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Hawaii Lawmakers Disclose Financial Interests Earlier This Session

By Nathan Eagle CONNECT | 02/19/2014



Thanks to a new law in Hawaii, the public can examine the financial interests of state lawmakers before elected officials take action on legislation that might personally benefit them.

In the past, the public generally had to wait until the legislative session was over to view lawmakers' financial disclosure statements. That made it hard to spot potential conflicts of interest and raise objections when it matters most.

But last year the Legislature finally passed a bill that moved the filing deadline up four months, from May 31 to Jan. 31, barely two weeks after the 2014 session opened. The session will wrap up May 1.

As of this week, all 76 legislators have submitted their financial disclosure statements, which the Ethics Commission posts on its website.

Sen. Glenn Wakai's was the only late one. He mistakenly sent in the short-form version last month, but a more-detailed version is due in even-numbered years.

Wakai sent the long-form version to the Ethics Commission Tuesday and was assessed a \$50 late fee.

There are gaps in several lawmakers' disclosure statements, the most notable coming from House Speaker Joe Souki. He left his report blank except for his name and position.

Souki told Civil Beat he may have filled out the form incorrectly but that just one thing has changed from what he reported last year. He said he quit his consulting work for the American Chemistry Council about a year ago when he became the head of the House so as to avoid a potential conflict of interest.

Souki's work in 2012 for the company, which produces plastics, was brought up as a potential conflict of interest because he was arguing against legislation that would have charged customers a 10-cent fee for single-use checkout bags — a bill his employer also opposed.

He reported earning between \$25,000 and \$50,000 from the company in 2012 for consulting services. His disclosure statement that year also shows his salary as a legislator, income from his realty company and his state pension. In all, he made somewhere between \$86,000 and \$186,000 in 2012 and the same range in 2013.

Instead of providing an exact figure, disclosure statements allow legislators to choose from ranges of dollar amounts in reporting their salaries or value of their business, property or stocks.

Calvin Say, House speaker at the time, said Souki had no conflict because he was "part of a class of people"

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About the Author

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affected by the legislation. Lawmakers routinely ask the speaker for guidance on potential conflicts of interest, but it's almost always ruled "no conflict."

House rules say there is a "conflict of interest" when "the legislation affects the member's direct personal, familial, or financial interest except if the member, or the member's relative, is part of a class of people affected by the legislation."

The state Ethics Code defines the term like this:

"Conflicts of interests. (a) No employee shall take any official action directly affecting: (1) A business or other undertaking in which he has a substantial financial interest; or (2) A private undertaking in which he is engaged as legal counsel, adviser, consultant, representative, or other agency capacity."

Legislators are exempt from the Ethics Code provision though.

It's Easy Being Green

Here's a sampling of what lawmakers filed this year.

Perhaps unsurprisingly, Sen. Josh Green's [disclosure statement](#) shows doctors are pretty comfortable financially. He earned between \$150,000 and \$250,000 last year as an emergency room physician, plus another \$100,000 to \$150,000 as HIPA's medical director.

Green regularly works on bills related to the medical profession. He shares his expertise much as a lawmaker who is a real estate agent might offer advice on land legislation. That's generally not an issue so long as legislators don't promote the bills for personal financial benefit.

But this year's financial disclosure statements show the real money is in the business world. Sen. Russell Ruderman made [more than \\$1 million](#) last year from [Island Naturals Market](#), his organic food store on the Big Island.

Sen. [Les Ihara](#), a longtime proponent of ethics reform, reported owning between [\\$275,000 and \\$550,000 in Apple stock](#) between him and his wife. Given the Legislature's consideration of education initiatives to put [iPads in the hands of thousands of public school students](#), there could be a potential conflict of interest.

Sen. Brian Taniguchi made [\\$25,000 to \\$50,000 as a policy specialist](#) for the [Hawaii Government Employees Association](#). As lawmakers consider numerous union-related bills, that could be another sensitive area.

Rep. [Lauren Matsumoto](#) did a little freelance hula work on the side and got paid \$1,000 to \$10,000 for it.

Vice Speaker [John Mizuno](#) isn't the only one in his family to take home a paycheck from the House of Representatives. His wife, an administrative services manager, [earned between \\$50,000 and \\$100,000 last year](#) working for the House.

Sen. [Donovan Dela Cruz](#) received [\\$25,000 to \\$50,000](#) from WCIT Architecture for his work as communications director. The firm has a [contract for the Honolulu rail project](#). The Legislature is considering making the general excise tax surcharge for rail permanent.

Some lawmakers, such as Sen. [Will Espero](#), reported [no outside sources of revenue](#). There are many who view their elected position as a full-time job, but most have at least one other source of income. State legislators received [raises last year](#), bringing their annual salaries up to \$55,896.

