

2012 TESTIMONY LIST

**SENATE SPECIAL COMMITTEE ON ACCOUNTABILITY INFO BRIEFING 10/2/12
OPERATIONAL AND FINANCIAL MANAGEMENT OF THE UNIVERSITY OF HAWAII**

POSITION	TESTIFIERS
<p>Supports intent of the Legislative Committee</p>	<p><u>University of Hawaii Faculty & Staff</u></p> <p>Harry Davis</p> <p>David A. Mihaila</p> <p>Mary Andrews</p> <p>Dr. Beverly Deepe Kever</p> <p><u>University of Hawaii Students</u></p> <p>Richard Mizuzawa</p> <p><u>Individuals</u></p> <p>Joy Marshall</p> <p>Patrick Gallagher</p> <p>Mark Smith</p> <p>Christopher Dunn</p> <p>Gilbert Horita</p> <p>Myron Berney</p>
<p>General Support of the University of Hawaii</p>	<p>H. Mitchell D'Olier, President & CEO of Kaneohe Ranch Company LLC.</p> <p>Tracey Imper, Chairperson University of Hawaii Student Caucus</p>
<p>Submits Comments</p>	

University of Hawaii
Faculty & Staff

Thank you so much for this investigation. In my opinion, the UH officials have been living the high life off of our students tuition money, AND, they are insensitive to the effort it takes for many of our students to get to college. They are out of control.

Our students work one or more jobs to live and to pay tuition. They have exhaustive schedules in order to handle work, family, and school. This is the real reason that the completion rates are so dismal. Students whose parents pay for tuition are NOT the norm. The sacrifice that a student makes to get into the classroom each day is commendable.

Administrators are so out of touch with what it takes to make a living in Hawaii that they are insensitive. Administrators are so overpaid, and many of them don't even make their own cup of coffee – they have people to do this. When the legislature gave the university autonomy, administrators' salaries skyrocketed with most making way more than the Governor or Mayor. This is sinful. While the administrative salaries went up our janitors were furloughed, students' tuition was raised, and fees such as the athletic fee were used to hide the true cost of going to UH.

As a faculty in this system for 24 years, and a faculty senate chair for 4 years, I was not surprised to hear about the concert fiasco, the cover up, nor the payoff for the athletic director. The running total is about \$200,000 lost, an additional position paying \$210,000, and lawyers fees another \$100,000 plus.

a HALF-MILLION dollars of our students money !

And the administrators thought they could use the new football couch's popularity to make this go away so they could go about their usual living large style.

The secret life of high-level administrators should be exposed. Why do they make so much money ?

>Do they have college degrees or experience that qualify them for the job ? Mostly, No.

>This is NOT a CEO model, they do not run a business. A CEO gets paid when they make money for the stockholders and the company is profitable. The UH is subsidized by taxpayers, it does not make a profit, and who do the administrators answer to ?

>The original argument was that they did not have tenure. This is no longer true.

Administrators are given instant tenure in the department of their choice. If they get fired, they get the highest pay of anyone in the department they are tenured in. Thus, Chancellor Apple, who was originally a chemist, did not take tenure in the Chemistry Department, but in the School of Medicine where the salaries are much higher. Virginia Hinshaw was given a sabbatical before going to her faculty job, a sabbatical that is one month longer than normal so that she would not have to do any teaching for an additional semester.

While faculty is scrutinized in every way to make sure that we don't illegally expend a few dollars, administrators are not.

The true danger of these high salaries in my opinion is that they create a culture of 'do what is best for your career' instead of 'do what is right for the students'. Then, maybe you will be rewarded with one of these salaries. Be a team player and don't make waves. Follow the party line, that is, always make your superior and the administration look good and it will

be good for you. They will take care of you, as in the case of Jim Donovan, a former UH football player. AND THE STUDENTS WILL PAY FOR YOU !

Mahalo for listening

Aloha, Harry

Harry Davis, Professor in Chemistry at Kapiolani Community College

MEMORANDUM TO THE HAWAI'I SENATE

"Bureaucracy is the art of making the possible impossible."—Javier Pascal Salcedo

"The perfect bureaucrat everywhere is the man who manages to make no decisions and escape all responsibility."—Brooks Atkinson

"Bureaucracy expands to meet the needs of the expanding bureaucracy."—Oscar Wilde

"We must fight against negativity—especially bureaucracy, corruption, and wastefulness."—Nong Duc Manh

"Hell hath no fury like a bureaucrat scorned."—Milton Friedman

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TO: The Senate, State Capitol, Honolulu, Hawai'i 96813; Senate Special Committee on Accountability: (1) Senator and Chair Donna Mercado Kim, (2) Senator and Vice Chair Jill N. Tokuda, (3) Senator Les Ihara, Jr., (4) Senator Ronald Kouchi, and (5) Senator Sam Slom

FROM: David A. Mihaila, J.D.; Lili'uokalani Gardens, 300 Wai Nani Way, Penthouse 5, Honolulu, Hawai'i 96815; (808) 649-9276

DATE: 01 October 2012

SUBJECT: Testimony Regarding The University Of Hawai'i System's Operational And Financial Management (Informational Briefing 2)

I. Something Is Rotten At The University Of Hawai'i

On May 30, 2012, the University of Hawai'i at Mānoa newspaper, *Ka Leo O Hawai'i*, published the below letter.

In the final analysis, this cluster of administrative controversies (Virginia Hinshaw's near-\$300,000 self-serving exit payout, and the board of regents' unanimous ratification of the new chancellor and his significant salary increase) opened a window into the board of regents and the administration which must be chronicled, viz.: (1) the board is in essence a body of cowards with no independent judgment, and (2) the administration is comprised of disingenuous greeds who care more about their own interests than the interests of the

students and faculty.

Ultimately, these events have damaged the reputation of the board and the administration in the public's eye because they provided an opportunity to see the perverse bureaucracy of the board and administration at work.

If the public, faculty, or students had voted on either of these measures each proposal would have been shot down with a resounding "No!" In stark contrast, give the measures to the board and the administration and each measure is approved with a resounding "Yes!"

Something is off-kilter here, or as Shakespeare wrote, "Something is rotten in the state of Denmark."

