



# Guide to the State Ethics Code

Hawai'i State Ethics Commission

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### Guide to the State Ethics Code

This Guide summarizes the laws of the State Ethics Code that apply to all state employees in Hawai'i. We have also included links to publications that provide more information about the ethics laws (all posted on the State Ethics Commission's website), and an Ethics Quiz that you can take to test your knowledge of the State Ethics Code.

In addition to using this Guide, we encourage all state employees to take the Hawai'i State Ethics Commission's online training program, ***Ethics for State Employees***. The online training program only takes about 30 minutes to complete and covers all of the laws that are discussed in this Guide.

**Note:** This Guide to the State Ethics Code is intended for instructional purposes only and is not meant to be a complete statement of the law.

#### I. Introduction

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

The State Ethics Commission administers the State Ethics Code by (1) educating employees about the ethics laws, (2) giving ethics advice to employees, and (3) investigating and prosecuting ethics violations.

The State Ethics Code includes the following laws:

- Gifts and Gifts Reporting
- Fair Treatment
- Confidential Information
- Conflicts of Interests
- State Contracts
- Post-Employment Restrictions

As a state employee, you are required to follow these ethics laws. Therefore, it is important to understand how these laws apply to you.

#### FYI

The State Ethics Code is found in Hawai'i Revised Statutes ("HRS") Chapter 84.

#### FYI

The State Ethics Code also includes a Financial Disclosure Law. For more information, see [Financial Disclosure E-Filing Guide](#).

## II. Gifts and Gifts Reporting



**A. Prohibited Gifts (HRS § 84-11).** Do not accept a **gift** if it is reasonable to infer the gift is given to influence or reward your actions as a state employee.

**Can I Accept This Gift?** The State Ethics Commission looks at these factors to determine whether the Gifts Law allows you to accept a gift: (1) the relationship between you (or your agency) and the donor of the gift; (2) the value of the gift; and (3) whether the gift provides any benefit to the State.

**Prohibited Gifts from Vendors, Contractors and Others.** A gift is more likely to be prohibited if you take official action affecting the donor. You generally may not accept any gifts from someone you inspect, investigate, license, or regulate, or from vendors or contractors who do business with your agency. For example, a state health inspector must not accept free food or discounts from a restaurant that he or she inspects.

**Gifts of Travel.** Contact the State Ethics Commission for guidance if an organization offers to pay for your travel expenses for a trip (even if the trip is for state work purposes). The Commission will advise you whether you may accept a gift of travel based upon information about your situation.

**B. Gifts Reporting (HRS § 84-11.5).** File a gifts disclosure statement to report a gift that you (or your spouse or dependent child) receive if **all** of these conditions are met:

- (1) The value of the gift, or the combined value of two or more gifts from the same source, is more than \$200;
- (2) The source of the gift(s) has interests that may be affected by your actions as a state employee; **and**
- (3) The gift is not exempt from reporting by law.

Gifts Disclosure Statements are due on June 30 for gifts received between June 1 of the previous year and May 31 of the year of the report.

### FYI

The Gifts Law applies to **any gift**, whether in the form of money, service, loan, travel, entertainment, hospitality, or in any other form.

For more information about the Gifts Law, see [Quick Guide on Gifts](#).

### FYI

To request guidance about a Gift of Travel, use [Travel Questionnaire Form for Travel Expenses Paid By Non-State Entities](#)

### FYI

For more information about the Gifts Reporting Law and instructions on how to file a gifts disclosure form, see [Gift Disclosure E-Filing Guide](#).

### III. Fair Treatment (HRS § 84-13(a))



Do not use your state position to give “unwarranted” privileges or advantages to yourself or others. In other words, do not use your state position to unfairly benefit yourself or anyone else.

The following prohibitions also apply to you:

- A. Outside Employment.** Do not use your state position to obtain outside employment or contracts for yourself.
- B. Additional Compensation for State Duties.** Do not accept additional pay for doing your state job other than what the law allows you to receive.
- C. Use of State Resources for Private Business.** Do not use state time, equipment, facilities, or other state resources (such as state e-mail and state personnel) for private **business** activities, including private sales transactions, fundraising for private clubs or charities, and political campaign activities. For example, do not sell crafts in your state office conference room, do not use your state e-mail to organize a sign-waving activity for a political candidate, and do not sell cookies to support your child’s soccer team in your state office.
- D. Financial Transactions Between Supervisors and Subordinates.** Do not enter into substantial financial transactions with subordinates or anyone you supervise or inspect. For example, do not hire a subordinate employee to perform outside work for you, and do not rent an apartment to or from a subordinate employee.

### IV. Confidential Information (HRS § 84-12)



Do not disclose confidential information that you acquire from your state job or use confidential information to benefit yourself or anyone else.

#### FYI

A “**business**” includes a for-profit company, non-profit organization, and a political campaign.

