



## HAWAII STATE ETHICS COMMISSION

State of Hawaii · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawaii 96813  
*50<sup>th</sup> ANNIVERSARY 1968-2018*

Committee: Committee on Judiciary  
Bill Number: S.B. 2609 SD1 HD1  
Hearing Date/Time: April 4, 2018, 2:00 p.m.  
Re: Testimony of the Hawaii State Ethics Commission **OPPOSING**  
S.B. 2609 SD1 HD1, Relating to Financial Disclosure Statements

Dear Chair Nishimoto and Committee Members:

The Hawaii State Ethics Commission (“Commission”) opposes S.B. 2609 SD1, which would make confidential certain financial information filed by members of high-profile boards and commissions.

The Commission supports legislation that promotes openness and transparency in government, and respectfully submits that this bill moves in the wrong direction. For members of very high-profile boards and commissions, such as the Board of Land and Natural Resources, the Hawaii Community Development Authority, and the Ethics Commission, the public would still be allowed to see that an individual held a financial interest in a particular entity but would have no way of knowing whether the interest was \$5,000 or \$5,000,000. The Commission is concerned that this will weaken public confidence in the actions of these individuals and their respective boards and commissions, which is contrary to the purpose of the state ethics laws.

The Commission recognizes the importance of recruiting and maintaining highly qualified board and commission members (and that some would-be members claim to be deterred by the financial disclosure requirement). On balance, however, the Commission believes that individuals serving on high-profile boards and commissions ought to file financial disclosure statements that are fully available to the public.

The Commission is, of course, able to administer the financial disclosure law as directed by the Legislature; however, the Commission notes that it has just launched its new electronic filing system for financial disclosures, and would have to re-program the system to account for the changes proposed by this bill. Our rough estimate is that this type of re-programming, using our existing outside vendor, would cost approximately \$6,000.

Additionally, if the Committee is inclined to approve this measure, the Commission respectfully requests that the effective date give the Commission sufficient time to implement these changes to its electronic filing system.

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on S.B. 2609 SD1 HD1.

Very truly yours,

Daniel Gluck  
Executive Director and General Counsel



House Committee on Judiciary  
Chair Scott Nishimoto, Vice Chair Joy San Buenaventura

04/04/2018 2:00 PM Room 325  
SB2609 SD1 HD1 – Relating to Financial Disclosure Statements

TESTIMONY / STRONG OPPOSITION  
Corie Tanida, Executive Director, Common Cause Hawaii

---

Dear Chair Nishimoto, Vice Chair San Buenaventura, and members of the committee:

**Common Cause Hawaii strongly opposes SB2609 SD1 HD1** which would require the redaction of all amounts reported on financial disclosure statements of non-paid volunteer members of state boards and commissions.

Article XIV of our constitution requires all board and commission members who wield “significant discretionary or fiscal powers”<sup>1</sup> to file financial disclosure statements to promote transparency, accountability, and public trust in government. It does not matter whether these board and commission members are non-paid volunteers, they are unelected and still wield “significant discretionary or fiscal powers” and should be held to the highest ethical standard, like everyone else.

As currently written the bill would require the redaction of all amounts reported by non-paid volunteer members of all state boards and commissions. This includes the public disclosures of high-profile and powerful boards and commissions such as the BLNR, PUC, HCDA, LUC, and more. Financial interest information provided in the disclosures are in ranges (i.e. \$1,000-\$10,000; \$10,000-\$50,000, etc.). This balances the public’s right to know, while maintaining the privacy of board and commission members. Redacting the ranges would render the disclosures meaningless to the public.

While we understand there are concerns as to how disclosure possibly affects recruiting new board and commission members, this bill is not the solution. We note that in 2014 SB2682 (Act 230), which made high profile board and commission members’ financial disclosures public, was passed by the legislature. Governor Abercrombie threatened to veto the bill because of similar concerns regarding recruitment. However, the community made it clear that the public interest should prevail, and new applicants to serve on these high-profile boards and commissions have not been lacking.