II. Recalibrating The Balance Of Power

What is off-kilter at the University of Hawai'i is the balance of power that has expanded to elephantine proportion on the administrative side of the scale while shrinking on the student and faculty side of the scale. Specifically, the executive bureaucracy at the University of Hawai'i has created a hierarchy of power resembling a monarchy with such regal titles as regents, and chancellors, and vice chancellors and salaries and benefits befitting a king or queen and a privileged aristocratic class. However, out in the fields, the students and faculty, like serfs, are forced to endure substandard conditions and higher taxes in the form of increased tuition and fees at the whim of the dominating royal administration.

This imbalance of power is a barrier to progress and must be restored to a state of equilibrium.

By analogy to corporate structure, the students and faculty and taxpayers are the shareholders (or owners) of the university; the board of regents is the board of directors; and the senior administrators are the officers of the business entity. In a corporate structure, the directors and officers exist to serve the shareholders. However, at the University of Hawai'i, the corporate structure has become so bloated with the board and executive administration serving themselves at the expense of the students, faculty, and taxpayers that the structure is failing.

III. Think Business Model

A university is a business, and it should be managed and operated like a business. If an employee or employees carelessly lost, misplaced, or wasted \$200,000, then clearly the company would sternly punish the employees for incompetence. In sharp contrast, in the University of Hawai'i scandal involving the failed Stevie Wonder concert what looks, feels, and smells like clear administrative and professional negligence, executive administrators in a unified front are again taking care of their own interests at the expense of the business entity by squandering enormous University of Hawai'i and State of Hawai'i resources for the purpose of concealing their liability and shielding themselves from accountability.

Something is indeed rotten within the University of Hawai'i bureaucracy.

IV. A Return To The Essence

The essence of the University of Hawai'i is to convey knowledge and values to students not to provide a quick buck to executive administrators who come and go. There is an African saying that "if you want to go quickly, go alone; but if you want to go far, go together." The executive administration at the University of Hawai'i is going alone quickly by treating the university as cash cow and then getting out. If the State of Hawai'i wants the University of Hawai'i to go far, then we must go together. The first step in this journey and new era is to remove the veil that the administration has been hiding behind and restore the balance at the university where the students and faculty should come first and the board of regents and executive administration should exist to serve the students and faculty, not themselves.

Respectfully Submitted,
David A. Mihaila, J.D.

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Daniel Holt

From: MAry Andrews [mla@hawaiiantel.net]
Sent: Thursday, September 27, 2012 4:01 PM
To: SCATestimony
Subject: Testimony Regarding UH Finances
Attachments: image001.jpg; image002.jpg; image004.jpg; UHH.Sculpture.9.20120001.pdf

To: Honorable Senator Donna Mercado Kim and the Senate Special Committee on Accountability
From: Mary L. Andrews, MSN., RN. University of Hawaii at Hilo Faculty (Retired)

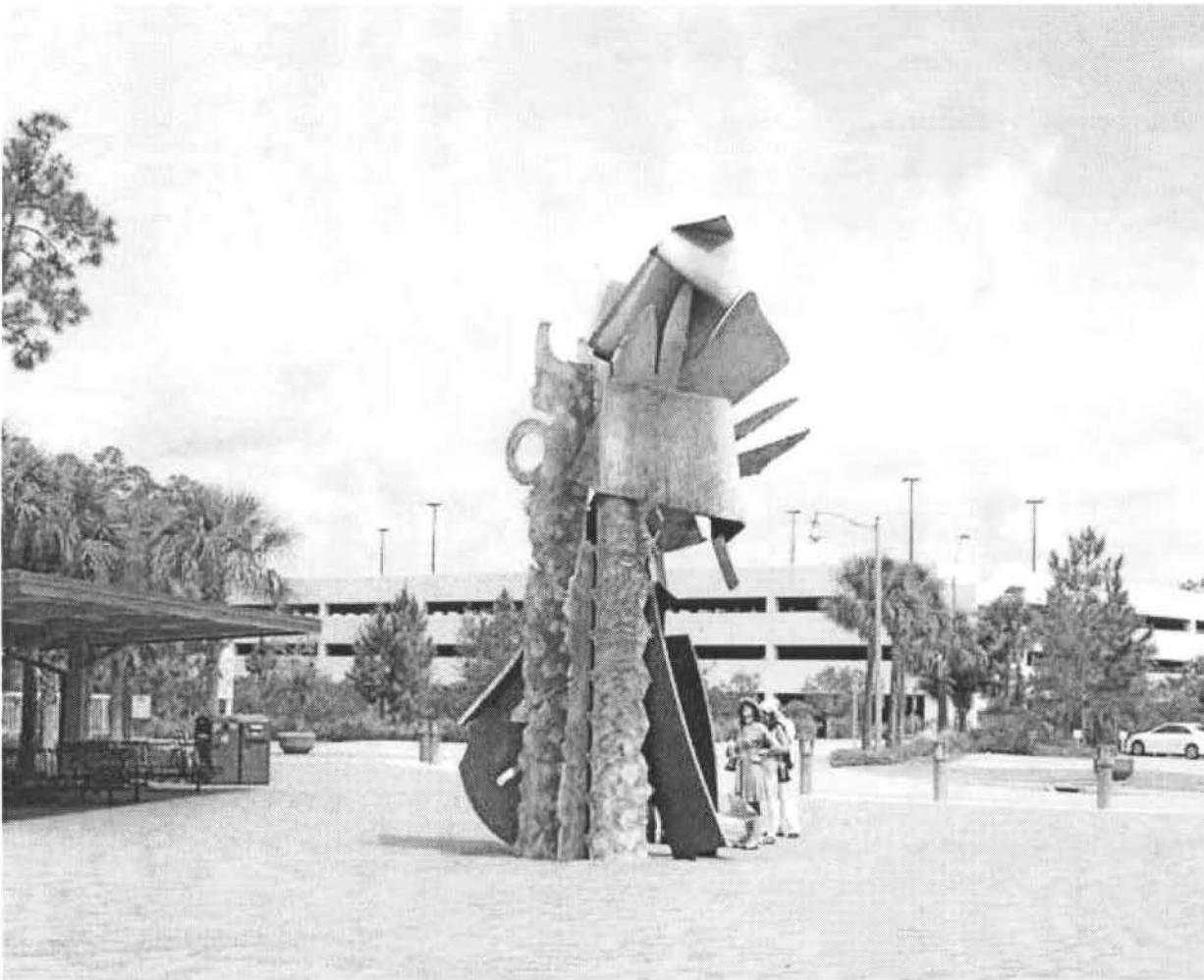
As a recently retired faculty member of the University of Hawaii, for some time, I have been concerned regarding the waste and misappropriation of funds by those at UH who are entrusted by the tax payers of this state to do better.

The loss of \$250,000.00 at UH Manoa for something as questionable as an off shore promotion of a concert by Stevie Wonder that at the outset could not really guarantee a positive outcome, even if the concert was legitimate, must be appalling to many who expect better management from the UH system, including all their highly paid lawyers and administrators.

Meanwhile over at UH Hilo, we are now faced with a piece of "artwork" at the gateway to UHH that cost \$700,000.00. (please see the attachment). Many have commented that this looks more like refuse from a nearby building project on the UHH campus than something that even closely resembles anything representative of Hawaii or at the very least "art". If one searches the artist, Albert Paley's other "art works," it is easy to find that he created and sold to other institutions very similar pieces of piled up metal (much of it already rusted). See more of his style of piled up metal at: http://www.google.com/search?q=albert+paley&hl=en&qscrl=1&rlz=1T4GGNI_enUS488US488&prmd=imvnso&tbm=isch&tbo=u&source=univ&sa=X&ei=Xv9kUKDfL9DsigKFwIDYDQ&sqj=2&ved=0CDkQsAQ&biw=1280&bih=897







My husband, a native Hawaiian and member of the Royal Order of Kamehameha I looked at the UHH sculpture and said, "I do not see anything here that speaks of Hawaii or Hawaiian culture". In the meantime, Albert Paley must be laughing all the way to the bank and we can consider how one more time, Hawaii has been scammed by outsiders with the support of those in Hawaii paid to protect our assets.

So, now we have nearly one million \$ spent by the UH system in the past few months that adds nothing to the crying need we have here for better college level education for our citizens. Of course, it makes me wonder about the focus of spending at UH, when my long time position at UHH was suddenly defunded this year, forcing me to leave my position, even though UHH Dean Randy Hirokawa told me in front of witnesses on the day he announced that my position would be terminated that my performance at UHH was without problems or complaints and he would gladly write a glowing recommendation for me. One might imagine how pleased I am to know that while my position at UHH lacks funding, nearly one million \$ can be spent or lost with little accountability by those signing the checks with tax payers' dollars at UH.

Mahalo,
Mary L. Andrews, MSN, RN.
P O Box 1357, Kamuela, HI. 96743
808-885-4660

UH-Hilo to unveil \$700K sculpture

Artist says piece captures
themes of the Big Island

By COLIN M. STEWART
Tribune-Herald staff writer

The University of Hawaii at Hilo will officially unveil next week a new, \$700,000 sculpture to serve as a gateway to the campus.

A UH-Hilo Art Committee member acknowledged this week that the piece — named “Makali’i” after the cluster of stars that figures prominently in Hawaiian mythology — was an expensive addition to the campus’ art collection. However, she said, the expenditure was warranted, as the work will help to raise the bar for the university’s arts community, as well as cement the school’s connection to its Hawaii Island roots.

The sculpture and the artist responsible for its creation, New York-based Albert Paley, were championed by UH-Hilo’s former chairman of the art department, Wayne Miyamoto, who died in the summer of 2010 while he was away on sabbatical, said committee member Mary Begier.

“Wayne expressed that his vision was to have someone of Albert Paley’s ability raise the standard for everyone else in the (university’s) art collection,” she said. “He (Paley) has done pieces for the IBM building in Atlanta and buildings in New York. This guy is no slouch. ... We all thought initially, ‘We’ll never be able to afford it.’”

But, Project Manager Jonathan Johnson said UH-Hilo had amassed about \$1 million in a special fund set aside specifically for public art projects.



HOLLYN JOHNSON/Tribune-Herald

The University of Hawaii at Hilo will hold an unveiling ceremony on Sept. 14 for its new \$700,000 sculpture called “Makali’i,” created by New York-based artist Albert Paley.

See **SCULPTURE** Page A4

Established in 1965 by the state Legislature, the State Foundation on Culture and the Arts is charged with overseeing projects funded through a program called One Percent for the Arts. Since 1967, 1 percent of all new construction funds spent in Hawaii have been devoted to the commission of art in public buildings "to enhance the environmental quality of buildings and spaces in Hawaii for the enjoyment and enrichment of the public," according to the law.

While the UH-Hilo campus has undertaken a number of renovation projects and other construction over the last several years, no large art projects had recently been commissioned until "Makali'i," Johnson said.

"What UH-Hilo did is they combined their construction budgets, and spent it all at one time," he said.

Work began on commissioning the sculpture several years ago, when the school's art committee put out a request for proposals from artists around the country, Begier said. Paley quickly worked his way to the top of the committee's list, she added.

"We ranked them (the artists), and it's a very democratic process," she said. "And we listened to Wayne's desire to have an artist of that caliber."

The group flew Paley out to the island in 2010 so that he could participate in a number of classes and workshops with art students, as well as have a chance to be inspired by the island's unique features.

"He was so wowed by Mauna Kea and her presence," Begier said. "When we got up to the top, there was this veil of mist over the city, and it suddenly cleared and you could see the domes of 'Imiloa. He was so impressed by all of that that he just dropped to his knees and he said, 'I get it now. I understand what you're talking about with the importance of this mountain.'"

Paley went back to New York where he worked to incorporate the major themes and ideas he had gathered here into the design of the sculpture. Then it was disassembled and shipped here, to be rebuilt near the entrance to the university on Kawili

The story behind Makali'i's name

"Our legend begins on the western side of the Island of Hawaii in Kona. In this leeward village lived a frugal and malevolent chief, or ali'i. This ali'i desired to bring destruction and strife to his land, and the people and animals who resided on it. To do this he took all the food in the land; the fruits, the stems, and even the roots leaving nothing at all to eat or grow.

The ali'i collected everything in a carrying net and violently swung that net into the heavens. The net of food got caught and hung stuck on the cluster of stars. His land, his people and his animals became hungry and thirsty; their stomachs rumbling with hunger. One of the villagers cried: 'All the food is hanging in the stars above us. The ali'i will not return it to us. How do we stop this suffering?'

