



HAWAI‘I STATE ETHICS COMMISSION

State of Hawai‘i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai‘i 96813

Hawaii State Ethics Commission v. William Eric Boyd
(Charge No. 10-Cg-4)

The following Decision by the State Ethics Commission was vacated on appeal by the Hawaii Supreme Court (*Boyd v. Hawaii State Ethics Commission*, 138 Hawaii 218, 378 P.3d 934 (2016)) and as a result, the charges against William Eric Boyd were later dismissed by the Commission.

BEFORE THE STATE ETHICS COMMISSION

STATE OF HAWAII

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STATE OF HAWAII
STATE ETHICS COMMISSION

HAWAII STATE ETHICS COMMISSION,)	Charge No. 10-Cg-4
)	
Complainant,)	FINDINGS OF FACT,
)	CONCLUSIONS OF LAW,
vs.)	AND DECISION AND ORDER;
)	EXHIBIT "A"; CERTIFICATE
WILLIAM ERIC BOYD,)	OF SERVICE
)	
Respondent.)	
)	

FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND DECISION AND ORDER

Pursuant to Hawaii Revised Statutes ("HRS") § 84-31 and HRS chapter 91, the Hawaii State Ethics Commission ("Commission") convened a hearing on the matter of Hawaii State Ethics Commission vs. William Eric Boyd, Charge No. 10-Cg-4, on Tuesday, November 27, 2012, at 9:00 a.m., which continued on Wednesday, November 28, 2012, at 8:30 a.m. The hearing was held at the University of Hawaii Hilo, Ho'oulu Terrace, 200 West Kawili Street, UCB Room 127, Hilo, Hawaii 96720.

Leslie H. Kondo, Esq., Virginia M. Chock, Esq., and Stanley K.W. Chong, Esq., appeared for Complainant Hawaii State Ethics Commission. Ted H.S. Hong, Esq., appeared for Respondent William Eric Boyd, who was also present. Monica Morris, Esq., Deputy Attorney General, appeared for Connections New Century Public Charter School and officials of the school who testified at the hearing.

The Commission has heard and carefully considered the testimony, evidence, and the arguments of counsel presented during the hearing, along with the proposed Findings of Fact and Conclusions of Law submitted by the parties. Therefore, under the authority of HRS § 84-31 and in accordance with HRS chapter 91, the Commission hereby makes the following Findings of Fact, Conclusions of Law, and Decision and Order, based upon the competent and substantial evidence adduced at the hearing.

I do hereby certify that the foregoing is a full, true, and correct copy of the original on file in this office.

Andrea Furutani

Secretary, State Ethics Commission

I. FINDINGS OF FACT¹

1. Respondent William Eric Boyd ("Respondent") is and was at all times relevant herein employed as an Administrative Assistant by Connections New Century Public Charter School ("Connections").

2. Connections is and was at all times relevant herein a public charter school created pursuant to HRS chapter 302B (2007 Repl.).

3. Erika Boyd is and was at all times relevant herein Respondent's spouse.

A. Purchase of School Materials (Counts 1 through 9)

4. At all times relevant herein, Connections followed a purchasing procedure to obtain supplies, materials, and equipment for the school.

5. The purchasing procedure incorporated the use of a purchase order form that Connections developed.

6. The purchase order form identified, inter alia: (a) the name and title of the individual making the request, i.e., the "requestor"; (b) the name, address, and telephone number of the individual or entity from whom the materials could be purchased, i.e., the "vendor" or the individual/entity identified on the line captioned "Payable to:"; (c) the school materials desired, including the quantity and pricing; and (d) the name and title of the individual approving the request, i.e., the individual signing on the line captioned "Approved." See Exhibits C-18, C-21, C-23, C-26, C-29, C-32, and C-34.

7. The requestor would usually enter the vendor's name, address, and telephone number on the purchase order form.

¹ In compliance with the Commission's directive, the parties submitted proposed Findings of Fact and Conclusions of Law on December 17, 2012. The Commission notes that HRS § 91-12, entitled "Decisions and orders," requires that, "[i]f any party to the proceeding has filed proposed findings of fact, the agency shall incorporate in its decision a ruling upon each proposed finding so presented." Consequently, the Commission's ruling with respect to each of the proposed findings of fact submitted by the parties is reflected in the table attached hereto as Exhibit "A."

