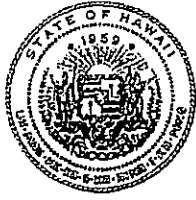


**Supplemental Testimony
from Marvin S.C. Dang**



HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

February 2, 2012

Via Email

Marvin S. C. Dang
P.O. Box 4109
Honolulu, Hawaii 96812-4109

Re: Mortgage Foreclosure Task Force

Dear Mr. Dang:

At last Friday's hearing before the Senate's Committee on Judiciary and Labor, you testified that the State Ethics Commission's guidance to you and the other members of the Mortgage Foreclosure Task Force was confusing and unclear. Frankly, your comments were surprising, given that I spoke with you as well as with many other members of the Task Force about the Commission's interpretation of the statute on a number of occasions and, at your request, participated in a Task Force meeting on August 2, 2011, to further explain that interpretation. Although you and others may disagree with the State Ethics Commission's interpretation, I was never aware that you did not understand the State Ethics Commission's position.

In the event that you and the other members of the Task Force truly are unclear about the Commission's position, I am writing to make that position clear: Members of the Mortgage Foreclosure Task Force cannot, for pay or other compensation, lobby the legislature on behalf of a non-governmental organization on bills relating to the matters that the members worked on as part of the Task Force.¹ More specifically, that means, among other things, Task Force members cannot be paid to testify on behalf of a non-governmental organization on a bill implementing the Task Force's recommendations. To be clear, the Commission's position is not dependent on whether you are testifying in support of the bill, testifying in opposition to the bill or seeking an amendment to the bill. You simply cannot testify on behalf of a non-governmental entity on the bill if you are paid to do so.

¹ I again emphasize that the State Ethics Commission's position does not prohibit members of the Task Force from testifying on behalf of the Task Force; it does not restrict Task Force members from lobbying, for pay, on matters that are unrelated to those considered by the Task Force; it does not prohibit the member's employer or the association which the member represents from lobbying on the specific matters proposed by the Task Force. The State Ethics Code simply prohibits the member of the Task Force from lobbying the legislature, for pay, on proposed legislation recommended by or relating to the Task Force's work.

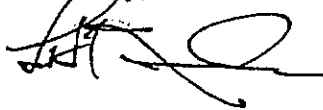
Marvin S. C. Dang, Esq.
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I am aware that you have been offering testimony on behalf of the Hawaii Financial Services Association ("HFSA") on House Bill No. 1875, which I understand implements the Mortgage Foreclosure Task Force's recommendations. If you are being paid by HFSA to testify on its behalf, unless there are factors to which I am unaware that might otherwise allow you to do so, your conduct appears to be contrary to the State Ethics Commission's guidance to you and appears to be a violation of the State Ethics Code.

Although Senate Bill No. 2240 and other similar measures, if enacted, will likely cause the State Ethics Commission to re-consider its position, at present, the State Ethics Commission's interpretation of the statute is unchanged: as a member of the Task Force, you cannot, for pay, lobby on behalf of a non-governmental organization on the bills which will implement the Task Force's recommendation or which relate to the issues you worked on as a Task Force member.² If you continue acting in a manner that is inconsistent with the State Ethics Commission's guidance to you, the Commission may be forced to consider more formal action against you.

By copy of this letter to the other members of the Mortgage Foreclosure Task Force, I am reminding them of the State Ethics Commission's position and invite them to contact me if they are uncertain about that position or have any questions. You are also welcome to contact me if the above is unclear or if you have questions about the State Ethics Commission's position.

Sincerely,



Leslie H. Kondo
Executive Director and
General Counsel

LHK/ps

² For your information, after the Committee hearing, I informed Senator Clayton Hee that the bill, as passed by the Committee, does not appear to apply retroactively. I suggested to Senator Hee that, if the Legislature's intent is to exempt you and the other members of the Mortgage Foreclosure Task Force from the State Ethics Code, the Legislature should consider including language in the bill to make the amendment retroactive to a specific date.

Marvin S. C. Dang, Esq.
February 2, 2012
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c: Via Email:
Everett S. Kaneshige, Chair
Bruce B. Kim
Jeff Gilbreath
Ryker J. Wada
Kevin Oda
Gary Y. Kawamoto
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