

# Hawai'i Monitor

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## GOVERNOR REFUNDS "EXCESS" CAMPAIGN CASH

Violators get checks instead of penalties

Governor John Waihee's campaign committee has returned more than \$126,000 in apparently illegal campaign contributions to the original donors, according to documents filed with the State Campaign Spending Commission.

The refunds appear to confirm allegations first published in the April-May 1991 issue of *Hawai'i Monitor* that a large number of architects, engineers, and other professionals contributed substantially more to the Governor's re-election than allowed by law.

The refund checks totalling \$126,487 were sent to more than 100 individual and corporate contributors who had exceeded the \$2,000 limit for the 1990 primary election. All but three of the checks were dated July 23-25, 1991, and all were signed by campaign treasurer Glenn Sakuda.

About half of the refunds date back to contributions made in 1987 and 1988, while the balance represents contributions made in 1989 and 1990.

Commission staff told *Hawai'i Monitor* that additional contribution records remain to be reviewed and that the total amount involved could be higher.

Although the recent refunds appear to indicate that the Waihee campaign acknowledges that these contributors went beyond legal limits, the Campaign Spending Commission continues its refusal to make any formal finding that violations occurred or to impose any penalties.

### Computer error

Waihee campaign treasurer Sakuda told *Hawai'i Monitor* that the

excess contributions stem from a "computer error" which caused the campaign computer to provide inac-

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***The refunds come only after a three year process during which a largely ineffectual Campaign Spending Commission made repeated but half-hearted attempts to keep the Governor's fundraising within legal bounds.***

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curate contribution totals.

"What happened," Sakuda said, "was that when we were aggregating, we weren't aggregating the



right period."

He said that the campaign computer erroneously added up contributions during each calendar year rather than in each campaign period, which can extend over two years.

However, the Campaign Spending Commission apparently made no effort to determine whether the campaign's claim was true or whether it could in fact account for the extent, duration and pattern of illegal contributions.

### Heavy hitters

The list of those violating the contribution limits and now receiving refunds provides a good sample of campaign "heavy hitters."

Four partners in the accounting firm of Grant Thornton each contributed \$2,000 more than allowed by law to the Waihee re-election effort. When combined with legal contributions, the firm fed at least \$16,000 in Waihee's re-election coffers.

Mitsunaga Construction and two related companies, Central Construction, and Mitsunaga and Associates, were found to have given \$6,000 over the limit.

Accountants with another major firm, Coopers & Lybrand, con-

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## Waihee violators get refunds instead of penalties *from page 1*

tributed a total of \$3,600 beyond the legal limit, followed by Electricians, Inc. with \$3,625 in excess contributions, and Belt Collins & Associates, along with the Pacific Resources PAC, with \$3,000 each.

Garrett Serikawa, managing partner of Grant Thornton, told *Hawai'i Monitor* that "it never dawned on anybody that we had gone over the limits." Serikawa said that he did not know the reason for the refund and had never been contacted by the Campaign Spending Commission. "How this overpayment resulted, I have no idea," he said.

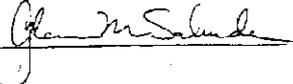
Among those exceeding the legal limit by \$2,000 each were Designlabs, Eskualduna Enterprises, and Hemmeter Corporation; contractors Tower Construction and No Ka Oi R&R; engineering firms Imata and Associates, Yahiku Associates, Geolabs, Warren Unemori Engineering; and architects George Iwasaki & Associates, Kauahikaua and Chun, Design Engineering, Murayama Kotake Nunokawa & Associates, Oda/McCarthy Architects, Okita Kunimitsu & Associates and Robert Smelker & Associates.

### Commission (in)action

Campaign Spending Commission records made available to *Hawai'i Monitor* portray a three-year process during which a largely ineffectual commission made repeated but half-hearted attempts to rein in Waihee's fundraising practices.

The Commission staff first wrote to the Waihee campaign about violations of the contribution limit on November 21, 1988. The letter, signed by associate director Richard Belding, directs the campaign to "file an amended report or a statement of reconciliation as soon as possible indicating the excess amounts being returned to the contributor or an explanation and justification for the discrepancies."

Attached to the letter was a list of 26 contributors that had apparently exceeded the contribution limit by a total of \$13,841.

CITIZENS FOR WAIHEE P.O. Box 2573 Honolulu, HI 96803		NO. 627	28-101 1218
		July 29	19 91
Pay To The Order Of <u>Pacific Resources PAC</u>		\$ 3000.00	
		Three thousand and no/100	Dollars
 <b>First Hawaiian Bank</b> <small>MAIN BRANCH HONOLULU, HAWAII</small>			
			
*000627* 1221301015: 01*021354*			
An example of the refund checks issued by the Citizens for Waihee campaign organization which total over \$126,000 to date.			

The commission's file does not contain any response from Citizens for Waihee. According to Campaign Spending Commission executive director Jack M. K. Gonzales, "they

***It was not until two months ago - three years after the inquiry began - that the Commission imposed a deadline for compliance and requested verification of claims being made by the Waihee campaign.***

called us back and said that they were checking their computer, but then we didn't get a response."

The Commission apparently took no further official action until nine months later. On August 28, 1989, Gonzales wrote to inform Governor Waihee that a "review of our records indicate (sic) that several contributors to your campaign committee have given more than the statutory contribution limit of \$2,000 per election."

The letter made no reference to the earlier inquiry or any follow-up by either the Commission or the campaign.

By this time, the list of apparent violators had grown to 65 contributors who gave a total of \$63,417 more than was legal.

After this second letter, according to Gonzales, "we started to get general reports that they had com-

plied, but they didn't provide verification."

Once again, there is no indication in the files made available to *Hawai'i Monitor* that the lack of response from the campaign had prompted special concern.

Still another letter was sent by the Commission on March 21, 1990 which noted additional excess contributions made during 1989 of \$19,300.

### Deadline imposed

In fact, it was not until two months ago - three years after the inquiry began - that the Commission imposed a deadline for compli-

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*Hawai'i Monitor* relies on public information prepared by candidates and political committees and filed with the State Campaign Spending Commission, as well as on reports of the Commission. We believe that these official sources are factual and without error; however their accuracy cannot be guaranteed.

Responses to articles or expressions of opposing viewpoints are welcomed. Letters are subject to editing to fit in available space.

*Waihee refunds from page 2*

ance and requested verification of claims being made by the campaign.

This delay is significant in light of the 2-year statute of limitations for violations of the campaign spending law.

The Waihee matter apparently next came before Campaign Spending Commission during a closed "executive session" on Friday, June 21, prompted by publication of the *Hawai'i Monitor* story a month earlier.

The Commission later emerged from the private meeting and took a series of official actions. Minutes of that session show that Commissioner Linda Rosehill "moved that a demand letter be sent allowing the party 20 working days to respond with proof of reimbursement." The motion was seconded by Jim Wang, a professor at the University of Hawaii Hilo campus, and adopted unanimously by the Commission.

Although the party involved is not identified in the minutes, Commission records show that worksheets detailing questionable contributions were faxed later that same day to the Waihee campaign.

Included were a two-page listing of questionable contributions dating back to 1987-88, and two separate lists from 1989 and 1990.

The amount being challenged by the Commission had now grown to over \$125,000.

**Refund checks never cashed**

On the Monday following the Commission's meeting, a formal demand letter was sent to Citizens for Waihee.

The letter directs the campaign to "return the excess amounts to the contributors and submit to our office by July 23, 1991 by 4:30 pm an amended disclosure report indicating the corrections and copies of the reimbursement checks to the contributors or copies of proof of reimbursements."

**Refunds of \$250 or more by  
Citizens for Waihee to donors who  
violated campaign contribution limits  
1990 Primary Election**

Electricians Inc	\$3,625	Yahiku & Associates	\$2,000
Belt Collins & Assoc	\$3,000	Fairway Electric	\$1,500
Pacific Resources PAC	\$3,000	Kohara, Arthur	\$1,500
Imata & Assoc	\$2,250	Kuriyama, Christine	\$1,500
Bowers, Brian	\$2,000	Sylvester, Manuel	\$1,500
Central Construction	\$2,000	Urban Works, Inc	\$1,500
Cheng, Louis	\$2,000	Site Engineering	\$1,350
Chong, Norman T.	\$2,000	Rosendahl, Paul H.	\$1,250
Delta Construction	\$2,000	Goldcamp, Joseph III	\$1,100
Design Engineering	\$2,000	Controlpoint Surveying	\$1,000
Designlabs	\$2,000	Fujita & Assoc	\$1,000
Eskualduna Enterprises	\$2,000	Helber Haster Van Horn & Kimura	\$1,000
Geolabs	\$2,000		\$1,000
Gierasinski, Stanislaw	\$2,000	Hemmeter Design Group	\$1,000
Hemmeter Corporation	\$2,000	Ho, Robert	\$1,000
Iraqui, Florentine	\$2,000	Hyun, Sam	\$1,000
Iraqui, Leon	\$2,000	Imata, David	\$1,000
Itano & Assoc	\$2,000	Imata, Gordon	\$1,000
Iwasaki, George & Associates	\$2,000	Keehi Marine, Inc	\$1,000
Kauhikaua and Chun	\$2,000	Koizumi, Kotaro	\$1,000
Kawamura, Rodney M.	\$2,000	Muroda & Assoc	\$1,000
KECI	\$2,000	Nakao, Yasuo	\$1,000
Louie, Paul & Assoc.	\$2,000	Olsen, Bill & Assoc.	\$1,000
Matsumoto, George	\$2,000	Park, Gerald	\$1,000
Mitsunaga & Associates	\$2,000	Wu, Philip	\$1,000
Mitsunaga Construction	\$2,000	Yamaguchi, Edward	\$1,000
Miyabara & Associates	\$2,000	Hawaii Operating Trans. PAC	\$900
Morihara, Roy	\$2,000	Hsi, Peter & Assoc	\$850
Murayama, Kotake & Nunokawa	\$2,000	Yasue, Allan T	\$800
		Kagawa, Shoso	\$750
No Ka Oi R&R	\$2,000	Tatibouet, Andre	\$750
Oda/McCarthy Architects	\$2,000	Ybl, Nicholas	\$750
Okita Kunimitsu & Assoc	\$2,000	Kuwanoe, Allen S.	\$625
Serikawa, Garrett	\$2,000	Onishi, Miles	\$625
Shinno, Natsuko	\$2,000	F&M Contractors	\$500
Smelker, Robert C. & Assoc	\$2,000	Hawaii Cable Television PAC	\$500
Tanigawa, Patrick	\$2,000	Icemoto Contracting	\$500
Tower Construction	\$2,000	Kobayashi, Albert C. Inc	\$500
Unemori, Warren Eng.	\$2,000	Matsuo, Larry	\$500
		Maunalani Resort, Inc	\$500
		Pacific Marine & Supply	\$500
		S&M Welding, Inc	\$500
		Shimabukuro, Stanley	\$500
		Sida of Hawaii	\$500
		Territorial S&L	\$500
		Vet's Termite Control	\$500
		Westgroup Corp	\$500
		Hawaii Pacific Engineers	\$450
		Kunimitsu, Ronald	\$450
		Okita, John M.	\$450
		Smith's Motor Boat Service	\$400
		Del Partners	\$300
		Dittmar, James	\$250
		Kimura, Dennis	\$250
		Managment Planning & Administration	\$250
		Mitsunaga, Dwight	\$250
		Noda, Edward	\$250

Apparently crossing in the mail was a letter from the Waihee campaign, prepared the same day (June 24). The letter, signed by treasurer Glenn Sakuda, stated that "donations in excess of the maximum amounts permitted...have been returned to the contributors."

An attachment listed 44 donors and the amount and check number of each refund which, according to Sakuda, had already been sent.

*Continued page 7*

## CAMPAIGN SPENDING COMMISSION OPINIONS MADE PUBLIC

Information about campaign spending laws is a precious commodity for candidates but getting it has not been easy.

Unlike the State Ethics Commission, the Campaign Spending Commission does not regularly publish its interpretations or provide candidates, or the public, with a source of information regarding common questions or problems.

Commission executive director Jack Gonzales told *Hawai'i Monitor* that much of the advice which he gives to candidates or political committees is offered over the telephone. Gonzales said that there are usually no records kept of such conversations or the advice offered.

In addition, all of the Commission opinions since 1986 have been contained in informal correspondence between candidates or their representatives and Commission staff. This correspondence has not been publicly available.

But the Commission took a step in the right direction when it recently released copies of 29 advisory opinions and declaratory orders which have been issued since 1974, along with summaries of an additional 30 opinions issued prior to 1974. The disclosures came in response to a request made earlier this year by *Hawai'i Monitor*.

In addition, the Campaign Spending Commission has asked the Office of Information Practices for a ruling regarding whether opinions issued by the Attorney General can be made public.

A folder containing the whole set of opinions is available for public review at the Commission office.

### **An incomplete record**

Although the documents released by the Commission make interesting reading, they are clearly incomplete.

For example, there are no opinions dated from late 1978-1984, although the law was amended during this period and new rules were

adopted by the Commission in 1982. At least one important ruling regarding use of campaign funds to pay legal fees was made during this period but is absent from the record.

Also missing are past rulings regarding the Nukolii and Sandy Beach initiative campaigns.

Despite these shortcomings, however, the collection of opinions provides important guidance for candidates and those involved in their campaigns.

### **Allowable campaign expenses**

In Declaratory Order #76-02, the Commission explored the question of how campaign funds can be spent. The Commission declared that "a candidate should be able to directly relate the expenditure to a campaign purpose."

The Commission recommended that candidates answer a series of questions whenever unsure about a proposed expenditure: "How will this expenditure be viewed (a) by my supporters? (b) by my constituents? (c) by my opponents?"

Commenting on the practice of giving wedding gifts, funeral offerings, or flowers to constituents, the commission "cautioned that this practice should not be abused to make expenditures for personal rather than political campaign purposes nor be used in such a manner as to appear to be buying votes."

Years later, the Commission ruled that neighbor island legislators cannot use campaign funds to cover "personal living expenses" while on Oahu because "outside island legislators are paid a daily per diem for such expenses."

### **Lawyer's fees**

The question of lawyers fees has come up in a series of Commission opinions. In 1987, the Commission allowed Honolulu Mayor Frank Fasi to use campaign funds to pay

attorney's fees incurred in the appeal of Fasi's conviction in the Waiola Estates case. In this case, the group Hawaii's Thousand Friends charged that actions taken in support of the proposed Waiola Estates housing project in central Oahu were for political rather than official purposes.

The Commission held that Fasi could pay his lawyers with campaign funds, saying that "the expenditure, although not ordinary, would indeed be necessary to the

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*A set of the commission's advisory opinions and declaratory orders is now available for public inspection following a request by Hawai'i Monitor.*

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Mayor's duties as an office holder."

In an earlier case, the Campaign Spending Commission ruled that former State Senator Clifford "Chip" Uwayne could not use campaign funds to pay for his defense against criminal charges of campaign fraud.

Subsequently, however, the Commission did allow Uwayne to purchase copies of the trial transcripts with campaign funds after the senator argued that they were needed to respond to questions arising in a later campaign.

In April 1989, the Commission determined that Rep. Romy Cachola could use campaign funds to pay for legal services that stemmed from the primary election tie between himself and former Rep. Connie Chun.

### **Limiting personal funds**

During the 1986 primary, when former Congressman Cec Heftel was challenging Lt. Governor John Waihee for the Democratic nomination for governor, the Commission was asked to clarify its position on the constitutionality of the contribution limit that applies to a candidate and their immediate family.

Under current state law, a can-

*Commission opinions from page 4*

didate cannot spend more than \$50,000 of their own or their family's funds. The constitutionality of this provision had been questioned since a United States Supreme Court ruling struck down similar limits on personal funds in federal elections a decade earlier.

However, the Commission declared its intent to enforce the contribution limit. "The Commission feels that all statutes...over which it has jurisdiction to administer are constitutional until found otherwise by a court of law or amended by the legislature."

**Campaign code of conduct**

During the 1988 election campaign, Big Island legislative candidate Robert N. Herkes became embroiled in a controversy stemming from his pointed criticisms of Senator Andy Levin. Herkes was accused by the Democratic Party of violating the "Code of Fair Campaign Practices".

However, the Commission informed Herkes that the code is purely voluntary, and that "the commission's jurisdiction is limited to acting as a depository of all correspondence between the parties to a dispute." The Commission's position is that it has "no power to act on any matters dealing with the application of the code."

**Cocktail hours**

In one interesting ruling, the Commission decided that organizations or businesses that sponsor cocktail hours or other gatherings to meet candidates may have to count the costs as contributions to the candidates.

The commission held that if partisan speeches are given, or if all candidates do not have an equal opportunity to attend, then "the expenditures are reportable..."

Other interesting opinions deal with discounts to candidates from businesses, the use of public funds, and whether a testimonial dinner would be considered a campaign event. ■

**editorial****OBSERVATIONS ON WAIHEE'S EXCESSES**

As early as mid-1988, the governor's campaign committee waved the "computer error" flag and successfully stalled a Campaign Spending Commission inquiry for months, even years.

The same claim of "computer error" is still being used today to rationalize the campaign violations and deflect criticism.

While there is a bit of truth to the claim, it simply does not explain or justify the disturbingly long list of contributors who gave more to the governor than is legal.

There are a number of ways to analyze the "computer error" excuse. First, if it were true, it might explain why someone unfamiliar with the campaign might not have noticed the number of contributors going over the \$2,000 limit.

It might even explain why an accountant, far from the fundraising front lines, might take a while to catch the problem.

But it certainly would not explain why Waihee fundraisers continued to pressure individuals and businesses long after they had given the maximum allowed by law. After all, once someone has handed you a \$2,000 check, it is obvious that they have "maxed out."

Further, it does not begin to answer the question of why donors would continue to shell out large contributions even after the contribution limit had come and gone. Certainly they knew how much had been given even if, for sake of argument, we assume that the campaign had no idea how much it had received.

And how about the accountants who found themselves way up on the list of those violating the contribution limits? When so many professionals in the business of keeping track of money find themselves on the other side of the law, shouldn't someone be asking some harder questions?

But let's get back to the "computer error" excuse. Waihee's campaign treasurer says that the prob-

lems all stem from a computer that failed to add properly. If someone gave \$500 in one reporting period and \$1,500 in the next, the computer was supposed to add the amounts and warn that the limit had been reached. It didn't work, says the campaign treasurer, and that's that.

A review of campaign reports indicates that this kind of addition error did occur up through 1988. In 1989-90, something new happened. Contributions that totalled less than \$2,000 were added properly, but those that went higher were reported as simply \$2,000.

For example, on June 28, 1989, Robert G. Ho and Ho & Okita, Inc. each contributed \$1,000 to the Waihee re-election campaign.

On September 11, 1989, Ho & Okita added another \$200, and the computer gave the proper \$1,200 total. But on the same day Robert G. Ho gave an additional \$2,000 but his total is shown as just \$2,000. The entries appear side by side on the same pages of the Waihee campaign report.

Are there other reasons that we should find the computer excuse less than credible? How about the company that reported giving \$5,000 at one time? It made it onto the campaign books at the time as just a \$1,000 contribution, but now the higher amount has been acknowledged and refunded by the campaign. Computer error? Apparently not.

And is it possible that uncashed refund checks were part of an attempt to retain the use of the illegal cash?

It is also important to recognize the larger context of a campaign going "all out" in its fundraising efforts, taking aggressive advantage of a legal loophole to garner funds during the mid-term elections, and putting special pressure on companies doing business with the state.

"Computer error" is simply not a sufficient explanation and should not be accepted. ■

## Follow-up

### Polling issues draw professional concern

The following letter was received from Jim Dannemiller, president of SMS Research, in response to an article about polling which appeared in the April-May issue of *Hawai'i Monitor*:

"It has taken some time, but I wanted to clarify a couple of comments that I made over the phone

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*"...on at least one occasion in my career, we were forced to deal with a threatened subpoena to gather our raw data, and decided to choose jail. Good researchers feel the same way about protecting sources as do journalists."*

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regarding the polling business. I read the article and felt, overall, that it had been fairly written.

