The High Road

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

Issue 2017-5

December 2017

Ethics Reminders for the Holidays

The holidays are here, and with them come ethics questions. Can a state office accept a holiday gift from a private business? Can employees use state resources to fundraise for a worthy cause? To review our ethics reminders for the holidays, see the November 2016 issue of The High Road: https://ethics.hawaii.gov/wp-content/uploads/2016/11/HR-2016-4.pdf. If you have any ethics questions or concerns that you would like to discuss, please contact the State Ethics Commission’s office for quick, confidential guidance at (808) 587-0460 or ethics@hawaiiethics.org.

Popular Ethics Refresher Classes Again Offered to Legislators and Agency Heads

The State Ethics Commission is again offering refresher classes on the State Ethics Code, Hawaii Revised Statutes Chapter 84, for legislators, state agency heads and senior management personnel before the start of the 2018 legislative session. The refresher classes are intended for state officials who have previously taken an ethics training course and would like to review the ethical requirements of their state office. The classes will be held on December 8, 2017, and January 8, 2018, at 9:30 a.m., Conference Room 329, Hawaii State Capitol. For more information or to register online for a class, click here: http://ethics.hawaii.gov/2018training/.

Lobbyists Law Class Will Highlight 2017 Amendments to Lobbying Registration and Reporting Requirements

The State Ethics Commission is also offering a class on the lobbying registration and reporting requirements of the State Lobbyists Law, Hawaii Revised Statutes Chapter 97. The class will highlight important changes to the Lobbyists Law made this year by Act 51. Lobbyists and organizations that engage in lobbying activities are encouraged to attend this class, which will be held on January 5, 2018, at 10:00 a.m., Conference Room 329, Hawaii State Capitol. To register online for the class, click here: http://ethics.hawaii.gov/2018-01-05lobbyistlaw/. Seating is limited so early registration is recommended.
Many procurement laws govern the award of state contracts, but state agencies must also comply with two contract provisions in the State Ethics Code.

Public Notice Required for a Non-Bid Contract Awarded to a State Official or Employee (Hawaii Revised Statutes section 84-15(a)). The first law requires public notice of certain non-bid contracts. A state agency may not award a non-bid contract over $10,000 to a state legislator, employee, or board member (or to a business in which a legislator, employee, or board member has a controlling interest, such as ownership of the business), unless the agency first does the following:

1. posts a public notice of its intent to award the contract, and
2. files a copy of the notice with the State Ethics Commission at least 10 days before the contract is awarded.

This public notice requirement is intended to promote transparency and fairness when a state contract is awarded to any state official or employee.

Here is an example: The Department of Education (“DOE”) is planning to award a $25,000 non-bid consulting contract to Dr. Jasmin Doe. Dr. Doe is employed by the University of Hawaii as an associate professor. This is a non-bid contract over $10,000 being awarded to a state employee; the State Ethics Code’s public notice requirement applies to this contract. Before awarding this contract, the DOE must first post a public notice of its intent to award the contract to Dr. Doe and must file a copy of the notice with the State Ethics Commission at least 10 days before the contract is awarded.
Agency Cannot Award a Contract to Anyone Receiving Prohibited Assistance from a Current or Former Agency Employee (Hawaii Revised Statutes section 84-15(b)). The second ethics law prohibits a state agency from contracting with anyone who is assisted or represented in the matter by a person who:

1. has been employed by the agency within the previous two years, and
2. participated while in state employment in the matter with which the contract is concerned.

This restriction is intended to prevent any unfairness or appearance of unfairness that may arise when a state employee works on a matter and then is hired by a private company to help the company win a contract on that same matter.

Here is an example: Justin Doe, a Department of Health (DOH) employee, drafted a request for proposals for an air ambulance service contract. He then left the DOH and, for the past year and a half, has been working for Kukui Medical Center, a private company. Kukui Medical Center would like to submit a proposal to the DOH for the air ambulance contract. Can Mr. Doe help his employer write its proposal for this contract? The answer is no, because Mr. Doe was employed by the DOH within the past two years and he participated in this contract matter while in state employment. If Mr. Doe assists Kukui Medical Center in this matter, the State Ethics Code prohibits the DOH from awarding the contract to Kukui Medical Center.

If you have any questions about the State Ethics Code’s laws regarding state contracts, contact the State Ethics Commission’s office for guidance.