



# HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

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## SENATE COMMITTEE ON WAYS AND MEANS

The Honorable Jill N. Tokuda, Chair

The Honorable Donovan M. Dela Cruz, Vice Chair

### **H.B. No. 2720, MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION**

Hearing: Wednesday, February 10, 2016, 9:20 a.m.

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The Hawaii State Ethics Commission supports H.B. No. 2720, Section 11, appropriates the amount of \$1,009,695 to the Commission for its operating and other expenses for FY 2016-2017. The Commission further supports Section 12 of the bill, as it relates to the Commission, which appropriates an additional amount of \$16,958 to pay part of the vacation accrued by two employees who retired on December 30, 2015. The total amount of the two employees' accrued vacation that the Commission paid was \$44,057.

The Commission anticipates increased expenses in FY 2016-2017 arising from certain unbudgeted costs. More specifically, the Commission currently is investigating a number of complaints involving Neighbor Island-based employees, some of which may proceed to contested case proceedings on a Neighbor Island. The additional travel and other costs attributed to each investigation and hearing likely will be approximately \$6,000 to \$10,000. In addition, the Commission anticipates annual computer maintenance and support contracts for, among other things, its SharePoint document management system to be approximately \$10,000.

The Commission, however, is well-aware that the Committee must consider requests from other state agencies for additional funding to support many worthy programs. The Commission, therefore, is committed to adjusting its budget, as necessary, to perform its statutory duties. The Commission also continues to explore different technologies and procedures to become more efficient, with the expectation that certain changes will reduce the Commission's operating costs.

The Commission appreciates the legislature's continuing support of the Commission's work to ensure that public officers and employees exhibit the highest standards of ethical conduct as mandated by Article XIV of the Hawaii State Constitution.

I. Duties of the Hawaii State Ethics Commission

The Commission is responsible for the administration and enforcement of the State Ethics Code and the State Lobbyists Law, chapters 84 and 97, Hawaii Revised Statutes (“HRS”), respectively. The State Ethics Code includes laws relating to the acceptance and reporting of gifts, confidential information, “fair treatment” or the prohibited misuse of official position, conflicts of interests, state contracts, and post-employment restrictions. The State Ethics Code also includes a provision requiring the reporting of financial interests by state legislators, state employees, and candidates for state elective office. The State Lobbyists Law, which applies to lobbying activities at the state level, requires lobbyists to register with the Commission and requires lobbyists and organizations that lobby to report lobbying expenditures and contributions on forms filed with the Commission.

The Commission has five members, who are nominated by the State Judicial Council and appointed by the Governor for four-year terms. The current members of the Commission are Susan DeGuzman (Chairperson), David O’Neal (Vice Chairperson), Ruth Tschumy, Melinda Wood, and Reynaldo Gaulty.

The Commission currently employs a staff of ten: an executive director and an associate director; four staff attorneys; a computer specialist; and three secretarial staff. Despite the small size of the agency and other limited resources, the Commission’s responsibilities are extensive.

For purposes of the State Ethics Code, the Commission has jurisdiction over approximately 65,000 state officials and employees, including state legislators and other elected state officials, employees of the legislative, executive, and judicial branches of government (with the exception of judges and justices), and members of all state boards and commissions. The State Ethics Code’s financial disclosure law also applies to all candidates for state elective office. The Commission also administers the State Lobbyists Law, chapter 97, and in that capacity, has jurisdiction over approximately 300 lobbyists and 300 organizations that lobby the state legislature or executive branch.

A. Ethics Education

The Commission is mandated by law to educate state officials and employees about ethics in government.<sup>1</sup> To fulfill this mandate, the Commission conducts ethics training sessions throughout the year. In 2015, the Commission conducted ethics training for over 1,000 state officials and employees, including workshops for the Hawaii Health Systems Corporation corporate board, the Kauai Region board, and East Hawaii

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<sup>1</sup> HRS §84-31(a)(7).

Region board; Department of Education Hilo-Waiakea Complex Area and McKinley Roosevelt-Kaimuki Complex Area employees; Office of Hawaiian Affairs trustees and staff; Regulated Industries Complaints Office, Department of Commerce and Consumer Affairs employees; and Hawaii State Hospital staff. The Commission also held general ethics training sessions for state employees and for state board members at the Mission Memorial Auditorium and the State Capitol Auditorium.

The Commission believes that it is critical to provide ethics training for state employees to improve their general awareness of ethics and to prevent unknowing violations of the State ethics laws. In fact, for a surprising number of employees, the ethics training is their first exposure to the State Ethics Code.

In 2015, the Commission partnered with the Department of Human Resources Development to create an online pre-retirement presentation about the State Ethics Code's post-employment provisions. The Commission also intends to explore developing online training modules.

