

## HAWAII STATE ETHICS COMMISSION

### Instructions for Disclosure of Financial Interests: Short Form (Form D-103A)

**QUESTIONS?** If you have any questions regarding the following instructions, contact the Hawaii State Ethics Commission for assistance at **(808) 587-0460**.

**WHO MUST FILE?** Hawaii Revised Statutes (“HRS”) §84-17(c) lists the officers and employees, including board and commission members, who are required to file financial disclosures. HRS §84-17(d) identifies the disclosures that are available for public review.

### **WHAT TYPES OF FINANCIAL DISCLOSURE STATEMENTS ARE THERE? WHEN ARE THEY FILED?**

- **Initial Statement:** File within thirty (30) days of being elected or appointed to a state position required to file a financial disclosure.
- **Annual Statement:** Legislators must file between January 1 and January 31 of each year. Other persons identified in HRS §84-17(c) must file between January 1 and May 31 of each year.
- **Exit Statement:** File within thirty (30) days of separation from a state position if a prior financial disclosure has not been filed within one hundred and eighty (180) days preceding the date of separation.

**WHICH FINANCIAL DISCLOSURE FORM TO USE?** In even-numbered years, all filers must complete and file a long form of disclosure. In odd-numbered years, persons who filed a long form for the preceding disclosure period may use a short form of disclosure to update their filings and report any changes. A short form may be used only where a person’s financial interests are substantially the same as those reported for the preceding period. “Substantially the same” means that there are no more than 10 amendments or changes to the information reported for the preceding disclosure period. Persons with more than 10 changes to report must file a new long disclosure form.

**WHAT TIME PERIOD DOES THE SHORT FORM COVER? WHAT DOES THE TERM “DISCLOSURE PERIOD” MEAN?** This **short form** covers the period from the date of your last filing of a financial disclosure form to the date of your current filing. This is the “disclosure period,” the period of time for which you must disclose all pertinent information and report any changes that have occurred since your last filing.

**WHERE CAN FINANCIAL DISCLOSURE FORMS BE OBTAINED?** The online financial disclosure form is available on the Hawaii State Ethics Commission’s website at [http://ethics.hawaii.gov/findisc\\_d-103intro](http://ethics.hawaii.gov/findisc_d-103intro). You may submit your completed financial disclosure form electronically, and you will receive a confirmation email that includes the information you entered onto the form. You may also download the form if you prefer to file your financial disclosure statement in paper format. You must deliver or mail the

form to the Commission's office at 1001 Bishop Street, Suite 970, Honolulu, Hawaii 96813. If you do not have access to the Commission's website, you can request the form by contacting the Commission's office at (808) 587-0460 or via email at [ethics@hawaiiethics.org](mailto:ethics@hawaiiethics.org).

**WHAT INTERESTS MUST BE DISCLOSED?** HRS §84-17(f) lists those interests that must be disclosed. These include the source and amount of income of \$1,000 or more received during the preceding calendar year for services rendered; ownership or beneficial interests in a business having a value of \$5,000 or more or equal to ten percent of the ownership of the business; fiduciary relationships held in a business; the name of creditors to whom the value of \$3,000 or more was owed; real property, other than the personal residence(s) of the filer or the filer's spouse or dependent children, in which an interest is held, acquired, or transferred whose value is \$10,000 or more; creditor interests, having a value of \$5,000 or more, in an insolvent business; and clients represented before state agencies. ***Note: The disclosure of financial interests shall disclose, in addition to the financial interests of the filer, the financial interests of the filer's spouse and dependent children.***

**IMPORTANT: PENALTIES FOR FAILURE TO FILE OR FILING LATE** HRS §84-17(l) states that failure of a legislator or employee to file a disclosure of financial interests constitutes a violation of chapter 84, HRS. In addition, penalties may include (but are not limited to) reprimand, probation, demotion, suspension or discharge. The Commission may assess monetary penalties against persons who fail to file a financial disclosure statement when due. Failure to file a disclosure by the applicable deadline will result in an initial penalty of \$75. The Commission will notify a person of the failure to file by in-person service, electronic mail to the person's state electronic mail address, or first class mail. Failure to file a disclosure by 4:30 p.m. on the tenth day after the notification has been mailed will result in an additional penalty of \$10 for each day a disclosure remains unfiled. The Commission may waive any penalties assessed for good cause shown. The filing of an incomplete or false disclosure also constitutes a violation of chapter 84. Persons who have filed disclosures but have not reported all financial interests as required by law should immediately contact the Hawaii State Ethics Commission for further instructions. Other penalties for failure to file a disclosure may include (but are not limited to) reprimand, probation, suspension, or discharge. The Commission also may post on its website for public inspection a list of all persons who have failed to file financial disclosure statements.

