



HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

March 22, 2011

The Honorable Gilbert S. C. Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair
House Committee on Judiciary
Hawaii State Capitol, Room 302
415 South Beretania Street
Honolulu, Hawaii 96813

Re: **Testimony on S.B. No. 671, SD 2, Proposed HD 1, Relating to Ethics**

Hearing: Tuesday, March 22, 2011, 2:00 p.m.
State Capitol, Conference Room 325

Testifying: Leslie H. Kondo, Executive Director and General Counsel
Hawaii State Ethics Commission

The Honorable Gilbert S. C. Keith-Agaran, Chair; The Honorable Karl Rhoads, Vice Chair; and Honorable Members of the House Committee on Judiciary:

Thank you for the opportunity to testify on SB 671, SD 2, proposed HD 1, Relating to Ethics. The State Ethics Commission opposes this bill.

The State Ethics Code is intended to embody the standards for ethical conduct included in the State Constitution:

The people of Hawaii believe that public officers and employees must exhibit the highest standards of ethical conduct and that these standards come from the personal integrity of each individual in government.¹

Consistent with that mandate, the State Ethics Code does not allow legislators and State employees to accept or solicit any gift "under circumstances in which it can reasonably be inferred that the gift is intended to influence or reward the legislator or employee[.]"² In construing the statute to determine whether a gift is acceptable, the Commission, generally, considers the value of the gift, the relationship between the donor and the recipient, and whether the gift is being given for a bona fide State purpose.

¹ The Constitution of the State of Hawaii, Article XIV, Code of Ethics.

² Haw. Rev. Stat. § 84-11.

The Honorable Gilbert S. C. Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair
March 22, 2011
Page 2

The statute does not prohibit all gifts. Generally, legislators and State employees may accept "gifts of aloha," e.g., lei, manapua, and cookies, and modestly priced meals. Moreover, the State Ethics Code allows legislators and State employees to accept other types of gifts, including invitations to relatively costly fundraising events and gifts of travel, if there is a bona fide State purpose. For example, a legislator or State employee may accept an invitation to participate in a government-sponsored conference that will help the legislator or employee better perform his or her official duties. The legislator or employee may also accept reasonable travel expenses in order to attend the conference.

SB 671, SD 2, proposed HD1, creates a new exception to the gifts law and would, in all cases, allow legislators and State employees to accept invitations from: (1) a 501(c)(3) organization to charitable fundraiser events; and (2) any official government entity to any event, including events involving gifts of travel within the State, to the mainland or to a foreign country. The new exception would allow any legislator and any employee to accept any invitation to those types of events without regard to the value of the invitation, the relationship between the host organization and the recipient, or the purpose behind the invitation – invitations could be accepted even where it reasonably could be inferred that the invitation is offered to influence or reward the legislator or State employee; invitations could be accepted even if there is no legitimate State purpose associated with the event. Invitations to travel to foreign countries could be accepted by any number of legislators and employees, for any purpose (or no legitimate State purpose) under the proposed bill.

Although the Commission appreciates the work performed by charitable organizations, the Commission notes that many 501(c)(3) organizations are directly influenced by legislative or State action: many charitable organizations are engaged in lobbying activities, are State vendors, and receive State funds. It was not the Commission's position that invitations from charitable organizations are always inappropriate; however, the Commission cannot support the blanket exemption offered in SB 671, SD 2, proposed HD 1.

Likewise, with respect to travel, SB 671, SD 2, proposed HD 1, would go far beyond the current gifts law by allowing a legislator or employee to accept any invitation from a government entity even if the invitation has no reasonable connection to a legislator's or employee's official duties. Again, the Commission cannot support this type of blanket exemption to the gifts law.

The Commission appreciates the opportunity to offer its comments regarding SB 671, SD 1, proposed HD 1.



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803

808.538.6616 hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON JUDICIARY

March 22, 2011, 2:00 P.M.
(Testimony is 1 page long)

TESTIMONY IN OPPOSITION TO SB 671, SD2

Aloha Chair Keith-Agaran and Members of the Committee:

The Hawai'i Chapter of the Sierra Club, with 8,000 dues-paying members and supporters, *opposes* SB 671, SD2. This measure would allow legislators and employees to accept invitations or tickets from a charitable entity and requires reporting to the Ethics Commission.

This measure creates an unnecessary exemption from laws designed to promote high standards of ethical conduct in state government. It is conceivable this measure would cause special interests to establish charitable organizations solely for the purpose of lobbying. While we understand legislators and state employees want to support charitable organizations, they should have to pay to attend events everyone else. This avoids any appearance of impropriety and prevents special interests from corrupting the governmental process.

To the extent this measure proceeds, *we suggest limiting the exemption to "rubber-chicken" dinner events*. This could be done by limiting the dollar value of each event to say \$50.

