



Aloha and welcome to the Hawaii State Ethics Commission's on-line ethics training program for state employees.

Beginning on January 1, 2023, all state employees will be required by law to take an ethics training course and to repeat their training every four years. This course will inform you about the standards of ethical conduct that every state employee must follow.

For the most part, this presentation will advance automatically. We have included some interactive quizzes in the program, which will prompt you to select the correct answer.

This program will take approximately 30 minutes to complete.

Once you have completed this training program, you can obtain a certificate of completion via email. Follow the instructions for this at the end of the program.



Every day throughout Hawaii, more than 50,000 state officials and employees perform important government services. Whether they are protecting our natural resources, cleaning and maintaining our state facilities, or teaching in our public schools and universities, these public servants – including you – are critical to the well-being of our State.

## Article XIV Hawaii State Constitution

### Hawaii Revised Statutes Chapter 84 | State Ethics Code

*“ The people of Hawaii believe that public officers and employees must exhibit the highest standards of ethical conduct and that these standards come from the personal integrity of each individual in government. ”*

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We rely upon all state employees to perform their jobs with integrity. In fact, Hawaii's Constitution requires that public employees exhibit the highest standards of ethical conduct. These standards of conduct are found in Hawaii Revised Statutes Chapter 84, also known as the State Ethics Code.

## State Ethics Code applies to:



State  
Legislators



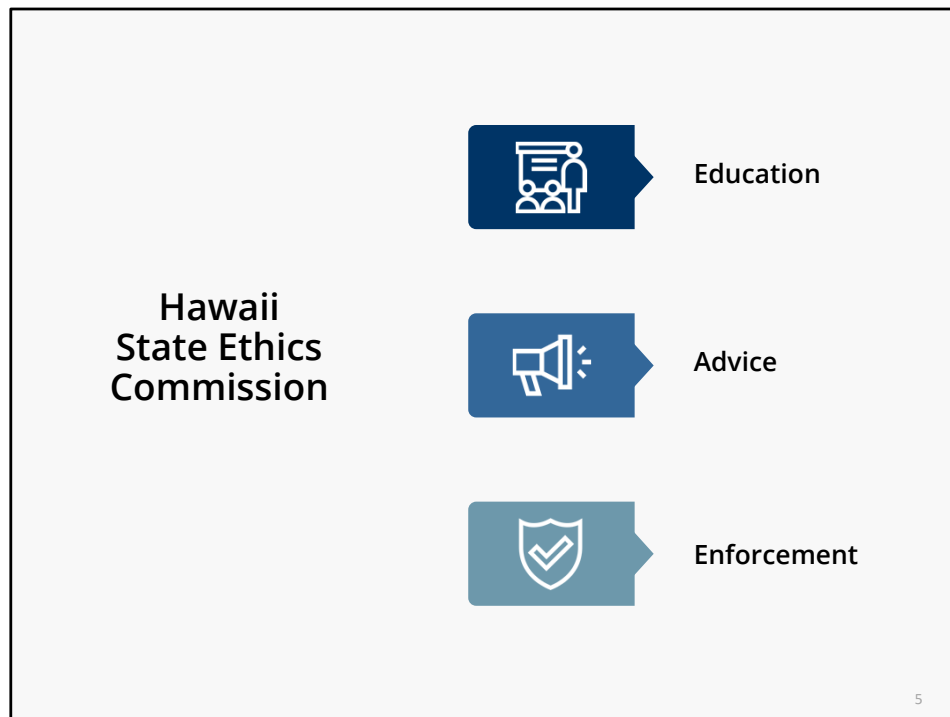
State  
Employees



Members of  
State Boards and  
Commissions

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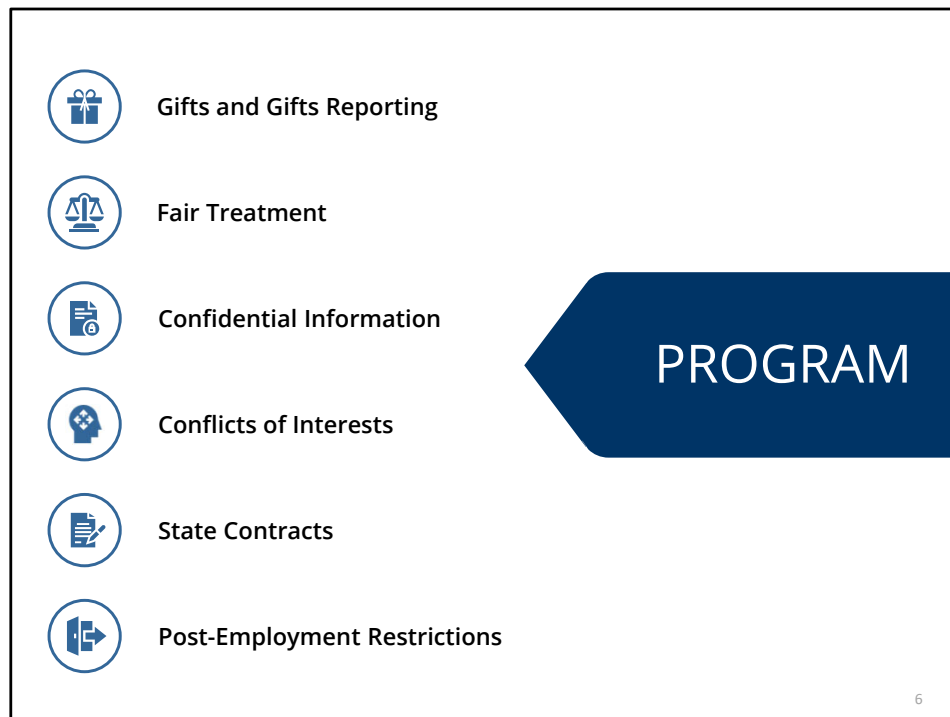
The State Ethics Code consists of state laws that require ethical conduct by all state legislators, state employees, and the members of state boards and commissions. These laws promote integrity and public confidence in government.