It is an interesting problem, however, and we in the business will benefit from your critical review. Here's my reaction:

1. I don't suggest that temporary pollsters get a business license so that they don't have to directly lie. I suggest this because it eliminates the legal exposure to fraud.
2. In the sentence, "We in the industry have to do it all the time," it refers to finding a way to deal with not being able to identify a client. Your construction of those two paragraphs was just short of fair.
3. Some readers associated my statements with the issue that appeared in the next two paragraphs--that of identifying respondents. That, you should understand, is never done. In fact,

## LEGISLATORS' FINANCES, BUSINESS INTERESTS DRAW COMMENTS

Last month's listing of the financial and business interests reported by state legislators drew a number of comments and a few requests for corrections.

**Rep. Les Ihara** pointed out that as chairman of the Oahu Democratic Party, he is an officer rather than an employee of the Party.

**Rep. Dwight Takamine** telephoned from Hilo to say that he had properly reported the income (\$18,000) from his law practice in 1985 and that the amount has not changed since that time.

Takamine correctly noted that Ethics Commission rules require disclosure of changes but do not require the repetitive reporting of information that has not changed from year to year.

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on at least one occasion in my career, we were forced to deal with a threatened subpoena to gather our raw data, and decided to choose jail. Good researchers feel the same way about protecting sources as do journalists.

4. I look upon a government enforced right to informed consent as a needless infringement upon scientific endeavor and upon the public's right to know.

In the end, you have brought to public light a major problem in our profession, and one for which we practitioners have full responsibility. I support your right and responsibility to bring it before the public.

I suggest that the call should be first to the profession to regulate itself. We do a rather good job at it, you know. If we fail to act, we deserve more legislation of the type that has already passed. But give us the chance."

/s/ Jim Dannemiller

*Hawai'i Monitor* erred in assuming that the income from a law practice would vary, but Takamine says that the \$18,000 figure represents the salary which he draws and not the total income of his incorporated law practice.

**Rep. Jane Tatibouet** wrote to complain that last month's listing, which referred to "extensive real estate holdings, including hotels and condominiums in Hawaii, San Francisco, Massachusetts, Washington & North Carolina," mingled properties owned by herself and those owned by her husband.

She writes that "my husband and I own nothing in any form of joint tenancy with each other, what we own is separate and has been for a long time."

Indeed, Tatibouet's financial disclosure statement filed with the State Ethics Commission, contains the notation that certain properties "are the exclusive assets, liabilities and interests of Andre Tatibouet's and are not part of Representative Jane Tatibouet's interests."

The problem is that our law governing government ethics and conflicts of interest provide that the "financial interests" of a public official include and incorporate the financial holdings of their spouse and of any dependent children.

Thus, separate ownership for other legal purposes does not translate separate interests for purposes of government ethics or disclosure.

For the record, however, Rep. Tatibouet provides the following "descriptions of the actual properties I own":

Hawaii - family residence - a town house condominium at 3075 La Pietra Circle. Title: 1976 [editor's note: reported value over \$150,000].

Hawaii - One bedroom investment condominium unit at Kaanapali Shores on Maui. Title: Circa 1987 [editor's note: reported value \$100-150,000 and annual earnings \$25-50,000].

*Continued page 7*

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**Issue #2 (September 1990):** Penalties asked against unregistered lobbyists; Prohibited funds transferred into Mizuguchi account; PACs increase contributions & political clout; Ethnic changes among Hawaii voters.

**Issue #3 (October 1990):** Inquiry puts Horita contributions on hold; Prohibited funds used to pay off campaign debt; Cash and controversy mark launch of faculty PAC.

**Issue #4 (November 1990):** Convention Center consultants contribute to Council campaigns; Campaign spending goes beyond the call of duty.

**Issue #5 (December 1990):** Developers join forces to create multiple PACs; Practices create industry "outlaws".

**Issue #6 (January 1991):** Honolulu mayor sues monitor editor; Legislature to consider campaign reform; Index 1990.

**Issue #7 (February 1991):** Parties tap developers, PACs for funds; Fasi enters new year with \$1.6 million in campaign fund.

**Issue #8 (March 1991):** "Loans" bypass contribution limits; Developer contributes while seeking City approvals; Hannemann responds.

