



## DISABILITY AND COMMUNICATION ACCESS BOARD

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April 4, 2008

### TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS

#### Senate Concurrent Resolution 200, SD1 - Requesting the Auditor to Conduct a Financial and Management Audit of the Hawaii Centers for Independent Living

The Disability and Communication Access Board (DCAB) is a statewide board with seventeen (17) members appointed by the Governor, thirteen (13) of whom are persons with disabilities or family members. DCAB's mission is to advocate for and promote full integration, independence, equal access, and quality of life for persons with disabilities in society. This testimony represents a position voted upon by the Legislative Committee of the Board.

DCAB supports this concurrent resolution. Our support is based upon our concerns that individuals with disabilities are not receiving the expected and necessary core independent living services as stated on page 1.

DCAB serves as a clearinghouse of disability-related information and services, but we do not provide any direct client services. Last year we fielded approximately 3,000 requests for information or services. We have stopped referring any individuals to the Hawaii Centers for Independent Living to obtain any 1:1 direct services such as finding a place to live, obtaining help in understanding and filling out a Social Security application form or a tax form, learning how to open up a checking account and manage money, finding a personal care attendant, etc., because we consistently receive call backs stating that either the person was informed that they would not be serviced, they did not receive a return call, or they do not provide intake. We consistently have individuals call our office and when we offer a referral to Hawaii Centers on Independent Living for direct services, we are told that they have tried to no avail.

The agency's web site indicates the availability of 1:1 skills training, peer mentoring, peer advocacy, individual and family counseling, attendant management training, housing assistance and referral, equipment loan, guidance on accessibility, etc., but consumers do not receive those services as expected. These are all types of services that individuals expect and used to receive but no longer can obtain. Thus, consumers end up at our agency, which does not provide direct client services, or the Hawaii Disability Rights Center, which should only be handling formal complaints. While we recognize that an agency's priorities may shift from year to year in response to community needs or shifts in funding priorities, these core services should continue, DCAB, through its predecessor agency the Commission on Persons with Disabilities, was active in supporting the creation of the Centers here in Hawaii. In most states there are multiple independent living centers. In Hawaii, however, we have only one independent living center with offices in each county. Thus, when the agency does not provide expected direct client services or when prior services and access to staff diminishes, the individuals have no other agency to turn to for assistance.

Federal oversight should be the purview of the federal funding agency but federal oversight is minimal, particularly with the disbanding of the federal Rehabilitation Services Administration's

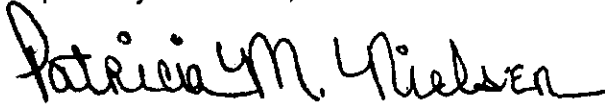
regional offices. We are also aware that the state provides monies through at least two other significant contracts in generalized independent living and specialized deaf independent living services. We believe that it is in the interest of the Legislature to ensure that those funds are expended in such a manner that clients actually receive direct services. If the Auditor is not the appropriate agency, then we believe that the State agency that provides money to the Centers for Independent Living should conduct the review.

For the record, DCAB has no financial transactions with the Centers and provides no funding to them. We were both sub-contractors with the Pacific ADA Center (a.k.a. Pacific Disability and Business Technical Assistance Center) in Oakland, California, for about six years with two small ADA contracts until approximately five years ago when the entire ADA sub-contract was shifted to DCAB by the funding agency. The fiscal agent for any state monies to Hawaii Centers for Independent Living is the Department of Human Services, Vocational Rehabilitation and Services for the Blind Division. We defer to them regarding financial oversight issues.

Senate Draft 1 significantly amended Senate Concurrent Resolution 200 based upon testimony presented at the hearing in the Senate Committee on Human Services and Public Housing on March 25, 2008. DCAB is not in any position to substantiate or negate any of the allegations, as we do not have fiscal oversight. However, the seriousness of the allegations from multiple testifiers warrant this audit, as fiscal transparency and accountability of our taxpayer money is essential to restore public trust and improve services for persons with disabilities when impropriety is brought forth in allegations.

Thank you for the opportunity to provide testimony.

