

OHA BUSINESS INFORMATION

No Standing - Entity Cancelled

Limited Liability Corporations:

It appears that HB2703 is an attempt to clarify the existing statute to define possible entities that may be created or formed by the agency under § 10-4 by listing them:

(4)(A) Creating nonprofit entities, including but not limited to limited liability companies and charitable fund-raising foundations, to be controlled solely by the office or jointly with others; and

(4)(B) Establishing, subscribing to, and owning stock in business corporation individually or jointly with others . . . If this is simple housekeeping, and the intent is clarification by specification, then it is just that – an expansion of the statute. It may be that it is necessary to obtain legal clarity, and the attempt is merely to mitigate future possible questions about authority already granted.

Three LLCs already are formed (info. below). They were formed before the 2008 Hawai'i Legislative Session began. The question now is whether the 2008 Hawai'i Legislature will grant the specifications, or beg the question altogether. A secondary question, however, regards the formation and the attributes of the LLC(s):

- Why are the configurations what they are?
- If the intent is to protect the trust, then why are the sole two managers of the primary LLC trust employees? Is this arms-length sufficient not to pierce the LLC corporate veil?
- Where are the headquarters of the primary LLC? Is this sufficient to maintain an arms-length not to pierce the LLC corporate veil?
- Additionally, how much has all this cost the trust? What are the future benefits? Will the trust be repaid from activities of the LLCs?
- Since the subsidiary LLC Hi'ipaka, will retain employees, does that mean that the trust is paying for the additional staff, as the office, through Hi'ilei Aloha LLC, will subsidize Hi'ipaka LLC for at least four years? Who will staff Hi'ilei Aloha LLC?
- The office has just added additional staff without any beneficiary or public input into the decision. Does this process override trustee fiduciary responsibility? Trust money is now going to be spent by decisions made by three employees rather than the board.
- The executive who will head Hi'ilei Aloha was selected unilaterally without any public process or even advertising, and the administrative assistant was simply transferred from another office division.

LLC Funding: In January 2008, Board of Trustee Action Item approved 4.25 million dollars from the Fiscal Reserve to fund the LLCs. The schedule is as follows:

Current Fiscal Year (2008): \$2.25 million

Fiscal Year 2009: \$1.25 million

Fiscal Year 2010: \$800,000

Fiscal Year 2011: \$250,000

Hi'ilei Aloha, LLC: \$600,000 (Umbrella LLC: Bernardino & Namu'o)

Hi'ipoi, LLC: \$65,000 (Makaweli Poi Mill in Waimea, Kaua'i: Namu'o & Glick)

Hi'ipaka, LLC: \$3.9 million (Waimea Valley: Scheuer & Namu'o)

Fiscal Matters: Did OHA reimburse staff for meals and issue per diem to cover meal costs?

- Total reimbursement due to Aulani Apoliona total \$13,047.89 from 01/05/06 to 03/26/06.
- Total per diem due to Aulani Apoliona total \$2,436.00 from 01/24/06 to 05/05/06 Did OHA reimburse staff for lodging, while on vacation?
- Aulani Apoliona requested vacation on 03/30/06, but requested one hotel room at the Holiday Inn Torrance in California on 03/30/06. Were there certain expenditures that are questionable use of Public Trust Funds, along with a breach in procurement laws?
- Tony Roma's Restaurant in Seattle on 03/26/06 in the amount of \$1,104.12.
- Holiday Inn Torrance on 01/24/06 in the amount of \$4,758.53. Were there certain expenditures that are questionable use of Public Trust Funds?
- Dinner at the Doubletree Hotel in San Francisco on 03/24/07 in the amount of \$1,812.56.
- Appetizers from Bon Appetite's Catering at Whittier College on 04/15/07 in the amount of \$1,475.45. Were there certain expenditures that are questionable use of Public Trust Funds, pertaining to questionable grants issued under the pretense of the Hawaiian Governance Small Grants Program (Kau Inoa)? Questionable grants issued through Hawaiian Governance Small Grants to OHA staff family members.
- Hawaiian Governance Department staff member Chantelle Belay's family members have received the following Hawaiian Governance Small Grants to register Native Hawaiians in Kau Inoa:
 - 1) Miulan Nihipali received **Grant #05-07** in the amount of \$900.00
 - 2) Sharlene P. Nihipali received **Grant #05-07** in the amount of \$950.00
 - 3) Sharlene Nihipali-Rodrigues received **Grant #06-04** in the amount of \$990.00
 - 4) Miulan Nihipali received **Grant #06-05** in the amount of \$500.00
 - 5) Sharlene Nihipali-Rodrigues received **Grant #06-08** in the amount of \$1,160.00
 - 6) Sharlene Nihipali-Rodrigues received **Grant #06-11** in the amount of \$190.00
 - 7) Miulan Nihipali received **Grant #06-29** in the amount of \$190.00
 - 8) Sharlene Nihipali-Rodrigues **Grant #06-56** in the amount of \$300.00
 - 9) Sharlene Nihipali-Rodrigues **Grant #07-07** in the amount of \$300.00.

