



HAWAI'I STATE ETHICS COMMISSION

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

Committee: Senate Committee on Ways and Means
Bill Number: HB 1881 HD1 SD1
Hearing Date/Time: April 4, 2024, 10:15 a.m.
Re: Testimony of the Hawai'i State Ethics Commission in **SUPPORT** of HB 1881 HD1 SD1 Relating to Administrative Fines

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members:

The Hawai'i State Ethics Commission ("Commission") **supports** HB 1881 HD1 SD1, which increases the maximum administrative fine allowed for violations of Haw. Rev. Stat. chapters 84 and 97. Importantly, this bill does not remove the Commission's discretion to issue smaller fines for lesser offenses and does not impact existing fine structures already set by statute.

In recent years, instances of ethical violations underscore the need for a more robust deterrent to dissuade individuals from engaging in activities that compromise public trust. Increasing the maximum fine would proactively discourage unethical behavior. The current maximum fine (\$1,000) may not always be commensurate with the severity of some ethical violations, and a higher penalty can reflect the gravity of a particular transgression. For example, if a state employee causes the state to lose millions of dollars because of an unethical act, a \$1,000 penalty, and a potential termination action may not appear commensurate to the degree of harm.

Hawai'i has one of the lowest administrative fines for ethics violations in the United States.¹ Most jurisdictions have a maximum fine between \$5,000 to \$10,000. The proposed maximum fine of up to \$5,000 still appears to be on the low end of the scale.

Our state must maintain the highest standards of ethical behavior among public officials and employees. By supporting the proposed increase in the maximum fine for the Hawaii State Ethics Commission, this Legislature demonstrates its commitment to preserving the public's confidence in government institutions and fostering a culture of accountability.

Mahalo for the opportunity to submit testimony on House Bill 1881.

Very truly yours,

/S/ Robert D. Harris
Robert D. Harris
Executive Director and General Counsel

¹ The results of this survey can be found in the Commission's June 21, 2023 meeting materials (available at <https://ethics.hawaii.gov/wp-content/uploads/2023-06-21SunshineLawMaterials.pdf>).