If there's any candy legislation moving, Sen. [Mike Gabbard](#) might be smart to recuse himself. His disclosure report shows he made up to [\\$10,000 last year](#) as owner of Hawaiian Toffee Treasures.

Sen. Roz Baker reported [\\$25,000 to \\$50,000 in retirement pay](#) from the state [Employees' Retirement System](#), and she's not the only one.

Sens. [Clayton Hee](#), [Donna Mercado Kim](#), [Malama Solomon](#), Rep. [Cynthia Thielen](#) and others also disclosed retirement income from the state.

There are numerous bills related to the public pension system moving forward this session. [House Bill 2263](#), set for a hearing Wednesday afternoon, would reduce the retirement benefits that future employees receive.

The Incomes of Husband and Wives

Rep. Cindy Evans' spouse has stock in International Columbia U.S., a hospital development and operations company, that is worth [at least \\$1 million](#).

Rep. Beth Fukumoto's financial disclosure statement is similar. She earned \$55,896 last year as a state legislator, but the bulk of her financial interest is in Chang Holding Company, a real estate and green energy firm owned by her husband. She reported the value of the shares to be worth [more than \\$1 million](#).

Rep. Richard Onishi's spouse made more than \$100,000 as vice chancellor of Hawaii Community College and has [stocks and real estate investments](#) worth well over \$1 million.

Rep. [Romy Cachola's disclosure statement](#) suggests a joint income for the state rep and his spouse, who works at Cachola Medical Clinic, between \$250,000 and \$500,000 last year. While other lawmakers provide a range amount for each source of income, Cachola's has a single range amount for family's combined salaries.

Rep. Scott Saiki earns more than \$100,000 between his work as an attorney and a lawmaker. But it's his wife who brings in the big bucks, making between [\\$250,000 and \\$500,000 as senior vice president and general counsel](#) at First American Title Insurance Co.

Sen. [David Ige's](#) wife brought in [\\$50,000 to \\$100,000 as vice principal](#) of Kanoelani Elementary School. Ige is in charge of the Senate money committee, which shapes how much money public educators are paid.

Pukas and Student Loans

Rep. Rida Cabanilla [disclosed her sources of income](#), which include her salary as a state rep, her military pension, rental properties and president of CDS diagnostic clinic. But she left blank the space where she is supposed to indicate the range of how much she earned from each of those sources.

Rep. Jessica Wooley had [pukas in her report](#) too. She disclosed her income as a legislator and that her husband is an attorney for Earthjustice, but not how much money he makes in that position.

Many younger legislators owe thousands of dollars in student loans.

Rep. [Linda Ichiyama](#), an attorney, owes \$100,000 to \$150,000 to the Department of Education.

Rep. [Ty Cullen](#) owes \$20,000 to \$50,000 in student loans and Rep. [Kaniela Ing](#) owes \$10,000 to \$25,000. They are not alone in student debt.

To view all the financial disclosure statements that lawmakers have filed since 2012, visit the Ethics Commission's website [here](#).

- Contact Nathan Eagle via email at neagle@civilbeat.com or Twitter at [@NathanEagle](https://twitter.com/NathanEagle).

DISCUSSION: *Would you like to see lawmakers recuse themselves more often when there is a possible conflict of interest or are you confident they can act on behalf of their constituencies?*



Discussion

Comment



Neil Habershaw · Lanai City, Hawaii

Haha I love all the pukas... If a normal citizen had left out sources of income on say an unemployment application, they would have more severe repercussions...

If they can't fill out a simple income form, how can we expect them to manage the details of the bills that are passed before them?

Reply · Like · 2 · February 19 at 9:11pm



Doug Maguire · Top Commenter · Palm Beach State College

very good point, also elected officials seem to do pretty much what they want here. take 5 minutes out of your life and read nick grubes articles on the police misconduct. we have civilian oversight of the military with the president as commander and chief. do you think state elected officials who have financial conflict could in any way oversee law enforcement that could investigate them?

Reply · Like · 1 · February 20 at 1:59pm



Neil Habershaw · Lanai City, Hawaii

Doug Maguire The wolves watching the henhouse?

Reply · Like · February 20 at 6:54pm



Patricia Blair · Top Commenter · University of Nebraska-Lincoln

Absolutely they should recuse themselves from a possible conflict.

Reply · Like · 2 · February 19 at 10:10am



Eka Kahikina · Top Commenter

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Reply · Like · 1 · February 19 at 3:47pm



Frank Luke · University of Hawaii

These disclosures should ensure transparency and make legislators wary of trying to hide unkosher income. SHOULD.

Reply · Like · February 20 at 3:40pm

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