

HB-985

Submitted on: 3/13/2023 3:09:45 PM

Testimony for JDC on 3/16/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Daniel Foley	Testifying for Commission to Improve Standards of Conduct	Support	Remotely Via Zoom

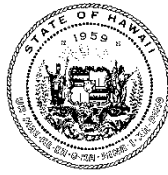
Comments:

Dear Mr. Chairman and members of the Senate Judiciary Committee,

As Chair of the Commission to Improve Standards of Conduct, I support HB 985 that would make it a class B felony for government fraud for reasons stated in the Commission's December 1, 2022 Final Report at page 20.

Mahalo, Judge Daniel Foley (ret.)

KRISTIN E. IZUMI-NITAO
EXECUTIVE DIRECTOR



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STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

March 14, 2023

TO: The Honorable Karl Rhoads, Chair
Senate Committee on Judiciary

The Honorable Mike Gabbard, Vice Chair
Senate Committee on Judiciary

Members of the Senate Committee on Judiciary

FROM: Kristin Izumi-Nitao, Executive Director
Campaign Spending Commission

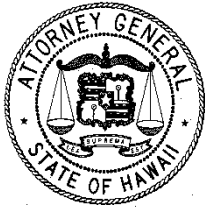
SUBJECT: **Testimony on H.B. No. 985, Relating to Government Fraud.**

Thursday, March 16, 2023
10:30 a.m., Conference Room 016 & Videoconference

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission (“Commission”) supports this bill.

This bill adds a new section to Chapter 708, Hawaii Revised Statutes (“HRS”), to establish the criminal offense of government fraud as a class C felony. The Commission supports the enhancement of criminal penalties for offenses involving public corruption. If enforced, the Commission believes that criminal penalties are the most effective remedies to deter public corruption.

The Commission requests that this Committee pass this bill.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:

H.B. NO. 985, RELATING TO GOVERNMENT FRAUD.

BEFORE THE:

SENATE COMMITTEE ON JUDICIARY

DATE: Thursday, March 16, 2023

TIME: 10:30 a.m.

LOCATION: State Capitol, Room 016

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Cheuk Fu Lui, Deputy Attorney General

Chair Rhoads and Members of the Committee:

The Department of the Attorney General (Department) strongly supports this bill and offers the following comments.

The bill seeks to address thefts and frauds committed against the state and local government by establishing the criminal offense of government fraud. It provides a means to strengthen law enforcement's ability to combat fraudulent schemes against state and local government.

Currently, the Hawaii Revised Statutes grades theft offenses based on specific monetary thresholds. In many situations, however, it is challenging for law enforcement investigators to determine the specific value stolen by an offender using a fraudulent scheme. As a result, there are substantial barriers in charging some known offenders with felony offenses.

In *State v. Atwood*, 129 Hawai'i 414 (2013), an unlicensed contractor misrepresented his license status and entered into a home remodeling contract fraudulently. The Supreme Court of Hawaii held that the prosecution lacked probable cause to charge the defendant, because the defendant intended to perform and did perform the contracted work despite the misrepresentation. The Court further held that the prosecution failed to provide a specific amount of property that was deprived as there was no showing that any money obtained by the defendant was not in exchange for the contracted work. This bill enables law enforcement to prosecute fraud against

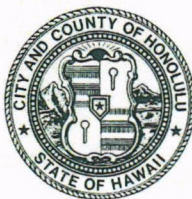
state and local government without the *Atwood* hurdle by not requiring the prosecution to prove a specific amount stolen from the government. Instead, the bill establishes a class C felony offense, regardless of the amount, for engaging in conduct to fraudulently obtain monetary benefits from the government, obtain employment with the government, or to enter into a contract with the government.

This bill fills a vital gap in Hawaii's criminal enforcement provisions. It strengthens our public corruption laws, deters individuals considering committing fraudulent schemes against the government, and punishes individuals that commit such fraudulent schemes. As a result, the measure increases the public's confidence and trust in state and local government.

Thank you for the opportunity to provide support for this bill.

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

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ARTHUR J. LOGAN
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DEPUTY CHIEFS

OUR REFERENCE PB-MS

March 16, 2023

The Honorable Karl Rhoads, Chair
and Members
Committee on Judiciary
State Senate
Hawaii State Capitol
415 South Beretania Street, Room 016
Honolulu, Hawaii 96813

Dear Chair Rhoads and Members:

SUBJECT: House Bill No. 985, Relating to Government Fraud

I am Parker Bode, Captain of the Criminal Investigation Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD supports House Bill No. 985, Relating to Government Fraud.

Public resources are misallocated and economic prosperity is degraded when a person engages in fraudulent conduct to obtain money, property, or services from the government, obtain employment with the government, or enter into a contract with the government. This bill establishes a felony offense related to government fraud and seeks to tackle deception against the government. The proposed measure will serve as a deterrent.

The HPD urges you to support House Bill No. 985, Relating to Government Fraud.

Thank you for the opportunity to testify.

APPROVED:

Sincerely,

A handwritten signature in black ink, appearing to read "Arthur J. Logan", is written over a horizontal line.

Arthur J. Logan
Chief of Police

A handwritten signature in black ink, appearing to read "Parker Bode", is written in a cursive style.

Parker Bode, Captain
Criminal Investigation Division

HB-985

Submitted on: 3/15/2023 5:57:56 PM

Testimony for JDC on 3/16/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Dara Carlin, M.A.	Individual	Support	Written Testimony Only

Comments:

Stand in Support