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# Hawai'i Monitor

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# "LOANS" BYPASS CONTRIBUTION LIMITS

A loophole in state law allows candidates for public office to accept funds in excess of legal contribution limits as long as the funds are designated as "loans". Loans that exceed the $2,000 contribution limit are apparently considered legal by the Campaign Spending Commission even if the funds are never repaid.

No legal restrictions or requirements are imposed by the Commission, and the Commission's practice has been to allow virtually any contribution to be designated as a loan by the candidate or the candidate's campaign committee.

For example, D.G. "Andy" Anderson campaign for governor in 1986 was boosted by a $100,000 loan from campaign chairman Valerie Mendes. The $100,000 payment was received on September 6, 1986 and has been carried on the campaign's books since that time.

According to reports filed with the Campaign Spending Commission, no interest payments have been made and none of the money has been paid back in the ensuing four and a half years.

Anderson's running mate in the 1986 election, John Henry Felix, also carries substantial outstanding loans from that campaign. According to campaign reports, the Felix campaign owes $16,800 to former campaign chair Walter Tagawa and an additional $10,000 to a Felix business associate. Both loans were made during the 1986 campaign.

Felix was elected to the Honolulu City Council in a 1988 special election, and was re-elected last year.

Tagawa, an architect, was chairman of the Felix campaign in 1986, and later headed Neil Abercrombie's 1988 bid for the City Council as well as Abercrombie's successful 1990 run for Congress.

***The Campaign Spending Commission has never adopted rules or guidelines for loans, and has no way to distinguish a contribution, which cannot exceed $2,000, from a loan which is not subject to the limit.***

These are just a few examples of transfers of money for campaign purposes which would have been improper if treated as "contributions" but have been allowed because they were called "loans."

**An absolute promise to repay?**

State law specifically provides that a loan is not considered to be a contribution and, therefore, is not subject to the normal contribution limit of $2,000 per election. A campaign loan is defined as "an advance of money, goods, or services, or a guarantee, endorsement, or any other form of security, with an absolute promise to repay."

However, the Campaign Spending Commission has not adopted any rules or guidelines regarding what constitutes "an absolute promise to repay." As a result, the Commission has no way to distinguish a contribution, which cannot exceed $2,000, from a loan which is not subject to the limit.

In practice, according to Jack Gonzales, executive director of the state Campaign Spending Commission, "there's no restrictions on loans." "We've got a problem," he said.

Gonzales explained that state law does not require a written loan agreement, interest payments, or a specific due date. He said that while the law requires a promise to repay, "it doesn't require repayment within a certain period."

Gonzales said that a candidate or campaign committee may choose to carry an unpaid loan on their books indefinitely. He noted that a political committee must file reports with the Campaign Spending Commission as long as they have funds or outstanding loans. However, Gonzales said that no other requirements exist.

"Even if they never pay it back, as long as they continue to file reports there's no other obligation," Gonzales said. "There's nothing that requires that they retire the loan."

**Loans in federal elections**

Loans are handled quite differently under federal law. The Federal Election Campaign Act treats any loan as a contribution and sub-

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ject to contribution limits unless the loan is obtained from a commercial lending institution "in the ordinary course of business."

Loans from individuals are subject to the same $1,000 limit as other contributions. In order to exceed the contribution limit, commercial loans must have a written agreement assuring repayment, and must have a specified due date or payment schedule. In addition, the loan must bear "the usual and customary interest rate of the lending institution for the category of loan involved."

Federal law also provides that any endorser or guarantor of a loan is considered to have made a campaign contribution of the amount of their potential liability.

Restrictions on loans such as those imposed by the Federal Election Campaign Act are considered important elements of campaign law by the Council on Governmental Ethics Laws (COGEL), a professional organization made up of agencies responsible for management of campaign finance and ethics law enforcement. COGEL has warned that "loans are often used to circumvent contribution limits" and recommends that states adopt loan restrictions.

