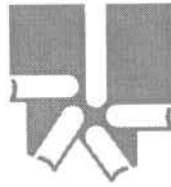


# University of Hawaii Faculty & Staff



The Senate Special Committee on Accountability  
Monday, September 24, 2012  
1:00 p.m.

Dear Chairperson Kim and Committee Members:

On behalf of the University of Hawaii Professional Assembly Board of Directors we thank you for the opportunity to submit testimony regarding a very important public issue.

When an incident occurs such as the mismanagement of the Athletic fundraising concert, it reflects a deeper and broader system failure that, if left unaddressed, jeopardizes the fundamental integrity of the University of Hawaii within our community including students and taxpayers.

Such incidents impede our ability to advance instruction and research because the trust in the fiscal management of the institution becomes severely compromised. UHPA has heard from community members at large who have expressed their loss of confidence in the Board of Regents and the President to effectively oversee the University operations.

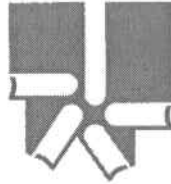
Clearly the Board of Regents and President can delegate authority, but it is their responsibility to ensure that the delegation is not abused or misapplied in a manner that harms the organization. Such oversight has been lacking and there is a growing concern as the University seeks to increase its presence as an economic generator.

The pressure to continually expand the revenue stream of the University is placing demands at all levels of the system. Through a variety of mechanisms including non-profit foundations and 501c3's, competitive grants, and service contracts, the institution is committing significant resources to increasing revenue. Pursuing these activities does not automatically mean there is a coherent set of fiscal guidelines being followed or competency in the administration of these activities. To the contrary, there may be assumptions regarding administrative skills, knowledge and expertise that simply are incorrect. UHPA has raised these concerns in the past as related to non-profit activities in which oversight is delegated downward throughout the system or policies lack disclosure of contributors.

The Faculty is not exempt from the demand to increase revenue and some have a continuing obligation to fund their positions and related work. They are responsible for conforming with the fiscal requirements of the grant or contract; they are accountable for the work product; and there are clear consequences for failure to adhere to the terms of the agreement. The consequences can include loss of future funding, jeopardizing Federal or other funding for major parts of the institution, and termination of employment.

UNIVERSITY OF HAWAII  
PROFESSIONAL ASSEMBLY

1017 Palm Drive • Honolulu, Hawaii 96814-1928  
Telephone: (808) 593-2157 • Facsimile: (808) 593-2160  
Web Page: <http://www.uhpa.org>



As the current fundraising situation demonstrates, there is a lack of clarity as to who is responsible and accountable for fundraising and related activities. Perhaps there is a clear designation of a person or persons responsible for ensuring proper oversight, but to date the Board of Regents has failed to address that component of administrative roles. The faculty is not looking for anything more than is expected of them and to date the Board of Regents and the University top administrators continue to disappoint.

UHPA is concerned that unless there are steps taken to address the delegation of responsibility and oversight by the Board of Regents, there will continue to be a significant loss of confidence in the institution with a resulting loss of financial support which ultimately will negatively impact the students we are all here to serve. The UHPA Board of Directors feels strongly that it is imperative that quick progress be made in implementing a remedy. We want to ensure that students and our community can depend on the University's top leadership to support, oversee, and enhance the mission of the University of Hawaii.

Respectfully submitted,

A handwritten signature in black ink that reads "Adrienne Valdez". The signature is written in a cursive style and extends to the right with a long, sweeping tail.

Adrienne Valdez  
UHPA President

## Daniel Holt

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**From:** Louise Good [good@IfA.Hawaii.Edu]  
**Sent:** Thursday, September 20, 2012 1:42 PM  
**To:** SCATestimony  
**Subject:** The Wonder Blunder

September 20, 2012

To: Senate Special Committee on Accountability

Sen. Donna Mercado Kim, Chair  
Sen. Jill N. Tokuda, Vice Chair

Re: Accountability and Transparency at UH

My name is Louise Good. I am a UH alumna, and am currently a UH employee. I usually am a strong supporter of UH autonomy and don't like legislative interference, but this episode cries out for an investigation, so I am glad you are doing it.

Please find out who at UH authorized the expenditure of the \$200,000 that has apparently been lost. I also am displeased with the matter of Jim Donovan and his new to-be-determined highly paid position. Either he should have been fired, or he should have been returned to his position as athletics director until his term was up. It seems as though they are buying him off--from what? A lawsuit? Telling who was really responsible? Please find out what happened. I know employees have rights, but when you take such a high profile position as UH athletic director, you'd better be able to take the heat.

Sincerely,

Louise Good

## Daniel Holt

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**From:** nzthirtytwo@e-mailhawaii.net  
**Sent:** Thursday, September 20, 2012 1:49 PM  
**To:** Nancy Bernal  
**Subject:** UH Testimony

Aloha Senator Kim,

You think the Stevie Wonder blunder was an eye opener, please take the time to look at the University of Hawaii CTAHR's administration in regards to the use of Federal Funding for Floraculture Research.

Numerous trips to China to meet and speak with Chinese officials to make available trade agreements for export of Hawaii grown products. The group went with no real plan. This Trade mission started in 2010 and is ongoing to date. How is this ongoing mission being paid for?

Dr Kenneth Grace, Interim Dean/Director of Research ([kennethg@hawaii.edu](mailto:kennethg@hawaii.edu)) Dr Po-Jung Lai, Sp Director Contracts & Grants ([laip@ctahr.hawaii.edu](mailto:laip@ctahr.hawaii.edu)) He was on several of these trips with Dr CY Hu of UH CTAHR. These individuals may be able to answer some of these questions for you in regards to the mission. Two years later with no outcome, no explanations, no outreach - nothing. AND we the taxpayer paid for this?

Please refer to the attached Final Report for the said Trade Mission.

I would strongly encourage you to investigate this and other issues with the present administration of the University of Hawaii CTAHR Dean Maria Gallo ([gallom@ctahr.hawaii.edu](mailto:gallom@ctahr.hawaii.edu)).

Feel free to contact me if you require further information/documentation.  
My contact number [REDACTED]

kind regards,

Tony Bayaoa

Tony Bayaoa

September 20, 2012

**To:** Senate Special Committee on Accountability  
Senator Donna Mercado Kim, Chair  
Senator Jill N. Tokuda

**Re:** Oversight and Accountability of the University of Hawaii System

My name is Robert Cooney and I am an Associate Professor at the John A. Burns School of Medicine in the Department of Public Health Sciences. I am a past Chair of the University of Hawaii at Manoa Faculty Senate. Prior to my current instructional faculty appointment, I was a research faculty member in the University of Hawaii Cancer Research Center for 26 years and functioned from 2000 - 2006 as the Associate Director for Scientific Administration of the Cancer Research Center. During my time at UH I have worked and interacted with five different University Presidents, five Cancer Center Directors, five JABSOM Deans, and five UH Manoa Chancellors in various professional capacities. During this time I have had ample opportunity to observe the successes, as well as failures of these individuals from many perspectives. In the nearly thirty years I have spent at the University of Hawaii I have experienced periods of severe budget restraints, threats of closure for my own and other units, inadequate support, incompetent leadership at many levels, and conflicts galore, yet, through all of this the dedicated faculty of this University have always stepped up to ensure that the vital missions of the University involving education and research were never compromised. In looking back on those thirty years, however, it is my opinion as a faculty member involved in teaching and research that the current state of administration of the University is the worst I have seen in the last three decades.

You will hear talk from the UH leadership of the tremendous growth in research funding, the increased number of students (and tuition dollars), and the new buildings they have built in Kakaako and West Oahu (often lining the pockets of cronies of the BOR and administration in the construction industry) and you will hear administrators take credit for all of this. What you will not hear and what they will not take responsibility for is the sad state of disrepair for the facilities at Manoa, wasted money throughout the system, missed opportunities, the lack of value they place in undergraduate education, or the exodus of quality faculty from this University. I personally know of six productive and valuable faculty that have either recently left or are about to leave the University of Hawaii at Manoa, taking their experience and research funding with them. I believe that the current top-down management style and abuse of academic principles of this administration is directly responsible for much of the dissatisfaction that led to the departure of these distinguished faculty. We must remember that it is the faculty that teach the classes and are responsible for the research that make this university a valuable contributor to Hawaii and its economy. The continued demoralization and loss of faculty will ultimately destroy the integrity of this institution, and growing numbers of highly paid administrators and public relation gremlins will not change that outcome for the better.

Autonomy was and is a valuable and desirable goal for the University to have and must remain so, however, the usurpation of power by an elite group of highly paid administrators at the expense of faculty involvement and governance in the university has led to the current abuses we see exemplified by the Wonder blunder and wasteful spending at the University of Hawaii Cancer Center. Autonomy was meant to allow faculty to purchase equipment and supplies and renovate the university with less bureaucratic red tape, not to make it easier to wire money to scam artists and to spend money foolishly on imported Italian wines and cheese, and hire over-priced and incompetent administrators. We certainly do not want to return to the days before autonomy when we were required to buy obsolete and overpriced computer equipment from politically-connected companies, however, we must find a way to prevent administrators from using State of Hawaii and donated money for their own aggrandizement, the creation of fiefdoms, and wasteful expenditures. The current system is broken and I urge the Senate to audit all University of Hawaii, Foundation, and affiliated 501C3 accounts to identify where money is going and determine, in consultation with those that know and love the university best, as to what the true needs of the University are to achieve the goals that the State has set for its higher education system. It is only with transparency, knowledge of the facts, and open debate that we can find a way out of the mess we find ourselves in. There are countless decent, hardworking faculty, staff, and students (and even some administrators!) at this institution that need your help to reset the moral compass of the University of Hawaii and to help make the University of Hawaii the premiere institution of learning it can and should become. Please give them your full support.

# MEMORANDUM TO THE HAWAI'I SENATE

*"I love the man that can smile in trouble, that can gather strength from distress, and grow brave by reflection. 'Tis the business of little minds to shrink; but he whose heart is firm, and whose conscience approves his conduct, will pursue his principles unto death." —Thomas Paine*

\* \* \* \*

**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:** 17 September 2012

**SUBJECT:** Testimony Regarding The University Of Hawai'i System's Operational And Financial Management

## I. The Fog Of Bureaucracy

The University of Hawai'i senior executive administration is about as transparent as those dirty old discolored headlight covers on some obsolete high school ride that are desperately in need of replacement with modern halogen headlights. In some cases, the administration has completely blacked out its headlights, tail lights, license plates, and windows. Reasonable people must presume or, at a bare minimum, draw a rational inference that such intentional acts of obscurement (or redaction if you prefer a euphemism) were committed with the premeditated motive to elude detection, that is, to avoid accountability to the University of Hawai'i community and the people of Hawai'i.

The "University of Malice" and the "Joint Indictment" and a compendium of communications, including a score of articles in the media, chronicle in comprehensive detail the unethical skullduggery, ignoble methods, and even the criminal lengths that the senior administration at the University of Hawai'i will descend to and the state resources that the executive administration will imprudently waste to obscure the truth and avoid accountability for administrative negligence and higher levels of culpability.

The Stevie Wonder case is on all fours with the thoroughly documented pattern of

bureaucratic whitewashing, coverup, and waste grounded within the University of Hawai'i executive administration.

Naturally, the University of Hawai'i administration and loyalists will attempt to defend from this indictment by arguing that such administrative misconduct within the ivory tower is impossible, that senior administrators are above the fray, and that the administration has only taken the the high road in past disputes.

### **Historical, Institutional, And Cultural Context**

Conforming to Sayre's law, which has been validated by the likes of former Harvard professor and Secretary of State of the United States, Henry Kissinger, and former president of Princeton University and President of the United States, Woodrow Wilson, "academic politics is the most vicious form of politics" and are more bitter and cruel than real politics.

For instance, Dan Davis, commenting on former University of Hawai'i executive administrator David Yount's book entitled *Who Runs The University?* stated point blank on Amazon.Com that Yount's book "will teach you how to fight dirty and how to resist those who do" when characterizing the University of Hawai'i administration and its ethically challenged culture.

Furthermore, in "Mob Rule" the popular article on university bullying published in *The Chronicle of Higher Education* it was emphasized that academicians (including senior level administrators) often behave just like animals.