But no one could answer. Not long afterward, the squeaky voice of a tiny

rat was heard. 'I will get our food back!' The tiny rat climbed the tallest of the mountains and jumped onto a rainbow that was arching over the land. He climbed higher and higher into the heavens. He made it all the way to the stars tangled in the carrying net. He began to nibble at the bottom of the net.

Soon, the ropes no longer held and the food inside the bag fell, like rain, all over the land. Some was eaten, the rest replanted. The rat fell as well, and landed on a rock in Kalae, the southern-most tip of the island. It is there he lives. You can find the rock he landed on, with imprints of the rat's feet.

As for the stars caught in the net, they were named after the chief, Makali'i. The rising of Makali'i was a sign of the change of the season to winter."

— From the 'Imiloa Astronomy Center of Hawaii

Work to install the piece began on July 9.

UH-Hilo described of the artwork in a press release:

"The artist has drawn from various cultural references which he feels reflect the character and uniqueness of the Hawaiian culture and its peoples. The predominant vertical element is that of the seagoing canoe, the stylized stainless steel forms closest to the sky reflect celestial images thereby relating to navigation and the various mythologies associated through that experience. There are elements that relate and are prominent within the sculpture that have historical identity," it reads.

"One of the vertical supporting elements is that of a kahili, a symbol of social organization, public display and authority. The tallest of the elements of the sculpture that project into the sky is in reference to symbolic totems. The symbolic ritual elements are a reflection of the experience of their natural surroundings — leaf shapes, progressive flower forms, wave motions etc. All of these elements are symbolic, sophisticated, complex and deal with metaphor."

Public reaction to "Makali'i" has been mixed since it has been on campus, Begier said, and she wouldn't have it any other way.

"I know a lot of people have probably driven by and said, 'What the heck?'" Begier said. "But it's also made

almost like solving a puzzle. Can you find the canoe, or the sphere? Why are those things there?"

On Thursday morning, UH-Hilo security officer Chris Hookala said he'd seen plenty of people stop to ponder the piece.

"We had one lady come by yesterday, and she just stood under it for an hour, walking around it, looking up," he said.

From his station at the entrance of the school, he's perhaps had more opportunity than anyone to take the sight in and process it.

"I like it, although I think they could have done without the rust," he said with a laugh.

"What I see when I look at it is a lot of Hawaiian weaponry. I guess it's showing the island, and how UH-Hilo fits."

Steven Perkins, a 21-year-old junior from Hilo, said he finds the work to be thought provoking, albeit expensive.

"That's a lot," he said to the \$700,000 figure. "... You hear the name, and you think it must be something important to do with Hawaii. It helps to know something about it before you look at it. It's kinda hard to tell at first what it is. But I can kinda see some of those Hawaiian things."

Perkins, who is part Hawaiian, said he didn't have a problem with the artist not being of Hawaiian descent.

"I look at it as someone

interest," he said. "It's kind of nice to have things brought here from outside."

He added that the artwork fits in nicely with what he says is a school-wide multidisciplinary approach to education.

"I think they (UH-Hilo) do a good job of teaching you two things at the same time. Like, I'm taking a computer animation course, and we're also learning about Hawaiian culture and mythology. They're bringing different disciplines together."

The unveiling will be held Sept. 14 and is by invitation only. The artist will be on-hand to answer questions and speak to attendees.

Colin M. Stewart can be reached at cstewart@hawaiiatribune-herald.com.

A CALL FOR COMMITTEE INVESTIGATION OF THE UH SYSTEM'S LACK OF ACCOUNTABILITY AND TRANSPARENCY ABOUT ITS MILITARY RESEARCH CENTER SUBMITTED BY PROFESSOR EMERITA BEVERLY DEEPE KEEVER, OCTOBER 1, 2012

Mahalo to Hawai'i's Senate and this committee for giving the public a glimpse into UH's Wonderblunder fiasco.

But Wonderblunder is just a warm-up. I urge this Senate Accountability Committee to leap into the big-leagues and expand its investigation into UH's lack of accountability and transparency on a more critical issue: signing a contract with the U.S. Navy's war-fighting arm to establish system-wide a military research center, originally called a University Affiliated Research Center (UARC) and now called an ARL (Applied Research Laboratory).

On July 15, 2008 the ARL's final contract was executed despite years of widespread student and faculty protest at Manoa and other campuses, a six-day sit-in at President David McClain's Bachman Hall office that drew negative news stories nationally and locally, rejection by the Manoa Faculty Senate, chancellor, Native Hawaiian groups and a withering article in a national academic newspaper (See attachments 1,2)

Since letting the contract, UH announced in 2008 three defense-related contracts, totaling around \$2 million—but then has invoked silence about the touted \$50 million.

I call upon this Senate committee to investigate the lack of accountability and transparency of the UH system and provide full disclosure to the public on these and perhaps other questions:

1. Instead of Wonderblunder's vanished \$200,000, where is the phantom \$50 million UH suckered students and taxpayers into fantasizing UARC might bring into UH, according to a statement by President David McClain (www.hawaii.edu/news/article.php?aid=1342) and other officials?

2. Instead of mismanagement of athletics on one campus, investigate the military research center contract that hijacked UH's academic integrity and credibility systemwide by limiting the institution's core value to be an arena for the free flow of ideas essential for creating knowledge and disseminating it to students, other scholars and the public. Unclassified research results must be sent to Navy censors who determine whether it is "sensitive and appropriate for disclosure regardless of medium," according to the UH-Navy contract.

3. For the first three years of the five-year contract, no classified military research was to be conducted at UH, McClain stated. After three years UH was to evaluate continuing UARC—but what did UH's evaluation conclude? Was any classified military research conducted at UH during those three years? What about after those three years? Were any limits placed on the disclosure of research information and, if so, in what way and on whom?

4 . Lastly, will the five-year contract be renewed in 2013 and, if so, why, and, if not, why not? Will the public be allowed to comment?

Mahalo nui loa.

Respectfully submitted by Dr. Beverly Deepe Keever, who taught journalism and communications at UH-Manoa for 29 years, and is now a professor emerita.



