

KSBE

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April 13, 2000

Mr. Robert Watada
Executive Director
Campaign Spending Commission
Leiopapa A Kamehameha Building
235 S. Beretania Street, Room 300
Honolulu, Hawaii 96813

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Dear Mr. Watada:

Re: Campaign Spending Commission Docket Nos.
98-08, 98-09, and 98-10

The Department of the Attorney General has conducted an extensive investigation into the three cases identified by the docket numbers above. Our charging decisions are described below. The Campaign Spending Commission may choose to pursue administrative sanctions against all, some, or none of the individuals and entities we have chosen not to criminally prosecute. Because there is a difference between criminal prosecution and administrative sanctions in the quantum and quality of evidence needed, the Campaign Spending Commission is free to make a completely independent decision regarding whether or not the Commission will take further action.

We are sending, in banker's boxes and zip disks, documents and transcripts of interviews obtained during the course of our investigation. These materials should assist the Commission in making decisions on this matter. The documents and transcriptions of interviews produced during the course of this investigation are voluminous. The relevant materials will be delivered to the Campaign Spending Commission in the near future, along with the index to those materials. However, for the convenience of the Commission, documents of particular significance are attached to this letter. This letter will not address

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potential offenses outside the jurisdiction of the Campaign Spending Commission, such as federal violations related to illegal lobbying by tax exempt organizations.

I. Charging Decisions

A. Marshall K. Ige

On July 13, 1999 a warrant for the arrest of Marshall K. Ige was issued. Ige was charged with five counts of various campaign spending violations, False Swearing in Official Matters and Unsworn Falsification to Authorities. Because two of the campaign spending violations are charged in the alternative, the maximum number of counts for which Ige can be convicted is six, even though seven counts are charged. Attachment 1 is the Complaint, Application For Warrant of Arrest, Order, and Affidavit in Support of Warrant of Arrest (along with supporting Exhibits 1-10).

Ige has filed various motions to dismiss the complaint. Those motions and the State's motion to determine the voluntariness of the statements Ige gave when interviewed by investigators will be heard by the court on May 23, 2000 and June 13, 2000. After the motions are heard, Judge Sandra Simms will set the case for trial. Because Ige's charges are pending, no further comment will be made regarding this referral.

B. Caryn N. Ige

Caryn N. Ige is the wife of Marshall K. Ige. She is also his campaign treasurer. Because of her position as campaign treasurer, Caryn Ige was subject to potential criminal liability. A person cannot be compelled to give testimony in which they could incriminate themselves. Therefore, Mrs. Ige could not be forced to testify on the subject of Marshall's alleged campaign spending violations as long as the possibility of criminal sanctions against her remained.

However, a person who would otherwise be subject to criminal sanctions may be required to testify if they are granted immunity from prosecution. In this case, Caryn Ige

was granted immunity from prosecution and was required to testify. Therefore, she will not be prosecuted.

C. Milton Holt

During the period of time in question, Milton Holt was a State Senator and also an employee of the Bishop Estate. He was investigated by both the Hawaii Department of the Attorney General and by the federal government. Because of Mr. Holt's conviction and subsequent sentencing in federal court, he will not be prosecuted by the State of Hawaii for the same behavior.

D. Franklin Kudo

Franklin Kudo was the campaign treasurer for Milton Holt. While it appears that fault may, in hindsight, be found with Mr. Kudo's actions, or lack thereof, it is the opinion of the Department of the Attorney General that his sanctions, if any, should be administrative in nature and not criminal. Mr. Kudo's actions do not warrant criminal prosecution.

E. Namlyn Snow

During the period of time in which the offenses under investigation were alleged to have occurred, Namlyn Snow was the Director of the Government Relations Division of the Bishop Estate. As Director of this division, she was Senator Milton Holt's supervisor. During the period of the Attorney General's investigation, Ms. Snow was suffering from a serious, ultimately fatal, medical condition. From the evidence obtained during the investigation, it appeared that Ms. Snow might have violated one or more statutes in her attempts to assist politicians, Bishop Estate trustees, and Bishop Estate employees.

