herself at the expense of the confiding party.” *Id.*

[¶ 15] Accordingly, to sustain a claim for breach of fiduciary duty on the facts of this case, the SSA had to prove the following elements: (1) that Ms. Teltull stood in a fiduciary relationship to the SSA; (2) that the JN Services Contract and the use of the HCF Debit Card were within the scope of that fiduciary relationship; (3) that Ms. Teltull failed to make a full disclosure of the JN Services Contract and the use of the HCF Debit Card; and (4) that Ms. Teltull’s failure to disclose caused harm to the SSA. *See Isimang v. Arbedul*, 11 ROP 66 (2004) (setting out the framework for breach of fiduciary duty)

[¶ 16] We agree with the trial court’s analysis. Ms. Teltull clearly held a position of confidence that gave her the power to contract on behalf of the SSA and the HCF. Under the SSA and the Healthcare Fund By-Laws, the Administrator “ensure[s] that all rules, procedures, policies, and by-laws are enforced” and has the authority “[t]o contract for professional (including legal, auditing, and accounting), technical, and advisory services . . .”. *See* SSA Regulations Section 305 (5) and (8); Healthcare Fund Regulations Section 221(4) and (7).

[¶ 17] Furthermore, both the Contract and the Debit Card use fell within the scope of the fiduciary relationship between Ms. Teltull and the SSA. We do not dispute that Ms. Teltull had the authority to enter into the JN Services Contract on behalf of the HCF. However, the JN Services Contract clearly included tasks within the purview of the SSA’s authority, such as reviewing SSA disability claims. Since the SSA Board was not informed nor did it

approve the JN Services Contract, the Board was unaware that Ms. Ngiruchelbad was handling SSA-related tasks.² In addition, the HCF Debit Card is governed by an SSA policy, which states that the SSA “shall maintain two separate Bank of Hawaii Visa Check Cards”, one for the Social Security Fund and one for Health Care Fund expenditures. *See* SSA Debit Card Policy, Section 2.1. Under this policy, the HCF Debit Card is established “to accommodate payments for purchases of emergency airfare travel for Health Care Fund beneficiaries. *Id.* at section 2.3. The policy clearly states that the Debit Card “shall be used as a payment method to facilitate purchasing, not to circumvent purchasing procedures.” *Id.* at section 5.1. Therefore, both actions were within the scope of the fiduciary relationship. There is no dispute that they were not disclosed to the SSA Board.

[¶ 18] As to the last element, the use of the HCF debit card and the JN Services Contract did not result in financial harm to the SSA. Although Ms. Teltull’s actions may have resulted in a loss of trust sufficient to justify the termination, it could not justify the award of damages. Therefore, the trial court did not err in determining that Ms. Teltull breached her fiduciary duty without awarding any damages.

[¶ 19] Ms. Teltull next avers that she is owed more than nominal damages for the violation of due process that occurred during her termination; namely, that she is owed her remaining compensation through the end of her contract on January 20, 2024, for a total of \$69,263.00. Furthermore, she claims damages for her unlawful termination assuming an extension of her contract through 2026 as well as punitive damages against each member of the SSA Board.³

[¶ 20] “Damages for a due process violation should be calculated only to compensate a plaintiff for the affront of suffering a deprivation of process. Only if proper process would have resulted in April’s reinstatement should she

² We decline to weigh in as to whether the SSA Board has authority over a contract signed on behalf of the HCF and including tasks solely to the HCF’s benefit.

³ Ms. Teltull also claims damages for infliction of emotional distress and libel. We decline to consider these issues; the trial court dismissed these claims and Ms. Teltull’s brief failed to argue them on appeal. *See Suzuki v. Gilbert*, 20 ROP 19, 23 (2012) (“Unsupported legal arguments need not be considered by the Court on appeal.”).


be allowed to recover anything resembling back pay or compensation for her termination. If notice and an opportunity to be heard would have left her in the same position employment-wise, nominal damages are likely appropriate.” *April v. Palau Pub. Utils. Corp.*, 17 ROP 18, 22 (2009).

[¶ 21] We agree with the trial court’s analysis that there were sufficient grounds for Ms. Teltull’s termination, and that there is insufficient evidence to prove that the SSA acted improperly outside of their denial of Ms. Teltull’s right to a hearing prior to her termination. Thus, the trial court did not err in awarding nominal damages for the violation of due process and declining to award further damages.


CONCLUSION

[¶ 22] We **AFFIRM** the Trial Division’s judgment.


SO ORDERED, this 3rd day of July 2025.



OUDIAIS NGIRAIKELAU
Chief Justice, presiding



FRED M. ISAACS
Associate Justice



KATHERINE A. MARAMAN
Associate Justice