Mahalo for the opportunity to testify.



THE LEAGUE OF WOMEN VOTERS OF HAWAII

TESTIMONY ON SB 671, SD2, HD1 RELATING TO ETHICS

Committee on Judiciary

Date of Hearing: Tuesday, March 22, 2011

Time: 2:00 p.m.

Place: Conference Room 325

Testifier: Jean Aoki, LWV Legislative Committee

Chair Keith-Agaran, Vice Chair Rhoads, members of the Committee on Judiciary,

The League of Women Voters of Hawaii strongly opposes SB 671, SD2, HD1 Relating to Ethics.

This "Ethics" bill makes a mockery of the State Ethics code. **Chapter 84-11, Gifts (a)** says everything that needs to be said, in compliance with our Ethics code. The exemptions from Chapter 84-11 as provided by (b) makes the proposed H.D.1 totally unacceptable.

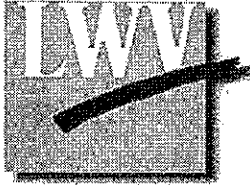
From our interpretation, what this bill says is that acceptance of an invitation or admittance ticket from a charitable entity to a charitable event even if the charitable entity is not the sponsor of the charitable event shall not be construed to be in violation of Chapter 84-11 (a). That gift, according to this bill, is definitely not intended to influence the legislator or employee in the performance of their official duties nor be seen as a reward for past actions. Why would the charitable entity spend hundreds and thousands of dollars inviting government officials to the fundraiser?

The definition of charitable entity has been changed from only 501 (c) (3)s to an entity that has received recognition of tax exempt status under section 501 (c) of the Internal Revenue Code or recognition as a nonprofit corporation under chapter 414D. I'm assuming this broadens the base of individuals and organizations who qualify since IRS recognition is more difficult to get.

What complicates this more is that the charitable entity does not even have to be the sponsor of the fundraiser. Obviously an error, the definition of "charitable event" is : " a fundraiser sponsored by a charitable entity (emphasis added) that is held specifically for the purpose of raising money for a specific beneficial purpose." But (b) (1) says that the charitable entity does not have to be the sponsor

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Website: www.lwv-hawaii.com email: voters@lwv-hawaii.com



THE LEAGUE OF WOMEN VOTERS OF HAWAII

or host of the fundraiser. Obviously the government officials are not going to be the sponsors, so the third party must be the sponsors in these cases.

The only feasible explanation is that the legislators and other government officials are being used to lure moneyed interests, lobbyists, corporations, unions, etc. to buy tables to the fund raiser with promises of access to legislators and government officials. We do not wish our government officials used in this way, nor the integrity of our government compromised in this way.

Chapter 84-11 (b) (1) is bad enough, (b) (2) is really bad. Deemed not in violation of our ethics code is the acceptance of an invitation hosted or sponsored by any official governmental entity, whether local, within the State, outside the State, or; outside the country.

Do we want the newly authorized rail authority spending our excise tax dollars feting our legislators to a sumptuous dinner to try to talk them into authorizing more taxing authority for the City Council to raise more money for rail? Or do we want foreign governments hosting our governor or legislators in their countries for any reason? Yes, there is provision for reporting these events and the fund raisers, but while transparency is necessary in all cases, it is not a license for unethical behavior.

There is justification for election campaign contributions. Campaigning is necessary to connect with voters, and campaigning costs money. But what justification is there for gifts powerful enough to override the negative implications, real or perceived, to risk our citizens' trust in the integrity of our government, or for some, to further ingrain in them a distrust of government.

We ask that you hold the bill in committee, or restore it to the original SB 671, a real ethics bill. Thank you for allowing our testimony.



The Official Sponsor of Birthdays

March 22, 2011

Committee on Judiciary
Representative Gilbert S.C. Keith-Agaran, Chair
Representative Karl Rhoads, Vice Chair

Hearing:

March 22, 2011, 2:00 p.m.
Hawaii State Capitol, Conference Rm. 325

RE: SB 671, SD2 – Relating to Ethics

Testimony in Support with Proposed Amendment

Chair Keith-Agaran, Vice Chair Rhoads and members of the Committee on Judiciary. I am here today of behalf of the American Cancer Society Hawaii Pacific Inc. Thank you for the opportunity to offer testimony regarding the proposed HD1 for SB671, SD2 which establishes prohibitions and exceptions regarding to gifts to legislators and employees.

For over 60 years, the American Cancer Society in Hawaii has led the fight against cancer in Hawaii, which takes the lives of almost 6,700 of our family members, friends, and co-workers each year. Nationally, approximately 1.5 million people will die of cancer this year.

