



# The HIGH ROAD

*"Preserving public confidence in public servants."*

No. 99-2

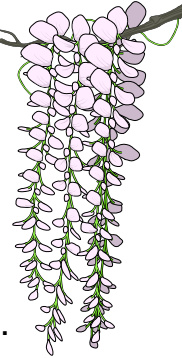
Hawaii State Ethics Commission

April 1999

## Aloha Commissioner Sakata

Carl Sakata has resigned from the Hawaii State Ethics Commission. Mr. Sakata was appointed to the Commission by Governor Waihee in 1994 and was reappointed by Governor Cayetano in 1998. Mr. Sakata served as the Commission's chairperson and, most recently, as the Commission's vice chairperson. His term on the Commission followed a long career of government service with the Department of Education and the University of Hawaii.

Mr. Sakata volunteered many hours to the Commission's work as a strong advocate for ethics in government. We send him our best wishes and aloha.



undertaking in which the employee has a personal financial interest. In this situation, public confidence in government is undermined because of the appearance that the state employee may be furthering his or her own financial interests as opposed to the State's interests.

To avoid this problem and to preserve public confidence in government, state employees are required to observe the conflict-of-interest laws that are set forth in the State Ethics Code. The ethics code prohibits an employee from participating in official action when the employee has a conflict of interest. The ethics code also prohibits an employee from acquiring new financial interests that will create a conflict with the employee's official duties. This prevents additional conflicts of interests from arising.

The following laws from the State Ethics Code apply to state employees and to the members of state boards and commissions. (These provisions do not apply to legislators.)

## How Do You Spell C-O-N-F-L-I-C-T?

State employees are often advised to avoid conflicts of interests. But exactly what is a "conflict of interest"? How can it be avoided? And what should you do if you have a conflict of interest?

When an employee's personal financial interests conflict with the employee's official duties, the result is called a "conflict of interest." Under the State Ethics Code, a "conflict of interest" occurs when a state employee is in the position of having to take official action affecting a business or

1. You may not take official action directly affecting a business or undertaking in which you, your spouse, or your dependent children have a substantial financial interest. A "financial interest" includes an ownership interest in a business; a creditor interest in an insolvent business; an employment or prospective employment for which negotiations have begun; an ownership interest in real or personal property; a loan; and a directorship or officership in a business or organization. HRS

§84-14(a)(1). (Note: This provision has a limited application to state board members who are mandated by statute to represent specific interests or industries on their boards.)

2. You may not take official action directly affecting a private undertaking in which you are engaged as legal counsel, as an advisor, or as a consultant. HRS §84-14(a)(2).
3. You may not acquire a new financial interest in a business or undertaking if you have reason to believe that the business or undertaking may be directly involved in official action that you take in your state position. HRS §84-14(b).

The State Ethics Code also has conflict-of-interest laws that prohibit state employees from being hired to assist or represent others on certain matters. These laws will be discussed in the next issue of The High Road.

Do you think that you might have a conflict of interest? Contact the Hawaii State Ethics Commission. We will give you confidential advice about the conflict-of-interest laws and about what you need to do in order to comply with those laws.

## Filing Deadline Approaches for Financial Disclosure Statements

June 1, 1999, is the filing deadline for annual financial disclosure statements. Disclosure forms were mailed at the beginning of the year to state legislators, department heads, and other state officials and employees who are required each year to file



financial disclosure statements. Persons who do not file their completed forms on time will be fined \$50 and may receive additional daily fines for continued failure to file.

Please remember to file your disclosure statement on time!

## Lobbyists Also Take Note . . .

June 1, 1999, also is the filing deadline for lobbying expenditures statements covering the period from March 1, 1999 through April 30, 1999. Expenditures statements must be filed by lobbyists, persons who spend \$750 or more in a six-month period lobbying, and organizations that employ lobbyists.



## Ethics Web Site Update

Public financial disclosure statements filed by elected and appointed state government officials now can be found on the Commission's ethics web site.

Lobbyist registration statements also now can be found on our web site.

Our web site address is:  
[www.state.hi.us/ethics](http://www.state.hi.us/ethics)

The High Road is a publication of the Hawaii State Ethics Commission.

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