

Hawai'i Monitor

Vol. 1 No. 4 • An Independent Monthly Newsletter about Politics and Money in Hawai'i • November 1990

CONVENTION CENTER CONSULTANTS CONTRIBUTE TO COUNCIL CAMPAIGNS

Consultants working on the Honolulu Convention Center project at the old Aloha Motors site contributed over \$250,000 to state and city candidates in the last two years, according to reports filed with the Campaign Spending Commission.

Just over \$100,000 of the total went to members of the Honolulu City Council while they were deliberating on legislation to authorize the controversial project.

One bundle of checks was delivered to a member of the Honolulu City Council just weeks after he cast the deciding vote to allow the controversial convention center to proceed.

In addition, Governor John Waihee received at least \$60,000 from the group of consultants while Mayor Frank Fasi, an outspoken supporter of the project, got \$47,750.

These figures emerged from an analysis of campaign contributions made by the lead consultants who prepared the Plan Review Use application for the Honolulu Convention Center Complex. The PRU application was submitted to the Honolulu City Council in August 1989 and finally approved on a controversial 5-4 vote in April 1990.

The consultants

Overall development of the PRU application was overseen by Nihon-Daly Inc., a venture 49.9%-owned by Leo A. Daly Co., an Omaha-based firm with Hawaii operations.

Working closely with Nihon-Daly were Architects Hawaii; Okita Kunimitsu & Associates; and Wilson Okamoto & Associates. Other companies which contributed to the PRU or to the related lobbying ef-

forts, including McNeil Wilson Communications and the law firm of Kobayashi Watanabe Sugita Kawashima & Goda, are also included in this analysis.

The convention center's sponsor and developer, First Development Inc., is owned by Daiichi Real Estate, a Japanese corporation, and is prohibited by federal law from contributing to candidates in the U.S. However, consultants hired by First Development are not covered by the federal contribution restrictions.

The pattern of contributions suggests that there was an effort on the part of convention center supporters to use campaign contributions as additional leverage in obtaining necessary City approvals.

Kahanu's Swing vote

On May 11, 1990, just two weeks after he cast the deciding vote in favor of the proposed convention center at the Aloha Motors site, the campaign of City Council member David Kahanu received checks totalling \$19,500 from officers and employees of the key consultants working on the project.

Kahanu had voted against the convention center proposal when it came before the council earlier in its deliberations. However, he switched his position at the last moment and provided the crucial vote to give final approval to the convention center.

Leo A. Daly, the Omaha-based architectural and engineering firm which was one of the lead consultants in developing the Plan Review Use application, was well represented among the contributors to Kahanu's campaign. Daly's Joseph

W. Johnson, the chief architect for the project, contributed \$2,000, and Edward Cambridge, senior vice-president of Daly's Alfred A. Yee division in Honolulu, contributed \$1,750, as did the company's head, Leo Daly.

McNeil Wilson Communications, the company handling public relations for the convention center, gave Kahanu \$2,000 at this critical point while company vice-president David McNeil added \$1,000 of his own.

Okita, Kunimitsu & Associates, the consultant that helped prepare Volume 1 of the Plan Review Use Application presented to the City Council, contributed another \$2,000, and eight other individual officers or employees of the consulting companies contributed between \$300 and \$1,500 each.

Continued page 6

Inside...

page 2

Court decisions support limits on corporate spending, patronage

page 3

Corporate, Labor ads violated Federal election law

page 4

Campaign spending goes "beyond the call of duty"

page 7

"That Cab" too much for mayor

page 8

Monitoring in brief

FEDERAL COURT DECISIONS SUPPORT LIMITS ON CORPORATE SPENDING, POLITICAL PATRONAGE

Two recent federal court decisions issued earlier this year could have significant implications for local campaign practices. Both focused on the question of how the First Amendment impacts on the rights of individuals and organizations to support or oppose political candidates. The rulings, if given effect in Hawai'i, would disrupt what have become accepted practices in state and local politics.

Limiting corporate spending

In the case of *Austin v. Michigan Chamber of Commerce*, the U.S. Supreme Court upheld a Michigan law which prohibits corporations from using their general treasury funds not only for contributions to candidates, but also for "independent" expenditures for or against candidates.

In 1985, the Michigan Chamber of Commerce wanted to place a newspaper ad supporting a specific candidate for the Michigan legislature but found that such an expenditure would have violated state law. Instead, the Chamber went to court seeking to have the law declared unconstitutional.