Still think University of Hawai'i administrators are above the tussle and incapable of mistakes or even intentional misconduct including white-collar crime, character assassination, and herd mentality?

\* \* \* \*

To the contrary, the series of administrative scandals at the University of Hawai'i, namely the one that has summoned the Senate Committee on Accountability, strongly supports the proposition that not only is bureaucratic culpability a possibility at the University of Hawai'i but, rather, such misconduct fits squarely within the pattern of mismanagement and dishonest, self-serving actions by those in power at the University of Hawai'i.

Specifically, in 2000, Dr. James R. Ortez, Special Assistant for the regional accrediting entity, the



Western Association of Schools and Colleges (W.A.S.C.), officially recommended after a year-long independent investigation to disgorge the undersigned's university diploma that the University of Hawai'i executive administration was unjustly withholding for personal reason involving a mutually hostile feud and bitter university politics. However, due to the potential fallout and the enormous civil and criminal liability that the University of Hawai'i was saddled with, the senior administration in an unprecedented action contemptuously refused to comply with the accrediting commission's independent findings and recommendation weighing unfavorably against the university's administration and which exposed the administration to foreseeable legal liability for breach of contract, promissory estoppel, detrimental reliance, unjust enrichment, State of Hawai'i education records fraud, and misdemeanor government records tampering by University of Hawai'i staff members David Delmar Robb and Jan Heu in the University of a Hawai'i at Manoa admissions and records office.

**Stepping Over The Legal And Ethical Line: University Of Hawai'i Vice President Dean O. Smith's December 23, 1999 Communication To W.A.S.C. Is A Proven Patently Fraudulent And Grossly Misleading Administrative Ruse To Shield The University Administration From Liability And Accountability For Administrative Fraud**

In 2004 W.A.S.C. conducted a second investigation into the University of Hawai'i administration for education records fraud. As documented in shocking detail in the "University of Malice" and the "Joint Indictment" the accrediting entity attempted to backpedal from its 2000 decision with little explanation in secretive Star Chamber proceedings lacking transparency. That is, the undersigned member of the public who filed the grievance with the accrediting body based upon probable cause was stonewalled from inspecting University of Hawai'i documents despite multiple appeals.

Determined not to see these scandalous bureaucratic events swept under the rug, the undersigned penned the "University of Malice" and the "Joint Indictment" after exhaustive research and analysis and butting head with the executive administration in every bloody round. These comprehensive white papers are on file with the U.S. Department of Justice, the U.S. Department of Education, the executive branch of the State of Hawai'i, and the the University of Hawai'i executive administration.

Clear and convincing documentary evidence, legal presumptions, and inferences contained within the "University of Malice" and the "Joint Indictment" break down the walls of executive fraud and white-collar crime within the University of Hawai'i administration and permit light to pass through the

executive administrative obstructionism.

By all credible accounts it overwhelmingly appears that the University of Hawai'i executive administration, in an act of desperation, and after requesting multiple and lengthy extensions for time from W.A.S.C., fabricated and backdated false State of Hawai'i education records and submitted them to W.A.S.C. during the 2004 investigation in an attempt to bury the David Delmar Robb and Jan Heu scandal and whitewash the administrative crime scene. This fact pattern is no different than a corporation under investigation carefully drafting and sanitizing corporate records as a fraudulent artifice to steer away from the treacherous shoreline of criminal and civil liability.

## **II. Swimming Against The Current**

The University of Hawai'i needs a maverick leader and management team not afraid to call it like it is. Painting rosy pictures, dodging issues, playing zealous advocate for the administration in the face of wrongdoing, and obscuring the truth may give the appearance of accountability, but the electorate knows that those spin control tactics are mere illusions on the walls of the cave. Transparency is transparency and anything less is not complete candor and equates to dishonest management.

Hawai'i and the state's only public university needs a politically brave move. The Senate Special Committee on Accountability stands at a crossroads in the history of the University of Hawai'i and the state. More of the same will result in the same. A blunt assessment without mincing the words will serve as powerful strokes in the clear direction of positive change. Senators, be brave!

## **III. Seeing The Forest Between The Trees**

The series of scandals and controversies that has plagued the University of Hawai'i executive administration, including the David Delmar Robb and Jan Heu scandal, the Virginia Hinshaw uproar, the Tom Apple controversy, and now the Stevie Wonder fiasco, should not be seen solely as independent occurrences. Collectively they represent a cluster of administrative pathologies that clearly indicate a system-wide malady centered within the university's executive administration and which threatens the very existence of the university at large. Squandered public resources, gross financial mismanagement (*e.g.*, 100 million dollars to operate the ten University of Hawai'i chancellor offices over a five year period), and self-serving greed are at the nucleus of the administrative disease that is slowly but steadily killing the forest—the university.

Case in point, the University of Hawai'i executive administration has most likely wasted somewhere in the ballpark of several hundred thousand to over a million dollars for the utterly inane purpose of unlawfully withholding the undersigned's university diploma in an unethical effort to cover up the liability of the university administration for incompetence which snowballed into a malicious private war. Most assuredly the administration would not have trifled away such a significant amount of finances if the administration was personally funding such senselessness.

Overall, the administration's self-indulgent attitude seems to be to spend wildly, lavishly, and even recklessly like pittance because picking the pocket of students and taxpayers is rarely challenged with the necessary resistance to overcome the administration's myopic course . . . until now.

It is the committee's charge here today to diagnose these administrative pathologies and provide unequivocal command, leadership, and cure. The State of Hawai'i deserves nothing less.

#### **IV. Political Courage Is Necessary Now More Than Ever**

John F. Kennedy wrote in *Profiles in Courage*, "a man does what he must—in spite of personal consequences, in spite of obstacles and dangers and pressures—and that is the basis of all human morality."

As the public's confidence in the University of Hawai'i senior administration wanes, an opportunity for greatness, uncommon political leadership, and courageous government action is presented that will benefit the university's faculty, staff, students and, ultimately, Hawai'i. Absent firm legislative censure, bureaucratic shenanigans on college hill will continue and the seemingly endless cycle of administrative misfeasance, malfeasance, and unaccountability will continue. That is Pavlov 101.

A restitution to the essence and the release of the undersigned's University of Hawai'i diploma that has been unjustly and infamously withheld by the University of Hawai'i executive administration is gloriously trumpeted in this proclamation to the Senate of Hawai'i.

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

## Daniel Holt

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**From:** Neil Frazer [neil@soest.hawaii.edu]  
**Sent:** Friday, September 21, 2012 1:36 PM  
**To:** SCATestimony  
**Subject:** UH Administration

Aloha Senator Kim and Committee Members Tokuda, Ihara, Slom & Kouchi

I think it is important to put the \$200,000 mistake in perspective. That amount is insignificant compared to the millions of dollars wasted annually by Manoa having its own chancellor.

Mahalo for your service to the people of Hawaii.

Sincerely,  
Neil Frazer

Professor of Geophysics  
Department of Geology and Geophysics  
School of Ocean and Earth Science and Technology (SOEST) University of Hawaii at Manoa  
Honolulu, HI 96822, USA  
[REDACTED]

"Professors are not hired to echo the conventional wisdom."  
[http://www.soest.hawaii.edu/GG/FACULTY/FRAZER/pubs\\_frazer\\_n.pdf](http://www.soest.hawaii.edu/GG/FACULTY/FRAZER/pubs_frazer_n.pdf)

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

## Daniel Holt

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**From:** Gail Levy [glevy@hawaii.edu]  
**Sent:** Sunday, September 23, 2012 8:59 AM  
**To:** SCATestimony  
**Subject:** Senate Testimony

Like many University of Hawaii faculty members (I teach English at Leeward Community College), I am following the media's coverage of Stevie Wonder concert very closely. And probably like many people reading the newspapers and watching the television news, I have more questions than answers. If we do not find out who or what offices transferred the \$200,000, then how can we fix the financial reporting system? If we do not question why Donovan is being given a newly created, ill-defined job, then how can we stop such future "golden parachute" arrangements? (Even before Hinshaw and McMackin, there was Dobelle.) Although I was in favor of the University of Hawaii becoming more autonomous from the Legislature years ago (too much hands-on, idiosyncratic management by legislators was not good), if the University of Hawaii cannot provide more responsible oversight and transparency of its financial dealings on its own accord, then some other body must force the University of Hawaii to become more accountable to the public. (Of course, the same can be said of most, if not all, government agencies, including the Legislature.)

The latest statement in this morning's newspaper (9/23/12) attributed to Greenwood, that the Legislature is "a minority shareholder" that provides only a small part of the UH \$1.5 billion budget, perhaps implying that the Legislature should not be holding these hearings, misses the point. The UH is the only public higher education system we have in Hawaii and is therefore accountable to answering any questions posed by the public. (Isn't that the justification for hiring more public relations staff?) Also mentioned in a related newspaper article are specific examples of how few answers concerned faculty members receive from administration about funding issues, leading to a lack of confidence in Greenwood's leadership. Apple has barely started his tenure, and there are already questions about his ability to provide the leadership needed to get UH Manoa out of its present crisis with its integrity intact.

I will be busy teaching my ENG 100 classes on Monday and therefore cannot attend the Legislature's hearing. However, just because faculty members cannot attend these hearings, it doesn't mean that we are not concerned about these issues being raised by the Legislature. It just means that we are busy doing our jobs and teaching our students, whose interests, by the way, seem to get lost in these discussions of the "bigger" issues. There is no bigger issue than the quality of education UH students are receiving. Just imagine what \$200,000 could have done for UH students.

Gail Levy, Professor CC  
Leeward Community College  
Language Arts Division

September 18, 2012

To the members of the Special Senate Committee:

As many faculty members at the University of Hawaii, I am very concerned by the mishandling of the Stevie Wonder concert. Beyond the fiscal loss, in excess of \$800,000 when including the funds required to fund Mr. Donovan's new position, the loss of confidence in the administration and the Board of Regents is a disaster. Besides seriously affecting the morale of students, staff and faculty, trust in the University has been badly damaged.

I very much hope that this damage can be repaired, so that the people of the State of Hawaii can once again have pride in UH. My thanks to the Committee for undertaking this investigation.

With respect,

Todd R. Reed

Professor

Department of Electrical and Computer Engineering

University of Hawaii, Manoa



## Daniel Holt

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**From:** rowes001@hawaii.rr.com  
**Sent:** Monday, September 10, 2012 10:15 PM  
**To:** SCATestimony  
**Subject:** Testimony: SENATE SPECIAL COMMITTEE ON ACCOUNTABILITY

Mahalo for considering this testimony.

I have been a faculty member in the UH system since the 1980s. I am a 4 time alumni of UH-Manoa. I am distressed not only with the debacle that is now called the "wonder blunder" but with the general direction of the UH-system. In these times when all of us need to be concerned about wisely using the taxes of our citizens the cavalier attitude of the UH leadership is disturbing. All of our campuses are in disrepair and have been for several years. We all are feeling pressure to maintain full classes and get students through their degree programs in a timely way. Tuition is being increased to cover costs. But yet it is not problem for the President to convince the Board of Regents to find money for a new administrative position, a committee to find a replacement AD, and what is likely to be an increased salary for that position, money for legal fees, money for the investigation.

As faculty we are being held to the test of greater accountability by administration. But who is holding our administration accountable? Certainly it is not the Board of Regents.

While this most public idiocy has drawn your attention, it is only the most apparent debacle. There are many others. At my own campus, KCC, monies are wasted through our HR department. (The story in the Star Bulletin over the summer was a small slice of the larger issue.) The roof collapse of one of most used classroom buildings in the middle of last spring semester was another costly and avoidable mishap. Mismanagement at multiple campuses continues to cost the state in legal fees, and wasted staff and faculty time and effort. The university's legal department is so incompetent outside legal services are routinely bought on contract.

I would like to see this committee call for a system wide audit that leaves no stone unturned in holding administration at all campuses, at all levels to the high standard of accountability they hold faculty to. I would like to see the committee call upon the Board of Regents to explain why they continue to defer to President Greenwood without taking individual initiative and responsibility to find out for themselves what is really going on at the institution for which they are ultimately responsible.