8. As a school employee, Respondent was at all times relevant herein authorized to submit purchase order forms requesting the purchase of school materials by Connections.

9. The purchasing procedure also included an approval process, which involved review of the information on the purchase order form and, if approved, signature by an authorized school official on the line captioned "Approved."

10. The approval process also included checking the school's inventory to make sure that the school did not have the requested materials and checking with vendors to find the best prices for the requested materials.

11. The purchase order form may also have involved review (and approval) by the "Title 1 Coordinator" if the purchase involved the use of Title 1 funds. See, e.g., Exhibits C-18 and C-23 (reflecting initials next to requestor's signature/title indicating the Title 1 coordinator's approval). "Title 1 funds" are federal monies provided to schools with a high level of poverty, and such funds may be used to supplement the school's instructional program.

12. The authority for final approval of a purchase rested with Connections' Principal John Thatcher ("Principal Thatcher").

13. When Principal Thatcher was unavailable, Respondent, as a school employee, was at all times relevant herein authorized to approve purchase orders, which enabled purchases to be expedited.

14. Respondent approved purchase orders by signing his name on purchase order forms on the line captioned "Approved." See Exhibits C-21, C-26, C-29, C-32, and C-34.

15. Purchase orders initially approved by Respondent were subject to final approval by Principal Thatcher.

16. At all times relevant herein, Respondent and his spouse, Erika Boyd, owned an Amway distributorship business ("Respondent's Amway business"), which operated as a sole proprietorship.

17. **Count 1:**

(a) On or about September 12, 2006, Respondent, as a school employee, prepared a Connections purchase order form to purchase books and signed the form as the "Requestor." See Exhibit C-18.

(b) Respondent wrote "Erika Boyd," Respondent's spouse and co-owner of Respondent's Amway business, as the vendor for the purchase of the books referenced on the purchase order. See Exhibit C-18.

(c) The purchase order specified a total purchase price of \$264.45. See Exhibit C-18.

(d) The books referenced on the purchase order, see Exhibit C-18, were sold to Connections by Respondent's Amway business through Erika Boyd. See Exhibits C-19 and C-20.

18. **Counts 2 and 3:**

(a) On or about February 9, 2007, Respondent, as a school employee, prepared a Connections purchase order form to purchase school materials, including custodial supplies, a mini-DV camcorder kit, a fax/copier, and ink. See Exhibit C-21.

(b) Respondent wrote "Erika Boyd," Respondent's spouse, as the "Requestor" on the purchase order form. See Exhibit C-21.

(c) Respondent also identified "Erika Boyd," Respondent's spouse and co-owner of Respondent's Amway business, as the vendor for the purchase of the school materials referenced on the purchase order by writing her name on the line captioned "Payable to:" on the purchase order form. See Exhibit C-21.

(d) The purchase order specified a total purchase price of \$778.61. See Exhibit C-21.

(e) Respondent approved the purchase order by signing his name on the purchase order form on the line captioned "Approved." See Exhibit C-21.

(f) The school materials referenced on the purchase order, see Exhibit C-21, were sold to Connections by Respondent's Amway business through Erika Boyd. See Exhibits C-22 and C-25.

19. **Count 4:**

(a) On or about February 9, 2007, Respondent, as a school employee, prepared a Connections purchase order form to purchase three digital camcorders and signed the form as the "Requestor." See Exhibit C-23.

(b) Respondent identified "Erika Boyd," Respondent's spouse and co-owner of Respondent's Amway business, as the vendor for the purchase of the digital camcorders referenced on the purchase order by writing her name on the line captioned "Payable to:" on the purchase order form. See Exhibit C-23.

(c) The purchase order specified a total purchase price of \$2,495.97. See Exhibit C-23.

(d) The digital camcorders referenced on the purchase order, see Exhibit C-23, were sold to Connections by Respondent's Amway business through Erika Boyd. See Exhibits C-24 and C-25.

20. **Counts 5 and 6:**

(a) On or about April 2, 2007, Respondent, as a school employee, prepared a Connections purchase order form to purchase cleaning supplies. See Exhibit C-26.

(b) Respondent wrote "Erika Boyd," Respondent's spouse, as the "Requestor" on the purchase order form. See Exhibit C-26.