However, due to her medical condition, no statement was ever taken from Ms. Snow. Therefore, the evidence that tends to incriminate Ms. Snow must be tempered by the acknowledgement that her side of the story was never heard. For obvious reasons, there will be no charge against Ms. Snow.

F. Allen Kajioaka

Alan Kajioaka's firm does architectural work for the Bishop Estate. The investigation of Allen Kajioaka is still pending, so no comment will be made regarding this referral.

G. Yukio Takemoto

Yukio Takemoto is a principal executive for the Bishop Estate. The statements of witnesses, including Mr. Takemoto, indicate that after a meeting at Bishop Estate with Robert Akinaka, Mr. Takemoto asked if Mr. Akinaka could help Senator Milton Holt. Mr. Akinaka's firm performs engineering services for the Bishop Estate. Mr. Akinaka agreed to help.

At the time he agreed to help, Mr. Akinaka believed that he would be asked at some point in the future to make a contribution to Senator Milton Holt's campaign. He did not know what amount he would be asked to contribute.

285- Subsequent to Mr. Akinaka's agreement to help, Allen Kajioaka left a message for Mr. Akinaka at Mr. Akinaka's office saying that an invoice from Ryan's Graphics would be delivered to Mr. Akinaka's firm, "via Yuki Takemoto". Mr. Akinaka later received an invoice for over \$4,000 from a firm by the name of Ryan's Graphics. Although Mr. Akinaka had never done business with Ryan's Graphics, he paid the invoice because of his previous promise to Yukio Takemoto to help.

The message left by Mr. Kajioaka could lead to an inference that Mr. Takemoto's involvement was more than a simple request that Mr. Akinaka help Senator Holt. While there is insufficient evidence to charge Mr. Takemoto with a criminal violation of Chapter 11, he should not have been engaged in political fundraising following a meeting in which he represented a tax exempt organization.

H. Ronald N.S. Ho

Ronald N. S. Ho is an engineer whose firm does business with Bishop Estate. He was asked by Mr. Kajioaka

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to pay a false invoice of over \$4,000 to Ryan's Graphics.
Mr. Ho paid the invoice.

While it appears that fault may, in hindsight, be found with Mr. Ho's actions, it is the opinion of the Department of the Attorney General that his sanctions, if any, should be administrative in nature and not criminal. Mr. Ho's actions do not warrant criminal prosecution.

I. John Okita

John Okita is an architect whose firm does business with Bishop Estate. He was asked by Mr. Kajioka to pay a false invoice of over \$4,000 to Ryan's Graphics. Mr. Okita paid the invoice.

While it appears that fault may, in hindsight, be found with Mr. Okita's actions, it is the opinion of the Department of the Attorney General that his sanctions, if any, should be administrative in nature and not criminal. Mr. Okita's actions do not warrant criminal prosecution.

J. Richard Sato

Richard Sato is an engineer whose firm does business with Bishop Estate. He was asked by Mr. Kajioka to pay a false invoice of over \$4,000 to Ryan's Graphics. Mr. Sato paid the invoice.

While it appears that fault may, in hindsight, be found with Mr. Sato's actions, it is the opinion of the Department of the Attorney General that his sanctions, if any, should be administrative in nature and not criminal. Mr. Sato's actions do not warrant criminal prosecution.

K. Robert Akinaka

As previously mentioned, Robert Akinaka is an engineer whose firm does business with Bishop Estate. He was asked by Mr. Kajioka to pay a false invoice of over \$4,000 to Ryan's Graphics. Mr. Akinaka paid the invoice.

While it appears that Mr. Akinaka's actions may have been unwise, it is the opinion of the Department of the

Attorney General that Mr. Akinaka's actions clearly do not warrant criminal prosecution. It should be noted that Mr. Akinaka was cooperative with the Department of the Attorney General from the very outset of the investigation.