Respectfully submitted,

  
PATRICIA M. NEILSEN  
Chairperson  
Legislative Committee

  
FRANCINE WAI  
Executive Director

PETER L. FRITZ  
414 KUWILI STREET, SUITE 414  
HONOLULU, HAWAII

THE SENATE  
THE TWENTY-FOURTH LEGISLATURE  
REGULAR SESSION OF 2008

COMMITTEE ON WAYS AND MEANS

Testimony on SCR 200  
Hearing April 4, 2008 at 10:05 am

Requesting the Auditor to Conduct a Financial and Management Audit of  
The Hawaii Centers for Independent Living

Chair Baker, Vice-Chair Tsutsui, members of the Committee:

**I strongly support SCR 200.**

I am an attorney practicing in Hawaii and testifying as a concerned citizen. I have personal knowledge of the disability community because of my own disability and the disability of a family member and my service on the State Rehabilitation Advisory Committee ("RAC"). A well run organization has nothing to fear from an audit. An organization can only benefit by the identification of areas that need improvement.

Hawaii Centers for Independent Living ("HCIL") is a nonprofit organization that receives Federal and State funds to provide services to help individuals with disabilities achieve independence. I am aware that questions have arisen regarding how well the organization is being managed and whether these services are being adequately provided. There has been additional testimony concerning the possible misappropriation of State funds, failure to perform all of the terms of a contract with the State and the failure of officers and directors of the HCIL to discharge their fiduciary duties.

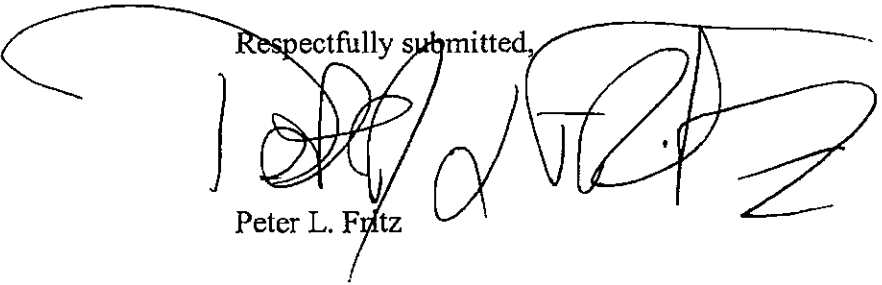
An audit should be conducted for the following reasons.

- The allegations of mismanagement, possible misappropriation of State funds, failure to perform all of the duties under a contract with the State, and breach of fiduciary duty by the board of directors and officers of HCIL set forth compelling reasons for an audit.
- The audit would answer the question of whether the HCIL is providing adequate services to consumers.
- An audit would determine if changes are required and if the services are being provided as required the contract.

- An audit would end the tension that currently exists by providing an answer to whether the services are adequate. It would enable services to be provided more efficiently if the conflict were eliminated.
- An audit would reveal whether the HCIL has complied with the requirements of Federal and State law such as timely filing of reports with government entities.
- An audit would examine whether the organization is complying with applicable Federal and State laws that govern the operation of nonprofit organizations.
- An audit would protect the State of Hawaii. HCIL receives substantial federal funds (upon information and belief in the federal funds are in excess of \$600,000) in addition to State Funds. If the funds are not spent on the required programs or if the required services are not being provided, the State of Hawaii could be required to repay the Federal government for the misspent funds. The State of Hawaii has a responsibility to ensure that the funds are spent on the required programs and an audit would confirm this fact or point out any deficiencies.

Thank you for the opportunity to testify.

Respectfully submitted,

  
Peter L. Fritz

**April 2, 2008**

**Committee on Ways and Means**

**Attention: Senator Rosalyn H. Baker, Chair**

**Senator Shan S. Tsutsui, Vice Chair**

**Hearing Date: Friday, April 4, 2008 @10:05 a.m.**

**RE: SCR 200, SDI Requesting the Auditor to Conduct a Financial and Management Audit of the Hawaii Centers for Independent Living**

**Dear Senators Baker and Tsutsui:**

**I am in support of SCR 200 requesting the auditor to conduct a financial and management audit of the Hawaii Centers for Independent Living.**

**It has been since December 2005 that I was terminated from my position as Neighbor Island Program Coordinator. I have worked at HCIL for 17  $\frac{1}{2}$  years and the management of the organization is the worst that I have experienced.**