#### B. Advisory Opinions and Guidance

The Commission also issues advisory opinions and other types of guidance about the application of the State Ethics Code and the State Lobbyists Law.<sup>2</sup> Every year, the Commission's attorneys respond to hundreds of requests for advice about these laws. In 2015, the Commission's attorneys received and responded to over 2,800 requests for advice from state legislators, state employees, lobbyists, and members of the public. The Commission's attorneys also issued 308 staff opinion letters advising state employees and others about the application of the State Ethics Code and the State Lobbyists Law. The Commission considers its ability to provide timely and meaningful guidance and advice to be one of its most important functions.

#### C. Charges and Investigations

The Commission is also mandated to enforce the State Ethics Code and the State Lobbyists Law.<sup>3</sup> The Commission receives and reviews complaints and conducts investigations on a confidential basis concerning alleged violations of the law. When appropriate, the Commission initiates formal charges against individuals who appear to have violated the law.<sup>4</sup> If there is probable cause to believe that a violation of the law

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<sup>2</sup> HRS §84-31(a)(2) and §97-6(a)(3).

<sup>3</sup> HRS §84-31(a) and §97-6(a).

<sup>4</sup> A "charge" is a formal complaint alleging a violation of one or more provisions of the State Ethics Code or the Lobbyists Law. Charges may be filed by the Commission or by an individual or organization. Charges must be in writing and must be signed by the person making the charge under oath or, if initiated by the Commission, must be signed by three or more members of the Commission. HRS §84-31(b).

has occurred, the Commission may hold a contested case hearing in accordance with HRS Chapter 91, Hawaii's Administrative Procedure Act.

In 2015, the Commission received approximately 348 complaints and issued 11 charges against employees. The increased number of complaints and charges has required more staff resources to be dedicated to the Commission's enforcement activities. Many of the cases have involved extensive investigations and have resulted in employees paying relatively substantial administrative fines for actions that the Commission believed were inconsistent with the minimum standards of conduct established in the State Ethics Code or the requirements of the State Lobbyists Law.

D. Financial Interests Disclosures, Gifts Disclosures, and  
Lobbying Registrations and Reports

The Commission also administers the filing requirements of the financial disclosure law, the gifts disclosure law, and the lobbying registration and reporting laws. These filing requirements help provide accountability and transparency in government. In 2015, the Commission received approximately 1,940 financial interests disclosure statements from state officials and employees, and approximately 205 gifts disclosure statements. The Commission also received approximately 308 lobbyist registrations and over 1,770 lobbying expenditures and contributions reports in 2015.

The Commission is in the process of working with the Office of Enterprise Technology Services to create a system that will allow filers to complete and file their documents electronically.

Additional information about the Commission's educational, advisory, and enforcement activities in 2015 is attached.

II. Budget Request for FY 2016-2017

The Commission is requesting an appropriation of \$1,026,653 for FY 2016-2017, which includes \$1,009,695 for its operating and other expenses and \$16,958 to offset the vacation payout relating to two employees who retired on December 30, 2015.

In contrast to most state agencies, including the other legislative service agencies, the Commission is located in a private building (i.e., a non-state facility) and must allocate funds within its budget for office rent. The Commission's lease provides for annual increases in rent as well as increases for common area maintenance and storage costs. For FY 2016-2017, the Commission anticipates its office rent and other lease-related expenses to be approximately \$98,000. The Commission notes that its current budget, minus its lease rent obligation, is \$910,895. The Commission has the smallest budget of the legislative service agencies. While the Commission supports

the operations and missions of the other legislative service agencies, the Commission also believes that its operations and mission are equally important and should be funded accordingly.

As noted previously, the Commission anticipates increased expenses in FY 2016-2017 arising from certain unbudgeted travel and other costs associated with a number of investigations involving Neighbor Island-based employees as well as annual computer maintenance and support contracts for, among other things, its SharePoint document management system. The Commission is committed to adjusting its budget, as necessary, to perform its statutory duties.

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on H.B. No. 2720.