A key factor in our battle against cancer is our relationship with policy makers at all levels of government – local, state and federal. Over the last 10 years this relationship has resulted in increased funding for cancer research, passage of legislation curtailing smoking in work & public places, cigarette & tobacco tax measures supporting our health safety net programs, EMS services, and trauma care, and just last year the enactment of Health Care Reform which will improve health care access for all our residents.

Many lawmakers and government officials have been personally touched by cancer, and they and their families have benefited from the latest advances in the treatment of cancers.

As an organization we routinely invite lawmakers and government officials to events sponsored by us including; Relay For Life which occurs on all islands, Making Strides Against Breast Cancer, Research Breakfasts, Colloquiums and other special functions. As special guest their attendance is important as it demonstrates to the community at large their recognition and concern for our organization's mission in supporting the community in the battle against cancer.

We would also point out the our state also benefits by legislators' attendance at our events, it give them a more valuable understanding of what we do and how we do it, and the problems that we encounter in addressing the needs of our constituency.

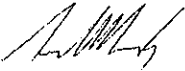
We do have concerns however, with respect to language at the end of SECTION 2.

“Notwithstanding paragraphs (1) through (3), a legislator or employee shall report any gift accepted under section 84-11(b).”

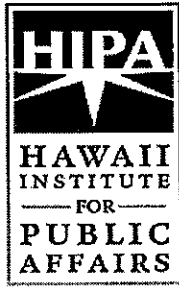
Legislators and staff are routinely presents with gifts that nonprofit organizations distribute to the public, such as pens, calendars, note pads, label pins, food items, etc. We believe reporting such gifts will be burdensome. We would recommend that there should be and exempted amount, perhaps \$50.00, before reporting is required. We will defer to the committee to draft the exemption and amount language.

Thank you for the opportunity to offer testimony on this issue. Clarifying the ethics law will provide legislators with guidance on what is a permissible activity.

Respectfully,



George S. Massengale, JD
Director of Government Relations



HOUSE COMMITTEE JUDICIARY

Representative Gilbert Keith-Agaran, Chair
Representative Karl Rhoads, Vice Chair

SB671, SD2, HD1 (Proposed) Relating to Ethics

Testimony of
WILLIAM M. KANEKO
President & CEO

March 22, 2011, 2:00 pm
Conference Room 325

Chair Keith-Agaran and members of the Committee:

My name is Bill Kaneko, President & CEO of the Hawaii Institute for Public Affairs (HIPA). HIPA supports SB671, SD2, HD1 (Proposed) which clarifies the gift laws relating to legislators and other public officials.

A recent ruling by the State Ethics Commission concluded that it would be a violation of Haw. Rev. Stat. § 84-11 for State legislators to accept invitations to sit at sponsored tables at the Hawai'i Institute for Public Affairs ("HIPA") annual Leadership Dinner, as well as other nonprofit events. The State Ethics Commission also indicated that it would be a violation of Haw. Rev. Stat. § 84-13 for State legislators to accept invitations even if the invitations were extended by the nonprofit organization itself.

We disagree with the Commission's ruling that an invitation to a nonprofit event either by a table sponsor or the nonprofit itself would reward or influence the legislator in the performance of his or her duties, or give preferential treatment to a lawmaker. SB671 would provide clear guidelines to lawmakers on permissible gifts, and enable nonprofit organizations to continue to share their knowledge and information with legislators about the issues and activities they are involved in.

For many nonprofits, an annual fundraising dinner or charitable event is an opportunity to educate legislators about the work we do and the issues we face. This is true for both charitable organizations and professional associations, and many other nonprofits as well. The recent opinions of the State Ethics Commission have already had a chilling effect on legislators' attendance at charitable fundraisers. Last year 40+ legislators attend the HIPA Leadership Dinner. This year only 3 legislators attended.

Legislators' attendance at nonprofit fundraisers demonstrates to the nonprofit community the State's recognition and support of the important role played by charitable nonprofit organizations. Nonprofit organizations such as HIPA fulfill important public functions

To: Representative Gilbert Keith-Agaran, Chair;
Representative Karl Rhoads, Vice Chair, and Members of the Senate Judiciary and
Labor Committee
Re: Testimony of William M. Kaneko, President and CEO; SB671, SD2, HD1 (Proposed)
Relating to Ethics
Hearing: March 22, 2011, 2:00 pm, Conference Room 325

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such as policy research, direct services to low income and disadvantaged persons, and the promotion of culture and the arts. If not for these nonprofits, the State itself would have to take up these public functions.

It is in the State's interest for its nonprofit organizations to survive, thrive, and carry on with their public work for the benefit of Hawai'i. Legislators' attendance at these types of fundraiser events demonstrates to the nonprofits and their supporters that the State and its leaders recognize and value the contributions of these organizations. This in turn helps nonprofits stay in business, which ultimately benefits the State of Hawai'i

Please support SB671, SD2, HD1 (proposed). Thank you for the opportunity to testify on this matter.



