
SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO INVESTIGATE PROCUREMENT AND
EXPENDITURE PRACTICES OF THE DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT, AND TOURISM AND SELECTED ATTACHED
AGENCIES.

1 WHEREAS, the Department of Business, Economic Development,
2 and Tourism is charged with a wide range of responsibilities
3 that are intended to spur immediate gains as well as garner
4 long-term economic benefits for the State and Hawaii taxpayers;
5 and

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7 WHEREAS, during the past five years, as the Legislature
8 considered adopting and, in some cases, rejecting various
9 proposals advanced by the Department of Business, Economic
10 Development, and Tourism to further economic development in the
11 State, the Legislature has also been mindful of its rationale
12 for its eventual decisions; and

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14 WHEREAS, whether the proposals of the Department of
15 Business, Economic Development, and Tourism have involved the
16 High Technology Development Corporation, the High Technology
17 Innovation Corporation, the Hawaii Strategic Development
18 Corporation, overseas offices in Taipei and Beijing, energy
19 programs, various strategic marketing and enterprise zone
20 programs, and other programs of the Department, the Legislature
21 has made its decisions on the basis of the belief that related
22 public funds will be expended as the Legislature intended; and

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24 WHEREAS, the Legislature also expects the Department of
25 Business, Economic Development, and Tourism to adhere to the
26 Legislature's decisions when specific proposals of the
27 Department are not adopted; and

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29 WHEREAS, compliance with procurement and expenditure laws
30 and with other laws that govern state employee behavior and job



1 performance is an unchallenged expectation for every department
2 and employee of state government; and

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4 WHEREAS, pursuant to chapter 23, Hawaii Revised Statutes,
5 the Auditor is authorized to audit "the transactions, accounts,
6 programs, and performance of all departments, offices, and
7 agencies of the State...to discover evidence of any
8 unauthorized, illegal, irregular, improper, or unsafe handling
9 or expenditure of state funds or other improper practice of
10 financial administration..."; and

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12 WHEREAS, an examination of the documents, electronic mail,
13 and other written material of the Department of Business,
14 Economic Development, and Tourism and the testimony and behavior
15 of witnesses and officials provided to the Legislature have
16 raised considerable concern that standards are not being met and
17 state funds are not yielding defensible returns on investment;
18 now, therefore,

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20 BE IT RESOLVED by the Senate of the Twenty-fourth
21 Legislature of the State of Hawaii, Regular Session of 2008, the
22 House of Representatives concurring, that the Auditor is
23 requested to investigate procurement and expenditure practices
24 of the Department of Business, Economic Development, and Tourism
25 and selected attached agencies; and

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27 BE IT FURTHER RESOLVED that, in conducting the
28 investigation, the Auditor is requested to include but not be
29 limited to a review of the High Technology Development
30 Corporation, the High Technology Innovation Corporation, the
31 Hawaii Strategic Development Corporation, and any programs and
32 entities under each respective corporation; and

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34 BE IT FURTHER RESOLVED that the Auditor is requested to
35 investigate programs within the Department of Business, Economic
36 Development, and Tourism that include but are not limited to
37 those covering strategic marketing and support, including the
38 overseas offices, creative industries, energy and strategic
39 industries, the foreign trade zone, and general support for
40 economic development; and

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42 BE IT FURTHER RESOLVED that the Auditor is requested to
43 report findings and recommendations, including any necessary



1 proposed legislation, to the Legislature no later than twenty
2 days prior to the convening of the Regular Session of 2009; and

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4 BE IT FURTHER RESOLVED that certified copies of this
5 Concurrent Resolution be transmitted to the Auditor, the
6 Director of Business, Economic Development, and Tourism, the
7 Executive Directors of the High Technology Development
8 Corporation and High Technology Innovation Corporation,
9 respectively, and the President of the Hawaii Strategic
10 Development Corporation.

