

**OPINION NO. 478**

A state employee requested an advisory opinion from this Commission because of possible conflicts between his state position and a private business he planned to establish. In his private business, the employee planned to offer a service to residents of a certain area. In his state position, however, the employee had in the past been required to take official action directly affecting those same residents, and would be required to do so again in the future. In light of these facts, the Commission was of the opinion that the ethics code would prohibit the employee from engaging in the outside business activity he proposed.

In reaching its decision, the Commission considered the applicability of HRS §84-14(b). This provision of the ethics code prohibits employees from acquiring financial interests in businesses that they have reason to believe may be directly involved in official action to be taken by them. Since the employee's future business clients would be the same people he served in his official capacity, clearly his private business interests would be directly involved in official action to be taken by him. Given these circumstances, the Commission found that a conflict of interest would exist.

The Commission commended the employee for bringing this matter to the Commission at an early time. The Commission has found that this kind of attention to ethical matters furthers public confidence in state employees and thus contributes to an improved ethical climate in state government.

Dated: Honolulu, Hawaii, October 22, 1982.

STATE ETHICS COMMISSION  
Edith K. Kleinjans, Chairperson  
Paul C.T. Loo, Vice Chairperson  
Allen K. Hoe, Commissioner

Note: Commissioner Gary B.K.T. Lee disqualified himself from the consideration and preparation of this opinion. Commissioner Robert N. Mitcham was excused from the meeting at which this opinion was considered.