#### SUNSHINE LAW MEETING MINUTES OF THE HAWAI'I STATE ETHICS COMMISSION

#### STATE OF HAWAI'I

Date: June 25, 2025

Time: 9:00 a.m.

Location: Hybrid meeting held via Zoom video and audio conference

Recorded video available at <u>https://ethics.hawaii.gov/category/commissionmeetings/comm\_videos/</u>

**Public Meeting Location** 

Hawai'i State Ethics Commission Conference Room 1001 Bishop Street American Savings Bank Tower, Suite 970 Honolulu, Hawai'i 96813

Present: <u>State Ethics Commission Members</u>

Wesley F. Fong, Chair (present in the conference room) Beverley Tobias, Vice Chair (via video conference) Robert Hong, Commissioner (present in the conference room) Cynthia Thielen, Commissioner (present in the conference room) Roderick Becker, Commissioner (present in the conference room)

State Ethics Commission Staff

Robert D. Harris, Executive Director (present in the conference room) Bonita Y.M. Chang, Compliance Director (via video conference) Nancy C. Neuffer, Staff Attorney (via video conference) Jennifer M. Yamanuha, Staff Attorney (via video conference) Jodi L. K. Yi, Staff Attorney (via video conference) Jared Elster, Investigator (via video conference) Barbara A. Gash, Investigatory Analyst (via video conference)

<u>Guests and Members of the Public</u> Kristin Izumi-Nitao, Executive Director, Campaign Spending Commission Kristie Chang, General Counsel, Campaign Spending Commission

### CALL TO ORDER (0:04)

Chair Fong called the meeting to order at 9:00 a.m. Present at the meeting were Chair Fong, Vice Chair Tobias, Commissioner Hong, Commissioner Thielen, Commissioner Becker, and Commission staff. All participating Commissioners and staff confirmed that no one was in the room with them at their respective remote locations.

### Agenda Item No. I: Consideration and Approval of the Minutes of the May 21, 2025, Meeting (3:45)

Commissioner Thielen moved to approve the minutes of the May 21, 2025 meeting, and Vice Chair Tobias seconded the motion. The motion passed unanimously with all Commissioners present voting in the affirmative.

### <u>Agenda Item No. II: Discussion of Legislative Approaches to Prohibit Campaign</u> <u>Contributions from State or County Contractors, Grantees, Officers, and Immediate</u> <u>Family Members (4:30)</u>

The Commission welcomed Executive Director Kristin Izumi-Nitao and General Counsel Kristie Chang of the Hawai'i Campaign Spending Commission. Ms. Izumi-Nitao presented an overview of House Bill 371, which sought to expand the prohibition on campaign contributions from state and county government contractors to include officers and immediate family members. The bill also proposed similar prohibitions for grant in aid recipients.

Discussion included implementation concerns, such as procurement burden, scope of its application, penalties, and password-protected systems for candidate and candidate committee access to contributor information so prohibited contributions would not be accepted from these individuals during the contracting period. Commissioner Thielen and others expressed support for the bill's intent. The Commission discussed future collaboration on legislative strategies.

## Brief Recess (32:06)

## Agenda Item No. III: Directors' Report (32:40)

### **Compliance and Education**:

Compliance Director Chang reported that courtesy reminders were sent to new members of 17 public boards and commissions and one newly appointed legislator about the live mandatory ethics training. Staff has also been busy assisting filers with filing their annual financial disclosures, which are due at the end of May for all employee filers and continuing board filers. Newly appointed board filers begin their terms on July 1, and will be required to file by the end of July.

### **Statistics Report:**

Executive Director Harris reviewed statistics for May 2025, including 31 complaints, 11 antifraud items, and 32 travel invitations/gift-related requests. In total, 85 new assignments were opened and 76 have been closed.

### Lobbying Reports:

New data reports presented included the top 20 highest compensated lobbyists, mostlobbied bills, and lobbying organizations with the highest expenditures as of June 11, 2025. Information is available to the public on the ethics website and the underlying data is downloadable. Commissioners discussed the relationship between lobbying and campaign contributions.