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State of Hawaii
House Committee on Judiciary
The Honorable Gilbert S.C. Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair
Hawaii State Legislature

March 22, 2011; 2:00pm
Room 325

SB 671, SD 2, Relating to Ethics

Good afternoon, Chair Keith-Agaran, Vice Chair Rhoads, and Members of the House Judiciary Committee,

Lanakila Pacific supports measure SB 671, Proposed SD 2, to provide lawmakers and government officials with clear guidelines in attending charitable events.

As a nonprofit organization, we recognize that due to limited resources, many times education about community issues is done at an event which may also be a fundraiser. SB 671, SD2, makes positive changes to clarify the ethics law to enable lawmakers to attend nonprofit events. For many nonprofits, this is an opportunity to educate legislators about the work we do and the issues we face.

Thank you for the opportunity to provide these comments.

Respectfully submitted,

Marian E. Tsuji
President & CEO



March 21, 2011

Chair Gilbert Keith-Agaran
House Committee on Judiciary
State Capitol, Room 325
Honolulu, HI 96813

RE: SENATE BILL 671, SD 2, PROPOSED HD 1, RELATING TO ETHICS

Chair Keith-Agaran and members of the Committee on Judiciary:

The Hawai'i Alliance of Nonprofit Organizations would like to comment on SB 671, SD 2, Proposed HD 1, which makes an exception from the gifts law for lawmakers and government officials to attend charitable events and requires disclosure by such individuals of such gifts of any value.

HANO is a statewide, sector-wide association for nonprofits. HANO's mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i. HANO member organizations provide essential services to every community across the state.

Whether it is an annual fundraising dinner or a free educational event like a grand opening, open house or health fair, ALL are, first and foremost, valued opportunities for nonprofits, as strategic partners to government, to inform public officials of the important work they do to strengthen our communities and the issues they face.

Nonprofit organizations fulfill important public functions such as direct services to low income and disadvantaged persons, elderly, children, the promotion of culture and the arts; good stewardship of our lands, agriculture, energy, k-12 education, animal rights, think tanks and other services for community benefit. It is helpful for public officials to have access to this information to better understand the landscape of resources and how policy impacts Hawaii residents.

While sharing information with public officials about our work is most important to us, we do value and understand the need for a fair, accountable and transparent government. As such, we hope that the amendment to require public official disclosure of gifts of any value will address this.

While I could not make this particular hearing in person, I look forward to better understanding the perspectives of all stakeholders so that good public policy can be formulated to the satisfaction of all parties. Thank you for the opportunity to provide written testimony.

Lisa Maruyama
President and CEO



AMERICANS FOR DEMOCRATIC ACTION

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March 21, 2011

TO: Chair Gilbert Keith-Agaran, Vice Chair Karl Rhoads
Members of the House Committee on Judiciary

FROM: Americans for Democratic Action/Hawaii
Barbara Polk, Legislative Chair

TESTIMONY IN OPPOSITION TO SB 671 SD1 and PROPOSED HD 1

Americans for Democratic Action/Hawaii strongly opposes Proposed HD1 of SB671 that would substantially reduce public confidence in government, as well as in a number of local charities.

1. The proposed draft would provide an automatic exemption to part (a) by allowing legislators and state employees to accept tickets to fundraisers even when there is a clear intent to influence or reward a legislator or public employee. Although it includes a reporting requirement, transparency is not a substitute for ethics in government. Such an exemption undermines the purpose of the gifts section of ethics law.

2. Your committee proposes to open the door to gift tickets to fundraisers (not necessarily their own) to an enormous number of organizations. In addition to groups we normally think of as charities, these include, at a minimum:

- 501.c.4: civic leagues and other social welfare organizations that are permitted to lobby;
- 501.c.5: labor organizations;
- 501.c.6: business leagues, chambers of commerce, real estate boards;
- 501.c.8 and 10: fraternal societies;
- 501.c. 9: employees' beneficiary associations;
- 501.c.12: benevolent life insurance associations;
- 501.c.13: cemetery companies;
- 501.c.14: state chartered credit unions;
- 501.c.19: veterans associations;
- 501.c.20: group legal services plans.

It is not clear what additional organizations may be incorporated under 414D, but apparently foreign organizations could be so incorporated.

Many, perhaps most, of the groups listed have interests that may come before the legislature or that are regulated or overseen by state agencies. They therefore have a motivation to seek to

influence decisions, in contravention of the intent of the ethics provisions. Even 501.c.3 organizations sometimes receive public funding or carry out activities that are regulated. By creating this exception, the bill would allow these organizations to seek to influence legislators or public employees through fundraiser gifts—exactly the type of activity the gifts portion of the ethics code seeks to prohibit.

