

**ETHICS COMMISSION
CITY AND COUNTY OF HONOLULU**



Advisory Opinion No. 17

This is in reference to the conflict of interest disclosure submitted by Employee X, an employee of the City Planning Department as a CIP Analyst, with reference to his financial interest in a real estate subdivision development which was referred to this Commission for review.

After reviewing the facts relative to Employee X's case, we are of the opinion that there is no conflict of interest between the duties and responsibilities of Employee X as a CIP Analyst and his financial interest in said subdivision.

We ruled that there was no conflict of interest in the instant case because Employee X obtained a financial interest after tentative approval for the subdivision thereof was granted by Mr. Robert Way, City Planning Director. If, however, Employee X had obtained a financial interest in said subdivision prior to the tentative approval, the Commission may have held that there may have been a conflict of interest.

Reason for the conflict of interest in the latter instance is because Employee X, as a Capital Improvements Program Analyst, would have had prior knowledge of all the public improvements which would be beneficial towards the development of said subdivision. He has an advantage over others by virtue of this position as Capital Improvements Program Analyst.

Despite the no-conflict opinion in the instant case, however, the Commission believes that officers and employees of the City, especially officers and employees of the Planning Department, should not obtain an interest in real estate developments because having such interest may give rise to the public of an appearance of a probable conflict of interest. The appearance to the public of a probable conflict of interest where officers and employees obtain an interest in real estate developments is more real than a figment of one's imagination because the City in many ways deals, handles and approves many real estate developments. In connection therewith, the Commission has decided to issue a directive to officers and employees of the City recommending that officers and employees do not acquire financial interest in real estate development^{*} If, however, a real estate development does not require any further review and approval by a City agency, the acquisition of interest by officers and employees of the City in such a development may not give rise to a conflict of interest. to minimize an appearance to the public of a probable conflict of interest.

Dated: Honolulu, Hawai'i, July 30 1971.

ETHICS COMMISSION

Very Rev. Robert R. Mackey, S.M., Chairman