### Loans from candidates

Loans from candidates to their own campaigns have also been used to bypass the limit for contributions from a candidate or their immediate family. State law limits candidates and their families to a total contribution of $50,000 "in any election year."

However, Honolulu City Council member Andy Mirikitani reports campaign loans from his family totalling over $267,500 as of December 31, 1990. Some of the total was actually incurred during Mirikitani's unsuccessful 1988 campaign against John Henry Felix.

Mirikitani said earlier that his reliance on family money allowed him to remain independent of special interests.

Big Island Mayor Lorraine Inouye borrowed over $125,000 from her husband to fund her successful campaign.

State Representative Duke Bainum reported raising $107,393 prior to the general election, of which $92,800 came from himself or members of his family. Bainum was a surprise winner over veteran Joan Hayes in the primary.

***After an election, many people may wish to contribute to a winning candidate, knowing that their contributions will go from the committee directly to the candidate's personal coffers as repayment for the loan.***

Bainum told *Hawai'i Monitor* that "I am now able to sit here and not be beholding to anyone." Bainum said that he had two options, to "beg for charity or loan myself money. If I don't believe in myself enough to risk my own money, how can I expect others to?"

Kauai lawyer Martin Wolff also spent substantial amounts of his own funds in an unsuccessful bid for mayor.

In these and other examples from the 1990 election, candidates were able to exceed the $50,000 cap by treating their personal or family funds as "loans" rather than as contributions.

The Campaign Spending Commission would normally enforce the $50,000 limit, according to Jack Gonzales.

In one case considered at the beginning of this year, the Campaign Spending Commission determined that the "significant other" of an unmarried candidate would not qualify as a family member. Without a legal marriage the regular $2,000 contribution limit applies, the Commission said.

However, Gonzales said, "if loans are involved then I've got a problem since there's no restrictions on loans."

Large loans from candidates cause a special kind of problem. As noted by COGEL, "in the case of a winning candidate, when a debt is retired, or contributions accepted after an election, many people may wish to contribute, knowing that their contributions will go from the committee directly to the candidate's personal coffers as repayment for the loan or contribution made by the candidate."

This link from the campaign to a candidate's personal account may lead to greater special interest pressures on candidates as they attempt to raise money to repay themselves for outstanding personal loans.

### Evading limits

Gonzales acknowledged that loans can be used to get around both contribution limits and the restrictions on expenditure of personal and family funds. "That's a real problem area," Gonzales said.

Gonzales said that more candidates would probably take advantage of the "loan" loophole if it were more widely understood. "I try not to advertise it," he said.

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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.

# DEVELOPER CONTRIBUTES WHILE SEEKING APPROVALS

While developer Sukarman Sukamto was making substantial contributions to Honolulu Mayor Frank Fasi and members of the Honolulu City Council, Sukamto's proposed Waikiki Landmark condominium development was seeking vital City approvals that it needed in order to proceed.

As reported in the January 1991 issue of *Hawai'i Monitor*, Sukamto-related individuals and companies contributed more than $13,000 to Fasi's 1988 re-election campaign, and added at least $9,000 during the first half of 1990. Other contributions were made to members of the Honolulu City Council.

The Waikiki Landmark is a mixed use residential and commercial development featuring 188 residential condominium units which is now under construction in the 2-1/2 acre parcel bounded by Ala Wai, Kalakaua and McCully.

Waikiki Landmark Partners is developing the $130 million project. Business registration records show that the general partner is SHC-Landmark, Inc., which is headed by Sukamto.

The project hit the news last March when the Masquerade nightclub and other businesses on the site were demolished while tenants claimed to still have valid lease agreements.

There is no direct evidence to suggest that campaign contributions had any impact on the treatment accorded the Waikiki Landmark and its developer, although some of those involved continue to nurse their private suspicions.

However, one function of the public disclosure of campaign contributions is to allow voters to be alert to circumstances where potential conflicts of interest exist. Under such circumstances, an alert and aware electorate can help to deter favoritism based on the influence of actual or promised campaign support.