**Special Report (April 1991):** "Subsidizing Speculation", a case study of property taxes in one neighborhood.

**Issue #9 (April-May 1991):** Waihee backers break funds limit; GOP polls raise questions of confidentiality, consent; Bank of Hawaii top campaign contributor.

**Issue #10 (June 1991):** Attorney General faces potential conflicts; The federal prosecution of a California state senator.

**Issue #11 (July 1991):** Legislators reveal financial, business ties; Rep. Lee defends tobacco company.

## Legislators reply *from page 6*

Hawaii - 3.7% interest in a 79-room Waikiki hotel. Title: 1990 [editor's note: reported value over \$150,000 and annual earnings over \$150,000].

North Carolina - 50% interest (with friends) in a small country farm. Title: 1981 [editor's note: reported value \$50-100,000].

Massachusetts - small wooden one-story office building. Title: 1977 [editor's note: reported value over \$150,000 and annual earnings \$10-25,000].

Massachusetts - family vacation home (where Tatibouet grew

up). Title: 1986 [editor's note: reported value over \$150,000].

Finally, **Rep. David Hagino** correctly observed that, in some cases, income or employment was not reported because the legislator (or their spouse) does not have paid employment.

The problem for the *Monitor*, and for the public, is that the difference between a failure to report and "nothing to report" is not always apparent in the official financial disclosure statements. This ambiguity was carried over into the *Monitor's* report. Any suggestions from readers for avoiding such confusion in the future? ■

## Waihee backers get refunds *from page 3*

On August 7, well after the July 23 deadline set by the Commission, copies of refund checks were delivered.

Curiously, none of the check numbers matched those reported by Sakuda in his letter of June 24. When asked about this discrepancy, at first Sakuda did not seem to understand the question.

He then told *Hawai'i Monitor* that in "some cases" the earlier checks had not been cashed and replacements had been issued. "In some instances," he said, "we just

decided to stop payment and issue replacement checks."

But when told that none of the checks matched the refunds reported earlier, Sakuda said that he had not prepared the refund memo and was unable to provide an explanation.

Writing "refund" checks that are never delivered or cashed has been a strategy reportedly used by other campaigns in the past. However, the Commission does not appear to be pursuing the possibility of such deception in the Waihee campaign. ■

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## Monitoring in brief...

**I**t promised to be a good story!

Honolulu City Councilmember Rene Mansho's most recent report filed with the Campaign Spending Commission includes the usual array of expenditures for advertising, donations to community groups, postage and the other mundane items that keep a campaign in motion.

But buried in the middle of a long list is a payment of \$572 to Special Systems & Services International for "electronic countermeasures", a technical label that might include a range of services from debugging to high-tech phone scramblers.

A quick look at the Yellow Pages located an advertisement for the company featuring "electronic debugging", "criminal investigative electronics", and strict confidentiality.

A call to the councilmember produced a giggle and not much more as Rene denied any knowledge of bugging or debugging. "I think it had something to do with

repairing our computer," Rene offered.

More phone calls. When the person answering the phone at the Special Systems office told me that the company doesn't do computer repair work, Mansho's denials took on additional meaning.

A bugging during the budget negotiations? Council paranoia about city secrets? The possibilities were endless. What a rush for the investigative reporter!

But sometimes appearances are deceiving.

After exhausting "sources" at the Council and still finding no explanation for possible "electronic countermeasures," I finally reached Walter Dennison, the very friendly and helpful fellow who runs Special Systems and Services International.

"Electronic countermeasures is what we usually do," Dennison said, "but it isn't what I did for her."

Dennison confessed that he occasionally does computer repairs, usually only for friends. But "a friend of a friend" put him in touch with Mansho and her malfunctioning computer.

Mystery solved. Dennison did offer a professional opinion that "I think that you would find a lot of politicians have used electronic countermeasures," but these are most often undertaken by law enforcement agencies.

Perhaps that's a story for another day.

\* \* \*

**M**ore competition for *Hawai'i Monitor*? Will that be the result of the marriage earlier this year of Honolulu Star-Bulletin political reporter Jeanne Mariani to Campaign Spending Commission Associate Director Dick Belding? Will the Bulletin be getting the inside scoop from now on?

\* \* \*

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