The Hawaiian Governance Small Grants Program was developed to support the Kau Inoa registration process. The Hawaiian Governance Small Grants Program (HGSGP) awards:

- 1/2 day rate of \$150
- Full day rate of \$300
- Hourly rate of \$40 Or
- Special Event 1/2 day rate \$25
- Special Event full-day rate \$500 Or
- \$1.00 per completed registration form

On the U.S. Continent the Pay Scale for Mainland Hawaiian Civic Clubs is below. Why is the compensation for the Hawaiian Governance Small Grants Program (Kau Inoa) grants program different depending on residency.

- \$3.00 per Kau Inoa registration up to 999
- \$5.00 per Kau Inoa registration from 1,000 to 1,500
- \$10.00 per Kau Inoa registration beginning with \$1,501
- Up to \$80,000 per year . Although the above pertains to the HGSGP awards to support the Kau Inoa registration process, the example grants below are issued by the Administrator under the façade of HGSGP. These HGSGP awards were unreported and in addition to the Administrative Grants awarded

through GSPD funds located in the Department previously known as Planning, Research, Evaluations, and Grants. **Within OHA, these funds are referred to as the Administrator's reserved or slush funds, which are estimated to exceed \$400,000.**

- AOHCC (O'ahu Council) - \$5,000 (05/25/04)
- JACL - \$10,000 (06/02/04)
- CNHA - \$20,000 (06/02/04)
- SCHAA - \$15,000 (06/03/04)
- AOHCC - \$23,000 (06/12/04)
- Mainland Council of AOHCC - \$7,764.82 (06/13/04)
- CNHA - \$4,750 (08/18/04)
- AOHCC - \$8,210 (091604)
- AOHCC (O'ahu Council) - \$24,500 (01/20/05)
- KS - \$11,125 (0204/05)
- Moku O Kaleponi, Inc. - \$25,000 (04/05/05)
- Hawai'i Maoli - \$24,072 (06/15/05)
- AOHCC (O'ahu Council) - \$22,200 (06/15/05)
- Moku O Kaleponi, Inc. - \$25,000 (12/12/05)
- AOHCC (O'ahu Council) - \$10,000 (02/14/06)
- Hawai'i Book & Music Festival - \$5,000 (06/27/06)
- AOHCC (Mainland Council) - \$3,500 (01/31/07)
- AOHCC - \$20,000 (2007)
- AOHCC - \$2,000 (2007)
- Hawai'i Book & Music Festival - \$18,000 (04/30/07)

OHA's questionable relationship with Hawai'i Maoli.

Hawai'i Maoli applied for two grants through GSPD. The grants were removed from the GSPD process (personally selected by Administration) and funded through Hawaiian Governance Small Grants Program:

- \$9,440 on 06/08/07 (Kamehameha Statue Lei Draping Ceremony)
 - \$9,100 on 06/08/07 (Annual Lei Draping Ceremony - King Kamehameha Statue in Washington DC)
- Hawai'i Maoli received a \$25,000 grant from OHA's Economic Development Department to sponsor OHA's Economic Conference. Hawai'i Maoli accepted the \$25,000 knowing that they would retain \$5,000 and return \$20,000 to OHA. By doing so (filtering the monies), OHA named Hawai'i Maoli as a sponsor of their Economic Conference. Hawai'i Maoli received two grants from the Education Department cost center, after \$650,000 was moved from "Services on a Fee Basis" to "Grants in Aid."

"Service on a Fee Basis" funds were approved by the Board of Trustee for specific purposes, not "Grants in Aid."

The grants are:

- Ku'u Kilohana Aloha in the amount of \$20,000
- Manaleo in the amount of \$70,000 Grants were not subject to the GSPD process. These grants were allegedly written (Keith Kalani Akana) and approved by Education Department staff.

1) Please describe the compensation associated with the Kau Inoa small grants program.

Option One: OHA to pay approved costs directly

Option Two: Grantee to pay approved costs and seek reimbursement from OHA

Option Pay Scales:
½ day rate of \$150
Full-day rate of \$300
Hourly rate of \$40 for (date and time)
Special Event ½ day rate \$250
Special Event Full-day rate \$500

2) Can you please give examples of past activities associated with each pay scale?

3) Does the compensation for the Kau Inoa small grants program vary depending on residency?

