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# SENATE CONCURRENT RESOLUTION

REQUESTING THE OFFICE OF THE AUDITOR TO PERFORM A MANAGEMENT,  
FINANCIAL, AND PROGRAM AUDIT OF THE DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT, AND TOURISM, INCLUDING THE HIGH  
TECHNOLOGY DEVELOPMENT CORPORATION, THE HAWAII STRATEGIC  
DEVELOPMENT CORPORATION, AND THE PROGRAMS AND ENTITIES  
UNDER THEIR RESPECTIVE PURVIEWS.

1           WHEREAS, the High Technology Development Corporation was  
2 established by Act 152, Session Laws of Hawaii 1983, to  
3 demonstrate Hawaii's commitment to the development of high  
4 technology enterprise, and codified in chapter 206M, Hawaii  
5 Revised Statutes; and  
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7           WHEREAS, the High Technology Innovation Corporation was  
8 established as a public, not-for-profit organization under  
9 section 501(c)(3) of the Internal Revenue Code of 1986, as  
10 amended, by Act 173, Session Laws of Hawaii 2005, and codified  
11 in chapter 206M, Hawaii Revised Statutes; and  
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13           WHEREAS, the Legislature's purpose in establishing the High  
14 Technology Innovation Corporation was to develop revenue  
15 generating programs to offset the High Technology Development  
16 Corporation's declining general fund revenues between 2002-2006,  
17 and the Legislature is concerned that current High Technology  
18 Innovation Corporation operations appear to exceed the scope of  
19 its original purpose; and  
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21           WHEREAS, the Hawaii Strategic Development Corporation was  
22 established by Act 110, Session Laws of Hawaii 1990, to  
23 encourage and foster the development of small and emerging  
24 businesses and economic diversification, and codified in chapter  
25 211F, Hawaii Revised Statutes; and  
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27           WHEREAS, recent actions by the Department of Business,  
28 Economic Development, and Tourism in pursuing initiatives  
29 rejected by the Legislature, and in pursuing initiatives that



1 appear to benefit private parties rather than valid state  
2 interests, have raised considerable concern over the  
3 Department's management, performance, and what appear to be  
4 inadequate internal controls; and  
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6 WHEREAS, pursuant to chapter 23, Hawaii Revised Statutes,  
7 the Auditor is authorized to audit "the transactions, accounts,  
8 programs, and performance of all departments, offices, and  
9 agencies of the State...to discover evidence of any  
10 unauthorized, illegal, irregular, improper, or unsafe handling  
11 or expenditure of state funds or other improper practice of  
12 financial administration..."; and  
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14 WHEREAS the last financial audit of the Department of  
15 Business, Economic Development, and Tourism was in 2003; now,  
16 therefore,  
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18 BE IT RESOLVED by the Senate of the Twenty-fourth  
19 Legislature of the State of Hawaii, Regular Session of 2008, the  
20 House of Representatives concurring, that the Office of the  
21 Auditor is requested to perform a management, financial, and  
22 program audit of the Department of Business, Economic  
23 Development, and Tourism, focusing on the following in  
24 particular:  
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- 26 (1) Strategic marketing and support, creative industries,  
27 and general support for economic development;  
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29 (2) The High Technology Development Corporation and the  
30 programs and entities under its purview; and  
31  
32 (3) The Hawaii Strategic Development Corporation and the  
33 programs and entities under its purviews; and  
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35 BE IT FURTHER RESOLVED that the Office of the Auditor is  
36 requested to report its findings and recommendations to the  
37 Legislature no later than twenty days prior to the convening of  
38 the Regular Session of 2009; and  
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40 BE IT FURTHER RESOLVED that certified copies of this  
41 Concurrent Resolution be transmitted to the Director of  
42 Business, Economic Development, and Tourism; the Executive  
43 Director of the High Technology Development Corporation; the



- 1 President of the Hawaii Strategic Development Corporation; and
- 2 the Auditor.

