

Honolulu, Hawaii

Feb 17, 2006

RE: H.B. No. 3018  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 3018 entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT EMPLOYEES,"

begs leave to report as follows:

The purpose of this bill is to restore trust and integrity to government by providing for sanctions against a public employee who embezzles, steals, or otherwise unlawfully takes, receives, retains, or fails to properly account for any property or funds belonging to the State, county, or any government agency. Specifically, this bill requires that:

- (1) A judgment in an amount equal to four times the amount of funds or value of the property that was embezzled, stolen, or otherwise unlawfully taken, received, retained, or not properly accounted for be entered against a defendant who is convicted or who pleads guilty or no contest; and
- (2) The judgment be paid within five years through garnishment of the defendant's pension.

The Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this bill. The Department of Human Resources Development supported the intent of this measure. The Employees' Retirement System (ERS) and Department of the Attorney General submitted comments.

HB3018 HD1 HSCR LAB HMS 2006-2042



Your Committee finds that public employees who are entrusted by the public to perform their duties faithfully and honestly need to be held to a high standard of ethical conduct. Breaching this trust is a serious offense. Hawaii has witnessed several high profile cases of government employees who have abused their positions, by stealing property and funds. Such behavior is unacceptable, and this measure imposes serious consequences for such actions.

However, your Committee notes that the amount payable to the defendant by ERS may be insufficient to pay the judgment within five years, especially if the judgment is large. Furthermore, federal law contains restrictions on the amount of any earnings that may be garnished. Accordingly, your Committee has amended this measure by:

- (1) Stipulating that the garnishee withhold an amount not to exceed 30 times the federal minimum hourly wage or 25 percent of the defendant's disposable income, whichever is less, that is sufficient to ensure that judgment against the defendant is fully paid;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3018, H.D. 1, and be referred to the Committee on Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,

  
KIRK CALDWELL, Chair