(c) Respondent also identified "Erika Boyd," Respondent's spouse and co-owner of Respondent's Amway business, as the vendor for the purchase of the cleaning supplies referenced on the purchase order by writing her name on the line captioned "Payable to:" on the purchase order form. See Exhibit C-26.

(d) The purchase order specified a total purchase price of \$142.47. See Exhibit C-26.

(e) Respondent approved the purchase order by signing his name on the purchase order form on the line captioned "Approved." See Exhibit C-26.

(f) The cleaning supplies referenced on the purchase order, see Exhibit C-26, were sold to Connections by Respondent's Amway business through Erika Boyd. See Exhibits C-27 and C-28.

21. **Count 7:**

(a) On or about May 8, 2007, a Connections purchase order form was submitted, seeking "Reimbursement for Food, Drinks and Snacks for House in Indiana." See Exhibit C-29.

(b) "Erika Boyd" was identified as the "Requestor" on the purchase order form. See Exhibit C-29.

(c) The vendor or individual identified on the line captioned "Payable to:" on the purchase order form was "Erika Boyd," Respondent's spouse and co-owner of Respondent's Amway business. See Exhibit C-29.

(d) The purchase order specified a total cost of \$956.73. See Exhibit C-29.

(e) Respondent approved the purchase order by signing his name on the purchase order form on the line captioned "Approved." See Exhibit C-29.

(f) The food, drinks, and snacks referenced on the purchase order, see Exhibit C-29, were sold to Connections by Respondent's Amway business through Erika Boyd. See Exhibits C-30 and C-31.

22. **Count 8:**

(a) On or about June 29, 2007, a Connections purchase order form was submitted for the purchase of "classroom supplies." See Exhibit C-32.

(b) The vendor or individual identified on the line captioned "Payable to:" on the purchase order form was "Erika Boyd," Respondent's spouse and co-owner of Respondent's Amway business. See Exhibit C-32.

(c) The purchase order specified a total purchase price of \$503.14. See Exhibit C-32.

(d) Respondent approved the purchase order by signing his name on the purchase order form on the line captioned "Approved." See Exhibit C-32.

(e) The classroom supplies referenced on the purchase order, see Exhibit C-32, were sold to Connections by Respondent's Amway business through Erika Boyd. See Exhibits C-33 and C-36.

23. **Count 9:**

(a) On or about June 29, 2007, a Connections purchase order form was submitted for the purchase of "classroom supplies." See Exhibit C-34.

(b) The vendor or individual identified on the line captioned "Payable to:" on the purchase order form was "Erika Boyd," Respondent's spouse and co-owner of Respondent's Amway business. See Exhibit C-34.

(c) The purchase order specified a total purchase price of \$781.90. See Exhibit C-34.

(d) Respondent approved the purchase order by signing his name on the purchase order form on the line captioned "Approved." See Exhibit C-34.

(e) The classroom supplies referenced on the purchase order, see Exhibit C-34, were sold to Connections by Respondent's Amway business through Erika Boyd. See Exhibits C-35 and C-36.

B. Lunch Service Program (Counts 10 through 20)

24. In 2007, Connections contracted with "Boyd Enterprises" to provide school lunches to Connections' high school students.

25. Boyd Enterprises was at all times relevant herein a sole proprietorship owned by Respondent and his spouse, Erika Boyd.

26. Boyd Enterprises also did business as "Tropical Dreams," "Tropical Dreams Ice Cream," and "Just Fabuloso."

27. As part of the procedure for obtaining payment for school lunches, a "Food Service Certificate" was submitted by Boyd Enterprises to Connections reflecting the number of school lunches provided for a particular period and the total cost, which certificate was deemed to be an invoice. See Exhibits C-41, C-43, C-45, C-48, C-50, C-52, C-54, C-56, C-58, C-60, and C-62.

28. Respondent signed Food Service Certificates on behalf of Boyd Enterprises as its "Food Service Manager," certifying that the number of school lunches reflected on a certificate represented the number of lunches provided to Connections. See Exhibits C-41, C-43, C-45, C-48, C-50, C-52, C-54, C-56, C-58, C-60, and C-62.

29. Boyd Enterprises was required to submit to Connections a duly signed and certified Food Service Certificate, i.e., invoice, before Boyd Enterprises could be paid by Connections for lunches provided to the school.

