

Honolulu, Hawaii

FEB 19 2015

RE: S.B. No. 286
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 286 entitled:

"A BILL FOR AN ACT RELATING TO THE OFFICE OF THE STATE
INSPECTOR GENERAL, "

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Office of the State Inspector General that is headed by the State Inspector General and administratively attached to the Office of the Auditor;
- (2) Establish powers and duties of the Inspector General, including but not limited to investigating complaints alleging fraud, waste, abuse, or corruption by a state agency or quasi-public agency, or the officers or employees of a state agency or quasi-public agency, and investigating the management and operations of state agencies, quasi-public agencies, and independent contractors;
- (3) Require the Inspector General to refer a complaint alleging fraud, waste, abuse, or corruption by the University of Hawaii or any of its officers or employees to the internal audit department of the University of Hawaii for investigation unless the complaint concerns the University of Hawaii President, members of the Board



of Regents, or the internal audit department of the University of Hawaii;

- (4) Require state agencies, quasi-public agencies, and officers and employees to report any allegations of criminal acts or acts of fraud, waste, abuse, or corruption to and cooperate with the Inspector General;
- (5) Confer the Inspector General with police powers, including the power to arrest, and subpoena powers; and
- (6) Appropriate unspecified funds to the Office of the Auditor for administrative costs associated with the establishment of the Office of the State Inspector General.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of the Attorney General, Office of the Auditor, and one individual.

Your Committee finds that accountability is necessary to maintaining public trust in government. This measure establishes an Office of the State Inspector General to promote integrity and accountability, maximize the efficiency and effectiveness of state agencies through the conduct of independent investigations, performance reviews, and other services, and provide information to state officials and the public.

Your Committee has amended this measure by:

- (1) Attaching the Office of the State Inspector General to the Department of the Attorney General rather than the Office of the Auditor for administrative purposes only;
- (2) Clarifying that a quasi-public agency includes an entity that receives grants pursuant to chapter 42F, Hawaii Revised Statutes;
- (3) Establishing that the State Inspector General will serve a term of five rather than four years;
- (4) Preventing the Governor, Attorney General, Judiciary, and Legislature from impairing the Inspector General



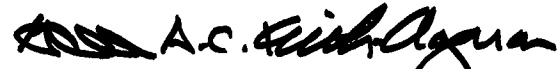
from initiating, carrying out, or completing any audit, investigation, or review;

- (5) Allowing the Inspector General to investigate complaints of alleged fraud, waste, abuse, or corruption upon the Inspector General's own initiative, and referring any complaints to any other appropriate authority;
- (6) Requiring the Inspector General to adopt rules that include standards for conducting investigations and procedural safeguards for officers and employees;
- (7) Deleting language that requires the Inspector General to refer a complaint alleging fraud, waste, abuse, or corruption by the University of Hawaii or any of its officers or employees to the internal audit department of the University of Hawaii for investigation;
- (8) Deleting language that confers the Inspector General with police powers, including the power to arrest;
- (9) Identifying the Department of the Attorney General as the expending agency;
- (10) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 286, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,




GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* <div style="text-align: center; font-size: 1.2em;">SB 286</div>	Committee Referral: <div style="text-align: center; font-size: 1.2em;">JDL, WAM</div>	Date: <div style="text-align: center; font-size: 1.2em;">2/10/15</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div> <input type="checkbox"/> Pass, unamended 2312 </div> <div> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div> <input type="checkbox"/> Hold 2310 </div> <div> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
ESPERO, Will		✓		
GABBARD, Mike				✓
IHARA, Jr., Les	✓			
THIELEN, Laura H.	✓			
SLOM, Sam	✓			
TOTAL	5	1		1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="text-align: center; font-size: 1.5em; margin-top: 10px;">  </div>				
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div> Distribution: File with Committee Report </div> <div> Original Clerk's Office </div> <div> Yellow Drafting Agency </div> <div> Pink Committee File Copy </div> <div> Goldenrod Committee File Copy </div> </div>				

*Only one measure per Record of Votes