L. Non-Natural Persons (Organizations)

The organizations listed below, for the purposes of Chapter 11 of the Hawaii Revised Statutes, may be considered "persons". However, §11-191 of the Hawaii Revised Statutes defines "individual" as a "natural person". The statutory authority for criminal prosecutions under Chapter 11 of the Hawaii Revised Statutes is contained in §11-229. Those who are subject to criminal prosecution under §11-229 are "individuals". Therefore, none of the entities listed below will be subject to a criminal prosecution. Sanctions against these organizations, if any, should be administrative in nature and not criminal.

1. Friends For Marshall Ige
2. Friends of Milton Holt
3. Kamehameha Schools/Bishop Estate
4. Kajioaka, Okada, Yamachi Architects, Inc.
5. Okita, Kurimitsu & Associates, Inc.
6. Sato & Associates, Inc.
7. Akinaka & Associates, Inc.

II. Use of Bishop Estate Vendors to Pay For Campaign Debts of Former Senator Milton Holt

Milton Holt was a State Senator and also a Bishop Estate Special Projects Officer during 1994 - 1996. He and his superior, Government Relations Manager Namlyn Snow, participated in two schemes involving five different Bishop Estate vendors. The schemes used these five vendors to directly pay for the campaign printing expenses of Marshall

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Ige and Milton Holt. These payments involved approximately \$48,000. They were disguised to appear to be legitimate business expenses for the five vendors.

In each case the amount paid exceeded state campaign spending limits for individual donations. The printer, Ryan's Graphics, was also given non-competitive bidding work by the Estate, some of which was at rates somewhat higher than rates available through other comparable vendors.

The five vendors who paid the Holt and Ige campaign expenses are all firms who provide architectural and engineering work to the Bishop Estate. One of them, Kajioaka, Okada, Yamachi Architects received a very large contract to design the first of the neighbor island Kamehameha School campuses.

The services these companies provided were on a non-bid basis to the Bishop Estate via the Bishop Estate Office of Budget and Review. This office was created when Yukio Takemoto was hired in early 1995. Prior to that time, the Kamehameha Schools' architectural, engineering, and renovation work was contracted by the Schools' personnel.

We discovered no evidence of direct threats. However, during the mid-90's, Hawaii was in the midst of a construction slump. As one engineer put it, they were just grateful to have any paying customers. One of the firms that agreed to pay campaign debts was forced to downsize from fifty employees to seven. This firm considered any action to ingratiate themselves with the Bishop Estate a near necessity for survival. All of these vendors were particularly vulnerable. Their contracts with the Bishop Estate were so large that they were worth protecting by paying money to help politicians when Bishop Estate employees made requests for the firms to do so.

Milton Holt used Starr Seigle McCombs as his media and advertising consultants during his failed 1996 State Senate primary election campaign. Starr Seigle used Ryan's Graphics to do Holt's printing. After the campaign, Holt owed Ryan's Graphics approximately \$12,000 for printing placed directly by the Holt campaign. Sometime after the

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primary election, Neal Kunimura placed a telephone call to Holt and asked him to clear his outstanding billing. Holt agreed. Within a week later, Kunimura received a telephone call from Namlyn Snow. He was instructed to split the outstanding bill among three companies and to then send invoices to these firms. (Testimony of Neal Kunimura, August 27, 1998, included as Attachment 2)

As a result, on December 30, 1996, Ryan's sent invoices for \$4,111.48 each to Kajioaka Okada Yamachi Architects ("KOYA"), to Ronald N. S. Ho & Associates, Inc., and to Richard Sato (of Sato and Associates). (Testimony of Clyde Kunimura, August 27, 1998, included as Attachment 3) Checks were received from those companies by Ryan's between January 14, 1998 and February 8, 1998. In total, Ryan's received \$12,334.44 on Holt's behalf. See chart and supporting documents included as Attachment 4.

