Honolulu

What Honolulu Lobbyists Don't Tell You

The Ethics Commission chief says the city should "completely overhaul" how it tracks the spending of money to influence leaders.

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Companies spent more than \$200,000 to sway Honolulu's elected officials last year, according to lobbying reports filed with the city Ethics Commission in January.

The efforts may have helped <u>obtain a tax break</u> for the Oregon-based company Schnitzer Steel, allowed Uber to continue operating its ride-hailing service in Honolulu and prevented city lawmakers from considering a ban on styrofoam containers similar to one <u>recently approved on Maui</u>.

Top spenders on Oahu included Uber, the Hawaii Lodging & Tourism Association, Outrigger Hotels Hawaii, the Hawaii Automobile Dealers Association, Charley's Taxi and Airbnb.

That much can be gleaned from <u>inspecting the lobbying reports</u>, but perhaps the biggest takeaway is what the reports don't say.

The city doesn't require lobbyists to provide any details about how they spend money. About 85 percent of the lobbyists who filed reports said they

didn't spend anything last year. Nearly three dozen registered lobbyists didn't submit any reports, even though mandatory forms were due six months ago.



Lobbyists don't have to share details about how they spend money to influence Honolulu City Council members.

Jan Yamane, who took over the city Ethics Commission last fall, said the current lobbying disclosure process isn't working.

"We need to debrief this thing, hit the reset button and completely overhaul this process," she said.

Yamane said the agency doesn't double-check to make sure the reports are accurate, and she doesn't know of anyone who has been penalized for not filling the legally required reports or filling them out improperly. Her office also doesn't remove people's names from the list of registered lobbyists unless they send a letter requesting removal, so some of those listed haven't lobbied the Council for years.

Many forms are handwritten and they're posted online as pdfs, making it difficult for the public to inspect the data.

"We recognize that the forms are tedious, they aren't even fillable, there is no database," Yamane said. "I was a little surprised when I saw these forms. It just seems like last century."



Jan Yamane, executive director of the Honolulu Ethics Commission, wants to overhaul the lobbyist reporting system.

She's hoping to revamp the process, but says it will take time and resources.

Corie Tanida, executive director of the good-government group

Common Cause

Hawaii, agrees the process needs to be updated and said she's

concerned about the commission's lack of enforcement.

"They're the ones who are supposed to enforce our ethics laws and if they're not doing it, then who else is going to do it?" Tanida asked. "These (lobbyists) are people who are trying to influence our government. Whether you deal with them or not ... we need to be able to follow the money."

State Requires More From Lobbyists

Environmental groups were shocked and disappointed last month when the City Council <u>voted against expanding the ban</u> on plastic checkout bags. When the city banned thin plastic bags two years ago, many stores just started using thicker ones.

The public won't know how much money was spent lobbying council members on the issue until January, because city lobbyists only report their

expenditures once a year.

That's in contrast to the state <u>Ethics Commission</u>, which requires lobbyists to report their expenditures three times a year. The state also requires companies to file expenditure reports separate from individual lobbyists, and both must specify amounts of money spent in categories such as "meals."

State lobbyist reports could still be improved by requiring more details, Tanida said, but at least the public can get an idea of what's being spent in the middle of the legislative session.

"Once a year is definitely not enough," she said of disclosure of expenses for lobbying the City Council. "We need more than once a year. That's not helpful. They're year-round so we should know things year-round."

Varying Levels Of Disclosure

Lobbyists sign their disclosure forms certifying that they're "true and correct." Some do a better job than others of detailing expenses and the policymaking they sought to influence.

Tyler Dos Santos-Tam, who leads the <u>Hawaii Construction Alliance</u>, attached an extra page to his 2016 report with a spreadsheet explaining the results of more than a dozen pieces of legislation he worked on.

Gary Gill, who was paid \$6,286.26 to lobby for the Oahu chapter of the <u>Sierra Club</u>, broke down the \$37 he spent in the "other information" section of his lobbyist report.

"My only expense was \$2 for parking at the city lot and a \$35 ticket for an expired meter because the meeting went long," Gill wrote. "That's one reason to leave the car at home and keep riding my bike."

"It's vitally important that lobbying disclosure happen as close to real time as possible." — John Wonderlich, Sunlight Foundation

Many other reports are less forthcoming.

Lauren Zirbel reported she received \$2,625 last year to lobby on behalf of the <u>Hawaii Food Industry Association</u>. In the section that reads, "list the results of the legislation you sought to influence," she wrote, "Submitted testimony on issues of interest to HFIA."