In My View

Beverly Deepe Kever

UARC would not bring big money, just big secrecy

Before two whirring video cameras and a standing-room-only audience of nearly 100 students, faculty and Hawaiian community representatives, the University of Hawaii's most visible advocate fielded questions Sept. 21 from the Manoa Faculty Senate and others on the contentious proposal to establish a university-affiliated research center on the flagship campus.

The one-hour exchange revealed a multitude of faculty misgivings about UH entering into a contract with the war-fighting arm of the U.S. Navy. The session was cordial until the end. But then native Hawaiian graduate student Keli'i Collier demanded answers about UARC's social costs and environmental degradation from Gary Bakamis, UH's chancellor of research and graduate spokesman for the proposal.

University vulnerable to pitfalls of secret experiments

Sunday, March 27, 2005

By Beverly Deepe Kever
Special to the Star-Bulletin

It was 37 years ago that James Oshita and William Fraticelli were regularly drenched with the cancer-causing Agent Orange on the Kauai Agriculture Research Station.

They performed the core part of the University of Hawaii's contract with the U.S. Army to test the effectiveness of the herbicide laden with dioxin, one of deadliest of chemicals, that was then being sprayed in South Vietnam to defoliate its wartime jungles.

Their saga and the Agent Orange experiment are now being recounted amid the controversial question of whether Hawaii's only public university should enter into a new kind of contract for military research, this time with the U.S. Navy, specifically to establish a University Affiliated Research Center, to which the Board of Regents has already given its preliminary approval. It's a watershed, which-way question for UH -- and, as UH goes, so goes the state.

Oshita and Fraticelli marked their bulldozers with flags to serve as targets for the defoliants. "When the pilot told a reporter in a Page 1 report in 1986. "We were the ones."

Testing was done without warning though in 1962, just months before Agent Orange could cause adverse test report written by four UH agents combined with Agent Pink, Purple, and Yellow.

When the testing finished in 1968, five 55-gallon steel drums and a dozen gallon cans partially filled with the toxic chemicals were buried on a hilltop overlooking a reservoir.

Classified on campus

UH-Manoa's stealth campaign for secret research from Kewalo Basin to Kauai and perhaps Pearl Harbor 2

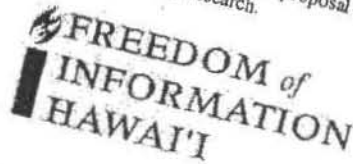
Wednesday, March 16, 2005

By Beverly Deepe Kever
Special to the Star-Bulletin

Debonair with salt-and-pepper hair and so disarmingly soft-spoken that a professor emeritus ordered him to speak up, Bill Bakamis seemed like an ideal salesman to persuade the University of Hawaii at Manoa students and faculty to buy into the U.S. Navy's proposal to establish laboratories for conducting secret and unclassified military research.

UH had nothing to fear in giving final approval to a contract to become the Navy's first University Affiliated Research Center (UARC) in the last 50 years -- and only the nation's fifth -- Bakamis told dozens of faculty and students assembled recently in the law school classroom as two videocameras ground away, their crew often interjecting shouts of protest. Bakamis serves as an associate director of business and finance at the University of Washington, one of the Navy's four current UARCs.

Suddenly, from the back of the classroom, a bombshell assertion was hurled at Bakamis by graduate student Ikaika Hussey: "You are a consultant for UARC," hired by UH. "Is that true?" Bakamis acknowledged that it was. The Board of Regents had contracted him nearly a year earlier for \$75,000 to smooth the way for UH-M's sealing the Navy contract.



COMMENT 1

Navy Lab Plan at U. of Hawaii Gets Broadside From Critics

Foes say academic integrity would be compromised by military's goals Proposed Navy Lab Meets Resistance in Hawaii

Dateline: Honolulu

The last time the U.S. Navy built a laboratory on a university campus, Franklin D. Roosevelt was president and the United States was at war with the Axis powers.

Sixty years later, as the nation battles terrorism and an insurgency in Iraq, the Navy is encountering fierce resistance at home over its plans to develop a laboratory here at the University of Hawaii-Manoa.

Proponents of the proposed facility say it will bring millions of dollars to this lush campus, a place where everyone from the janitor to the system's president wears flowered shirts, and respect for the indigenous culture runs deep. The laboratory would also serve as an economic engine for Honolulu's high-tech businesses, helping to stem the brain drain to the mainland, proponents say.

But critics, including Native Hawaiian groups and a majority of the campus's faculty members and students, argue that the lab would militarize the university, replacing its culture of openness with a culture of secrecy. They say the military's goal — "full-spectrum dominance" — is at odds with the university's mission and its motto: "Above all nations is humanity."

At the heart of the dispute are disagreements over whether universities should engage in classified research and weapons development, and if academic freedom protects the rights of faculty members to conduct research of their choosing, no matter how controversial or how unpopular it might be.

A New Model

There are now four Navy University Affiliated Research Centers, or UARC's, on university campuses. The oldest, at the Johns Hopkins University, was created four months after the attack on Pearl Harbor to develop technologies such as improved antiaircraft shells to help ships defend themselves. The lab now boasts 3,800 employees, annual financing of \$680-million, and a campus spanning 360 acres in Laurel, Md.

The Navy agreed to finance a fifth laboratory at the University of Hawaii in 2003, after university administrators and U.S. Sen. Daniel K. Inouye approached the agency with a management plan.

Patricia L. Gruber, research director for the Office of Naval Research, says the Navy was attracted by the university's location and impressed by its expertise in such fields as oceanography, astronomy, and advanced electrooptic systems. "Mr. Inouye did a very good job of pointing out to the Navy that Hawaii is a very strategic university ... and also that they have some unique capabilities," she said.

Compared with the center at Johns Hopkins, the budget for the University of Hawaii lab would be rather modest: \$50-million over five years, by the university administration's estimates. The contract itself does not commit to a dollar amount, and financing will depend on how many "task orders," or research projects, the Navy assigns to the university, and how many of those orders the university's researchers accept.

The proposed lab would also differ from its peers in that it would be largely integrated into the university's existing research laboratories, instead of having a separate building and staff. Navy studies would be conducted side by side with nonmilitary research.