The Hawaii State Ethics Commission administers and enforces the State Ethics Code.

The Commission:

- Educates employees about the ethics laws;
- Provides ethics advice to employees; and
- Enforces the ethics laws by investigating and prosecuting ethics violations



In this program, we will cover the following ethics laws that together form the State Ethics Code: Gifts and Gifts Reporting; Fair Treatment; Confidential Information; Conflicts of Interests; State Contracts; and Post-Employment Restrictions.

Let's begin our discussion with the Gifts law.

## Gifts

HRS § 84-11



Don't accept any gift if it is reasonable to infer the gift is offered to influence or reward you for state action.

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Have you ever received a gift from someone who might be affected by your actions as a state employee? The Gifts law prohibits you from accepting a gift if it's reasonable to infer the gift is offered to influence or reward you for official action.

The Gifts law is not based on whether you are actually influenced by a gift. Rather, the law is based on appearance: Does it reasonably appear that a gift is offered to influence or reward your actions as a state employee? If the answer is yes, then the gift is prohibited.

## What is a gift?



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So, what is a gift? It can be anything of value that is offered or given to you. Here are some examples:

- Meals and other gifts of food, such as a box of malasadas or a tray of sushi;
- Gift baskets and gift cards;
- Recreation and entertainment, such as free golf or tickets to sports events or shows;
- Invitations to special events, such as grand openings or charity fundraiser dinners; and
- Travel, including airfare and hotel.

Again, these are just examples. There are many other kinds of gifts that are subject to the Gifts law.



## Can I accept a gift?

### FACTORS TO CONSIDER



Relationship between  
you/your state agency  
and the donor?



Value  
of the gift?



Is there a  
State benefit?

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If you are offered a gift, you must first ask whether the Gifts law allows you to accept it. The State Ethics Commission looks at three factors:

- First, the relationship between you or your state agency and the donor of the gift;
- Second, the value of the gift; and
- Third, whether the gift will provide any benefit to the State or to you in performing your state duties.

Let's look a little closer at each of these factors.

## Can I accept a gift?

What is the relationship between you or your state agency and the donor?

- ▶ Inspect or Regulate? - No Gifts!
- ▶ Vendor or Contractor? - No Gifts!

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The first factor is the relationship between you or your state agency and the donor.

If you or your agency take state action affecting the donor, the gift is more likely to be prohibited.

Be aware that you must not accept any gifts from:

- Someone you inspect or regulate, or
- From a vendor or contractor who does business with your agency or may be seeking to do business with your agency.

Can I accept a gift?

What is the value of the gift?

- ▶ HIGH - Gift more likely prohibited
- ▶ NOMINAL - Gift more likely allowed

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The second factor is the value of the gift. Generally, the higher the value of the gift, the more likely it is that the gift is prohibited.

Gifts of nominal value that may generally be accepted include:

- Inexpensive promotional items, such as pens, calendars, or tote bags provided at a training session or conference.
- Light refreshments, such as coffee or soda offered at a meeting, may also generally be accepted.

## Can I accept a gift?

Is there a benefit to the State if I accept the gift?

- ▶ YES - Gift more likely allowed
- ▶ NO - Gift more likely prohibited

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The third factor is whether the gift provides any benefit to the State. Gifts that benefit the State, or benefit you in performing your state duties, are more likely to be allowed. For example, is someone offering to pay for you to attend a training class that will help you better perform your job? This may be allowed under the Gifts law.

On the other hand, gifts that are mainly for your own personal benefit or entertainment are generally prohibited. This includes:

- Free golf and other recreational activities;
- Tickets to sports events, concerts and shows; and
- Gifts cards or money.



## Gifts of Food

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State employees sometimes receive gifts of food at work, such as a box of donuts or manapua. In general, occasional gifts of food such as these may be accepted unless they are from someone that you regulate or from a vendor or contractor.

For example, a state researcher who helps a student with a class assignment may accept brownies or mango bread as a “thank you.” However, a state inspector may not accept any gifts – not even a modest gift of food – from a business that he or she regulates.

## Gifts of Travel

(Travel paid for by non-state entity)



- Who is paying for trip?
- Does trip relate to state duties?
- No travel upgrades

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Many employees travel to the neighbor islands or outside Hawaii as part of their state duties. Sometimes, private organizations offer to pay for an employee's travel. These trips are considered "gifts of travel" and they are subject to the Gifts law.

If an organization offers to pay for your travel expenses for a trip, contact the State Ethics Commission for guidance. You will be asked to provide information about the trip, the organization offering to pay for your trip, and how the trip relates to your state duties. Then, one of the Commission's attorneys will advise you whether you may accept the gift of travel.

