

SUNSHINE LAW MEETING
MINUTES OF THE HAWAII STATE ETHICS COMMISSION

State of Hawaii

Date: Wednesday, March 19, 2014

Time: 10:00 a.m.

Place: Hawaii State Ethics Commission Conference Room
American Savings Bank Tower
1001 Bishop Street, Suite 960
Honolulu, Hawaii 96813

Present: State Ethics Commission Members
Cassandra J. Leolani Abdul, Chair
Edward L. Broglio, Vice Chair
Ruth D. Tschumy, Commissioner
David O'Neal, Commissioner

State Ethics Commission Staff
Leslie H. Kondo, Executive Director
Susan D. Yoza, Associate Director
Nancy C. Neuffer, Staff Attorney
Virginia M. Chock, Staff Attorney
Megan Y. S. Johnson, Staff Attorney
Lori S. Nishimura, Staff Attorney

Excused: Susan N. DeGuzman, Commissioner

CALL TO ORDER

The meeting was called to order at approximately 10:00 a.m. by Chair Abdul.

SUNSHINE LAW SESSION

Agenda Item No. I: Minutes: Consideration and approval of the minutes of the February 19, 2014, meeting

The Commission unanimously approved the minutes of the February 19, 2014, Sunshine Law meeting as drafted. The motion carried unanimously (Abdul, Broglio, O'Neal, and Tschumy voting).

Agenda Item No. II: Executive Director's Report

1. New Website Demonstration

Executive Director Kondo presented an overview of the Commission's current and new websites, highlighting some of the different ways that certain information will be accessible and searchable through the new website. Executive Director Kondo said that he expects the new website to be live and accessible by the public in about two weeks.

2. Extended Deadline for Applicants to the Hawaii State Ethics Commission

Executive Director Kondo reported that the Judicial Council had extended the deadline for applications to fill the positions currently held by Chairperson Abdul and Commissioner O'Neal to March 31, 2014.

Agenda Item No. III: 2014 Legislative Session, Discussion of pending bills relating to the State Ethics Code, Haw. Rev. Stat. chapter 84, and the Lobbyists Law, Haw. Rev. Stat. chapter 97

Executive Director Kondo reviewed the following bills and the bills' status:

1. Act 2 (H.B. No. 2650, H.D. 1, Making Appropriations to Provide for the Expenses of the Legislature, the Auditor, the Legislative Reference Bureau, the Ombudsman, and the Ethics Commission).
2. S.B. No. 2629, S.D. 1, Relating to Lobbyists.
3. S.B. No. 2682, S.D. 1, Relating to Financial Disclosure Statements.
4. S.B. No. 2423, S.D. 2, Relating to the Department of Education.

Executive Director Kondo reported that H.B. No. 2650, H.D. 1, containing the Commission's appropriation for FY 2014-2015, was signed by the Governor on March 10, 2014, as Act 2.

Executive Director Kondo said that S.B. 2423, S.D. 2, had been passed, unamended, by the House Education Committee and that the House Finance Committee would likely hear the bill next. Executive Director Kondo explained that he continued to have strong concerns about the bill, as he had expressed to the Commission at its last meeting, and that he had included additional information in the Commissioner's meeting materials to further illustrate his concerns about the bill. Specifically, Executive Director Kondo noted that he had provided the Commissioners with the list of non-profit organizations that are registered with the Department of the Attorney General. The bill would allow the Department of Education to support and fundraise for any or all of these organizations.

Executive Director said that the Honolulu Star Advertiser had reported about the Hawaii Kai carnival to benefit Hawaii Speed and Quickness, a non-profit organization run by Kaiser High School football coach Rich Miano. Executive Director Kondo said that Mr.

Miano and his wife reportedly earned over \$100,000 in salary from Hawaii Speed and Quickness; and that Hawaii Speed and Quickness is one of the non-profit organizations registered with the Attorney General's office. Executive Director Kondo further explained that, if Kaiser High School had agreed to support Hawaii Speed and Quickness, Mr. Miano could have used school facilities for the carnival, without charge; could have used school resources, such as the school email, to advertise the event; could have sold tickets and other items (i.e., Zippy's fundraiser chili) to co-workers, including subordinates; and could have used his football players and other students to sell tickets to the carnival or tickets for other items like Zippy's chili to fundraise for Hawaii Speed and Quickness. Executive Director Kondo expressed concern that some of the money raised may be used to pay Mr. Miano and his wife's salary.

Commissioner O'Neal asked what type of activities would be allowed under the State Ethics Code to enable funds to be raised for the benefit of schools. Executive Director Kondo said that public schools are permitted to have dedicated foundations or other "friends of" organizations to fundraise on behalf of the school and/or selected school activities (i.e., athletics, the band). Executive Director Kondo noted that S.B. 2423, S.D. 1 is not about schools raising funds for themselves. Executive Director Kondo suggested the Commission consider establishing objective criteria for use in determining guidelines for state support of community fundraising activities. Chair Abdul said that a majority of the benefit realized from community fundraisers may go directly to the private organization.

Executive Director Kondo reported that each of the other bills which staff were tracking had "crossed over," but that none of those bills would result in significant amendment to either the Ethics Code or the Lobbyist Law.

Agenda Item No. IV: University of Hawaii Petition for Declaratory Order Re Applicability of Financial Disclosure Filing Requirements to Members of the University of Hawaii Operational and Financial Controls Improvement Advisory Task Group and University of Hawaii Athletic Director Search Committee, GUIDE-13-00224: Consideration of Petition for Declaratory Order Filed by the University of Hawaii

At staff's recommendation, the Commission postponed consideration of this agenda item until the April 16, 2014, meeting.

Agenda Item No. V: William Eric Boyd vs. Hawaii State Ethics Commission, CAAP-14-0000352, Discussion regarding status of William Eric Boyd's appeal of the Commission's Findings of Fact, Conclusions of Law, and Decision and Order

Commissioner Tschumy recused herself from this agenda item and left the meeting at approximately 11:00 a.m.

Associate Director Yoza reported on the status of the appeal and provided the Commission with information as to the deadlines by which certain material must be filed under the appellate rules.

Associate Director Yoza said that the payment plan for Mr. Boyd has been finalized and his first payment is due March 20, 2014.

Commissioner Tschumy returned to the Commission meeting at approximately 11:07 a.m.

ADJOURNMENT

At approximately 11:07 a.m., Commissioner Tschumy made and Vice Chair Broglio seconded a motion to adjourn the Sunshine Law meeting. The motion carried unanimously (Abdul, Broglio, O'Neal, and Tschumy voting).

The meeting was adjourned at approximately 11:07 a.m.

Minutes approved on April 16, 2014.