

HAWAII

A Cool Million Was Spent Lobbying Hawaii Lawmakers In Two Months

More than 200 organizations have registered lobbyists this legislative session, but it's tough to tell how they are exerting their influence.

ABOUT 9 HOURS AGO • By Nathan Eagle   

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Health insurance providers, energy firms, a private prison company and other

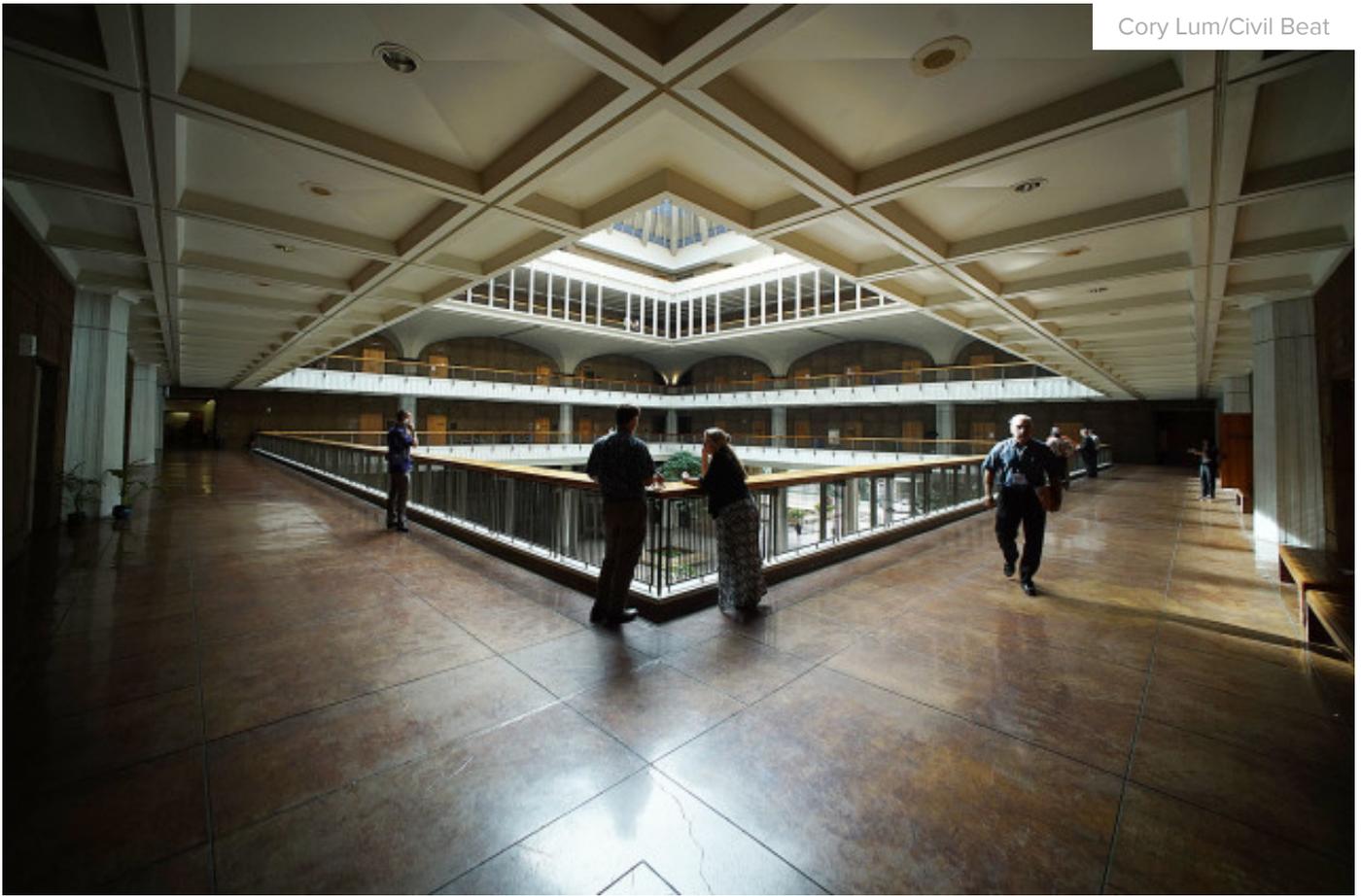
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January and February, according to filings with the [Hawaii State Ethics Commission](#).

That brings the total spent on lobbying connected to the Legislature to nearly \$14 million since 2013, the commission's data shows.

Of the 233 organizations that filed reports by the commission's deadline last week, 25 account for nearly half of the overall total spent in January and February.



Lobbying at the Hawaii Capitol often happens in the hallways.

The [Hawaii Medical Service Association](#), the biggest health insurer in the state, topped the list with \$33,700 spent from Jan. 1 to Feb. 29. Kaiser Foundation Hospitals & Health Plan was second-highest with \$27,619 spent on lobbyists, followed by Altria Client Services and its tobacco affiliates at \$25,833 and American Resort Development Association at \$22,697.

