



The HIGH ROAD

"Preserving public confidence in public servants."

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Hawaii State Ethics Commission

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GOVERNOR SIGNS NEW ETHICS AND LOBBYISTS LAWS

The 1995 legislative session resulted in a record number of reforms to the ethics and lobbyists laws. Governor Cayetano recently signed these laws into effect. They include the following important changes:

ETHICS

1. **Public hearings on ethics charges.** All hearings on charges of ethics violations shall be open to the public. All decisions and findings of the Commission following its hearings shall be public records. Any disciplinary action taken against state officials and employees who violate the ethics laws shall be a matter of public record. (Act 221)
2. **Longer statute of limitations for ethics violations.** The statute of limitations for ethics violations has been extended from 3 years to 6 years. (Act 221)
3. **Penalties for frivolous ethics charges.** Persons who file frivolous ethics charges shall be liable, through civil lawsuits, for all costs to defend the charges, including attorneys' fees. (Act 221)
4. **Former legislators prohibited from representing others before the legislature.** Former legislators may not be paid to represent any person on matters in which they participated as a legislator or matters involving official action by the legislature. This prohibition applies for one year following a former legislator's termination of state employment. (Act 239)

5. **Former employees prohibited from representing others before their state agencies.** Former state employees may not be paid to represent any person on matters in which they participated as an employee or matters involving official action by their former agency or subdivision. This prohibition applies for one year following a former employee's termination of state employment. (Act 239)

6. **Competitive process required for award of state contracts in excess of \$10,000 to state legislators or employees.** State contracts greater than \$10,000 shall not be awarded to a state legislator or employee, or business in which a legislator or employee has a controlling interest, unless the contract is awarded by competitive bid or proposal or a notice of intent to award the contract is posted and a copy filed with the State Ethics Commission. (Act 178)

7. **Limit on ethics commissioners holding over after expiration of terms.** No member of the State Ethics Commission may hold office longer than 120 days after the member's term expires. (Act 228)

DISCLOSURE OF FINANCIAL INTERESTS

1. **Financial disclosure long forms required every other year; new filing deadline.** Persons who file financial disclosure statements must complete a new long form on all even-numbered years. They may submit a shorter amendatory form for subsequent odd-numbered years if their financial interests are substantially the same. The annual filing deadline has been changed from April 30 to **May 31**. (Act 230)

2. **Fines for candidates who fail to file financial disclosure statements.** The State Ethics Commission shall assess a \$25 penalty fee against candidates for state elective office who fail to file financial disclosure statements on time. The Commission also may investigate and render public decisions on charges as to whether candidates have disclosed the financial interests required to be reported. (Act 49)

LOBBYING

1. **Fines for persons who violate the lobbyists law.** The State Ethics Commission may assess administrative fines of up to **\$500** against persons who violate the lobbyists law. (Act 220)
2. **Definition of "lobbyist" amended.** The lobbyists law requires all lobbyists to register and file expenditures reports with the State Ethics Commission. A "lobbyist" is now defined as any individual who for pay engages in lobbying in excess of **five hours in any month** or **spends more than \$750 lobbying during any reporting period.** (Act 220)
3. **Additional lobbying expenditures report required.** Lobbyists, persons who spend **\$750** or more in any six-month period for the purpose of lobbying (not including amounts spent for travel costs), and persons who employ lobbyists must file expenditures statements with the State Ethics Commission on January 31, March 31, and May 31 of each year. Previously, only filings on January 31 and March 31 were required. (Act 220)

The Commission is currently reprinting copies of the State Ethics Code (chapter 84, HRS) and the Lobbyists Law (chapter 97, HRS) as revised by the 1995 legislative session. These copies will be available at no cost to persons who contact the Commission's office.

ETHICS WORKSHOPS PROVIDE BASIC TRAINING FOR ALL EMPLOYEES

The State Ethics Commission regularly conducts ethics workshops for state employees. The half-day workshops cover the basic provisions of the State Ethics Code: Conflicts of interests; gifts to state employees; misuse of confidential information; misuse of one's official position; award of state contracts to state employees; and post-employment restrictions. Staff attorneys from the Commission use hypothetical case studies to instruct workshop participants about the ethics laws. Enrollment is limited to 25 to 30 participants per session to allow small group discussions.

The Commission offers monthly workshops on Oahu at the Keelikolani Building (830 Punchbowl Street). Workshops for neighbor island state employees are held at scheduled times throughout the year on the Big Island (Hilo and Kona), Maui, and Kauai. The workshops are open to all state employees. There is no registration fee. To register for one of the ethics workshops, please contact the Commission's office at 587-0460.

Next Issue: Moonlighting and Ethics. How do the ethics laws apply to state employees with outside jobs? Our next issue will provide ethics guidelines for moonlighting state employees.

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

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