

# HCR 265

**Measure Title:**

REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL  
AUDIT OF THE HAWAII AIR NATIONAL GUARD

LINDA LINGLE  
GOVERNOR



ROBERT G. F. LEE  
MAJOR GENERAL  
ADJUTANT GENERAL

GARY M. ISHIKAWA  
BRIGADIER GENERAL (HI)  
DEPUTY ADJUTANT GENERAL

STATE OF HAWAII  
**DEPARTMENT OF DEFENSE**  
OFFICE OF THE ADJUTANT GENERAL  
3949 DIAMOND HEAD ROAD  
HONOLULU, HAWAII 96816-4495

**Testimony to the Senate Committee on Public Safety  
& Military Affairs**

The Honorable Will Espero, Chair  
The Honorable Robert Bunda, Vice Chair

Monday, April 12, 2010

by

Major General Robert G. F. Lee  
Adjutant General  
State Department of Defense

**Resolution No. and Title:** House Concurrent Resolution 265, Requesting the Auditor to Conduct a Financial Audit of the Hawaii Air National Guard.

**State Department of Defense's Position:**

House Concurrent Resolution 265 was transmitted and received by the Senate on March 29, 2010. The contents of this measure were previously addressed in House Concurrent Resolution 113 that was deferred. We strongly oppose this resolution because it is an unnecessary use of State audit resources that will be limited in scope due to the small amount of State resources to be audited.

The annual budget for Hawaii Air National Guard (HIANG) is approximately \$120.8 million, of which 99.3 percent is federal funds and only 0.7 percent (\$800,000) is state funds. The state funding is used as matching funds with the federal government providing 75% and the state matching 25% to pay for utilities, custodians, and facility maintenance. Therefore, only \$3.2 million of the \$120.8 is auditable by the State. This disbursement is governed by a Master Cooperative Agreement and the HIANG does not manage any of the State provided funding. The Hawaii State Department of Defense manages these funds with oversight from the National Guard Bureau. The remainder of the budget is federal money administered under federal regulations. The management of all funds is routinely and frequently audited for compliance by multiple federal agencies including the United States Property and Fiscal Office, the Air Force Audit Agency, the National Guard Bureau, and the U. S. Pacific Air Forces' Inspector General, all of which do not work for the Adjutant General.

In addition to compliance inspections, the HIANG also receives operational readiness inspections (ORIs) from the Pacific Air Forces Inspector General that determine a unit's ability to perform its wartime mission. This inspection is where the "rubber meets the road". It combines compliance with a demonstration of wartime mission capability providing a true measure of leaderships' success in training their forces for success within federal guidelines and provided resources.

HIANG military promotion, accession, and retention programs, as well as all fulltime federal civilian personnel actions must follow the rules and regulations established by the National Guard Bureau and Office of Personnel Management. Like the management of funds, these programs are also routinely inspected for compliance by the same agencies that review our financial programs. Recent selection of the Commander, 154<sup>th</sup> Wing, was the most competitive with 17 applicants nationwide. Recommendation and selection was provided by a military board consisting of senior officers from the Hawaii Army National Guard, Hawaii Air National Guard, and the U. S. Air Force. The current commander, Brigadier General Joe Kim from the Hawaii Air National Guard was selected from this nationwide group of applicants. As with our financial management, our federal oversight agencies have not identified and material weaknesses or discrepancies with our employment, promotion and retention programs and policies.