With this in mind, it is interesting to look back at the history of this particular development.

**A landmark project**

A Honolulu Advertiser story in December 1987 first noted Sukamto's "hope" to build a mixed use high rise project on the so-called "Waikiki Triangle" property.

The Advertiser reported that Sukamto had purchased the lease on the property from developer L. Robert Allen for $8 million.

By September 1988, a preliminary environmental impact assessment had been prepared and publicly circulated for comments, and a draft environmental impact statement (EIS) was completed in March 1989.

Sukamto appears to have had some difficulty gaining the necessary approval of the EIS. The City's Department of Land Utilization (DLU), which had to give its okay before the project could proceed, raised a number of pointed objections.

In a letter dated April 28, 1989, then-DLU director John P. Whalen said that "existing zoning regulations would not permit the proposed development."

Whalen questioned whether the plans exceeded allowed density and whether a primarily residential project was consistent with the "commercial emphasis mixed-use" designation of the area.

He also questioned the proposed building design, which includes two 320-foot towers connected at the top five floors. Whalen's letter stated that this design "would increase the visual bulk and shadow impact on surrounding areas" when compared to a simpler design featuring two free standing towers.

These and other problems led the developer to withdraw the environmental impact statement on November 2, 1989. A revised draft was re-submitted on November 20 after efforts were made to respond to the major concerns.

Delays in the process of gaining approvals, as well as subsequent problems moving tenants from the site, were costing the developer money.

In sworn depositions taken in February 1990 as part of a related civil lawsuit, Sukamto representative Colby Jones said that the project "has a sizable loan with a sizable amount of interest accruing daily."

Although he declined to put a dollar figure on the losses, Jones indicated that they were a problem.

**Favorable changes**

In the next month, two events took place which apparently greatly improved the project's chances of approval.

In mid-December, John Whalen was replaced by Don Clegg as the director of the Department of Land Utilization.

Clegg, who had been the city's chief planning officer and head of the Department of General Planning, was also a campaign activist in charge of on-going polling operations for the Republican Party of Hawaii. These polls, which were aimed at improving the Republican's chances in the 1990 elections, had gotten underway months earlier in the summer of 1989.

The second fortunate event for Sukamto's development was passage by the City Council of a package of amendments to the city zoning laws. The amendments altered the way that allowable building densities are calculated. The changes favored the Waikiki Landmark's way of figuring densities, which had previously been questioned by Whalen.

Another amendment specifically authorized multi-family residential dwellings as a permitted use in a small section of Waikiki which included the project site.

In January 1990 a revised Final EIS was submitted, and approval was granted by Clegg and the Department of Land Utilization on February 21, 1990.

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*Courts say some "contributions" questionable*

# BONA FIDE CONTRIBUTIONS OR BRIBES?

Can a campaign contribution be considered a bribe? According to at least two court rulings, the answer is "yes".

The U.S. Supreme Court is now reviewing a ruling that a campaign contribution from a lobbyist can be a bribe. The case, *U.S. v. McCormick*, involves a legislator in West Virginia who was convicted of violating a federal law prohibiting political extortion. The legislator had solicited, and accepted, campaign contributions from a group of foreign doctors lobbying for specific legislation.

The Fourth Circuit Court of Appeals upheld the conviction and rejected the legislator's argument that he had simply accepted but failed to report a campaign contribution.

**Actual intent**

The court held that whether a payment is to be considered a campaign contribution or a bribe is dependent on "the actual intent of the parties."

In addition, the court identified a number of factors that might be considered in determining whether a candidate has received a legitimate campaign contribution or a bribe:

"(1) whether the money was recorded by the payor as a campaign contribution, (2) whether the money was recorded and reported by the official as a campaign contribution, (3) whether the payment was in cash, (4) whether it was delivered to the official personally or to his campaign, (5) whether the official acted in his official capacity at or near the time of the payment for the benefit of the payor or supported legislation that would benefit the payor, (6) whether the official had supported similar legislation before the time of the payment, and (7) whether the official had directly or indirectly solicited the payor individually for the payment."

Edward D. Feigenbaum, editor of the political newsletter *Indiana Insight* and an expert in the area of campaign finance, predicts that the Supreme Court will uphold the decision in a ruling later this Spring. Feigenbaum believes that the Supreme Court "may serve to effectively rewrite the rules for contributions by lobbyists--or the willingness of legislators to personally solicit and receive them."

***"[I]t is not the use to which the money may be put, but it is the purpose for which the money was paid that controls."***

**Selling official acts?**

The Supreme Court of the State of Georgia reached a similar conclusion in the case of *The State v. Agan*, decided in late 1989.

This case involved the the Honorary Turkish Consul in Atlanta, a Mr. Agan, who had sought a building height variance to allow construction of a hotel on his property.

After having been turned down twice, Agan submitted a third application for the variance. This time around, he told two county commissioners that a number of friends wanted to contribute to their campaigns, and he later turned over envelopes containing checks made out as "campaign contributions".

Agan was charged with bribery and brought to trial under state law. During the trial, the jury was instructed that bribery occurs when someone gives or offers to give a public official "any benefit, reward, or consideration to which he is not entitled with the purpose of influencing him in the performance of any act related to the functions of office." It was also explained that campaign contributions are given "for the purposes of influencing the nomination for election or election of any person for office...."

The jury was then told that "it is not the use to which the money may be put, but it is the purpose for which the money was paid that controls." In other words, if the money is given for election purposes then it is a campaign contribution, but if given to influence official action it can be considered a bribe.

The defendants appealed, and the Georgia Court of Appeals threw out the conviction. The Appeals Court found that if money given to a public official qualifies as a campaign contribution, then by definition it cannot be a bribe.

The Georgia Supreme Court rejected this argument, and found instead that the bribery law is not affected by the state's campaign spending law. The Court ruled that although a particular transaction might be considered a campaign contribution for disclosure and other purposes, it could also be found to violate the bribery statute.

In explaining its decision, the Georgia Supreme Court commented:

"Citizens of Georgia have every right to try to influence their public officers--through petition and protest, promises of political support and threats of political reprisal. They do not have, nor have they ever had, the 'right' to buy the official act of a public officer. Public officers are not prohibited from receiving legitimate financial aid in support of nomination or election to public office. They do not have, nor have they ever had, the 'right' to sell the powers of their offices."

In a footnote, the Court expressed concern over adoption of any approach under which corrupt practices would proliferate. The Court cited a story in an Atlanta newspaper concerning a millionaire

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## *No rules for handling loans, Commission says*

*from page 2*

"I don't pinpoint those areas [in the law] that are weak," Gonzales said, adding that "most candidates aren't aware of those options."

Gonzales said that he has been trying to get the legislature to close this and other loopholes, but has not been successful. He pointed out that candidates "make all kinds of promises" about campaign finance reform when they are running, but once elected these promises remain unfulfilled.

**Constitutional questions**

Although the Hawai'i law placing a cap on personal and family spending has not been directly challenged, there are indications that it might not successfully withstand a constitutional challenge.

In its landmark decision in the case of *Buckley v. Valeo*, the U.S. Supreme Court struck down a similar federal restriction on the expenditure of personal funds by a candidate.

In its decision, the Supreme Court noted that a ceiling on personal expenditures by candidates restricts the ability of candidates to engage in protected First Amendment expression.

The Court found that candidates have no less First Amendment rights than others to "vigorously and tirelessly" advocate their own election.

***It seems quite likely, based on the U.S. Supreme Court's 1976 ruling, that the state's limit on a candidate's expenditure of their own personal funds would be found unconstitutional.***

The court said that "it is of particular importance that candidates have the unfettered opportunity to make their views known so that the electorate may intelligently evaluate the candidates' personal qualities and their positions on vital public issues choosing among them on election day."

Although the prevention of actual or apparent corruption justifies limits on campaign contributions from others, the Supreme Court ruled that this justification would not apply to a candidate's expenditure of their own personal funds.

"Indeed," the Court said, "the use of personal funds reduces the candidate's dependence on outside contributions and thereby counteracts the coercive pressures and attendant risks of abuse to which the Act's contribution limits are directed."

However, the Supreme Court's action addressed only the expenditure of a candidate's personal funds. The Court left intact contribution limits as applied to members of a candidate's immediate family, including a spouse, as well as children, grandparents, a brother or sister, or their spouses.

In a footnote, the Supreme Court referred to the legislative history of the Federal Election Campaign Act, citing a Conference Committee report which expressly provided that family members would be subject to the same contribution limits as other persons.

"Although the risk of improper influence is somewhat diminished in the case of large contributions from immediate family members," the Court wrote, "we cannot say that the danger is sufficiently reduced to bar Congress from subjecting family members to the same limitations as nonfamily contributors."

It seems quite likely, based on the U.S. Supreme Court's clear ruling, that a constitutional challenge to the state's limit on personal spending would succeed in striking down this provision of Hawai'i law.

But while allowing unlimited use of personal funds, federal laws have much more restrictive definitions than in Hawai'i. For example, personal funds must have been under the control of the candidate prior to the campaign, and only that portion of jointly held funds attributable to the candidate may be considered personal.

If a candidate borrows against the equity in a jointly held home, federal law usually allows only half of the amount to be utilized. ■

## *Contributions or bribes?*

*from page 4*

who handed out $10,000 checks on the floor of the Texas Senate while legislation that interested him was pending. The millionaire said that the checks were not bribes but rather campaign contributions. The Texas district attorney was quoted as saying that it would be difficult to sustain a bribery charge because, "in Texas, it's almost impossible to bribe a public official as long as you report it...."

The Georgia Supreme Court also rejected the argument that bribery can only be found were a public official "agrees to an explicit *quid quo pro*, i.e., an explicit purchase of an explicit official act." ■

## *Sukamto's Landmark*

*from page 3*

**Continuing troubles**

Problems for the project did not end with DLU's approval. Colby Jones says that he was "told as manager of the property to move the tenants out because we have got money that we are losing the longer it takes to keep this project from starting to materialize and go up."

Attempting to push the project forward, an unlicensed company was paid to demolish the Masquerade nightclub and other buildings on the site.

According to Lynn Minagawa, an attorney with the state's Regulated Industries Complaints Office, legal action was taken against the unlicensed contractor which resulted in a fine of $5,000. Another contracting firm which assisted the effort was fined $500. Other litigation involving former tenants is pending. ■

# Follow-up

## *HANNEMANN RESPONDS*

*The following letter was received from Mufi Hannemann in response to comments printed in December's "Monitoring in brief" column:*

"Your December *Hawai'i Monitor* article gave the false and libelous impression that C. Brewer and Company conveniently increased my salary to support my 1990 campaign for Congress.

You blatantly implied that C. Brewer directed more than $100,000 into my campaign through a doubling of my salary which, if true, would have been highly unethical.

The increase in earnings from $92,315 in 1989 to $193,667 as of July 1990 was due to a promotion and, more importantly, reflected my having "cashed in" on stock options I earned during my five year tenure.

It is regrettable that while you placed a call to my office to confirm the date of my unpaid leave of absence, you made no attempt to clarify the earnings increase. If you had bothered to check with anyone in a position to know, you would have discovered that $126,167 of my reported earnings during that period were a result of my having exercised these previously earned stock options. The balance of $67,500, therefore, is directly attributable to my salary and performance bonus.

As you correctly reported, I was on leave of absence from July 1, 1990, and returned to work on November 16. You should know that during this period, not only did I forgo my salary, but I reimbursed the company for rent, health and medical benefits, club membership dues, and other expenses involving perquisites to which I was entitled.

