



The HIGH ROAD

"Preserving public confidence in public servants."

No. 97-2

Hawaii State Ethics Commission

March 1997

READ THIS AND PASS IT ON . . .

Do all the employees in your state office read The High Road? Please help us circulate the newsletter to employees who have not seen a copy.

We distribute The High Road to all state agencies on Oahu and the neighbor islands. Unfortunately, some employees have informed us that the newsletter is not circulated to them within their agencies.

If you receive a copy of The High Road, please read it and pass it on to other employees in your state office. If you know of any state office that does not receive The High Road, or if your office needs additional copies of The High Road, contact the State Ethics Commission at 587-0460. Also feel free to make additional photocopies of any issue of The High Road for distribution within your agency.

The newsletter contains ethics information for all state legislators, employees, and board and commission members. By circulating the newsletter to the employees in your state agency, you will be assisting the State Ethics Commission in promoting ethics education.

So the next time you receive a copy of The High Road, don't just let it sit there. Read it and pass it on!

COMMISSION RELEASES REPORT ON LOBBYING EXPENDITURES FOR MAY 1 THROUGH DECEMBER 31, 1996

The State Ethics Commission has released a report on lobbying expenditures for May 1 through December 31, 1996. The report was based on lobbying expenditures statements filed with the Commission by organizations as

required by chapter 97, HRS, the Lobbyists Law. The expenditures statements were due on January 31, 1997.

The Lobbyists Law requires organizations that employ or contract for the services of lobbyists to file expenditures statements with the Commission three times a year. Organizations must report expenditures made for the purpose of lobbying, as well as contributions received for the purpose of lobbying. Expenditures that must be reported include amounts paid for the preparation and distribution of lobbying materials, media advertising, compensation paid to lobbyists, and other payments. The Lobbyists Law also requires lobbyists to file expenditures statements.

A total of 204 organizations filed lobbying expenditures statements with the Commission for the May through December, 1996, reporting period. The organizations reported lobbying expenditures exceeding \$890,000 for this period.

The Commission's lobbying expenditures report lists all organizations that filed expenditures statements, the amounts reported by the organizations, and the names of registered lobbyists for the organizations. The report is available to the public. In addition, all expenditures statements that have been filed with the Commission are public records and are available for review at the Commission's office during state business hours.

The next filing deadline for lobbying expenditures statements is March 31, 1997.

Lobbying expenditures for the period covering January 1 through February 28, 1997, must be reported to the Commission by the filing deadline. Persons required to file statements of

expenditures with the Commission are: (1) Lobbyists; (2) Persons who spend \$750 or more (excluding travel costs) in any six-month period lobbying; and (3) Persons who employ or contract for the services of a lobbyist.

ETHICS QUIZ

QUESTION: What are the penalties for violating the State Ethics Code?

ANSWER: State officials and employees who violate the State Ethics Code are subject to the following penalties:

- The Civil Service Commission or other authority may reprimand, put on probation, demote, suspend, or discharge an employee. [HRS §84-33]
- The Legislature may discipline its members. [HRS §84-37]
- The State may recover any fee, compensation, gift, or profit received by any person as a result of a violation of the ethics code. [HRS §84-19]
- Any favorable state action obtained in violation of the ethics code is voidable and the State may pursue all legal and equitable remedies that are available to it. [HRS §84-19]
- Any state contract entered into in violation of the ethics code is voidable by the State. [HRS §84-16]
- Candidates for state elective office who fail to file financial disclosure statements as required by the ethics code are subject to a \$25 penalty fee. [HRS §84-17(j)]

COMMISSION CHARGES BOARD MEMBERS WITH VIOLATIONS OF FINANCIAL DISCLOSURE LAW

The State Ethics Commission issued ethics charges against two board members for not filing their financial interests disclosures last year as required by section 84-17(c)(9), HRS. That section of the State Ethics Code requires annual financial disclosure filings by the members of every state board or commission whose original terms of office are for periods exceeding one year and whose functions are not solely advisory. Despite several reminders and warnings, the two board members did not file their disclosure statements.

After the Commission issued ethics charges against them, both board members finally filed their disclosure statements. The Commission did not believe that further proceedings were warranted. However, the Commission issued informal advisory opinions to the board members. The informal advisory opinions emphasized the importance of the financial disclosure law. The Commission explained that its review of financial disclosure statements allows the Commission to evaluate matters which might bring about conflicts of interests. The Commission stated that although the financial disclosure requirements may be viewed by some state officials as an unwelcome chore, individuals who accept appointment to state government service also accept the legal responsibilities that accompany government service, such as complying with the State Ethics Code.

The Commission warned the board members that more serious proceedings would be considered if, in the future, they did not file their financial disclosure statements in a timely manner. [Informal Advisory Opinions No. 97-1 and No. 97-2]

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

Commissioners: Bernard LaPorte, Chair; Leolani Abdul, Vice Chair; Carl Sakata; Kirk Cashmere; Bernice Pantell

Executive Director: Daniel Mollway

Address: P.O. Box 616
Honolulu, HI 96809