We must do everything we can to improve public confidence in our government and this bill is a big step in the wrong direction. We urge you to **defer SB2609 SD1 HD1**.

Thank you for the opportunity to offer testimony **opposing SB2609 SD1 HD1**.

---

<sup>1</sup> <http://lrbhawaii.org/con/conart14.html>

**SB-2609-HD-1**

Submitted on: 4/2/2018 10:04:07 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Scott Foster	The Kupuna Caucus of the Democratic Party of Hawaii AND Hawaii Advocates For Consumer Rights	Oppose	No

Comments:

**TESTIMONY AGAINST SB 2609 SD1 HD1**

Simply put, SB 2609 SD1 HD1 would eliminate transparency and continue to weaken the public's trust in government. Financial interests disclosed by members of Hawaii's 17 boards and commissions must be listed with specific numbers and NOT in ranges as this bill proposes. People on state boards and commissions make many important decisions that impact Hawaii's people, land and other natural and cultural resources and the public deserves 100% transparency. Redacting the actual numbers would render disclosure statements meaningless.

**This testimony is being submitted by Scott Foster on behalf of the Kupuna Caucus of the Democratic Party of Hawai'i AND for Hawai'i Advocates For Consumer Rights. Mahalo for your consideration of our testimony.**

**SB-2609-HD-1**

Submitted on: 4/2/2018 4:32:20 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Mike Moran	Individual	Oppose	No

Comments:

Aloha Chair and committee

This bill requires redaction of financial disclosures in public financial disclosure statements filed by uncompensated board members, like the valuable Land Use Commission. Public financial disclosure statements are required - - and appropriate - - for members We noted a vast improvement in make up of LUC once this was required. Obviously it is pointless to publicly disclose financial disclosure statements if the financial disclosures are redacted. Thank you for the opportunity to submit testimony.  
Mike Moran Kihei Maui

**SB-2609-HD-1**

Submitted on: 4/2/2018 5:06:49 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John Bickel	Individual	Oppose	No

Comments:

I oppose this bill as its current version would limit financial transparency. To improve public trust in government, we need more transparency not less.

**SB-2609-HD-1**

Submitted on: 4/2/2018 5:10:00 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nancy Davlantes	Individual	Oppose	No

Comments:

There's something wrong with this picture: we're talking about financial disclosure statements yet what's being redacted by this bill is the financial information that provides the public what it has a right to know. This bill moves away from transparency and could only frustrate public confidence in the actions of powerful boards and commissions.

**SB-2609-HD-1**

Submitted on: 4/2/2018 6:17:19 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Benton Kealii Pang, Ph.D.	Individual	Support	No

Comments:



**SB-2609-HD-1**

Submitted on: 4/2/2018 6:32:58 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melinda Wood	Individual	Oppose	No

Comments:

I oppose this bill because I believe that disclosure and transparency are hallmarks of good government. Filers of the relevant disclosure form are only required to disclose the range in which their income falls, not the exact amount. This is not a violation of privacy. If someone does not want to disclose some component of their finances, they can decline the opportunity to serve the people of Hawaii.

**SB-2609-HD-1**

Submitted on: 4/2/2018 6:41:10 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Wendy Arbeit	Individual	Oppose	No

Comments:

I strongly oppose this bill. In the interest of transparency and controlling conflicts of interest, I believe that individuals serving on high-profile boards and commissions ought to be required to file financial disclosure statements that are fully available to the public.

**SB-2609-HD-1**

Submitted on: 4/2/2018 7:06:54 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
cailey	Individual	Oppose	No

Comments:

If you feel the need to hide something then you already know you shouldn't being do it.

April 2, 2018

House Committee on Judiciary  
Representative Scott Y. Nishimoto, Chair  
Representative Joy A. San Buenaventura, Vice Chair

RE: SB 2609

Dear Committee on Judiciary,

Thank you for granting this hearing. I am in strong opposition to SB2609 as it reduces transparency between government actors and the public. At a political time where we are witnessing blatant acts of corruption and misuse of public funds at the highest levels of government, Hawaii should help set the standard for transparency and accountability to the public.