**HAWAII STATE ETHICS COMMISSION**  
**Budget for FY 2016-17**  
**(With Comparative Amounts for FY 2015-16)**

|  | <u>2015-2016<br/>Appropriation</u> | <u>2016-2017<br/>Estimated<br/>Expenditures</u> | <u>Variance</u> |
|--|------------------------------------|---|-----------------|
| PERSONAL SERVICES:                                   |                                    |   |                 |
| <sup>1</sup> Staff salaries                          | <u>\$ 816,568</u>                  | <u>\$ 816,568</u>                               | \$ -            |
| Total Personal Services                              | <u>816,568</u>                     | <u>816,568</u>                                  | -               |
| OTHER EXPENSES:                                      |                                    |   |                 |
| Office expenses                                      | 15,524                             | 15,524  | -               |
| Intrastate transportation and travel                 | 8,000                              | 8,000   | -               |
| Out-of-state travel                                  | 6,490                              | 21,100  | 14,610          |
| Equipment rental and maintenance                     | 10,985                             | 10,985  | -               |
| Dues, subscriptions, training                        | 13,670                             | 15,760  | 2,090           |
| Newspaper advertisements                             | 1,600                              | 1,600   | -               |
| Commission meetings,<br>investigations, and hearings | 25,500                             | 8,100   | (17,400)        |
| Consulting services                                  | 9,558                              | 10,258  | 700             |
| Office rent  | <u>98,000</u>                      | <u>98,000</u>                                   | -               |
| Total Other Expenses                                 | <u>189,327</u>                     | <u>189,327</u>                                  | -               |
| ETHICS ADDITIONAL REQUEST:                           |                                    |   |                 |
| Vacation payout/transfer                             |                                    | 16,958  | 16,958          |
| Disruptive Behavior Trng (2 hrs)                     |                                    | <u>800</u>                                      | 800             |
| Total Ethics Additional Request                      |                                    | <u>17,758</u>                                   |                 |
| CAPITAL OUTLAY:                                      |                                    |   |                 |
| Office furniture and equipment                       | <u>3,000</u>                       | <u>3,000</u>                                    | -               |
| Total Capital Outlay                                 | <u>3,000</u>                       | <u>3,000</u>                                    | -               |
| <b>Total Operating Budget</b>                        | <b><u>\$ 1,008,895</u></b>         | <b><u>\$ 1,026,653</u></b>                      | -               |
| <sup>1</sup> Cost Adjustments (Act 66, 2015 SLH)     | 29,448                             | 60,000  |                 |
| One-Time Appropriation (Act 151, 2015 SLH)           | 130,000                            |   |                 |

**HAWAII STATE ETHICS COMMISSION**  
**Statement Showing Budget for Office Operations**  
**By Object of Expenditure for FY 2016-17**

**Operating Budget**

|   |                     |
|---|---------------------|
| Personal Services:                                |                     |
| Staff salaries <sup>1</sup>                       | \$ 816,568          |
|   | <hr/>               |
| Total Personal Services                           | 816,568             |
|   | <hr/>               |
| Other Expenses:                                   |                     |
| Office expenses                                   | 15,524              |
| Intrastate transportation and travel              | 8,000               |
| Out-of-state travel                               | 21,100              |
| Rental and maintenance of equipment               | 10,985              |
| Dues, subscriptions, training                     | 15,760              |
| Newspaper advertisements                          | 1,600               |
| Commission meetings, investigations, and hearings | 8,100               |
| Consulting services                               | 10,258              |
| Office rent                                       | 98,000              |
|   | <hr/>               |
| Total Other Expenses                              | 189,327             |
|   | <hr/>               |
| Ethics Additional Request:                        |                     |
| Vacation payout/transfer                          | 16,958              |
| Disruptive Behavior Trng (2hrs)                   | 800                 |
|   | <hr/>               |
| Total Ethics Additional Request                   | 17,758              |
|   | <hr/>               |
| Capital Outlay:                                   |                     |
| Office furniture and equipment                    | 3,000               |
|   | <hr/>               |
| Total Capital Outlay                              | 3,000               |
|   | <hr/>               |
| Total Operating Budget                            | <b>\$ 1,026,653</b> |
|   | <hr/> <hr/>         |

|  |        |
|--|--------|
| <sup>1</sup> Cost Adjustments (Act 66, 2015 SLH) | 60,000 |
|--|--------|

**HAWAII STATE ETHICS COMMISSION**  
**Statement Showing Budget and Estimated Expenditures**  
**By Object of Expenditure for FY 2015-16**

|  | 2015-2016<br>Approved<br><u>Budget</u> | 2015-2016<br>Estimated<br><u>Expenditures</u> | <u>Variance</u> |
|--|--|---|-----------------|
| PERSONAL SERVICES:                                   |  |   |                 |
| Staff salaries <sup>1</sup>                          | \$ 816,568                             | \$ 816,568                                    | \$ -            |
| Total Personal Services                              | <u>816,568</u>                         | <u>816,568</u>                                | -               |
| OTHER EXPENSES:                                      |  |   |                 |
| Office expenses                                      | 15,524                                 | 15,524  | -               |
| Intrastate transportation and travel                 | 8,000                                  | 8,000   | -               |
| Out-of-state travel                                  | 6,490                                  | 6,490   | -               |
| Rental and maintenance of equipment                  | 10,985                                 | 10,985  | -               |
| Dues, subscriptions, training                        | 13,670                                 | 13,670  | -               |
| Newspaper advertisements                             | 1,600                                  | 1,600   | -               |
| Commission meetings,<br>investigations, and hearings | 25,500                                 | 25,500  | -               |
| Consulting services                                  | 9,558                                  | 9,558   | -               |
| Office rent  | <u>98,000</u>                          | <u>98,000</u>                                 | -               |
| Total Other Expenses                                 | <u>189,327</u>                         | <u>189,327</u>                                | -               |
| CAPITAL OUTLAY:                                      |  |   |                 |
| Office furniture and equipment                       | <u>3,000</u>                           | <u>3,000</u>                                  | -               |
| Total Capital Outlay                                 | <u>3,000</u>                           | <u>3,000</u>                                  |                 |
| <b>Total</b>   | <b><u>\$ 1,008,895</u></b>             | <b><u>\$ 1,008,895</u></b>                    | -               |
| <sup>1</sup> Cost Adjustments (Act 66, 2015 SLH)     | 29,448                                 | 29,448  | -               |