Earlier Supreme Court decisions had determined that spending money to support a candidate is "political speech" that is entitled to the protection of the First Amendment and that corporations like the Chamber, do have free speech rights similar to those of individuals.

However, it is generally recognized that such rights can be restricted if there is a compelling state interest in doing so. In the case of corporate political contributions, the government has a legitimate and compelling interest in avoiding corruption or the appearance of corruption.

The Michigan case was argued before the Supreme Court a year ago and decided on March 27, 1990. In its decision, the Court recognized that corporations have a number of advantages conferred by law, "such as limited liability, perpetual life,

and favorable treatment of the accumulation and distribution of assets" that allow them to accumulate resources and dominate the economy.

If unchecked, the economic power of corporations can be used to gain "an unfair advantage in the political marketplace."

As a result, the Court found that the State of Michigan was justified in attempting to control "the corrosive and distorting effects of immense aggregations of wealth that are accumulated with the help of the corporate form and that have little or no correlation to the public's support for the corporation's political ideas."

The Court thus upheld the Michigan law which prohibited corporations from using their general funds for political purposes while allowing the formation of separate and voluntary political action committees.

In Hawai'i, of course, corporate campaign contributions have become the primary source of financial support for candidates. In such circumstances, the appearance of corruption is impossible to avoid. The legislature would be well advised to pursue a limit on corporate contributions as one means of restoring public confidence in our electoral system.

Patronage practices limited

In another important case, the Supreme Court held that government hiring, as well as promotions, transfers, and recalls after layoffs, cannot be based on political affiliation or support without violating the First Amendment rights of employees.

Referring to earlier cases, the Supreme Court affirmed that political beliefs and associations are "the core of those activities protected by the First Amendment."

The practice of awarding government jobs or benefits on the basis of an employee's party member-

ship or willingness to support a particular candidate, "decidedly impairs the elective process by discouraging free political expression by public employees."

Indeed, the Court noted that the health of our democratic system "is indispensably dependent on

If unchecked, the economic power of corporations can be used to gain "an unfair advantage in the political marketplace."

the unfettered judgement of each citizen on matters of political concern."

In a footnote, the Court majority noted some of the "systemic costs" of political patronage, including "financial corruption, such as salary kickbacks and partisan political activity on government paid time" which are widespread in Hawai'i state and county politics, particularly in Honolulu Mayor Frank Fasi's administration.

This decision provides much needed support for public employees who refuse to comply with the political demands of their government employers. ■

HAWAII MONITOR

Vol. 1, No. 4 November 1990

Copyright © 1990 by Ian Y. Lind

Post Office Box 605

Ka'a'awa, Hawai'i 96730

(808) 955-8850

An independent and nonpartisan newsletter about politics and money in Hawai'i, published 12 times a year. Subscriptions are \$45 a year for institutions (including corporations, unions, and political committees), \$25 for individuals. Single issues \$2.50. Information on bulk purchases available on request.

Hawaii 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.

CORPORATE, LABOR ADS VIOLATED FEDERAL LAW

Advertisements sponsored by corporations and labor organizations which endorsed candidates for the U.S. House or Senate may have violated federal law if those ads were paid for using general treasury funds of the sponsoring groups.

Laws prohibiting union or corporate involvement in federal campaigns mean that ads sponsored by such groups and aimed at the general public cannot endorse or support candidates for federal office unless the sponsoring organization has established a separate political action committee to pay for the ads. Few Hawai'i unions or businesses have set up federally qualified PACs.

A spokesperson at the Press Office of the Federal Election Commission confirmed that endorsement ads would constitute election-related expenditures that are prohibited by law.

Federal Election Law

Federal law, and the implementing rules of the Federal Election Commission, includes a clear prohibition on certain contributions and expenditures.

The law states that "it is unlawful...for any corporation whatever, or any labor organization, to make a contribution or expenditure in connection with any election" involving a federal office.

A corporation or union may send "partisan communications" supporting a candidate but only to a "restricted class" composed of its own members or stockholders, officers or employees, and their families.

The Federal Election Commission's "Campaign Guide for Corporations and Labor Organizations" refers specifically to the issue of endorsements. According to the Guide, "the Commission permitted an organization to endorse a candidate and to communicate the endorsement to the organization's restricted class." Further, the Guide states that the organization could announce the endorsement through a press release distributed only to the groups "regular press contacts."

Paid advertising to publicize an endorsement in general circulation newspapers aimed at the general public would seem to fall outside of the type of activity allowed by the law.

Roy Takumi, staff director for the Hawai'i State AFL-CIO's Committee on Political Education (COPE), told *Hawai'i Monitor* that organized la-

"The Federal Election Campaign Act prohibits corporations and labor organizations from using their general treasury funds to make contributions or expenditures in connection with any Federal election."

bor was aware of the legal restrictions and tried to keep all of their activity within the law.

Takumi said that because of the importance of the Hawai'i senate race, "the national AFL-CIO was very sensitive to have everybody play by the rules."

According to Takumi, the State AFL-CIO did caution its 53 affiliates "to avoid putting Federal candidates in any endorsement ads."

Labor/corporate endorsements

However, in the week before the general election, a number of organizations paid for newspaper ads urging voters to support the candidates which they had endorsed.

The State of Hawaii Organization of Police Officers (SHOPO) ran ads featuring photos of their endorsed candidates. SHOPO paid for a full-page ad in the Honolulu newspapers which featured large pictures of Governor Waihee, Lt. Governor Cayetano, and the Democratic candidates for federal office, Dan Akaka, Neil Abercrombie, and Patsy Mink.

A slightly smaller ad sponsored by the Hawaii Hotel Works Union

Local 5 urged voters to "support Local 5 endorsed candidates on General Election Day" and featured campaign photos of the same three Democratic candidates.

The Maui Chapter of SHOPO ran its own endorsement ad in the Maui News which included pictures of both Akaka and Mink.

The Hawaii State Fire Fighters Association ad appearing in the Honolulu newspapers featured just three photos--those of Akaka, Abercrombie and Mink. A similar Firefighters ad appearing in the Maui News a few days later included only local candidates for mayor and county council.

Even the Hawaii State AFL-CIO paid for an endorsement ad which appeared in the Hawaii Tribune Herald that included photos of Akaka and Mink. But Roy Takumi of COPE said that while the labor organization's board of directors had authorized funding for advertising, the content of any specific ad had to be approved.

Takumi said that he had discussed this particular ad with the AFL-CIO's Big Island affiliates and told them to "cut out the federal candidates." He acknowledged that use of the candidates' campaign photographs in such an ad would be "a no-no." But despite this clear instruction, the ad ran complete with the Mink and Akaka photos.

The unions were joined in the advertising effort by at least two business groups. Build-Pac, which describes itself as "the political arm of the Building Industry Association of Hawaii," endorsed Republicans for the three federal offices and ran ads in both Honolulu daily newspapers.

Similarly, the Hawaii Island Contractors Association endorsed Pat Saiki for Senate and Andy Poe-poe for Congress, along with other state and local candidates.

Both of these business organizations obtain funds from their corporate members. For this reason, they are covered by the federal restrictions. ■

CAMPAIGN SPENDING GOES "BEYOND THE CALL OF DUTY"

Complaints about the high costs of political campaigning normally focus on the dollars spent on television commercials, printing and mailing costs for campaign ads, or the endless miscellaneous costs for a grass-roots campaign, including t-shirts, signs, and refreshments for campaign workers.

But campaign funds of many Hawai'i elected officials are also paying for items which seem to yield more personal benefits than campaign advantage, a review of candidates' reports filed with the Campaign Spending Commission shows. Some elected officials report using campaign funds for clothing, private club expenses, UH athletic tickets, golfing expenses, meals at high-priced restaurants, travel, and other items similarly distant from their campaigns.

Hawaii's campaign spending law prohibits "personal use" of campaign funds and restricts expenditures to purposes "directly related" to a candidate's own campaign. Following an election, candidates may use any remaining funds to sponsor additional political events, to contribute to charitable organizations, or for any "ordinary and necessary expenses" of holding public office. Despite such legal restrictions, campaign spending often strays far from what most voters would regard as normal campaign activities.

Clubs, cars and cameras

For example, 40th District Representative Karen Horita, vice-chair of the Labor and Public Employment Committee, reported to the Campaign Spending Commission that she had paid over \$3,200 from her campaign fund for "food and refreshments" and membership dues at the Honolulu Club and the Plaza Club between January and May of this year.

