
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO AUDIT THE METHODS AND PROCEDURES EMPLOYED BY THE GOVERNOR IN SOLICITING PRIVATE SECTOR SPONSORSHIPS AND CONTRIBUTIONS, IN CASH OR IN-KIND, TO SUPPORT OR DEFRAY THE COSTS OF OFFICIAL GOVERNMENT FUNCTIONS, INCLUDING TRADE MISSIONS.

1 WHEREAS, on January 4, 2006, Governor Lingle and a one
2 hundred seventy-eight-member delegation that included many
3 Hawaii business people arrived in the Republic of the
4 Philippines on a week-long visit in celebration of the 100th
5 anniversary of Filipino immigration to Hawaii; and
6

7 WHEREAS, the Governor led a similar-sized two hundred-
8 member group to the People's Republic of China and the Republic
9 of Korea on an official trade mission during the summer of 2005;
10 and
11

12 WHEREAS, it has come to light early this year that the
13 Governor's administration has raised more than \$827,000 in cash
14 and in-kind contributions from Hawaii businesses and
15 organizations since 2003 to defray the cost of state trade
16 missions and that DFS Hawaii, Ko Olina Resort and Marina, and
17 NCL America pitched in a combined \$120,000 to underwrite the
18 Governor's Asia trade missions in the past two years; and
19

20 WHEREAS, it has been revealed that money raised by sponsors
21 paid for a variety of costs for the mission to the People's
22 Republic of China and the Republic of Korea, including about
23 \$69,000 for entertainment expenses; and
24

25 WHEREAS, it was also reported that the Governor hosted a
26 \$9,500 reception at the Great Hall of the People in Beijing and
27 a \$13,600 reception for the governor of China's Guangdong
28 province; and
29



1 WHEREAS, sponsors' contributions also paid for \$31,860 in
2 travel expenses and honorariums to local entertainers who
3 accompanied the China and South Korea delegation; and
4

5 WHEREAS, sponsorship money for the 2005 China and South
6 Korea mission was funneled through the nonprofit Pacific and
7 Asian Affairs Council, which helped coordinate the mission and
8 kept nearly \$7,000 for its services; and
9

10 WHEREAS, according to the administration, funneling the
11 money through the nonprofit Pacific and Asian Affairs Council
12 simplified the process of raising and spending funds but that
13 also meant that the Governor was not obligated to report details
14 of the contributions; and
15

16 WHEREAS, the Honolulu Advertiser learned in late January
17 2006 that the Governor's administration had promised a special
18 package of "title sponsor benefits" that included access to
19 foreign government leaders and "VIP events (such as backstage or
20 after-show parties)" to a company that was asked to contribute
21 \$50,000 for future trade missions; and
22

23 WHEREAS, with regard to the trip to the Republic of the
24 Philippines, it has been reported that the Governor's office
25 raised \$122,000 to defray costs and the major sponsors of the
26 trip include Dole Foods, Marriott Hotels, Hilton Hotels, Chaney
27 Brooks, House of Finance, Kauai Lagoons LLC, Ironworkers Union,
28 Fidelity National Title, Laborers Union, Mortgage Financing of
29 Hawaii, Fortune Business Company, Somar Investments LLC,
30 Philippine National Bank, KC Rainbow Development, and Steve
31 Callo, CPA; and
32

33 WHEREAS, while concept of businesses sponsoring government
34 trade missions is not objectionable in itself and saves taxpayer
35 dollars, the method of soliciting funds, including promising
36 special benefits in exchange for large contributions, is very
37 troubling; and
38

39 WHEREAS, it is critical that no ethical bounds are crossed
40 in government solicitations of private sponsorships of official
41 government trade missions and measures need to be taken to
42 ensure that government solicitations are public and aboveboard
43 and that government decisions are not influenced by private
44 contributions to support these missions; and



1
 2 WHEREAS, the Governor's just-concluded mission to the
 3 Republic of the Philippines reinforces the urgency to audit the
 4 administration's methods and procedures in soliciting private
 5 contributions and sponsorships of official government functions
 6 such as trade missions; now, therefore,
 7

8 BE IT RESOLVED by the House of Representatives of the
 9 Twenty-third Legislature of the State of Hawaii, Regular Session
 10 of 2006, the Senate concurring, that the Auditor is requested to
 11 audit the appropriateness of the methods and procedures employed
 12 by the administration in soliciting private sector sponsorships
 13 and contributions, in cash or in-kind, to support or defray the
 14 costs of official government functions, including trade
 15 missions; and
 16

17 BE IT FURTHER RESOLVED that the Auditor is requested to
 18 consult with the State Ethics Commission, as necessary; and
 19

20 BE IT FURTHER RESOLVED that the Auditor is requested to
 21 include in its audit the methods used in identifying potential
 22 donors and the use of any quid pro quo procedures that promise
 23 official advantages or privileges either in absolute terms or
 24 scaled to the amount of contributions, in exchange for solicited
 25 sponsorships; and
 26

27 BE IT FURTHER RESOLVED that the Auditor is requested to
 28 report findings and conclusions, including any necessary
 29 proposed legislation, to the Legislature no later than twenty
 30 days prior to the convening of the Regular Session of 2007; and
 31

32 BE IT FURTHER RESOLVED that certified copies of this
 33 Concurrent Resolution be transmitted to the Auditor, the
 34 Executive Director of the State Ethics Commission, and the
 35 Governor.
 36
 37
 38

OFFERED BY:  _____

FEB 27 2006