### Other Updates:

Commissioner Tobias' term has expired, and she will remain as a holdover member until the Judicial Council selects two candidates, and the Governor chooses one from that list. Chair Fong instructed staff to follow up with the Chief Justice regarding the status.

### <u>Agenda Item No. IV: Discussion of Media Reports Concerning Ethics or the Ethics</u> <u>Commission Since the Last Meeting (47:47)</u>

Executive Director Harris reported on four media mentions:

- June 25, 2025 Civil Beat article on an anonymous PUC ethics complaint. <u>https://www.civilbeat.org/2025/06/state-utility-official-investigation-bullying-toxic-environment/</u>
- June 24, 2025 Civil Beat article on UHERO report on lobbying data, citing Hawai'i as among the most detailed state-level lobbying datasets. <u>https://www.civilbeat.org/2025/06/the-sunshine-blog-influence-peddling-by-the-numbers/</u>
- June 14, 2025 Oregon ethics commissioner investigated for travel to Hawai'i. <u>https://www.oregonlive.com/watchdog/2025/06/oregon-ethics-commission-</u> <u>votes-to-launch-investigation-into-former-sewer-ceos-food-travel-spending.html</u>
- June 22, 2025 Civil Beat story about a Hawai'i senator not disclosing a potential conflict of interest. <u>https://www.civilbeat.org/2025/06/hawai%CA%BBi-senator-didnt-disclose-possible-conflict-of-interest-before-voting/</u>

Chair Fong noted a letter from the Maui County Ethics Commission recognizing the State Commission's support in obtaining full-time staff.

# Agenda Item No. V: 2025 Legislative Matters (50:50)

Executive Director Harris reported the Commission-sponsored bills that were enacted:

- <u>SB289</u> Act 013 Establishes uniform provisions for the assessment of administrative penalties under the State Ethics Code and Lobbyist Law.
- <u>HB412 SD2</u> Act 063 Establishes certain presumptions regarding lobbying on behalf of private clients. Makes certain contracts voidable when entered into in violation of the state lobbying law under certain conditions. Expands the definition of "lobbying" in the state lobbying law to include certain communications with certain government officials regarding procurement decisions. Effective 1/1/2027
- <u>HB413 SD1</u> Act 064 Clarifies administrative oversight of statutory restrictions relating to prohibited lobbyist contributions. Clarifies that the regular or special sessions in which lobbyist contributions are prohibited are periods during which both houses of the legislature are in session.

The Commission discussed the failure of a bill extending the nepotism statute to the Legislature. The House Judiciary Chair expressed a preference for internal enforcement through legislative rules.

### <u>Agenda Item No. VI: Discussion of Possible 2026 Legislative Proposals within the</u> <u>Commission's Jurisdiction (56.31)</u>

Commissioner Thielen proposed a draft bill to prohibit executive branch officers and employees with procurement authority over state contracts exceeding \$5,000 from participating in political fundraising. The Commission agreed to have staff review and revise the draft for further discussion.

Agenda Item No. VII: Akana v. Hawaiʻi State Ethics Commission and Daniel Gluck, Civil No. 18-1-1019-06 (JHA); Akana v. Hawaiʻi State Ethics Commission, Civil No. 19-1-0379-03 (JHA); State of Hawaiʻi, Ethics Commission v. Rowena Akana, Civil No. 20-1-0453 (BIA) (1:04:12)

Executive Director Robert Harris reported that there are no updates. The matter remains pending before the Hawai'i Supreme Court.

## Agenda Item No. VIII: Adjournment of Sunshine Law Meeting (1:04:50)

At approximately 10:12 a.m., Commissioner Hong moved to adjourn the meeting, and Vice Chair Tobias seconded the motion. The motion passed unanimously.

The meeting was adjourned at 10:12 a.m.

Minutes approved on July 16, 2025.