



HAWAI'I CIVIL RIGHTS COMMISSION

WILLIAM D. HOSHIJO
EXECUTIVE DIRECTOR

FOR IMMEDIATE RELEASE

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STATE CIVIL RIGHTS COMMISSION SETTLES DISCRIMINATION CASE WITH CITY & COUNTY OF HONOLULU

HONOLULU – The Hawai'i Civil Rights Commission (HCRC) today announced the settlement of a complaint alleging employment discrimination by the Honolulu Police Department ("HPD") on the basis of credit history and credit report. The no-fault settlement provides \$95,860 in monetary relief for the complainant in this case, changes to HPD's hiring policy, and training for supervisors, managers, and other employees involved in the hiring process at HPD's Career Center.

HCRC Executive Director William D. Hoshijo stated, "The state discrimination laws recognize that an individual who has less-than-perfect credit score or credit history does not mean he or she would be an unreliable employee. The law enacted in 2009 during the Great Recession was meant to eliminate discrimination against workers who, for reasons beyond their control, had fallen upon economic hard times and overextended their financial resources."

Mr. Hoshijo continued, "HPD should be applauded for eliminating the consideration of credit history and credit report in hiring, discharge, or otherwise discriminating against applicants or employees, for positions not otherwise exempted by state or federal law, or when a credit history/report check is not a bona fide occupational qualification. It is encouraging that HPD is taking affirmative steps to train its employees involved in the hiring process at HPD Career Center to prevent and eliminate discrimination based on credit history and credit report."

While state law allows employers to consider an employee's credit history or credit report for managerial or supervisory positions, and for certain other jobs as expressly permitted or required by federal or other state law, such as jobs in financial institutions,

Hawai'i Revised Statutes §§ 378-2(a)(8) and 378-2.7 prohibit employers from inquiring into and considering an employee's credit history or credit report prior to a conditional offer of employment if there is *no bona fide occupational qualification* ("BFOQ") for the position.

In enacting this prohibition against credit history and credit report discrimination in 2009, the state legislature found it was necessary to protect employees against the forced disclosure and consideration of personal information contained in an individual's credit history or credit report unless the employer could demonstrate that the information in an employee's credit history/report was directly related to a BFOQ, or the position was otherwise expressly exempt. The state legislature intended on protecting workers' right to confidentiality of their credit history and reports by creating a "balance between workers' rights and employers' needs by limiting the use of the information to situations that directly relate to an individual's bona fide occupational qualification."

The case involved a HPD hiring policy effective in 2016 that considered applicants' financial history, including applicants' credit history and credit reports. The individual who filed the complaint with the HCRC had previously worked for HPD, but upon his request to be reinstated, he was rejected because his credit history and credit report was found to be unsuitable. The case was settled during conciliation after a HCRC finding of reasonable cause to believe a discriminatory practice occurred, but before a final decision was issued by the Commission and with no admission by the City and County of Honolulu of any wrongdoing.

The Hawai'i Civil Rights Commission is responsible for enforcing state civil rights laws that prohibit discrimination in employment, housing, public accommodations, and state-funded services. If you feel you have been subjected to discrimination on any basis protected under state law, contact the HCRC at: telephone (808) 586-8636, or email DLIR.HCRC.INFOR@hawaii.gov.

For more information on discrimination on the basis of credit history and credit score in employment, go to the HCRC webpage at: labor.hawaii.gov/hcrc.

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