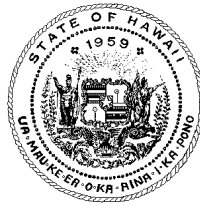


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No. \_\_\_\_\_

TESTIMONY ON SENATE BILL 3140, SENATE DRAFT 1  
RELATING TO THE UNIFORM CONTROLLED SUBSTANCES ACT  
MANDATORY REPORTING.

By

Max N. Otani, Director

Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Friday, February 25, 2022; 9:30 a.m.  
Via Videoconference

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Department of Public Safety (PSD) supports Senate Bill (SB) 3140, Senate Draft (SD) 1, which creates a new section under chapter 329, Hawaii Revised Statutes, to: 1) require the holder of a controlled substances registration to immediately report orally the theft, embezzlement, fraud, or diversion of a controlled substance in the holder's inventory, 2) require the submission of a written report to the administrator of the Narcotics Enforcement Division that provides all information related to the theft, embezzlement, fraud, or diversion of controlled substances in the holder's inventory, including but not limited to, records, reports, and any image, film, video, or other electronic medium, and 3) establishes a misdemeanor penalty for a person who prevents another from reporting, or who knowingly fails to provide information as required. PSD supports SB 3140, SD 1 for several reasons.

First, the proposed mandatory reporting requirement provides for timely investigation of the theft, fraud, or diversion of controlled substances in a registrant's inventory. In the past, PSD has encountered many instances where incidents were not reported in a timely manner. Frequently, incidents of theft, embezzlement, fraud,

and diversion involve licensed healthcare workers such as physicians and nurses who work in large healthcare companies in Hawaii. PSD has found that there is significant reluctance in healthcare to report such incidents. Consequently, if incidents are not reported in timely manner because of reluctance to report, then the likelihood that incidents can be resolved is significantly reduced.

Second, SB 3140, SD 1 would require registrants who report an incident to provide all records, reports, images, and videos related to the incident. In addition to frequently experiencing reluctance to report incidents, PSD has also similarly experienced reluctance to provide reports and security videos related to the incident as well. Consequently, once again, PSD's ability to resolve a situation is significantly reduced when reports, records and security videos are not provided during investigations.

Finally, SB 3140, SD 1 establishes a misdemeanor penalty if a person prevents another from reporting or when a person knowingly fails to report an incident. Again, in the past, PSD has also experienced many instances where incidents have occurred and the employers and /or company officials of the businesses involved have directed their employees and staff members not to report and/or cooperate in PSD's investigations.

Theft, embezzlement, fraud, or diversion of controlled substances are serious incidents. If incidents are not reported in a timely manner and investigated completely, then the suspects involved may illegally use or distribute the controlled substances that were stolen or diverted. For the reasons stated above, PSD supports SB 3140, SD 1 and respectfully encourages its passage.

Thank you for the opportunity to testify on this measure.