

DAVID Y. IGE  
GOVERNOR



THOMAS WILLIAMS  
EXECUTIVE DIRECTOR

KANOE MARGOL  
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII  
EMPLOYEES' RETIREMENT SYSTEM**

**TESTIMONY BY THOMAS WILLIAMS  
EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM  
STATE OF HAWAII**

**TO THE HOUSE COMMITTEE ON LABOR, CULTURE AND THE ARTS**

**ON**

**HOUSE BILL NO. 670, H.D. 1**

**March 17, 2021  
3:30 P.M.  
Conference Room 225**

**RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM**

Chair Taniguchi, Vice Chair Ihara and Members of the Committee,

H.B. 670, H.D. 1 proposes to add a new section to subpart C of part II of Chapter 88, Hawaii Revised Statutes to provide for forfeiture by a member, former member, or retirant of the Employees' Retirement System (ERS) of the State of Hawaii, of all or a portion of any interest, hypothetical account balance, pension, annuity or retirement allowance otherwise payable to the member, former member or retirant if the member, former member or retirant is convicted of a felony related to the employment of the member, former member or retirant. On behalf of its Board of Trustees, the ERS staff offers the following comments:

This proposal would require the ERS to comply with a court order decreeing a forfeiture of all or a portion of any interest, hypothetical account balance, pension, annuity or retirement allowance otherwise payable a member, former member, or retirant of the system convicted of a felony that the court finds is related to the employment of the member, former member, or retirant by the State or county.



**Employees' Retirement System**  
of the State of Hawaii

This proposal purports to not impair or diminish the accrued retirement benefits of members of the ERS prior to the effective date of the Act and applies prospectively to felonies committed by public employees after the effective date of the proposal.

As proposed, the ERS Board would be supportive of H.B. 670, H.D. 1 should this bill be approved.

Thank you for this opportunity to provide testimony.

Statement Before The  
**SENATE COMMITTEE ON LABOR, CULTURE & THE ARTS**  
Wednesday, March 17, 2021  
3:30 PM  
Via Videoconference and Conference Room 225

in consideration of  
**HB 670, HD1**  
**RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.**

Chair TANIGUCHI, Vice Chair IHARA, and Members of the Senate Labor, Culture & The Arts Committee

Common Cause Hawaii supports HB 670, HD1, which authorizes forfeiture of certain ERS benefits, pursuant to court order, for state or county employees and designated beneficiaries who are convicted of an employment-related felony. Currently, there are 30 states that have some sort of public pension garnishment or forfeiture laws. See <https://reason.org/data-visualization/what-happens-to-taxpayer-funded-pensions-when-public-officials-are-convicted-of-crimes/>.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy. Common Cause Hawaii works to restore faith in our government and our democracy that has been shattered in the last few years through ethics, accountability, and transparency reforms. These reforms are probably the most important tools to restoring the people's trust in their elected leaders and government – to show people that their government is acting for the people's interest versus serving their own interests.

In a Honolulu Star-Advertiser poll published on Sept. 22, 2019, a majority of local residents felt that Hawaii's elected officials do not care what they think and generally do not have high ethical standards. This must change for people to have confidence in our government. See <https://www.staradvertiser.com/2019/09/22/hawaii-news/most-hawaii-residents-say-state-elected-officials-dont-care-about-them/>. Further, Oahu residents stated accountability was “essential or very important for the city to address in the next two years” in a 2019 Service Efforts & Accomplishments Report by the Office of the City Auditor. See [http://www.honolulu.gov/rep/site/oca/oca\\_docs/a-FY2019\\_SEA\\_Report\\_Final\\_030620\\_for\\_website.pdf](http://www.honolulu.gov/rep/site/oca/oca_docs/a-FY2019_SEA_Report_Final_030620_for_website.pdf) at page 6 (emphasis in original).

HB 670, HD1 will show that government takes ethics seriously. Public employees are also public servants. They cannot defraud the public and destroy our confidence in government and still reap the benefits of their criminal misconduct. If this were to occur, then the only losers are the people and democracy.