This bill particularly addresses financial interest disclosures that are listed in ranges, not even specific dollar amounts. These disclosures should remain public to ensure we are not putting the interests of these board and commission members above the public interest.

Please oppose SB2609 and help restore public trust in our government.

Sincerely,  
Jill Yoshicedo  
Kailua, HI

**SB-2609-HD-1**

Submitted on: 4/3/2018 12:57:34 AM

Testimony for JUD on 4/4/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
tlaloc tokuda	Individual	Oppose	No

Comments:

Dear Legislators,

I do not support this latest bill. The way the bill is written to:

- Financial interests disclosed by board and commission members are listed in ranges. Redacting the ranges would render these disclosures meaningless.
- This will weaken transparency and public trust in government. This bill puts board and commission members' interests before the public's.

The problem with a range of \$ makes this bill a paper tiger.

This bill only applied to board and commission members whose financial disclosures are not public. But it was amended to include ALL board and commission members--including high powered commissions like Hawaii Development Corporation, Board of Land and Natural Resources, Public Utilities Commission, Hawaii Housing Finance and Development Corp (they supported this), etc. For these high profile boards, because of the large influence these non-elected members wield, their disclosures are public because we deserve and expect **transparency and accountability**.

We note that the information that is provided by these disclosures that will be redacted are not even specific dollar amounts--it's ranges. For instance if you own a stake in a company you would say it's between \$1,000-\$10,000; \$10,000-\$50K; etc. And if these board members are voting on an issue that could affect said company, we should know whether their stake is \$5,000 or \$500,000. It makes a difference.

In 2014 we were able to make these disclosures public. (**Act 230 SB2682**). We had to go up against the Governor and other political actors who said it would hurt with recruitment. While there were some resignations these powerful boards and commissions were not lacking for applicants. Please help us stop this bill that would undo all our hard work and remind our Legislators need to be reminded that the **public interest, transparency and accountability needs to come first**.

So this new bill is going in the opposite direction and needs to be stopped in its track!



**SB-2609-HD-1**

Submitted on: 4/3/2018 2:25:48 AM

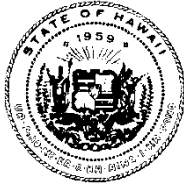
Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robin Kaye	Individual	Oppose	No

Comments:

These boards and commissions make decisions that have great impact on all Hawaii taxpayers. It is important to know as much as possible about any potential conflicts the members of those bodies may have. We should be as open and transparent as possible when it comes to those individuals whose decisions have such a significant and profound impact on our lives.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON JUDICIARY**

April 4, 2018 at 2:00 p.m.  
State Capitol, Room 325

In consideration of  
**S.B. 2609, S.D. 1, H.D. 1**  
**RELATING TO FINANCIAL DISCLOSURE STATEMENTS.**

The HHFDC supports S.B. 2609, S.D. 1, H.D. 1, which provides that financial disclosure statements redact amounts reported by non-paid volunteer members of certain public boards, including the Board of Directors of the HHFDC. The public disclosure requirement is a barrier to attracting and keeping qualified nominees for HHFDC Board positions.

Thank you for the opportunity to provide written comments on this bill.



**SB-2609-HD-1**

Submitted on: 4/3/2018 8:37:16 AM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Brian Mikel	Individual	Oppose	No

Comments:

It is important to know how the financial interests of a board member or commissioner may influence their public role. It is not overburdensome and should not affect recruitment. unless the objective is to recruit cleptocratic people.

- Financial interests disclosed by board and commission members are listed in ranges. Redacting the ranges would render these disclosures meaningless.
- This will weaken transparency and public trust in government. This bill puts board and commission members' interests before the public's.



49 South Hotel Street, Room 314 | Honolulu, HI 96813  
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

HOUSE COMMITTEE ON JUDICIARY

Wednesday, April 4, 2018, 2 PM, Conference Room 325  
SB 2609, HD 1 Relating to Financial Disclosure Statements

**TESTIMONY**

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Nishimoto and Committee Members:

**The League of Women Voters opposes SB 2609, HD 1.** This bill requires redaction of financial disclosures in public financial disclosure statements filed by uncompensated members of certain state boards.