Hawaii Air National Guard units have been audited, inspected, and reviewed with all receiving outstanding results. All external audits conducted over the past two years have found that our units are effectively managing both resources and programs according to regulation; and the 154<sup>th</sup> Wing's mission capability was rated as "Excellent" in the February 2009 Operational Readiness Inspection. This rating is exceptionally high and reflects the success of our leaders in managing their resources and personnel for the accomplishment of their wartime mission. Additionally, the 154<sup>th</sup> Wing was recognized by the U. S. Air Force as one of its most outstanding units by awarding it the Air Force Outstanding Unit Award for Fiscal Year 2009. This is followed by the Air Force awarding Headquarters, Hawaii Air National Guard the Organizational Excellence Award for 2005 to 2007. This year, our Retention Manager received the Air National Guard award as Manager of the Year recognizing HIANG's outstanding retention rate for our members. Another benchmark representing the HIANG's superior reputation Air Force wide is the establishment of the Air National Guard's only owned F-22 fifth generation fighter unit within the Hawaii Air National Guard. During my tenure as Adjutant General, the HIANG did not fail any major inspection!

The Inspector General (IG) complaint system is always available for National Guard members who believe that programs are being managed incorrectly. The Inspector General's job is to ensure an unbiased review of any complaint that is investigated. The complainant has total immunity and the findings are always validated at the next higher level of command. We encourage our National Guard members to use the IG system. A full and complete investigation will be done anytime one or more of our members provide the IG with their concerns. We suggest that the Inspector General system could be a more effective route for Guard members to have their concerns reviewed than a State audit that by its nature will be limited in scope to state issues. Any audit resulting from this resolution will expend resources without appreciable return on the State's investment. I am willing to share the results of our audits with members of the State Legislature.

April 12, 2010

William Benton

The Honorable Senator Will Espero  
Chairman, Senate Committee on Public Safety and Military Affairs  
Hawaii State Capitol  
415 S. Beretania St.  
Honolulu, HI 96813

Dear Senator Espero,

I am testifying in support of HCR 265, *Requesting the Auditor to conduct a financial audit of the Hawaii Air National Guard*, offered this month by Speaker of the House, Representative Calvin Say.

I am a retired Colonel of the Hawaii Air National Guard. My primary experience and area of expertise was as a F-15 and KC-135 pilot of the 154<sup>th</sup> Wing at Hickam AFB.

I have experienced the audit, inspection and evaluation process throughout my 30+ year career. Audits, inspections and evaluations, when conducted by an agency or observer external to an organization provide the most accurate assessments of capability and compliance. Furthermore, they provide the organization with objective feedback of the organization's own methods of self-inspection and recommendations for timely corrective action. HCR 265 asks for all of this to support the HIANG and State Department of Defense in the successful accomplishment of both its state and federal missions.

The Hawaii Air National Guard in its role as a state militia and in its federal role when called to support our national defense, are keepers of a very special public trust. The awesome military capability of the HIANG and its multi-million dollar budget demand the highest standards of integrity, service and excellence to maintain that trust. HCR 265 requests for an objective independent assessment of the Hawaii Air National Guard in order to reaffirm the public's trust in the militia.

Sincerely,

William Benton

April 12, 2010

Kurt W. Lajala

The Honorable Senator Will Espero  
Chairman, Senate Committee on Public Safety and Military Affairs  
Hawaii State Capitol  
415 S. Beretania St.  
Honolulu, HI 96813

Dear Senator Espero,

First, I must state that I am a HIANG member and am currently on Active Duty orders in support of Operation Iraqi Freedom and Operation Enduring Freedom. Although I may draw my opinions from the experience of nearly 27 years of military service, I must make it abundantly clear that my testimony represents my personal views and are not those of the U.S. Air Force or Hawaii Air National Guard. I am not a spokesman for the U.S. Air Force, Hawaii Air National Guard or any other agency or organization. I am providing testimony as a private citizen.

I am testifying in support of HCR 265, *Requesting the Auditor to conduct a financial audit of the Hawaii Air National Guard*, offered this month by Speaker of the House, Representative Calvin Say.