Sometime after Nam Snow's first instruction on behalf of Holt, she again called Neal Kunimura and issued instructions that he pay money to Starr Seigle on behalf of Milton Holt's campaign. She supplied him with the names of four firms to which he should send bogus invoices: Akinaka & Associates, Ltd.; Okita, Kunimitsu & Associates, Inc.; KOYA; and Ronald N. S. Ho & Associates, Inc. (Testimony of Neal Kunimura, Attachment 2)

Sometime in December 1996 or January 1997, Robert Y. Akinaka of Akinaka & Associates, Ltd. attended a construction meeting with Yukio Takemoto, Principal Executive of the Estate's Budget and Review Group. At the conclusion of the meeting Takemoto mentioned to Akinaka that Milton Holt still had a lot of campaign expenses, and that "they" were trying to help Holt. Akinaka said that he would be willing to help out. Takemoto told him that Allen Kajioaka would be in touch with him. (Testimony of Robert Akinaka, July 24, and August 14, 1998, included as Attachment 5)

On January 24, 1997 at approximately 11:00 a.m. Allen Kajioaka left the following message for Akinaka at Akinaka's office: "Allen Kajioaka-sending invoice from Ryan's Graphics via Yuki Takemoto. Call Allen-949-7770" (Attachment 6)

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In January or February 1997 Allen Kajioka contacted two other firms directly: Ronald N. S. Ho and Okita, Kunimitsu & Associates, Inc. and asked for their help with certain expenses. Okita agreed, believing that to do so would help his firm's relationship with KSBE. Ho claimed that he agreed only to help Kajioka with certain expenses, but did not know that they were for Milton Holt. Ho is a brother-in-law of Jack Seigle, Starr Seigle executive and principal. (Testimony of Ronald N. S. Ho, July 24, and 27, 1998, Attachment 7; Allen Kajioka, July 27 and 28, 1998, Attachment 8; and John Okita, July 28, 1998, Attachment 9)

On January 21, 1997 Clyde Kunimura issued bogus invoices to the four companies. (Testimony of Clyde Kunimura, Attachment 3; and chart with supporting documents included as Attachment 4) Between January 28, 1997 and February 14, 1997 Ryan's received checks from the Ho, Okita, Akinaka, and Kajioka firms. (Attachment 4)

Clyde Kunimura made contact with an accountant at Starr Seigle, Teri Ann Tanaka, to advise her that Ryan's was going to be making a payment on Holt's account. He was referred to John Sutton, Starr Seigle CFO. When he told Sutton that Ryan's was intending to make the payment, Sutton replied to the effect of: "great, 'cause he owes me a lot of money." (Clyde Kunimura, Attachment 3)

Ryan's adopted a fiction under which it "refunded" Starr Seigle for earlier payments Ryan's supposedly received for the printing it provided to Starr Seigle for the Holt campaign. On February 28, 1997, Ryan's Graphics ultimately paid Starr Seigle \$18,690.68. (Attachment 10)

At some point, Clyde Kunimura re-contacted Tanaka and asked for an accounting of the Starr Seigle invoices issued to Holt's campaign which were credited by Starr Seigle as a result of the Ryan's payment. (Clyde Kunimura, Attachment 3, and Interview of Terri-Ann Tanaka, June 12, 1998, included as Attachment 11)

On February 21, 1997 Tanaka sent internal e-mail to Jack Seigle regarding the Ryan's payment: "A list that they sent with the check was their invoice numbers, the

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amount they refunded is the gross plus tax, they are giving us the commission. We are supposed to send Ryan's a letter listing which Holt invoices we are applying the check to, please let me know if you want me to deposit the check."
(Attachment 12)

On February 23, 1997, Seigle replied in his e-mail: "Okay to deposit. We should just credit the Holt campaign on basis that Ryan's was paid direct, that seems to work."
(Attachment 12) On February 28, 1997 Tanaka issued a memorandum to Clyde Kunimura listing the invoices to which the Ryan's payments were credited. (Attachment 13)

III. Use of Political Office to Obtain Campaign Contributions

According to a Bishop Estate land management executive, after testifying in front of legislative committees, he would often receive bundles of campaign fundraiser tickets from the legislators to whom he had just testified.

I mean my experience is every time you testify before a committee, inevitably that committee chair puts you in their campaign mailing list and you, as an interested party, and when they have a campaign fund-raiser they, they send you a couple of tickets, or some will send you a couple, some will send you a book, some will get aggressive and send you a whole bunch.