## **GENERAL INSTRUCTIONS**

Visit [http://ethics.hawaii.gov/findisc\\_d-103intro](http://ethics.hawaii.gov/findisc_d-103intro) to complete the online financial disclosure form. If you prefer to file your financial disclosure statement in paper format, the form can be downloaded and printed.

**Step 1:** On the first screen or page of the short form, fill out the requested information. This information is for the internal use of the Hawaii State Ethics Commission.

**Step 2:** On the second screen or page of the short form, complete the heading by providing your name, your state position, the name of your department, agency, board, or commission, and your term of office, if any.

**Step 3:** You are required to report changes in your interests and the interests of a spouse and any dependent children since the last filing of your financial disclosure form.

**If you have no changes to report since your last filing**, select the radio button/checkbox next to number 1 (“I have no changes to report since my last filing”).

**If you have changes to report since your last filing**, select the radio button/checkbox next to number 2 (“I have the following changes to report since my last filing”) and report any additions, deletions, or other changes that have occurred by answering the 4 questions about each change..

1. Indicate who holds the financial interest, by choosing one of the following: “Filer,” if the interest is held by you; “Spouse,” if the interest is held by your spouse; “Dependent Child,” if the interest is held by your dependent child; or “Jointly,” if the interest is jointly held by you and your spouse.
2. Indicate whether the change is an addition of a financial interest, a deletion of an interest, or any other type of change of an interest, by selecting either “Addition,” “Deletion,” or “Change.”
3. Select/indicate the appropriate item number for the interest you are describing (E.g., Item 1 - Income for Services Rendering during preceding year, etc.)
4. Describe the interest, by following the **ITEM BY ITEM INSTRUCTIONS**, beginning on page 5 of these instructions.

## **Step 4:**

### ***Filing your form Online***

- Please read the "Certification" statement and check the "I signify and affirm" box, type your name on the "Certification" screen, then click "Submit". You will receive a confirmation E-mail that includes the content you entered onto the Online Financial Disclosure Short Form (D-103A).

### ***Filing your Paper form***

- Please sign your name on the "Filer's Signature" line, date the form, and check the "Certification" statement at the bottom of the last page (blue ink is recommended). The filing of a paper form is not valid without an original signature.
- File your completed form with the Hawaii State Ethics Commission. See "How to File your Disclosure of Financial Interests" on the Commission's website for special instructions on how to submit your paper form to the Commission.

## **DEFINITIONS**

The following definitions, set forth in HRS §84-3, must be adhered to as you complete the form:

"Business" includes a corporation, partnership, a sole proprietorship, a trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

"Compensation" means any money, thing of value, or economic benefit conferred on or received by any person in return for services rendered or to be rendered by oneself or another.

"Employment" means any rendering of services for compensation.

"Financial interest" means an interest held by an individual, the individual's spouse, or dependent children which is:

1. An ownership interest in a business.
2. A creditor interest in an insolvent business.
3. An employment, or prospective employment for which negotiations have begun.
4. An ownership interest in real or personal property.
5. A loan or other debtor interest
6. A directorship or officership in a business.

"State agency" includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices, the

University of Hawaii, and all independent commissions and other establishments of the state government but excluding the courts.

### **ITEM BY ITEM INSTRUCTIONS**

Consult the long disclosure form that you previously filed for assistance in reporting any changes to these items.

These instructions explain the information required by each of the specific items noted in the form. Where an item calls for the stating of a dollar amount, you may indicate the value of the interest by using the appropriate letter from the following code:

#### **Financial Amount Code**

A	Less than \$1,000
B	At least \$1,000 but less than \$10,000
C	At least \$10,000 but less than \$25,000
D	At least \$25,000 but less than \$50,000
E	At least \$50,000 but less than \$100,000
F	At least \$100,000 but less than \$150,000
G	At least \$150,000 but less than \$250,000
H	At least \$250,000 but less than \$500,000
I	At least \$500,000 but less than \$750,000
J	At least \$750,000 but less than \$1,000,000
K	At least \$1,000,000 or more

For example, for Item 1 of the disclosure form, if your income from an employment source is \$45,000 per year, you may indicate your compensation by using the letter "D" from the financial amount code in place of stating the exact dollar amount of your income.

**Item 1. Income For Services Rendered For Preceding Calendar Year:** You must report the source and amount of all income of \$1,000 or more, for services rendered, received during the preceding calendar year. The term "source" includes any state or other government agency. You must report the name of the source of the income, the amount of income received, and the nature of the services provided. For example, if you are employed by a business, then report the name of the business, the amount of income received during the preceding calendar year, and the nature of the services you provided to the business. When disclosing the source, provide the complete name (not acronyms), and the address of the business or source from which the income was derived. The interests of your spouse and any dependent children must also be reported.

