



HAWAI‘I STATE ETHICS COMMISSION

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

Resolution of Charge 2023-2

(COMPL-C-20-00061)

**Sione Thompson, Former Executive Director, State Public Charter School
Commission, Department of Education,
Alleged Violations of
Conflicts of Interests Law and Financial Disclosure Law**

April 19, 2023

The Hawai‘i State Ethics Commission (“ Ethics Commission”) hereby resolves a Charge against Sione Thompson, Former Executive Director, State Public Charter School Commission (“Charter School Commission” or “Commission”), Department of Education (“DOE”), for alleged violations of the State Ethics Code, Hawai‘i Revised Statutes (“HRS”) chapter 84.

I. Facts

Respondent Thompson admitted and declared, under penalty of perjury, that the following facts are true and correct:¹

- a) Respondent Thompson was employed as the Executive Director of the Charter School Commission, Department of Education (“DOE”), from September 2016 through February 2020.
- b) After leaving the Charter School Commission, Respondent Thompson was employed as the Deputy Complex Area Superintendent (“CAS”), for the Waianae Nanakuli Complex Area, DOE, from approximately March 2020 until July 1, 2020, when he was appointed to the CAS position. He was employed as the Waianae Nanakuli CAS through December 2020.
- c) At all times relevant herein, as Executive Director of the Charter School Commission and as CAS for the Waianae Nanakuli Complex Area, Respondent Thompson was a state employee as defined in HRS § 84-3 and was required to comply with the State Ethics Code.

¹ This Resolution does not make formal findings but relies on the facts admitted by Respondent Thompson.

- d) The Charter School Commission authorizes public charter schools throughout the State of Hawai'i. Among other things, the Commission approves applications for new charter schools, monitors the performance and legal compliance of existing charter schools, provides technical assistance to charter schools, and acts as a liaison between charter schools and state agencies.
- e) As Executive Director of the Charter School Commission, Respondent Thompson oversaw administration of the Commission, including ensuring the Commission executed its responsibilities of authorizing quality public charter schools, overseeing the establishment and improvement of policies and procedures consistent with the mission of the Charter School Commission, developing and managing the budget, and developing projects to help improve the overall quality of the charter school system.
- f) In October 2017, Respondent Thompson became a member of the Board of Directors of Hawai'i Children's Action Network ("HCAN"), a private non-profit organization. Respondent Thompson was not compensated for his service on the HCAN Board.
- g) In March 2018, Respondent Thompson entered into a contract on behalf of the Charter School Commission with HCAN to assist in a media campaign promoting early learning. The contract amount was \$350,000.
- h) As Executive Director of the Charter School Commission, Respondent Thompson took official action affecting the 2018 contract with HCAN on at least six occasions. These actions included participating in a pre-contract meeting with HCAN's Executive Director to discuss the contract, approving and signing the contract, approving, and signing an amendment to the contract, and authorizing payments to HCAN under the contract.
- i) In January 2020, Respondent Thompson entered into a contract on behalf of the Charter School Commission with HCAN to administer a Federal pre-school development grant. The contract amount was \$50,000.
- j) As Executive Director of the Charter School Commission, Respondent Thompson took official action affecting the 2020 contract with HCAN on at least two occasions. These actions included approving and signing the contract.
- k) The 2020 contract with HCAN was later cancelled by the Charter School Commission after Respondent Thompson left his position as Executive Director.

- l) As Executive Director of the Charter School Commission, Respondent Thompson took official action affecting the 2018 and 2020 contracts with HCAN while concurrently serving on the Board of Directors of HCAN.
- m) In or around February 2018, Respondent Thompson became a member of the Board of Directors of RiseHI (“RiseHI”), a private non-profit organization. Respondent Thompson was not compensated for his service on the RiseHI Board.
- n) In June 2019, Respondent Thompson entered into a contract on behalf of the Charter School Commission with RiseHI to create a video playlist consisting of a series of videos depicting motivational stories of successful entrepreneurs and intended to motivate charter school students. The contract amount was \$10,000.
- o) As Executive Director of the Charter School Commission, Respondent Thompson took official action affecting the 2019 contract with RiseHI on at least three occasions. These actions included approving and signing the contract and authorizing payment to RiseHI under the contract.
- p) In February 2020, Respondent Thompson entered into a contract on behalf of the Charter School Commission with RiseHI to provide a range of support focused on increasing student engagement and building connections with distinguished local industry leaders. The contract amount was \$150,000.
- q) As Executive Director of the Charter School Commission, Respondent Thompson took official action affecting the 2020 contract with RiseHI on at least three occasions. These actions included approving and signing the contract.
- r) The 2020 contract with RiseHI was later cancelled by the Charter School Commission after Respondent Thompson left his position as Executive Director. The Commission did not make any payments on this contract.
- s) As Executive Director of the Charter School Commission, Respondent Thompson took official action affecting the 2019 and 2020 contracts with RiseHI while concurrently serving on the Board of Directors of RiseHI.
- t) In or around December 2018, Respondent Thompson became a member of the Board of Directors of Malu Hakala, a private non-profit organization. Respondent Thompson was not compensated for his service on the Board.