The university is all we have in this state to bring our citizens to a level of education where they can compete, and really even relate to the rest of the world on its terms. We so damage our future by allowing our resources to be flaunted in the shameless way we have witnessed this summer. It's a tragedy.

thank you again for this opportunity to offer my testimony.

Sharon Rowe, PhD, MFA  
Professor Philosophy  
Kapi'olani Community College

**From:** [Patsy Fujimoto](#)  
**To:** [Sen. Donna Mercado Kim](#); [Sen. Jill Tokuda](#)  
**Subject:** Hearing on University of Hawaii  
**Date:** Thursday, August 30, 2012 7:19:07 PM

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Dear Senators Kim and Tokuda,

I am writing to commend you both for holding a hearing on the deplorable situation at the University of Hawaii at Manoa.

I have two questions I wish you would pose to the administration and the Board of Regents when they come before you.

1-Why is it BOR policy that the Regents cannot get direct input from students, faculty and staff? A former Regent told me that he was told at his first BOR meeting that communication with students, faculty and staff was forbidden. It might go a long way to explaining the disconnect between the BOR and realities of the University.

2-Why wasn't the production company that offered to book the Stevie Wonder concert not vetted properly? It might have been as simple as a phone call to any reputable local promoter, like Tom Moffatt, to get the answer.

Thank you for supporting the University and fulfilling your role as overseers of higher education in Hawaii.

Patsy K. Fujimoto DDS  
Assistant Professor  
Department of Dental Hygiene  
University of Hawaii Manoa

# University of Hawaii Students

**Daniel Holt**

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**From:** Brandi Lucrecio [brandilu@hawaii.edu]  
**Sent:** Wednesday, September 19, 2012 12:45 PM  
**To:** SCATestimony  
**Subject:** Oversight and accountability of UH system

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

From: "Brandi Lucrecio" <brandilu@hawaii.edu>  
Date: Sep 19, 2012 12:38 PM  
Subject: Oversight and accountability of UH system  
To: <[scatestimony@capitol.hawaii.gov](mailto:scatestimony@capitol.hawaii.gov)>

My name is Brandi lucrecio, a junior majoring in anomaly science. I am emailing the committee to express my displeasure over thee missing \$200,000 in athletics funds. As a student, I ask that we hold the administrators of uh Manoa and the uh system to the same standards that are demanded of us

Sincerely  
Brandi lucrecio

## Daniel Holt

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**From:** Iolani Antonio [iantonio@hawaii.edu]  
**Sent:** Wednesday, September 19, 2012 5:43 PM  
**To:** SCATestimony  
**Subject:** Oversight and Accountability of UH System

Aloha Sen. Donna Mercado Kim and Sen. Jill N. Tokuda,

My name is 'Iolani Antonio, and I am a junior libero majoring in English. I am emailing the committee to express my great displeasure over the missing \$200,000 in athletics funds. The cost of tuition is rising every year, and many students are forced to struggle financially just to receive higher education. It is very disheartening to see funds that could otherwise be used to benefit our students simply disappear, without repercussions. As a student, I ask that we hold the administrators of UH Manoa and the UH System to the same standards that are demanded of us.

Sincerely,  
'Iolani Antonio

## Daniel Holt

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**From:** Nicholas Tsutsumi [nptsutsu@hawaii.edu]  
**Sent:** Wednesday, September 19, 2012 8:13 PM  
**To:** SCATestimony  
**Subject:** Oversight and Accountability of UH System

Dear Sen. Donna Mercado Kim and Sen. Jill N. Tokuda,

My name is Nicholas Tsutsumi and I am from Kaneohe and currently a Junior at UH Manoa majoring in Accounting. I am emailing the committee to express my extreme displeasure over the missing \$200,000 in athletics funds and the sheer lack of accountability by President M.R.C. Greenwood and the Board of Regents with this outright wasteful spending of our tuition funds and tax dollars. Especially since the UH Administration is increasing tuition and fees for students and will continue to do so in the coming years. While I am okay with increasing tuition to better the University, throwing away \$200,000 (plus the fees that paid for the audit of the Athletics Department) and not finding fault while putting the bill on the backs of the students is completely unacceptable.

As a student, I ask that you hold the administrators of UH Manoa and the UH system to the strict standards that any respectful university administration needs to operate by. Please do not let them continue to run wild with our University funds and destroy the public perception of UH Manoa and the University system. Thank you for undertaking this investigation.

Sincerely,  
Nicholas Tsutsumi

## Daniel Holt

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**From:** Brandon McMurtry [bmcmurtr@hawaii.edu]  
**Sent:** Thursday, September 20, 2012 12:09 AM  
**To:** SCATestimony  
**Subject:** Re:Oversight and Accountability of UH System

To: Senate Special Committee on Accountability  
Sen. Donna Mercado Kim  
Sen. Jill N. Tokuda

My name is Brandon McMurtry and I'm a current undergraduate attending the University of Hawaii at Manoa. For months now I have been following the coverage of the failed Stevie Wonder concert and the mishandled decisions regarding former Athletic Director Jim Donovan. I am emailing the committee to express my extreme displeasure in the missing \$200,000 in athletic funds as well as the UH Manoa administration's (particularly President Greenwood and Chancellor Apple; whose failed attempts at school-wide email have left students angry and confused) lack of transparency regarding the issue. While it is true that the variables within the situation are complicated in nature, the fact that a student body of over 20,000 is left confused, over an issue regarding funds they contribute to, is unfathomable.

As a result of such facts, I ask that the administrators of the university (including President Greenwood and Chancellor Apple) be held accountable for the results of such frivolous actions. The administrators of UH Manoa, as well as the rest of the UH system, whose salaries can sometimes quadruple that of a professor (President Greenwood: \$425,000 (not including \$120,000/year in "protocol funds"- source: <http://www.hawaiireporter.com/uh-presidents-package-of-perks-includes-150000-expense-account/123>) average professor: \$116,800 (2009- source: <http://manoadev.hawaii.edu/about/facts/facstaff/salaries.html>)) must be held to the same rigorous standards that professors as well as students are held to. Such double standards *cannot* exist in a healthy, fair institution of higher education.

Sincerely,  
Brandon McMurtry

Dear Senators Kim, Tokuda, Ihara, Slom and Kouchi

Aloha, my name is Zachary Bergeron and I have been employed as a teaching assistant (TA) at the University of Hawaii, Manoa since 2007. As a Ph.D. candidate in Molecular Biosciences and Bioengineering, with a Masters degree in Chemistry and a Bachelors degree in Biomolecular Science, I am on food stamps.

I have assisted teaching courses including freshman Chemistry Laboratory (CHEM 161L), Biochemistry (MBBE 402) and Biochemistry Laboratory (MBBE 402L). My teaching qualifications and experience are extensive. I held an assistantship during both years of my masters degree program (Clarkson University - Potsdam, NY) where I assisted teaching the Analytical Chemistry Laboratory, Organic Chemistry Laboratory and Biotechnology Laboratory. I briefly held an adjunct position at Chaminade University of Honolulu in the department of natural sciences and mathematics where I taught (Bio 101/101Lab, and Bio 102/102Lab) to augment my income (a position I was later instructed to forfeit because it was against "university policy" to hold additional employment to supplement my teaching assistantship).

The compensation received for this service is insulting. My pre-tax salary at the University of Hawaii, Manoa is \$15,558.00 a year. This equates to \$1031.64 a month after taxes and insurance, for a net total of \$12,379.68 per year. I am paid so poorly by the University that I fall below the national poverty level (<http://aspe.hhs.gov/poverty/12poverty.shtml>), and qualify for state aid in the form of the Supplemental Nutrition Assistance Program (SNAP, previously known as food stamps). I have not received a raise during the entirety of my tenure as an employee at the University, despite the substantial inflation in the cost of living over this same time period. According to the National Institutes of Health, in 2012 the yearly stipend for a graduate student in a PhD program, regardless of number of years experience, should be \$22,032.00 (<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-12-033.html>).

I am bringing this to the attention of the State Senate Special Committee on Accountability because I find it egregious that the University can lose \$250,000.00 on a concert for the athletic department, subsequently create a \$211,000.00 per year job from thin air for the individual partly responsible for this financial debacle (for a term of 3 years), and then pay an additional \$75,000.00 to two private law firms to defend the absurd actions of the University (at a *minimum* cost to the state/taxpayers of \$958,000.00). I find it puzzling that the University will be paying the ex-Chancellor \$200,000.00 to go on sabbatical for a year before allowing her return to a \$190,000.00 a year position as a tenured professor. And I find it outrageous that, according to the Honolulu Civil Beat (<http://www.civilbeat.com/articles/2011/11/22/13586-hawaii-state-salaries-2012-highest-paid-at-university-of-hawaii/>), the top 9 administrators for the UH, in 2012 will make on average \$374,114.67 per year. A number which increases substantially if you include the University's top earner, the head football coach (whose actual salary figures are not made public). All the while treating their graduate students as previously stated, and paying them below poverty thresholds.



I am unsure as to how the University of Hawaii moving forward, expects attract top quality graduate researchers and retain the best and brightest of the state of Hawaii's students, while operating in this fashion.

I have included scanned copies of one of my pay stubs, as well as my acceptance letter into the SNAP program in order to substantiate these claims. Please help!

Sincerely,  
Zachary L. Bergeron M.S.  
Ph.D. Candidate, Molecular Biosciences and Bioengineering

## Daniel Holt

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**From:** Jessica Lum [jeklum@gmail.com]  
**Sent:** Thursday, September 20, 2012 9:12 PM  
**To:** SCATestimony  
**Subject:** Oversight and Accountability of UH System

**To:** Senate Special Committee on Accountability

Sen. Donna Mercado Kim, Chair

Sen. Will Espero, Vice Chair

Sen. Clayton Hee

Sen. Les Ihara, Jr.

Sen. Ronald Kouchi

Sen. Sam Slom

**Re:** Oversight and Accountability of UH System

**Aloha**, my name is **Jessica Lum**, a Master's candidate focusing on Library & Information Science. I am emailing the committee to express my displeasure over the missing \$200,000 in athletics funds. As a student who has invested eight years of her life at this institution, I ask that we hold the administrators of UH Mānoa and the UH System to the same standards that are demanded of us.

Respectfully,

**Jessica Lum**

## Daniel Holt

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**From:** Harold Smyth [hgsmyth@hawaii.edu]  
**Sent:** Thursday, September 20, 2012 10:16 PM  
**To:** SCATestimony  
**Subject:** Re: Oversight and Accountability of UH System

To: Senate Special Committee on Accountability  
Sen. Donna Mercado Kim, Chair  
Sen. Jill N. Tokuda, Vice Chair

My name is Harold Smyth, a Junior majoring in Animal Sciences. I am emailing the committee to express my displeasure over the missing \$200,000 in athletics funds. As a student, I ask that we hold the administrators of UH Manoa and the UH System to the same standards that are demanded of us.

The students would also like to ask the administrators why they reinstated those responsible for losing the \$200,000, and why they were given a very substantial salary after the loss. We realize a lawsuit may have ensued by those punished, but it seems rather frivolous and as if the reinstatement was an appeasement rather than an active approach to solving a problem. The student body would like an answer to this turn of events.

Though this money was intended for athletic use, we worry where funds will be allocated from to cover this loss. Our school has laboratory equipment that is rather outdated for modern training and not suitable due to a tendency to break down or skew results in laboratory experiments.

What is more, beautification efforts on campus are greatly appreciated as long as they do not impede student pedestrian traffic into buildings such as Spalding or Webster Halls. Damage to the grounds on the backsides of these buildings along the detours are destroying the nearby hillside and exposing the roots of a nearby tree, as well as turning the grass into a mud pit that students walk through in order to attend class.

All these efforts to make the campus as attractive and inspiring as possible will be worth their time and effort in the future, but there is concern for future projects with the unexpected loss of the \$200,000 in question. Will it raise tuition costs even higher than they already are projected to reach as the economy recovers?

Finally, the student body would also like to receive answers as to why the previous Chancellor, Virginia Hinshaw, was provided an incredibly large sum of money to take a sojourn after she resigned her position. We are unsure of what a Chancellor actually does for the University other than receive free tickets to UH sporting events and sign our diplomas. In addition, we question the hiring of a new Chancellor for an even greater salary than seemingly any in the history of the university. Tuition is projected to increase dramatically by 2014, and the high price demanded would seem to be a factor in rising costs.

Sincerely,

Harold Smyth

## Daniel Holt

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**From:** Jacqueline O'Farrell [je2@hawaii.edu]  
**Sent:** Thursday, September 20, 2012 11:02 PM  
**To:** SCATestimony  
**Subject:** Oversight and Accountability of UH System

My name is Jacqueline O'Farrell, a Senior majoring in Travel Industry Management and French. I am emailing the committee to express my displeasure over the missing \$200,000 in athletic funds. As a student, I ask that we hold the administrators of UH Manoa and the UH System to the same standards that are demanded of us.

Sincerely,

--

Jackie O'Farrell

## Daniel Holt

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**From:** Taylor Ho [taylorho@hawaii.edu]  
**Sent:** Friday, September 21, 2012 7:20 AM  
**To:** SCATestimony  
**Subject:** Oversight and Accountability of UH System

To: Sen. Donna Mercado Kim, Chair,  
Sen. Jill N. Tokuda, Vice Chair

My name is Taylor Ho, a senior majoring in Business Administration. I am emailing the committee to express my displeasure over the missing \$200,000 in athletics funds. As a student, I ask that we hold the administrators of UH Manoa and the UH System to the same standards that are demanded of us.

Regards,  
Taylor Ho

## Daniel Holt

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**From:** Ryan McKinley [ryan.jay.mckinley@gmail.com]  
**Sent:** Friday, September 21, 2012 11:04 AM  
**To:** SCATestimony  
**Subject:** Oversight and Accountability of UH System [please withhold my last name]

Senate Special Committee on Accountability,  
Sen. Donna Mercado Kim, Chair  
Sen. Jill Tokuda, Vice Chair

My name is Ryan [last name asked to be withheld], a Graduate Student pursuing English. I am emailing the committee to express my displeasure over the missing \$200,000 funds. I am also displeased with way the entire situation was handled and the additional money lost in outside lawyer fees, etc.

As a student, I ask that we hold the administrators of UH Manoa and the UH System to the same standards that are demanded of us students.

Sincerely,  
Ryan [last name asked to be withheld]

**To:** Senate Special Committee on Accountability

Sen. Donna Mercado Kim, Chair

Sen. Jill N. Tokuda, Vice Chair

**Re:** Oversight and Accountability of UH System

**Subject:** My name is Emily Morihara, a Graduate Student majoring in Social Work. I am emailing the committee to express my displeasure over the missing \$200,000 in athletics funds. As a student, I ask that we hold the administrators of UH Mānoa and the UH System to the same standards that are demanded of us.

Sincerely,

Emily M. Morihara

## Daniel Holt

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**From:** rfread@hushmail.com  
**Sent:** Friday, September 21, 2012 10:22 AM  
**To:** SCATestimony  
**Subject:** UH Privacy and Academic Freedom violations  
**Attachments:** Gmail\_report.pdf; Google-UH FERPA memo final draft.pdf; UH ITS GOOGLE VIDEO Nov.2011.mp4

Aloha Senators,

My name is Robert Fread, I am currently a sophomore in the UH system, taking classes concurrently at UH Manoa and Windward Community College. I am writing to inform this committee of the very serious privacy and academic freedom issues arising from a 2010 contract which the University of Hawaii signed with Google Inc. for the outsourcing of student and faculty email. Although this contract was signed in 2010, the University Information Technology Services dept. (ITS) did not start implementing it until late 2011/early 2012.

The problems associated with this contract are numerous, however, I will just touch briefly on some of the more pertinent issues: (1) Google is erroneously designated as a "School official" per this contract as defined by federal law, (2) The mandatory nature in which this contract was implemented violates not only federal education laws, but the very contract itself which states in clear terms that end user's (student/staff/faculty) consent is required to set up a Google account, not a University mandate, (3) Opening a UH/Google email account requires agreeing to a waiver which literally indemnifies Google from any and all legal responsibilities, (4) Google's track record with privacy violations since this contract was signed has been horrendous, with the most recent example being a 22.5 million dollar fine imposed by the F.T.C. on August 9, 2012 which cited Google for bypassing user privacy setting on Apple Safari user's computers.

Since the time that the UH ITS dept. opted to make having a Google account mandatory in the Fall of 2011, I have contacted nearly every federal and state entity whose job it is to intervene in such matters, starting with the ASUH (student government) and going all the way up to Sen. Daniel Inouye's office. Although all parties which I contacted agree with the merits of my complaint, no one has claimed the authority to actually hold the University of Hawaii administration or the ITS department accountable, and nothing is being done to correct the problem.

I am not the only member of the UH community to voice concerns regarding this contract. In April of 2011, the Manoa Faculty Senate voted 35-9 to condemn this partnership with Google, specifically due to a lack of any meaningful consultation. These same concerns were raised again in March 2012 during a Faculty congress meeting, in which the ITS representative responded by feigning ignorance and yet again completely ignoring the very legitimate concerns of the UH community. Just this past summer, and despite my very clear lack of consent, the University of Hawaii actually blocked me from my own student email account and instead gave access and control of it over to Google Inc.

Attached to this email is: (1) a legal memo I drafted which cites the various federal laws that this UH/Google partnership violates. (2) Video evidence from November 2011 which shows the UH ITS CIO David Lassner falsely claiming that this switch to Google would be voluntary, (3) a report titled "Gmail Report" which was drafted by the outgoing Faculty Senate Chair at the time this contract was signed, which details the specific issues brought forth by faculty which were not, and have not, been addressed.

I am unfortunately going to be in class during the Sept 24th 2012 hearing, however, if this committee is interested I would be more than willing to meet with any or all of you in order to review my research and documentation in full. If necessary, I also have a copy of the contract that UH signed with Google Inc, as well as documentation from the specific Faculty Senate and Congress meetings where these privacy concerns were raised and ignored by the administration. I strongly believe that if action is not taken to address the very serious privacy and academic freedom issues involved with the UH/Google partnership, that the University is leaving itself open to a class-action lawsuit of massive scope, when and if Google is exposed as improperly using the student/faculty records and information to which they now have nearly unlimited access.

This Stevie Wonder incident is what I consider to be the literal tip of the iceberg in regards to exposing the current UH administration to be out of control, held accountable for nothing, and has shown and continues to show little to no concern for the rights of its students and faculty members. I truly hope your committee will recognize the serious need for change and accountability at the University of Hawaii, and take the appropriate measures to correct the problems.



# Memo

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To: Susan Hippensteele, Chair, Manoa Faculty SEC  
From: David Ross, (Former Chair, Manoa Faculty SEC)  
Subject: Google Mail  
Date: 4/17/2011

As you know, I was UHMFS Chair (and co-Chair of the ACCFSC) when the subject of the UH intent to move UH Webmail to Google Mail became known to us. As this is on this year's UHMFS agenda, I thought I'd recall the history of this proposal, and communicate and update some concerns that were communicated to me (and by me) last year.

Of course, as I am no longer a voting member of the Senate (let alone its Chair) these comments cannot in any way be construed as officially representing the Senate, nor do they represent my department. They don't even necessarily represent my personal views: as VP Lassner likes to point out, my department has its own server, so I mainly do not use Mail@UH at all. They are just process considerations we've discussed as well as general concerns about the proposal that I've heard from other faculty.

## 1. Overview

In April 2010, VP for IT David Lassner came to the All-Campus Council of Faculty Senate Chairs (ACCFSC) with a plan to outsource UH Webmail to Google's Gmail. This was to be done in two parallel moves, one for student email and one for faculty and staff. We were told that student email could be moved without moving the faculty email, though administratively it would be most efficient to do both. (While a fair number of universities have outsourced student email, only a tiny fraction has done the same with faculty email.)

The immediate reaction of faculty on the ACCFSC was mixed: some disliked the current mail system and looked forward to a change; others had concerns about Google's policies or more generally about the growing consolidation of information. My own primary concern, as co-Chair of the Council and chair of the Manoa Faculty Senate at the time, was process. ITS seemed to be treating this as simply a technical issue, but it was clearly also a matter of academic policy, and faculty deserved a chance to consider how this would affect their professional activities and to have a meaningful voice in the final decision.

## 2. Process: Meaningful Consultation

At the very least, we wanted a clear case to be made for the benefits of the move, backed with some evidence. We formally called on VP Lassner to empanel a working group including faculty to look at the pros and cons, for the group to have open meetings, and to wait until Senates can weigh in on the move based on the findings of the group. (See attached letter.)

While Lassner did come to the Manoa Senate, no working group was created, and the level of "consultation" has consisted of (i) a few brief informational visits of VP Lassner to the Senate and ACCFSC, (ii) incorporation into an advocacy document of unsubstantiated responses to some questions raised at these meetings, and (iii) a categorical unwillingness to commit to respect of any decision of the Manoa Faculty Senate concerning their email.

The lack of meaningful consultation is of extra concern because we've never been given a full report on the decision to make this move, only what might be called an "advocacy document" in which the proponents advocate for the move with no discussion of alternatives and no budgetary details supporting cost estimates.

Presumably VP Lassner's office did due diligence before making this decision, including:

- Careful, detailed projections of the costs and benefits;
- Feature-and-price comparisons with competing "free" educational offerings (such as those from Hotmail, Yahoo, and Zimbra);

- Cost of outsourcing of email to paid services (who would become our clients); and
- Independent (not Google-supplied) case studies of those if any of our peer institutions which have outsourced email.

At the very least the Faculty should be able to see a detailed report on such research, just as we do with other kinds of institutional reorganizations.

### 3. Costs and Benefits

Some important issues remain not satisfactorily addressed:

#### *A. There is no obvious service benefit.*

Some faculty at UH are supporting the move because of the added features of Gmail, but it should be noted that faculty who want to use Gmail can already do so. Therefore, moving faculty hawaii.edu mail to Gmail will simply decrease email options for faculty.

We have not yet had a thorough discussion of whether the extra features are really benefits to us professionally. For example, one feature that is frequently brought up is Gmail's superior indexing technology. Recent events in Wisconsin and Michigan raise questions about whether the ability to quickly and easily search the server and online archives is always such an obvious benefit.

Likewise, unintentional consequences of the subsumption of the UH email brand to the Gmail brand are easy to imagine. For example, some of our faculty conduct business in foreign countries without democratic governments. If a government decides to interfere with Gmail (as China did last month) a faculty member who does work with colleagues in that country could find her ability to communicate with them impeded.

#### *B. The case for substantial financial benefit has not been made*

It is so unusual for System to express genuine concern over administrative cost that we are inclined to weigh cost savings arguments very heavily. However, the case for such savings has not yet been very convincing.

When VP Lassner came to the ACCFSC last year, we asked about the financial savings to the University, and he said that the savings would amount to approximately one staff member's salary. This isn't very much on the scale of the whole System budget, moreover nobody really expects to see the ITS department actually shrink as a result of the move. The current advocacy documents for the move have added some projected equipment savings, but they are minor and the bases for those estimates are not given. In addition:

a) A survey of adopters of Google Apps for Education indicates that only 65% have seen any savings at all from the move.  
([https://www.surveymonkey.com/sr.aspx?sm=jB9qDAI2l2OmamZHPtVmh7B4k72FmLxCbRDt1\\_2f4C\\_2fjI\\_3d](https://www.surveymonkey.com/sr.aspx?sm=jB9qDAI2l2OmamZHPtVmh7B4k72FmLxCbRDt1_2f4C_2fjI_3d))

b) Much of the asserted savings involves an estimate of \$200,000/year in costs for the servers. Since these servers are presumably multi-function, since email access will presumably still pass through UH machines, and since compliance with 2006 FRCP ruling will likely mean copies of email must be mirrored locally (<http://www.eweek.com/c/a/Data-Storage/Businesses-Generally-Ignoring-EDiscovery-Rules/>), this savings projection is certainly optimistic.

c) Even if this savings of \$200,000/year is realistic, it only amounts to around \$30/faculty member across the System. For what has become such a vital component of both the research and teaching mission of university faculty, this is small per-capita price.

d) When ACCFSC raised questions about Google's business model - in particular, why they are so anxious to provide free email to us - VP Lassner replied that Google wanted to expose students to Google products with the idea that they would be consumers of Google's commercial products later in life. Even if this argument applies to students, it makes no sense for faculty. More plausible is that Google will try to sell UH their commercial email management product Postini. This software is site-licensed to Google Apps clients for as much as \$85/user/year, which would more than eradicate any savings from the move.