Be aware that although your trip may be for a legitimate state purpose, travel upgrades to business class or first class are generally considered a personal benefit and cannot be accepted.



## Quiz

Lani is the state project manager for a new highway being built on Maui. She oversees the general contractor, who wants to discuss change orders for the project. The general contractor suggests they meet at noon at Lani's office and offers to bring lunch for Lani and her secretary.

Can Lani accept this offer?




- ☐ Yes, because state business will be discussed.
- ☐ Yes, because this will promote a good work relationship with the general contractor.
- ☐ No, this is a prohibited gift because Lani oversees the general contractor's work.

Now let's see how the Gifts law applies in this case involving Lani, a state project manager.

Read the question and select the correct answer by clicking on the circle next to it. Then click SUBMIT button in the lower right corner. If you are incorrect, you will get another chance by clicking TRY AGAIN.


## Quiz

Click the **Quiz** button to edit this object

 Quiz

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## Quiz

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Can Lani accept this offer?



- ☐ Yes, because state business will be discussed.
- ☐ Yes, because this will promote a good work relationship with the general contractor.
- ☐ No, this is a prohibited gift because Lani oversees the general contractor's work.

Lani cannot accept lunch from the general contractor just because state business will be discussed or because the lunch might foster a good work relationship.

Lani oversees the general contractor's work for this project and therefore takes official action affecting the general contractor. So in this case, a free lunch for Lani and her secretary would be a prohibited gift.

## Gifts Reporting

HRS § 84-11.5



Report gift(s) to the State Ethics Commission if:

1. Value of gift or gifts from same source is more than \$200; and
2. Source of the gift or gifts has interests that may be affected by your state action.

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The State Ethics Code also has a Gifts Reporting law.

This law requires you to report gifts to you, your spouse, or any of your dependent children, if:

- The value of the gift, or the combined value of two or more gifts from the same source, is more than \$200; and
- The source of the gift has interests that may be affected by your actions as a state employee.

If these conditions are met, you must file a Gifts Disclosure statement with the State Ethics Commission. Note that certain gifts do not have to be reported on a Gifts Disclosure statement, such as gifts from close relatives or gifts that are donated to charity.



Gifts disclosure statements are due each year on June 30. They cover gifts received between June 1 of the preceding calendar year and May 31 of the current year. All gifts disclosure statements are public records.


Gifts disclosure forms and instructions are available on the State Ethics Commission's website.

☒ Quiz

Is it okay for me to accept any gift as long as I report it?

☐ YES

☐ NO

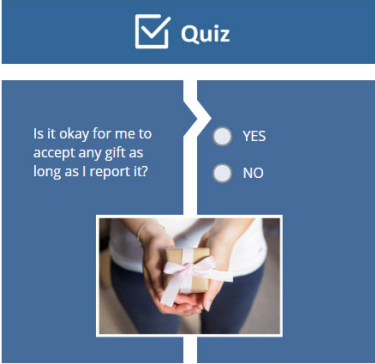


Time for a Pop Quiz: Is it okay for me to accept any gift as long as I report it?

Select the correct answer.

## Quiz

Click the **Quiz** button to edit this object




The image shows a mockup of a quiz interface. At the top is a dark blue header bar with a white checkmark icon and the word "Quiz". Below this is a white question box with a blue border. The question text is "Is it okay for me to accept any gift as long as I report it?". To the right of the question are two radio button options: "YES" and "NO". Below the question is a small image of a person's hands holding a wrapped gift. The entire quiz mockup is centered within a light gray rectangular frame.

☒ Quiz

Is it okay for me to accept any gift as long as I report it?

☐ YES

☐ NO



Some employees believe that they may accept any gift as long as they report it on a gifts disclosure statement. This is incorrect!

Remember, simply because you report a gift on a Gifts Disclosure statement does not mean it was permissible for you to accept the gift in the first place.

## Summary: Gifts and Gifts Reporting



Don't accept a gift if it is reasonable to infer that the gift is intended to influence or reward you.



Report gifts over \$200 from anyone who may be affected by your actions as a state employee.



You can't accept a prohibited gift just because you report it on a Gifts Disclosure statement.

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Let's summarize how the Gifts and Gifts Reporting laws apply to you:

- Don't accept a gift if it is reasonable to infer the gift is intended to influence or reward your actions as a state employee. And don't accept any gifts from someone you regulate, or from vendors or contractors with your agency.
- File a Gifts Disclosure statement to report gifts over \$200 that you receive from anyone who may be affected by your actions as a state employee.
- And remember that you are not allowed to accept a prohibited gift just because you report it on a Gifts Disclosure statement.
- For more information about the Gifts law, visit the State Ethics Commission's website and see our "Quick Guide on Gifts."

This concludes our discussion of Gifts and Gifts Reporting under the State Ethics Code.

## Fair Treatment

HRS § 84-13(a)



Don't use your state position to obtain unwarranted privileges, advantages, or treatment for yourself or others.

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As state employees, we are all expected to perform our jobs with integrity and to act for the public good rather than our own personal gain. The State Ethics Code's "Fair Treatment" law affirms this important principle.

The Fair Treatment law prohibits employees from using their state positions to give unwarranted privileges or advantages to themselves or others. In other words, don't use your state position to unfairly benefit yourself or anyone else. Being a state employee does not mean you are entitled to give or receive preferential treatment.



