

DAVID Y. IGE
GOVERNOR



LATE

DOUGLAS MURDOCK
Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
APRIL 2, 2015

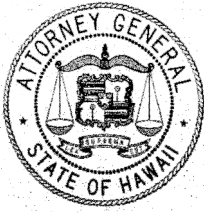
S.B. 286, S.D. 2, H.D. 1

RELATING TO THE OFFICE OF THE STATE INSPECTOR GENERAL

Chair Luke and members of the Committee, thank you for the opportunity to submit written testimony on S.B. 286, S.D. 2, H.D. 1.

The Department of Accounting and General Services supports the intent of S.B. 286, S.D. 2, H.D. 1, provided the measure does not replace or adversely impact priorities indicated in the Executive Budget.

Thank you for the opportunity to provide written testimony on this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2015**

ON THE FOLLOWING MEASURE:

S.B. NO. 286, S.D. 2, H.D. 1, RELATING TO THE OFFICE OF THE STATE INSPECTOR GENERAL.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

LATE

DATE: Thursday, April 2, 2015

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Charleen M. Aina, Deputy Attorney General

Chair Luke and Members of the Committee:

The Department of the Attorney General (Department) takes no position on the establishment of an Office of the State Inspector General (Office). We testify only (1) to ask that the Office not be responsible for investigating conduct that is punishable under the Penal Code, and (2) to suggest additional revisions to minimize procedural challenges to criminal prosecutions that are based on referrals from the Inspector General, and avoid infringing on rights protected by the federal and state constitutions, and other state statutes.

We recommend the following revisions to further minimize procedural challenges, and to avoid infringing on rights protected by the federal and state constitutions and state statutes:

1. Revise paragraph (4) on page 6, at line 14, to specify instead "Immediately transfer all complaints and information collected by the office to the attorney general when the inspector general has reasonable grounds to believe there has been a violation of state criminal law;" and delete "including any allegations of criminal acts affecting the operations of state agencies and quasi-public agencies" on page 5, line 20, to page 6, lines 1-2, "criminal acts" on page 9, lines 4, 11, and 14, and subsection (b) on page 11, lines 9-15;

2. Substitute the provisions in subsections (c) to (f) of section 28-2.5, HRS, for the provisions of subsections (b) to (d) of section ___-6, Subpoena powers, on page 12, lines 4-13, to subpoena witnesses, examine them under oath, and require the production of any books, papers, documents, or other objects designated therein or any other record however maintained that are relevant or material to an investigation the Inspector General conducts, and delete "or quasi-

public agency” on page 10, line 10, and the second sentence of subsection (c) on page 10, at lines 12-17.

3. Clarify or identify what "additional investigations" refers to if the Legislature intends subsection (e) on page 14, lines 7-8, to extend the Inspector General's jurisdiction to investigate beyond fraud, waste, abuse, and corruption relating to the management and operation of state agencies or quasi-public agencies;

4. Add a subsection to section __-3, Powers and duties of inspector general, directing that at minimum the Standards for Audits of the Federal Comptroller General direct the investigations the Inspector General conducts;

5. Add procedural safeguards, including a right to representation, and an opportunity to respond, when investigations regarding individual officers and employees may result in disciplinary action, or other adverse consequences; and

6. Add provisions to assure that investigations involving individual officers and employees and the reports prepared at the conclusion of such investigations are maintained as confidential to the extent required or permitted under the chapter 92F, HRS.

We also suggest that the Committee clarify whether persons hired to staff the Office are civil servants. Presently; by default, wording at page 4, line 7, makes the Inspector General's staff civil servants. If this is not intended, include wording either in the new chapter establishing the Office, or in section 76-16, HRS, to exempt some or all of the positions from the civil service.

Thank you for the opportunity to submit testimony on this measure.