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# Feasibility Study of Removing Amateur Boxing From the Jurisdiction of the State Boxing Commission

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A Report to the  
Governor  
and the  
Legislature of  
the State of  
Hawai'i

Report No. 13-05  
June 2013



**THE AUDITOR**  
STATE OF HAWAI'I

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## Office of the Auditor

The missions of the Office of the Auditor are assigned by the Hawai'i State Constitution (Article VII, Section 10). The primary mission is to conduct post audits of the transactions, accounts, programs, and performance of public agencies. A supplemental mission is to conduct such other investigations and prepare such additional reports as may be directed by the Legislature.

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**“The main objective of Olympic-style boxing’s rules and the actions and decisions of the referee is the safety and protection of boxers.”**

—USA Boxing, Inc.

Recommendations

Response

Prior Audits

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# Feasibility Study of Removing Amateur Boxing From the Jurisdiction of the State Boxing Commission

Report No. 13-05, June 2013

*USA Boxing controls and supervises amateur boxing*

## Continued state regulation of amateur boxing is unnecessary

In 1929, the Territorial Legislature enacted Act 216, which defined amateur boxing contests and contestants and authorized a state boxing commission to place such contests under the control and supervision of any recognized national amateur athletic association. As authorized by Section 440-30, HRS, the boxing commission has made this delegation to USA Boxing, which under federal law is also recognized by the U.S. Olympic Committee (USOC) as the national governing body for the sport of amateur boxing. All amateur boxing contests in the U.S. must be sanctioned by USA Boxing and conducted in accordance with USA Boxing rules and the USOC requirements.

Unlike professional boxing, in which the intent is to hurt or render the opponent unconscious, the main objective of amateur or Olympic-style boxing’s rules and the actions and decisions of the referee is to ensure the safety and protection of boxers. As the sport has evolved, USA Boxing rule and equipment changes have improved the boxer safety. Medical studies have shown that the overall risk of injury in amateur boxing is lower than other contact sports such as football, ice hockey, wrestling, and soccer.

Hawai'i’s sunset law, Chapter 26H, HRS, provides that regulation is justified only if there is a need to protect the consumer. In the case of amateur boxing, regulation is primarily to protect the contestant rather than the public. Not only is there little evidence of harm in amateur boxing, but the abuses we found were negligible. Although the majority of stakeholders are in favor of continued state regulation and oversight, most also believed that USA Boxing rules provide the same protection against harm and abuse.

## USA Boxing rules are updated biennially; state administrative rules not updated since 1991

The commission has adopted administrative rules for amateur boxing; however, we found that the rules have not been updated since 1991, whereas USA Boxing rules are updated biennially. We noted significant differences between the two, and concluded that the commission’s rules are not only outdated but also obsolete. As noted by the executive director of USA Boxing, if USA Boxing rules are not followed, it may affect a boxer’s eligibility to compete nationally, internationally, and in the Olympics. Accordingly, we recommend that the commission amend its administrative rules to delete provisions for amateur boxing and instead make reference to USA Boxing’s rules.

In addition, we noted that USA Boxing registration forms for both athletes and non-athletes contain a waiver and release section indemnifying USA Boxing, Inc., its clubs, and local boxing committee affiliates from lawsuits. The commission has not been in compliance with its own administrative rules, specifically HAR Section 16-74-345, which requires each boxer to sign a waiver form releasing the commission from all claims for damages arising from the boxer’s participation in a boxing contest. We recommend the commission begin requiring the use of the Amateur Boxing Waiver form, which has been in existence since 2006.

## Agency response

The Department of Commerce and Consumer Affairs agreed with our recommendation to the Legislature to remove amateur boxing from the jurisdiction of the State Boxing Commission. The department also agreed to implement our recommended changes to the administrative rules and procedural requirements should the Legislature decide to continue regulation.

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Submitted by

**THE AUDITOR**  
STATE OF HAWAI'I

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June 2013

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## Foreword

This report was prepared in response to House Concurrent Resolution No. 171 of the 2009 Legislature which asked the Auditor to study the feasibility of removing amateur boxing from the jurisdiction of the State Boxing Commission of Hawai‘i.

The report presents our findings and recommendations on whether the State’s continued oversight of amateur boxing complies with policies in the sunset law and whether there is a reasonable need to protect the health, safety, and welfare of amateur boxers.

We wish to express our appreciation to the Department of Commerce and Consumer Affairs and other organizations and individuals whom we contacted during the course of our evaluation for their cooperation and assistance.

Jan K. Yamane  
Acting State Auditor

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# Chapter 1

## Introduction

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This report responds to House Concurrent Resolution No. 171 of the 2009 legislative session, which asked the Auditor to study the feasibility of removing amateur boxing from the jurisdiction of the State Boxing Commission of Hawai‘i.

