



HAWAII STATE ETHICS COMMISSION

State of Hawaii · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawaii 96813

Resolution of Charge **2019-3**

(COMPL-C-17-00430)

Former Board Member of the Board of Naturopathic Medicine, Violation of Financial Disclosure Law

May 16, 2019

The Hawaii State Ethics Commission (“Commission”) has resolved a Charge and Further Statement of Alleged Violation issued against Dr. Rodney C.Y. Chun (“Respondent Chun”), former board member of the Board of Naturopathic Medicine (“Board”), for alleged violations of the State Ethics Code, Hawaii Revised Statutes (“HRS”) chapter 84.

On December 14, 2017, the Commission issued Charge COMPL-C-17-00430 (“Charge”) against Respondent Chun, alleging that he violated the State Ethics Code by failing to timely file his 2017 financial disclosure statement. The Commission issued a Further Statement of Alleged Violation (“Further Statement”) on February 22, 2018.

I. Facts

Respondent Chun admitted and declared, under penalty of perjury, that the following facts are true and correct:

- a) Respondent Chun, at all times relevant herein, was a board member of the Board of Naturopathic Medicine (“Board”), which is a state board under the Department of Commerce and Consumer Affairs. He served on the Board from 2012 to 2018.
- b) Respondent Chun, at all times relevant herein, was a state employee as defined in HRS § 84-3. As a state employee, Respondent Chun was required to comply with the State Ethics Code, including HRS § 84-17, the Financial Disclosure law.
- c) Respondent Chun was required to file his 2017 Financial Disclosure Statement by May 31, 2017.

- d) Respondent Chun failed to timely file his 2017 Financial Disclosure Statement by May 31, 2017. Pursuant to HRS § 84-17(i), a Notice of Failure to File Financial Disclosure Statement and Assessment of \$50 Penalty (“Fine Notice”) was mailed by the Commission’s staff on September 27, 2017, to Respondent via registered mail, return receipt requested, and Respondent Chun received the Fine Notice shortly after it was sent.
- e) The Fine Notice notified Respondent that: (a) the Commission had not received his 2017 financial disclosure statement; (b) a \$50 penalty was assessed against Respondent for failure to file his financial disclosure statement; (c) the State Ethics Code still required Respondent to file his financial disclosure statement; and (d) if Respondent failed to file the delinquent financial disclosure statement by 4:30 p.m. on October 9, 2017, an additional penalty of \$10 per day would be assessed against Respondent for each day the financial disclosure statement remained unfiled.¹
- f) Respondent filed his financial disclosure statement on November 15, 2017, but Respondent failed to pay the penalty assessed against him.

II. The State Ethics Code, HRS Chapter 84

A. Constitutional Mandate and Statutory Purpose

The State Ethics Code arises from the declaration contained in the State Constitution that “[t]he people of Hawaii believe that public officers and employees must exhibit the highest standards of ethical conduct and that these standards come from the personal integrity of each individual in government.”² To this end, the Hawaii Constitution further directs that the legislature enact a code of ethics that applies to all appointed and elected state officers and employees.

In accordance with this constitutional mandate, the legislature enacted the State Ethics Code and charged the Commission with administering and enforcing the law “so that public confidence in public servants will be preserved.”³ The legislature explicitly

¹ HRS § 84-17(i) states that if “a disclosure of financial interests has not been filed within ten days of the due date, an additional administrative fine of \$10 for each day a disclosure remains unfiled shall be added to the administrative fine.” (Emphasis added.)

² Hawaii State Constitution, Art. XIV.

³ HRS Chapter 84, Preamble.

directed that the State Ethics Code be liberally construed to promote high standards of ethical conduct in state government. HRS § 84-1. It is in this context that the Commission examines every employee's actions.

B. Application of the State Ethics Code to Respondent Chun

As a board member of the Board of Naturopathic Medicine, Respondent Chun was required to comply with the State Ethics Code and file an annual financial disclosure statement by May 31 of each calendar year. HRS § 84-17. If a state official fails to timely file her or his financial disclosure statement, the official is assessed a \$50 fine,⁴ and is notified that failure to file the disclosure statement within ten days will result in an additional \$10/day penalty for each day it remains unfiled. HRS 84-17(i).

In this case, Respondent Chun failed to file his 2017 Financial Disclosure statement by the May 31, 2017 deadline, and instead filed it on November 15, 2017, which is thirty-six days after the deadline in the Commission's Fine Notice.

III. Resolution of Charge

Respondent Chun admits that he violated the Financial Disclosure law, HRS § 84-17.

Respondent Chun has not previously been the subject of a Commission charge or investigation.

Given the violation of the State Ethics Code, the Commission believes it is reasonable, fair, and in the public interest to resolve the Charge and Further Statement of Alleged Violation by (1) issuing this Resolution of Charge; and (2) requiring Respondent Chun to pay an administrative penalty of \$200 to the State of Hawaii.

⁴ The penalty for failing to file a financial disclosure statement was increased to \$75 effective June 22, 2017.