



*“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*

# The High Road

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

Issue 2015-6

November/December 2015

## Ethics Charges against HHSC Board Members Resolved

The State Ethics Commission recently resolved ethics charges against two members of a Hawaii Health Systems Corporation (“HHSC”) regional board. HHSC is divided into five regional systems and each regional system is governed by a board of directors (“regional board”).

Regional board members, including those who are uncompensated volunteers, are considered to be “employees” for purposes of the State Ethics Code and are subject to the provisions contained therein.

The Commission issued charges against the two regional board members for violations of the conflicts of interest law, which prohibits a state board member from being paid to assist or represent a person or business on matters before the member’s board or agency.

One of the charges involved a regional board member who was also a paid employee and officer of a non-profit organization. The charge alleged that the board member violated the conflicts of interest law by:

(1) representing the organization (his

private employer) in discussions and meetings with HHSC regional system personnel about a proposed agreement; and (2) executing, on behalf of the organization, other agreements between the organization and the HHSC regional system.

***“board members, including those who are uncompensated volunteers, are considered to be ‘employees’ for purposes of the State Ethics Code”***

The other charge involved another regional board member who was employed by a consulting firm and who provided consulting services to HHSC for a project. The charge alleged that the board member violated the conflicts of interest law by representing the consulting firm and a private client in transactions before HHSC.

The charges were resolved by agreement between the Commission and each regional board member, with each paying \$1,000 to the State. Summaries of both cases are posted on the Commission’s website at <http://files.hawaii.gov/ethics/advice/ROC2015-2.pdf> (*Resolution of Charge 2015-2*) and <http://files.hawaii.gov/ethics/advice/ROC2015-3.pdf> (*Resolution of Charge 2015-3*).

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**Holiday Gifts**

During the holiday season, state agencies may receive gifts from people and businesses which have official business with the agency. Gifts that are relatively modest in value, such as a box of cookies or a dozen manapua, generally can be accepted; however, the State Ethics Code likely prohibits an agency from accepting more expensive gifts, even if the gift is intended to be shared with other employees. For more information about gifts, see the Gifts Guidelines at <http://ethics.hawaii.gov/wp-content/uploads/2013/09/GiftsGuidelines.pdf>.

## State Ethics Commission Denies HSTA Petition Relating to Guidance on Free Teacher-Chaperone Travel

Earlier this year, the State Ethics Commission issued guidance to Department of Education (“DOE”) teachers about accepting free travel and other personal benefits from tour companies to serve as chaperones on student educational trips. The Commission advised teachers that the ethics code prohibits them from accepting the free travel and personal benefits where the teachers are involved in planning the trip itinerary and selecting the tour company, deciding who will chaperone the students, promoting the trip to students and their parents, and requesting DOE approval of the trip.

On August 26, 2015, the Hawaii State Teachers Association (“HSTA”) filed a Petition with the Commission seeking a declaratory ruling that its guidance was “null and void” for failure to comply with the Hawaii Administrative Proce-

dures Act. Alternatively, the Petition requested a contested case hearing as to whether teachers’ acceptance of free travel violated the State Ethics Code.

After considering HSTA’s arguments and based on the applicable law, the Commission determined that neither a declaratory ruling nor a contested case hearing was the appropriate procedure for HSTA to use to overturn the Commission’s guidance regarding free teacher-chaperone travel. Additionally, the Commission disagreed with HSTA’s position that the Commission was required to engage in formal rule making before it could issue advisory opinions and other guidance concerning the application of the State Ethics Code. The Commission denied HSTA’s Petition. [http://ethics.hawaii.gov/wp-content/uploads/2015/12/2015-12-02\\_HSTA-OrderDenying.pdf](http://ethics.hawaii.gov/wp-content/uploads/2015/12/2015-12-02_HSTA-OrderDenying.pdf).

## Reminder to Registered Lobbyists for 2016 Legislative Session

Individuals who are “lobbyists,” as defined by the State Lobbyists’ Law, specifically, HRS section 97-1(6), must file a registration form with the State Ethics Commission within five days of becoming a lobbyist. The registration form is available through the Commission’s website at [http://ethics.hawaii.gov/wp-content/uploads/2014/03/LREG\\_FRM.pdf](http://ethics.hawaii.gov/wp-content/uploads/2014/03/LREG_FRM.pdf).

Individuals who registered as a lobbyist in 2015 and will continue

to lobby for the same organization(s) in 2016 are not required to renew their lobbyist registration. Registrations are valid for both years of the legislative biennium (2015-2016).

If a lobbyist has terminated her/his lobbying activities or has other changes to her/his registration information, s/he must report this information to the Commission.

If you have questions about the registration and reporting requirements, contact the Commission’s office for assistance.