HB 670, HD1 is **not** about punishment or retribution. It is about ethics and restoring the public's trust in government. HB 670, HD1 is not about revenge, because families of the convicted governmental employees who rely on the pensions are protected under the bill. HB 670, HD1 provides that, upon the convicted governmental employees' passing, their pensions may be awarded to the designated beneficiaries. Due process is afforded, and pension is only forfeited pursuant to court order, under HB 670, HD1.

In these dire economic times for our state, Hawaii cannot afford (both literally and figuratively) the pensions of individuals who have defrauded this state and betrayed the public trust.

Much concern is given to what the convicted government employee (and the employee's family) may lose if the pension were to be lost. We also need to consider that much is lost by the public - the people - when a government employee abuses his/her/their position of power, trust, and authority. As we have seen, democracy is fragile; people need to have confidence in our government. Please act to restore that trust through ethics reform.

Thank you for the opportunity to testify in support of HB 670, HD1, and Common Cause Hawaii respectfully urges the Committee members to pass HB 670, HD1 out of your Committee. If you have further questions of me, please contact me at [sma@commoncause.org](mailto:sma@commoncause.org).

Very respectfully yours,

Sandy Ma  
Executive Director, Common Cause Hawaii



**HB-670-HD-1**

Submitted on: 3/14/2021 9:25:34 PM

Testimony for LCA on 3/17/2021 3:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kathy Jaycox	Individual	Support	No

Comments:

Thank you for the opportunity to submit testimony in support of this bill.

**HB-670-HD-1**

Submitted on: 3/13/2021 8:50:37 AM

Testimony for LCA on 3/17/2021 3:30:00 PM

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

Comments:

- HB 670, HD1 will show that government takes ethics seriously. Public employees are also public servants. They cannot defraud the public and destroy our confidence in government and still reap the benefits of their criminal misconduct. If this were to occur, then the people and democracy will suffer.
- This would help restore confidence in the ethics of our government.

**HB-670-HD-1**

Submitted on: 3/14/2021 7:56:55 PM

Testimony for LCA on 3/17/2021 3:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
lynne matusow	Individual	Support	No

Comments:

The public has long been incensed that state and county employees who are convicted of employment related felonies are allowed to collect their ERS benefits. Public employees are public servants. They should not be allowed to defraud us and still collect the benefits of their criminal misconduct. This is your chance to restore the public's faith in government, in its elected and appointed officials.

Please support this bill.

**HB-670-HD-1**

Submitted on: 3/14/2021 4:37:43 PM

Testimony for LCA on 3/17/2021 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

Dear Chair Taniguchi, Vice Chair Ihara and Committee on Labor, Culture and the Arts,

Please support HB670 HD1.

HB 670, HD1 will show that government takes ethics seriously. Public employees are also public servants. They cannot defraud the public and destroy our confidence in government and still reap the benefits of their criminal misconduct. If this were to occur, then the people and democracy will suffer.

HB 670, HD1 is **not** about punishment or retribution. It is about ethics and restoring the public's trust in government. HB 670, HD1 is not about revenge, because families of the convicted governmental employees who rely on the pensions are protected under the bill. HB 670, HD1 provides that, upon the convicted governmental employees' passing, their pensions may be awarded to the designated beneficiaries. Due process is afforded, and pension is only forfeited pursuant to court order, under HB 670, HD1.

Thank you for taking the time to review this issue. I appreciate the opportunity to support this bill.

Mahalo,

Caroline Kunitake



## **HB-670-HD-1**

Submitted on: 3/14/2021 2:49:32 PM

Testimony for LCA on 3/17/2021 3:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
tlaloc tokuda	Individual	Support	No

Comments:

Dear LCA Committee,

- Currently, there are 30 states that have some sort of public pension garnishment or forfeiture laws. See <https://reason.org/data-visualization/what-happens-to-taxpayer-funded-pensions-when-public-officials-are-convicted-of-crimes/>.
- In a Honolulu Star-Advertiser poll published on Sept. 22, 2019, a majority of local residents felt that Hawaii's elected officials do not care what they think and generally do not have high ethical standards. This must change for people to have confidence in our government. See <https://www.staradvertiser.com/2019/09/22/hawaii-news/most-hawaii-residents-say-state-elected-officials-dont-care-about-them/>. Further, Oahu residents stated accountability was "essential or very important for the city to address in the next two years" in a 2019 Service Efforts & Accomplishments Report by the Office of the City Auditor. See [http://www.honolulu.gov/rep/site/oca/oca\\_docs/a-FY2019\\_SEA\\_Report\\_Final\\_030620\\_for\\_website.pdf](http://www.honolulu.gov/rep/site/oca/oca_docs/a-FY2019_SEA_Report_Final_030620_for_website.pdf) at page 6 (emphasis in original).
- HB 670, HD1 will show that government takes ethics seriously. Public employees are also public servants. They cannot defraud the public and destroy our confidence in government and still reap the benefits of their criminal misconduct. If this were to occur, then the people and democracy will suffer.
- HB 670, HD1 is **not** about punishment or retribution. It is about ethics and restoring the public's trust in government. HB 670, HD1 is not about revenge, because families of the convicted governmental employees who rely on the pensions are protected under the bill. HB 670, HD1 provides that, upon the convicted governmental employees' passing, their pensions may be awarded to the designated beneficiaries. Due process is afforded, and pension is only forfeited pursuant to court order, under HB 670, HD1.
- In these difficult economic times for our state, Hawaii cannot afford (both literally and figuratively) the pensions of individuals who have defrauded this state and betrayed the public trust.
- Much concern is given to what the convicted government employee (and the employee's family) may lose if the pension were to be lost. We also need to consider that much is lost by the public - the people - when a government employee abuses his/her/their position of power, trust, and authority. As we have

seen, democracy is fragile; people need to have confidence in our government.  
Please act to restore that trust through ethics reform.

Mahalo for your consideration,

Tlaloc Tokuda

Kailua Kona, HI 96740

**HB-670-HD-1**

Submitted on: 3/14/2021 8:36:39 AM

Testimony for LCA on 3/17/2021 3:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Anderson	Individual	Support	No

Comments:

Currently, there are 30 states that have some sort of public pension garnishment or forfeiture laws and a September 2019 poll showed that a majority of local residents felt that Hawaii's elected officials do not care what they think and generally do not have high ethical standards. This must change for people to have confidence in our government.

Further, Oahu residents have stated accountability was "essential or very important for the city to address in the next two years"

HB 670, HD1 will show that government takes ethics seriously. Public employees are also public servants. They cannot defraud the public and destroy our confidence in government and still reap the benefits of their criminal misconduct. If this were to occur, then the people and democracy will suffer.

This bill is about ethics and restoring the public's trust in government and is not about revenge, punishment or retribution because families of the convicted governmental employees who rely on the pensions are protected under the bill. HB 670, HD1 provides that, upon the convicted governmental employees' passing, their pensions may be awarded to the designated beneficiaries. Due process is afforded, and pension is only forfeited pursuant to court order, under HB 670, HD1.

In these difficult economic times for our state, Hawaii cannot afford (both literally and figuratively) the pensions of individuals who have defrauded this state and betrayed the public trust.

Concern is needed to consider that much is lost by the public - the people - when a government employee abuses his/her/their position of power, trust, and authority. As we have seen, democracy is fragile; people need to have confidence in our government. Please act to restore that trust through ethics reform.

Thank you for the opportunity to submit testimony in support of this bill.

**HB-670-HD-1**

Submitted on: 3/13/2021 1:08:02 PM

Testimony for LCA on 3/17/2021 3:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michael Golojuch Jr	Individual	Support	No

Comments:

Aloha Senators,

I fully support HB 670 HD 1.

Mahalo for your consideration,

Michael Golojuch, Jr.

**HB-670-HD-1**

Submitted on: 3/15/2021 6:29:16 PM

Testimony for LCA on 3/17/2021 3:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
laurie boyle	Individual	Support	No

Comments:

I support sb670 for the simple reason that government officials are NOT above the law, and if they defraud our government, they should no longer have access to the pension, that we have paid with our money.

Mahalo for your attention.