

## OPINION NO. 460

We received a request for an advisory opinion from the chairman of a state board who had written to the Commission requesting a ruling on a question of conflict of interest that was raised, at the board's last meeting, with respect to the appointment of two trustees for a private organization. The private organization was a nonprofit corporation which assisted the state board in its fundraising efforts. Because a dispute between the state board and the private organization could not be resolved satisfactorily, the members of the private organization had voted for the dissolution of the corporation. Notice of the vote had been given, and the corporation also had requested that its president and its treasurer be appointed as its trustees to settle its affairs. Both individuals had been appointed trustees by the director of the department of regulatory agencies, pursuant to HRS §416-123. Because trustees were entitled to compensation by statute and both trustees were active in the dispute that ultimately led to the dissolution of the private organization, the state board believed that the appointments of the two individuals as trustees may have placed them in position of conflict of interest.

The Commission is charged with the administration of chapter 84, Hawaii Revised Statutes, which includes standards of conduct for state employees. The Commission noted that the private organization was not a state agency and that neither of the individuals was a state employee. Accordingly, the Commission determined that it did not have jurisdiction over the question presented by the state board.

Because the matter raised questions pertinent to the procedures of the department of regulatory agencies, a copy of this opinion also was forwarded to the director.

The Commission appreciated the state board's concern for ethics in government.

Dated: Honolulu, Hawaii, March 19, 1982.

STATE ETHICS COMMISSION  
Edith K. Kleinjans, Chairperson  
Dorothy K. Ching, Commissioner  
Gary B.K.T. Lee, Commissioner

Note: Commissioner Robert N. Mitcham was excused from the meeting at which this opinion was considered. Vice Chairperson Paul C.T. Loo disqualified himself from discussion and consideration of this opinion.