



## DEPARTMENT OF THE ATTORNEY GENERAL

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### **Hawai'i Supreme Court Affirms Attorney General's Authority to Investigate Tax-Exempt Compliance of Non-Profit Organizations**

HONOLULU – In a unanimous 5-0 decision, the Hawai'i Supreme Court ruled that the Hawai'i Attorney General was fully authorized to issue a subpoena to obtain the bank records of the non-profit organization KAHEA: The Hawaiian-Environmental Alliance, to determine whether KAHEA's solicitation and use of funds to support direct actions to prevent construction on Mauna Kea violated laws and regulations governing nonprofit organizations.

"The Attorney General takes seriously its important duty under the law to ensure that non-profit organizations, which obtain financial benefits from tax exemptions and solicitation of tax-deductible donations, comply with the law," Attorney General Clare E. Connors said. "It is the obligation of the Attorney General to investigate when it appears organizations may be using their 'taxpayer-funded subsidy' in contravention of longstanding federal and state law regulating activities that are supposed to serve the public interest."

In the case of *In re Investigation of: KAHEA*, the Supreme Court ruled that the Hawai'i Attorney General has a duty to "represent the public interest in the protection of charitable assets," and that a determination of whether an investigation into non-profit organizations is in the public interest rests solely with the Attorney General. The Supreme Court refused to quash the subpoena and rejected arguments that the subpoena violated KAHEA's First Amendment rights. In its opinion, the Court held that the Attorney General's ability to issue subpoenas in the public interest "rests squarely with the Attorney General. Not with KAHEA. And not with this court."

The Supreme Court's decision affirms the well-established understanding that, in exchange for considerable tax-benefits subsidized by all taxpayers, non-profits are subject to the broad investigatory oversight of the Attorney General and to the many investigatory tools available to ensure compliance with the law.

A copy of the court's order can be found [here](#).

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