## Fair Treatment

HRS § 84-13(a)(1)



Don't use your state position to obtain outside employment or contracts for yourself.

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The Fair Treatment law includes these prohibitions. First, don't use your state position to obtain outside employment or contracts for yourself.

## Fair Treatment

HRS § 84-13(a)(2)



Don't accept additional ("double") compensation for performing your state duties.

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Second, don't accept additional compensation for performing your state duties.

In other words, you can't be paid twice for doing your state job.

You are allowed, of course, to receive your state salary and overtime pay or special pay from the State if you are entitled to this under the terms of your state employment.

However, you must not accept any additional compensation, especially from private sources, for doing your state job.



## Quiz

A private research firm is conducting a survey of all state departments to measure government efficiency. Sam, a state employee, is assigned to complete the survey for his department. Sam later receives a \$50 check from the research firm, thanking him for completing the survey.

Can Sam keep the check?




- ☐ Yes, because Sam completed the survey for his department.
- ☐ No, because Sam cannot accept extra pay for doing his state job.
- ☐ No, because the research firm should pay Sam more than \$50 for completing the survey.

Let's see how the law applies in this case involving Sam, a state employee who is given an assignment by his department.

Read the question and select the correct answer.


## Quiz

Click the **Quiz** button to edit this object

 Quiz

A private research firm is conducting a survey of all state departments to measure government efficiency. Sam, a state employee, is assigned to complete the survey for his department. Sam later receives a \$50 check from the research firm, thanking him for completing the survey.

Can Sam keep the check?



- ☐ Yes, because Sam completed the survey for his department.
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## Quiz

A private research firm is conducting a survey of all state departments to measure government efficiency. Sam, a state employee, is assigned to complete the survey for his department. Sam later receives a \$50 check from the research firm, thanking him for completing the survey.

Can Sam keep the check?



- ☐ Yes, because Sam completed the survey for his department.
- ☐ No, because Sam cannot accept extra pay for doing his state job.
- ☐ No, because the research firm should pay Sam more than \$50 for completing the survey.

Sam completed the survey as part of his state job and the Fair Treatment law prohibits him from accepting any additional pay for performing his state duties.

## Fair Treatment

HRS § 84-13(a)(3)



Don't use state time, equipment, facilities, or other state resources for private business purposes.

30

This next prohibition is especially important. Don't use state time, equipment, or facilities for private business purposes. State time means your state work time – in other words, the time during which you are expected to be performing your state duties.

State equipment includes office equipment, such as photocopiers and computers, as well as other kinds of state equipment such as tools and machinery. This also includes state vehicles.

State facilities include state offices, conference rooms, and other state work premises.

You are also prohibited from using other state resources, such as your state email or state personnel, for private business activities.

## What is a private business?



For-profit  
business



Nonprofit  
organization



Political  
campaign

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Under the State Ethics Code, a “private business” means a for-profit business as well as a nonprofit organization. A political campaign is also considered a private business.

## Prohibited Private Business Activities in State Offices

- Doing outside work for private employer
- Selling food, crafts, etc. to co-workers
- Fundraising for private clubs, organizations, charities
- Campaign activities (asking for campaign contributions, planning campaign events, etc.)



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Here are some examples of “private business” activities that may not take place in state offices:

- Doing outside work for a private employer;
- Selling food, crafts, or other items to co-workers;
- Fundraising for private clubs, organizations, or charities; and
- Conducting campaign activities, such as asking for campaign contributions or planning campaign events.



## State-Sponsored Fundraising

State resources may be used to fundraise for some state-sponsored events.

- ▶ Aloha United Way
- ▶ Hawaii Foodbank
- ▶ Blood Bank of Hawaii



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Although the Fair Treatment law prohibits the use of state resources for private fundraising, state resources may be used to fundraise for certain state-sponsored events, such as the Aloha United Way campaign, and other State campaigns for the Hawaii Foodbank and the Blood Bank of Hawaii.

## Fair Treatment

### Misappropriation of State Property:

Don't take state equipment  
or machinery home for  
personal use.



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Many state employees use or have access to state tools, equipment or machinery for their state jobs. Taking state property home for your personal use is a misuse of your state position. For example, the Fair Treatment law prohibits you from taking a state lawnmower home to do yard work over the weekend. Don't misappropriate state property!

## Fair Treatment

HRS § 84-13(a)(4)




Don't enter into substantial financial transactions with subordinates or those you supervise or inspect.

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Finally, the Fair Treatment law prohibits you from entering into substantial financial transactions with a subordinate employee, or someone you supervise or inspect as a state employee.

For example, a state supervisor may not sell a used car to a subordinate employee or hire a subordinate employee to do outside work for the supervisor.

This is to prevent supervisors from misusing their state authority in private financial transactions with subordinates.

 Quiz

Drag the correct answer to match each of the questions about Jo, a state supervisor.


Jo supervises Tom at work. Tom also does side jobs as a painter. Can Jo hire Tom to paint her house?	Yes, because state offices cannot be used for private business activities.
Tom's canoe club is selling sweet bread for a fundraiser. Can Tom use state email to ask his co-workers to buy sweet bread?	No, because a supervisor cannot enter into a substantial financial transaction with a subordinate.
Jo sells t-shirts at craft fairs. A big craft fair is coming up and Jo is running out of storage space at home. Is there a problem if she stores boxes of t-shirts for the craft fair in her state office?	No, because state email cannot be used to fundraise for private clubs or organizations.

