



HAWAII STATE ETHICS COMMISSION

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

May 23, 2024

Via Email: pookumu@kawaihonapcs.org

Mr. Gary Sherwood Krug, Jr.
Principal, Ka Waihona o ka Na'auao Public Charter School
89-195 Farrington Highway
Waianae, HI 96792

Re: Request for a Good Cause Exemption to Nepotism Prohibition
(OTH 24-00327)

Dear Principal Krug, Jr.,

Thank you for contacting our office to request a good cause exemption to the Nepotism Law. You are the principal of Ka Waihona o ka Na'auao Public Charter School (the "school"). You requested a good cause exemption so that your son, Kaulakauikeaokea Hoakua Krug may be hired as a teacher at the school. In your application form and a subsequent call on May 23, 2024, you informed the Hawai'i State Ethics Commission ("Commission") staff that the school had nine new positions for Hawaiian language immersion licensed teachers, and the hiring committee decided to hire all who applied, including your son, and there are still two more vacancies. Also, the school is located in Nanakuli, which has less population than Honolulu. You were not involved in the hiring process, and will not be involved in the supervision, evaluation, promotion/demotion, or termination of your son.

With regard to the supervision of Kaulakauikeaokea Hoakua Krug, you indicated that the Vice Principal will be his immediate supervisor, and a second Vice Principal would fill in, if, for some reason the first Vice Principal is on extended leave, etc. Also, you have indicated that the Vice Principals are not under your direct supervision, but rather they are evaluated and maintain an employment contract directly with the school's Governing Board. If any issues were to arise involving hiring, evaluating, promotion, demotion, or termination of your son, then the Vice Principals could consult the school's Governing Board in addressing any unforeseen circumstances or conflicts related to your son's supervision.

Based on the information provided, it is our opinion that the Nepotism Law does not prohibit the school from hiring your son because you have shown that you intend to comply with the law without the necessity of a good cause exemption. The Nepotism Law prohibits state employees from taking employment actions affecting relatives or household members. Employment actions include hiring, evaluating, demoting,

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promoting, terminating, or supervising a relative or household member. The law further provides that the Commission may grant an exemption from this law upon good cause shown. Good cause may include a demonstrated lack of qualified employees or candidates.¹

In this case, a good cause exemption is not required because you have indicated that you will not supervise or take action affecting your son, nor did you participate in his hiring process. If circumstances change, such as you find yourself in a position of supervising or taking official action directly affecting Kaulakauikeaokea Hoakua Krug, or if he were to apply to a different position within the school, it may necessitate submission of another good cause exception request.

Finally, you should be aware of an additional section of the Ethics Code. Hawai'i Revised Statutes §84-13(a) prohibits state employees from using their state positions to grant themselves or anyone else any unwarranted benefit or advantage. State employees who work alongside relatives must be cautious not to accord their relatives any special treatment.

Thank you for your request for an exemption. This letter is based on the information you provided. If the information is inaccurate or incomplete, please inform us as soon as possible, as this may affect our decision. Further, if you disagree with any portion of this letter, you may, pursuant to the Order Regarding Applications for Good Cause Exceptions to the Nepotism Law issued on May 17, 2023, appeal to the full Ethics Commission for reconsideration.²

If you have any questions or want to discuss this matter further, please contact me at (808) 587-0460.

Sincerely,

/s Jodi K. Yi

Jodi K. Yi
Staff Attorney

JKY/ljs

¹ The Nepotism Law is available here: [Act 261 \(2023\)](#). For more information, please refer to the quick guides posted on the Ethics Commission's website: [Nepotism Quick Guide](#).

² Available at <https://ethics.hawaii.gov/wp-content/uploads/Order-NepotismExceptionProcess.pdf>