The *Hawai'i Monitor* seems to pride itself on bringing to light the abuses plaguing campaign financing. However, your mere reportage of spending report statistics, without amplification and analysis, was not just or fair. The false conclusions contained in the article were an unwarranted and damaging attack on my integrity, C. Brewer's reputation, and a disservice to your readers.

Thank you for this opportunity to respond."

Sincerely,

Mufi Hannemann

### *Editor's comments:*

Mr. Hannemann was invited to share his views with *Hawai'i Monitor* readers after he wrote complaining about the item in December's "Monitoring in brief" column. His letter, reprinted here in full, includes some interesting details concerning the salary and stock options which he received while an employee of C. Brewer.

However, *Hawai'i Monitor* believes its original comments were neither unfair nor libelous. The basis for this judgement is spelled out below. At the same time, Mufi Hannemann's willingness to put his concerns into writing and to enter into a public debate on the issues is appreciated and should be acknowledged.

It is obvious that the nature and terms of Hannemann's employment with C. Brewer and Company are matters of public concern and interest, which is precisely why candidates for federal office are required to disclose their finances. Further, both Mr. Hannemann and his former employer must be aware that their relationship, sustained through two Congressional campaigns, is a legitimate subject of analysis and comment.

It is important to review these matters in detail because of the seriousness of Hannemann's complaint and the accusatory language which he has chosen to use.

**The candidate discloses**

It is true that Hannemann has now provided additional details regarding income which he received from the exercise of C. Brewer stock options, but was *Hawai'i Monitor* irresponsible for not digging out this information earlier?

It should be noted that the original salary data reported by *Hawai'i Monitor* was provided by Hannemann himself. As a candidate for Congress, Hannemann was required to complete a personal financial disclosure statement pursuant to the Ethics in Government Act.

The form completed by each candidate advises in bold type that the statement will be made publicly available "to any requesting person." The document's public character, and its potential role in shaping public reactions to the candidate, are never in doubt.

Hannemann's own financial disclosure statement was signed and dated on September 13, 1990 and filed with the clerk of the U.S. House of Representatives. A copy is filed and available for inspection at the offices of the state Campaign Spending Commission.

The financial disclosure form instructs candidates to specify the nature of any income received: "The

*Continued next page*

**Exerpt from Hannemann's federal financial disclosure report:**

The source, type, and amount of income (except income reported below in Part IIB) aggregating $100 or more in value received source during the PRECEDING CALENDAR YEAR and the CURRENT CALENDAR YEAR to date of filing, listed separately IF NONE, SO STATE.

| SOURCE | YEAR | TYPE | AMOUNT |
|---|---|---|---|
| C. Brewer & Co. Ltd. | 1990 | salary, bonus | 193,667. |
| C. Brewer & Co. Ltd. | 1989 | salary, bonus | 92,315. |
| | | | |

## *Hannemann responds* *from page 6*

type of income should be identified as salary, commission, pensions, honoraria, dividends, interest, etc."

Hannemann himself described income received from C. Brewer during both 1989 and 1990 using the phrase "salary, bonus". The same label was applied to each year's entry. This portion of the financial disclosure statement is reprinted on page 6.

In addition, Hannemann did not elect to use the separate section of the form provided for reporting of "dividends, interest, rent, and capital gains," although this would appear to have been the place to report any capital gains resulting from the exercise of his stock options.

The simple point is that if Mr. Hannemann felt that it was important to distinguish his salary from the income which he received from stock options, then he could easily have reported it in this fashion.

Candidate Hannemann chose not to make that distinction in September 1990, but now charges that *Hawai'i Monitor* was irresponsible for failing to make the distinction for him a few months later. This is not a reasonable complaint.

Hannemann's latest description of his remuneration at C. Brewer is certainly more complete, and the additional details that he now provides concerning stock options may indeed be significant for some purposes. However, it does not follow that *Hawai'i Monitor* should be faulted for relying on the public disclosure previously prepared by the candidate himself.