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### Background

The *Hawai‘i Regulatory Licensing Reform Act*, Chapter 26H, Hawai‘i Revised Statutes (HRS) (the “sunset” law), establishes policies for occupational regulation and schedules the repeal of newly enacted regulations for specified occupations. The sunset law directs the State Auditor to evaluate each board, commission, and regulatory program prior to its repeal date and determine whether it complies with the law’s policies and whether the health, safety, and welfare of the public are best served by reenactment, modification, or repeal. One criterion the Auditor considers in a sunset review is whether protections, other than the regulatory program in question, already exist that provide adequate protection to consumers.

The 2009 resolution indicated that the Auditor should apply sunset criteria to its review of amateur boxing. The Auditor was also asked to solicit information from the Department of Commerce and Consumer Affairs (DCCA), the Hawai‘i chapter of United States Amateur Boxing, Inc. (USA Boxing), the state boxing commission, and amateur boxing clubs and coaches in the state as part of its study.

### ***Characteristics of amateur boxing***

Boxing is a contest between two participants who fight with padded, gloved fists in a roped-in square. Amateur boxing, also known as Olympic-style boxing, is a blend of offensive and defensive skills and involves speed, maneuverability, and technique to outscore an opponent. According to USA Boxing, since becoming an organized sport in 1888, amateur boxing has enjoyed a rich tradition of excellence in the United States. The sport has provided competitive opportunities for thousands of young athletes. Boxing provides participants opportunities for exercise, character development, self-discipline, self-confidence, structure, lessons in work ethic, and developing friendships.

Unlike professional boxing, in which the intent is to hurt or render an opponent unconscious, the main objective of amateur boxing rules and the actions and decisions of a referee is the safety and protection of the boxers. Amateur bouts are limited to three rounds lasting one to three

minutes each, depending on the age and classification of participants. Amateur boxers are required to wear headgear and boxing gloves that meet specific criteria during both sparring and competition. Also unlike professional boxing, in amateur boxing, bleeding is cause for a match to stop quickly. A referee can also stop a contest if it is clear one boxer is severely outmatched. Amateur rules include a standing eight-count for a boxer in difficulty. After three such counts in one round, or four total, a referee must stop a match.

To become an amateur boxer, individuals must first join a USA Boxing-registered club. They then register as amateur boxers through a local boxing committee director for USA Boxing and specific registered clubs. Participants are given an official USA Boxing passbook, which includes a complete record of the boxer's bouts and statistics and is required in order to compete at sanctioned events and tournaments. Amateur boxers must acquire their own equipment for training and competition. These include sparring gloves, bag gloves, hand wraps, headgear, groin protector, and mouthpiece.

Training under a boxing coach prepares amateur boxers and helps determine when a boxer is ready for competition. The goal of a good coach is to make sure an amateur boxer is conditioned effectively to deal with the physical demands of boxing as well as the specifics of amateur-level competition through sparring. Once a boxer achieves a performance level during sparring that the boxer and coach are comfortable with, he or she may consider entering an amateur boxing contest. A coach will help an amateur boxer find a local sanctioned event at which to test the boxer's skills against an opponent. Under controlled USA Boxing rules, participants compete in specific weight classes and are paired with fighters of similar experience and skill level. Any boxer entering a sanctioned boxing competition must carry a \$25,000 accident insurance policy, which is automatically provided upon registration with USA Boxing; the premium is included as part of USA Boxing's registration fee.

### ***International and national regulation of amateur boxing***

The International Olympic Committee (IOC) established the International Amateur Boxing Association (AIBA) in 1946. International boxing, including in the Olympic Games, is controlled by AIBA. The AIBA admits only one national federation from each country to govern the sport of boxing. USA Boxing is the U.S.'s national federation and, as such, is called upon to certify the amateur standing and eligibility of all boxers selected for each international boxing contest, including athletes and representatives at the Olympic Games.

The AIBA's competition rules must be followed by all AIBA national member federations, boxing members, clubs, and boxing family

members (athletes, coaches, referees and judges, ringside physicians, sports managers, administrators, etc.) in any competition. No national federation may develop technical or competition rules that are contrary to AIBA's.

The federal *Olympic and Amateur Sports Act Amendments of 1998*, known as the Ted Stevens Act, brought centralized control of sports to the U.S. Olympic Committee and promoted the idea of creating national governing bodies to run individual sports. The creation of national governing bodies for individual sports gave athletes independent organizations to funnel them into the Olympic movement.

USA Boxing is recognized by the U.S. Olympic Committee (USOC) as the national governing body for the sport of amateur boxing in the United States. All amateur boxing contests in the country must be sanctioned by USA Boxing and conducted in accordance with USA Boxing rules and USOC requirements.

### ***Regulation of amateur boxing in Hawai'i***

In 1929, the Territorial Legislature of Hawai'i enacted Act 216, which defined amateur boxing contests and contestants and authorized a state boxing commission to place such contests under the control and supervision of any recognized national amateur athletic association. The law was later codified as Section 440-30, HRS, and although it was amended in 1935, 1945, 1955, and 1983, these were all technical, non-substantive amendments. Control and supervision of amateur boxing by the State Boxing Commission of Hawai'i has remained the same since 1929.