# Hawaii State Ethics Commission Major Functions

| I<br>STATE'S<br>ETHICS<br>LAW   | II<br>STATE'S<br>LOBBYISTS<br>LAW   | III<br>FINANCIAL<br>DISCLOSURE<br>LAW   | IV<br>GIFTS<br>DISCLOSURE<br>LAW  | V<br>CANDIDATES<br>FINANCIAL<br>DISCLOSURE<br>LAW  | VI<br>EDUCATION<br>RE: LAWS  | VII<br>LEGISLATION  | VIII<br>WEBSITE   |
|---|---|---|---|--|--|---|---|
| Duties:<br>• Administration<br>• Legal Opinions<br>• Enforcement<br>• Rules | Duties:<br>• Administration<br>• Legal Opinions<br>• Enforcement<br>• Filings Per Year<br>• Auditing<br>• Rules | Duties:<br>• Administration<br>• Legal Opinions<br>• Enforcement<br>• Filings Per Year<br>• Auditing<br>• Rules | Duties:<br>• Administration<br>• Legal Opinions<br>• Enforcement<br>• Filings Per Year<br>• Auditing<br>• Rules | Duties:<br>• Administration<br>• Legal Opinions<br>• Enforcement<br>• Filings Per<br>Election<br>• Auditing<br>• Rules | Duties:<br>• Mandatory<br>Sessions<br>• Sessions<br>Developed by<br>Office<br>• Publications | Duties:<br>• State Ethics Code<br>• State Lobbying Law<br>• Financial Disclosure<br>Law<br>• Gifts Disclosure Law<br>• Candidates Financial<br>Disclosure Law | Duties:<br>• Development<br>• Updating<br>• Maintenance<br>• Technology |

| IX<br>DISCLOSURE FILINGS                              | Disclosure<br>Filing Date | Approximate<br>Number of Disclosures | X<br>ADMINISTRATION  |
|---|---------------------------|--------------------------------------|--|
| Annual Financial Interests Disclosures Statements     | May 31                    | 1,941                                | Duties:<br>• Management<br>• Supervision<br>• Fiscal<br>• Personnel<br>• Procurement<br>• Technology<br>• Planning |
| Candidates Financial Interests Disclosures Statements | 20 days before primary*   | 0                                    |  |
| Gifts Disclosure Statements                           | June 30                   | 205                                  |  |
| Lobbyist Registration Statements                      | January**                 | 308                                  |  |
| Lobbying Organizations Expenditure Reports            | January 31                | 289                                  |  |
| Lobbying Organizations Expenditure Reports            | March 31                  | 286                                  |  |
| Lobbying Organizations Expenditure Reports            | May 31                    | 305                                  |  |
| Lobbyists Expenditure Reports                         | January 31                | 274                                  |  |
| Lobbyists Expenditure Reports                         | March 31                  | 304                                  |  |
| Lobbyists Expenditure Reports                         | May 31                    | 316                                  |  |

**Note:** State's Ethics Laws: Chapter 84, Hawaii Revised Statutes  
State's Lobbyists Law: Chapter 97, Hawaii Revised Statutes

\* Filed every even-numbered year only.

\*\* Renewed every odd-numbered year for registered lobbyists.

**FULL-TIME STAFF: 10 Individuals**

# Hawaii State Ethics Commission

## Statistics for Calendar Year 2015

TABLE 1

| HAWAII STATE ETHICS COMMISSION<br>NUMBER OF REQUESTS FOR ADVICE AND COMPLAINTS<br>RECEIVED BY ATTORNEYS IN 2015 |                     |              |
|---|---------------------|--------------|
| MONTH   | REQUESTS FOR ADVICE | COMPLAINTS   |
| January 2015  | 168                 | 24           |
| February 2015   | 174                 | 26           |
| March 2015  | 198                 | 30           |
| April 2015  | 230                 | 16           |
| May 2015  | 222                 | 18           |
| June 2015   | 236                 | 98           |
| July 2015   | 216                 | 26           |
| August 2015   | 246                 | 26           |
| September 2015  | 248                 | 14           |
| October 2015  | 192                 | 24           |
| November 2015   | 166                 | 32           |
| December 2015   | 170                 | 14           |
| <b>TOTAL</b>  | <b>2,466</b>        | <b>348</b>   |
| <b>Total Number of Requests for Advice<br/>and Complaints Received in 2015</b>                                  |                     | <b>2,814</b> |