Public financial disclosure statements are required - - and appropriate - - for members of state boards which can authorize private use of public property or spend public funds for private benefit. Obviously it is pointless to publicly disclose financial disclosure statements if the financial disclosures are redacted.

Thank you for the opportunity to submit testimony.



April 4, 2018

Rep. Scott Y. Nishimoto  
House Judiciary Committee  
State Capitol  
Honolulu, HI 96813

Re: Senate Bill 2609, SD1

Chairman Nishimoto and Committee Members:

We ask you to kill this bill.

The value of interests that members of these important and powerful boards hold is important to the public. Is it one share or 1,000 shares of a company? Is it 1/100<sup>th</sup> of a property or sole ownership of the land? It makes a big difference.

This bill moves away from transparency and could only frustrate public confidence in the actions of powerful boards and commissions.

Please do not allow the value of these interests to be hidden from the public.

Thank you,

Stirling Morita  
President, Hawaii Chapter of the Society of Professional Journalists

**SB-2609-HD-1**

Submitted on: 4/3/2018 9:35:36 AM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara Polk	Individual	Oppose	No

Comments:

Chair Nishimoto, Vice Chair San Guenaventura, Members of the House Judiciary Committee

I STRONGLY OPPOSE SB2609. The legislature has chosen to turn over to unelected individuals the responsibility of making major decisions about all aspects of our life in Hawaii. This is not inappropriate, since the legislature cannot do it all.

However, since the members of Boards and Commissions can make major decisions without any oversight or approval by elected representatives, it is important that the public know the kinds of things about them that we know about our elected officials. Their financial statement is especially important for the public to understand whether or what kind of conflicts of interest they may have.

Although there are some individuals who are reluctant to make public their financial status, so far there have been only two or three who have resigned their positions rather than reveal that information publicly. Surely there are enough people in the State to fill Board and Commission positions who have a public spirited outlook and will understand the need for transparency as they take over a major decision making role. If they are not willing, they do not need to serve.

Understanding the influences on public policy is essential for a smoothly running democracy. I urge you not to pass this bill.

Thank you for letting me testify IN OPPOSITION TO SB 2609

Barbara Polk

**SB-2609-HD-1**

Submitted on: 4/3/2018 10:15:53 AM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Toni Withington	Individual	Oppose	No

Comments:

At a time when we need more public trust in government decisions, this bill cuts public trust. We desperately need MORE transparency, not LESS. Kill this bill.

**SB-2609-HD-1**

Submitted on: 4/3/2018 10:27:00 AM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Barbara Best	Individual	Oppose	No

Comments:

This bill will gut transparency for our boards and commissions. [SB2609](#) would redact the dollar amounts on financial disclosures filed by board and commission members.

- Financial interests disclosed by board and commission members are listed in ranges. Redacting the ranges would render these disclosures meaningless.
- This will weaken transparency and public trust in government. This bill puts board and commission members' interests before the public's.
-

**SB-2609-HD-1**

Submitted on: 4/3/2018 11:58:42 AM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
christine trecker	Individual	Oppose	Yes

Comments:

**We must not put the interests of state board and commission members above the critical need for public financial disclosure.**

**I strongly urge you to defer HB 2609 SD1, HD1.**

**Thank you.**

**SB-2609-HD-1**

Submitted on: 4/3/2018 12:59:33 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michael Butel	Individual	Oppose	No

Comments:

Chair of the House Committee on Jurisdiction,

Hearing for SB2609 SD1 HD1, on Wednesday April 4, 2pm, Conference Room 325, Sate Capital

I am a resident of Hawaii, live in Waikiki, and employed by the Federal government (DoD). I am submitting testimony on SB2609 SD1 HD1. I am opposed to this legislation that would redact the dollar amounts on financial disclosures filed by board and commission member.

As a government employee and U.S. citizen, I believe persons serving and/or representing the public must provide full transparency and accountability of their background and standing to avoid bias and unethical opinions. As well, prestigious and powerful board positions are not lacking for qualified applicants willing to disclose their financial interests.

