

GM 519

TESTIMONY OF

FREDERICK D. PABLO

TO THE SENATE COMMITTEE ON WAYS AND MEANS

THE TWENTY-SIXTH LEGISLATURE

REGULAR SESSION OF 2011

Wednesday, February 2, 2011; 08:30AM

Conference Room 211

TESTIMONY ON GM 519 - SUBMITTING FOR CONSIDERATION AND CONFIRMATION
TO THE DIRECTOR, DEPARTMENT OF TAXATION, GUBERNATORIAL NOMINEE,
FREDERICK D. PABLO

Chair Ige, Vice Chair Kidani, and members of the committee, I thank you for the opportunity to appear before you today. I am honored to be nominated by Governor Neil Abercrombie for the position of Director, Department of Taxation and I am available to provide information for your consideration.

I was born, raised and educated in our State of Hawaii. My father was an immigrant who came to Hawaii for work in the cane fields and my mother is a first generation offspring whose father also came to Hawaii for work in the sugar industry. My parents instilled in me the importance of an education and of giving back to the community. I grew up in Palama and spent my later years in Kaimuki, where I graduated from Saint Louis High School. At the University of Hawaii in Manoa, I obtained a Bachelors Degree with a major in accounting. After serving in the U.S. Army, I started a taxation career with the IRS District in Honolulu and continued studies during the evening towards a Masters Degree in Business Administration from University of Hawaii.

After obtaining my MBA and CPA, my ambition to pursue a career in the field of taxation has now taken me from Honolulu to Washington D.C. and then literally around the world to return to the State of my birth. I have been fortunate to have an IRS career that has provided opportunities for me to be involved in many aspects of taxation from taxpayer service and collections, to auditing and appeals, and to dealing with issues in international taxation. My experience in the Federal and international arena is complemented with involvement in tax matters at the State and at the County levels.

This tax knowledge is coupled with management training and experience. My MBA education from the University of Hawaii is enhanced with IRS training including the Management Development Program, referred to as MDP II, which is a major stepping stone for those entering senior executive service. My practical management experience was gained over 25 years in being responsible for tax matters at United States Embassies in Europe and Asia, followed by the past 6 years of being the State's District Tax Manager for Maui and as the Budget Director for the County of Maui.

I look forward to applying what I have gained over the past 4 decades of tax and management experience to improving the operations of the Department of Taxation and especially in serving our customers, the people of Hawaii. In the past four weeks as Interim Director, I have identified several areas where improvements may be made.

The Department of Taxation has perhaps the largest customer base in the State of Hawaii. The past years' furloughs, reduction in force, unfunded vacancies and loss of overtime has resulted in long waiting periods for our customers to obtain the service that they request. We need to restore staffing levels to adequately match the growing customer demand.

The change in tax laws over the years, the numerous exemptions and credits, the various forms and publications, can be overwhelming for our customers who do not have the time to understand the tax law changes, forms or requirements. We need to understand their needs in order to facilitate voluntary compliance.

Along with a large customer base, the Department of Taxation processes over a million returns and collects about \$5 billion each year. In our modernization efforts, we need to expand electronic processing of these documents and payments.

In order to more efficiently manage our workloads, to provide improved revenue forecasting for tax law changes and to develop effective policies, our modernization efforts will include identifying and electronically gathering data to assure quality driven productivity.

These are preliminary findings and there is much more to be done. Through the support of our dedicated employees and the involvement of the community, we can and will together improve the tax process that is so important to providing the revenue for improving the quality of life in Hawaii.

In closing, I would like to thank everyone who has supported my nomination. I thank this committee for the opportunity to appear before you and to provide information for your consideration, and I am available to answer your questions.