- On the U.S. Continent the following is the Pay Scale:
- Currently, Mainland Hawaiian Civic Club(s) receive:
- \$3.00 per Kau Inoa registration up to 999
- \$5.00 per Kau Inoa registration from 1,000 to 1,500
- \$10.00 per Kau Inoa registration, beginning with 1,501
- Up to \$80,000 per year

4) Why is there a difference in Pay Scales, between Hawaii and the U.S. Continent? Where is the parody, understanding that the majority of Native Hawaiians reside in Hawaii?

5) Who owns the Kau Inoa database? Does OHA have access to the database?

According to the **grant contract 1867** between the Office of Hawaiian Affairs and Hawaii Maoli, the grant states:

“OHA desires full and complete electronic access to all such data Grantee (Hawaii Maoli) has diligently collected, compiled, and maintained to date as well as to all future data Grantee shall collect, compile and maintain.”

6) If an individual registers for Kau Inoa will their contact information be used to disseminate information on the Akaka Bill?

According to the June 12th (2007), Hawaiian Recognition: Live Call-in TV Show hosted by Brickwood Galuteria, Haunani Apoliona (Aulani Apoliona’s younger sister who is a Lead Advocate in the Hawaiian Governance Department at OHA), during the closing remarks held up a Kau Inoa bumper sticker and encouraged all Native Hawaiians to register for Kau Inoa – so they (those who registered for Kau Inoa) may be contacted. – It appears that registering for Kau Inoa means that you support the Akaka Bill, according to Haunani Apoliona. – As she did associate Kau Inoa and the Akaka Bill through her actions.

7) What is the cost associated with the Kau Inoa merchandise?

Office of Hawaiian Affairs most recently expended:

- an estimated \$105,000 to \$110,000 on a 10 month supply of Kau Inoa t-shirts
- an estimated \$20,000 to \$25,000 on Kau Inoa bumper stickers, pens, luggage tags, banners, mail, stickers, baseball caps, and wristbands
- an estimated \$170,000 to \$175,000 on Kau Inoa registration packets (forms, letterheads, brochures, envelopes), which includes the Hooulu Lahui Aloha newsletter and Kau Inoa (event) postcards.

8) How much has Hawaii Maoli been paid to maintain the Kau Inoa repository?

According to **Contract 1867** between the Office of Hawaiian Affairs and Hawaii Maoli, compensation is estimated at \$611,028 from October 6, 2005 to present – 2 years and 2 months. Furthermore, according to **contract 1867: “continually provide OHA full and complete electronic access to any and all data compiled, collected and maintained”**

9) Unpublished Kau Inoa Grants (see attached). Theses funds are:

- Designated as discretionary funds for the Administrator (the Administrator’s slush funds);
- Beyond funds designated under the OHA Community Grants Programs (Board of Trustee Initiatives and Administrative Grants);
- Not reported to the Trustees;
- Not reported in OHA’s Grants Annual Reports;
- Allows Administrator to make multiple awards to specific agencies and organizations that have already received funds through OHA’s Community Grants Program. Awards in duplicate;
- Allows the Administrator to release funds to agencies and organizations on the continent, which is not permissible under the OHA Community Grants Program;
- Used to buy favors from agencies and organizations. For example, requesting agencies and organizations to support Kau Inoa and testify on OHA’s behalf to support their Legislative Initiatives; and
- Approved by the BOT under the guise of the Hawaiian Governance Small Grants Program, grants awarded for operating a Kau Inoa registration booth or other such effort.

BUSINESS INFORMATION

No Standing - Entity Cancelled

Master Name: HI’ILEI ALOHA LLC

Business Type: Name Reservation

File Number: 7004010 R7

Status: Cancelled

Place Incorporated: Hawaii, U.S.

Registration Date: Aug. 6, 2007

Expiration Date: Dec. 4, 2007

Agent Name: Paul, Johnson, Park & Niles, Attorney’s at Law

A Law Corporation (C5) By Sheryl L. Nicholson, VP

Date: Oct. 1, 2007

Code: Cancellation of Name - Reservation

Remarks: Cancellation of Name - Reservation

Date: Aug. 6, 2007

Code: Reservation of Name

Remarks: Reservation of Name

BUSINESS INFORMATION

Purchase a Certificate of Good Standing for this business:

Master Name: HI’ILEI ALOHA LLC

Business Type: Domestic Limited Liability Company (LLC)

File Number: 56219 C5

Status: Active

Place Incorporated: Hawaii, U.S.
Registration Date: Oct.1, 2007
Mailing Address: 711 Kapiolani Blvd.
5th Floor
Honolulu, Hawaii 96813
United States of America