Inspections and audits by higher authority are a common occurrence in the life of a military unit. Few service members would be a stranger to an inspection or audit of one kind or another. Inspections and audits serve a multitude of purposes. In its highest form they assess a unit's readiness and capability to perform its military mission. They also review a unit's daily compliance with applicable regulations and law. An inspection helps to reinforce unit standardization, promote safety in the work place, encourages efficiency and innovation, and insures the fair treatment and career opportunity of all service members. Inspections and audits provide commanders, at all levels, reliable feedback that mitigates the effects of personnel changes such as promotions, change of commands or retirements. They also serve to quickly "spin up" new unit members. Inspections and audits provide both our military and civilian leaders with a snapshot with which to judge the health of a unit.

The trust given to the military and law enforcement by the Public is one of the most sacred relationships in our American society. This relationship between the HIANG and the citizens of the State of Hawaii is codified in The Second Amendment of the U. S. Constitution and Articles I, XIV and XV of Hawaii's Bill of Rights. In short, they provide that all power is inherent in the people, establish the militia and subordinates the militia to civil power. When, at anytime, the confidence of the People in the militia is shaken or there are questions regarding the integrity or command fitness of an individual military leader or group of military leaders, the People deserve a complete investigation and prompt action. HCR 265, in my opinion, clearly represents the will of the People as

expressed through their elected representatives and senators to answer the many questions that challenge the public's confidence in the HIANG.

I don't know when an audit such as the one requested by HCR 265 was last conducted. I do know that the readiness, reliability and relevance of any unit, large or small, are always improved by an objective external review. An audit of the HIANG will serve to validate the readiness of the HIANG to meet both its federal and state missions, reveal the experience, expertise and leadership strength of the HIANG's current senior leaders and demonstrate the HIANG's fiscal responsibility. HCR 265, in short, will restore the public trust in the leadership of the HIANG. I fully support HCR 265, a request to conduct a financial and management audit of the Hawaii Air National Guard.

Sincerely,

Kurt W. Lajala

April 12, 2010

Mr. Gary R. Jablonski

The Honorable Senator Will Espero  
Chairman, Senate Committee on Public Safety and Military Affairs  
Hawaii State Capitol  
415 S. Beretania St.  
Honolulu, HI 96813

Dear Senator Espero,

I am testifying in support of HCR 265, *Requesting the Auditor to conduct a financial audit of the Hawaii Air National Guard*, offered this month by Speaker of the House, Representative Calvin Say.

I am a retired Master Sergeant of the Hawaii Air National Guard and 27 year veteran of our nation's military. I left the State of Wisconsin in 1993 where I was a traditional status member and fulltime employee of Harley-Davidson, Inc. to accept a position as an AGR (fulltime military) status member of the HIANG. I retired from the HIANG in 2002.

In all of my years, I have come to accept audits and inspections as a "way of life." At Harley-Davidson every aspect of production and assembly was continuously reviewed. During my careers in the Wisconsin and Hawaii ANG every area of the mission was also audited, inspected or evaluated for standardization, compliance and effectiveness. After each audit, civilian or military, I was left with a feeling of validation of a job well done and great instructions for correcting revealed deficiencies. HCR 265 will provide the many dedicated professionals of the HIANG with the same validation of their service to our nation and community.

The HIANG, like any military organization, has a special obligation to the public to uphold the highest of values. These values are embodied in the words "Integrity first, Service before self and Excellence in all we do." They are the U.S. Air Force's core values and echoed down through every echelon of the Air Force and HIANG command. If there is ever the slightest hint of impropriety, personal selfishness or mediocrity, it needs to be investigated and corrected immediately. HCR 265 will serve to answer the many questions that have begun to be asked about the quality of leadership in the HIANG. I urge the committee to fully support this resolution, bring about an independent audit of the Hawaii Air National Guard and restore the public's confidence in our state militia.