EXECUTIVE CHAMBERS

HONOLULU

NEIL ABERCROMBIE
GOVERNOR

Testimony on GM 519
Confirmation of Frederick Pablo
Director, Department Taxation

Governor Neil Abercrombie

SENATE COMMITTEE ON WAYS AND MEANS
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair

February 2, 2011
8:30 a.m. Room 211

Chair Ige, Vice Chair Kidani and committee members, I respectfully ask for your favorable **support** of my nominee Frederick Pablo as the Director of the Department of Taxation. Since being appointed on December 4, 2010, Mr. Pablo has shown tremendous leadership skills within the DoTAX. His knowledge of taxes and management abilities are needed in DoTAX to move the state forward. He also understands the challenges ahead and that it will take all of us to make a difference.

Mr. Pablo is the right person to lead DoTAX and I am proud to have him as a member of my team to ensure a New Day in Hawaii.

Thank you for your consideration to confirm this leader.

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

FREDERICK D. PABLO
INTERIM DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

February 1, 2011

TESTIMONY TO THE SENATE WAYS & MEANS COMMITTEE

Re: GM 519 (Testimony In Support): Submitting for consideration and confirmation to the Director of the Department of Taxation, Gubernatorial Nominee, FREDERICK D. PABLO, for a term to expire December 1, 2014

Dear Chair Ige, Vice Chair Kidani and Members of the Committee:

I write to express my **strong support** for the confirmation of Frederick D. Pablo as Director of Taxation for the State of Hawai'i. During the time that I have been in office, I've enjoyed working with Fred and have developed much respect for the experience, professionalism and commitment that he brings to his position.

In my humble opinion, Fred is extremely qualified. He has extensive management experience and decades of tax experience. He has thorough knowledge of our state system, having served as both a budget director for Maui County and district tax manager for Maui, Lanai and Molokai.

Fred has indicated to me that, among his priorities, he is interested in simplifying the tax system, modernizing the department and fostering community outreach initiatives. I look forward to working with Fred on these and other initiatives for the betterment of our community.

Sincerely,
Randy Baldemor

**Charmaine Tavares
P.O. Box 355
Wailuku, HI 96793**

January 31, 2011

Honorable Senator David Y. Ige, Chair
Honorable Senator Michelle Kidani, Vice Chair
And Members
Senate Committee on Ways and Means, Conference 211
State Capitol
Honolulu, Hawaii 96813

Dear Chair Ige and Members of the Senate Ways and Means Committee:

SUBJECT: GM519 Consideration and Confirmation to the Director of the Department of Taxation, FREDERICK D. PABLO

I wholeheartedly **support** the confirmation of Frederick D. Pablo as Director, Department of Taxation.

In 2007 I served as Mayor of the County of Maui and I appointed Mr. Pablo as the County of Maui's Budget Director. He has experience, not only in State tax issues, but also, has vast international experience presenting the Federal government in several countries.

He has the ability to see the details as well as the bigger picture. His ability to analyze information and present projections pertaining to county budgets was extremely invaluable during his tenure with my administration. His contributions during the county's budget session and his counsel and advice throughout the year were instrumental in Maui County's fiscal soundness.

He works well with both the administrators and the legislative branch. He also demonstrated time and time again his ability to communicate complex issues to the community.

I urge you to support Mr. Frederick Pablo as Director of the Department of Taxation.

Aloha,

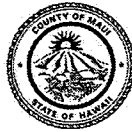
Charmaine Tavares

Former Mayor, County of Maui

Council Chair
Danny A. Mateo

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Robert Carroll
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Director of Council Services
Ken Fukuoka

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/council

January 27, 2011

Honorable David Y. Ige, Chair
And Members of the Senate Committee on Ways and Means
State Capitol
Honolulu, Hawaii
WAMTestimony@Capitol.hawaii.gov

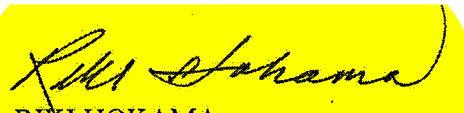
Dear Chair Ige and Members of the Senate Ways and Means Committee:

**SUBJECT: TESTIMONY IN SUPPORT OF CONFIRMATION TO THE
DIRECTOR OF THE DEPARTMENT OF TAXATION,
GUBERNATORIAL NOMINEE, FREDERICK D. PABLO
(GM 519)**

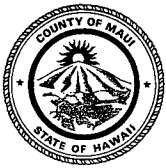
I wish to offer testimony in support of Mr. Frederick D. Pablo for Director of the Department of Taxation. While serving on the Maui County Council, I met Mr. Pablo, who was the County of Maui Budget Director and was impressed with his knowledge and understanding of State tax laws and policies. He will provide capable leadership in this area and for a department that plays a critical role in the financial health of the State.