TABLE 2

| HAWAII STATE ETHICS COMMISSION<br>ATTORNEY OPINION LETTERS ISSUED IN 2015 |                   |
|---|-------------------|
| MONTH   | NUMBER OF LETTERS |
| January 2015  | 16                |
| February 2015   | 17                |
| March 2015  | 15                |
| April 2015  | 15                |
| May 2015  | 19                |
| June 2015   | 27                |
| July 2015   | 21                |
| August 2015   | 16                |
| September 2015  | 51                |
| October 2015  | 28                |
| November 2015   | 65                |
| December 2015   | 18                |
| <b>TOTAL</b>  | <b>308</b>        |

TABLE 3

| HAWAII STATE ETHICS COMMISSION<br>INVESTIGATIONS OPENED IN 2015 |             |                      |
|---|-------------|----------------------|
| FILE NO.  | DATE OPENED | DISPOSITION          |
| 2015-I-1  | 01/22/2015  | Open                 |
| 2015-I-2  | 01/22/2015  | Closed               |
| 2015-I-3  | 01/22/2015  | Open                 |
| 2015-I-4  | 01/22/2015  | Open                 |
| 2015-I-5  | 01/22/2015  | Now Charge 2015-Cg-9 |
| 2015-I-6  | 01/22/2015  | Open                 |
| 2015-I-7  | 02/18/2015  | Closed               |
| 2015-I-8  | 02/18/2015  | Closed               |
| 2015-I-9  | 02/18/2015  | Open                 |
| 2015-I-10   | 03/18/2015  | Now Charge 2015-Cg-4 |
| 2015-I-11   | 03/18/2015  | Now Charge 2015-Cg-5 |
| 2015-I-12   | 03/18/2015  | Now Charge 2015-Cg-6 |
| 2015-I-13   | 03/18/2015  | Now Charge 2015-Cg-8 |
| 2015-I-14   | 04/15/2015  | Open                 |
| 2015-I-16   | 06/17/2015  | Open                 |
| 2015-I-17   | 06/17/2015  | Open                 |
| 2015-I-18   | 06/17/2015  | Open                 |
| 2015-I-19   | 06/17/2015  | Closed               |
| 2015-I-20   | 07/22/2015  | Open                 |
| 2015-I-21   | 08/19/2015  | Open                 |
| 2015-I-22   | 08/19/2015  | Open                 |

| FILE NO.  | DATE OPENED       | DISPOSITION |
|-----------|-------------------|-------------|
| 2015-I-23 | 08/19/2015        | Open        |
| 2015-I-24 | 08/19/2015        | Open        |
| 2015-I-25 | 08/19/2015        | Open        |
| 2015-I-26 | 09/16/2015        | Open        |
| 2015-I-27 | 09/16/2015        | Closed      |
| 2015-I-28 | 10/29/2015        | Open        |
| 2015-I-29 | 10/29/2015        | Open        |
| 2015-I-30 | 10/29/2015        | Open        |
| 2015-I-31 | 10/29/2015        | Closed      |
| 2015-I-32 | 12/02/2015        | Open        |
| 2015-I-33 | 12/02/2015        | Open        |
| 2015-I-34 | 12/02/2015        | Open        |
| 2015-I-35 | 12/02/2015        | Open        |
| 2015-I-36 | 12/02/2015        | Open        |
| 2015-I-37 | 12/02/2015        | Open        |
| 2015-I-38 | 12/02/2015        | Open        |
| TOTAL:    | 38 Investigations |             |

TABLE 4

| HAWAII STATE ETHICS COMMISSION<br>FORMAL CHARGES* FILED IN 2015 |                  |                    |                                       |
|---|------------------|--------------------|---------------------------------------|
| FILE NO.  | ETHICS<br>CHARGE | LOBBYING<br>CHARGE | COMPLAINANT                           |
| 2015-Cg-1   | X                |                    | Individual or Organization-CLOSED     |
| 2015-Cg-2   | X                |                    | Hawaii State Ethics Commission-CLOSED |
| 2015-Cg-3   | X                |                    | Hawaii State Ethics Commission-CLOSED |
| 2015-Cg-4   | X                |                    | Hawaii State Ethics Commission        |
| 2015-Cg-5   | X                |                    | Hawaii State Ethics Commission        |
| 2015-Cg-6   | X                |                    | Hawaii State Ethics Commission        |
| 2015-Cg-7   | X                |                    | Hawaii State Ethics Commission        |
| 2015-Cg-8   | X                |                    | Hawaii State Ethics Commission        |
| 2015-Cg-9   | X                |                    | Hawaii State Ethics Commission        |
| 2015-Cg-10  | X                |                    | Hawaii State Ethics Commission-CLOSED |
| 2015-Cg-11  | X                |                    | Individual or Organization            |
| <b>TOTAL: 11 Charges</b>  |                  |                    |                                       |

\* A "charge" is a formal complaint alleging a violation of one or more provisions of the State Ethics Code, chapter 84, HRS, or the Lobbyists Law, chapter 97, HRS. Charges may be filed by an individual or organization or by the Hawaii State Ethics Commission. Charges that are filed by an individual or organization must be in writing and signed by the person making the charge under oath. Charges initiated by the Commission must be signed by three or more members of the Commission.

