



# THE HIGH ROAD

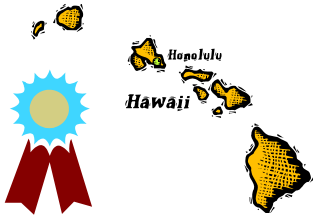
"Preserving public confidence in public servants."

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## Center For Public Integrity Gives High Marks To Hawaii's Financial Disclosure Law



The Center for Public Integrity, a non-profit, non-partisan research organization based in Washington, D.C., has ranked Hawaii's financial disclosure law

as one of the best in the nation. The Center recently studied the financial disclosure laws of the fifty states and evaluated their effectiveness in revealing basic information about personal financial interests. The Center ranked Hawaii as second in the nation and referred to Hawaii as one of the "champions of disclosure."

The study focused on financial disclosure statements filed by state legislators. Forty-seven states require their legislators to file some form of financial disclosure statement. The states were graded on how much legislators were required to disclose, the accessibility of financial disclosure statements to the public, the enforcement of financial disclosure laws, and the rules defining who must file and how often they must file. Out of a possible 100 points, Hawaii's financial disclosure law scored a 90.5. Only Hawaii and Washington scored above the 90 point mark. States that scored under 60 points were given a failing mark. The Center's results indicated that 24 states failed, 21 states were found to be satisfactory or good, and 5 were excellent. Hawaii was rated as excellent.

## Frequently Asked Questions About Hawaii's Financial Disclosure Law

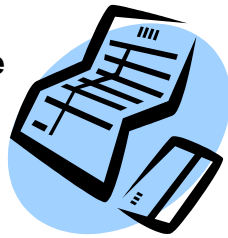


**What is the financial disclosure law?** Hawaii Revised Statutes ("HRS") § 84-17 is the financial disclosure law for state officials in Hawaii. This law is part of the State Ethics Code and is

administered by the Hawaii State Ethics Commission. The law requires certain officials in state government to disclose their personal financial interests on financial disclosure statements that are filed annually with the Commission.

### How many state officials file financial disclosure statements?

Approximately 1,750 state officials file financial disclosure statements with the Commission.



### Who has to file a financial disclosure statement?

A full list of state officials who must file a financial disclosure statement is set forth in HRS §84-17. The list includes all elected state officials, including the governor, lieutenant governor, and members of the legislature; directors of state departments and their deputies; purchasing agents and fiscal officers; hearings officers; high-ranking officials of the University of Hawaii; and members of boards and commissions whose original terms of office are for periods exceeding one year and whose functions are not solely advisory.

### Are all financial disclosure statements available for public inspection?

No. By law, only certain state officials must file public statements. The list of officials who must file public financial disclosure statements includes all elected state officials; directors of state departments and their deputies; the administrative director of the State; the administrative director and deputy director of the Judiciary; and high-ranking administrators for the University of Hawaii, the Department of Education, and the Office of Hawaiian Affairs.

### What information must be reported on a financial disclosure statement?

The law requires filers to report information about sources and amounts of income received for services rendered; ownership or beneficial interests in organizations doing business in the State;

officerships, directorships, trusteeships, or other fiduciary interests in businesses; creditors; real property interests in the State; clients represented before state agencies; and creditor interests in insolvent businesses. Filers must report their own financial interests as well as the financial interests of spouses and dependent children.

**How often must financial disclosure statements be filed?** An initial disclosure must be filed within thirty days of one's election or appointment to a position that requires a financial disclosure. Thereafter, financial disclosure statements must be filed annually between January 1 and May 31.

**What are the penalties for violating the financial disclosure law?** Failure to file a financial disclosure statement as required by law is a violation of the State Ethics Code, and may result in ethics charges and monetary fines being assessed against filers. Ethics charges may result in a public hearing and subsequent disciplinary action.

**Where can I go to view an official's financial disclosure statement?** Public financial disclosure statements are posted on the Commission's web site at [www.hawaii.gov/ethics](http://www.hawaii.gov/ethics) (click on the link for "Public Records"). Public disclosure statements are also available for review at the Commission's office.



## HOLIDAY ETHICS

During the holidays, state employees may find themselves in need of ethics advice. The Hawaii State Ethics Commission offers the following holiday reminders.



**Gifts.** State employees sometimes receive holiday gifts from companies or persons with whom employees transact State business. Employees who receive such gifts should contact the Commission for advice. The gifts law, HRS §84-11, prohibits a state employee from accepting a gift if it is reasonable to infer that the gift is intended to influence or reward the employee in performing his or her duties. Modest expressions of holiday good will, such as a box of candy or cookies shared in the office, generally do not raise ethics concerns. Other more expensive gifts should be cleared with the Commission.



**Invitations to holiday parties.** Contractors, vendors, and other companies who conduct business with state offices sometimes invite state employees to holiday parties. The parties are commonly hosted at hotels, restaurants,

or private clubs, where guests are treated to food, entertainment, and, in some cases, door prizes or gifts. Sometimes, these kinds of invitations raise concerns under the gifts law, HRS §84-11. State employees who are invited to attend holiday parties as guests of private companies should contact the Commission for advice.

**Solicitations for state office parties.** State employees who are planning holiday office parties are reminded that they may not solicit private businesses for food, door prizes, or other donations. HRS §84-13 prohibits state employees from using their state positions to grant anyone, including themselves, unwarranted benefits or advantages. Soliciting businesses on behalf of a state agency for donations for an employee party would amount to using one's state position for an unwarranted personal benefit. Such solicitations are prohibited under HRS §84-13.

**Private business activities in state offices.** State employees sometimes use their state offices to sell crafts and other holiday items to co-workers. The State Ethics Code prohibits these private business activities in state offices. HRS §84-13(3) prohibits state employees from using state time, equipment, and facilities for private business purposes.

If you need ethics advice during the holidays, please do not hesitate to call the Hawaii State Ethics Commission at (808) 587-0460. Our advice is provided on a confidential basis.



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

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