Now test your knowledge of the Fair Treatment law by matching the puzzle pieces in this case involving Jo, a state supervisor.

Click and drag the correct answer to fit the right question.

## Quiz

Click the **Quiz** button to edit this object

 Quiz

Drag the correct answer to match each of the questions about Jo, a state supervisor.

Jo supervises Tom at work. Tom also does side jobs as a painter. Can Jo hire Tom to paint her house?	No, because a supervisor cannot enter into a substantial financial transaction with a subordinate.
Tom's canoe club is selling sweet bread for a fundraiser. Can Tom use state email to ask his co-workers to buy sweet bread?	No, because state email cannot be used to fundraise for private clubs or organizations.
Jo sells t-shirts at craft fairs. A big craft fair is coming up and Jo is running out of storage space at home. Is there a problem if she stores boxes of t-shirts for the craft fair in her state office?	Yes, because state offices cannot be used for private business activities.

## Summary: Fair Treatment



Don't use your state position to unfairly benefit yourself or others.

- Don't use your state position to get outside employment for yourself.
- Don't accept additional ("double") compensation.
- Don't use state resources for private business activities.
- Don't enter into substantial financial transactions with subordinates.

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Let's summarize how the Fair Treatment law applies to you.

- Don't use your state position to unfairly benefit yourself or others.
- Don't use your state position to obtain outside employment or contracts for yourself.
- Don't accept additional pay for doing your state job other than what the State allows you to receive.
- Don't use state resources for private business activities, including private fundraising and political campaign activities.
- And don't enter into substantial financial transactions with subordinates or anyone you supervise or inspect.

This concludes our discussion of Fair Treatment under the State Ethics Code.

## Confidential Information

HRS § 84-12



Don't disclose confidential information.

Don't use confidential information to benefit anyone.

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In the course of performing their state jobs, many employees acquire confidential information that is not available to the public.

The State Ethics Code prohibits an employee from disclosing confidential information or using confidential information for personal gain or for someone else's benefit.

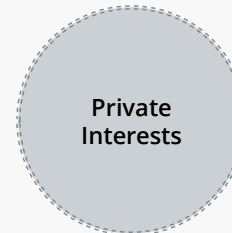
Remember, confidential information is for official use only!

# Conflicts of Interests

HRS § 84-14



**vs.**



40

When an employee takes state action affecting his or her own financial interests, we call this a conflict of interest. A conflict of interest can make it appear that state action is influenced by an employee's own self interest. This weakens public confidence in government.

The State Ethics Code has three important laws to address and prevent conflicts of interests by state employees.



Ed, a state inspector, is assigned  
to inspect a coffee farm on Hawaii island.  
Ed's spouse, Emi, is the coffee farm's business manager.

What must Ed do in this situation?



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This case will get us started.

Ed, a state inspector, is assigned to inspect a coffee farm on Hawaii island. Ed's spouse, Emi, is the coffee farm's business manager.

What must Ed do in this situation?

## Conflicts of Interests

HRS § 84-14(a)



### DISQUALIFY YOURSELF IF YOU HAVE A CONFLICT OF INTEREST

Don't take official action directly affecting a business in which  
you have a financial interest.

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The State Ethics Code prohibits an employee from taking official action affecting any business in which the employee has a financial interest.

This means that if you have a financial interest in a business, you must disqualify yourself from taking any official action affecting that business.

**So, what exactly is a “financial interest” in a business?** It's important that you understand what this means.

## What is a Financial Interest?



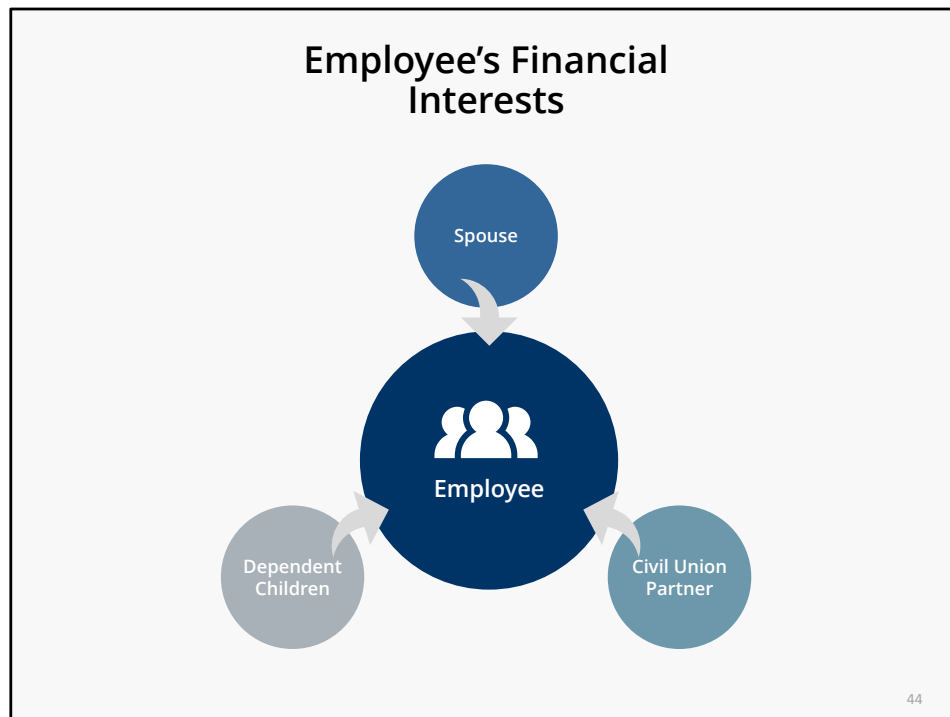
43

Remember that under the State Ethics Code, a “business” includes for-profit companies and nonprofit organizations. And a “financial interest” in a business includes the following:

- Being the owner of a business (this includes owning shares of stock in a business);
- Being employed by a business, even on a part-time basis; and
- Serving as an officer or director of a business, even if you are not paid for your services.

A financial interest also includes:

- Being the owner of real or personal property;
- Having a loan with a business; or
- Being a creditor of an insolvent business.



An employee's financial interests also include the financial interests of the employee's spouse, civil union partner, and dependent children.

This means that if your spouse has a financial interest in a business, you must disqualify yourself from taking official action as a state employee affecting that business.

## What is Official Action?

### Definition

- Personal judgment or discretion
- Decision
- Recommendation
- Approval/disapproval

### Examples

- Performing inspections or investigations
- Purchasing goods, services
- Awarding contracts
- Supervising
- Giving advice, opinions, recommendations

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“Official action” is anything you do as a state employee that involves personal judgment or discretion – that is, any decision, recommendation, approval, or disapproval that you make or participate in.

Examples of “official action” include: performing an inspection or investigation, purchasing goods or services for the State, awarding state contracts, supervising others, and giving your advice, opinions or recommendations about something, even if you are not the final decision maker.

Be aware that there are many more examples of “official action,” and it’s very likely that you exercise official action when performing your state duties.



## Quiz

Ed, a state inspector, is assigned to inspect a coffee farm on Hawaii island. Ed's spouse, Emi, is the coffee farm's business manager.

What must Ed do in this situation?



- ☐ Ed disqualify himself from inspecting the coffee farm.
- ☐ Ed must disqualify himself from inspecting the coffee farm only if he feels he cannot be fair and impartial.
- ☐ Ed must inspect the coffee farm but to avoid a conflict of interest, his inspection report must be approved by his supervisor.


Let's go back to our case involving Ed, the state inspector who is assigned to inspect a coffee farm where his wife, Emi, is the business manager.

What must Ed do in this situation?

Select the correct answer.


## Quiz

Click the **Quiz** button to edit this object

 Quiz

Ed, a state inspector, is assigned to inspect a coffee farm on Hawaii island. Ed's spouse, Eml, is the coffee farm's business manager.

What must Ed do in this situation?



- ☐ Ed disqualify himself from inspecting the coffee farm.
- ☐ Ed must disqualify himself from inspecting the coffee farm only if he feels he cannot be fair and impartial.
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What must Ed do in this situation?



- ☐ Ed disqualify himself from inspecting the coffee farm.
- ☐ Ed must disqualify himself from inspecting the coffee farm only if he feels he cannot be fair and impartial.
- ☐ Ed must inspect the coffee farm but to avoid a conflict of interest, his inspection report must be approved by his supervisor.

Ed has a conflict of interest. He has a financial interest in the coffee farm because his spouse, Emi, is employed by this business. Therefore, the State Ethics Code prohibits Ed from taking official action affecting the coffee farm even if he feels he can be fair and impartial.

Ed must disqualify himself from this inspection and someone else must inspect the coffee farm.



## Conflicts of Interests

HRS § 84-14(b)



### DON'T CREATE NEW CONFLICTS OF INTERESTS

Don't acquire a financial interest in a business  
if there is a reason to believe you will take  
official action affecting that business.

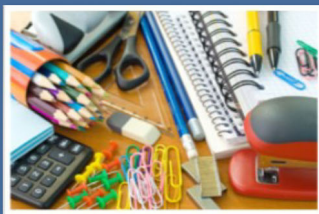
49

The State Ethics Code has another law that prohibits employees from creating new conflicts of interests for themselves after they are hired by the State. This law prohibits you from acquiring a new financial interest in any business that may be affected by your official action as a state employee.



## Quiz

Miki buys office products for her state agency from Pali Office Products. Can Miki start a second job with this company on weekends to earn extra money?




- ☐ No, because Miki already has a full-time job with the State.
- ☐ Yes, but she must disqualify herself from taking official action affecting Pali Office Products.
- ☐ No, because Miki takes official action affecting Pali Office Products.
- ☐ Yes, because Miki will be working for this business on her own time.

Let's see how the law applies in this case involving Miki, a state employee who is looking for a second job.


Read the question and select the correct answer.

## Quiz

Click the **Quiz** button to edit this object

 Quiz

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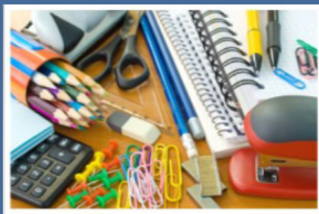


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- ☐ No, because Miki already has a full-time job with the State.
- ☐ Yes, but she must disqualify herself from taking official action affecting Pali Office Products.
- ☒ No, because Miki takes official action affecting Pali Office Products.
- ☐ Yes, because Miki will be working for this business on her own time.

