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PRESENTATION OF THE  
OFFICE OF CONSUMER PROTECTION  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2013  
THURSDAY, APRIL 4, 2013  
9:50 A.M.

### WRITTEN COMMENTS

TESTIMONY ON SENATE CONCURRENT RESOLUTION NO. 119, S.D. 1  
REQUESTING THE AUDITOR TO CONDUCT A STUDY OF THE POTENTIAL  
REGULATION OF UNACCREDITED DEGREE GRANTING INSTITUTIONS IN THE  
STATE.

TO THE HONORABLE DAVID Y. IGE, CHAIR,  
AND TO THE HONORABLE MICHELLE N. KIDANI, VICE CHAIR,  
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs (“DCCA”), Office of Consumer Protection (“OCP”) appreciates the opportunity to appear today and comment on Senate Concurrent Resolution No. 119, S.D. 1, Requesting the Auditor to Conduct a Study of the Potential Regulation of Unaccredited Degree Granting Institutions in the State. My name is Bruce B. Kim and I am the Executive Director of OCP.

**OCP supports an Auditor study of the regulation of unaccredited degree granting institutions (“UDGIS”).** UDGIS currently operate in Hawaii under Chap. 446E of the Hawaii Revised Statutes (“HRS”). The Internet has brought an increase in UDGIS attempting to do business in Hawaii. OCP is authorized pursuant to Chap. 446E to enforce violations of the statute under HRS §§ 446E-3 and 446E-5 as unfair or deceptive acts or practices. The current form of regulation has proven to be extremely time-consuming and labor-intensive. For example, since 1996, OCP has initiated over 497 enforcement actions relating to Chapter 446E violations. OCP concurs that a study of this industry and alternative forms of regulation is appropriate. H.C.R. No. 105, H.D. 1 is the House companion measure which is similar if not identical to S.C.R. No. 119, S.D. 1 in intent and language.

OCP looks forward to working with the Auditor on this issue.

Thank you for the opportunity to comment on Senate Concurrent Resolution No. 119, S.D. 1. I will be happy to answer any questions that the members of the Committee may have.