- u) In February 2020, Respondent Thompson entered into a contract on behalf of the Charter School Commission with the National Charter School Institute (“Institute”), which required the Institute to partner with Malu Hakala to develop a training handbook. The contract amount was \$25,000.
- v) As Executive Director of the Charter School Commission, Respondent Thompson approved and signed the 2020 contract with the Institute and by doing so, took official action affecting Malu Hakala.
- w) As Executive Director of the Charter School Commission, Respondent Thompson took official action affecting the 2020 contract with the Institute, in partnership with Malu Hakala, while concurrently serving on the Board of Directors of Malu Hakala.
- x) As Executive Director of the Charter School Commission Respondent Thompson was required to file an annual financial disclosure statement with the Ethics Commission.
- y) Respondent Thompson failed to disclose his position on the Board of Directors of HCAN on his financial disclosure statements for 2018 and 2019.
- z) Respondent Thompson failed to disclose his position on the Board of Directors of RiseHI on his financial disclosure statement for 2019.
- aa) Respondent Thompson failed to disclose his position on the Board of Directors of Malu Hakala on his financial disclosure statement for 2019.
- bb) As CAS for the Waianae Nanakuli Complex Area, Respondent Thompson was required to file an annual financial disclosure statement with the Ethics Commission.
- cc) Respondent Thompson failed to disclose his position on the Board of Directors of HCAN on his financial disclosure statement for 2020.
- dd) Respondent Thompson failed to disclose his position on the Board of Directors of RiseHI on his financial disclosure statement for 2020.
- ee) Respondent Thompson failed to disclose his position on the Board of Directors of Malu Hakala on his financial disclosure statement for 2020.

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 Hawai‘i 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 Ethics Commission with administering and enforcing the law “so that public confidence in public servants will be preserved.”³ Additionally, the Legislature explicitly 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 Ethics Commission examines every employee’s actions.

B. Application of the State Ethics Code to Respondent Thompson

As an employee of the Charter School Commission and the DOE, Respondent Thompson was a state employee for purposes of the State Ethics Code.⁴ As a state employee, Respondent Thompson was required to comply with the State Ethics Code, including the Conflicts of Interests Law (HRS § 84-14(a)) and the Financial Disclosure Law (HRS § 84-17).

The Conflicts of Interests Law, HRS § 84-14(a), prohibits an employee from taking “any official action directly affecting . . . [a] business or other undertaking in which the employee has a substantial financial interest[.]” HRS § 84-3 defines “business” as including non-profit organizations. HRS § 84-3 further defines “financial interest” as including a directorship or officership in a business. An employee who serves, with or without pay, on the Board of Directors of a private organization has a financial interest in the organization for purposes of the State Ethics Code and is prohibited by the Conflicts of Interests Law from taking any official action affecting that organization.

Respondent Thompson maintains that, in his capacity as a board member of the various non-profit organizations, he did not take any action involving the organizations’ contracts with the Charter School Commission. Respondent Thompson further maintains that he was not personally compensated as a result of any of the contracts.

² Hawai‘i State Constitution, Art. XIV.

³ HRS Chapter 84, Preamble.

⁴ HRS § 84-3.

Respondent Thompson admits that he did not understand the requirements of the Conflicts of Interests law.

The Ethics Commission's investigation showed that Respondent Thompson repeatedly took official action as a Charter School Commission employee affecting non-profit organizations while he served on their Boards of Directors. Respondent Thompson's actions included approving Charter School Commission contracts and payments to these organizations. Such actions were prohibited under the Conflicts of Interests law. Respondent Thompson should have recused himself from taking any official action affecting these organizations while he had a fiduciary relationship as a director with the organizations.

Respondent Thompson also failed to disclose his interests in the non-profit organizations on his annual financial disclosure statements. The Financial Disclosure Law, HRS § 84-17, requires certain state officials and employees to file an annual disclosure of financial interests with the Ethics Commission. Financial interests that must be reported include any officership, directorship, or other fiduciary relationship held in a business during the disclosure period. As the Executive Director of the Charter School Commission and as CAS for the DOE, Respondent Thompson was required to file a financial disclosure statement and report his directorships with the non-profit organizations. Accurate financial disclosure statements are necessary to assist the Ethics Commission in identifying conflicts of interests.

III. Resolution of Charge

Respondent Thompson admits he violated the Conflicts of Interests law (HRS § 84-14(a)) and the Financial Disclosure Law (HRS § 84-17(f)). He cooperated fully with the Ethics Commission in its investigation and was forthright and candid in speaking with the Ethics Commission's staff.

Given the violations of the State Ethics Code, the Ethics Commission believes it is reasonable, fair, and in the public interest to resolve the Charge by (1) issuing this Resolution of Charge, and (2) requiring Respondent Thompson to pay an administrative penalty of \$5000 to the State of Hawai'i.