

JAN 25 2023

A BILL FOR AN ACT

RELATING TO GOVERNMENT FRAUD.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to establish the
2 criminal offense of government fraud.

3 SECTION 2. Chapter 708, Hawaii Revised Statutes, is
4 amended by adding to part IV a new section to be appropriately
5 designated and to read as follows:

6 "§708- Government fraud; penalty. (1) A person
7 commits the offense of government fraud when the person
8 intentionally or knowingly engages in a course of conduct, by
9 means of a materially false pretense, representation, or
10 promise, to:

11 (a) Obtain money, property, or services from the
12 government;

13 (b) Obtain employment with the government; or

14 (c) Enter into a contract with the government.

15 (2) A false pretense, representation, or promise is
16 material when it has a natural tendency to influence, or is
17 capable of influencing, the decision of the individual or entity
18 to whom it is addressed. It does not, however, include puffing

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1 by statements unlikely to deceive ordinary persons. "Puffing"
2 means an exaggerated commendation of wares or services.

3 (3) Reliance on the part of any person shall not be a
4 necessary element of the offense described in subsection (1).

5 (4) As used in this section, "government" shall have the
6 same meaning as in section 710-1000.

7 (5) Government fraud is a class C felony."

8 SECTION 3. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 4. New statutory material is underscored.

12 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: _____



15

BY REQUEST

S.B. NO. 1283

Report Title:

Penal Code; Government Fraud

Description:

Adds a new section to chapter 708, Hawaii Revised Statutes, to establish the class C felony offense of government fraud.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

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JUSTIFICATION SHEET

DEPARTMENT: Attorney General.

TITLE: A BILL FOR AN ACT RELATING TO GOVERNMENT FRAUD.

PURPOSE: To establish the criminal offense of government fraud.

MEANS: Add a new section to chapter 708, Hawaii Revised Statutes (HRS).

JUSTIFICATION: While strengthening laws against official misconduct is paramount, equally important is strengthening the government's ability to combat fraudulent schemes against state and local government. This bill will increase the public's confidence and trust in state and local government by prohibiting any person, including public officials, government employees, and any person who conducts business with the government, from committing fraud against state and local government.

The grading of the existing theft offenses within the HRS is based on specific amount thresholds. In many situations, however, the specific value lost based on a fraudulent scheme cannot be properly determined, resulting in the inability to pursue cases in the felony level notwithstanding the egregiousness of the conduct. This bill, therefore, does not require any specific amount to be proven. The bill establishes a class C felony offense, regardless of the amount, for engaging in conduct to fraudulently obtain pecuniary benefits from the government, obtain employment with the government, or enter into a contract with the government.

Impact on the public: This measure will have a positive impact on the public in that it strengthens our public corruption laws, thereby increasing the public's trust and

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confidence in our state and local government.

Impact on the department and other agencies:
This measure will have a positive impact for all government departments and agencies, as it clarifies the types of conduct prohibited.

GENERAL FUND: None.
OTHER FUNDS: None.
PPBS PROGRAM DESIGNATION: None.
OTHER AFFECTED AGENCIES: None.
EFFECTIVE DATE: Upon approval.