TABLE 5

| <b>HAWAII STATE ETHICS COMMISSION<br/>FINANCIAL INTERESTS DISCLOSURE STATEMENTS<br/>FILED BY LEGISLATORS, EMPLOYEES, AND<br/>BOARD AND COMMISSION MEMBERS IN 2015</b> |              |
|---|--------------|
| Month   | NUMBER FILED |
| January 2015  | 81           |
| February 2015   | 66           |
| March 2015  | 63           |
| April 2015  | 333          |
| May 2015  | 723          |
| June 2015   | 235          |
| July 2015   | 209          |
| August 2015   | 141          |
| September 2015  | 41           |
| October 2015  | 31           |
| November 2015   | 10           |
| December 2015   | 8            |
| <b>TOTAL</b>  | <b>1,941</b> |

TABLE 6

| HAWAII STATE ETHICS COMMISSION<br>GIFTS DISCLOSURE STATEMENTS FILED IN 2015 |              |
|---|--------------|
| STATE POSITION  | NUMBER FILED |
| Governor, Lt. Governor  | 2            |
| Legislators   | 52           |
| Employees   | 137          |
| Board / Commission Members  | 14           |
| <b>TOTAL</b>  | <b>205</b>   |

TABLE 7

| HAWAII STATE ETHICS COMMISSION<br>TOTAL NUMBER OF REGISTERED LOBBYISTS IN 2015<br>AND NUMBER OF CLIENTS REPRESENTED* |                     |                                  |
|--|---------------------|----------------------------------|
| YEAR   | NUMBER OF LOBBYISTS | NUMBER OF<br>CLIENTS REPRESENTED |
| 2015   | 308                 | 309                              |

\* Some clients are represented by more than one lobbyist. Each lobbyist must file a separate registration form for each client represented.

TABLE 8

| <b>HAWAII STATE ETHICS COMMISSION<br/>           LOBBYING EXPENDITURES AND CONTRIBUTIONS REPORTS<br/>           FILED IN 2015</b> |  |  |   |
|---|--|--|---|
| <b>FILERS</b>   | <b>REPORTING PERIODS</b>                           |  |   |
|   | <b>05/01/14-12/31/14</b><br>(Jan. 31, 2015 Report) | <b>01/01/15-02/28/15</b><br>(Mar. 31, 2015 Report) | <b>03/01/15-04/30/15</b><br>(May 31, 2015 Report) |
| <b>LOBBYISTS</b>  | <b>289</b>   | <b>286</b>   | <b>305</b>  |
| <b>LOBBYISTS'<br/>CLIENTS</b>   | <b>274</b>   | <b>304</b>   | <b>316</b>  |
| <b>TOTAL REPORTS<br/>FILED</b>  | <b>563</b>   | <b>590</b>   | <b>621</b>  |
| <b>GRAND TOTAL</b>  | <b>1,774</b>                                       |  |   |

TABLE 9

| <b>HAWAII STATE ETHICS COMMISSION<br/>TOTAL NUMBER OF DISCLOSURE FILINGS<br/>FOR 2015</b>                      |              |
|--|--------------|
| Financial Interests Disclosure Statements filed by Legislators,<br>Employees, and Board and Commission Members | 1,941        |
| Gifts Disclosure Statements  | 205          |
| Lobbying Expenditures and Contributions Reports  | 1,774        |
| Lobbyist Registrations (Two-year period 2013-2014)   | 308          |
| <b>TOTAL</b>   | <b>4,228</b> |

TABLE 10

| <b>HAWAII STATE ETHICS COMMISSION<br/>2015 EDUCATION PROGRAM<br/>(Ethics Workshops and Presentations)</b> |  |                            |
|---|--|----------------------------|
| <b>DATE</b>   | <b>PRESENTATIONS</b>   | <b>NO. OF PARTICIPANTS</b> |
| 01/15/15  | Office of Hawaiian Affairs Trustees and Staff  | 70                         |
| 01/16/15  | Mandatory Ethics Training*<br>(Session 1)  | 15                         |
| 01/21/15  | Hawaii Health Systems Corporation<br>Kauai Region Board                              | 20                         |
| 01/28/15  | Mandatory Ethics Training*<br>(Session 2)  | 10                         |
| 02/26/15  | Department of Education<br>Hilo Waiakea Complex Area                                 | 54                         |
| 03/12/15  | Department of Education<br>Honolulu Complex Area                                     | 27                         |
| 05/20/15  | Hawaii Health Systems Corporation<br>Oahu Region Board                               | 15                         |
| 05/27/15  | Pre-Retirement Seminar<br>(Non-Contributory and Hybrid Plans)                        | 200                        |
| 07/10/15  | State Historic Places Review Board and<br>State Historic Preservation Division Staff | 10                         |
| 07/17/15  | Department of Commerce and Consumer Affairs<br>Regulated Industries Complaint Office | 50                         |