Attachment 14, 5/26/99 interview, tape 1, page 3.

The Bishop Estate had an institutionalized plan for handling fundraiser tickets employees received. Employees who were sent fundraising tickets by legislators were instructed to forward the tickets to Namlyn Snow, Director of the Government Relations Division of the Bishop Estate. Ms. Snow would distribute the tickets to Bishop Estate Trustees, Bishop Estate Employees, or Bishop Estate vendors. (See A.G. # 000019493, included as Attachment 15.)
Note that politicians sent as many as 1200 fundraiser

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tickets at one time. (Attachment 16, 5/24/99 interview, p. 20)

If violations of Chapter 11 were associated with the above-described behavior, the Campaign Spending Commission may choose to consider administrative sanctions. However, even if the above described behavior involved no violations of law, the Campaign Spending Commission may choose to propose legislation designed to end the practice.

Citizens who testify before the legislature are entitled to have their presentations judged on the merit of their ideas. There should not even be the appearance that the testimony will fall on more receptive ears if the testifier is generous when a legislator asks them to contribute.

One of the primary hallmarks of a healthy democracy is that all citizens will be treated equally, without regard to irrelevant considerations such as one's ability or willingness to contribute to political campaigns. Even the appearance that one can buy access to a legislator or buy a more receptive legislative ear with campaign contributions causes disrespect for the democratic process.

Therefore, after reviewing the extensive documentation delivered with this letter, the Campaign Spending Commission may wish to consider legislative proposals designed to eliminate any appearance that a person could gain easier access to a legislator, or gain a more receptive attitude by a legislator, by making campaign contributions.

IV. Possible False Identification of Cash Donations As Loans From the Candidate

Our investigation revealed the possibility that candidates could steal money from their campaign by falsely reporting cash donations to committees as personal loans from the candidate. The scheme works as follows:

1. Contributor makes cash donation to candidate;

2. Candidate or his treasurer takes the cash and deposits it into a personal checking or savings account or deposits it into a business account over which the candidate has control;
3. Candidate writes a check to the campaign committee for the same amount (or similar amount) as the cash contribution that had been deposited into that account, and then identifies it as a personal loan from the candidate (or a loan from the business over which the candidate exerts control) to the candidate's campaign committee;
4. After the election, the candidate is repaid for the bogus loan;
5. Thus, a cash contribution to the candidate's campaign committee is diverted to the personal wealth of the candidate (or the wealth of the business he controls).

V. Unhealthy Symbiotic Relationships Between Special Interests and Legislators - The Bishop Estate As a Case Study

The Bishop Estate Government Relations Division devoted a substantial amount of Bishop Estate time and money entertaining Hawaii politicians. Attachment 17 is a copy of a July 21, 1999 memorandum regarding credit card use by Bishop Estate Employees related to entertaining legislators, along with the supporting documents. Attachment 18 is a memorandum regarding Milton Holt's use of his Bishop Estate credit card to entertain fellow legislators, as well as his abuse of the credit card, along with supporting documents.

Attachment 19 is the title page, table of contents and section three of a document prepared by the Government Relations Division of the Bishop Estate. The document is entitled Strategic Planning Retreat, Lobbying Alternatives

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and Policies. The entire document is included within the banker's boxes transmitted along with this letter.

This attachment is included as an example of how a large, wealthy, and powerful organization can use its resources to assist public officials. Once such help is accepted, there is at least the appearance that the elected official is indebted to the organization that helped elect him or her.

This attachment is included as an example of how the practice works. There should be no conclusion that the Bishop Estate Government Relations Division was the only, or even the most successful, organization to employ these techniques. The Commission may wish to consider whether or not legislation should be proposed to end practices that give the appearance that private organizations have undue influence over elected officials.

During the period of time during which Attachment 19 was drafted, the Bishop Estate had ten "Legislative Teams" assigned to monitor government actions, track legislation, draft testimony, and present testimony. However, there were other, additional activities of the Government Relations Division (GRD) which cause great concern. ✓

Our investigation reveals that members of the Bishop Estate Government Relations staff have engaged in the following political activities (the activities of greatest concern are underlined):

1. Drafting legislative proposals;
2. Creating and/or nurturing key legislative networks;
3. Making personal monetary contributions to campaign committees;
4. Paying for supplies, resource materials and refreshments for special political activities and legislative strategy meetings.