3. The proposed draft goes beyond a 501.c organization giving a ticket to its own fundraiser—it would also allow it to give tickets to other fundraisers. For example, the Chamber of Commerce or a labor organization could give a ticket (without limit as to value or how frequently such tickets are given to the same person) to someone else’s fundraiser—a very clear violation of the intent of the gifts law to prohibit attempts to buy influence.

4. 501.c.3 organizations are often attached to for-profit businesses and share their interests. Allowing them to “gift” legislators and public employees through their non-profit affiliate allows such businesses to hide lobbying activities. It may also encourage other business organizations to set up a non-profit for that purpose.

5. It is not clear to us why the Committee proposes to add invitations to events hosted by official governmental organizations to the exceptions. In many cases the Ethics Commission could easily clear these. However, some governmental agencies would also wish to influence legislative decision making and should not get a free pass on ethics. Also, if a foreign government sought to influence legislation or regulatory activity in Hawaii, its invitation could be construed as a “bribe”. As such, it should not be exempt from the gifts law. We believe that it is in the interests of the public and of confidence in government to leave the decisions on such invitations to the Ethics Commission rather than to enact a blanket exemption for all governmental invitations.

5. The general public is not in the mood to see legislators enacting perks for themselves. Remember the outcry when legislators raised their salaries in the last session, even though the amounts had not been decided by the legislature. Your attempts to vote free tickets for yourselves are receiving equally negative reactions.

6. The negative reactions are not only to the legislature—some of them are also to the non-profits that have backed this bill. In testimony it has become clear that some non-profits that hold expensive fundraisers pay for legislators to attend as “bait” for lobbyists and corporate executives. Although the purported purpose is to raise money by getting more people to attend, it is clear that what is being sold is not the dinner or the charity, but easy access to decision makers for an afternoon or evening.

For these reasons, Americans for Democratic Action/Hawaii urges you to defeat SB 671 SD1 and SB 671 Proposed HD1 and to pass the original bill, which would strengthen the gift law by requiring increased reporting of contractual and financial relationships between lobbyists and public officials, campaign donations made during the legislative session, and lobbying events attended by legislators.



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**House JUD Committee
Chair Gilbert Keith-Agaran, Vice Chair Karl Rhoads**

**Tuesday 3/22/11 at 2:00 PM in Room 325
SB671 SD2 – Ethics**

TESTIMONY

Nikki Love, Executive Director, Common Cause Hawaii

Chair Keith-Agaran, Vice Chair Rhoads, and Committee Members;

Common Cause Hawaii opposes SB671 SD2 as well as the new proposed HD1. We support the original SB671 as introduced.

The original SB671 represented a big step forward for ethics and disclosure for Hawaii's legislators and lobbyists. The original bill would significantly improve disclosure of financial interests, gifts/events, campaign donations and lobbying expenses.

Unfortunately recent versions of the bill represent a huge step backward and we strongly oppose them.

The SD2 would allow legislators and state employees to accept charitable event tickets from 501(c)(3) charitable nonprofits, even when it is reasonable to infer that the gift is intended to influence or reward. As discussed by the Ethics Commission and in the news media, this is cause for serious concern, since a number of nonprofits have interests pending at the legislature, are subject to government regulation, or compete for and receive government funds.

The proposed HD1 goes even further in weakening the gifts law by allowing gifts from additional entities:

- 1) The HD1 allows acceptance of charitable event tickets not just from 501(c)(3) charitable nonprofits, but from any 501(c) organization – that includes lobbying organizations, chambers of commerce, labor unions, and more.
- 2) The HD1 allows those same gifts from nonprofit corporations recognized under HRS Chapter 414D, which may not have their IRS nonprofit status determined.
- 3) The HD1 allows legislators and state employees to accept invitations from governmental entities – local, out-of-state, and even foreign governments.

In those three categories, there are countless organizations and entities with significant interest in legislation and government action. Gifts from these entities would all be allowed even if it were completely obvious that the gift was intended to influence or reward the legislator or state employee.

It is also important to note that the bill includes a provision regarding disclosure of these gifts, but the existing reporting deadline is far too late – June 30. This is long after the adjournment of the legislative session, so legislative bills would be finalized and enacted before the public could see what gifts may have been given to influence legislators.

We believe that strong ethics and gifts laws play a critical role in preventing situations of undue influence by special interests, promoting fairness in policymaking and implementation, and promoting greater trust in government. By opening the door to expensive gifts from interested parties, the proposed draft undermines our gifts law and will seriously erode the public trust.

We urge the Committee to pass the original SB 671 and bolster—not degrade—our ethics and gifts laws.

Mahalo for the opportunity to submit testimony.