I respectfully request your favorable consideration and confirmation of Frederick D. Pablo for Director of Department of Taxation.

Sincerely,


RIKI HOKAMA
Council Member

GRH:jem



ALAN M. ARAKAWA
MAYOR

OUR REFERENCE
YOUR REFERENCE

POLICE DEPARTMENT

COUNTY OF MAUI

55 MAHALANI STREET
WAILUKU, HAWAII 96793
(808) 244-6400
FAX (808) 244-6411



GARY A. YABUTA
CHIEF OF POLICE

CLAYTON N.Y.W. TOM
DEPUTY CHIEF OF POLICE

January 27, 2011

The Honorable David Y. Ige, Chair
Ways and Means Committee
The Senate
Hawaii State Capitol
415 S. Beretania St., Rm. 215
Honolulu, HI 96813

Re: GM518 Consideration and Confirmation to the
Director of Department of Taxation, Frederick D. Pablo

Dear Chair Ige:

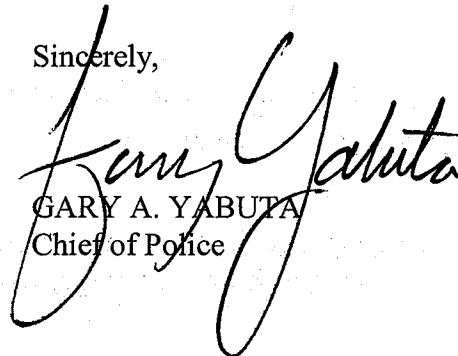
My name is Gary A. Yabuta, Chief of Police of the Maui County Police Department. I would like to take this opportunity to express my support for Mr. Frederick Pablo as Director of the Department of Taxation.

What the State has gained in Mr. Pablo is a tremendous void for the County of Maui. Mr. Pablo is a successful and highly respected individual. While serving as Budget Director, he was instrumental in the successful financial security for the County of Maui. His capabilities and leadership will further benefit the State of Hawaii, should he be confirmed as Director of the Department of Taxation.

I humbly ask for your consideration and confirmation of Mr. Frederick Pablo.

If you have any questions, please do not hesitate to contact me.

Sincerely,



GARY A. YABUTA
Chief of Police

Sheri Morrison

PO Box 2882

Wailuku, Hawaii 96793

January 27, 2011

Honorable Senator David Y. Ige, Chair
Honorable Senator Michelle Kidani, Vice-Chair, and Members
Senate Committee on Ways and Means, Conference 211
State Capitol
Honolulu, Hawaii 96813

Dear Chair Ige and Members of the Senate Ways and Means Committee:

SUBJECT: GM519 Consideration and Confirmation to the Director of the Department of Taxation, FREDERICK D. PABLO

I **support** the confirmation of Frederick D. Pablo as Director, Department of Taxation.

Mr. Pablo has extensive knowledge and experience with taxation and revenue-related concerns at the federal, state and county levels. As the Budget Director for the County of Maui, he provided outstanding oversight and management of both revenue and expenditure concerns during times of economic strength and in recent times involving great fiscal challenges. I was formerly the Managing Director for the County of Maui and was privileged to work closely with him.

In addition, Mr. Pablo brings a clear understanding of the importance of working well with both the Executive and Legislative branches of government. He listens carefully, asks good questions, provides thoughtful and useful answers, and is an excellent manager of those who report to him.

Please support the confirmation of Frederick D. Pablo as Director of the Department of Taxation.