University of Hawaii Students

Daniel Holt

From: Richard Mizusawa [ramizusawa@gmail.com]
Sent: Wednesday, September 26, 2012 11:54 AM
To: SCATestimony
Subject: Oversight and Accountability of UH System

Aloha Senate Special Committee on Accountability,

My name is Richard Mizusawa, and I am an undergraduate student at the University of Hawaii at Manoa. I am e-mailing you today about the issue on the UH administration's transparency and accountability of what has been going on, primarily with the missing \$200,000.00 from the Stevie Wonder fiasco. I strongly support the UH in all of its accomplishments and areas of excellence, but I do wish that the administration please be transparent not only to your committee, the community, and the State of Hawaii, but also to the body it serves: the students of UH. It is my hope that answers can be cleared from these hearings.

Sincerely,

Richard Mizusawa
ramizusawa@gmail.com

Individuals

Daniel Holt

From: Joy Marshall [joyamarshall0416@gmail.com]
Sent: Tuesday, September 25, 2012 11:47 PM
To: SCATestimony
Subject: UH Manoa oversight and accountability

SENATE SPECIAL COMMITTEE ON ACCOUNTABILITY

Senator Donna Mercado Kim, Chair
Senator Jill N. Tokuda, Vice Chair
Sen. Les Ihara, Jr. Sen. Sam Slom
Sen. Ronald D. Kouchi

NOTICE OF INFORMATIONAL BRIEFING

DATE: Tuesday, October 2, 2012
TIME: 1:00 PM
PLACE: Conference Room 211
 State Capitol
 415 South Beretania Street

Testimony of concern for the lack of accountability for the monies that pass through the University of Hawaii by Joy A Marshall, RN

Senator Mercado Kim, Chair Senators Tokuda, Ihara, Jr., and Kouchi

My name is Joy Marshall, I am a 1971 graduate of the University of Hawaii at Manoa School of Nursing. As a result of that very special education I am a Registered Nurse Licensed and Practicing Nursing in the State of Hawaii since the day I passed my boards in 1971.

As a practicing Registered Nurse, friends, family and associates in the community often say to me, why do we have a shortage of Nurses in Hawaii?

Recently , when I was a patient in one of our hospitals here on Oahu, I received excellent nursing care, far and above what a nurses aid or Licensed Practical Nurse would give. I inquired, that hospital I was told by one of my nurses aids employees 80, yes 80, Graduated and Licensed to practice Nursing as RN's in the State of Hawaii, but they can't get a job as an RN because they are not readied by their school, they need experience of at least a year before they will be considered for hire in that hospital. I was also told that they aren't prepared for hospital nursing. They are prepared to take and pass the exam (a national test to credential Registered Nurses)to become an RN

My question or query is, why isn't the University preparing their graduate nurses to take care of patients, and to have the skills to meet the standards the hospitals require?

\$200,000.00 dollars was given to someone to organize a concert to raise money for the **Athletic Department**. \$90,000.00 is being spent to find a firm that will do a search for an **Athletic Director**. Again I read and hear that monies are being spent for athletics, money are given to former employees as a part of outrageous job contracts at severance . Positions in the Administration are created just to give someone a job.

There's money from here, there's money from there.

I admire accomplished athletes . I love to participate in games and be active, however that doesn't prepare one for **life** as we know it today

None of this in anyway prepares men and women to go into Public Service, Medicine, Nursing, Agriculture, Engineering, Communication, Teaching Research and the various other services our growing population requires to take care of ourselves, grow and produce our food, protect our Aina, educate our kids, care for our Kapuna design a doable mass transit system to move us efficiently and quickly to school, to our jobs and even and hopefully often for pleasure,

None of the money goes to developing men and women to go into our Medical School, to explore the Sea and the Sky or move us toward the greening of our power hunger, using wind, motion and heat of which we have abundant supplies.

What are they thinking? I can tell from listening, they did not.

We need someone at UH who has the guts to say, the "buck stops with me" . Someone who is responsible. To sincerely and meaningfully apologize for the mistake and fix it, immediately.

First and foremost require accountability for every dollar and cent that directs itself toward any project at UH. And create regular and sustained over-site of the use of the monies; where it come from, how it is directed and how is finally spent. That should be all money, public, private donations, grants, and earmarked special funds and gifts.

As far as I understand it, it is the Chancellor and or the President of the University of Hawaii Systems.

That's the way it was when I was a student there. There was some reasonable accountability. In recent decades there seems to be none and no one.

I am extremely proud to be a graduate of the University of Hawaii at Manoa. I am extremely disappointed in the present leadership who have not taken responsibility for our, yes our, all of our monies. It is, so many seem to forget, a Public Institution a public institution that now has no public trust.

Thank you reading my testimony .

I am not an expert on managing a business or money but I am an expert practitioner of nursing. If I showed the same casual disregard and irresponsibility for my clients/patients that the UH leadership shows toward us and our school, I would loose more patients than the many who recover and go on to live fulfilling and healthy lives.

The ladies are in charge, the ladies need to be absolutely and totally accountable.

Go Bows!

----- Forwarded message -----

From: **Patrick J Gallagher** <korkygallagher@gmail.com>

Date: Mon, Sep 24, 2012 at 9:00 PM

Subject: Fwd: You should be ashamed of yourself!

To: donnamercadokim@gmail.com

Aloha Senator Kim:

Thank you for an excellent chairmanship of today's special inquiry of the events at UH! I was impressed by the conduct, questions and observations of all on your committee. As a friend of UH and of Jim, I watched the entire afternoon on Olelo.

It was a difficult afternoon, and once again, a very unfortunate reminder to me, how inattention to detail, arrogance, finger pointing and just indifference to the reputation of hard working local employees can be placed ahead of good moral conduct. Ms. Greenwood's testimony was extremely sad, combative, and a great deal less than, at least what I expect, out of a person holding such important office local office.

All you had to do was listen to the testimony of Jim to hear a man that has never thought of himself over the University. He was honest about his shortcomings, as we all should be, and protective of his employer....even after all that has happened to him.

I am sure he feels badly about having to have hired a lawyer.....but from my perspective.....good for his name and reputation that he did. It was generous of our legislature to enable Jim to finally speak from his perspective. It was valuable to him, to the University and to our community!

I have included an email I wrote to Ms. Greenwood on August 23rd. And while a few of my friends and neighbors thought it filled with a little chili pepper water, all were glad I wrote it and wished upon a star she read it!