Testimony for SB671 on 3/22/2011 2:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Tuesday, March 22, 2011 12:04 AM

To: JUDtestimony

Cc: albeeman@gmail.com

Testimony for JUD 3/22/2011 2:00:00 PM SB671

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: ALBERT EDWARD BEEMAN
Organization: Individual
Address:
Phone:
E-mail: albeeman@gmail.com
Submitted on: 3/22/2011

Comments:

Aloha Chair Rep. Gilbert Keith-Agaran and Members of the JUD Committee,

I oppose the current version of this bill because it violates the integrity of our Ethics Law here in Hawaii by creating exemptions that will be abused and will tarnish the Legislature.

The new proposed HD1 widens the range of possible gift-givers to all 501(c) entities (that includes chambers of commerce and labor unions!) and also allows acceptance of invitations from local, out-of-state, and even foreign governmental entities. The new draft does require disclosure of these gifts, but the reporting deadline is June 30 -- way too late for the public to keep an eye on gifts accepted during the legislative session.

I think the reporting deadline of June 30 is the most onerous part of this bill.

The Ethics Commission does not support this bill and neither should JUD!

Respectfully submitted,

Al Beeman
Hilo

Testimony for SB671 on 3/22/2011 2:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, March 21, 2011 10:24 PM

To: JUDtestimony

Cc: abaalto@gmail.com

Testimony for JUD 3/22/2011 2:00:00 PM SB671

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: anthony aalto
Organization: Individual
Address:
Phone:
E-mail: abaalto@gmail.com
Submitted on: 3/21/2011

Comments:

Aloha Chair Keith-Agaran and members of the committee,
Thank you for the opportunity to testify.

Whether justified or not, there can be no doubt that we are living through a period of great public distrust of government and public officials.

If we are to restore faith in government, our elected representatives must set an standard of unimpeachable good conduct.

While this bill seems innocent enough, the public perception will be that politicians are trying to find a way around ethics laws.

For the sake of our democracy it would be wise if you were to reject this bill.

Mahalo
anthony aalto

Testimony for SB671 on 3/22/2011 2:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Tuesday, March 22, 2011 8:21 AM

To: JUDtestimony

Cc: dawnshimabukuro@gmail.com

Testimony for JUD 3/22/2011 2:00:00 PM SB671

Conference room: 325

Testifier position: oppose

Testifier will be present: No

Submitted by: Dawn Shimabukuro

Organization: Individual

Address:

Phone:

E-mail: dawnshimabukuro@gmail.com

Submitted on: 3/22/2011

Comments:

I strongly oppose this bill. If charities want legislators to attend their events, they should pay just like any other person. Also aren't these organizations already reaping the benefits of being 501(c)3 organizations with multiple credits? The Legislature has given itself a 31% increase in pay last year, they can pay their own way. To the taxpayers of Hawaii, this is a slap in the face.



COMMITTEE ON JUDICIARY
Representative Gilbert Keith-Agaran, Chair
Representative Karl Rhoads, Vice Chair

DATE: Tuesday, March 22, 2011

TIME: 2:00 PM

PLACE: Conference Room 325

TESTIMONY IN OPPOSITION TO SB671 RELATING TO ETHICS

Aloha Chair Keith-Agaran, Vice Chair Rhoads, and Members of the Committee:

I am testifying in opposition to Senate Bill 671, both the Senate Draft 2 and the proposed House Draft 1.

I see no point, or value, in weakening current ethics laws to exempt certain nonprofits from those same laws that apply to everyone else. While I understand many, if not all, nonprofits provide a public service and work for the public good, but many of them also receive funds from the State and it would be difficult to see how gifts up to \$200 and free tickets to events could not be construed potentially as bribes.

Among the arguments in support of this will be that non-profits need to be able to give free tickets to legislators and other public officials in order to raise money. The idea is that the events are an opportunity for lobbyists and corporate executives to “rub elbows with” and have easy access to elected officials. While there may have some sympathy for this argument, I believe it also speaks to the core problem with the proposed changes to the ethics laws. It is not the responsibility of the Ethics Commission to make fundraising easy for nonprofits. If legislators support a particular organization, they should buy a ticket like everyone else. If a particular event is truly supposed to be about the benefits of the organization, that should be what drives attendance, not the potential for easy access to legislators and government officials. The attendance of legislators and other government officials shouldn't be used as leverage to curry favor or support from individuals and other organizations that would otherwise not be inclined to support a particular nonprofit, or attend their event.

I also have serious concerns about the proposed HD1, which appears to reinsert language speaking to the ability of not only legislators, but also “employee, or spouse or dependent child of a legislator or employee[s]” to receive gifts up to \$200 without having to report it. This is a significant increase from the current reporting requirement and seems both excessive and unnecessary.