5. Arranging for introduction of state party and civic club convention resolutions;
6. Coordinating and writing legislative committee reports;
7. Drafting legislative amendments and compromise legislation;
8. Writing and submitting letters to the editor;
9. Writing floor speeches for key legislators;
10. Maintaining membership in private clubs and organizations who share similar Hawaiian and property rights interests;
11. Drafting testimony for support network members;
12. Planning coordinating and implementing demonstrations, rallies and legislative receptions;
13. Establishing maintaining and mobilizing a legislative network;
14. Implementing phone trees, recruiting call-in, letter-writing and/or in-person legislative visits on key issues;
15. Maintaining copies of any correspondence sent or received by members of the networks regarding a number of special issues;
16. Providing manpower for sign holding, door-to-door canvassing, coffee hours, district-wide dinners, membership and strategy meetings;
17. Drafting campaign literature, newspaper ads and radio commercials;

18. Stuffing envelopes and;
19. Undertaking a variety of other campaign-related activities for various federal, state and local candidates.

(Attachment 19)

On page 9 of Attachment 19 (stamp number 050912) the author of the report tries to justify the political activities of the Government Relations Division ("GRD") employees by drawing a somewhat strained distinction between "official" actions and "GRD staff acting on their own time":

Officially (emphasis in original), GRD has not undertaken any activity that could be considered lobbying, such as trying to block legislation adverse to KSBE, or actively supporting legislation helpful to KSBE interests, or drafting and arranging introduction of legislation vital to KSBE.

However, it is important to note for the purposes of this report that many of these lobbying activities which remain independent and outside of the official activities of GRD have been initiated by and involve members of the GRD staff acting on their own time and at their own expense.

Upon interviewing Government Relations Division staff, it became obvious that this was not only an artificial distinction, but that, in practice, there was no distinction at all. In fact, the two paragraphs quoted above are simply false. Attachment 20 is a transcription of an interview, of a former Government Relations Division employee. She gave the following explanation of the fiction of "GRD staff acting on their own time":
(Witness - "LS"; Special Investigator John Tsukayama - "JT"; Special Investigator Terry Pennington - "TP")

JT And did you have the impression that she
[Namlyn Snow] would want you to attend

[fund-raisers] or was it just a matter of if you felt like going she had tickets?

LS No, I had to attend. I'm gonna be honest. I had to. She told me it was part of my job.

JT And when did she tell you that?

LS When I told her I didn't like going to fund-raisers and I didn't like socializing.

JT And a,

LS She told me it was part of my job.

JT Whose fund-raisers do you remember being sent to?

LS Rene Mansho, (inaudible) and everybody, everybody. Milton Holt, John DeSoto, I can't remember. I think almost every one I had to go.

JT Now what was it about these things that you didn't personally like doing?

LS First of all I don't drink. Secondly, a lot of these fund-raisers were like after work and I had a son in high school who played sports. And to me I was, I wanted to be there. And a lot of times these notices were given like two hours before the event and I had to make changes in my family's, and I don't know I'm just not one to socialize and say "hi" and so and so and I just felt uncomfortable doing those things.

* * *

JT What things were happening that you didn't think were right?

LS A lot of things. I don't, I don't know if I want to talk about it. Do I have to talk

about it? Not right is when I, I take surgery and I can't take sick leave because we're in session and I got to come straight from the doctor's office to work. Not right is when I have a son and I can't even go watch him play basketball cause I'm stuck at eleven o'clock at the capitol.

LS I'm sorry. Not right when she screamed and yelled at me and she humiliated, she humiliated me in front of people. Not right when she sent me to the capitol to go take the jerks when they never told me anything about what was gonna happen at the hearing. Not right when its Hurricane Iniki and she calls my house to go hold signs and my husband slams the phone on her and says my wife is not holding signs during Hurricane Iniki.

