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# HAWAI‘I STATE ETHICS COMMISSION

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

## **Resolution of Investigation** **2023-2**

**(COMPL-23-00030)**

**Former Department of Taxation Employee’s Violation of the Post-Employment law**

**August 16, 2023**

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The Hawai‘i State Ethics Commission (“Commission”) has resolved the Investigation of Ted Shiraishi (“Respondent Shiraishi”), Former Administrative Rules Officer of the State of Hawai‘i Department of Taxation (“DOTAX”) for alleged violations of the State Ethics Code, Hawai‘i Revised Statutes chapter 84.

### I. Facts

Respondent Shiraishi admitted and declared, under penalty of perjury, that the following facts are true and correct:<sup>1</sup>

- a) Respondent Shiraishi was employed at DOTAX as an administrative rules officer, and terminated his employment at DOTAX on or around July 2022.
- b) Respondent Shiraishi, as a former state employee, was subject to the post-employment provisions of the State Ethics Code, Haw. Rev. Stat. § 84-18.
- c) In January 2023, Respondent Shiraishi called the DOTAX rules office on behalf of his private employer to discuss a tax matter. After a disagreement about the application of the tax law, on January 23, 2023, Respondent Shiraishi sent a letter to the technical section of DOTAX regarding the same matter.

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<sup>1</sup> This Resolution does not make formal findings, but relies on the facts admitted by Respondent Shiraishi.

## II. The State Ethics Code, Haw. Rev. Stat. 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.”<sup>2</sup> 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.”<sup>3</sup> It is in this context that the Commission examines every employee’s actions.

### B. Application of the State Ethics Code to Respondent Shiraishi

Respondent Shiraishi is a former state employee for purposes of the State Ethics Code,<sup>4</sup> and is bound by the post-employment law, Haw. Rev. Stat. § 84-18.

Pursuant to Haw. Rev. Stat. § 84-18(c), a former employee is prohibited for a period of one year after leaving state service from “representing” any person or business for pay or other compensation on: (1) any matter in which the former employee participated in his or her state capacity, or (2) any matter involving official action by employee's former state agency. For purposes of the post-employment law, “the term ‘represent’ is defined as engaging in direct communication on behalf of any person or business with a state agency or subdivision thereof, or their employees.” Advisory Opinion No. 2019-5 at 2, available at <https://files.hawaii.gov/ethics/advice/AO2019-5.pdf> (internal quotation marks omitted). The purpose of the post-employment law is to “alleviate concerns that a former employee of an agency may have information and influence gained through public service that could provide a private client with an unfair or improper advantage in dealings with the agency.” Id. at 3.

The post-employment law prohibited Respondent Shiraishi from communicating with DOTAX personnel on behalf of his private employer until July 2023. Respondent Shiraishi admits he violated the post-employment law by communicating with DOTAX personnel on the phone and also in a formal letter on behalf of a private employer during his one-year post-employment period.

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<sup>2</sup> Hawai‘i State Constitution, Art. XIV.

<sup>3</sup> Haw. Rev. Stat. Chapter 84, Preamble.

<sup>4</sup> Haw. Rev. Stat. § 84-3.

### III. Resolution of Investigation

Respondent Shiraishi admits he violated the post-employment law (Haw. Rev. Stat. § 84-18(c)). He has not previously been the subject of a Commission charge or investigation. He cooperated with the Commission in its investigation. Additionally, Respondent Shiraishi was contrite when informed that his conduct violated the post-employment law.

Given the violations of the State Ethics Code, the Commission believes it is reasonable, fair, and in the public interest to resolve the investigation by (1) issuing this Resolution of Investigation, and (2) requiring Respondent Shiraishi to pay an administrative penalty of \$2,000 to the State of Hawai'i.