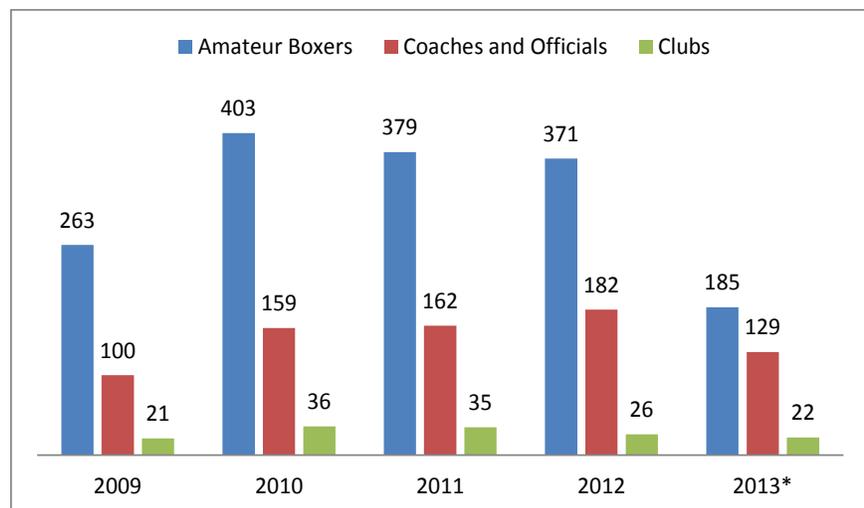
The state's boxing commission, which is administratively attached to the DCCA, has jurisdiction and control over both professional and amateur boxing in the state but has delegated control and supervision of amateur boxing to USA Boxing. An executive officer in DCCA's Professional and Vocational Licensing Division serves the commission in administering its day-to-day operations. The commission's five members are appointed by the governor. One commissioner is the chairperson, and one must be a member of USA Boxing. Members serve without compensation.

Hawai'i is one of 14 geographic regions under USA Boxing. Amateur Boxing of Hawai'i (ABH) serves as USA Boxing's local boxing committee in Hawai'i, promoting and administering amateur boxing under the jurisdiction of USA Boxing's constitution and by-laws. Each local boxing committee determines its own composition and directs its internal affairs in accordance with USA Boxing's rules, regulations, policies, and directives. All of Hawai'i's USA Boxing members, including amateur boxers, coaches, officials, and clubs vote to elect the leaders of ABH, who govern amateur boxing in Hawai'i. A nonprofit

corporation, ABH works under the umbrella of USA Boxing and the State Boxing Commission of Hawai'i to give athletes aged eight years old to adults opportunities for competition by developing and mentoring all young boxers in the state. Amateur Boxing of Hawai'i renews its amateur boxing promoters license with the state boxing commission annually.

Amateur Boxing of Hawai'i and USA Boxing process registrations for both athletes (amateur boxers) and non-athletes (coaches, officials, etc.). Exhibit 1.1 shows the number of registered amateur boxers, coaches and officials, and clubs in Hawai'i.

**Exhibit 1.1**  
**Number of Registered Amateur Boxers, Coaches and Officials, and Clubs in Hawai'i, January 2009–April 2013**



\*Members as of April 10, 2013. Athletes and non-athletes register/renew throughout a calendar year.

Source: USA Boxing

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## Prior Reports

We have conducted two sunset evaluations regarding boxing. Our 1986 *Sunset Evaluation Report: Boxing Contests*, Report No. 86-5, related primarily to professional boxing. However, regarding amateur boxing, we found that the state boxing commission had adopted administrative rules, but was not actively involved in regulating amateur boxing. Instead, as authorized by statute, the commission had delegated authority for the control and supervision of amateur boxing in the state to the Hawai'i branch of United States of America/Amateur Boxing Federation

(USA/ABF). The commission required the amateur association to submit certain reports and comply with statutes and rules, and provided nominal approval of amateur boxing programs.

We observed that regulation of boxing differs from other occupational licensing programs in that it protects the principal licensee—the boxer—rather than the public welfare. Nevertheless, we concluded that the State should continue regulating professional boxing through the boxing commission; and that the commission should continue delegating the authority for active control of amateur boxing to the Hawai‘i branch of the USA/ABF.

Our 1994 *Sunset Evaluation Update: Boxing Contests*, Report No. 94-8, also primarily addressed professional boxing issues. However, with regard to amateur boxing, we recommended that the Legislature consider amending Chapter 440, HRS, to eliminate licensing requirements for amateur promoters. We noted that to be licensed, amateur promoters must have a signed agreement with USA/ABF, proof of medical insurance, and evidence of a \$5,000 surety bond. We found the surety bond was unnecessary because boxers and ring officials participating in amateur boxing contests are not paid.

The boxing commission agreed that licensing requirements for amateur promoters should be eliminated and also suggested that licensing amateur boxing seconds (coaches/corner men) be eliminated because they, too, are not compensated. We again recommended that the Legislature continue regulation of boxing contests even though, unlike other regulatory programs, the main purpose of this program is to protect boxers rather than consumers.

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## Objectives of the Study

1. Determine whether regulation of amateur boxing is warranted.
2. Determine whether current regulatory requirements are appropriate.
3. Make recommendations as appropriate.

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## Scope and Methodology

To assess the need to regulate amateur boxing, we applied the following criteria from Section 26H-2, HRS, of the *Hawai‘i Regulatory Licensing Reform Act*:

1. Regulation shall be undertaken only where reasonably necessary to protect the health, safety, or welfare of consumers of the services; the purpose of regulation shall be the protection of the public welfare and not that of the regulated profession or vocation;

2. Full licensure or other restrictions on certain professions or vocations shall be retained or adopted when the health, safety, or welfare of the consumer may be jeopardized by the nature of the service offered by the provider;
3. Evidence of abuses by providers of the service shall be accorded great weight in determining whether regulation is desirable;
4. Regulations that artificially increase the costs of goods and services to the consumer shall be avoided except in those cases where the Legislature determines that this cost is exceeded by the potential danger to the consumer;
5. Regulations shall be eliminated when the Legislature determines that they have no further benefits to consumers;
6. Regulation shall not unreasonably restrict entry into the profession or vocation by all qualified persons; and
7. Fees imposed for the regulatory program shall not be less than the full cost of administering the program.

We also examined the overall impact of regulating amateur boxing in Hawai'i. We reviewed literature on amateur boxing and its regulation, including relevant federal regulation and regulation in other states. We reviewed complaints filed with national organizations and the state Regulated Industries Complaints Office. We examined the monitoring and oversight of amateur boxing by the state boxing commission and DCCA's Professional and Vocational Licensing Division. We interviewed boxing commissioners, local boxing club coaches, representatives of USA Boxing, and other officials from various state agencies.

Our work was performed from March 2013 to May 2013, in accordance with the Office of the Auditor's *Manual of Guides* and generally accepted government auditing standards. Those standards require that we plan and perform our work to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions based on our objectives.

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# Chapter 2

## The State Should Remove Oversight of Amateur Boxing From the Boxing Commission

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This chapter presents our findings and recommendations on whether the State should remove oversight of amateur boxing from the State Boxing Commission of Hawai'i. Criteria in the sunset law, Chapter 26H, HRS, provide that regulation is warranted only when reasonably necessary to protect consumers. In the case of amateur boxing, regulation is directed primarily at protecting the licensee—the boxing contestant—rather than the public. We applied the sunset criteria to amateur boxing and found there is little evidence of harm and that abuses in the sport are negligible. We also found that some statutory criteria are met, but overall do not warrant continued state regulation. Although we found that state regulation of amateur boxing is no longer warranted, we also found that if regulation continues, some corrective action is needed.

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### Summary of Findings

1. State regulation of amateur boxing is no longer warranted.
2. If state regulation continues, corrective action is warranted.

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### State Regulation of Amateur Boxing Is No Longer Warranted

We found that continued state regulation of amateur boxing is unnecessary since the sport is already being governed and regulated by USA Boxing, which is recognized by the U.S. Olympic Committee (USOC) as the national governing body for amateur boxing. Accordingly, all amateur boxing contests must be sanctioned by USA Boxing and held in accordance with its rules.

We also note that USA Boxing rules provide adequate safety measures which protect the health, safety and welfare of amateur boxers, the primary objective of regulation. We reviewed other sunset criteria and found that none are compelling enough to warrant continued state regulation. In addition, we found little evidence of abuse in amateur boxing; this calls into question the continued involvement of the boxing commission which has been very limited.

***National governing body, USA Boxing, oversees all amateur boxing***

Amateur boxing in Hawai‘i is already regulated by a national overseeing body, rendering state oversight unnecessary. The Ted Stevens Act, promulgated under Chapter 2205 of the U.S. Code, directed the USOC to serve as the coordinating body for amateur athletic activity in the United States directly related to international amateur athletic competition. The USOC is the country’s amateur boxing representative with the International Olympic Committee, the Pan-American Sports Organization, and the International Paralympic Committee. The USOC also recognizes eligible amateur sports organizations as national governing bodies for any sport included in the Olympic Games, Pan-American Games, or Paralympic Games.

USA Boxing is recognized by the USOC as the governing body for the sport of boxing in the United States. Within USA Boxing, there are five other major amateur boxing organizations:

- 1) Golden Gloves Association of America, Inc.;
- 2) National Association of Police Activities Leagues;
- 3) National Collegiate Boxing Association;
- 4) Native American Boxing Association; and
- 5) United States Armed Forces.

These organizations have all agreed to abide by USA Boxing’s rules, regulations, and policies.

All amateur boxing contests in the United States must be sanctioned by a local boxing committee within whose territorial limits an event is held, or by the USA Boxing national office. Contests must also follow USA Boxing rules and USOC requirements.

***USA Boxing’s rules and regulations are sufficient***

Although the State Boxing Commission of Hawai‘i has adopted administrative rules for amateur boxing, the commission delegates control and supervision of amateur boxing to USA Boxing. Amateur boxing is therefore subject to USA Boxing rules. According to the commission’s executive officer, the commission has retained its administrative rules on amateur boxing in case the commission revokes its delegation of control and supervision USA Boxing, an unlikely event. We also note that the administrative rules have not been updated since 1991 and may be obsolete. In contrast, USA Boxing’s rules are updated biennially, most recently in October 2010.

We also found that USA Boxing's rules are more comprehensive than Hawai'i's administrative rules. For example, USA Boxing's rules have more weight classes than the commission's administrative rules, which have only ten weight-class divisions. Although USA Boxing has no weight limits for boxers aged eight to ten years old, it allows for no more than a five-pound weight difference between opponents. USA Boxing also has more weight divisions, including 17 for junior boxers and 20 for intermediate boxers. This not only allows for increased participation, but also prevents size difference mismatches.

In addition, USA Boxing's insurance coverage of \$25,000 far exceeds Hawai'i's administrative rules requirement of \$500 of insurance for medical and \$100 for dental expenses. USA Boxing also requires a mandatory sexual molestation and abuse background check on all non-athletes.

Furthermore, USA Boxing's rules provide safety measures that are notably absent from the commission's administrative rules. For example, USA Boxing prohibits participation on more than two days in any seven or more than once per calendar day. USA Boxing has established sub-novice and novice classes to match boxers based on competition experience. The main duty of a referee in USA Boxing is to ensure the safety of boxers. A referee will stop a contest if a boxer is bleeding or receives a stunning blow. In the latter case, the referee must issue a standing eight-count to the boxer before deciding whether the bout should continue. Boxers who receive three standing eight-counts in one round or four for the match receive an automatic 30-day suspension. Those who are knocked unconscious receive either a 90- or 120-day suspension. These boxers must be cleared by a physician before returning to competition. USA Boxing also requires the use of headgear, which must meet certain specifications, and boxing gloves, which must have special padding. Finally, USA Boxing requires each boxer to possess a passbook containing a running record of all contests, physical examinations (annual, pre-bout, and post-bout), and injuries.

***State regulation meets some criteria, but not critical criteria relating to evidence of harm and abuses***

We found that state regulation of amateur boxing meets some sunset criteria; for example, it does not increase costs to amateur boxers, does not restrict participation, provides some benefits, and the cost to the State is minimal. However, for an activity involving inherent risk to its participants, there is little evidence of harm necessitating state regulation, and recorded abuses have been negligible. Thus, the overall need for continued state oversight is not warranted.

### **There is little evidence of harm in amateur boxing**

We found that state regulation of amateur boxing is not necessary to protect the health, safety, or welfare of amateur boxers in Hawai‘i because of 1) the low risks of harm posed by the sport, as documented in medical journals; 2) the safety measures imbedded in USA Boxing’s rules; and 3) an amateur boxer’s assumption of all inherent risks by choosing to participate in the sport.

According to a study in the *Oxford Journals*, boxing mortality rates are comparable with other high-risk sports and long-term brain damage in boxers is found in only a very small percentage of those involved in the sport, more often in professional fighters with extensive careers. The *American Journal of Epidemiology* reported that no statistically significant associations were found in amateur boxers who participated in bouts or sparring after 1986, when new safety rules were imposed. A review published in the *British Medical Journal* found no evidence for a strong association between amateur boxing and traumatic brain injury. Finally, a study in the *Clinical Journal of Sports Medicine* found no evidence of neuropsychological deterioration in a nine-year controlled prospective assessment of competitive amateur boxers.

We found one boxing-related fatality in Hawai‘i, which occurred in 1995 when a 25-year old amateur boxer in Hilo had the wind knocked out of him during a sparring session. The boxer sat on the ring ropes to catch his breath but slipped through and fell to the floor, hitting his head. The boxer died three days later from a severe intracranial injury. Aside from this isolated incident, however, the eight local boxing club coaches we interviewed all reported that serious injuries in amateur boxing have been almost non-existent. One coach said that more of his boxers are injured playing football or riding their skateboards.

The *Oxford* study also noted that injuries have been part of boxing since its inception. As the sport has evolved, however, rule and equipment changes have improved boxer safety. Furthermore, USA Boxing rules for amateur boxing are considerably different from professional boxing. Unlike professional boxing, in which the intent is to hurt or render an opponent unconscious, the main objective in amateur boxing rules is the safety and protection of boxers. In amateur boxing, bouts are limited to three rounds of one to three minutes each; gloves are more absorbent than in professional boxing; and amateurs are trained to pursue points rather than knockout blows to attain victories. Headgear is required; novices are matched with opponents of a similar skill level; bouts are stopped when boxers are at risk of head injury; and mandatory suspension rules are imposed for observable head injuries. In 1986, a mandatory “passbook” system was implemented to record the outcome of each bout and directly enforce suspension rules.

Short of a total ban on the sport of boxing, prescribed regulation and safety precautions cannot ensure an injury-proof environment. The Hawai'i Intermediate Court of Appeals has held that an individual who chooses to participate in amateur boxing assumes all risks inherent in the sport, and the law should not place unreasonable burdens on the free and vigorous participation in any sport.