Horita's report describes these club expenses as resulting from meetings of her fundraising committee, but a legislative staffer told *Hawai'i Monitor* that Horita also organized gatherings to recruit new

members for "PSI World Seminars," a high-priced psychological seminar series along the lines of the more widely known "EST" program. Attendance at PSI seminars

Some candidates and elected officials take the position that they are always campaigning and, as a result, are entitled to charge seemingly personal items to their campaign funds.

is reported to be required of executives of the companies controlled by Rep. Horita's father, developer Herbert K. Horita.

Representative Horita's campaign also paid for her annual dues in the "Sheraton Club International". A spokesperson for Sheraton told *Hawai'i Monitor* that this is a travel club with worldwide membership that gives "bonus points" for every dollar spent at a Sheraton Hotel anywhere in the world. Points are earned for every dollar spent on "room, laundry, anything except alcohol." These points can then be redeemed for merchandise or for upgrades from hotels around the world or from participating airlines.

Horita's campaign also makes monthly payments of \$345.90 to SAAB Financial Services Corporation for a campaign vehicle.

Big Island businessman and Hilo Representative Harvey Tajiri used his campaign dollars to buy a video camera, case and tapes for over \$1,300--for campaign use, of course--and also contributed \$500 to help former court official Tom Okuda pay the costs of his legal defense. Representative Horita's campaign also sent a \$250 check to Okuda, as did the campaign funds of other legislators and PACs.

Out to the ballgame

Representative Tajiri joined a number of other legislators in "contributing" to Hui Kokua Kinipopo, a sports booster club supporting the University of Hawai'i baseball team. Tajiri's campaign donated \$285 to the Kinipopo group.

Representatives Calvin Say's campaign organization reported giving \$440 to Hui Kokua Kinipopo for "tickets", while House Speaker Danny Kihano reported spending \$1,140 in campaign funds to purchase UH season tickets without indicating the sport involved. Another \$362 of Kihano's campaign funds went for the advance purchase of tickets to the Pro Bowl.

Speaker Kihano, who represents the Mililani-Waipahu area of Oahu, also had his campaign funds pay for his monthly "locker fee" of \$13 at the Waiialae Country Club, where some elected officials have been given honorary memberships.

Travels

Kihano's travels apparently went beyond Waiialae. His campaign bought \$1,393.85 worth of inter-island airline coupons, although no-one on the neighbor islands can vote for him, and the campaign also paid European World Travel \$4,175. The destination was not reported.

Senator Dennis Nakasato, chair of the Labor and Employment Committee, had some travel-related expenses of his own. He reported using campaign funds to pay for a round-trip airline ticket to Okinawa, and spent at least \$1,300 entertaining guests from Japan with meals and golf, including a dinner at the Halekulani Hotel costing \$391.62 and a lunch costing \$173.90.

Nakasato, a Democrat representing Kalihi, paid \$181 from his campaign coffers for an August round of golf and another over \$115 for multiple subscriptions to *Golf Digest*.

Continued next page

Campaign Expenditures

from page 4

Senator Eloise Tungpalan's campaign-funded travel was more local in nature. Her campaign picked up the tab for 49 tanks of gas costing a total of \$828 between January and September, and spent another \$1,500 for "campaign car insurance."

Image Resources

State Senator Tony Chang, an attorney who heads the Committee on Business Development and Pacific Relations, had no opposition in this year's election and did not actively campaign. He did, however, find some very innovative terms to describe some of his campaign expenditures. Senator Chang spent over \$750 at Liberty House, Penny's, Eddie Bauer (a mainland store specializing in winter attire) and a shop in California's Carmel Plaza for items which were reported to the Campaign Spending Commission as "image resources," "image items," or "campaign attire".

Questionable expenses

- Private club dues & expenses
- Tickets to Pro Bowl and other sports events
- Neighbor island travel for O'ahu legislators
- Personal clothing and laundry services
- Meals and entertainment at expensive restaurants
- Full payments for cars for personal as well as campaign use, or in non-election years.

The Nuuanu Democrat also spent hundreds of dollars of campaign funds on "Image control" which included multiple visits to Supercuts for haircuts, and repeated deposits of dirty laundry at his local cleaners.

Chang's campaign paid \$404.10 for a "Nordic Track" exercise machine for his office, and spent \$494 at the McCully Bike Shop for "campaign transportation".

Commission's presumption

The Campaign Spending Commission takes a relaxed attitude towards the use of campaign funds and relies on public scrutiny to prevent their misuse. According to Jack Gonzales, the Commission's executive director, "there's a presumption that if it is spent from the campaign fund, it is political." In other words, the Commission views virtually any expenditure as legitimate unless it is challenged by others.

Gonzales told *Hawai'i Monitor* that candidates are reminded of the public interest in their campaign spending reports and the dangers of public or media criticism of their spending habits. "It's the standard advice that we give them in our pre-election workshops," Gonzales said, noting that candidates are told to carefully document any expenditure which is extraordinary or unusual because "they may be subject to criticism."

Gonzales acknowledges that the statute prohibits the use of campaign funds for "personal expenses", but argues that the statute nonetheless "allows a very wide parameter on what you can do."

Gonzales believes that another section of the law, which requires a candidate to report any funds spent for "consumer goods, vehicles, equipment, and services that provide a mixed benefit to the candidate," contradicts and potentially nullifies the prohibition on the personal use of funds. "What does that mean," Gonzales asks, "and where does that leave us?"

In practice, the Commission often asks for clarification of certain expenditures. Gonzales says that "if questions come up regarding any particular expenditure, we ask for receipts." For example, candidates who use a personal or campaign credit card are asked to provide itemized lists of all individual expenditures.

Problems sometimes arise when a candidate's public reports are not amended to include the details provided in response to Commission inquiries. In those cases, Gonzales said that "the report will stand, but with the admonition that standing

*The Commission views
virtually any expenditure as
legitimate unless it is
challenged by others.*

that way without more detail may still cause questions."

Gonzales explains that some expenses which appear to be unusual make sense once a candidate has a chance to explain. He tells of a candidate who reported paying a dental bill from their campaign fund. A Commission inquiry determined that a campaign worker had fallen and broken a tooth, and the campaign had subsequently paid for the necessary dental work. "It was logical after it was explained," Gonzales observed.

Round-the-clock campaigning

Some candidates and elected officials take the position that they are always campaigning and, as a result, are entitled to charge seemingly personal items to their campaign fund. Gonzales said that some elected officials pay for personal cars using campaign funds and argue that every mile driven is campaign related.

According to Gonzales, most candidates will pro-rate the expenses of a car, charging their campaign only for that portion estimated to be used for legitimate campaign purposes. But lacking clear guidelines or standards, the Commission apparently leaves the final determination about what expenditures are proper to the voting public. ■

Convention Center

from page 1

During the 1989-90 period, Kahanu received a total of at least \$24,000 from the convention center consultants.

Other City contributions

Kahanu was not the only member of the Honolulu City Council to get financial backing from the group of convention center consultants. In fact, every one of the Council's nine members received some funds

time, the developers said that they would not go forward without provisions for the increased building heights.

Overall, those Council members voting in favor of the convention center proposal received an average of \$14,355 from the group of consultants, while those members voting against it received an average of \$8,007.

The mayor

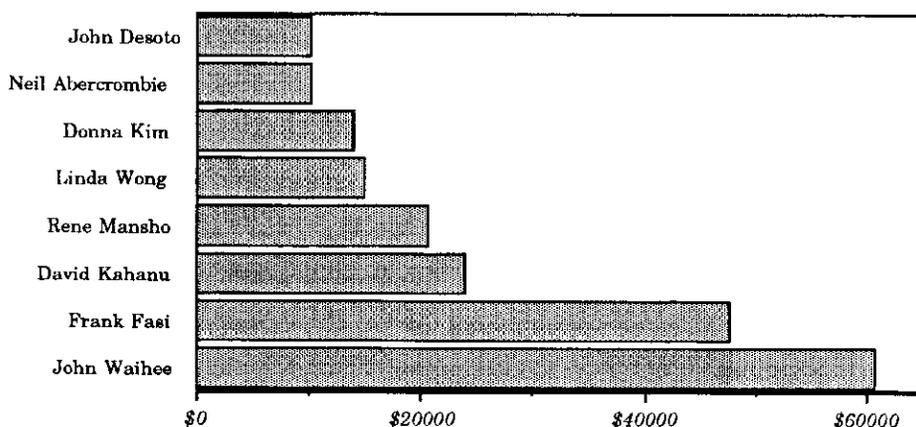
Mayor Frank Fasi did not have

Caution required

It is somewhat difficult to assess the meaning of these contributions. On the one hand, some of these consultants were competing for other City consultant contracts during this period. The competition for such non-bid contracts has traditionally been considered political in nature and has been linked to campaign contributions to the mayor.

At the same time, they may have had ties to other projects requiring Council action and may have contributed to garner support for those projects.

Campaign contributions from major convention center consultants 1989-90



Rene Mansho, chair of the Council's Committee of the Whole, received \$20,600. The convention center issue was referred to Mansho's committee at key points in order to expedite decision-making.

Zoning Committee chair Donna Mercado Kim received \$12,500 while Budget Committee chair John DeSoto and Human Services Committee chair Neil Abercrombie each received at least \$10,300.

Abercrombie, who represents the Waikiki district where the convention center will be located, opposed final approval of the project. However, he had earlier voted in favor of allowing the project to include buildings of up to 500 feet. The exemption from the prevailing height limitation was passed by a narrow 5-4 Council vote, with Abercrombie joining the majority. This was considered a critical vote because, at the

time, the developers said that they would not go forward without provisions for the increased building heights.

Indeed, Fasi received three types of support. First, a total of \$47,750 went into Fasi's own campaign account, including over \$30,000 from members of the Architects Hawaii firm. In addition, many of the same consultants also contributed an additional \$14,000 to the "Salute to Mayor Fasi" fundraiser held in late 1989 by the Republican Party. Proceeds were used to support candidates in certain "targeted" districts.

In addition, after Fasi's threw his support behind the City Council campaign of Linda Wong, his executive assistant, she received \$15,000 from the same list of convention center consultants.

Developer finds other channels

On the other hand, there is evidence that First Development, the developer of the convention center complex, sought other means of "helping" members of the City Council while wooing their votes.

For example, First Development is reported to have put \$30 million into a project organized by Walter and Richard Tagawa, brothers who also chair the respective campaign committees of Neil Abercrombie and John Henry Felix.

Walter Tagawa said that his partnership had been looking for funding for six months to build a retirement community in Mililani Mauka when an offer came from Daiichi Real Estate, the parent company of First Development.

Both the Tagawa brothers and the Council members have publicly denied any link between the \$30 million from Daiichi and the Council's consideration of the convention center issue.

However, *Hawai'i Monitor* was told that the Tagawa's need for funding was raised during a meeting attended by Walter Tagawa, Abercrombie, and lobbyists for the convention center project.

Abercrombie filed a written disclosure of a potential conflict of interest on April 16, a week before the Council's critical vote on the convention center and some weeks after Daiichi's involvement with the Mililani project had been reported.

Continued page 7

“THAT CAB” TOO MUCH FOR MR. MAYOR

A legal opinion written this past summer at the request of Mayor Frank Fasi recommends that the City revoke all special permits allowing Honolulu City Council members to park on Punchbowl Street alongside City Hall. The 4-page opinion was written by former Corporation Counsel Richard Wurdeman in response to Mayor Frank Fasi's complaint about the bright yellow “cab” driven by City Councilmember and now Congressman Neil

Abercrombie which occasionally can be found in a marked loading zone adjacent to City Hall.

Wurdeman's opinion leaves no doubt as to its target, saying that the vehicle questioned by Fasi “is particularly conspicuous because it is a taxi type automobile of a type not normally seen in Honolulu, and is emblazoned with both the name and a stylized drawing of the council member concerned.” Abercrombie drives a brightly colored Checker cab with his name and picture prominently displayed in black paint on a yellow background.

Abercrombie, along with some other Council members, was previously issued a special “street usage” permit issued by the Department of Transportation Services which allows temporary parking in that location.

The mayor, whose van occupies a prime private parking space at the front of City Hall, apparently takes great offence at those City Council members who feel they occasionally need to park close to their offices.

Abercrombie originally applied for the permit after being told that Council members could not park temporarily in front of City Hall even when loading or unloading heavy items.

Although Abercrombie's cab displays a street usage permit, Wurdeman found that “there is no legal authority for such a permit to exempt one from the equal application of the parking laws of the City.”

Opinion M 90-20, issued on July 11, 1990, stated that no exemption can be found in the law to allow this type of permit. Further, Wurdeman pointed to the City Charter's mandate that elected or appointed officials of the City “shall not use their official positions to secure or grant special consideration, treatment, privilege or exemption to themselves or any person beyond that which is available to every other person.”

Wurdeman stated that while parking regulations may seem trivial, “when one has a license to violate a trivial law, the lines between triviality and severity become very difficult to draw.”

Noting that similar Street Usage Permits are also “widely used” by employees of the Department of Transportation Services, Wurdeman recommended that all such permits in circulation be recalled.