**HCIL has had a 100% turnover of accountants as well as other staff since Ms. Patricia Lockwood took her position as executive director. Under her leadership (or lack thereof), she has created havoc among staff and operations as well. It took me years to build a reputable standing in this community and since I left, she has destroyed that reputation. It really makes me angry to hear that the consumers (the people we serve) are not being served. They are the ones suffering from lack of services.**

**The reason I was terminated was because of "differences in management styles", per Ms. Lockwood's words. I know it was due to retaliation because I informed her that the concerns of the neighbor island staff were to be presented to the board of directors since she was not making any effort to meet with us to resolve the issues.**

HCIL is a needed service in the State of Hawaii as we are the only independent living center. In order for HCIL to go the next level, it needs new leadership. The mission of providing support services to people with disabilities so they will be able to live independently in the community is a cost effective concept. People with disabilities deserve an equal opportunity as everyone else.

Please listen to the consumer complaints and they will alert you that there is definitely a problem with the organization. An audit will certainly aid in putting the organization back to where it was before Ms. Lockwood arrived.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink that reads "Laura L. Tobosa". The signature is written in a cursive style with a large initial "L".

Laura L. Tobosa  
794 D Kaumana Drive  
Hilo, HI 96720  
Phone: (808) 936-2974

**SCR200 – Requesting the auditor to conduct a financial and management audit of the Hawaii Centers for Independent Living**

DATE: Friday, April 4, 2008

TIME: 10:05 AM

Dara Fukuhara  
98-1951 A Kaahumanu Street  
Aiea, Hawaii 96701

April 2, 2008

To the members of the Committee on Ways and Means:

I'm writing as a concerned citizen of the community in support of SCR200 – Requesting the auditor to conduct a financial and management audit of the Hawaii Centers for Independent Living.

The audit will help identify corrected action to reverse the loss of staff, funding and services – not close the Center. I want to emphasize the need for a State audit by providing you the following:

- There has never been a federal RSA (Rehabilitation Services Administration) financial audit. RSA conducts only federal program reviews. RSA is unsure of their next review of the Center. The last review of the Center was conducted on September 14 - 21, 2004. RSA does not have a response from the Center regarding the findings of the review on file, nor does the Department of Human Services, Division on Vocational Rehabilitation and SILC.

Federal program reviews are only about the RSA funding and are insufficient for monitoring the overall program. Oversight of the State's \$1,177,267 funding is not part of the federal review. RSA also does not review all of its independent living (IL) grantees every year, but a representative sample. Federal RSA offices must monitor 250-plus IL centers and they just closed regional offices; therefore, oversight is nearly non-existent.

- There has never been a state audit on the Center. The agency only submits periodic reports to the State and many of those reports are missing. In the 704, Part II report from the Center, there is erroneous information. Statistical information reported by the Center in the report is stated that the numbers can't be confirmed since there may have been a "glitch in their system." When a federal report contains such obvious omissions and incomplete reporting, one cannot but wonder about the validity of the other information presented.
- A state audit can determine whether or not the state investment of approximately \$1,177,267 is being spent appropriately. The Center's director has stated

repeatedly that HCIL has lost monies and will seek additional monies from the Legislature to increase IL services. However, unless the state knows how the \$1,177,267 is already being spent, there can be no reason to justify additional monies from the legislature. Federal funds are not likely to increase, which will make the pressure on the state to augment funding in the future. If we are truly interested in increasing IL services, then we need justification beyond consumer demands.

With only ONE Center, the state essentially is faced with sole source procurement. Thus, we must ensure that our money is being appropriately spent and the disabled community is provided with a breadth of IL services.

In summation, I strongly support SCR200 and urge the members of this committee to do so as well.

Regards,

Dara Fukuhara



**ART FRANK  
1509 PIIKEA ST  
HONOLULU, HI 96818-1842  
April 4, 2008**

**TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS**

**SCR200 SD1 REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT AUDIT  
OF THE HAWAII CENTER FOR INDEPENDENT LIVING**

**My name is Art Frank and I am a deaf quadriplegic who has been an advocate for the disabled with emphasis on deafness since 1981. I strongly support SCR200 SD1 which Requests a Financial and Management of the Hawaii Center on Independent Living (HCIL). At a previous senate committee hearing former employees of HCIL reported instances of alleged fiscal improprieties, misappropriation of funds, and fraud between 2003 and 2006. Based on the allegations as stipulated in SD200 SD1 you have no choice but to request an audit of the HCIL to determine if funds were misappropriated and fraud committed against the taxpayers.**

**I am also concerned with the high staff turnover and exodus of board members within the past five years resulting in a lack of continuity of services as stated in SCR200 SD1. I am also concerned about the lack of quarterly and annual reports not submitted to the state as stipulated in the contracts. Furthermore if the state is responsible for managing the day to day operations and should be monitoring the grant and sub-grant supported activities to assure compliance with applicable federal requirements etc, I believe an audit is imperative because taxpayers and the state should know what's going on at the HCIL.**

**I would personally consider it a crime, if an audit of the HCIL wasn't done so the public and the state knows one way or the other how our taxes are being spent. I beg you to please pass SCR200 SD1.**

**Thank you vey much for the opportunity to testify.**

**Art Frank**

**testimony**

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**From:** Mark T. Obatake [eqaccess@hawaii.rr.com]  
**Sent:** Thursday, April 03, 2008 8:46 AM  
**To:** testimony  
**Subject:** Testimony for Senate Ways and Means Committee - Friday, April 4, at 10:05 a.m.

April 3, 2008

The Honorable Members of the Senate Ways and Means Committee  
State Capitol  
Honolulu, Hawaii 96813

RE: SCR 200 relating to Requesting the Auditor to Conduct a Financial and Management Audit of Hawaii's Independent Living Center

Dear Honored Chair Baker, Vice-Chair Tsutsui, and Committee Members:

As the former Executive Director of the Hawaii Centers for Independent Living (HCIL) and a person with a disability, I strongly recommend the passage of SCR 200, relating to Requesting the Auditor to Conduct a Financial and Management Audit of Hawaii's Independent Living Center. The resolution will strengthen the implementation of needed services for people with disabilities in Hawaii.

Approximately six years ago, I retired from HCIL due to progressive fatigue from my neuromuscular condition. When I left HCIL, the agency was a lighthouse in the community. The Rehabilitation Services Administration (RSA), the federal agency that oversees all centers for independent living (CIL), commended HCIL on an in-depth program review just prior to my retirement. The National Council on Independent Living had presented an award to HCIL for our lead efforts with DiverseAbilities, a collaboration of four non-profit organizations in Hawaii. DiverseAbilities was also recognized as a trend-setting initiative by the Aloha United Way and the Harry and Jeanette Weinberg Foundation. We also had full collaboration, operational and financial support with the Division of Vocational Rehabilitation, the Adult and Community Care Services, the Center on Disability Studies, the Disability and Communication Access Board, the Hawaii Disability Rights Center, and a host of national, regional, and local organizations. It was a privilege to be an advocacy agency in Hawaii that elicited so much respect from colleagues and adversaries alike.

In terms of direct services, the wide range of services delivered included Information and Referral, Outreach to Underserved Populations, Intake and Assessment Services, Peer Counseling, Independent Living Skills Training, Rehabilitation Technology, Individual Advocacy, Housing Assistance, Personal Care Attendant Referral, Transportation, Children and Youth Services, Prevention Services, Community Awareness Services, and Volunteer Services. When the consumer's independent living plan required outside professional services, HCIL contracted for sign and tactile language interpretation, orientation and mobility services, psychological counseling, physical and occupational therapy, speech pathology assessment, assistive technology services and training, prosthesis and orthotic devices, architectural drafting, and motor vehicle conversion. There are personal accounts given by consumers that many of these services are no longer provided.

One of the management criteria established by RSA for CIL's is to rely less on federal funding and to broaden the funding base. When I was given the position as Executive Director, our funding capacity was 90% federal and 10% other. Over the years of building solid work relationships and collaborating on innovative ideas, we were able to generate an annual budget in excess of \$2 million; the ratio was 76% federal and 24% other. The success of attracting new funding was dependent on delivering stated outcomes and establishing mutually beneficial relationships. Our integrity was something that funding

4/3/2008

sources were willing to bank upon. Without exceptional networking abilities, collaborative funding cannot be obtained. It would be interesting to see what the ratio of federal to other funds is today.

HCIL is one of the FEW consumer-controlled organizations, and it is the ONLY center for independent living in Hawaii. While other states have multiple CIL organizations, the single entity status of HCIL in Hawaii is a privilege that needs constant diligence. The closure of RSA's regional offices places a ridiculous burden on the central federal office to monitor over 200 CIL's across the country. RSA program and management visits occurs every five years at best, and if there are any corrective actions requested from those visits, follow-up by the central office is currently inconsistent. State funds are contracted by the Division of Vocational Rehabilitation (DVR), and I would meet with the DVR administrator and program manager on a quarterly basis to discuss HCIL's operation. It is my understanding that this is not occurring now. HCIL was also a recipient of four islands' United Way (UW) funds. While the amount was small, one of the benefits of this association was additional oversight. United Way was one of the pioneers for addressing program outcomes. If an organization wanted UW funds, they would need to advance through a lengthy application, program reporting and review process. It is my understanding that HCIL has not applied for most, if not all, of the UW funding.

As a past administrator, I welcomed external scrutiny of the agency. I wanted to show the world how much HCIL served people in need and could be trusted with hard-earned public funds. An audit needs to be feared if you have something to hide, or it can be cheered if you want validation of work well done. It is my hope that your committee will pass SCR 200. The quality of living for people with disabilities in Hawaii depends on your positive action. Thank you for your consideration of this matter.

Respectfully submitted,

Mark T. Obatake

**testimony**

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**From:** Doran J. Porter [Doran@hawaiihomeless.org]  
**Sent:** Thursday, April 03, 2008 11:21 AM  
**To:** testimony  
**Subject:** S.C.R. NO. 200 S.D.1 - SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT AUDIT OF THE HAWAII CENTERS FOR INDEPENDENT LIVING.

**Attachments:** image001.png

Aloha,

As an agency supporting the housing needs of Hawai'i's disenfranchised, I would like to support the above mentioned resolution. We often receive calls from individuals who have disabilities seeking assistance in finding appropriate housing. Knowing of HCIL and their mandate to help with those seeking Independent Living opportunities, we refer those clients to HCIL for further assistance. It has come to our attention that often they are unable to even get a response from staff at the agency after several attempts. Our state desperately needs the services of an Independent Living Center; it is our hope that the concurrent resolution will further the work of HCIL and get them on track with their mission to help those with disabilities realize their right to live independently.

Sincerely,



Doran J. Porter  
Executive Director  
Affordable Housing and Homeless Alliance (AHHA)  
621 North King Street  
Honolulu, Hawaii 96817-4509  
Phone: 808.845.4565  
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4/3/2008

My name is Hiroko Kobira. I am IL specialist at the Hawaii Centers for Independent Living. I understand that the legislature is concerned about our business, and the concerns have come to a public issue.

I have gone through the given testimonies from the previous public hearing both support and oppose to the measure of SCR200. I have a couple of questions to ask to the legislature on SCR200 and its passage.

What I understand from what SCR 200 states in its measure, a financial and management audit of the Hawaii Centers for Independent Living would determine whether the Hawaii Centers for Independent Living is providing "adequate services" to consumers. What does it mean by "adequate services"? What is the criteria/or based on to make "adequate services"?

I have found that there are a lot of testimonies from our consumers who have been dissatisfied our services (mostly consumers who reside in Hilo and are individuals with hearing impairment), however at the same time there are many consumers who have submitted the written testimonies saying that they are satisfied our services and appreciated how HCIL had been involved in their lives to be more independent.

It is critical to identify the concerns in an evidence-based manner to check the actual performance of HCIL and services existing standards, and to examine if the identified needs are real, if they are worth addressing, and specify their importance and urgency in view of the organizational needs and requirements. This process must be conducted in a way to fulfill the mean of its action for the improvement of the HCIL over all.

Last of all, I would like to add the comments based on my observation having worked under the administration of Patricia Lockwood, our executive director, she has been in a strong stance for advocating persons with disabilities since January 2003. She has taken her own leadership style in strictly pursuing her stance. She has had fair reasons for every action she has taken. It usually makes sense to me when I am directly communicating with her to find out the facts.

And I have also recognized that she has been harassed by the disability community here in this state having had unnecessary rumors based on biased assumption or ignorance because she seems to be different from the way the HCIL is used to be: she seems to not just be a nice executive director tailoring her belief/stance to fit into the community. She has maintained the business of Hawaii Centers for Independent Living up to the present in 2008. She is a light house to Hawaii to guide the independent living movement for people with disabilities by strictly and consistently applying the federal civil right law for people with disabilities, which is the American Disabilities Act (1990).

April 3, 2008

Aloha Committee on Ways and Means:

My name is Roxanne Bolden (formerly Harris) and I am in support of the Financial and Management Audit of HCIL. I am a former employee of HCIL. I've worked for the center from May 1, 1996 until October 14, 2005. My positions at the time of resignation were the following: Special Programs Coordinator for the San Diego State University Community Rehabilitation Program for Continuing Education; Coordinator for the National Technical Assistance Center for Asian Americans and Pacific Islanders with Disabilities for Employment; Supervisor of Guam staff and Independent Living Specialists on Oahu, & Training Coordinator for all staff members island wide including Guam. In addition to fulfilling the job duties required by each of the above mentioned contracts, I had to provide technical assistance to the CNMI Center Director and assist the Accounting Department with the collection of staff timesheets and summary reports for payroll.

During my employment there had been a high turn over of long term and experienced staff members from every island beginning 2003 to 2005. From the Island of Maui, both Ken Mailo (IL Specialist) and Lessie Cooper (Office Coordinator) have resigned; from Kauai both Humberto Blanco (former Coordinator for Kauai) and Gorgon Dodge (IL Specialist) have resigned; from Kona both Merle Martin (former Coordinator for Kona) and Henry Shimakura (EBS Specialist) have resigned; from Hilo Laura Tobosa (former Coordinator for Hilo and then later promoted to Program Director for all outer islands) was fired and staff members Sabine Nagasawa (IL Specialist) and Sharlene Chaves (Secretary) resigned immediately after; from Guam Rodney Priest (Guam Center Director) resigned; from Oahu, besides myself, Violet Evans (Financial Manager accused of fraud, filed lawsuit and received a settlement from HCIL), Dee Akasaki (former Human Resource Manager and later promoted to Director of Operations) was fired, Max Balbuena (IL Specialist) was fired, Rhonda Yoshikawa (IL Specialist) resigned, Nadine Santiago (Receptionist) resigned, Lucy Wong (former NTAC Coordinator) resigned, Eunice Chang (former NTAC staff member) resigned, Sharon Macabugao (Accountant) resigned, Terry Jasper (IL Specialist) resigned, Cecilia Manettas (Accounting Assistant) resigned, Lymari Graciano (Director of Finance) resigned, Wil Koki (BLN Coordinator) resigned, and Cora Laxtina (Accountant) resigned. The following Temp Employees have resigned: Terry Conlan, and Craig Turner. Patrick Hahn Temp employee was fired. Finally Grant Writer volunteer Mark Mitsuoka (wrote grants for the following programs NTAC, Self Advocacy Program, & Youth Program) discontinued volunteer services for HCIL. The above mentioned staff members throughout the Hawaiian Islands have worked seven years or more prior to being fired or having resigned from the agency.

The Oahu staff members routinely faced unfounded and unproven accusations of theft of mail or other documents and tampering with computer data base or security camera equipment by the current Executive Director. For each accusation made, staff members faced investigative questionings from Roger Lau (retired HPD officer and current Private Investigator). Staff members were never informed of their right to have an attorney

present nor were we given the option to refuse questionings. Another private investigator that questioned the Oahu staff members was a woman named Linda. With this particular questioning, the HCIL board issued a letter informing all Oahu staff members to cooperate with the investigator.

Entry door locks to HCIL (front and emergency doors) were changed every time an employee resigned or was fired. Cabinet locks to the files by the Secretaries desk were also changed during these situations. In addition, new security alarm codes would be issued to every staff members also when staff were fired or had resigned.

During a mandatory Independent Living Skills training held at the Ala Moana Hotel, all HCIL staff members from the Oahu, Hilo, Kona, Maui, Kauai, Guam and the CNMI, were informed by the current Executive Director that we were under new administration and that our former Executive Director Mark Obatake had committed fraud. Ms. Lockwood failed to justify her accusations and when questions continued about Mr. Obatake she jokingly held out a can and said a quarter would be deposited every time his name was mentioned. She also informed staff that if we did not like her management style, we could always leave. She informed us that she had a different management style from the previous director and that all staff positions would be adjusted according to her new plan. She would be the primary supervisor for all staff members across the islands. All former coordinators would now be called Team Leaders. We could not perform our normal duties unless otherwise directed by Ms. Lockwood.

Ms. Lockwood has managed to alienate HCIL from Diversabilities (the four non profits that provided services to persons with disabilities – United Cerebral Palsy Association, Abilities Unlimited –formerly Winners at Work, Assistive Technology Resource Centers of Hawaii and HCIL). Diversabilities Executive Directors no longer welcomed Ms. Lockwood's participation at their meetings. They had asked for a representative to take her place. I have had to attend the meeting during my employment at the agency.

These are but a few tidbits of what went on at the center. I have approached a board member, Mr. Bruce Clark, informing him of my concerns with Ms. Lockwood's daily management. I was given a written letter informing me that I was not to contact any board member again and if I did I would be given a written reprimand. A letter was then generated by the Board of Directors and given to all staff members informing them that we could not contact the board at any given time. All concerns were to be brought up to the Executive Director and she would in turn send it up to the board for review.

I am truly saddened by what I've witnessed at the center. Many valuable employees with history and knowledge about the independent living philosophy have left either under unpleasant circumstances or because they could no longer take the abusive treatment anymore. Normal office functions such as holiday parties were no longer allowed. The office environment became hostile and unpleasant to work under. Staff members met outside working hours to offer each other support just to get through the next business day.

It is more than time for someone to hear our concerns and to take some form of action. Twenty eight staff, temps, and volunteer did not dedicate their lives to an agency only to see it being torn apart. I implore you to please pass this resolution for the Financial and Management audit of the Hawaii Centers for Independent Living.

Thank you for your time.

Sincerely,

Roxanne U. Bolden  
Phone: 497-2350  
Email: [rubolden@gmail.com](mailto:rubolden@gmail.com)



April 1, 2008

Dear Senators Chun-Oakland and Ihara,

I strongly support your efforts for a financial and management audit of the Hawaii Centers for Independent Living (HCIL).

I began working for HCIL in 1999 as an Executive Secretary under the direction of Mark Obatake. In 2001 I was promoted to Human Resources Manager. In 2003, Mark Obatake retired and Patricia Lockwood was hired as his successor.

Ms. Lockwood rented a home from the realty office of Solid Foundation. Ms. Lockwood requested and it was allowed that HCIL make direct payment to Solid Foundation for her rent each pay period and she received the balance of her salary. Ms. Lockwood claims not to have received compensation for the first two years. That report is untrue. Ms. Lockwood moved out and left the home in shreds. Solid Foundation attempted to collect reimbursement for the extensive damages she had done to the home. Ms. Lockwood refused to pay for any of the damages stating she was disabled and therefore not responsible.

Ms. Lockwood wanted me to put Violeta Evans, Comptroller, on administrative leave. I told her that in my capacity I could not. At a Board Meeting which took place shortly thereafter, and together with select Board members namely Maureen Lichter and Betsy Whitney, my position title was changed from Human Resources Manager to Director of Operations. They then told me I now had the authority and that on the following Monday I was to put Violeta Evas on leave.

Shortly thereafter I was instructed to terminate Malvin Whitecliff, Elderly Blind Services Coordinator. It was a Executive decision but she made me perform the duty.

I began having difficulty with Ms. Lockwood for her lack of producing reports which I knew needed to be done for continuance of our various grant monies and or programs. i.e. Kristy Yamaguchi Foundation. I did go to the Board of Directors namely Bruce Clark. He did not want to assist me. I did find an ally in Danny Agsalog of Maui. Danny did try to assist. He was removed from the Board. I was told I could no longer attend Board meetings, which I had done since my first day of employment.

There were excessive legal fees. Ms. Lockwood changed attorneys claiming that the ones Mr. Obatake used were "tainted".

I attempted to report her personal use of a Dept of Transportation vehicle to the funding source. She then took away the monthly reporting responsibility from me.

In September of 2003 I went on maternity leave. I returned in January 2004. Upon my return I found that many of the personnel files which were kept under my responsibility were missing. The files that were still in the official personnel cabinet contained many violations of policy. I found that the person temporarily assigned to fulfill my obligations, Rhonda Yoshikawa, had given the Receptionist many paid days off for "good work" and these were approved by Ms. Lockwood.

Ms. Lockwood believed that someone climbed through the fiberglass ceiling tiles and into her office and stole files. When she found them, she would claim someone climbed back into her office and put them back.

I was terminated in May of 2004 by Maureen Lichter, Board member. The claim was that I was a violent employee. I was never in any way volatile or threatening. There was no evidence. There was no documentation. There was no basis except that which Ms. Lockwood may have made up but which I have never been told of or seen. Ms. Lockwood could not complete this task. She hired two security guards, about 6' tall and in excess of 300 lbs each to escort me from the building. I am 4'10" tall and weigh 110 pounds. I was offered a month's salary if I agreed to sign a paper which stated that I agree not to sue HCIL.

Since her employment staff and board attrition should be enough of a flag that something is amiss.

Please conduct a financial and management audit so that HCIL can be the organization it once was. Please conduct your audit so that all persons with disabilities can enjoy the services HCIL once provided. Please conduct your audit so that HCIL can regain the respect it once had in the disability community.

Sincerely,

*/s/ dee akasaki*

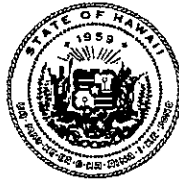
Dee Akasaki

Board members I can recall at the time of my departure:

Maureen Lichter, Finance Factors  
Betsy Whitney, Big Island  
Marcella Stroh, Big Island  
Dr. Dennis Crowley, Rehab Hospital  
Bruce Clark, Accessibility Planning and Consulting  
Kirby Shaw, DCAB  
Mark Yabui  
Howard Lesser  
Danny Agsalog, Maui  
The late Michael Nakamura  
Dr. Richard Radtke, Professor, UH Manoa  
Brian Kessler  
Sterling Kryslar  
Dr. Randy Roth, UH Manoa Resident Scholar  
\_\_\_\_ Jones, Professor of Law, UH Manoa

I believe there were 21 members; I am unable to remember all names

LINDA LINGLE  
GOVERNOR



LILLIAN B. KOLLER, ESQ.  
DIRECTOR

HENRY OLIVA  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

April 4, 2008

MEMORANDUM

TO: Honorable Rosalyn H. Baker, Chair  
Senate Committee on Ways and Means

FROM: Lillian B. Koller, Director

SUBJECT: S.C.R 200, S.D. 1 – REQUESTING THE AUDITOR TO CONDUCT A  
FINANCIAL AND MANAGEMENT AUDIT OF THE HAWAII CENTERS  
FOR INDEPENDENT LIVING

Hearing: Friday, April 4, 2008, 10:45 a.m.  
Conference Room 211, State Capitol

PURPOSE: The purpose of this resolution is to conduct a financial and management audit of the Hawaii Centers for Independent Living.

DEPARTMENT'S POSITION: The Department of Human Services has no objections to the proposed audit and will fully cooperate and assist the Auditor and provide information, if available, to facilitate an analysis of the Hawaii Centers for Independent Living (HCIL) as intended by the Legislature.

The Department fully supports the services that are provided by the Hawaii Centers for Independent Living and supports the HCIL through three contracts for services for persons with disabilities.

The testimonies and information that were provided at the Senate Human Services and Public Housing hearing on this resolution on March 25, 2008, by former employees and clients

and former clients of the HCIL indicates that there could be information and recommendations provided by an audit that will help in improving services to clients.

The Department has a fiduciary responsibility to ensure that contract obligations are being met and that clients are receiving necessary services. The Department will also be doing do a management audit on the HCIL. No vendor should be unaccountable when providing services necessary for the health and well-being of Hawaii's citizens.

Thank you for the opportunity to comment on this resolution.