### *C. Concern over the Googlization of Higher Education*

Universities are often said to be in the education business, but really we are in the business of creating, preserving, and transmitting information. It has long been part of our professional mission to nourish as rich an information ecosystem as we can. With Google Books, Google Scholar, and now Google Apps, Google has been greatly increasing their presence in Higher Education, and any increase on the centralization of control over information (and possible reduction in the diversity of information sources) is a legitimate cause for academic concern. Google's mission is not the same as ours, and this difference is apparent in their terms of service, where (for example) they reserve the right to terminate a user's service for "commercially reasonable" reasons (Section 11.2 of [http://www.google.com/apps/intl/en/terms/education\\_terms.html](http://www.google.com/apps/intl/en/terms/education_terms.html))

In a book published last February, Siva Vaidhyanathan (Professor of Media Studies at the University of Virginia) raised some cautionary questions about what Google's growing information monopoly might mean for what he calls "the future of knowledge" ([http://www.insidehighereducation.com/news/2011/02/16/new\\_book\\_explains\\_how\\_google\\_has\\_taken\\_over\\_knowledge\\_and\\_learning](http://www.insidehighereducation.com/news/2011/02/16/new_book_explains_how_google_has_taken_over_knowledge_and_learning)). Even if we disagree with the conclusions of this book, as with the consolidation of the news

industry there are obvious dangers to the erosion of choice in any aspect of information technology, and in the absence of strong benefits we should not be cavalier in any decision to give up even the one small bit of choice represented by the UH email system.

#### 4. Other Faculty Concerns

Most of the concerns heard from faculty opponents to Gmail relate to privacy, security, and ownership of information and intellectual property. These issues have been widely discussed in academic circles (eg <http://chronicle.com/article/Despite-Risks-IT-Officials/48503/>), and form the basis of intentional decisions at such peers as UW-Madison and UC-Davis to not move their faculty to Gmail ([http://vpiet.ucdavis.edu/outsourcing\\_email\\_04.2010.pdf](http://vpiet.ucdavis.edu/outsourcing_email_04.2010.pdf)). In particular, there have been concerns about privacy of student records, data mining, and so on. It should be emphasized that these are much more issues for faculty than for students, since our professional communications are governed by the Federal Education Rights and Privacy Act, NIH guidelines on medical information, and so on. Although Google has given assurances on some of these issues, and ITS has expressed their confidence in the policies, Google's track record on privacy in particular is not very good, and ITS confidence with respect to data protection is not as reassuring as it used to be.

#### 5. Conclusion

UH-Manoa faculty were instrumental in creating the infrastructure that became the Internet, and our ability to share in the expert and honest evaluation the pros and cons of outsourcing email in general, and moving to Gmail in particular, should not be underestimated. It is puzzling that ITS chose not to take advantage of this expertise by ignoring our request for establishment of a joint working group.

In the absence of complete information with which we might carefully evaluate the proposal, it seems premature for the Senate to make any kind of recommendation at this time.

## Appendix: Email from ACCFSC to VP David Lassner, 4/19/2010

David Lassner  
Vice President for Information Technology &  
Chief Information Officer  
University of Hawaii

Dear David,

Email has become a critical tool for both the research and teaching mission of university faculty, especially at UH where we are so geographically isolated. The All-Campus Council of Faculty Senate Chairs (ACCFSC) is concerned that the proposal to privatize UH email might have ramifications for faculty in some areas which might not be apparent to IT specialists, administrators, or even other faculty. We are also concerned that the process of consultation did not take place earlier in the genesis of the proposal, so that issues of concern to the faculty could have been identified and addressed when more options were still being considered.

We therefore ask that the VP for Information empanel a working group to consider such concerns; that this group should at the very least include faculty experts on communication and security; and that they have one or more open forums in which interested faculty can meet and discuss their concerns. We also ask that they not implement any such proposal until the individual campus Faculty Senates have signed off on the change. We understand that there are faculty (as well as other members of the UH community) for whom the current UH email system is increasingly unsatisfactory, and therefore as Senate leaders we are pledged to expedite our careful consideration of any proposals, once genuine consultation incorporating the above elements is carried out.

Sincerely,  
David Ross  
on behalf of the ACCFSC

**MEMORANDUM**  
**UH - GOOGLE CONTRACT PRIVACY & ACADEMIC FREEDOM VIOLATIONS**

Under a June 2010 University of Hawai'i ("UH" or "University") – Google contract, titled the Google Apps Education Edition Agreement ("UH-Google Contract"), UH has contracted with Google to provide email management services for UH students, staff, and faculty. See generally <http://www.hawaii.edu/google>.

Although the contract contains the standard provisions that Google and other higher educational institutions have agreed to, the contract provisions violate the Family Educational Rights and Privacy Act ("FERPA") and HRS § 27-7 (Hawaii Revised Statute) in terms of implementation and scope for the following reasons:

- 1) The UH-Google Contract improperly designates Google as a "school official" under FERPA;
- 2) Even if Google were legitimately designated a "school official" under FERPA, it does not have a "legitimate educational interest" to access the private information of students and faculty;
- 3) Google's policies allow for improper access, storing, and sharing of student information and content defined as "education records" under FERPA, also placing UH accounts in an unnecessary risk for breach potential.
- 4) The mandatory nature of the UH to Google migration process violates the privacy and academic freedom of all students and faculty in the University of Hawaii system by allowing Google unauthorized access to "education records";

Google's potential violation of privacy is a real and not imagined threat. The Electronic Privacy Information Center (EPIC) recently filed a complaint on February 9, 2012 against the FTC over Google's failure to comply with an existing Consent Order, additionally citing 60 violations of privacy law within Google's services. EPIC v. Federal Trade Commission (Complaint), available at <http://epic.org/privacy/ftc/google/EPIC-Complaint-Final.pdf> EPIC v. FTC (Consent Order) available at <http://www.ftc.gov/os/caselist/1023136/111024googlebuzzdo.pdf>

**HRS § 27-7 Data Exchanges Require FERPA Compliance**

Under HRS 27-7, all University of Hawai'i data exchanges must comply with FERPA:

[§27-7] Departmental data sharing. (b) The department of education, the University of Hawaii, the department of labor and industrial relations, and other state agencies, as appropriate, shall share data in a manner that safeguards the confidentiality of student education records, as defined by the federal Family Educational Rights and Privacy Act, and workforce data, as provided by applicable federal and state laws, rules, and regulations.

## Google is not a "School Official" Under FERPA

The UH-Google contract states as follows:

10.1 Representations. "To the extent that Google has access to "Education Records", it is deemed a "school official" as each of these terms is defined under FERPA, under this Agreement, and will comply with its obligations under FERPA." UH – Google Contract ¶10.1, page 4.

Thus, in order to circumvent FERPA requirements, Google is designated a "school official". However, Google is not a "school official" under FERPA. The FERPA General Guidelines for Students confirms that Google is not a "school official":

Although the term "school official" is not defined in the statute or regulations, this Office generally interprets the term to include parties such as: professors; instructors; administrators; health staff; counselors; attorneys; clerical staff; trustees; members of committees and disciplinary boards; and a contractor, volunteer or other party to whom the school has outsourced institutional services or functions. A school must inform eligible students of how it defines the terms "school official" and "legitimate educational interest" in its annual notification of FERPA rights. **A school official generally has a legitimate educational interest if the official needs to review an education record in order to fulfill his or her professional responsibility.** FERPA General Guidelines for Students/Disclosure of Education Records, paragraph 2 available at <http://www2.ed.gov/policy/gen/guid/fpc/ferpa/students.html> (emphasis added).

Under the UH Manoa Guidelines, Google is not a "school official" with a "legitimate educational interest":

One exception that permits disclosure without consent is disclosure to school officials with legitimate educational interests. A school official is a person employed by the University in an administrative, supervisory, academic or research, or support staff position (including law enforcement unit personnel and health staff); a person or company with whom the University has contracted (such as an attorney, auditor, or collection agent); a person serving on the Board of Trustees; or a student serving on an official committee, such as a disciplinary or grievance committee, or assisting another school official in performing his or her tasks. **A school official has a legitimate educational interest if the official needs to review an education record in order to fulfill his or her professional responsibility.** UH FERPA Policies, ¶ 3 available at <http://manoa.hawaii.edu/records/policies.html> (emphasis added)

A recent opinion issued by the United States Department of Education confirms that Google can not be considered a "school official." In response to the question:

What is the definition of "school official", and what organizations or private companies are entitled to such a designation by a State university?

The Department of Education responded on February 9, 2012 as follows:



As shown on the part titled 'Defining "Legitimate Educational Interests"' of the "Forum Guide to Protecting the Privacy of Student Information" [http://nces.ed.gov/pubs2004/privacy/section\\_4b.asp](http://nces.ed.gov/pubs2004/privacy/section_4b.asp), A school officials is generally defined as:

- a person employed by the agency or school in an administrative, counseling, supervisory, academic, student support services, or research position, or a support person to these positions; or
  - a person employed by or under contract to the agency or school to perform a special task.
- **Please note that the term refers to 'a person' and not an organization.**

Family Policy Compliance Office  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202-4605

February 9, 2012 Email from US Department of Education (emphasis added)

Additional Federal guidelines show that Google represents the type of institution which the United States Secretary of Education specifically defined as not being permitted the designation of a "school official", as stated in the Code of Federal Regulations ("CFR") interpreting FERPA:

The requirement (34 CFR 99.31a) serves to ensure that the 'school officials' exception does not expand into a general exception to the consent requirement in FERPA that would allow disclosure any time a vendor or other outside party wants access to education records to provide a product or service to schools, parents, and students. As explained in the preceding paragraphs and in the NPRM, 73 FR 15578-15579, the statutory basis for expanding the 'school officials' exception to outside service providers is that they are 'acting for' the agency or institution, **not selling products and services.** 74814 Federal Register/Vol. 73, No. 237/Dec 2008. (emphasis added)

### Google Does Not Have "Legitimate Educational Interest" to Possess Private Information

FERPA only allows for data to be transmitted to a "school official" with a "legitimate educational interest." 20 USC 1232g; 34 CFR Part 99. Google is not a "school official", nor does it meet the requirements of having a "legitimate educational interest" as defined under current UH Manoa FERPA policy, which states:

In order to access a student's education record, you must have a legitimate educational interest. A legitimate educational interest exists if the staff member needs to view the education record to fulfill his or her professional responsibility. Neither curiosity nor **personal interest** is a legitimate educational "need to know." UH Manoa FERPA Policy, page 1 available at [http://manoa.hawaii.edu/records/pdf/FERPA\\_notice.pdf](http://manoa.hawaii.edu/records/pdf/FERPA_notice.pdf). (emphasis added)

In violation of the UH provision and the previously referenced 74814 Federal Register/Vol. 73. No. 237/Dec 2008 decision, the Vp of the UH ITS dept. has acknowledged that Google does have a personal interest to sell products and services as indicated in a UH memo dated April 17, 2011:

When ACCFSC raised questions about Google's business model – in particular, why they are so anxious to provide free email to us – VP Lassner replied that **Google wanted to expose students to Google products with the idea that they would be consumers of Google's commercial products later in life.** Even if this argument applies to students, it makes no sense for faculty. More plausible is that **Google will try to sell UH their commercial email management product Postini. This software is site-licensed to Google Apps clients for as much as \$85/user/year,** which would more than eradicate any savings from the move. Gmail report ¶ d, page 4.

In addition to the acknowledged intent of this partnership, the UH-Google contract contains a provision which indicates a "personal interest" in the form of profit motive:

3.4 No Fees. Google **may** charge a fee for the Services after the initial term, and **may** charge a fee for new functionality or optional enhancements that may be added by Google to the Service. **Google may also offer a premium version of the Services for a fee.** Prior to Google charging Customer as stated in this section, Google and Customer will negotiate either a new agreement or an amendment to this Agreement. UH – Google Contract ¶3.4, page 2. (emphasis added)

Google's Policy also demonstrates a personal interest by using student information improperly:

Information you provide – When you sign up for a Google Account, we ask you for personal information. We **may** combine the information you submit under your account with information from other Google services or third parties in order to provide you with a better experience and to improve the quality of our services. For certain services, we **may** give you the opportunity to opt out of combining such information.

In addition to the above, we may use the information we collect to:

- Provide, maintain, protect, and **improve our services (including advertising services) and develop new services;** and
- Protect the rights or property of Google or our users.

Google End User Privacy Notice, available at <http://www.google.com/intl/en/policies/privacy/> (emphasis added)

## Improper access, storing, and sharing of student information

Although the UH contract purportedly contains restrictions on Google's access to information, several contradictions can be found within both the UH contract and the text of Google's own Privacy Policies which allow for FERPA violations to occur. For example, the UH-Google Contract states:

1.5 Privacy Policies Google will comply with the Customer Privacy Notice and the End User Privacy Notice. Changes to these notices will be made as stated in the applicable notice. UH – Google Contract ¶1.5, page 1.

The Privacy Policy at first appears to protect student information by setting limits to use of data:

Google only shares personal information with other companies or institutions outside of Google in the following limited circumstances:

-We have your consent. We require opt-in consent for the sharing of any **sensitive personal information**.

Google End User Privacy Notice, available at  
<http://www.google.com/intl/en/policies/privacy/> (emphasis added)

The problem here is that this definition does not include education records, allowing a potential for the improper use of data, with "sensitive personal information" defined by Google as:

Limited only to a particular category of personal information relating to confidential medical facts, racial or ethnic origins, political or religious beliefs or sexuality.

Google End User Privacy Notice, part 9. Key Terms available at  
<http://www.google.com/intl/en/policies/privacy/preview/faq/#toc-terms-sensitive-info>

Another provision within Google's Privacy Policy highlights continued FERPA violations by attempting to set fees for information correction/retrieval, and acknowledging that user information is kept even after deletion requests are made:

### Accessing and updating personal information

When you use Google services, we make good faith efforts to provide you with access to your personal information and either to correct this data if it is inaccurate or to delete such data at your request if it is not otherwise required to be retained by law or for legitimate business purposes. We ask individual users to identify themselves and the information requested to be accessed, corrected or removed before processing such requests, and we may decline to process requests that are unreasonably repetitive or systematic, require disproportionate technical effort, jeopardize the privacy of others, or would be extremely impractical (for instance, requests concerning information residing on backup tapes), or for which access is not otherwise required. **In any case where we provide information access and correction, we perform this service free of charge, except if doing so would require a disproportionate effort.** Because of the way we maintain certain services, after you delete your information, **residual copies may take a period of time before they are deleted from our active servers and may remain in our backup systems.**

Please review the service Help Centers for more information.

<http://www.google.com/policies/privacy/>

Upcoming Privacy Policy changes at Google set to go into effect on March 1, 2012 show an even greater disregard for FERPA regulations under the section titled "For legal reasons":

We **will** share personal information with companies, organizations or individuals outside of Google if we have a **good-faith belief** that access, use, preservation or disclosure of the information is reasonably necessary to:

- meet any applicable law, regulation, legal process or enforceable governmental request.
- enforce applicable Terms of Service, including investigation of potential violations.
- detect, prevent, or otherwise address fraud, security or technical issues.
- protect against harm to the rights, property or safety of Google, our users or the public as required or permitted by law.

Privacy Policy (ef March 1, 2012), <http://www.google.com/intl/en/policies/privacy/preview/> (emphasis added).

Current UH-Google policy contains questionable provisions which would equate to a staff or faculty member making copies of student education records but promising never to look at it as shown:

Google has committed that user content is only scanned or indexed in the following cases to provide specific services:

- Some user data, such as email messages and documents, are scanned and indexed** to enable fast search for information by an individual within their own Google Apps accounts. (Most users find that lightening fast searching of large email archives is immensely useful.)
- Email is scanned to perform spam filtering and virus detection, as UH does now.
- Google does not scan or index data for any other purposes. All scanning and indexing procedures are automated and involve no human interaction.
- Except when users choose to publish their information publicly, Google Apps data is not publicly searchable. Information scanned as described above is not shared with third parties.

UH-Google informational website - <http://www.hawaii.edu/google/faq.html#faq14>

### **Unnecessary Breach Potential**

The fact that there is no distinction between a student's UH/Google email account login ID and password, from each student's account login ID and password used for accessing confidential online records, classes and testing through the UH LauLima system poses an unnecessary risk of confidentiality breach as referred to in HRS 27-7b. This unnecessary breach potential is highlighted again by the fact that student information is being stored on international servers, as detailed in section 1.7 of the UH contract that states:

Google may store and process (a) Login Data in any country in which Google or its agents maintain facilities. UH – Google Contract ¶1.7, page 1.

This unnecessary potential for security risk was brought to the attention of the UH ITS dept. in November of 2011, to which they replied:

We currently provide the Single Sign-On (SSO) service for UH Mail, MyUH and LauLima, so providing this service to **Gmail maintains the same level of convenience and risk as users have now.** Passwords are encrypted so neither Google nor UH can see the actual passwords. November 20, 2011 email from UH ITS representative. (emphasis added)

### **Migration of Accounts Were Made Without Consent**

Beginning on May 12 2011, UH ITS mandated to students that they must turn over their @hawaii.edu accounts to Google by the end of 2011. The remaining students that did not migrate voluntarily had their accounts turned over to Google, without consent, beginning in Oct 2011. This act of releasing access to student accounts to a third party without consent is a violation of FERPA, especially in the case of Google who does not meet the criteria for a 'school official'. Even the UH-Google contract were valid, it acknowledges the need for student consent:

2.4 Privacy – Customer (UH) will obtain and maintain consent from all End Users (students) to Customer's access, monitoring, use or disclosure of this data, and to Google providing Customer with the ability to do so. Customer is responsible for obtaining any necessary authorizations from End Users to enable Google to provide the Services. UH – Google Contract ¶2.4, page 2. (emphasis added)

Additionally, even if a student requests to "opt-out", or not allow Google access to their student account, the current UH policy still forwards all email through Google servers, which then allows Google to retain access to the information regardless of the hosting email provider, as stated on the UH Google policy page:

What if I hate Google and Gmail?

As can be done with UH's current @hawaii.edu email, which many faculty and students prefer not to use, Gmail can be set up to forward email to any other email service of your choice. This can be a departmental email server, a commercial ISP account or another free service. UH-Google website <http://www.hawaii.edu/google/faq.html#faq17>

**Individuals**

**From:** [Louis Kiang](#)  
**To:** [Sen. Donna Mercado Kim](#)  
**Date:** Sunday, September 23, 2012 3:10:30 AM

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Dear Senator Kim,

I understand that you are chairing the Committee to review the oversight, accountability and transparency of the operational and financial management of the University of Hawaii System arising from the Stevie Wonder concert fiasco which resulted in the University's loss of \$200,000. The Legislature, on behalf of the Citizens of the State, is rightfully upset and should look into the practices and procedures of the UH System Administration and the Board of Regents. While \$200,000 is not inconsequential, multiples of that amount has been lost in other areas where the University has acted unethically resulting in litigation costing the University and the tax payers substantial sums of money in legal fees and settlement payments. My specific experience is with the University's Office of Capital Improvements and its procurement practices under their current Director.

In March 2005, after a very thorough and extensive national competition my company, Townsend Capital, was awarded the Cancer Research Center of Hawaii project to develop and build the new CRCH building to be located in Kaka'ako on Lot C across the street from JABSOM. Townsend was also awarded the development rights to develop and build JABSOM Phase 2 (Lot A) which is now the new CRCH building. I was at that time a vice president at Townsend Capital and the responsible project executive for both the CRCH and the JABSOM 2 projects. After working extensively (50% of my time) on the project for 4 years and performing extensive work on CRCH as well as assisting and advising UH on various matters including PBRC/Kewalo Marine Lab and the PacRBL, Brian Minaai with the concurrence of then President McClain and several of the Regents, terminated Townsend Capital **WITHOUT CAUSE** and through a sham procurement process, subsequently awarded the project to Kobayashi Development Group and A.C. Kobayashi Construction. In fact, 6 months prior to Townsend's termination, word was already on the street that Kobayashi was going to be developing the new CRCH building. It is well known that Brian Minaai, David McClain and several Regents all have deep and ongoing relationships with the Kobayashi folks. Brian Minaai claimed the termination was due to (i) UH and Townsend could not reach agreement on a development agreement, and (ii) the CRCH project "changed". In reality, Brian Minaai negotiated in bad faith, made numerous misrepresentations on the specifics of Townsend's proposals to the Board of Regents, and we were never given the opportunity to meet with the Regents to discuss the proposals. Secondly, the project did not "change" it may have been reconfigured and re-located to another parcel of land....but to a parcel to which Townsend also held the development rights and was specifically excluded from proposing on.

Townsend was officially terminated in May/June 2009 and shortly thereafter filed suit against UH in Circuit Court in Hawaii. UH spent enormous amounts of time and resources to defend against Townsend's suit. UH's tactics in the litigation was to stall, stall and then stall some more. After a year of stalling, UH approached Townsend with an offer to settle the litigation which resulted in a payment to Townsend of \$2.5 Million....twelve times UH's loss in the Stevie Wonder concert fiasco. On top of the \$2.5 Million settlement payment to Townsend, UH purportedly spent almost \$1 Million in legal fees in the litigation. Should that number be accurate then the total loss to UH and the taxpayers of the State would be fifteen times that of the concert fiasco. I am told other developers and contractors in Hawaii have had similar experiences (West Oahu, Hawaii Community College on the Big Island, Nan, Inc.) and in fact, **more procurement objections and protests are/have been filed against UH than against any other State Agency.**

I share this story with you in the hopes that as you investigate accountability and transparency within UH, you and your Committee do not limit its investigation just to the concert matter but take this opportunity to do a complete top to bottom review of UH's management, including the Board of Regents, as I and many others believe and have experienced unethical behavior on the part of UH.

Respectfully,

**From:** [Gerhard C Hamm](#)  
**To:** [Sen. Donna Mercado Kim](#)  
**Subject:** Let's stop the UH misdeeds  
**Date:** Sunday, September 23, 2012 8:45:03 AM

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Hi, Senator,

Is there a way to eliminate the entire top layer of our university, from the Board of Directors to the President to several of the Chancellors? Let's find one and put into effect. Soon!

When, several years ago, the University of California got rid of a chancellor, the local paper called it, "From bad rubbish to good riddance."

Keep up the good work,  
Gerhard Hamm



## Daniel Holt

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**From:** DTukulele@aol.com  
**Sent:** Tuesday, September 18, 2012 10:42 AM  
**To:** SCATestimony  
**Cc:** dtukulele@aol.com  
**Subject:** wonderblunder

Jim Donovan was given a still to be named position at UH because otherwise he would sue them for defamation. Seems to me that his lawyer is blackmailing UH by saying if Donovan doesn't get a position his is letting the cat out of the bag. I for one would like to know whats in that bag. Also how much has this cost the people of Hawaii so far. Lastly that rotten Apple should thrown in the garbage

mahalo,

Darrel Toyozaki

TO: Senate Special Committee on Accountability

HEARING DATE: Monday, September 24, 2012, 1:00 p.m.

RE: Oversight, accountability, and transparency of the operational and financial management of the University of Hawaii System, including but not limited to the University of Manoa Athletics Department

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

My name is Brad Brigham. I would like to thank you for this opportunity to provide testimony regarding the oversight, accountability, and transparency of the operational and financial management of the University of Hawaii System.

In regards to what is now being called the "Wonder Blunder," I noticed that the Athletics department's fiscal officer's testimony in the external audit placed a part of the blame for the 'pro forma' invoice that contributed to the loss of \$200,000 on the shoulders of an employee named a Michelle Inouchi. I also noticed that there is a Derek Inouchi that directs the Sports Information office according to the UH Athletics website. I feel it is important to know if they are related. And if so, that it is important to ensure that their employment is in keeping with the University's policy on nepotism. Thank you.