\* HRS §84-42 requires newly elected and appointed high-ranking state officers and employees to complete a mandatory ethics training course administered by the Hawaii State Ethics Commission.

| <b>DATE</b>  | <b>PRESENTATIONS</b>   | <b>NO. OF PARTICIPANTS</b>    |
|--------------|--|-------------------------------|
| 08/18/15     | General Ethics Training for State Employees on Oahu              | 228                           |
| 08/25/15     | Hawaii Health Systems Corporation<br>East Hawaii Region Board    | 25                            |
| 08/26/15     | General Ethics Training for State Board and Commission Members   | 77                            |
| 09/17/15     | Governor's Orientation for New Members of Boards and Commissions | 40                            |
| 09/23/15     | Pre-Retirement Seminar<br>(Non-Contributory and Hybrid Plans)    | 90                            |
| 09/24/15     | Hawaii Health Systems Corporation<br>Corporate Board             | 20                            |
| 10/08/15     | Hawaii State Hospital Supervisors and Staff                      | 58                            |
| <b>TOTAL</b> | <b>17<br/>PRESENTATIONS</b>                                      | <b>1,009<br/>Participants</b> |

TABLE 11

| <b>INFORMATION POSTED ON<br/>HAWAII STATE ETHICS COMMISSION WEBSITE</b>  |   |
|--|---|
| WEBSITE INTERNET URL:  | <a href="http://ethics.hawaii.gov">http://ethics.hawaii.gov</a> |
| YEAR ESTABLISHED:  | 1998  |
| <ul style="list-style-type: none"> <li>• Search Engine (ENHANCED)</li> <li>• News Releases</li> <li>• Who We Are and What We Do <ul style="list-style-type: none"> <li>○ General Information about the Hawaii State Ethics Commission</li> <li>○ Duties of the Hawaii State Ethics Commission</li> </ul> </li> <li>• Constitution, Statutes, and Rules <ul style="list-style-type: none"> <li>○ Article XIV, Constitution of the State of Hawaii</li> <li>○ State Ethics Code, Chapter 84, HRS</li> <li>○ State Lobbyists Law, Chapter 97, HRS</li> <li>○ Title 21, Administrative Rules of the Hawaii State Ethics Commission</li> </ul> </li> <li>• Advisory Opinions, Informal Advisory Opinions, Decisions, Resolutions of Charges/Investigations, and Ethics Advisories</li> <li>• Public Financial Disclosure Filings, Including Filings for Candidates for Public Office</li> <li>• Gifts Disclosure Filings</li> <li>• Lobbying Filings <ul style="list-style-type: none"> <li>○ Lobbyist Registration Statements</li> <li>○ Lists of Registered Lobbyists</li> <li>○ Lists of Organizations Represented by Registered Lobbyists</li> <li>○ Registered Lobbyists' Lobbying Expenditure Statements</li> <li>○ Organizations' Lobbying Expenditure Statements</li> <li>○ Lists of Total Lobbying Expenditures Reported by Organizations</li> </ul> </li> <li>• Contract Notice Filings (Pursuant to HRS §84-15(a))</li> </ul> <p style="text-align: center;">(continued)</p> |   |

TABLE 11 (continued)

- Publications and Guidelines
  - *The High Road* Newsletter
  - Ethics Guide
  - Ethics Checklist
  - Guidelines for Gifts under the State Ethics Code
  - Campaigning
  - Fund Raising in State Offices
  - Application of the State Ethics Code to Dept. of Education Teachers
  - Post Employment Restrictions
  - Information for Legislators
  - Lobbying
  - Overview of the State Ethics Code for State Board and Commission Members
- Forms and Instructions:
  - Financial Disclosure Forms and Instructions
  - Gifts Disclosure Forms and Instructions
  - Lobbying Forms and Instructions
- Related Links to State, County Ethics, and Federal Ethics Agencies
- News
- Testimony on Legislation Relating to Ethics and Lobbying
- Filing Deadlines
- Meeting Notices and Sunshine Law Minutes of the Hawaii State Ethics Commission
- Hawaii State Ethics Commission Contact Information
  - Office Location
  - Mailing Address
  - Phone/Fax
- Follow us on Twitter (link to follow Hawaii State Ethics Commission's Tweets)