By making state purchases from Pali Office Products, Miki takes official action affecting this business. Therefore, it would be a prohibited conflict of interest for her to become employed by Pali Office Products or to acquire any other kind of financial interest in this business.

Disqualifying herself from taking official action affecting Pali Office Products will not solve the problem. Miki is not allowed to adjust her state job duties just so she can get second job with Pali Office Products.

## Conflicts of Interests

HRS § 84-14(d)



### DON'T ASSIST OR REPRESENT OTHERS FOR PAY

- In a transaction before your agency
- On a matter in which you have participated or will participate

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There is one more conflicts of interests law, which prohibits an employee from assisting or representing anyone for pay in a transaction before the employee's agency. For example, you cannot be hired for pay to assist a business in selling products or services to your own state agency.

The purpose of this law is to prevent employees from being hired to use their influence within their own state agencies to obtain special treatment for others – a prohibited practice known as “influence peddling.”

This law also prohibits you from assisting or representing anyone for pay on matters you have worked on, or will work on, as part of your state job.

## Quiz

Ben is a state researcher whose department awards loans to farmers. Ben would like to start his own consulting business where, for a fee, he will assist farmers in applying for loans from his department.

Can Ben do this?




- ☐ Ben can do this because his state job does not involve awarding loans to farmers.
- ☐ Ben can do this but he cannot ask his department for any special treatment.
- ☐ Ben cannot do this because he cannot assist anyone for pay in a transaction before his own department.

Let's see how the law applies in this case involving Ben, a state researcher who wants to start his own consulting business.

Read the question and select the correct answer.


## Quiz

Click the **Quiz** button to edit this object

 Quiz

Ben is a state researcher whose department awards loans to farmers. Ben would like to start his own consulting business where, for a fee, he will assist farmers in applying for loans from his department.

Can Ben do this?



- ☐ Ben can do this because his state job does not involve awarding loans to farmers.
- ☐ Ben can do this but he cannot ask his department for any special treatment.
- ☐ Ben cannot do this because he cannot assist anyone for pay in a transaction before his own department.



## Quiz

Ben is a state researcher whose department awards loans to farmers. Ben would like to start his own consulting business where, for a fee, he will assist farmers in applying for loans from his department.

Can Ben do this?



- ☐ Ben can do this because his state job does not involve awarding loans to farmers.
- ☐ Ben can do this but he cannot ask his department for any special treatment.
- ☒ Ben cannot do this because he cannot assist anyone for pay in a transaction before his own department.

Ben cannot assist anyone for pay in a transaction before his own state department even if he avoids asking for any special treatment for himself or his clients. The conflicts of interests law prohibits this to prevent influence peddling or even the appearance of influence peddling by a state employee.



## Summary: Conflicts of Interests



Disqualify yourself when you have a conflict of interest.



Don't create new conflicts of interests for yourself.



Don't assist others for pay before your agency.

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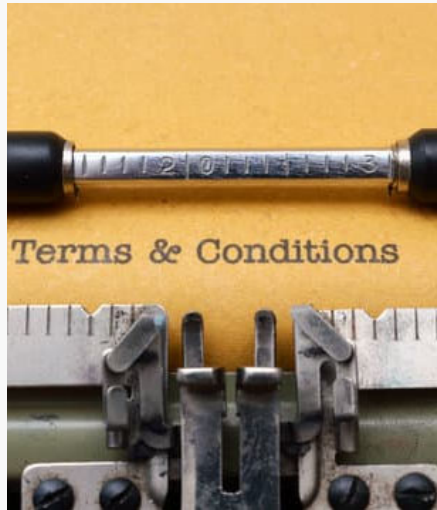
Let's summarize what you must do to avoid conflicts of interests under the State Ethics Code.

- First, disqualify yourself when you have a conflict of interest. In other words, don't take official action affecting any business in which you have a financial interest. And remember that your financial interests also include the interests of your spouse, civil union partner, and dependent children.
- Second, don't create new conflicts of interests for yourself. For example, don't accept an outside job with a company if you take official action affecting that company.
- And third, don't engage in influence peddling – in other words, don't assist others for pay in transactions before your state agency.

This concludes our discussion of Conflicts of Interests under the State Ethics Code.

## State Contracts

HRS § 84-15(a)



Public notice required before awarding non-bid contract over \$10,000 to a state legislator or employee.

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The State Ethics Code's contracts laws promote transparency and fairness in the award of state contracts. State agencies must comply with these ethics laws, in addition to the Hawaii Public Procurement Code or other procurement laws.

There are two contracts laws in the State Ethics Code.

The first law requires a state agency to post a public notice before entering into a non-bid contract over \$10,000 with a state legislator or employee, or a business in which a legislator or employee has a controlling interest. A copy of the public notice must be filed with the State Ethics Commission at least 10 days before the contract is awarded.

## State Contracts

HRS § 84-15(b)



A state agency must not enter into a contract with any business that is assisted in the matter by someone who:

- (1) Was employed by the agency within the past 2 years, and
- (2) Worked on the same contract matter as a state employee.

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The second contracts law prohibits a state agency from entering into a contract with any business that is assisted in the matter by someone who:

- 1) Was employed by the agency within the past 2 years, and
- 2) Worked on the same contract matter as a state employee.

