

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 AND TOURISM  
ON  
SENATE BILL NO. 912, S.D. 1**

**March 16, 2021  
9:00 A.M.  
Conference Room 312**

**RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM**

Chair Onishi, Vice Chair Sayama, and Members of the Committee,

S.B. 912, S.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 one-half 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.

Further, S.B. 912, S.D. 1 allows the court to order, upon the death of the convicted member, former member or retirant, that the beneficiary receive comparably reduced benefits to which the beneficiary may have otherwise been entitled. Further, if the beneficiary had been convicted of the same felony as the ERS member, former member or retirant under this section, the beneficiary would receive no beneficiary benefits.

As this proposal would require the ERS to comply with a court order declaring a forfeiture of retirement benefits based on these types of felony convictions and does not impair benefits that have already been accrued, the ERS Board is supportive of this method of forfeiture.

The ERS Board of Trustees would be supportive of this Act should it be approved.

Thank you for this opportunity to provide testimony.



Employees' Retirement System  
of the State of Hawaii



## HAWAI‘I STATE ETHICS COMMISSION

State of Hawai‘i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai‘i 96813

Committee: Committee on Labor and Tourism

Bill Number: S.B. 912, S.D. 1

Hearing Date/Time: March 16, 2021, 9:00 a.m.

Re: Testimony of the Hawai‘i State Ethics Commission  
**SUPPORTING THE INTENT** of S.B. 912, S.D. 1,  
Relating to the Employees’ Retirement System

Dear Chair Onishi, Vice Chair Sayama, and Members of the Committee on Labor and Tourism:

The Hawai‘i State Ethics Commission (“Commission”) supports the intent of S.B. 912, S.D. 1, which seeks to impose additional penalties – forfeiture of retirement benefits – for government officials who commit employment-related felonies.

The Commission supports additional penalties for extreme abuses of power. This measure will provide an additional deterrent to those few state employees who may seek to use their official positions, and the power of their offices, to commit employment-related felonies. The Commission agrees that such a severe consequence – forfeiture of retirement benefits – should come only after conviction of criminal activity.

Thank you for your continuing support of the Commission’s work and for considering the Commission’s testimony on S.B. 912, S.D. 1.

Very truly yours,

Kee Campbell  
Staff Attorney

Statement Before The  
**HOUSE COMMITTEE ON LABOR & TOURISM**  
Tuesday, March 16, 2021  
9:00 AM  
Conference Room 312 & Via Videoconference

in consideration of  
**SB 912, SD1**  
**RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.**

Chairs ONISHI, Vice Chairs SAYAMA, and Members of the House Labor & Tourism Committee

Common Cause Hawaii supports SB 912, SD1, which (1) authorizes a court to order the forfeiture of one-half of the Employees' Retirement System (ERS) benefits of an ERS member, former member, or retirant upon conviction of the individual for a felony related to the State or county employment of the individual, (2) authorizes designated beneficiaries to receive the ERS benefits to which the member, former member or retirant would be entitled under this section upon the death of the member, former member, or retirant, and (3) prohibits designated beneficiaries convicted of a felony under the same set of circumstances as the member, former member, or retirant who was subject to forfeiture of ERS benefits from receiving benefits.

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).

SB 912, SD1 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.

SB 912, SD1 is **not** about punishment or retribution. It is about ethics and restoring the public's trust in government. SB 912, SD1 is not about revenge, because families of the convicted governmental employees who rely on the pensions are protected under the bill. SB 912, SD1 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 SB 912, SD1.

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.

Thank you for the opportunity to testify in support of SB 912, SD1, and Common Cause Hawaii respectfully urges the Committee members to pass SB 912, SD1 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



**SB-912-SD-1**

Submitted on: 3/13/2021 8:40:13 AM

Testimony for LAT on 3/16/2021 9:00:00 AM

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

Comments:

Ethics in government will restore public confidence in government. Also, it is a way to save money for the government. Fraud should not be rewarded.

**SB-912-SD-1**

Submitted on: 3/13/2021 1:03:39 PM

Testimony for LAT on 3/16/2021 9:00:00 AM

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

Comments:

Aloha Representatives,

I fully support SB 912.

Mahalo for your consideration,

Michael Golojuch, Jr.

**SB-912-SD-1**

Submitted on: 3/13/2021 5:47:53 PM

Testimony for LAT on 3/16/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Linda Morgan	Individual	Support	No

## Comments:

I strongly support SB912. Government employess must be held accountable when convicted of illegal acts involving their employment. I would prefer this bill garnish 100% of government employees who corruptly abuse their power in office. This measure may act as a deterrent to unethical and illegal actions of government workers and help restore the public's trust in its government.

**SB-912-SD-1**

Submitted on: 3/14/2021 8:24:05 AM

Testimony for LAT on 3/16/2021 9:00:00 AM

<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.

A Sept. 22, 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."

SB 912, SD1 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.

SB 912, SD1 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. SB 912, SD1 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 this bill.

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. We 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 submit testimony in support of this bill.



**SB-912-SD-1**

Submitted on: 3/14/2021 1:21:04 PM

Testimony for LAT on 3/16/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Caroline Kunitake	Individual	Support	No

Comments:

Dear Chair Onishi, Vice Chair Sayama and Committee on Labor and Tourism,

Please support SB912 SD1. SB 912, SD1 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.

SB 912, SD1 is **not** about punishment or retribution. It is about ethics and restoring the public's trust in government. SB 912, SD1 is not about revenge, because families of the convicted governmental employees who rely on the pensions are protected under the bill. SB 912, SD1 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 SB 912, SD1.

Thank you for taking the time to review this issue. I appreciate the opportunity to provide testimony in support of SB912 SD1.

Mahalo,

Caroline Kunitake

**SB-912-SD-1**

Submitted on: 3/14/2021 2:29:39 PM

Testimony for LAT on 3/16/2021 9:00:00 AM

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

Comments:

Dear Committee members,

*I support SB 912 SD1*

- 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).
- SB 912, SD1 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.
- SB 912, SD1 is **not** about punishment or retribution. It is about ethics and restoring the public’s trust in government. SB 912, SD1 is not about revenge, because families of the convicted governmental employees who rely on the pensions are protected under the bill. SB 912, SD1 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 SB 912, SD1.
- 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

**SB-912-SD-1**

Submitted on: 3/14/2021 7:50:16 PM

Testimony for LAT on 3/16/2021 9:00:00 AM

<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.

**SB-912-SD-1**

Submitted on: 3/14/2021 9:23:37 PM

Testimony for LAT on 3/16/2021 9:00:00 AM

<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.

**SB-912-SD-1**

Submitted on: 3/14/2021 11:52:09 PM

Testimony for LAT on 3/16/2021 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Edward B Hanel Jr	Individual	Support	No

Comments:

Strongly support passage of SB912 SD1, concurring with Common Cause Hawaii comments. Forfeiture laws are rightfully coming under scrutiny for lack of due process before a forfeiture is imposed. SB912 is different from such questionable forfeitures. It reinforces due process by requiring a nexus between an employee's misbehavior in a government position and a forfeiture. It protects the property interests of innocent spouses and dependents. At the same time it sends a strong ethical message that state employees who misbehave on the job will be held accountable.

**SB-912-SD-1**

Submitted on: 3/15/2021 12:14:09 PM

Testimony for LAT on 3/16/2021 9:00:00 AM

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

Comments:

Aloha, my name is Carolyn Eaton and I am an Oahu voter. I'm opposed to this measure (SB 912). As written it's not specific enough. I concur with its intent, but it ought to be refined before supporting.

Mahalo for considering my testimony.