Be well as you and your committee continue the honorable job of representing our people in Hawaii and not letting powerful people with less than noble objectives deter you or the public's right to know how their tax dollars are being used!

Aloha

Patrick J. "korky" Gallagher

Testimony Presented Before the
SENATE SPECIAL COMMITTEE ON ACCOUNTABILITY
Senator Donna Mercado Kim, Chair
Senator Jill N. Tokuda, Vice Chair
Sen. Les Ihara, Jr. Sen. Sam Slom
Sen. Ronald D. Kouchi

To e-mail: SCATestimony@capitol.hawaii.gov. (10MB limit)

October 2, 2012 at 1:00 PM room 211

Chair Kim, Vice Chair Tokuda, and Members of the Committee.

My name is Mark Smith and I live in Waikiki. I am semi-retired yet have a day job so I have had limited time to review all the information available but wanted to comment because I have specific experience relevant to wire transfers and corporate governance and internal controls. This is the second testimony I have submitted to the Committee. I have an MBA and extensive experience managing treasury operations in the for profit private sector, please see my first testimony for specifics. Here are my observations after looking at some of the documents available on your website and watching some of the testimony on Olelo.

The financial/operational controls for sending out a wire transfer are bad, hence the lost \$200,000. A good wire transfer form might allow 2 people in the Accounts Payable Department to wire \$5,000 but not \$200,00, at least two times their combined salaries. Apparently there is no limit to what can be transferred by two supervisors in the Accounts Payable Department.

I didn't find any real signatures (accounts payable only attests) approving the spending. A "wet" signature is a much more significant commitment of an individual's authority than an "electronic" approval which can be sent from a laptop or cell-phone via a public network at a coffee house or bar. How secure or serious can that be?

I feel sympathy for the employees who actually sent this wire. They put their jobs and reputations on the line to do something way beyond their pay grade. I feel they were somehow bullied or coerced by a person or persons into wiring out a sum they considered a lot of money by people higher up the chain who should have had their "wet" signatures on the line.

The University's Fiscal Building burned down at a cost of \$ 1.25 million according to accounts in the Star Advertiser (Feb 29, 2012). An organization either starved of talent or imagination, under resourced, or tied up in an organizational system and procedures so complex they didn't work makes mistakes. Now, the university \$100,000's poorer, continues to spend and circles the wagons.

As a taxpayer, I detect a cavalier attitude towards money at the top levels of the University's Administration and Regents. I'm losing confidence in the University's ability to educate undergraduates, Dr. Greenwood continually refers to UH Manoa as a "research" university. And I'm wondering that with all the six-figure salaries, golden parachutes and consulting contracts, has patronage supplanted education?

The university system should have a fully resourced and talented finance organization that is empowered to stand up to strong willed executives. Those executives should show some humility, not just in their words but also in their actions. We (the public) are not minority shareholders nor are they leaders of a for-profit major corporation like IBM or GE.

Daniel Holt

From: Christopher Dunn [cpdunn54@yahoo.com]
Sent: Wednesday, September 26, 2012 11:17 AM
To: SCATestimony
Subject: HEARING_SCA02_10-02-12

Dear Senator Mercado Kim and all members of the Senate Special Committee on Accountability:

I am as disturbed as are many in our community by the apparent lack of effective oversight at UH System that resulted in the recent "Stevie Wonder debacle." This is a most regrettable and unfortunate circumstance that gives the University a very black eye. As many have noted in the press and during your first round of hearings, there is certainly plenty of blame to go around.

I have several concerns and some cautions I would like the committee to consider. First, it is appropriate to question the leadership and decision-making of the University of Hawai'i (UH), particularly the President, and the UH Board of Regents (BoR). However, I would remind the Committee that the UH System has an Office of General Counsel (OGC) for a reason, and a finance office for a reason. The UH President should be able to rely on their expert and sound judgment in matters such as this. It seems that OGC and the Finance office have as much if not more, accountability in this situation than does the President and BoR and have failed both. I am quite puzzled as to why OGC and Finance have not been asked to appear before your Committee. It seems, to an observer, that the Committee has an axe to grind with the President and the BoR and is more interested in excoriating them than in getting to the heart of the matter.

Second, Mr. Jim Donovan was given a "pass" by your Committee. His excuse that he was "out of town" when the money was transferred is unacceptable. In this day of instant electronic communications, there is no excuse for that. And his almost tearful testimony was, in my opinion, a nice way to buy sympathy and to deflect hard questions that he has not yet had to face.

Third, the temptation of the Committee, and other members of the Legislature will be to (a) take firmer control of UH operations and management and (b) "punish" UH in some way. These would both be mistakes. First, it is a fact that the UH operational budget is about 30% state supported. Thus, overly managing the affairs at UH will be over-managing or over-compensating on the part of the Legislature. And, it might well have a significantly negative effect on fundraising and philanthropy. Second, punishing UH in some tangible way could ultimately harm the students, faculty, staff, and outstanding units of the UH system that have nothing to do with this unfortunate circumstance.

I would encourage the Committee to take its deliberations seriously, but to be very circumspect and focused when it comes to conclusions, recommendations, etc. for the future. We enjoy one of the finest universities in the country, and one that has global reach and significance. Let us find ways to empower the University scholars, students, and athletes to excel and to bring honor the institution and the State, rather than obsessing over ways in which to punish or denigrate the University and its staff.

Sincerely,
Christopher Dunn
969 Kankaou Place
Honolulu, HI 96825
808.206.8083

September 27, 2012

TO: Senator Donna Mercado Kim
587-7205 (F)

FR: Gilbert Horita
522-5381 (O)

RE: Senate Hearing

Senator Kim:

I watched, with great interest, your hearing on Monday and many of us learned some not so nice things that are taking place at the University of Hawaii.

I am an alumnus and concerned what happens to all donations – academic or athletic.

I do have some questions.

#1. What guidance, if any, did Greenwood give to Virginia Hinshaw about starting the “ball rolling” on moving to the Mountain West Conference (MWC)? If she did, when and how?

If none, then can it be assumed that MRC allowed Hinshaw and Donovan to make the necessary preparations on getting out of the WAC? Donovan testified that he began to work on moving out of the WAC after Nevada and Fresno St accepted invitations by creating a schematic with dollar amounts attached to each option available to UH – MWC or go independent including moving most of the other sports to the Big West Conference.