30. Respondent submitted duly signed and certified Food Service Certificates on behalf of Boyd Enterprises to Sandra Kelley, a school official of Connections, who signed the Food Service Certificates as part of the payment approval process for lunches provided by Boyd Enterprises. See Exhibits C-41, C-43, C-45, C-48, C-50, C-52, C-54, C-56, C-58, C-60, and C-62.

31. Principal Thatcher approved payments to Boyd Enterprises for Food Service Certificates.

32. In the absence of Principal Thatcher, Sandra Kelley had the authority to approve payments of Food Service Certificates.

33. **Count 10:**

(a) On or about January 25, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period January 22 to January 25, 2007, Boyd Enterprises provided 151 school lunches at a cost of \$453.00. See Exhibit C-41.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 151 lunches were provided to Connections. See Exhibit C-41.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-41.

(d) On or about January 25, 2007, Connections paid \$453.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 151 lunches provided by Boyd Enterprises. See Exhibit C-42.

34. Count 11:

(a) On or about February 1, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period January 29 to February 1, 2007, Boyd Enterprises provided 150 school lunches at a cost of \$450.00. See Exhibit C-43.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 150 lunches were provided to Connections. See Exhibit C-43.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-43.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-43.

(e) On or about February 5, 2007, Connections paid \$450.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 150 lunches provided by Boyd Enterprises. See Exhibit C-44.

35. Count 12:

(a) On or about February 9, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period February 5 to February 8, 2007, Boyd Enterprises provided 156 school lunches at a cost of \$468.00. See Exhibit C-45.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 156 lunches were provided to Connections. See Exhibit C-45.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-45.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-45.

(e) On or about February 9, 2007, Connections paid \$468.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 156 lunches provided by Boyd Enterprises. See Exhibit C-47.

36. **Count 13:**

(a) On or about February 16, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period February 12 to February 15, 2007, Boyd Enterprises provided 156 school lunches at a cost of \$468.00. See Exhibit C-48.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 156 school lunches were provided to Connections. See Exhibit C-48.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-48.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-48.

(e) On or about February 20, 2007, Connections paid \$468.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 156 lunches provided by Boyd Enterprises. See Exhibit C-49.

37. **Count 14:**

(a) On or about March 1, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period February 26 to March 1, 2007, Boyd Enterprises provided 144 school lunches at a cost of \$432.00. See Exhibit C-50.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 144 lunches were provided to Connections. See Exhibit C-50.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-50.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-50.

(e) On or about March 2, 2007, Connections paid \$432.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 144 lunches provided by Boyd Enterprises. See Exhibit C-51.

38. Count 15:

(a) On or about March 9, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period March 5 to March 9, 2007, Boyd Enterprises provided 149 school lunches at a cost of \$447.00. See Exhibit C-52.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 149 lunches were provided to Connections. See Exhibit C-52.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-52.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-52.

(e) On or about March 9, 2007, Connections paid \$447.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 149 lunches provided by Boyd Enterprises. See Exhibit C-53.

39. Count 16:

(a) On or about April 5, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period April 2 to April 5, 2007, Boyd Enterprises provided 152 school lunches at a cost of \$456.00. See Exhibit C-54.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 152 lunches were provided to Connections. See Exhibit C-54.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-54.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-54.

(e) On or about April 5, 2007, Connections paid \$456.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 152 lunches provided by Boyd Enterprises. See Exhibit C-55.

40. Count 17:

(a) On or about April 19, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period April 9 to April 19, 2007, Boyd Enterprises provided 303 school lunches at a cost of \$909.00. See Exhibit C-56.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 303 lunches were provided to Connections. See Exhibit C-56.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-56.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-56.

(e) On or about April 19, 2007, Connections paid \$909.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 303 lunches provided by Boyd Enterprises. See Exhibit C-57.

41. Count 18:

(a) On or about May 10, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period May 8 to May 10, 2007, Boyd Enterprises provided 102 school lunches at a cost of \$306.00. See Exhibit C-58.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 102 lunches were provided to Connections. See Exhibit C-58.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-58.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-58.

(e) On or about May 10, 2007, Connections paid \$306.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 102 lunches provided by Boyd Enterprises. See Exhibit C-59.

42. Count 19:

(a) On or about May 31, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period May 11 to May 31, 2007, Boyd Enterprises provided 325 school lunches at a cost of \$975.00. See Exhibit C-60.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 325 school lunches were provided to Connections. See Exhibit C-60.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-60.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-60.