Lawmakers have considered dozens of bills related to health insurance, smoking, vacation rentals and other issues of interest to the organizations that hired lobbyists this session, which started Jan. 20 and wraps up May 5.

The bulk of HSMA's money on lobbying went to Jennifer Diesman, the nonprofit's vice president of government relations.

Diesman has been tracking and recommending changes to numerous bills. She was busy testifying Friday on [Senate Bill 2319](#), which would require insurers to cover up to a 12-month period of prescription contraceptive for an insured person.

She testified that HMSA supported the intent of the bill to expand access to prescription contraceptives, and appreciated the amendments lawmakers made earlier in the process. In February, she raised a few concerns with the bill, like whether it requires issuers to reimburse providers who are not part of the preferred issuer network and the high potential of waste with a 12-month supply of contraception.



The Hawaii Medical Service Association, headquartered in Honolulu, has paid lobbyists more than any other organization that has hired lobbyists this year to influence lawmakers at the Capitol.

Limited Information

Lobbying is not always so transparent. Professional lobbyists are often hired because of their close relationships with key lawmakers and other politicians.

The disclosure reports don't detail when a lobbyist had lunch with a legislator, for

instance, or had a private meeting to discuss a bill. The vast majority of lobbyists report spending no money lobbying.

The filings do show what organizations have hired lobbyists, who they've hired and how much they're paying them. But even that information has its limits.

There's one line item for how much the organization is paying lobbyists, which is pretty clear-cut with a name and a dollar figure.

But there's another line item on the organizations' expenditure statements — “fees paid to consultants or services” — that offers no accounting at all. Organizations reported spending roughly \$250,000 on these unnamed consultants and services in January and February.

Amanda Klump, George “Red” Morris and Gary Slovin were paid \$25,833 to lobby on behalf of [Altria](#), the parent company of Philip Morris (cigarettes), John Middleton (cigars) and Smokeless Tobacco Company (e-cigarettes).

Klump, like Diesman, is an in-house lobbyist. She's the district director of state government affairs at Altria. Morris and Slovin work for Hawaii-based professional lobbying firms that represent numerous clients.

There are a few bills related to smoking that are still alive this session. One would ban smoking in vehicles if minors are present. Another would prohibit [Hawaii Health Systems Corporation](#) employees from smoking on the premises of the state's public hospitals. And the biggest, at least from a financial perspective, would raise taxes on tobacco products.

[Senate Bill 2690](#) cleared the Senate last month. It was moving forward in the House, with the Health Committee passing it March 23, and now awaits a hearing in the Finance Committee, chaired by Rep. Sylvia Luke.

The measure initially proposed raising the state tax from 16 to 20 cents per cigarette starting July 1. It's been amended to blank out how much the increase would be, a detail that could be negotiated between the House and Senate later this month.

Andrew Magill/Flickr.com



It's one of the only proposed tax or fee increases still alive this session after House lawmakers [decided against raising taxes](#) on motor vehicles and fuel.

Sen. Jill Tokuda, who chairs the Ways and Means Committee, said senators had bravely voted in favor of the bill to increase the taxes on motor vehicles and fuel to provide much needed money for the Department of Transportation. Since the bill died, she put forward a new measure that would shore up the highways fund with a direct infusion from the general fund — something she'd hoped to avoid because it takes money away from other programs.

Tokuda said it's a similar situation with the the tobacco tax. It's money that goes toward cancer research and community health centers, but the fund is drying up as more people stop smoking.

Altria spent \$25,833 on Hawaii lobbyists in January and February.

but none bearing the names of Klump, Morris or Slovin.

None of them reported spending money on lobbying in Hawaii, but there have been donations to lawmakers' campaigns. Altria and Morris each donated \$1,000 to Luke,

There are hundreds of pages of testimony on Senate Bill 2690,

and Slovin has given Luke's campaign \$800.

Klump's lobbying activities have made headlines in other states.

Former Idaho Rep. Dennis Lake told the [Post Register](#) that Altria was "everybody's friend" and the reason he couldn't get a bill through his own legislative committee that would have increased the state's cigarette tax in 2011. The newspaper reported that Klump spent \$2,500 hosting two members of Lake's committee and the House speaker at the governor's inauguration party that January.

In 2014, Altria paid five lobbyists more than \$165,000 to lobby the Idaho legislature, the paper [reported](#).

Cory Lum/Civil Beat



Ethics Commission Executive Director Les Kondo says the state's lobbyists law is "outdated" and in need of a comprehensive overhaul.

Does Law Need An Overhaul?

[NGK Insulators](#) is another organization high on the list for its spending on lobbyists. For

the first two months of this session, the Japanese company, involved with utility-scale battery storage, paid David MacMillan and Edward Cazalet a combined \$12,920 to lobby lawmakers.

MacMillan and Cazalet co-founded California-based MegaWatt Storage Farms and are [interested in energy opportunities](#) Hawaii, which has a mandate to be 100 percent renewable by 2045 when it comes to electricity generation.