However, it appears that the recommendation has never been implemented. Two members of Abercrombie's staff told *Hawai'i Monitor* that they were unaware of any attempt to recall the permit. ■

Convention Center from page 6

In his disclosure, Abercrombie stressed the distance between Tagawa's business activities and his own role on the Council. “For the record,” Abercrombie wrote, “I want to state that Mr. Tagawa's business activity was and is conducted separate and apart from my Council activity.”

At that time, Abercrombie did not disclose any personal benefits from the Daiichi-Tagawa retirement community project. However, in a personal financial disclosure statement required for his successful campaign for Congress, Abercrombie disclosed that he expected to be paid consultant fees of \$75 per hour by the “Caring...for Life Foundation”. The Foundation, which was only recently registered with the state, has been established to coordinate long-term care programs for the planned retirement community.

Other Council members confirmed that lobbyists representing First Development had asked them to support the convention center and, at the same time, made ambiguous offers to “help out” if they could. However, it is not known whether any actual assistance was provided by the developer to other members of the Council. ■

Please subscribe !

*If you are not yet a subscriber to **Hawai'i Monitor**, here's your chance.
Just return this coupon and your check today.*

Name _____

Address _____

City, State, Zip _____

*Rates: Institutions, including corporations and political committees, \$45
Individuals, \$25
Low income, \$12
— Here's an additional contribution to support your effort.*

Mail your check to:

Hawai'i Monitor, P.O. Box 605, Ka'a'awa, HI 96730

Monitoring in brief...

Lobbyists will be getting additional scrutiny at Honolulu's City Hall in the future. Ray Pua, Honolulu City Clerk, has notified Council Chair Arnold Morgado that a regularly updated listing of registered lobbyists will now be provided to Councilmembers and staff.

In a memo dated October 15, Pua says that the listing will be available for "help verify whether or not a lobbyist is registered... whenever applications are transmitted for Council consideration and action."

Council members and staff will be encouraged to check whether those requesting appointments to discuss Council business are properly registered as lobbyists.

The action was taken after questions were raised by *Hawaii Monitor* concerning the failure of some major lobbyists to register and disclose their activities as required by law.

Morgado responded by asking Pua and the Office of Council Services to explore ways to improve the registration procedures. One option explored was to regularly list registered lobbyists associated with each matter appearing on a public meeting agenda. Morgado also raised the possibility of refusing to accept testimony in public meetings from lobbyists who had failed to register. Such ideas could be pursued if Pua's approach fails to increase compliance with registration requirements.

As of October 1, 1990, there were 78 lobbyists registered with the City Clerk representing 47 organizations. Still not registered are lobbyists for companies competing for to build the proposed mass transit system now out for bid, as well as representatives of builders such as Lusk and Gentry.

Herbert Horita continues to be linked to large campaign contributions. The Maui News reported last month that both major candidates for mayor of Maui County had received financial support from corporations and individuals associated with Horita, a major O'ahu developer who now has projects underway on Maui. Reporter Dave DeLeon found that Republican Linda Lingle had received \$24,500 from the Horita group, while Democrat Elmer Cravalho got \$3,750. DeLeon, drawing in part on information printed earlier in *Hawaii Monitor*, identified 20 individual employees of Horita who had contributed either \$1,000 or \$2,000 to Lingle on either April 3 or April 14 of this year.

Contractor Dennis Mitsunaga and three companies which he controls contributed a total of \$8,000 to Elmer Cravalho's campaign this year, apparently in violation of the state's campaign contribution limitation. The contributions of \$2,000 each were identified by the Maui News and reporter Dave DeLeon as coming from Dennis Mitsunaga, Dennis Mitsunaga & Associates, Mitsunaga & Associates, and Mitsunaga Construction, all at an Amana Street address in Honolulu.

According to state law, no more than \$2,000 can be contributed from any group of individuals or companies which are controlled by the person. Following disclosure of the contributions, Cravalho's campaign refunded \$6,000.

Mitsunaga and companies also contributed \$5,000 to Honolulu City Council candidate Walter Ozawa on August 24. The excess contributions have not yet been returned.

Hawaii Monitor
P.O. Box 605
Ka'a'awa, HI 96730

Bulk Rate U.S. Postage PAID Honolulu, HI Permit No. 21
--

FORWARDING AND RETURN
POSTAGE GUARANTEED,
ADDRESS CORRECTION
REQUESTED