(e) On or about May 31, 2007, Connections paid \$975.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 325 lunches provided by Boyd Enterprises. See Exhibit C-61.

43. Count 20:

(a) On or about June 21, 2007, Boyd Enterprises, doing business as Tropical Dreams Ice Cream, submitted a Food Service Certificate to Connections, reflecting that, for the period June 1 to June 7, 2007, Boyd Enterprises provided 55 school lunches at a cost of \$165.00. See Exhibit C-62.

(b) Respondent signed the Food Service Certificate on behalf of Boyd Enterprises as its Food Service Manager, certifying that 55 school lunches were provided to Connections. See Exhibit C-62.

(c) Sandra Kelley signed the Food Service Certificate on the line captioned "School Official" on behalf of Connections. See Exhibit C-62.

(d) The Food Service Certificate provided by Boyd Enterprises, doing business as Tropical Dreams Ice Cream, contained the direction, "Please make check payable to Erika Boyd." See Exhibit C-62.

(e) On or about June 22, 2007, Connections paid \$165.00 to Erika Boyd, co-owner of Boyd Enterprises, for the 55 lunches provided by Boyd Enterprises. See Exhibit C-63.

44. To the extent that any of the foregoing Findings of Fact also contain conclusions of law, they are hereby and shall be deemed incorporated into the Conclusions of Law.

II. CONCLUSIONS OF LAW

1. The State Ethics Code, codified in HRS chapter 84, applies to all state employees, except judges and justices, see HRS § 84-2, and defines an "employee" as:

[A]ny nominated, appointed or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding

legislators, delegates to the constitutional convention, justices, and judges.

HRS § 84-3.

2. The State Ethics Code defines a "state agency" as:

[T]he State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices, the University of Hawaii, and all independent commissions and other establishments of the state government but excluding the courts.

HRS § 84-3

3. Connections was at all times relevant herein a "state agency," as defined in HRS § 84-3. HRS § 302B-1 (2007 Repl.) (defining "charter school" as "those public schools holding charters to operate as charter schools under this chapter"); see also HRS § 302A-101 (defining "charter schools" as "public schools holding charters to operate under chapter 302B").

4. As an employee of Connections, Respondent was at all times relevant herein an "employee" as defined in HRS § 84-3. See also December 21, 2012 Order Denying Respondent's Motion to Dismiss Due to Lack of Jurisdiction, filed August 8, 2012, and Granting Complainant's Motion for Determination that Respondent William Eric Boyd is Subject to the State Ethics Code and the Jurisdiction of the State Ethics Commission, filed August 9, 2012.

5. Respondent was at all times relevant herein subject to the provisions of the State Ethics Code. HRS § 84-2 (providing that HRS chapter 84 "shall apply to every . . . employee . . . of the State . . . but excluding justices and judges").

6. In a contested case hearing held pursuant to HRS § 84-31, the Commission's findings must be based upon competent and substantial evidence. HRS § 84-31(c).

7. In order to find that an employee has violated the State Ethics Code, the Complainant is not required to prove that the employee had actual knowledge of the law nor an intent to violate the law. State v. Keawemauhili, 114 Hawaii 100, 157 P.2d 539 (2007) (holding that state of mind requirements do not apply

to offenses punishable by civil penalties unless a legislative intent to impose a state of mind requirement clearly appears).

A. Purchase of School Materials (Counts 1 through 9)

8. The conflicts of interests law in the State Ethics Code prohibits an employee from taking official action directly affecting a business or other undertaking in which the employee has a substantial financial interest. HRS § 84-14(a).

9. The State Ethics Code defines "official action" as:

[A] decision, recommendation, approval, disapproval, or other action, including inaction, involving the use of discretionary authority.

HRS § 84-3.

10. As defined, "official action" is not limited to a "final" decision, recommendation, approval, disapproval, or other action or inaction involving the use of discretionary authority.

11. "Official action" includes a decision, recommendation, approval, disapproval, or other action or inaction involving the use of discretionary authority that contributes to, or is part of, a state agency's decision-making process or procedure, and is preliminary to the state agency's "final" decision.

12. The State Ethics Code defines "business" as:

[A] corporation, a partnership, a sole proprietorship, a trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

HRS § 84-3.

13. The State Ethics Code defines a "financial interest" to include an ownership interest in a business. HRS § 84-3.

14. The State Ethics Code further defines the financial interests of a state employee to include the financial interests of the employee's spouse. HRS § 84-3.

15. The Amway distributorship owned and operated as a sole proprietorship by Respondent and Respondent's spouse, Erika Boyd,

was at all times relevant herein a "business," as defined in HRS § 84-3.

16. At all times relevant herein, Respondent had a substantial financial interest in the Amway business that he and his spouse Erika Boyd owned.

17. Respondent, as a school employee, prepared purchase order forms requesting that Connections purchase, or be supplied with, school materials from Erika Boyd, Respondent's spouse and co-owner of Respondent's Amway business, by:

- (a) Signing Respondent's name as the "Requestor" and identifying Erika Boyd as the vendor; and
- (b) Identifying Erika Boyd as both the "Requestor" and the vendor.

18. By requesting that Connections purchase, or be supplied with, school materials from Erika Boyd, co-owner of Respondent's Amway business, Respondent was in effect "ordering" materials from Respondent's Amway business. See The American Heritage Dictionary 1241 (5th ed. 2011) (defining "order" as "to request to be supplied with").

19. Respondent's actions in preparing purchase order forms, as a school employee, to "order" (i.e., request that Connections purchase or be supplied with) school materials from Erika Boyd, regardless of whether Respondent's request was subject to approval by another school official, was an exercise of discretionary authority which constituted "official action." HRS § 84-3.

20. Respondent's approval of purchase orders: (a) was part of the approval process for Connections to purchase and pay for school materials; and (b) enabled Connections to expedite purchases and payments for school materials when Principal Thatcher was unavailable.

21. Respondent's approval of the purchase orders in evidence provided approval for the purchase of school materials and for payment of the vendor's purchase price as listed on the purchase orders.

22. Respondent's approval of purchase orders, as a school employee, whether preliminary or final, was an exercise of

discretionary authority which constituted "official action."
HRS § 84-3.

23. On or about September 12, 2006, Respondent took official action directly affecting Respondent's Amway business, in violation of HRS § 84-14(a), by ordering (i.e., requesting that Connections purchase or be supplied with) books from Erika Boyd, which were sold to Connections by Respondent's Amway business, in the amount of \$264.45. (Count 1)

24. On or about February 9, 2007, Respondent took official action directly affecting Respondent's Amway business, in violation of HRS § 84-14(a), by ordering (i.e., requesting that Connections purchase or be supplied with) school materials from Erika Boyd, which were sold to Connections by Respondent's Amway business, in the amount of \$778.61. (Count 2)

25. On or about February 9, 2007, Respondent took official action directly affecting Respondent's Amway business, in violation of HRS § 84-14(a), by approving the purchase of school materials from Erika Boyd and by approving payment of the purchase price to Erika Boyd in the amount of \$778.61 for the materials sold to Connections by Respondent's Amway business. (Count 3)

26. On or about February 9, 2007, Respondent took official action directly affecting Respondent's Amway business, in violation of HRS § 84-14(a), by ordering (i.e., requesting that Connections purchase or be supplied with) digital camcorders from Erika Boyd, which were sold to Connections by Respondent's Amway business, in the amount of \$2,495.97. (Count 4)

27. On or about April 2, 2007, Respondent took official action directly affecting Respondent's Amway business, in violation of HRS § 84-14(a), by ordering (i.e., requesting that Connections purchase or be supplied with) cleaning supplies from Erika Boyd, which were sold to Connections by Respondent's Amway business, in the amount of \$142.47. (Count 5)

28. On or about April 2, 2007, Respondent took official action directly affecting Respondent's Amway business, in violation of HRS § 84-14(a), by approving the purchase of cleaning supplies from Erika Boyd and by approving payment of the purchase price to Erika Boyd in the amount of \$142.47 for the cleaning supplies sold to Connections by Respondent's Amway business. (Count 6)

29. On or about May 8, 2007, Respondent took official action directly affecting Respondent's Amway business, in violation of HRS § 84-14(a), by approving the purchase of food, drinks, and snacks from Erika Boyd and by approving payment of the purchase price to Erika Boyd in the amount of \$956.73 for food, drinks, and snacks sold to Connections by Respondent's Amway business. (Count 7)