## Daniel Holt

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**From:** Monica Stitt-Bergh [bergh.hawaii@gmail.com]  
**Sent:** Thursday, September 20, 2012 6:51 AM  
**To:** SCATestimony  
**Subject:** Accountability Testimony: Please make UH do something

I am sad and angry that UH is not holding itself accountable for 2 things:

- 1) getting scammed (Stevie Wonder concert)
- 2) giving someone a job for \$200,000+ / year for 3 years

I see UH Manoa as losing \$200,000 + \$600,000+ for Jim Donovan's new 3-year salary. It really bothers me because it ultimately hurts the students.

The Board of Regents, in my opinion, should have demanded the University hold itself accountable. If the Athletics Department is not responsible, then it should have been UHM Administration, or UH System. Someone or some group must have let this happen. Acceptable responses include the following: remove someone/group from duties; retrain people; salary docked; public apology. Etc. Instead, it seems like UH is brushing it under the rug and giving Donovan, who called in a lawyer, a \$600,000+ reward.

UH seems to have a pattern of incompetence -- e.g., the repeated security breaches with data stolen from computers either physically stolen or electronically before it did anything.

I do not want UH's solution to be more forms, more paperwork, more signatures, more procedures, etc. We actually already have that. (I work at UH Manoa.) UHM already spends a lot of money on such procedures -- take a look at how many people work in human resources and fiscal and look at their salaries. The procedures are already in place to prevent money from being improperly spent.

Please do not make us fill out more forms and have to get more signatures. Instead, ask human resources and fiscal officers to do their jobs and keep up with the times regarding online scams, internet security, etc.

In the meantime, the people involved with the Stevie Wonder scam should have some consequences: removal, retraining, salary docked, public apology. And no one should be rewarded with a grossly sum via a job that no one else even has the chance to apply for.

Thank you for taking my comments into consideration.  
--Monica Stitt-Bergh

## Daniel Holt

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**From:** Richard Eline [rte\_23@mail.com]  
**Sent:** Thursday, September 20, 2012 10:55 AM  
**To:** SCATestimony  
**Subject:** Oversight of UH Sytem

My name is Richard Eline. I am e mailing the committee to express my displeasure over the missing \$200,000 in athletics funds. As a Hawaii taxpayer I ask that we hold the administration of UH Manoa and the UH system to the same standards that are demanded of us without retaliation by these fools.

Sincerely,

Richard Eline, America and Hawaii's only hope to keep the lunatics at bay today tomorrow whenever.  
Boy am I taking a chance on these people. How Do I not know that these people just want to find out how to make \$200,000 disappear over night.

## Daniel Holt

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**From:** David P. McMullen [dmcullen@hawaiiantel.net]  
**Sent:** Friday, September 21, 2012 5:23 PM  
**To:** SCATestimony  
**Subject:** Stevie Wonder Concert

Ive worked with promoters here in the State of Hawaii and strongly recommend that your investigation include Bob Peyton. He has a very interesting reputation and history and his name was mentioned early on in this investigation.

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)

September 24, 2012 at 1:00 PM room 211

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

My name is Mark Smith and I live in Waikiki.

I am testifying as a private citizen who is concerned about an apparent lack of financial controls, fiscal management and accountability at the University of Hawaii which will ultimately result the inefficient use of taxpayer funds and reduced outcomes for Hawaii's young people who seek to prepare themselves for a better future.

My ties to Hawaii go way back, my grandfather was born here and was a successful entrepreneur first in the Philippines and later here on Oahu . His father was founding member and President of the Board of Regents of the University of Hawaii (then Hawaii College). I offer my professional experience to help explain how successful for-profit entities avoid the mistakes made by the chain of command at the University of Hawaii. I will also try to relate the fire at UH Manoa earlier this year to the lack of internal controls and fiscal discipline at the University.

For over 25 years I worked in California's High Tech Hub south of San Francisco referred to as Silicon Valley. There, I was active in a professional group open only to practitioners nominated by their employers called the Peninsula Treasury Management Association (PTMA). Among the more than 40 other companies represented were some you might recognize like Hewlett Packard, Cisco Systems, Intel, and Apple. After several years as a practitioner, and a rigorous test to show I had mastered the profession's body of knowledge I was awarded the Certificate in Treasury Management. I was President of the PTMA while working in the Treasury Department of semiconductor maker Advanced Micro Devices. Over my career my titles have been Cash Manager, Assistant Treasurer, Treasurer, and Controller at companies larger than Hawaii's largest for-profit company, Alexander and Baldwin. I managed investment portfolios and f/x hedging portfolios valued at \$ 100's of millions, ran share repurchase programs that totaled almost \$1 billion. I have literally moved \$ billions in the ordinary

course of business at my employer's by funding factories, subsidiaries, and moving money between company bank accounts so that the appropriate people were involved in using it.

Here are some "Best Practices" I don't believe were followed at UH:

1. Protect accounting records and source documents from fire, theft, and flood.
2. House the offices of finance, accounting and audit personnel in a safe location but close to the organization's management, so their services and data "If you don't measure, you don't manage" are readily available. This fosters professionalism and gives management access to much needed information as well as physical oversight of critical financial processes and the people involved in them.
3. Place a high hurdle to using money transfers instead of a negotiable instrument like a regular check. Traditionally money transfers are done by the Treasury Departments where specific controls are used to reduce the risk of an inherently risky transaction. Money transfers are a bad idea mainly because they often leave out the controls used in other areas of finance such as Accounts Payable Departments and because it is difficult and sometimes impossible to "take back" mistakes. Transferring money either through SWIFT, Fedwire, or ACH to accounts that are not completely trusted is a recipe for disaster. If transferring money to a third party is unavoidable then top levels of management should be personally involved. At the top, the C's (CEO, COO, CFO) have access to all relevant information and the judgment and experience to release funds. I can remember several company presidents who were annoyed by the interruption when I brought to them a wire transfer form for signature, but that's the discipline that prevents mistakes and avoids embarrassment.
4. For smaller amounts transfers on the ACH system are cost effective and safe. Large or non-standard, non-repetitive should be made by paper check. With a paper check payment will be routed to the Accounts Payable Department where proper purchase authorization and receipt of the purchased goods are verified. The organization can stop payment any time before the check is cashed, this often takes several days for a potentially risky and large payment this is enough time to verify receipt with your intended counterparty. Because it is a negotiable instrument, care is taken at each step inside and outside the banking system with a check to assess the legitimacy of that instrument while a funds transfer in simple terms moves money from one place to another.
5. When an organization is paying for a service or for something of value not already received such as the bogus Stevie Wonder Concert with the UH, it should require a performance bond from a licensed, trusted and credit worthy insurance company. Or, the funds can be held in an escrow account. This can be done through the Treasury Department and is generally reviewed by the Legal Department. At the very least, a strong contract, a simple online credit investigation of the counterparty and a cancelled check will provide some protection.

What I called “Best Practices” #4 and #5 would have prevented what’s now being called the “Stevie Wonder Fiasco”.

Inattention to what I called “Best Practices” #1 and #2 may have fostered an organizational environment of management by fiat and lack of attention or seriousness towards details, controls and protocol that a more confident and empowered financial organization would never have allowed. Unfortunately, this wasn’t the case.

The UH Fiscal Management and Procurement Office had been housed for years in a temporary wooden building with several old layers of roofing materials on top and old electrical wiring inside created a tinderbox and a spark. These offices were destroyed by fire on February 12<sup>th</sup> this year. My reaction was immediate. I knew then that financial controls and fiscal management had a low priority at the University.

The fire and the state of the facilities housing these important functions told me that UH Executive Management and their Board of Directors, the Regents, were either inexperienced, or didn’t understand the importance of robust financial controls for fraud prevention, theft and effective fiscal management. In a public company responsible to shareholders this state of affairs will result in bankruptcy. In an institution funded by taxpayers this may mean “business as usual” because to a management funded by a flow of taxpayer dollars, the lack of accountability means less intrusion and more freedom to pursue their goals unfettered by rules not of their own making. As long as the public and those that represent them don’t pay attention, or unless misfeasance such as these seen at the UH come to light this will be what we can expect. Unfortunately, with so many years of records destroyed and audit trails cut off, the latter is unlikely to happen.



**From:** [mokuone@aol.com](mailto:mokuone@aol.com)  
**To:** [Sen. Donna Mercado Kim](#)  
**Subject:** Wonder Blunder  
**Date:** Thursday, September 20, 2012 5:07:14 PM

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I hope your committee gets to the bottom of this. It appears that the administration at UH is circling the wagons and will be coached and advised by private attorneys. This seems odd if there is nothing to hide. Good luck on your hearing and hope you find out the truth!! Boyd Sakai

**From:** [mpeary1947@aol.com](mailto:mpeary1947@aol.com)  
**To:** [letters@staradvertiser.com](mailto:letters@staradvertiser.com)  
**Subject:** UH - Unbridled Hubris  
**Date:** Monday, September 03, 2012 3:33:54 PM

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Dear Editor,

When I think of the people entrusted with running UH, the words that come to mind are unbridled hubris or UH for short. It doesn't matter if you start at the top with UH President MRC Greenwood or mosey over to the new UHChancellor Tom Apple or stroll in the direction of the UH Board of Regents; the academic path is strewn with unaccountability, uncontrolled spending and unbridled hubris!

In the real world where the taxpayers foot the bill for those so-called leaders who waste our hard-earned dollars on fake concerts and the like, shouldn't we have a say as to who we want placed in those over-priced positions of authority? Why not ask the parents and the voting-age students at all of the UH campuses statewide, if they approve of the current 'leadership' at UH?

If stockholders have a say in who sits on the boards of their multi-billion dollar corporations, then why shouldn't the Hawaii taxpayers have a vote regarding those who operate UH as if it were their own personal fiefdom? Let's get rid of the whole darned bunch and start over!!!

Margaret Peary

[REDACTED]  
Mililani, HI 96789  
[REDACTED]

**From:** [Sid Kobashigawa](#)  
**To:** [Sen. Donna Mercado Kim](#); [Sen. Jill Tokuda](#); [Sen. Les Ihara, Jr.](#); [Sen. Ronald D. Kouchi](#); [Sen. Sam Slom](#)  
**Cc:** [Sen. Glenn Wakai](#); [Rep. Linda Ichiyama](#); [Lucy Young-Oda](#); [StarAdvertiser](#)  
**Subject:** Outraged at UH Concert fiasco  
**Date:** Sunday, September 02, 2012 5:59:35 PM

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Senators Donna Mercado Kim, Jill Tokuda, Les Ihara, Ronald Kouchi and Sam Slom,

I am glad to hear that the Hawaii Senate has formed a special committee to investigate the University of Hawaii Stevie Wonder concert fiasco. There has been much conversation in the general public about this incident and I believe that all the people involved should be questioned so that we know exactly what happened, who was involved, what processes were not followed or what processes do not exist and what will be done to make sure this will not happen again.

There are several issues that I am concerned about regarding this incident.

1. It appears that very few people at UH knew of this planned Stevie Wonder concert until it became a fiasco. According to the Cades Schutte report it appears that both UH President MRC Greenwood and UH Chancellor Virginia Hinshaw only first became aware of the Stevie Wonder concert on June 19, 2012 (3 weeks before the cancellation). President Greenwood inquired Chancellor Hinshaw about the event who must then questioned Mr. Donovan about it (because Ms. Hinshaw did not know about the concert? ). Jim Donovan tells Virginia Hinshaw about the concert and that the UH General Counsel's office (Ryan Akamine) has been involved in every step. Mr. Akamine denied being involved in every step. The report further states that Mr. Donovan relied on Mr. Sheriff to investigate the ability to secure or desirability of the contracting partner. So in this long list of people only Mr. Sheriff knew of the details but apparently he also did not know what was going on or there would not be a fiasco. Why wasn't a meeting of all these people held to discuss this event instead of these one on one conversations? It appears that no one at UH really knew what was happening based on the Cades Schutte report. I do not expect all of these individuals to know every little thing that happens at UH but for something as big as a public event like a Stevie Wonder concert I do expect every person above to know all the details.