TABLE 12

| <b>HAWAII STATE ETHICS COMMISSION<br/> RECORDS CHECK OF APPLICANTS FOR JUDICIAL OFFICE PERFORMED<br/> AT THE REQUEST OF THE STATE JUDICIAL SELECTION COMMISSION<br/> IN 2015</b> |                      |                     |                      |                     |                     |                            |
|--|----------------------|---------------------|----------------------|---------------------|---------------------|----------------------------|
| MONTH  | NUMBER OF APPLICANTS |                     |                      |                     |                     |                            |
|  | Supreme Court        | First Circuit Court | Second Circuit Court | Third Circuit Court | Fifth Circuit Court | Total Applicants Per Month |
| January  |                      |                     |                      |                     |                     |                            |
| February   |                      | 11                  |                      | 1                   |                     | 12                         |
| March  |                      |                     |                      | 1                   |                     | 1                          |
| April  |                      |                     |                      |                     |                     |                            |
| May  |                      | 14                  | 2                    |                     |                     | 16                         |
| June   |                      | 48                  |                      | 1                   |                     | 49                         |
| July   |                      | 3                   |                      |                     | 2                   | 5                          |
| August   |                      | 8                   |                      |                     |                     | 8                          |
| September  |                      | 4                   |                      |                     |                     | 4                          |
| October  |                      |                     |                      |                     | 1                   | 1                          |
| November   |                      | 1                   |                      |                     |                     | 1                          |
| December   |                      | 1                   |                      |                     | 1                   | 2                          |
| <b>TOTAL Per Court:</b>  |                      | 90                  | 2                    | 3                   | 4                   | <b>Grand Total: 99</b>     |

TABLE 13

| HAWAII STATE ETHICS COMMISSION<br>DISCLOSURE RECORDS AVAILABLE FOR PUBLIC INSPECTION* |   |
|---|---|
| 1   | Public Financial Disclosure Statements (Legislators, Other Elected State Officials, Appointed State Officials, and Candidates for State Elective Office)                            |
| 2   | Gifts Disclosure Statements   |
| 3   | Lists of Registered Lobbyists   |
| 4   | Lobbyist Registration Statements  |
| 5   | Lobbying Expenditure Statements of Registered Lobbyists   |
| 6   | Lists of Organizations Represented by Registered Lobbyists  |
| 7   | Lobbying Expenditure Statements of Organizations  |
| 8   | Total Amounts of Lobbying Expenditures Reported by Organizations  |
| 9   | Notices of Intent to Award Contracts to a Legislator or Employee, or Business in Which a Legislator or Employee Has a Controlling Interest (filed pursuant to HRS Section 84-15(a)) |

\* Most records also available on the Hawaii State Ethics Commission website:  
<http://www.hawaii.gov/ethics>.

TABLE 14

**HAWAII STATE ETHICS COMMISSION  
2015 PUBLICATIONS\***

Constitution

Article XIV, Hawaii State Constitution

Ethics Statutes, Administrative Rules, General Information

Chapter 84, Hawaii Revised Statutes, Standards of Conduct  
Hawaii State Ethics Commission Administrative Rules  
Ethics Guide for State Elected Officials, State Employees, State Board and  
Commission Members  
Ethics Checklist  
Outline of Substantive Areas of the State Ethics Code

Ethics Newsletter

*The High Road Newsletter*

Gifts and Gifts Disclosure

Guidelines for Gifts Under the State Ethics Code  
Questions and Answers on the Gifts Disclosure Law  
Gifts and the State Ethics Code

Campaigning

Campaign Restrictions for State Officials and State Employees  
Prohibited Use of State E-Mail for Campaign Purposes  
Prohibition on Candidate Campaign Walk-Throughs in State Agencies

Fundraising

Fundraising in State Offices  
Ethics Guidelines for AUW Fund Raiser Activities Conducted by State Agencies

Continuation of Table 14:

For Legislators

Guidelines on the Use of Legislators' Annual Allowance  
Attendance at "Appreciation" Receptions, Dinners, Meals, or Parties, etc.,  
Offered by Lobbyists  
Legislative Interns  
Informational or Educational Trips Solicited or Accepted by Legislators

For Teachers

The Application of the State Ethics Code to DOE Teachers Regarding Private  
Instruction for Pay  
The Application of the State Ethics Code to Furloughed Teachers

For State Board and Commission Members

Overview of the State Ethics Code for State Board and Commission Members

Post Employment

Post Employment Restrictions

Lobbying

Chapter 97, Hawaii Revised Statutes, Lobbyists  
Accrued or Incurred Lobbying Expenditures; Company Employee Lobbying  
Expenditures  
"Goodwill" Lobbying as Lobbying Expenditure  
Lobbying Registration and Reporting Manual  
Informational or Educational Trips as Lobbying Expenditures  
Public Statement Regarding Lobbying Charge and Requirements of the  
Lobbyists Law, Hawaii Revised Statutes, Chapter 97

\* All publications are available on the Hawaii State Ethics Commission website: <http://ethics.hawaii.gov>.