



---

# HAWAI‘I STATE ETHICS COMMISSION

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

## **Resolution of Investigation** **2021-4**

**(COMPL-21-00051-L)**

### **Untimely Lobbying Expenditure Reports**

**May 27, 2021**

---

The Hawai‘i State Ethics Commission (“Commission”) has resolved the investigation of Costco Wholesale Corporation (“Costco”) and its registered lobbyists, Mihoko Ito, C. Mike Kido, Luis Salaveria, Gary Slovin, Matthew Tsujimura, and Rick Tsujimura (collectively, “the Costco Lobbyists”), for alleged violations of the State Lobbyists Law, Hawai‘i Revised Statutes (“HRS”) chapter 97.

#### I. Facts

Respondents – Costco and the Costco Lobbyists – admitted that the following facts are true and correct:<sup>1</sup>

- a) The Costco Lobbyists registered with the Commission as lobbyists for Costco for the 2019-2020 biennium on March 14, 2019, effective February 11, 2019. Their registrations expired on December 31, 2020. As such, Respondents were required to file expenditure reports for each reporting period in 2019 and 2020.
- b) The Costco Lobbyists registered with the Commission as lobbyists for Costco for the 2021-2022 biennium on January 1, 2021. The Costco Lobbyists terminated their registrations effective February 28, 2021. As such, Respondents were required to file an expenditure report for the January 1, 2021 – February 28, 2021 reporting period no later than March 31, 2021.

---

<sup>1</sup> This Resolution does not make formal findings; instead, the Commission relies on the facts admitted by Respondents.

c) Respondents did not file timely expenditure reports for the following reporting periods:

- i. January 1, 2020 – February 29, 2020. The report was due June 1, 2020 (the deadline having been extended from March 31 due to COVID-19) but was not filed until April 20, 2021.
- ii. March 1, 2020 – April 30, 2020. The report was due June 1, 2020 but was not filed until April 20, 2021.
- iii. May 1, 2020 – December 31, 2020. The report was due February 1, 2021 but was not filed until April 20, 2021.
- iv. January 1, 2021 – February 28, 2021. The report was due March 31, 2021 but was not filed until April 20, 2021.

## II. The State Lobbyists Law, HRS Chapter 97

### A. Constitutional Mandate and Statutory Purpose

The Hawai'i State Constitution directs that the Legislature enact a code of ethics that includes provisions on "lobbyist registration and restriction." Hawai'i Const., art. XIV. In accordance with this constitutional mandate, the Legislature enacted the State Lobbyists Law, HRS chapter 97, and charged the Commission with administering and enforcing the law. HRS § 97-6. The Lobbyists Law requires lobbyists who meet certain criteria to register with the Commission; the law also requires periodic expenditure reports from lobbyists and their clients. HRS §§ 97-2, 97-3.

### B. Application of the State Lobbyists Law to Respondents

The Lobbyists Law requires that each registered lobbyist, and each person "who employs or contracts for the services of one or more lobbyists," file periodic expenditure reports by deadlines set in statute. HRS § 97-3; see also Hawai'i Administrative Rules ("HAR") § 21-10-2. Inasmuch as the Costco Lobbyists registered to lobby on behalf of Costco, both Costco and the Costco Lobbyists were required to file timely expenditure reports for all periods in which the registrations were in effect. Respondents admit that they did not file timely expenditure reports on four occasions from 2020 to 2021.

## III. Resolution of Investigation

Respondents fully cooperated with the Commission's investigation and have filed the required expenditure reports for 2020 and 2021. As such, the Commission believes it is reasonable, fair, and in the public interest to resolve this investigation by (1) issuing this Resolution of Investigation and (2) requiring Respondents to pay an administrative penalty of \$2,000 to the State of Hawai'i.