Also an automotive parts supplier, NGK made headlines last year when it had to pay a [\\$65.3 million criminal fine](#) for price fixing and obstruction of justice charges over its role in rigging bids for ceramic substrates for automotive catalytic converters.

The [American Resort Development Association](#), based in Washington, D.C., represents the vacation ownership and resort development industries. The association hired two of the state's top law firms — Alston Hunt Floyd & Ing and McCorriston Miller Mukai MacKinnon.

Alston Hunt Floyd & Ing in turn hired [Capitol Consultants of Hawaii](#), one of the top lobbying firms in Hawaii, to lobby for the association, paying the firm \$12,565. Capitol Consultants' roster includes John Radcliffe, Bruce Coppa, Morris and others.

The Legislature is considering a bill that would [create a task force](#) to examine the state's lobbyists law and recommend changes.

Les Kondo, the Ethics Commission's executive director, told lawmakers that the lobbyists law is "outdated" and the Legislature should consider a comprehensive overhaul of the statute.

"The public should never lose confidence in its government," said Piilani Kaopuiki of the [League of Women Voters](#). "Tighter and clear laws provide all players the rules for fair play. The task force should be able to take steps that help to rebuild public confidence in a practice that has been tarnished."

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Ah No Yee · University of Hawaii at Manoa

Appreciate reading the article and being able to follow links. Awesome. Mahalo plenty for another great piece!

Like · Reply · 2 hrs



Jim Shon · Director at Hawai'i Educational Policy Center

One important dynamic is that the fees and salaries of a particular lobbyist tend to skew the perception of the larger picture. If a highly paid executive of a firm (HMSA?) lobbyies, this is recorded as a high amount. But if a lower paid staff lobbyies, it is recorded as less. A private lobbyist with a good reputation can command higher fees, and a big corporation is willing to pay him. But it doesn't mean counting up the fees per se translates into a clear picture of influence. Millions are "spent" by government lobbying, but it is not counted. As the article pointed out, the influence of a lobbyist may be expressed more through bundling contributions for campaigns rather than time spent and fees paid during the session. Perhaps we need a more useful defintion of "influence" or "undue influence." And as the article rightly suggests, personal relationships may carry much more weight than fees collected.

Like · Reply · 1 hr



Bryant Paul · Star of the Sea College

Lobbyist with a good reputation. Come on. Does a zebra have black or white stripes? Get real Mr. Shon.... birds of a feather. These are paid carnivores. We need more definitions is it influence or undue influence. Are you serious? Please... what is this "fees per se" nonsense mean. Oh, sorry, another definition. No justification for this conduct with ever make it palatable. It is rotting fish with a very distinct smell. Sometimes it is better to remain quiet.

Like · Reply · 57 mins



Rex Dubiel · Sunset Beach, Hawaii

Great article, Nathan. I want more investigative journalism. Thank you for the informaton on the influence on our legislators, especially exactly how much lobbying influence went into direct

campaign contributions.

Like · Reply · 1 hr



Bryant Paul · Star of the Sea College

Lobbying.... vulgar and nasty. This is Nestor Garcia, Romy Cachola, Rene Mansho, Abercrombie and Mufi politics. Lobbying is like the "n" word or for women the "c" word. Disgusting practice that is done in the dark. Buttonholing, payola, gratuities, gifts and similar practices. Can you lobby a judge, a police officer while doing his/her duty, or a jury? Don't believe so. Politicians, morticians, tax collectors, root canals and an extended stay in the intensive care unit are things that I dislike. Ever wonder why people get angry?

Like · Reply · 1 hr



Jim Shon · Director at Hawai'i Educational Policy Center

I disagree. Lobbying is what average citizens do. It is the interaction between the public and their elected representatives. It is the very essence of democracy. What is nasty is the undue influence of \$\$ that has more influence than citizen lobbyists. What is also nasty, is that legislatures meet when most people must work, and thus cannot take the time to lobby. There are also many organizations that pay their lobbyists that we might be happy about: environmental groups - Common Cause - education reform groups - the League of W. Voters - Special Olympics - community health centers - after school education programs, etc. The schedule of the system is as much as a problem as anything.

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Bryant Paul · Star of the Sea College

Leave this kind of work to the professionals. You know, the attorney's, peddlers and carpet baggers that show up and walk the hallways. Dang, this is stalking and should be viewed as a criminal offense.

Like · Reply · 1 hr



Bruce Lortz · In front of my house, check Google Maps at Currently unempolyed

Tax lobbying money and political contributions at 10%. Use said taxes to generate a department to audit political donations and lobbying, and give this department the authority to demand transparency from all persons involved, donators and recipients. Failure to adequately submit accurate records would remove an individual's ability to give or receive donations, somewhat like a "lobbying" license.

And as a liberal myself, this new department would have to be non-partisan due to the large influence the Democratic party holds in Hawaii. We can't have this new department simply targeting Republican attempts to garner influence.

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