

STAND. COM. REP. NO. 1845⁰⁶

Honolulu, Hawaii

Apr. 124, 2006

RE: S.C.R. No. 32
S.D. 1
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 Legislative Management, to which was referred S.C.R. No. 32, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE STATE PROCUREMENT OFFICE AND THE STATE ETHICS COMMISSION TO REVIEW POSSIBLE PROCUREMENT CODE AND ETHICS VIOLATIONS COMMITTED BY THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM,"

begs leave to report as follows:

The purpose of this concurrent resolution is to request the State Procurement Office (SPO) and the State Ethics Commission to review possible Procurement Code and ethics violations by the Department of Business, Economic Development, and Tourism (DBEDT) relating to the 2005 trade missions to the People's Republic of China and the Republic of Korea.

The State Representative from the 39th District (Wahiawa, Whitmore Village, Poamoho) and a concerned individual testified in support of this measure. The SPO, State Ethics Commission, and DBEDT offered comments.

Your Committee finds that:

- (1) Since fundraising is not addressed by the Procurement Code, SPO did not review DBEDT's solicitation and expenditure of sponsorship funds; and

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- (2) The deposit of solicited sponsorship funds with a fiduciary agent for securing goods and services is also not subject to the Procurement Code.

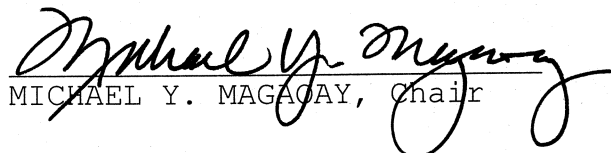
Accordingly, legislation would be required before subjecting fundraising activities and external accounts to the Procurement Code.

Your Committee has amended this measure by:

- (1) Deleting references to the State Procurement Office;
- (2) Changing the title to read: "REQUESTING THE STATE ETHICS COMMISSION TO REVIEW POSSIBLE ETHICS VIOLATIONS COMMITTED BY THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM"; 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 Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 32, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 32, S.D. 1, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Legislative
Management,


MICHAEL Y. MAGAOAY, Chair