Anyone looking at her report would have to check media reports, City Council testimony or the association's website to figure out what she was referring to. Zirbel didn't reply to emails or calls seeking comment.

Multiple lobbyists for the <u>Hawaiian Electric Co</u>. submitted identical forms that didn't specify any issues either. Instead they wrote: "ongoing — matters relating to an electric utility."

HECO spokesman Jim Kelly said in a phone interview that the company's employees often talk to city officials about neighborhood issues like graffiti on transformer boxes and the placement of utility poles.

"In 2016 I'm sure there was some discussion with city officials about the NextEra issue," he said, referring to HECO's failed \$4.3 billion merger with a Florida company.

Emi Kaimuloa, who received \$4,216 to lobby on behalf of the real estate company <u>Douglas Emmett Management</u>, was similarly vague. "The bills did

not pass," her form stated, without specifying what bills she was supporting or opposing.

Kaimuloa told Civil Beat she did minimal research for bills last year and couldn't recall which ones. She said that it was her first year as a registered lobbyist, that her assistant filled out the form on her behalf and that she has since sought to cancel her registration.

Kaimuloa added that she works mainly as an attorney, but filed the report "out of an abundance of caution." That's the same reason several lobbyists submitted reports with zero expenditures, noting that they didn't lobby at all last year.

Many states and municipalities require quarterly disclosure of lobbying expenses and some insist on even more frequent reporting, said John Wonderlich, executive director of the <u>Sunlight Foundation</u>, a national advocacy group for open government.

In San Francisco, individuals and companies that lobby <u>must disclose</u> their activity and expenses every month. The data is organized into spreadsheets that the public can search and download.

In Chicago, individuals and companies <u>must register</u> within five days of lobbying. The city recently fined a lobbyist and his client \$92,000 for failure to file for five months. Lobbyists must file activity reports quarterly.

Wonderlich said ideally reports would include what positions lobbyists are taking and who they met with, as well as itemized expenses.

"It's vitally important that lobbying disclosure happen as close to real time as possible," he said.

Too Burdensome?

Yamane said that the city Ethics Commission has begun looking at what other municipalities require of lobbyists, and that she supports more detailed and frequent reporting.

Some lobbyists may find that too burdensome, said Bob Toyofuku, who received \$27,000 last year to convince the City Council to allow <u>Uber</u> to continue operating in Honolulu.

Toyofuku said that producing expense reports every two months would be too much work for lobbyists with multiple clients.

"When you have a lot of clients and you have to constantly file reports, it takes one person just doing that," he said.

"These (lobbyists) are people who are trying to influence our government ... we need to be able to follow the money." — Corie Tanida, Common Cause Hawaii

The city also requires that lobbyists get their forms notarized, a requirement that Wonderlich said is unusual. The state Ethics Commission doesn't require that.

Rick Egged, who lobbies for the Waikiki Improvement Association, said the need to get the form notarized is why he forgot to submit his this year. The report languished on his desk for six months until Civil Beat called to ask why he didn't file a report. Within hours, Egged submitted the form.

Wonderlich said that the notary requirement sounds like a valid concern, adding that it's not necessary for federal lobbyist disclosures. But he said concerns of lobbyists about more frequent reporting requirements tend to be overblown.

"Many lobbyists are attorneys that are used to billing at six-minute increments," he said. "It's a minor administrative cost."

More Costly To City

More frequent and detailed filings would not only be more work for lobbyists, but would be more expensive and time-consuming for the city.

"Right now with the resource level that we have it's virtually impossible to be doing quarterly disclosures," Yamane said. "This year it was a stretch to even get the lobbyist forms uploaded (on the commission's website). It's never been done in the past."

Previously, the public and the media would have to file a records request in order to obtain copies of the reports.

Yamane said she wants her office to align more closely with the state Ethics Commission. City commission members are scheduled to discuss strategic planning for the office at a meeting Wednesday. The lobbyist expense reporting process is just one aspect of the commission's work that Yamane hopes to improve.

"We're taking a lot of this a little bit slow because we don't want to make snap decisions and shoot ourselves in the foot," she said. "There are a lot of changes that need to happen here and we are working very closely with the commission to plan those changes so that they're thoughtful and pragmatic and that they're done right."

Tanida from Common Cause said the changes can't come too soon.

"We see all these ethics issues at the national level and it overshadows this," Tanida said. "We need to ensure that all levels of our government are on the up and up."

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