**A supportive employer?**

Hannemann is also offended by *Hawai'i Monitor's* view that his campaign benefited from "the support of his employer."

Hannemann acknowledges that he was a C. Brewer employee for just five years. He joined the company as a young man fresh from the experience of being a White House Fellow in Washington, but apparently without substantial business experience. He resigned to make his first run for elective office in 1986, then rejoined the company until he went on leave to conduct last year's campaign. According to his own figures, Hannemann was paid a salary of $67,500 during the first six months of 1990. On an annualized basis, this would have been an increase of some 46% over what he was paid the year before.

***Candidate Hannemann chose not to make a distinction between salary and stock options in September 1990, but now charges that Hawai'i Monitor was irresponsible for failing to make the distinction for him a few months later. This is not a reasonable complaint.***

In addition to this handsome salary, Hannemann received stock options, lived at least part of the time in a Brewer-owned house, and received other perquisites from a company which was surely not unaware of his political ambitions.

But there is a broader point to be made here. In Hawai'i politics, some people get "taken care of" in ways that leave the rest of us in awe.

The reasons, legitimate or otherwise, are not always clear. "Connections," sometimes family relations, have something to do with it. Service to the political establishment, past or prospective, also counts for something. But the particular attributes that set the anointed apart from the others remain something that we can usually only speculate about.

Having said this, it is difficult to avoid the conclusion that Mufi Hannemann is one of the "fortunate" few, and this was certainly the underlying point of *Hawai'i Monitor's* original comments.

Hannemann's tacit selection as the standard bearer of the mainstream of the state's Democratic Party in two Congressional campaigns and his recent appointment as director of the Office of International Relations attest to his status.

Despite his protestations, and his threatening references to libel, it was not unreasonable for *Hawai'i Monitor* to surmise--and to state in print--that Mr. Hannemann's campaign benefited from the support of C. Brewer, just as it benefited from the support of other parts of the political establishment.

## Monitoring in brief...

During 1990, Hawaiian Airlines was struggling financially but still managed to make its share of campaign contributions. The company contributed interisland tickets to a number of candidates who had to travel as part of their campaigns, including Governor Waihee, Lt. Gov. Cayetano, and various mayoral candidates in Maui County, where the necessity of multi-island campaigning creates financial hardships.

But during last year's legislative session, Hawaiian also gave tickets to three legislators who have no campaign need for interisland travel.

Representative Paul Oshiro, who represents Ewa Beach and Waipahu, received 10 interisland tickets valued at $250, while Rep. Romy Cachola from Kapalama got 20 tickets worth $500.

On the Senate side, Milton Holt, who represents parts of central Honolulu, also received 10 tickets.

Although none had any interisland campaign work, Oshiro chaired the House Transportation Committee while Cachola and Holt headed the House and Senate committees on Tourism.

Like other contributions received during the session, these gifts of travel were not disclosed until months after the session ended. And unlike cash contributions, the ultimate use of these tickets is not reported to the Campaign Spending Commission.

* * *

In early November, City Council member Andy Mirikitani's campaign organization received a total of $10,000 from developer Thomas T. Enomoto, his brother Dennis Enomoto, and three Enomoto-related companies. The three companies are Dura Constructors, Ramco, and Land Process Service Corporation.

However, three of the $2,000 checks were reported returned to the donors on January 30, 1991. The returns followed publication of *Hawai'i Monitor*'s December issue, which described other instances in which the Enomoto group appears to have exceeded contribution limits.

* * *

From the *Maui News*...

"If anyone thinks that a political campaign contribution will influence an elected official, then lobby to change the law regarding contribution limits or prohibit contributions altogether.

Let's be fair and objective about this matter. Making an assumption that a lawful contribution to a political campaign will automatically influence a vote is not my idea of fairness...."

*Alice Lee, Maui County Council, in response to suggestion that those receiving contributions from Sports Shinko should not be allowed to vote on the developer's proposed hotel in Pukalani.*

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