The purpose of this law is to prevent employees who have worked on state contract matters from later giving unfair assistance to businesses applying for those contracts.

This concludes our discussion of State Contracts under the State Ethics Code.

## Post-Employment Restrictions

HRS §§ 84-18, 84-15(b)



HRS § 84-18(a)

Don't disclose confidential information.

HRS § 84-18(c)

For 12 months, don't represent others before your former agency or on matters you worked on as a state employee.

HRS § 84-15(b)

For 2 years, don't assist others in obtaining contracts from your former agency if you worked on the same contract matters as a state employee.

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Are you thinking about leaving state service? If so, you should be aware of the State Ethics Code's post-employment restrictions for state employees.

These restrictions will apply to you after your state employment ends.

The purpose of these restrictions is to prevent employees who leave state service from immediately returning to use their influence in government to unfairly benefit themselves or others.

There are three post-employment restrictions.

- First, don't disclose any confidential information that you acquired from your state job or use the information for anyone's benefit.
- Second, for 12 months after you leave state employment, don't represent others for pay on matters before your former state agency, or on matters that you worked on as a state employee.
- And third, for 2 years after you leave state employment, don't assist anyone in obtaining a contract from your former state agency if you worked on the same contract matter while you were a state employee.

In addition to these restrictions, the executive directors of certain state boards and certain high-ranking state officials, such as the Governor, Lt. Governor, and state department heads, are prohibited from lobbying the legislature or executive branch agencies for 12 months after leaving state service.



## Quiz

Roland left his state job as a medical marijuana specialist a month ago to work for a private clinic. The clinic has applied to Roland's former state agency for a license to sell medical marijuana. Roland would like to meet with his former state supervisor to discuss the clinic's application.

Can Roland do this?




- ☐ Roland can do this only if he avoids asking for any favors from his former supervisor.
- ☐ Roland cannot do this because he cannot represent the clinic before his former state agency.
- ☐ Roland cannot do this because the State should not promote the use of marijuana.

Let's see how the law applies in this case involving Roland, a former state employee who is now working for a private business.

Read the question and select the correct answer.


## Quiz

Click the **Quiz** button to edit this object

 Quiz

Roland left his state job as a medical marijuana specialist a month ago to work for a private clinic. The clinic has applied to Roland's former state agency for a license to sell medical marijuana. Roland would like to meet with his former state supervisor to discuss the clinic's application.

Can Roland do this?



- ☐ Roland can do this only if he avoids asking for any favors from his former supervisor.
- ☐ Roland cannot do this because he cannot represent the clinic before his former state agency.
- ☐ Roland cannot do this because the State should not promote the use of marijuana.



## Quiz

Roland left his state job as a medical marijuana specialist a month ago to work for a private clinic. The clinic has applied to Roland's former state agency for a license to sell medical marijuana. Roland would like to meet with his former state supervisor to discuss the clinic's application.

Can Roland do this?



- ☐ Roland can do this only if he avoids asking for any favors from his former supervisor.
- ☒ Roland cannot do this because he cannot represent the clinic before his former state agency.
- ☐ Roland cannot do this because the State should not promote the use of marijuana.

For 12 months after leaving his state job, Roland is prohibited by the post-employment law from representing anyone for pay before his former state agency. Therefore, Roland cannot meet with his former state supervisor to discuss the clinic's license application.

## Post-Employment Restrictions Exceptions:

- ▶ Employed by the State less than 6 months (confidentiality rule, however, applies to all former employees regardless of length of service)
- ▶ Contract to act on behalf of the State



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There are two exceptions to the post-employment restrictions:

- First, if you worked for the State for less than 6 months, the post-employment restrictions do not apply to you. However, you are prohibited from disclosing any confidential information you obtained as an employee regardless of your length of service.
- Second, a state agency may contract with you to act on a matter on behalf of the State at any time after you leave state employment.

Note, however, that if you are thinking about contracting to provide services to the State after you have retired, you should check with the Employees' Retirement System to see whether this will affect your retirement benefits.

For more information about the post-employment restrictions of the State Ethics Code, visit our website and see the State Ethics Commission's "Quick Guide on Post-Employment Laws."

This concludes our discussion of the Post-Employment Restrictions under the State Ethics Code.



## Penalties for Ethics Violations



- ➔ Fines up to \$1,000 per violation
- ➔ Disciplinary action
- ➔ State can recover illegal gifts or profits
- ➔ State can cancel contracts, licenses, or permits

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The ethics laws that we have covered in this program apply to all state employees. The penalties for violating these laws include fines of up to \$1,000 per violation and disciplinary action by the State.

In addition, the State may recover any illegal gifts or profits, and may cancel any state contracts or permits that result from an ethics violation.

Remember that to maintain the public's trust, all of us in State government must uphold the standards of ethical conduct required by the State Ethics Code.

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Do you have a question or concern about ethics? The State Ethics Commission is always available to assist you. Don't hesitate to contact the Commission's office for guidance. Here is our contact information.

Please also visit the State Ethics Commission's website to obtain more information about the State Ethics Code and to review our ethics publications, including our *Quick Guides* to the Ethics Code and our newsletter, *The High Road*.



Mahalo for taking the time to learn about the State Ethics Code!

For instructions on how obtain a Certificate of Completion for this training, please click the hyperlink on your screen.