Finally, I would like to point out and support the decision by the Ethics Commission to opposed the SD2 version of the bill, and ask that the committee not pass out this bill.

Mahalo for this opportunity to testify.

Josh Frost

A handwritten signature in black ink, appearing to read "Josh Frost". The signature is written in a cursive style with a large, stylized initial "J" and "F".

JUDtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 21, 2011 11:49 AM
To: JUDtestimony
Cc: ndavlantes@aol.com
Subject: Testimony for SB671 on 3/22/2011 2:00:00 PM

Testimony for JUD 3/22/2011 2:00:00 PM SB671

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Nancy Davlantes
Organization: Individual
Address:
Phone:
E-mail: ndavlantes@aol.com
Submitted on: 3/21/2011

Comments:

I have submitted testimony opposing a previous version of SB671 that created an unnecessary exemption from the gifts law, allowing legislators and state employees to accept fundraiser event tickets from 501(c)(3) nonprofits. I feel that anyone who supports the work of nonprofits should show their support by paying for their own event tickets. The latest version of the bill is even worse, seeking to broaden the range of entities to all 501(c) entities (even chambers of commerce and labor unions!) and also to allow acceptance of invitations from local, out-of-state, and even foreign governmental entities. I am truly ashamed that some legislators still seek benefits for themselves while further eroding the already low confidence in their government's honesty and integrity. This bill is fraught with opportunity for conflicts of interest, despite the weak requirement to report any gifts by a deadline of June 30—way after the legislative session has ended and too late for any public scrutiny. I want the legislature to stop trying to lower the standards for ethical behavior and return to the high standards of the bill as it was before the attempts to weaken it.

JUDtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 18, 2011 12:59 PM
To: JUDtestimony
Cc: ndavlantes@aol.com
Subject: Testimony for SB671 on 3/22/2011 2:00:00 PM

Testimony for JUD 3/22/2011 2:00:00 PM SB671

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Nancy Davlantes
Organization: Individual
Address:
Phone:
E-mail: ndavlantes@aol.com
Submitted on: 3/18/2011

Comments:

I was incensed at the "gut and replace" procedure that substituted a good ethics bill with a shameful one. The current version, while somewhat improved, still allows legislators and state employees to accept free admission to events from charitable nonprofits. If a legislator feels a nonprofit needs his/her support, let him/her pay to participate in the event, just like anyone else. The bill in its current form is just not defensible.

JUDtestimony

From: John Naylor [jdancer@kula.us]
Sent: Monday, March 21, 2011 11:47 AM
To: JUDtestimony
Cc: John Naylor
Subject: RE: SB671 SD2

Dear Rep. Keith-Agaran,

Please maintain the integrity of the ethics bill SB671 SD2 and stop making exceptions. Let's represent the people and not the lobbyist and highest bidders. I love to support my favorite 501(c) but let's face it they aren't all created equal. There's a HUGE difference between the Chamber of Commerce and the Food Bank, or a union and homeless shelter. Legislators can certainly afford to purchase their own tickets to show support, just like the rest of us.

I'm interested to know your thoughts and how you vote on this and other issues regarding Hawaii Nei. Please share my thoughts with the other Legislators especially those from Maui County. Mahalo!

Sincerely,

John Naylor
P.O.Box 1749
Makawao, HI. 96768
808 573 1941

Testimony by Ian Lind in opposition to SB 671, SD2, Proposed HD1

House Committee on Judiciary
Tuesday, March 22, 2011
2 p.m., Conference Room 325

Thank you for this opportunity to testify in opposition to SB 671, which would allow unlimited gifts to state officers or employees from charitable or nonprofit organizations.

If this bill passes, state officials and employees would be allowed to accept invitations or tickets to charitable events even "under circumstances in which it can reasonably be inferred that the gift is intended to influence the legislator or employee in the performance of the legislator's or employee's official duties or is intended as a reward for any official action on the legislator's or employee's part."

In other words, even gifts that look like a payoff would become legal if routed via a charitable organization.

Keep in mind that the categories "charitable" or "nonprofit" would include many of the state's largest and most influential organizations who often lobby on their own behalf or on behalf of related for-profit organizations.

And, in practice, any interest group could take advantage of this loophole. For example, a special interest lobbyist seeking legislative or administrative favors could contribute to a nonprofit group with the "understanding" that the contribution would fund a "gift" to a legislator, who could then accompany the lobbyist to a high-priced charitable event.

This bill would create a major loophole in the state ethics law that cannot be cured by subsequent, much delayed, disclosure

Please don't water down our ethics laws. Do not pass SB 671 in any form.

