



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SEVENTH LEGISLATURE, 2014**

ON THE FOLLOWING MEASURE:

H.B. 2231, MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES.

BEFORE THE:

HOUSE COMMITTEE ON JUDICIARY

DATE: Friday, January 31, 2014

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 325

TESTIFIER(S): David M. Louie, Attorney General, or
Caron M. Inagaki, Deputy Attorney General

Chair Rhoads and Members of the Committee:

The Department of the Attorney General supports this bill.

The purpose of this bill is to seek an appropriation to satisfy claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

The bill contains eight claims that total \$681,711.72. Six claims are general fund appropriation requests that total \$591,711.72, and two claims are appropriation requests from departmental funds that total \$90,000.00. Attachment A provides a brief description of each claim in the bill.

Since the bill was introduced, one new claim has been resolved for an additional \$1,939.00. The claim is a general fund appropriation request. Attachment B provides a brief description of the new claim. We request that the Committee amend the bill to appropriate funds to satisfy the new claim.

Including the new claim, the appropriation request totals \$683,650.72 allocated among nine claims. Of this total \$593,650.72 are general fund appropriation requests and \$90,000.00 are appropriation requests from departmental funds.

The Department has had a longstanding policy of advising agencies as to how to avoid claims such as those in this bill. The Department has also complied with section 37-77.5, Hawaii Revised Statutes, which requires the Attorney General to develop and implement a procedure for advising our client agencies on how to avoid future claims.

We respectfully request passage of this bill.

ATTACHMENT "A"

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS:

Hawaii Pacific Health, et al. v. Dwight Takamine, \$ **89,645.15** (*General Fund*)
Civil No. 11-00706 SOM/RLP, USDC **Settlement**

This is a declaratory action initiated by Plaintiffs that sought orders to declare that Hawaii Revised Statutes (HRS) § 378-32(b) is preempted by the National Labor Relations Act (NLRA) and is unconstitutional under the Equal Protection Clause. Plaintiffs also sought to obtain permanent injunctive relief to bar enforcement of HRS § 378-32(b). The court heard the parties' motions for summary judgment. The court held that HRS § 378-32(b) is preempted by the NLRA and is unconstitutional under the Equal Protection Clause.

DEPARTMENT OF LAND AND NATURAL RESOURCES:

Coziar v. State of Hawaii \$ **30,000.00** (*General Fund*)
Civil No. 13-1-0018(1), Second Circuit **Settlement**

An employee of the Department of Land and Natural Resources was turning mauka in Lahaina, Maui, and his vision was momentarily blocked by the early morning sunlight shining in his eyes. He did not see Plaintiff, who is legally blind, walking in the crosswalk. Plaintiff's special damages exceeded \$10,000, therefore, the parties agreed to settle for \$30,000.

DEPARTMENT OF PUBLIC SAFETY:

Buan v. State of Hawaii, et al. \$ **50,000.00** (*General Fund*)
Civil No. 11-1-1222-06, First Circuit **Settlement**

Plaintiff, a former nurse working for the Department of Public Safety, claims that she was discriminated against by her immediate supervisor because of the Filipino portion of her ancestry and because their religious beliefs differed. She further claims that she was discriminated or retaliated against because she filed complaints about a wide range of issues. Plaintiff's economic expert calculated potential damages of \$2,700,000, and the Department's economic expert calculated worse case potential damages of \$250,000 including attorney's fees. This settlement was inadvertently not included in the appropriations bill in 2013, which resulted in the Department of Public Safety being forced to pay the agreed upon amount to Plaintiff out of its general operating funds in order to preserve the settlement. Accordingly, the purpose of this appropriation is to reimburse the Department of Public Safety.

MISCELLANEOUS CLAIMS:

Aimee Clay \$ **497.48** (*General Fund*)

Claimant requests reissuance of outdated checks that were misplaced. The checks when found were outdated and could no longer be cashed. The legislative claim was filed with the Attorney General

within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Bruce A. Menin **\$ 421,346.13** (*General Fund*)

Claimant requests reissuance of an outdated check that he claims he never received in 2009. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Thomas K. Nagano **\$ 222.96** (*General Fund*)

Claimant requests reissuance of an outdated check that was misplaced. The check when found was outdated and could no longer be cashed. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION:

Adams, et al. v. Yokooji, et al. **\$ 25,000.00** (*Department*
Civil No. 07-1-1567, First Circuit **Settlement** *Appropriation*)

A pedestrian was struck by a vehicle near the intersection of Kalaniana'ole Highway and Kanapuu Drive in Kailua. There is a crosswalk across the highway located on the Kailua side of the intersection. On that night, Plaintiff took a cab to visit her children who lived in Waimanalo. When the cabbie learned that she did not have enough money for the fare, he dropped Plaintiff off at a bus stop on the Kailua bound side instead of the Waimanalo bound side of the highway. Plaintiff crossed the highway to get to the bus stop on the Waimanalo bound side. A vehicle heading toward Waimanalo hit Plaintiff and claims it was too dark to see Plaintiff. Plaintiff intends to prove that the site was dangerously dark because the State should have had increased footcandles/lumens of the street lights and that overgrown tree branches obscured the street lights.

The State would likely prevail at trial because of the strength of its expert witnesses when compared with the weaknesses of Plaintiffs' expert witnesses, and the fact that an independent witness had adequate street lighting to see Plaintiff crossing the highway. However, it would be a non-jury trial before a trial judge who has a history of sympathizing with Plaintiffs. Therefore, it was recommended that the State counter Plaintiffs' settlement demand of \$750,000, with the amount of one-half of the costs to bring the State's four expert witnesses from the mainland for trial, rather than risk a possible judgment in a wrongful death case, the State's proportionate share of which could be in excess of \$100,000.

Booth v. State of Hawaii, et al. **\$ 65,000.00** (*Department*
Civil No. 12-1-0262, Fifth Circuit **Settlement** *Appropriation*)

Plaintiff was walking on the sidewalk of Rice Street in Lihue, Kauai, and he tripped over the edge of the drainage culvert installed adjacent to the sidewalk. The drainage culvert had been constructed so

that its surface was two inches higher than the adjacent surface of the sidewalk. Although this difference in the height of the surfaces was contrary to the specifications of the contract to construct that facility, the Department of Transportation accepted the contract work. This trip hazard existed for eleven years without any effort to modify it to make it less hazardous. As a result of the trip and fall, Plaintiff tore his left rotator cuff and sustained other injuries. He was required to undergo surgery and physical therapy. His medical expenses were approximately \$44,000 and his lost income claims was approximately \$30,000. This case proceeded to Court Annexed Arbitration, and the arbitrator awarded Plaintiff \$70,000. The case later settled for \$65,000.

ATTACHMENT "B"

MISCELLANEOUS CLAIMS:

Yoshikatsu Asano \$ **1,939.00** (*General Fund*)

Claimant requests reissuance of outdated checks that were misplaced. The checks when found were outdated and could no longer be cashed. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.