### **Abuses in amateur boxing are negligible**

Section 26H-2(3), HRS, requires that evidence of abuses be accorded great weight in determining the need for regulation. We found a few instances of abuse, but these were primarily technical or rule violations.

There have been no complaints regarding amateur boxing filed with the Department of Commerce and Consumer Affairs' Office of Consumer Protection or the state Ombudsman in the past three years. However, two complaints were filed with DCCA's Regulated Industries Complaints Office (RICO) in FY2010. The first involved an alleged amateur boxing show held on Maui that was not conducted by a licensed amateur boxing promoter nor sanctioned by USA Boxing. The initial investigation concluded there was insufficient evidence, as the event was a fundraising effort and the matches were only exhibition bouts. The second complaint was a technical reporting violation; the investigation was closed when USA Boxing Hawai'i (the predecessor to Amateur Boxing of Hawai'i) filed its delinquent annual financial statements with DCCA.

In October 2008, RICO filed a request for an injunction against USA Boxing Hawai'i in the First Circuit Court. The complaint alleged that USA Boxing Hawai'i's amateur promoters license had expired on December 31, 2005, and was not renewed until April 25, 2006. The RICO learned that during the unlicensed interim, two amateur boxing events had been held; it therefore subsequently filed its complaint in court. On July 15, 2009, the court permanently prohibited USA Boxing Association of Hawai'i from conducting, promoting, or participating in boxing contests unless it has obtained state or federal approval.

From our interviews with various stakeholders, including state boxing commissioners, boxing club coaches, and officials, the most cited example of abuse was a mismatch involving a minor boxing against an adult which took place in 2005. As a result, the commission implemented a new requirement that promoters submit the birthdates of all competitors for every bout. However, we note that birthdates are submitted to the boxing commission *after* bouts are held, which defeats the requirement's intended purpose.

Other alleged abuses mentioned by stakeholders include exclusionary practices, in which host boxing clubs prevent boxers from other clubs from competing and boxing clubs holding a bout without having an

amateur promoters license. One stakeholder also mentioned an instance where a coach entered a boxer in five matches within a span of three months in order to qualify him for a national tournament; however, this did not violate any stated rule.

### **Licensing of amateur promoters is unnecessary**

Section 26H-2(2), HRS, requires that regulation in the form of full licensure or other restrictions on certain professions or vocations shall be retained or adopted only when the health, safety, or welfare of consumers may be jeopardized by the nature of services offered by a provider. According to *Occupational Licensing: Questions a Legislator Should Ask* (Shimberg and Roederer, 1978), licensing is the most restrictive form of regulation and confers the legal right to practice to those who meet certain qualifications. We found that the state boxing commission issues an annual amateur promoters license to Amateur Boxing of Hawai‘i (ABH) following submittal of an application and proof of a \$5,000 surety bond. The annual license fee is waived by the commission. The license application requires the name of the corporation or association, officers, directors or trustees, references, and name of banking agent. Since the license approval process is somewhat perfunctory and the licensee, ABH, is required to have its shows sanctioned by USA Boxing, we deem the amateur promoters license unnecessary.

We determined that the surety bond requirement is also unnecessary, as there are no purses (monetary rewards) in amateur boxing; all officials, referees, and other participants are also unpaid. Our 1994 *Sunset Evaluation Update: Boxing Contests*, Report No. 94-8, similarly recommended that the Legislature consider amending Chapter 440, HRS, to eliminate licensing requirements for amateur promoters and the surety bond, as boxers and ring officials participating in amateur boxing contests are not paid.

### **Other statutory criteria are met, but overall do not merit regulation**

We considered the other sunset criteria in Section 26H-2, HRS, including the effects of regulation on costs, restrictions, and benefits to amateur boxers; and the costs of the regulatory program. We found that although these criteria have been met, overall they do not warrant continued regulation by the State.

First, regulation does not increase costs to boxers and does not restrict other persons from becoming amateur boxers. Since the control and supervision of amateur boxing is delegated to USA Boxing, the State does not receive any fees related to amateur boxing. All fees are paid to USA Boxing and Amateur Boxing of Hawai‘i. The membership fee

in USA Boxing is set by USA Boxing. In addition, the State waives the annual amateur promoters license fee. Further, our interviewees agreed that the current regulation of amateur boxing does not increase costs to amateur boxers nor restrict other persons from becoming amateur boxers. Stakeholders also told us that if amateur boxing was removed from the state boxing commission, it would not increase the costs to amateur boxers nor restrict or discourage anyone from participation.

Second, the majority of stakeholders we interviewed said that state regulation provides some benefits to amateur boxers. These include the investigative and enforcement functions conducted by the State and the fact that state oversight provides assurance to amateur boxers and encourages compliance with the rules.