JT Who was that for?

LS I can't remember. He said there's a hurricane and I said and then we got into an argument because I said I'm gonna lose my job. Sorry, I said too much. Anyway, whatever was going on, I couldn't take it any more. I had to move out of that division.

Attachment 20, 7/26/99 interview, pages 17 - 22.

Another Government Relations Division staff member was the Government Relations Officer for Community Organizations. She described some of her activities as follows in documents to her supervisor, Government Relations Division Director, Namlyn Snow (included as Attachment 21):

... my participation in various Hawaiian organizations has enabled me to enlist the support of the organizations as well as the members when such support has been needed for rallies, demonstrations, legislative hearings,

media advertisements, press conferences, letters to editors, resolution introduction and support, etc. (AG000019481)

* * *

Included ... is my work with the Kokua network: lining up testifiers, drafting testimony, even picking people up, dropping them off, and taking supporters to meals before and after hearing, paying for the "Protect Hawaii Land Rights" buttons; participating in a variety of organizations and serving on just as many boards of directors and taking advantage of those networking opportunities to line up Hawaiian organizational support for KS/BE ... initiating and organizing support for and interest in the trustees' receptions for Hawaiian organizations; initiating and gathering support for and participation in alumni rallies; initiating plans for events honoring the accomplishments and contributions of the trustees. (AG000017676-77)

* * *

Developed a core of supporters who can be counted on to do whatever is necessary to enable them to attend meetings, present testimony and otherwise demonstrate support for KS/SB's legislative agenda[.] (AG000017682)

A somewhat disturbing picture emerges from the evidence referenced above. In the case of the Bishop Estate, and possibly in the case of other organizations as well, the organization has attempted to orchestrate the democratic process, from beginning to end, to its favor.

The Government Relations Division of Bishop Estate:

1. Drafted bills;
2. Had Bishop Estate employee/legislators submit those bills;
3. Wrote testimony supporting the Bishop Estate legislative agenda;

4. Solicited support from individual citizens for the Bishop Estate legislative agenda and wrote the testimony to be submitted by these individual citizens in support of the Bishop Estate legislative agenda;
5. Enlisted the support of individual citizens to write letters to editors supporting the Bishop Estate legislative agenda, and sometimes even drafted those letters and just had the citizen sign off on the letter;
6. Organized demonstrations supporting the Bishop Estate legislative agenda, giving the impression of grass-roots citizen support when, in fact, the "demonstrators" had been contacted, briefed, organized and sometimes even given signs, transported and fed by Bishop Estate employees;
7. Wrote floor speeches for legislators supporting the Bishop Estate legislative agenda;
8. Wrote legislative committee reports for the chairs of legislative committees; and
9. Wrote compromise drafts of bills for conference committees;

The net effect of the activities described in Attachments 19 through 21 was to give the impression of a normal bill being introduced by or opposed by a legislator in a normal way. This would be followed by orchestrated "grass-roots" support or opposition in the form of public demonstrations.

Bishop Estate would also orchestrate letters to newspaper editors supporting or opposing the Bishop Estate legislative agenda. Written and oral legislative testimony in support or opposition was often written for testifiers supposedly unconnected to the Bishop Estate. After this orchestrated grass-roots support, the Government Relations Division would orchestrate legislative support by drafting

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floor speeches for legislators, drafting committee reports for committee chairs, and drafting final compromise drafts for conference committees.

Unfortunately, it appears that some of Hawaii's statutes, as well as the legislative history and floor speeches connected to those statutes, could have been drafted by Bishop Estate employees within the nerve center of the Bishop Estate's government manipulation operation, the Government Relations Division housed at Kawaihao Plaza. ✓

VI. Conclusion

Please do not hesitate to contact me if you have any questions about the contents of this letter, the attachments to the letter or the documents and transcripts contained in the banker's boxes delivered with this letter. I can be reached at 587-4111.

Very truly yours,



Kurt W. Spohn
Deputy Attorney General

Enc.

Approved:



Earl I. Anzai
Attorney General
State of Hawaii