30. On or about June 29, 2007, Respondent took official action directly affecting Respondent's Amway business, in violation of HRS § 84-14(a), by approving the purchase of "classroom supplies" from Erika Boyd and by approving payment of the purchase price to Erika Boyd in the amount of \$503.14 for the "classroom supplies" sold to Connections by Respondent's Amway business. (Count 8)

31. On or about June 29, 2007, Respondent took official action directly affecting Respondent's Amway business, in violation of HRS § 84-14(a), by approving the purchase of "classroom supplies" from Erika Boyd and by approving payment of the purchase price to Erika Boyd in the amount of \$781.90 for the "classroom supplies" sold to Connections by Respondent's Amway business. (Count 9)

B. Lunch Service Program (Counts 10 through 20)

32. The conflicts of interests law in the State Ethics Code prohibits an employee from assisting any person or business or acting in a representative capacity for a fee or other compensation on a bill, contract, claim, or other transaction or proposal before the employee's agency. HRS § 84-14(d).

33. Boyd Enterprises, doing business as "Tropical Dreams," "Tropical Dreams Ice Cream," and "Just Fabuloso," was at all times relevant herein a "business," as defined in HRS § 84-3.

34. The State Ethics Code defines "compensation" as:

[A]ny money, thing of value, or economic benefit conferred on or received by any person in return for services rendered or to be rendered by oneself or another.

HRS § 84-3.

35. Payments made by Connections to Boyd Enterprises for school lunch services were "compensation" to Respondent, as a co-owner of Boyd Enterprises. HRS § 84-3.

36. Respondent assisted or represented a business (i.e., Boyd Enterprises) for compensation on a transaction before his agency (i.e., Connections) by signing Food Service Certificates (i.e., invoices), as Boyd Enterprises' Food Service Manager, certifying the number of lunches provided to Connections and submitting Food Service Certificates to Connections on behalf of Boyd Enterprises for payment.

37. On or about January 25, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period January 22 to January 25, 2007, 151 lunches were provided to Connections at a cost of \$453.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 10)

38. On or about February 1, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period January 29 to February 1, 2007, 150 lunches were provided to Connections at a cost of \$450.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 11)

39. On or about February 9, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period February 5 to February 8, 2007, 156 lunches were provided to Connections at a cost of \$468.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 12)

40. On or about February 16, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period February 12 to February 15, 2007, 156 lunches were provided to Connections at a cost of \$468.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 13)

41. On or about March 1, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period February 26 to March 1, 2007, 144 lunches were provided to Connections at a cost of \$432.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 14)

42. On or about March 9, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period March 5 to March 9, 2007, 149 lunches were provided to Connections at a cost of \$447.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 15)

43. On or about April 5, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period April 2 to April 5, 2007, 152 lunches were provided to Connections at a cost of \$456.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 16)

44. On or about April 19, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period April 9 to April 19, 2007, 303 lunches were provided to Connections at a cost of \$909.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 17)

45. On or about May 10, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period May 8 to May 10, 2007, 102 lunches were provided to Connections at a cost of \$306.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 18)

46. On or about May 31, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period May 11 to May 31, 2007, 325 lunches were provided to Connections at a cost of \$975.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 19)

47. On or about June 21, 2007, Respondent assisted or represented a business for compensation on a transaction before his agency, in violation of HRS § 84-14(d), by signing a Food Service Certificate as Boyd Enterprises' Food Service Manager, certifying that, for the period June 1 to June 7, 2007, 55 lunches were provided to Connections at a cost of \$165.00, and submitting the Food Service Certificate to Connections on behalf of Boyd Enterprises for payment. (Count 20)

48. An employee who violates a provision of HRS chapter 84 shall be subject to an administrative fine imposed by the Hawaii State Ethics Commission that shall not exceed \$500 for each violation. HRS § 84-39.

49. To the extent that any of the foregoing Conclusions of Law also contain findings of fact, they are hereby and shall be incorporated into the Findings of Fact.

III. DECISION AND ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law, the Commission hereby determines as follows:

1. Respondent committed nine (9) violations of HRS § 84-14(a) (Counts 1 through 9) and eleven (11) violations of HRS § 84-14(d) (Counts 10 through 20).