Ian Lind
ian@iLind.net
PO Box 600
Kaaawa, HI 96730

JUDtestimony

From: randy ching [oahurandy@yahoo.com]
Sent: Monday, March 21, 2011 11:02 AM
To: JUDtestimony
Subject: In opposition to SB671 Proposed HD1

House Judiciary Committee
SB671 Proposed HD1
Tuesday, 3/22 at 2 p.m. in room 325

Chair Keith-Agaran and members of the committee,

I write in opposition to SB671 Proposed HD1. Please maintain the integrity of our ethics law and stop creating exemptions. The proposed draft allows gifts to legislators from many groups that do business in the Capitol. Reasonable people would infer that these gifts are for the purpose of influencing legislation. Let's limit gifts to token amounts and not the proposed amounts in HD1.

Thank you for this opportunity to testify.

Randy Ching
Honolulu
oahurandy@yahoo.com
942-0145

Testimony for SB671 on 3/22/2011 2:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, March 21, 2011 8:53 PM

To: JUDtestimony

Cc: damiansempio@yahoo.com

Testimony for JUD 3/22/2011 2:00:00 PM SB671

Conference room: 325

Testifier position: oppose

Testifier will be present: No

Submitted by: Damian Sempio

Organization: Individual

Address:

Phone:

E-mail: damiansempio@yahoo.com

Submitted on: 3/21/2011

Comments:

Politicians do not need incentives in order to be held accountable, if they do they are crooks. Real politicians hold themselves accountable to the people.

Laure Dillon
2345 Ala Wai Blvd.
Honolulu, HI 96815
lauredillon@hawaii.rr.com

March 21, 2011

House Judiciary Committee
Hawaii State House of Representatives
Honolulu, HI 96815

Re: OPPOSITION TO SB-671

Aloha Mr. Chairman and Members of the House Judiciary Committee:

It is astonishing that this BAD BILL is even being considered!

Why do you want to add opportunities for influence pedaling and increased public perception of a corrupt government? This is amazing.

Please kill this foolish and ill-conceived bill.

Mahalo,

Laure Dillon

Testimony for SB671 on 3/22/2011 2:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Tuesday, March 22, 2011 9:03 AM

To: JUDtestimony

Cc: shaglund@hotmail.com

Testimony for JUD 3/22/2011 2:00:00 PM SB671

Conference room: 325

Testifier position: oppose

Testifier will be present: No

Submitted by: Sue Haglund

Organization: Individual

Address:

Phone:

E-mail: shaglund@hotmail.com

Submitted on: 3/22/2011

Comments:

I stand in STRONG OPPOSITION to SB 671 SD 2. Hawaii State Ethics Code are clearly written to protect our legislative process or any state duties and work ethics from any form of bribery and abuse when individuals are a state employee and elected official. By altering the current Ethics Code, you are widening the doors for cronyism and committing a flagrant mockery of the Public's trust. We vote elected officials in office with the assurance that their jobs and duties are to be performed to the best of the ability and interest of the State Of Hawaii and the Residents of the State.

But that assurance is only protected with the clearly written State Ethics Code we already have in place. By changing these codes to fit the needs of a few public officials and state employees who want to party automatically breaks the trust of the public. And why should we, the public, trust elected officials or the legislative process if you pass SB 671 SD2?

This bill is not urgent or necessary.

Trust is the key and in order to keep the public's trust I strongly recommend for you to do and make the ethical and moral decision to strongly oppose SB 671 SD2.

Thank You.

Testimony for SB671 on 3/22/2011 2:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Tuesday, March 22, 2011 8:50 AM

To: JUDtestimony

Cc: yoshitomt001@hawaii.rr.com

Testimony for JUD 3/22/2011 2:00:00 PM SB671

Conference room: 325

Testifier position: oppose

Testifier will be present: No

Submitted by: Kathleen Yoshitomi

Organization: Individual

Address:

Phone:

E-mail: yoshitomt001@hawaii.rr.com

Submitted on: 3/22/2011

Comments:

Testimony for SB671 on 3/22/2011 2:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, March 21, 2011 3:22 PM

To: JUDtestimony

Cc: blockard@iname.com

Testimony for JUD 3/22/2011 2:00:00 PM SB671

Conference room: 325

Testifier position: oppose

Testifier will be present: No

Submitted by: Brodie Lockard

Organization: Individual

Address:

Phone:

E-mail: blockard@iname.com

Submitted on: 3/21/2011

Comments:

Honorable House JUD Chair Rep. Gilbert Keith-Agaran:

I strongly oppose the new proposed HD1 of SB671, which widens the range of possible gift-givers to all 501(c) entities and also allows acceptance of invitations from local, out-of-state, and even foreign governmental entities. The reporting deadline of June 30 is way too late for the public to keep an eye on gifts accepted during the legislative session.

You have a duty to maintain the integrity of our ethics law, and stop creating exemptions!