Partner Terms: At – Will

Managed By: Manager (s)

Agent Name: Clyde W. Namuo

Agent Address: 711 Kapiolani Blvd.
5th Floor
Honolulu, Hawaii 96813
United States of America

Name	Office	Date	
Namu'o. Clyde W.	MGR	Oct. 1, 2007	
Bernadino, Mona	MGR	Oct. 1, 2007	
Date	Code	Remarks	
Oct. 1, 2007	Articles of Incorporation	Articles of Incorporation	

BUSINESS INFORMATION

No Standing - Entity Cancelled

Master Name: HI'IPOI LLC

Business Type: Name Reservation

File Number: 7004202 R7

Status: Cancelled

Place Incorporated: Hawaii, United States

Registration Date: Dec., 2007

Expiration Date: Apr. 1, 2008

Agent Name: Paul, Johnson, Park & Niles, Attorney's at Law
A Law Corporation (C5) By Sheryl L. Nicholson, VP

Date: Jan. 17, 2007

Code: Cancellation of Name - Reservation

Remarks: Cancellation of Name - Reservation

Date: Dec. 3, 2007

Code: Reservation of Name

Remarks: Reservation of Name

BUSINESS INFORMATION

Purchase a Certificate of Good Standing for this business:

Master Name: HI'IPOI, LLC

Business Type: Domestic Limited Liability Company (LLC)

File Number: 58669 C5

Status: Active

Purpose: (SEE ARTICLES)

Place Incorporated: Hawaii, U.S.

Registration Date: Jan.17, 2007
Mailing Address: 711 Kapiolani Blvd.
5th Floor
Honolulu, Hawaii 96813
United States of America

Partner Terms: At – Will

Managed By: Manager (s)

Agent Name: Clyde W. Namuo

Agent Address: 711 Kapiolani Blvd.
5th Floor
Honolulu, Hawaii 96813
United States of America

Name	Office	Date	
Namu'o. Clyde W.	MGR	Jan. 17, 2007	
Glick, Mark	MGR	Jan. 17, 2007	
Date	Code		Remarks
Jan. 17, 2007	Articles of Incorporation		Articles of Incorporation

BUSINESS INFORMATION

No Standing - Entity Cancelled

Master Name: HI'IPAKA, LLC

Business Type: Name Reservation

File Number: 7004198 R7

Status: Cancelled

Place Incorporated: Hawaii, U.S.

Registration Date: Nov. 30, 2007

Expiration Date: Mar. 29, 2007

Agent Name: Paul, Johnson, Park & Niles, Attorney's at Law
A Law Corporation (C5) By Sheryl L. Nicholson, VP

Date: Dec. 5, 2007

Code: Cancellation of Name - Reservation

Remarks: Cancellation of Name - Reservation

Date: Nov. 30, 2007

Code: Reservation of Name

Remarks: Reservation of Name

BUSINESS INFORMATION

Purchase a Certificate of Good Standing for this business:

Master Name: HI'IPAKA, LLC

Business Type: Domestic Limited Liability Company (LLC)

File Number: 57689 C5

Status: Active

Place Incorporated: Hawaii, U.S.

Registration Date: Dec. 5, 2007

Mailing Address:

711 Kapiolani Blvd.
 5th Floor
 Honolulu, Hawaii 96813
 United States of America

Partner Terms: At – Will**Managed By:** Manager (s)**Agent Name:** Clyde W. Namuo

Agent Address: 711 Kapiolani Blvd.
 5th Floor
 Honolulu, Hawaii 96813
 United States of America

Name	Office	Date
Namu'o. Clyde W.	MGR	Dec. 5, 2007
Scheuer, Jonathan Likeke	MGR	Dec. 5, 2007

Date	Code	Remarks
Dec. 5, 2007	Articles of Incorporation	Articles of Incorporation

BUSINESS INFORMATION**Master Name:** Makaweli Poi Mill**File Number:** 58669 C5**Certificate Number:** 4060969**Status:** Active**Purpose:** Producing, Preparing or Selling Poi and other Taro products at Wholesale or Retail**Classification:** 0 – No category Selected**Expiration Date:** Mar. 2, 2013**Registration Date:** Mar. 03, 2008

Mailing Address: 711 Kapiolani Blvd.
 5th Floor
 Honolulu, Hawaii 96813
 United States of America

Registrant: Hi'ipoi LLC**Agent Name:** Clyde W. Namuo

Agent Address: 711 Kapiolani Blvd.
 5th Floor
 Honolulu, Hawaii 96813
 United States of America

Date	Code	Remarks
Mar. 3, 2008	Application for Registration of TN/TM/SM	Application for Registration of TN/TM/SM\