If Greenwood DID NOT provide any guidance to Hinshaw and Donovan, how can she state that Donovan was moving to slow even after Donovan had made presentation(s) to Hinshaw and Upper Campus?

Since the MWC had publicly stated that there would be no more “expansion” and UH was not being considered, what was Greenwood’s action(s) or lack thereof as the “Chief Executive”? Best I can presume is that she did not ask Hinshaw/Donovan to start working on a plan to move out of the WAC with specific “time lines” on progress reports with action(s) taken or to be taken.

If she did and both failed to complete the task or “working to slow”, then I can see cause for concern and taking the step she did in asking Rockne Freitas (RF) to step in – however, to go behind Hinshaw’s/Donovan’s back with specific instructions to keep them out of the loop is not a sign of a good/effective leader – not on the basis that someone called RF to say that UH was “lagging” behind on seeking approval to join the MWC.

Dr. Myron Berney
908 16th Ave
Honolulu, HI 96816
808-735-5133
808-392-3366 cell

UH Informational Hearings

At the first hearing it was disclosed that the UH policy was to take donations with strings attached. The donor would dictate to the University on the use of funds.

That seems more like a BRIBE than a donation.

Clearly the UH is not in any way responsible for other people's tax filings. The IRS and State Tax Department would likely have some concerns if such exchange was taken as a tax deductible line item. Another potentially embarrassing position for the State.

Although it is shocking that these numerous and broad based irregularities were standard operating procedure the important question for the Senate and the Public is

What immediate solutions has the current UH administration enacted to date and what exactly are they planning for the immediate future?

Although it was before Mr. Apple's time, My overriding concern continues with the earlier intellectually fraudulent, deliberately deceptive, Constitutionally illegal public testimony delivered by the UH Medical School, Deans, President and Chancellor to restrict Health Care Delivery and specifically to harm Naturopathic Medicine.

Was this another Pay to Play Bribe taken by the UH to subvert Wellness in Hawaii?

What is Mr Apple's position on Wellness in Health Care and what exactly can be done to correct and eliminate the abuse from the Administration and the Administration at the UH John Burns School of Medicine directed at Naturopathic Medicine.

The State of Washington, Oregon, and Arizona have a mutually beneficial working relationship with the respective Schools of Medicine and Naturopathy.

Does Mr. Apple condone the previous intellectually fraudulent, deliberately deceptive, Constitutionally illegal public testimony delivered by the UH Medical School, Deans, President and Chancellor to restrict Health Care Delivery and specifically to harm Naturopathic Medicine?

Can and Will Mr. Apple see to it that a mutually beneficial working relationship with UH John Burns School of Medicine and Naturopathy be immediately established for the benefit of the Consuming Public and to support and protect health care delivery in the State of Hawaii?

Thank You, Yours truly, Respectfully
Dr. Myron Berney ND LAc

In General Support of the University



HAROLD K.L. CASTLE
FOUNDATION

September 25, 2012

Closing the ability, access
and opportunity gaps
in public education

Restoring relationships
among ecosystems

Strengthening Waimanā
Cultural Landmarks

The Honorable Donna Mercado Kim, Chair
The Honorable Jill Tokuda, Vice Chair
The Honorable Les Ihara, Member
The Honorable Ronald Kouchi, Member
The Honorable Sam Slom, Member
Senate Special Committee on Accountability
State Capitol
Honolulu, HI 96813

Dear Chair Kim, Vice Chair Tokuda and Members:

My name is H. Mitchell D'Olier and I am the President and Chief Executive Officer of Kaneohe Ranch Company LLC. My company employs nine Hawaii residents, several of whom are graduates of the University of Hawai'i. A sister organization to our company, the Harold K.L. Castle Foundation, has worked with and supported the University of Hawai'i in the following way:

*... 44 cash grants totaling \$7,130,810 ...
(for the period 1975 to 2012)*

The top concern of Hawaii residents these days, rightly so, is Hawaii's economy. Consumer confidence, a key barometer of residents' overall outlook, remains well below pre-recession levels. The University of Hawai'i is vital to the economic future of the State. The University of Hawai'i currently brings in about \$.5 billion in outside funding, mostly for research, every year.

I recently heard a presentation from the University of Hawaii Economic Research Organization that notes Hawaii GDP per capita is flat since 1980.

Recently, the university has taken a leading role in diversifying our economy through the University of Hawai'i Innovation Initiative (HI²), which seeks to double the state's research enterprise from \$500 million to \$1 billion over the next decade. The result of growing the state's research industry should be new discoveries, more money flowing into the economy, and thousands of new, well-paying jobs.

1152 Nāhala Place
Honolulu, Hawaii
96824

tel: 808-261-1101
fax: 808-261-8018

www.castlefoundation.org

Page 2

The University of Hawai'i Innovation Initiative provides real hope for the future of all of our residents. The initiative, institution and leadership have my support to help move our state forward. The research being done by the University of Hawai'i and the millions of grant dollars help to buoy consumer and business confidence and provide real jobs at a time when these are so greatly needed. The success of this research initiative is critical for our employees, our community and our state.

Thank you for your kind consideration of this testimony.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "H. Mitchell D'Olier". The signature is written in a cursive style with a large, stylized initial "H".

H. Mitchell D'Olier
President and
Chief Executive Officer



**University of Hawai'i Student Caucus
2012-2013**

September 30, 2012

To Whom It May Concern:

My name is Tracey Imper and I am currently the Chairperson for the University of Hawai'i Student Caucus. On September 29, 2012, the University of Hawai'i Student Caucus voted and passed the following statement pertaining to the events of the Stevie Wonder Concert.

"As the University of Hawai'i Student Caucus, student representatives of the University of Hawai'i System, we support our administration in its effort to redress the particular issue regarding financial policies and procedures for the Stevie Wonder Concert. We recognize that the University of Hawai'i has made mistakes with respect to this matter. The University of Hawai'i Administration has promised to conduct a thorough investigation and follow the proper financial accountability procedures in the future. Therefore, the University of Hawai'i Administration should be given the time and opportunity to fulfill its obligation to resolve this issue."

Sincerely,

A handwritten signature in cursive script, appearing to read "Tracey L. Imper".

Tracey L. Imper
Chairperson
University of Hawai'i Student Caucus