Finally, we found that the cost to the State of regulating amateur boxing under current statutory provisions is minimal. Boxing commission staff spend only a tiny fraction of their time on amateur boxing in addition to their other responsibilities. The executive officer estimates he spends approximately 2 percent of his time per year on amateur boxing; this includes facilitating one annual boxing commission meeting for the approval of one amateur promoters license application. He also receives annual financial reports from Amateur Boxing of Hawai'i and fight cards containing the birthdates of boxers, which he reviews and files. He also receives calls regarding amateur boxing, but these are infrequent and transferred to Amateur Boxing of Hawai'i. Further, the DCCA secretary who supports the boxing commission told us that amateur boxing takes up not more than half an hour of her time per year. She is responsible for processing the annual renewal of one amateur promoters license application, which includes sending the application, ensuring the information submitted is complete and the business is in good standing, and verifying the surety bond on file for \$5,000 is in effect. The application is then approved by the boxing commission at a scheduled meeting. The secretary said she does not receive email or correspondence relating to amateur boxing and it is rare to field a phone call about amateur boxing, but if she does, she refers it to Amateur Boxing of Hawai'i. Lastly, the licensing administrator of the Professional and Vocational Licensing Division told us the cost to the State is negligible since the supervision and control of amateur boxing has been delegated to USA Boxing.

***Most states regulate amateur boxing through USA Boxing***

We found that most states regulate amateur boxing, and do so via USA Boxing. Hawai'i and 20 other states (42 percent of states) regulate amateur boxing by a state athletic commission through an amateur sanctioning body. In nineteen states (38 percent), amateur boxing is



delay in the approval of events. The executive director said that without state regulation, decisions and sanctions of shows can be made much more quickly.

***Hawai'i boxing commission's involvement is limited***

Since delegating the control and supervision of amateur boxing to USA Boxing—through its designated local boxing committee, Amateur Boxing of Hawai'i (ABH)—the Hawai'i boxing commission's oversight has been limited. The commission's involvement includes approving ABH's amateur promoters license once a year. The ABH registers all amateur boxers, officials, coaches, and clubs in Hawai'i through USA Boxing.

According to commissioners, over the past few years the commission's role in amateur boxing has varied from very little to no involvement. One commissioner told us that since being appointed in 2012, he has attended only one boxing commission meeting; and he surmises the commission's role is to oversee the safety of the boxers. Another commissioner said the commission's role is to provide checks and balances, and oversight of amateur boxing contests. Our review of commission meeting minutes confirmed there has been little discussion regarding amateur boxing in recent years.

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**If Regulation Continues, Corrective Action Is Warranted**

If the state continues to oversee the regulation of amateur boxing, some corrective action by the boxing commission and the Department of Commerce and Consumer Affairs is needed. For instance, we found that the commission and department have not executed a formal delegation agreement with USA Boxing nor required the use of a signed waiver from amateur boxers releasing the State from liability. Also, the commission's administrative rules are outdated, rendering them impracticable.

***The commission has not executed a formal delegation agreement with USA Boxing***

There is no formal agreement between the State's boxing commission and USA Boxing delegating the control and supervision of amateur boxing to USA Boxing. According to the commission's executive officer, the commission has no official contract with USA Boxing; the delegation was done at a commission meeting and documented in the meeting minutes. However, the executive officer told us he reviewed the commission's minutes back to 1977 and could not find any reference to the official delegation. The deputy attorney general assigned to the boxing commission believes the delegation may have been made prior to 1977. Both the executive officer and the deputy attorney general told us that the commission plans to reaffirm the delegation at its next meeting.

In addition, the deputy attorney general said he will begin working on a written agreement between USA Boxing and the commission regarding this delegation.

***The commission has not been requiring participants to sign the amateur boxing waiver***

According to Section 16-74-345, Hawai‘i Administrative Rules, before participating in any boxing exhibition or contest, every boxer must sign a waiver releasing the State from all claims for damages in relation to participation in any and all boxing exhibitions or contests; as part of the consideration, every boxer must waive any right of action or claim for damages that may result or grow out of any boxing exhibition or contest the boxer competes in. However, we found that the state boxing commission has not been requiring amateur boxers to sign a waiver releasing the commission from liability.

The executive officer told us that an amateur boxing waiver form has been in place since 2006; however, he does not know why the waivers are not being used. Further, the executive officer said the boxing commission has not officially abandoned this requirement. According to the president of Amateur Boxing of Hawai‘i, who is also a boxing commissioner and has been involved in amateur boxing since 1987, he has never seen the waiver form. Several amateur boxing club coaches also told us they were unaware of the waiver form’s existence.

The USA Boxing registration forms for both athletes and non-athletes include a waiver and release section that states, “I hereby release, discharge, covenant not to sue, and agree to indemnify and save and hold harmless USA Boxing, its clubs and local boxing committees, etc.” To reduce its exposure to potential lawsuits and other claims, the Hawai‘i boxing commission should adhere to the same practice—as required by administrative rules—and implement use of the amateur boxing waiver form.

***Administrative rules for amateur boxing are outdated and not aligned with those of USA Boxing***

In 1981, the state boxing commission adopted administrative rules for amateur boxing. According to the executive officer, the rules are in place in the unlikely event the commission decides to revoke its delegation of the control and supervision of amateur boxing to Amateur Boxing of Hawai‘i. However, the rules have not been updated since 1991 and are significantly different from USA Boxing rules, which are updated biennially.

According to the executive director of USA Boxing, states involved in regulating amateur boxing should follow USA Boxing rules to avoid any problems. The executive director said that if USA Boxing rules are not followed, a boxer’s eligibility to compete nationally, internationally, and in the Olympics may be affected.

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## Conclusion

The Legislature should remove amateur boxing from the jurisdiction of the State Boxing Commission of Hawai‘i, as the delegation of oversight to USA Boxing, is appropriate and sufficient to protect the health, safety, and welfare of amateur boxers in the state. In addition, amateur boxing does not meet the more critical statutory criteria that would warrant continued state regulation. Furthermore, international and federal laws mandate that amateur boxing falls under the jurisdiction of USA Boxing.

However, if the Legislature chooses to continue state regulation of amateur boxing, the boxing commission and the Department of Commerce and Consumer Affairs should formally effect delegation of the control and supervision of amateur boxing to USA Boxing, and require the use of its amateur boxing waiver form in order to shield the State from action or claims that may arise in relation to amateur boxing. Moreover, the commission should update its administrative rules to refer to those of USA Boxing.

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## Recommendations

1. The Legislature should remove amateur boxing from the jurisdiction of the State Boxing Commission of Hawai‘i.
2. If the State continues to regulate amateur boxing, the boxing commission should:
  - a. Execute a formal agreement delegating control and supervision of amateur boxing to USA Boxing;
  - b. Require participants to sign the amateur boxing waiver form releasing the State from liability;
  - c. Amend its administrative rules to delete provisions for amateur boxing and instead make reference to USA Boxing’s rules; and
  - d. Eliminate the \$5,000 surety bond requirement for USA Boxing.

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## Response of the Affected Agency

### **Comments on Agency Response**

We submitted a draft of this report to the Department of Commerce and Commerce and Consumer Affairs on June 10, 2013. A copy of the transmittal letter is included as Attachment 1, and the department's response is included as Attachment 2.

The department agreed with our recommendation to the Legislature to remove amateur boxing from the jurisdiction of the State Boxing Commission of Hawai'i. The department also agreed to implement our recommended changes to the administrative rules and procedural requirements should the Legislature choose to continue regulation.

STATE OF HAWAII  
**OFFICE OF THE AUDITOR**  
465 S. King Street, Room 500  
Honolulu, Hawaii 96813-2917



JAN K. YAMANE  
Acting State Auditor

(808) 587-0800  
FAX: (808) 587-0830

June 10, 2013

**COPY**

The Honorable Keali'i S. Lopez  
Director  
Department of Commerce and Consumer Affairs  
King Kalākaua Building  
335 Merchant Street  
Honolulu, Hawaii 96813

Dear Ms. Lopez:

Enclosed for your information are three copies, numbered 6 to 8, of our confidential draft report, *Feasibility Study of Removing Amateur Boxing From the Jurisdiction of the State Boxing Commission*. We ask that you telephone us by Thursday, June 13, 2013, on whether or not you intend to comment on our recommendations. If you wish your comments to be included in the report, please submit them no later than Thursday, June 20, 2013.

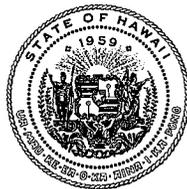
The Governor, and presiding officers of the two houses of the Legislature have also been provided copies of this confidential draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

Jan K. Yamane  
Acting State Auditor

Enclosures



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OFFICE OF THE DIRECTOR  
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SHAN S. TSUTSUI  
LT. GOVERNOR

June 17, 2013

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OFFICE OF THE AUDITOR  
STATE OF HAWAII

Ms. Jan K. Yamane  
Acting State Auditor  
Office of the Auditor  
465 S. King Street, Room 500  
Honolulu, HI 96813-2917

Dear Ms. Yamane:

The Department of Commerce and Consumer Affairs ("DCCA") appreciates the opportunity to provide comments on your draft report, "*Feasibility Study of Removing Amateur Boxing From the Jurisdiction of the State Boxing Commission*". We will comment on the recommendations as they appear on page 17 of the report:

1. *The Legislature should remove amateur boxing from the jurisdiction of the State Boxing Commission of Hawaii.*

DCCA agrees with this recommendation as it believes that USA Boxing has sufficiently supervised amateur boxing in Hawaii on behalf of the Hawaii Boxing Commission.

2. *If the State continues to regulate amateur boxing, the boxing commission should:*
  - a. *Execute a formal agreement delegating control and supervision of amateur boxing to USA Boxing;*
  - b. *Require participants to sign the amateur boxing waiver form releasing the State from liability;*
  - c. *Amend its administrative rules to delete provisions for amateur boxing and instead make reference to USA Boxing's rules; and*
  - d. *Eliminate the \$500 surety bond requirement for USA Boxing.*

If the Legislature does not agree to implement #1, DCCA agrees with and will implement recommendations a – d as listed above.

Again, thank you for the opportunity to provide comments.

Sincerely,

Keali'i S. Lopez  
Director