Again, I oppose this legislation and ask for your opposition as well.

Michael Butel, DVM, MPH

204 Kapahula Ave. O: 808-477-7894



**SB-2609-HD-1**

Submitted on: 4/3/2018 1:18:22 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Elton Johnson	Individual	Oppose	No

Comments:

Chair Nishimoto, Vice-Chair San Buenaventura, and Senate Judiciary Committee members:

Thank you for the opportunity to testify in strong opposition to SB2609, SD1, HD1.

The proposed veiling of the financial range information for non-paid board and commission members is clearly contrary to the public interest in disclosure that was affirmed years ago (Act 230 in 2014).

Please put the public interest in transparency first, and defer this measure.

Thank you,

R. Elton Johnson, III

**SB-2609-HD-1**

Submitted on: 4/3/2018 1:27:39 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jake Jacobs	Individual	Oppose	No

Comments:

I oppose SB 2609 because it would do away with meaningful financial disclosure. The people of Hawaii need to know all ties or influences that may impact lawmaker's or rulemaker's decision making. It is absurd to suggest that requiring public servants to disclose their financial entanglements or incentives might discourage them from serving. There is absolutely no reason said disclosure would discourage an honest individual truly motivated by a desire to serve the people of this state from making their financial situation available for public scrutiny. On the other hand, an individual serving her or his personal interests or the interests of corporations eager to feed at the government trough would likely want to hide their associations and the amounts they have been paid or have invested in a particular outcome over which they have influence.....that's why we call it PUBLIC service. Passing SB2609 would be yet another step toward turning over government decision making to private and corporate entities at the expense of ordinary taxpaying citizens.

**LATE**

**SB-2609-HD-1**

Submitted on: 4/3/2018 4:53:06 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Teri Heede	Individual	Oppose	No

Comments:

**LATE**

**SB-2609-HD-1**

Submitted on: 4/3/2018 7:43:40 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Teresa Parsons	Individual	Oppose	No

Comments:

Senators, i stand in stron opposition to this bill. Presently, the State Ethics Code requires members of 17 state boards and commissions to file public financial disclosure statements.

SB 2609 SD1 HD1 allows members of the 17 boards and commissions to redact their financial disclosure statements. This bill will allow financial interests disclosed by board and commission members will be listed in ranges, not in specifics. Redacting the ranges would render disclosure statements meaningless.

Senators, i stand in strong opposition to this bill. Checks and balances in legislative activity are critical to maintain integrity.

People serving on state boards and commissions make decisions impacting Hawaii's people, land, natural and cultural resources, so the public deserves transparency and accountability.

I urge you to vote AGAINST this measure.

**LATE**

**SB-2609-HD-1**

Submitted on: 4/3/2018 8:19:34 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marty Sunderland	Individual	Oppose	No

Comments:

Financial transparency of Hawaii's elected and appointed officials is essential in maintaining the trust of the citizens. Redacting portions of their financial statements damages that trust and invites potential abuses of office by those officials. This bill opens the door to those abuses, and minimizes the value of the trust of Hawaii's citizens. I ask that you vote against this bill.

**LATE**

**SB-2609-HD-1**

Submitted on: 4/3/2018 8:32:29 PM

Testimony for JUD on 4/4/2018 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Christopher Dean	Individual	Oppose	No

Comments:

Hawaii is a finite place. Developers have no checks or balances, they just want to make money. We need every advantage we can get to battle their never ending and voracious appetite for exploiting the most beautiful natural habitats of Hawaii. Not only do we need to prevent the slow erosion of the citizen's right to know what's going on, we need to strengthen our ability to know. By the time the public finds out about a developer's plans, the developer has already purchased the land and invested significant capital. This gives them leverage in the fight to save the land, because officials feel sorry for the company and the significant financial loss they'll take, but that's not our fault, it's theirs. They were dectieful and deserve to lose their capital. In a democracy, transparency is of paramount importance. That's why I oppose this bill.