2. An administrative fine of FIVE HUNDRED DOLLARS (\$500.00) for each of the violations committed by Respondent is appropriate and shall be imposed. HRS § 84-39.

THEREFORE, IT IS HEREBY ORDERED that an administrative fine in the total amount of TEN THOUSAND DOLLARS (\$10,000.00) is hereby imposed against Respondent William Eric Boyd; and

IT IS FURTHER ORDERED that Respondent shall forward a check in the amount of TEN THOUSAND DOLLARS (\$10,000.00) payable to the

"State of Hawaii" to the Hawaii State Ethics Commission office no later than sixty (60) days from the date of this Decision and Order, see HRS § 84-39 (stating that all fines collected under this section shall be deposited in the State's general fund).

DATED: February 8, 2013.

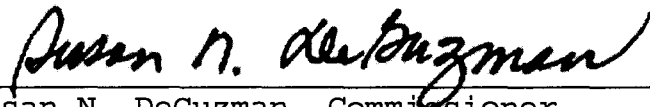
HAWAII STATE ETHICS COMMISSION



Maria Sullivan, Chair



Cassandra J. Leolani Abdul, Vice Chair



Susan N. DeGuzman, Commissioner

Note: There were two vacancies on the Commission when the Findings of Fact, Conclusions of Law, and Decision and Order were issued.

RESPONDENT'S PROPOSED FINDINGS OF FACTS		
Paragraph Numbers	Accepted/Rejected	Reasoning
1, 2, 3 & 4	Rejected	Unnecessary for decision and information readily available in the record
5, 16 & 21	Accepted in substance	Relevant and supported by the evidence
6, 7, 8, 9, 10, 11, 13, 15, 17, 22, 24, 25, 26, 27, 28, 51, 52 & 53	Rejected	Immaterial and/or irrelevant to the decision
23, 30, 31, 32, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49 & 50	Rejected	Not sufficiently supported by the evidence
12 & 14	Rejected	Immaterial and/or irrelevant to the decision; also not sufficiently supported by the evidence
18 & 19	Partially accepted in substance and partially rejected	Partially accepted, in substance, as relevant and supported by the evidence; partially rejected as immaterial and/or irrelevant to the decision
20	Partially accepted in substance and partially rejected	Partially accepted, in substance, as relevant and supported by the evidence; partially rejected as an incomplete statement of the facts
29	Partially accepted in substance and partially rejected	Partially accepted, in substance, as relevant and supported by the evidence; partially rejected as not sufficiently supported by the evidence
33, 34, 35, 36, 37 & 38	Rejected	Not sufficiently supported by the evidence and/or incomplete statement of the facts
39	Rejected	Not sufficiently supported by the evidence and/or incomplete statement of the facts; also immaterial and/or irrelevant to the decision
COMPLAINANT'S PROPOSED FINDINGS OF FACTS		
All of Complainant's proposed findings are accepted, in substance, as relevant and supported by the evidence, except for paragraph 21, which is rejected as not sufficiently supported by the evidence.		

EXHIBIT "A"

BEFORE THE HAWAII STATE ETHICS COMMISSION

STATE OF HAWAII

HAWAII STATE ETHICS COMMISSION,)	Charge No. 10-Cg-4
)	
Complainant,)	CERTIFICATE OF SERVICE
)	
vs.)	
)	
WILLIAM ERIC BOYD,)	
)	
Respondent.)	
)	

CERTIFICATE OF SERVICE

I hereby certify that on this date, a certified copy of the foregoing document, Findings of Fact, Conclusions of Law, and Decision and Order, was served upon the following individual by email and by certified mail, return receipt requested, as noted below:

Ted H. S. Hong, Esq.
P.O. Box 4217
Hilo, Hawaii 96720 Email: thshong@msn.com

Attorney for Respondent

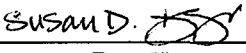
I also hereby certify that on this date, a certified copy of the foregoing document, Findings of Fact, Conclusions of Law, and

Decision and Order, was served upon the following individual
by email and by personal delivery as noted below:

Leslie H. Kondo, Esq.
1001 Bishop Street, Suite 970
Honolulu, Hawaii 96813 Email: ChargeCounsel@hawaiiethics.org

Charge Counsel for Complainant

DATED: February 8, 2013.



Susan D. Yoza
Nancy C. Neuffer
Commission Counsel for
Hawaii State Ethics Commission