For more information, see [Quick Guide on Second Jobs and Other Private Business Activities](#) and [Quick Guide on Campaign Activities for State Officials and Employees](#).

## V. Conflicts of Interests (HRS § 84-14)



**A. Disqualify Yourself When You Have a Conflict (HRS § 84-14(a)).** Do not take any **official action** affecting a **business** in which you have a financial interest.

You have a “**financial interest**” in a **business** if you (or your spouse, civil union partner, or dependent child) have any of these interests:

- **Ownership.** Owning a business, including owning shares of stock in a business.
- **Employment.** Being employed by a business, even if part time.
- **Officer or Director Position.** Serving as an officer or director of a for-profit company or a non-profit organization, even if you are not paid for your services.
- **Ownership of Real Property or Personal Property.**
- **Loan or Debt.** Having a loan or debt that you owe to a business.
- **Creditor of Insolvent Business.** Being a creditor of an insolvent business, such as a business that has filed for bankruptcy.

If you have any of these financial interests in a business, you must disqualify yourself from taking **official action** affecting that business. For example, if your spouse is employed by a company or is on the board of directors of a non-profit organization, you must disqualify yourself from taking any official action as a state employee affecting that company or non-profit organization.

**B. No New Conflicts of Interests (HRS § 84-14(b)).** Do not acquire a new financial interest in any business that may be affected by your official action as a state employee. For example, do not get a second job with a private company if you take official action as a state employee affecting that company.

**C. No Assisting or Representing Others Before Your State Agency (HRS § 84-14(d)).** Do not assist or represent others for pay (1) in transactions before your state agency, or (2) on matters you have worked on, or will work on, as part of your state job.

### FYI

“**Official action**” means anything you do as a state employee that involves your personal judgment or discretion. Official action includes giving your advice, approval, disapproval, opinions, or recommendations about something even if you are not the final decision maker.

A “**business**” includes a for-profit company, non-profit organization, and a political campaign.

### FYI

For more information about the Conflicts of Interests Law and outside jobs, see [Quick Guide on Second Jobs and Other Private Business Activities](#).



## VI. State Contracts (HRS § 84-15)



**A. Public Notice for Non-bid Contracts with State Employees (HRS § 84-15(a)).** State agencies must 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 notice must be filed with the State Ethics Commission at least 10 days before the contract is awarded.

**B. No Contracting with Businesses Assisted by Former Agency Employees (HRS § 84-15(b)).** A state agency may 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 two years, and (2) worked on the same contract matter as a state employee.

## VII. Post-Employment Restrictions (HRS §§ 84-18 and 84-15(b))



**A. Confidential Information (HRS § 84-18(a)).** Do not disclose any confidential information that you acquired from your state job or use confidential information for your personal gain or anyone's benefit.

**B. No Representing Others for Pay Before Your Former Agency (HRS § 84-18(c)).** For twelve months after you leave state employment, do not **represent** others for pay on matters before your former state agency or on matters that you worked on as a state employee.

**C. No Assisting or Representing Others on Certain Contracts (HRS § 84-15(b)).** For two years after you leave state employment, do not assist or represent anyone in obtaining a contract from your former state agency if you worked on the same contract matter while you were a state employee.

**D. Post-Employment Exceptions.** (1) The post-employment restrictions do not apply to you if you were employed by the State for less than six months. (2) A state agency may contract with you to act on a matter on behalf of the State at any time after you leave your state employment.

### FYI

**“Represent”** means to directly communicate on behalf of any person or business with a state agency or its employees.

### FYI

For more information about the post-employment restrictions, see [Quick Guide on Post-Employment Laws](#).

## VIII. Penalties for Violations of the State Ethics Code

Penalties for violating the State Ethics Code include the following:

- A. Fines of up to \$1,000 for each violation (HRS § 84-39)
- B. Disciplinary action, including a reprimand, probation, demotion, suspension, or termination of employment (HRS § 84-33)
- C. Recovery by the Attorney General of any gifts or profits received as the result of a violation (HRS § 84-19)
- D. Cancellation of state contracts and any other favorable state action obtained as the result of a violation (HRS §§ 84-16, 84-19)

## IX. Questions? Contact the State Ethics Commission

The State Ethics Commission can assist you with any questions about the State Ethics Code. Please email or call, visit the Commission's website, and follow the Commission on Twitter:



Email: [ethics@hawaiiethics.org](mailto:ethics@hawaiiethics.org)



Phone: (808) 587-0460



Website: [www.ethics.hawaii.gov](http://www.ethics.hawaii.gov)



Twitter: @HawaiiEthics

## X. Ethics Quiz!

Ready to test your knowledge of the State Ethics Code? Try our Ethics Quiz by clicking [here](#).

***Mahalo for taking the time to learn about ethics!***

### FYI

The Commission's website contains more information about the State Ethics Code and other ethics publications, including *The High Road* newsletter.