**Item 2. Ownership or Beneficial Interests in Businesses:** You must report the amount and identity of every ownership or beneficial interest held by you, your spouse, or any dependent children in any business in or outside of the State where that interest has a value of \$5,000 or more or is equal to 10% or more of the ownership of the

business. Report the complete name (not acronyms) and address of the business, the kind of activity the business is engaged in, and the nature of your, your spouse's, or any dependent children's interest in the business. If you, your spouse, or any of your dependent children is a shareholder, you must report the number of shares owned or the approximate value of the stock.

Note: You need not report interests in the form of an account in a federal or state-regulated financial institution, mutual insurance policies, or individual items in a mutual fund or blind trust if the mutual fund or blind trust has been otherwise disclosed under this item. Also, you need not report retirement accounts such as 401(K)s and IRAs, or deferred compensation retirement accounts.

**Item 3. Transfer of Ownership or Beneficial Interest in Businesses:** If an ownership or beneficial interest reported in Item 2 was transferred during the disclosure period, indicate the date of the transfer.

**Item 4. Creditors:** You must report the name of each creditor to whom \$3,000 or more was owed during the disclosure period by you, your spouse, or any dependent children. You are required to report the original amount owed and the present amount owed. Accounts of a business entity payable in the ordinary course of business need not be reported. Debts arising out of retail installment transactions for the purchase of consumer goods also need not be reported.

**Item 5. Officerships, Directorships, Trusteeships:** You are required to disclose every officership, directorship, trusteeship, or other fiduciary relationship held during the disclosure period by you, your spouse, or any dependent children in a business, including corporations, associations, unions, partnerships, trusts or foundations, and nonprofit businesses and associations. You must also indicate the annual compensation received, if any, and the term of office.

**Item 6. Interests in Real Property Held:** You are required to disclose the street address and the tax map key number (if a tax map key number exists) of any real property in or outside of the State, if the interest has a value of \$10,000 or more and was held by you, your spouse, or any dependent children during the disclosure period. The value of the real property interest may be computed in any reasonable manner. You may, for example, compute the value from the property's assessed valuation. **You are not required to disclose real property held that is your personal residence or the personal residence of your spouse or dependent children.**

**Item 7. Interests in Real Property Acquired:** You are required to disclose any interest in real property in or outside of the State, if the interest has a value of \$10,000 or more and was acquired by you, your spouse, or any dependent children during the disclosure period. You must report the amount that was paid for the property and the nature of the consideration paid, i.e., whether the payment was in cash, exchange, agreement of sale, etc. You must also provide the name of the person from whom the property was acquired (the person receiving the consideration). In addition, you must report the street address and the tax map key number (if tax map key number exists) of

the real property in which the interest was acquired. **You are not required to disclose real property acquired that is your personal residence or the personal residence of your spouse or dependent children.**

**Item 8. Interests in Real Property Transferred:** For this item, the method of reporting is the same as that indicated for Item 7. Here, however, you must report any interest in real property in or outside of the State, if the interest has a value of \$10,000 or more and was transferred by you, your spouse, or any dependent children during the disclosure period. You must report the amount received; the nature of the consideration (cash, exchange, agreement of sale, etc.); and the street address and the tax map key number (if tax map key number exists) of the real property. You must also provide the name of the person to whom the real property was transferred (the person furnishing the consideration). **You are not required to disclose real property transferred that was your personal residence or the personal residence of your spouse or dependent children.**

**Item 9. Clients Personally Represented Before State Agencies:** You are required to report the name of any client you personally represented before state agencies for a fee or compensation during the disclosure period. You must also report the names of the particular state agencies involved. For example, if you represented a client before a particular state board, then report the name of that board. If the representation involved ministerial matters or involved representation of a person in your state capacity where you received no additional compensation (aside from your state salary), the representation need not be disclosed. You need not report clients personally represented before the courts.

**Item 10. Creditor Interests in Insolvent Businesses:** You are required to report the amount and identity of every creditor interest in an insolvent business held by you, your spouse, or any dependent children during the disclosure period. Only interests having a value of \$5,000 or more need to be disclosed. An insolvent business is one that has filed for protection under the federal bankruptcy code or has legally dissolved. Disclose the name and address of the business, the nature of the business, the nature of the interest held, and the value of the interest held.

**IMPORTANT: If you are filing a paper form, you must sign and date your disclosure form. Blue ink is recommended.**