Sincerely,



Sheri Morrison



January 29, 2011

Testimony

RE:GM 519 Submitting for consideration and confirmation to the Director of the Department of Taxation, Gubernatorial Nominee, Frederick D. Pablo, for a term to expire Dec 1, 2014

Chair Ige and Members of the Committee:

Maui County Farm Bureau on behalf of our commercial farm and ranch families and organizations on the island **support** the nomination of Mr. Frederick D. Pablo to the Department of Taxation.

MCFB has worked with Mr. Pablo as budget director with past administration in Maui County. While we have experienced hardships during these economically difficult years, Maui has weathered the storm, and according to recent forecasts, the county is expecting a budget surplus. This does not happen overnight but through a careful and timely reaction to financial conditions.

As budget director, Mr. Pablo has been approachable and willing to listen and discuss various points of view. He successfully worked with all departments to prepare for and stay on budget. As head of the Department of Taxation, Mr. Pablo's experience and skill will be critical.

Thank you for this opportunity to provide our opinion on this important matter. If there are questions, please contact Warren Watanabe, Executive Director of MCFB at 2819718.

MAHINA MARTIN
605 Kailana Street, Wailuku, Maui, Hawai'i 96793
mahinamartin@gmail.com
(808) 385.1221

February 1, 2010

Honorable Senator David Ige
Chair, Senate Ways and Means Committee
Honorable Senator Michelle Kidani
Vice-Chair, Senate Ways and Means Committee
Hawaii State Capitol

TESTIMONY IN SUPPORT OF FRED PABLO
GUBERNATORIAL NOMINEE
FOR DIRECTOR OF THE DEPARTMENT OF TAXAON

Aloha Senate Committee Chair Ige, Vice-Chair Kidani and Committee Members:

I am writing in **support** of Mr. Fred Pablo's nomination by Governor Neil Abercrombie to the position of Director of the Department of Taxation.

As a member of Mayor Charmaine Tavares' administration from 2007 - 2010 I had an opportunity to work with Mr. Pablo. He served as the Budget Director of the County of Maui during the time I served as the administration's community relations and communications director.

In the four years that I worked with Mr. Pablo I found him to be an insightful leader. Under his capable leadership, the administration and its departments were able to weather some of the most challenging economic times in our history.

What I found most valuable in my experience of working with him was his diplomacy and ability to remain focused on the financial goals of the administration. He has a rare gift of finding resolutions to difficult situations involving the county council and the many constituents located on our three islands of Maui, Molokai and Lanai.

His professionalism and knowledge are well respected in our community and he will be an asset to the State as we make our way through this unprecedented economic era.

I firmly believe the Mr. Fred Pablo will serve all of us well as the Director of the Department of Taxation.

Thank you for your consideration.

Respectfully submitted,

/s/

Mahina Martin

NEIL ABERCROMBIE
GOVERNOR



LATE

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SUNSHINE P.W. TOPPING

ADMINISTRATOR
VACANT

February 2, 2011

TESTIMONY BY
SANDRA YAHIRO, ASSISTANT ADMINISTRATOR
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
TO THE COMMITTEE ON WAYS AND MEANS
ON
GM 519

RELATING TO THE CONSIDERATION AND CONFIRMATION TO THE DIRECTOR OF
THE DEPARTMENT OF TAXATION, GUBERNATORIAL NOMINEE, **FREDERICK D.
PABLO**

Chair Ige and Committee Members,

I have known Fred Pablo for several years, mostly when he was the Manager of the Maui Tax Office. I was instrumental in recruiting him to fill the Maui Tax Office Manager position, since during that time I was the Deputy Director of the Tax Department. Mr. Pablo brought to the Tax Department a wealth of knowledge and experience gained at the Internal Revenue Service. He took on a job at the Maui Tax Office that was extremely challenging. Mr. Pablo did an excellent job and we were very sorry that he moved on to a position with Maui County.

I firmly believe Mr. Pablo will be an excellent Tax Director and **strongly urge you to confirm** Mr. Palbo as the next Director of the Department of Taxation.