Sincerely,

Gary R. Jablonski

FROM: MAILINGLIST@CAPITOL.HAWAII.GOV  
[MAILTO:MAILINGLIST@CAPITOL.HAWAII.GOV]  
SENT: FRIDAY, APRIL 09, 2010 2:22 AM  
TO: PSM TESTIMONY

SUBJECT: TESTIMONY FOR HCR265 ON 4/12/2010 9:30:00 AM

TESTIMONY FOR PSM 4/12/2010 9:30:00 AM HCR265

CONFERENCE ROOM: 312  
TESTIFIER POSITION: SUPPORT  
TESTIFIER WILL BE PRESENT: NO  
SUBMITTED BY: ELEANOR BONNER  
ORGANIZATION: INDIVIDUAL  
ADDRESS:  
PHONE:  
E-MAIL: ANUHEAELE@AOL.COM  
SUBMITTED ON: 4/9/2010

COMMENTS:



FROM: MAILINGLIST@CAPITOL.HAWAII.GOV  
[MAILTO:MAILINGLIST@CAPITOL.HAWAII.GOV]  
SENT: FRIDAY, APRIL 09, 2010 2:21 AM  
TO: PSM TESTIMONY  
CC: RPLAJ@MSN.COM  
SUBJECT: TESTIMONY FOR HCR265 ON 4/12/2010 9:30:00 AM

TESTIMONY FOR PSM 4/12/2010 9:30:00 AM HCR265

CONFERENCE ROOM: 312  
TESTIFIER POSITION: SUPPORT  
TESTIFIER WILL BE PRESENT: NO  
SUBMITTED BY: ROBERT LAJALA  
ORGANIZATION: INDIVIDUAL  
ADDRESS:  
PHONE:  
E-MAIL: RPLAJ@MSN.COM  
SUBMITTED ON: 4/9/2010

COMMENTS:

FROM: MAILINGLIST@CAPITOL.HAWAII.GOV  
[MAILTO:MAILINGLIST@CAPITOL.HAWAII.GOV]  
SENT: FRIDAY, APRIL 09, 2010 2:21 AM  
TO: PSM TESTIMONY  
CC: PETEFREITAS@YAHOO.COM  
SUBJECT: TESTIMONY FOR HCR265 ON 4/12/2010 9:30:00 AM

TESTIMONY FOR PSM 4/12/2010 9:30:00 AM HCR265

CONFERENCE ROOM: 312  
TESTIFIER POSITION: SUPPORT  
TESTIFIER WILL BE PRESENT: NO  
SUBMITTED BY: PETER FREITAS  
ORGANIZATION: INDIVIDUAL  
ADDRESS:  
PHONE:  
E-MAIL: PETEFREITAS@YAHOO.COM  
SUBMITTED ON: 4/9/2010

COMMENTS:

FROM: MAILINGLIST@CAPITOL.HAWAII.GOV  
[MAILTO:MAILINGLIST@CAPITOL.HAWAII.GOV]  
SENT: FRIDAY, APRIL 09, 2010 2:20 AM  
TO: PSM TESTIMONY  
CC: ROMANS35MAMA@AOL.COM  
SUBJECT: TESTIMONY FOR HCR265 ON 4/12/2010 9:30:00 AM

TESTIMONY FOR PSM 4/12/2010 9:30:00 AM HCR265

CONFERENCE ROOM: 312  
TESTIFIER POSITION: SUPPORT  
TESTIFIER WILL BE PRESENT: NO  
SUBMITTED BY: SHEILA FREITAS  
ORGANIZATION: INDIVIDUAL  
ADDRESS:  
PHONE:  
E-MAIL: ROMANS35MAMA@AOL.COM  
SUBMITTED ON: 4/9/2010

COMMENTS:

FROM: MAILINGLIST@CAPITOL.HAWAII.GOV  
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TESTIMONY FOR PSM 4/12/2010 9:30:00 AM HCR265

CONFERENCE ROOM: 312  
TESTIFIER POSITION: SUPPORT  
TESTIFIER WILL BE PRESENT: NO  
SUBMITTED BY: DEWEY ALLEN  
ORGANIZATION: INDIVIDUAL  
ADDRESS:  
PHONE:

SUBMITTED ON: 4/9/2010

COMMENTS: