

OPINION NO. 82

A State employee has disclosed that he owns a substantial number of shares valued in excess of \$7,000 in a local corporation whose major assets are real property and rental income. The corporation also operates a number of shops which sell consumer items or provide consumer services. The employee is also one of eight directors of the corporation and is compensated at the rate of \$100 per month. He has indicated that the above interest is the only stock in his investment portfolio. His other investments are real estate holdings within the State.

His State position involves the administration and enforcement of laws, rules, and regulations relating to industrial safety and the compensation, wages, and hours of employment. He has indicated that he may disqualify himself from his State duties, if and when necessary.

In the opinion of the Commission this employee's stock interest is sufficient to possibly influence his official action (See Opinion No. 22). It is a sizeable amount and constitutes his primary liquid asset. The Commission, therefore, advised him that it does constitute the kind of interest which may present problems of conflict in the performance of his State duties.

The State ethics law, HRS, §84-13 requires that he not use or attempt to use his official position to secure or grant unwarranted treatment for himself or others. This means that in the course of State duties, this employee should not seek to influence others in his department or other departments in order to obtain special treatment for the benefit of the company (or its subsidiaries) in which he has this interest.

The law (HRS, §84-14) further mandates that he should not participate in any official action directly affecting a business or matter in which he has a substantial financial interest. Any action he takes with respect to matters within the jurisdiction of his department involving this corporation will directly affect it economically. We thus advised that he disqualify himself from any matter, including the review of work of subordinates, if any, involving said corporation.

He was further advised to disclose his private interests to his supervisor and inform him of his desire to comply with the decision of this Commission.

Dated: Honolulu, Hawaii, August 7, 1970.

STATE ETHICS COMMISSION
James F. Morgan, Jr., Chairman
S. Don Shimazu, Vice Chairman
Walters K. Eli, Commissioner

Note: Commissioner Vernon F.L. Char was excused from the meeting at which this opinion was considered. The vacancy created by the resignation of The Very Reverend John J. Morrett has not been filled.