

Honolulu, Hawaii

APR 13 2006

RE: S.C.R. No. 32
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Business and Economic Development and
Tourism, to which was referred S.C.R. No. 32 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE ATTORNEY GENERAL
TO INVESTIGATE POSSIBLE PROCUREMENT CODE VIOLATIONS COMMITTED
BY THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM,"

beg leave to report as follows:

The purpose of this measure is to request the Attorney
General to investigate possible procurement code violations
committed by the Department of Business, Economic Development, and
Tourism.

Your Committees received comments from the Department of
Business, Economic Development, and Tourism, the Pacific Asian
Affairs Council, and the Hawaii District Export Council (DEC).

Your Committees are concerned that the Department of
Business, Economic Development, and Tourism may have violated
state procurement laws when the department selected a nonprofit
organization to handle the finances for the Governor's trade
mission to China and Korea in 2005. Your Committees find that the
State Procurement Office and the State Ethics Commission are the
proper authorities to review this matter.

Your Committees have amended this measure by:



- (1) Deleting references to the Attorney General doing the investigation and substituting the State Procurement Office and the State Ethics Commission, and amending the title accordingly;
- (2) Adding Whereas paragraphs and clarifying Whereas paragraphs for correctness; and
- (3) Requesting the State Procurement Office and the State Ethics Commission to each separately report their respective findings and recommendations to the Legislature by September 1, 2006.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 32, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 32, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committees on Business and
Economic Development and
Tourism,



DONNA MERCADO KIM, Chair



WILL ESPERO, Chair



