



# The High Road

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

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*“The people of Hawaii believe that public officers and employees must exhibit the highest standards of ethical conduct and that these standards come from the personal integrity of each individual in government.”*

*- Hawaii State Constitution, Art. XIV*

## Hawaii Intermediate Court of Appeals Upholds \$10,000 Fine Against Charter School Employee

The Intermediate Court of Appeals (“ICA”) has upheld a decision by the State Ethics Commission imposing a \$10,000 fine against a charter school employee for committing twenty violations of the State Ethics Code.

The Commission had issued an ethics charge against William Eric Boyd, an employee of Connections New Century Public Charter School, for violating the conflicts of interest

law by: (1) requesting and approving school purchases of materials, including digital camcorders and other equipment, from an Amway business that Boyd co-owned with his wife; and (2) assisting and representing Boyd Enterprises, another business co-owned by Boyd and his wife, in obtaining payment from the school for lunches provided by Boyd Enterprises.

Following a contested hearing in November of 2012, the Commission concluded that Boyd committed twenty

violations of the conflicts of interest law, as charged, and fined Boyd \$500 for each violation, resulting in a total fine of \$10,000.

Boyd appealed the Commission’s decision to the Circuit Court, which reversed part of the decision and reduced Boyd’s fine. Both Boyd and the Commission then appealed the case to the ICA.

***“Charter school employees are not exempt from the Code of Ethics requirements.”***

Boyd argued that: (1) he was not a state employee and therefore was not subject to the State Ethics Code; (2) the Commission violated its procedural rules in violation of Boyd’s constitutional rights; (3) the Commission was not a fair and impartial tribunal; (4) the Commission failed to prove that Boyd violated the State Ethics Code; and (5) the Commission’s actions were arbitrary, capricious, and an abuse of discretion.

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**Commissioners:**  
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Ruth Tschumy  
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**Next Public Meeting:**  
Oct. 29, 2015  
10:00 am

## **NEW BOARD AND COMMISSION ORIENTATION**

On September 17, the Commission provided general ethics training for new members of state boards and commission as part of the orientation offered by the Gov.'s Boards and Commissions office.

For more information about future ethics trainings for new board and commission members, contact the Ofc. of the Gov. at 586-0034.

## **FINANCIAL TRANSACTIONS BETWEEN SUPERIORS AND SUBORDINATES**

Because of the authority exercised by state supervisors over subordinate employees and the imbalance of bargaining power that may result from that authority, the Legislature decided that it is a "misuse"

of position for a supervisor to engage in a financial transaction with a subordinate employee. That policy is reflected in the State Ethics Code

provision prohibiting a supervisor from "soliciting, selling, or otherwise engaging in a substantial financial transaction with a subordinate."

The following are examples of financial transactions prohibited by



the State Ethics Code:

- \* A supervisor obtains a personal loan from a subordinate employee;
- \* A supervisor hires a subordinate employee to do carpentry work on the supervisor's house;
- \* A supervisor buys a subordinate employee's share of a business that they co-own;
- \* A supervisor rents a condo unit from a subordinate employee;
- \* A supervisor sells his car to a subordinate employee.

Employees should contact the Commission's office for guidance on financial transaction between supervisors and subordinates.

## **COMMISSION DECISION AFFIRMED (from pg 1)**

The ICA rejected all of Boyd's arguments and upheld the Commission's decision in its entirety, including the \$10,000 fine.

One of Boyd's arguments was that he did not know about the State Ethics Code's standards of conduct and that the Commission was required to prove that he intentionally or knowingly violated the law. The ICA dismissed this argument, noting that "a law takes ef-

fect upon its passage, and mere ignorance of the law is no defense to its enforcement." The ICA concluded, "Thus, Boyd's argument that he did not know that, as a State employee, he was required to abide by the Code of Ethics is no defense to the Commission's charges." To read the Court's full opinion, go to the Commission's website at <http://goo.gl/gG97a8>