2. \$200,00 was wire transferred without checking the recipient's identity. How can the University of Hawaii do this? You hear about this kind of thing being done to elderly and innocent people being scammed in the news but I do expect the University of Hawaii to have processes to prevent this kind of thing. Have there been other similar incidences at UH that we are not aware of??? If UH does not have processes to prevent this how many times has this happened in the past but not publicized?

3. No concert cancellation insurance was purchased. Isn't this standard. If the

University of Hawaii has never been involved with managing a concert they should have hired some professional assistance. UH would at least have gotten its money back (less the insurance fee) or possibly the insurance company would have informed UH that this was a scam when they check to see if they would insure the event.

4. UH paid the \$30,000 attorney fee to Mr. Donovan's attorney David Simons. Doesn't anyone besides me think this is excessive? Mr. Simons does not state what his hourly fee is at his web site but based on information from Hawaii attorneys on the Internet the average Hawaii attorney fees are from \$75-\$300/hour. Even at \$300/hour that breaks down to 100 hours (\$30,000/\$300). Really a 100 hours? The concert was cancelled on July 10, Mr. Donovan was relieved of his AD position on July 10 and Mr. Simons letter to UH was dated on July 16. 100 hours in less than a week??? Does it take that long to write a letter? \$30,000 is more than a lot of people make in a year. The committee should definitely demand an itemized billing statement from Mr. Simons.

5. Jim Donovan was appointed to a \$211,000/year position with no job title or job responsibilities. Was this really a pay off so that Mr. Donovan would not sue UH, the university that Mr. Donovan loves? Is this why the University of Hawaii had Mr. Donovan sign an agreement stating that he would not sue UH. or Did Chancellor Tom Apple truly plan to move Mr. Donovan to this position even before the concert fiasco.

If it was the first case of a payoff then I ask; did President Greenwood consult with UH legal counsel before making the decision to relieve Mr. Donovan and Mr. Sheriff of duties? Did Greenwood check to see what the ramifications of such a decision would be before implementing this decision. Could she not have waited until the Cades Schutte report was complete to make a decision. If she did consult university attorneys then we need new legal counsels at the University of Hawaii. If she did not then maybe we need a new UH President. Greenwood's decision cost the University of Hawaii and Hawaii taxpayers \$663,000. ( $\$211,000 \times 3 \text{ years} + \$30,000 \text{ attorney fees}$ ). This is on top of the \$200,000 we already lost to the concert scam and the unknown amount spent for the Cades Schutte report. It's quite possible that this cost taxpayers close to \$1,000,000 not \$200,000.

If this was the second case of Mr. Apple previously planning to move Mr. Donovan to a new position then I ask; was this job advertised? I would expect every State position to be advertised so that we get the best available person for the job, and everyone have a fair chance to apply, especially for one that pays \$211,000/year. Mr. Apple understands this because he went through an interview process when he was selected to be UH Chancellor. Was Mr. Donovan the best choice, someone who increased the UH Athletic debt from \$5.7 million to over \$12 million in just 4.5 years. I want to know how many people were interviewed for this job? I would imagine it would be very difficult for Mr. Apple to answer this question since it would be impossible to advertise a position that has no job title or job responsibilities.

I do not believe that there was any illegal activity by any UH employees but there are severe incompetency issues at UH. Even if there were no procedures to mitigate this incident any number of people could have sufficiently questioned people to stop the occurrence of this fiasco. This shows a failure of several layers of leadership to prevent this embarrassing situation.

Hawaii has a state government debt of \$12.3 billion, unfunded ERS liability of \$8.2 billion and hundreds of millions of dollars of depleted state emergency funds. If we do not scrutinize each instance of government money lost we will continue to increase our State debts. I am outraged and I hope you are too.

Sid Kobashigawa

**From:** [melva\\_ferreiras](#)  
**To:** [Sen. Donna Mercado Kim](#)  
**Subject:** University of Hawaii  
**Date:** Saturday, September 01, 2012 8:56:10 AM

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At last someone is standing up and asking the hard questions and not backing down till you get some answers other than "I'm Sorry".....so am I that we have the leadership at the University that we do. From the president on down the line no one is taking responsibility for the fiascal we have there. Is Greenwood still living in a condo and not at the president's house and are we still paying for that condo after all the money we spent refurbishing the president's house in Manoa? If so make her pay her own way or live in the house, better yet get rid of her and Apple....what a sorry bunch. Rumor has it that some legislators have their hands in all of this and that's why the regents did nothing...we the tax payers are so sick and tired of all the back room moves.

Thank you Sen. Kim for being there for us and DEMANDING ANSWERS and don't accept excuses.

**From:** [Kahala Motoyama](#)  
**To:** [Sen. Donna Mercado Kim](#)  
**Subject:** Aloha Senator Kim  
**Date:** Friday, August 31, 2012 5:21:57 PM

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Aloha Senator Kim,

I am pleased to see that you and your colleagues are not going to simply drop the matter of the missing \$200,000 at the University of Hawai'i, as well as the "create-a-position" mentality. If it was a speedy settlement handed to Jim Donovan's attorney, then the Legislature must approve. As you said, there are many questions now beyond these.

I would also like to offer one parting note: If the Board of Regents and the President are listening to your advice, please do not allow the coaches to bully them into selecting Rockne Freitas as Athletic Director. He left Ke Ali'i Pauahi Foundation under a cloud of unaccountability for millions of dollars. I would have to meet with you in person to discuss where this information came from. I would also like to inform you of other activities that took place at his home, across the street from my home.

I really thought those old days had passed and we didn't need to worry about oppressive dark characters running the show. He is already "Acting" so Norm Chow can have his way for this football season. Making Rockne permanent would be a huge mistake.

Mahalo for taking the time to read the preceding.

Kahala Motoyama



Email: [kahala.motoyama@gmail.com](mailto:kahala.motoyama@gmail.com)

**From:** [Frank McCafferty](#)  
**To:** [Sen. Sam Slom](#); [Sen. Donna Mercado Kim](#); [Rep. Robert Herkes](#)  
**Cc:** [Mike Oppenheimer](#); [Arlene A McCafferty](#); [tony@dtntl.com](mailto:tony@dtntl.com)  
**Subject:** UH Manoa, MRC Greenwood, UH Chancellor Apple, UH Chancellor Hinshaw, Freitas  
**Date:** Thursday, August 30, 2012 3:58:41 PM  
**Attachments:** [Executive compensation at UC MRC Greenwood and the \\$871 million dollar secret Hawaii Free Press .webarchive](#)  
[Greenwood Mafia grabs two power positions in UH system Hawaii Free Press Articles Main.webarchive](#)

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Good afternoon The Honorable Senator Slom,

Hey, this is the Costco Gas Guy that you used to speak with, the eskimo that is writing the Book "~~Dreams From My Father~~" I mean "Through The Eyes of an Eskimo".

Anyway, your on the committee that will be investigating the Wonder-blunder at UH?

Got some interesting reading for you, maybe you are aware of MRC Greenwood and the "secret UC \$871,000,000.00 she handed out freely fiasco" that ended with her resigning before she was investigated for the enormous blunder with the money at UC. This was in 2005 as reported in the San Francisco Chronicle, see attached please.

That entire UH BOR needs replacement as they are not fulfilling the Fiduciary duties of their nominated positions. I explained to Senator Donna Kim that perhaps it is time to lower the selection criteria so that retired military veterans can serve at the pleasure of the people of Hawai'i.

Hinshaw? \$292,000.00 for a ten month sabbatical? My God!!! Wish I could pull that off at the expense of our fellow Hawai'i taxpayers!! And she got the reward from Greenwood and the BOR as an exception to UH Policy!!

Then she comes back to a cushy job?? Where have I been, my god!! I want a job like that!!!

As a retired disabled veteran who served in the cold war and vietnam it is absolutely nauseating that the upper echelon at the UH are robbing us blind and the UH BOR is complicit!!!


Grab this problem by the balls and rip the problem out!!

They all serve at the pleasure of the BOR RIGHT? RIGHT?

Very respectfully,

Frank A. McCafferty

  
Honolulu, Hawaii 96818

  
[frank@mccafferty.net](mailto:frank@mccafferty.net)



**From:** [Frank McCafferty](#)  
**To:** [Sen. Donna Mercado Kim](#)  
**Cc:** [Frank McCafferty](#); [Rev. Gaulty](#)  
**Subject:** UH Manoa  
**Date:** Tuesday, August 28, 2012 7:23:38 PM  
**Attachments:** [Executive compensation at UC MRC Greenwood and the \\$871 million dollar secret Hawaii Free Press .webarchive ATT00001.htm](#)

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Good afternoon Honorable Senator Kim,

Please note that the entire hierarchy of UH from the BOR, the President, former Chancellor Hinshaw and a perceived lesbian connection between the two and the unprecedented move by mrc greenwood and the board of regents to except policy in giving hinshaw her \$292,000.00 paid ten month sabbatical in less time than other UH personnel.

I have to tell you, this stinks to high above Mauna Kea and Mauna Loa, worse than what comes between Hualalai and Mauna Loa.

Please read what was published by the San Francisco Chronicle regarding the secret \$871,000,000. that President Greenwood was responsible for at UC before she abruptly resigned and left UC in 2005.

We in Hawai'i certainly need to perform at a higher level of fudiciary diligence and responsibility in order to protect our residents from people like dobelle, hinshaw, greenwood, apple, freitas, abercrombie and the list goes on ad infinitum. Absolutely nauseating!!!

I'm contacting you after seeing you in the news this afternoon with your two colleagues, and the report that you're investigating deeper into the Wonder scandal

**From:** [Roger Yu](#)  
**To:** [Sen. Donna Mercado Kim](#)  
**Subject:** UH ROI - Auwe!  
**Date:** Thursday, August 30, 2012 11:52:41 AM  
**Attachments:** [College ROI.pdf](#)

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Dear Senator Kim,

Thank you for speaking up and taking on this very necessary endeavor. As an alumnus, I have a bitter taste in my mouth about what our University has become, i.e. a profit center for interchangeable executives' portfolios.

In my opinion it is because of our geographical prestige that UH has reached its own version of 'critical mass' and presence. To wit, I am sending you a scan of a chart I saw depicting the 50 states' "Return on Investment". because this is where the rubber hits the road, money spent on education as it relates to future success of its students. Not the bottom lines of its executives. The chart is from the April 23-29, 2012 issue of "Bloomberg Businessweek."

Out here in the cheap seats, it seems like they are willing and able to 'circle the wagons' whenever necessary to protect their own interests while the education of students takes the back seat.

Auwe!  
Roger Yu  
Honolulu, Hawaii  
UH A&S:1975



**From:** [Leroy Y Uyehara](#)  
**To:** "[Leroy Y Uyehara](#)"; [Rep. K. Mark Takai](#)  
**Cc:** [Rep. Aaron Ling Johanson](#); [Rep. Angus McKelvey](#); [Rep. Barbara Marumoto](#); [Rep. Calvin Say](#); [Rep. Chris Kalani Lee](#); [Rep. Clifton K. Tsuji](#); [Rep. Corinne Ching](#); [Rep. Cynthia Thielen](#); [Rep. Daynette Morikawa](#); [Rep. Della Belatti](#); [Rep. Denny Coffman](#); [Rep. Derek Kawakami](#); [Rep. Faye Hanohano](#); [Rep. Gene Ward](#); [Rep. George Fontaine](#); [Rep. Gil Riviere](#); [Rep. Gilbert Keith-Agaran](#); [Rep. Henry J.C. Aquino](#); [Rep. Isaac W. Choy](#); [Rep. James Tokioka](#); [Rep. Jerry Chang](#); [Rep. Jessica Wooley](#); [Rep. Jo Jordan](#); [Rep. Joey Manahan](#); [Rep. John Mizuno](#); [Rep. Joseph Souki](#); [Rep. Karen Awana](#); [Rep. Karl Rhoads](#); [Rep. Ken Ito](#); [Rep. Kyle Yamashita](#); [Rep. Kimberly Pine](#); [Rep. Linda Ichivama](#); [Rep. Marcus Oshiro](#); [Rep. Marilyn Lee](#); [Rep. Mark Hashem](#); [Rep. Mark Nakashima](#); [Rep. Mele Carroll](#); [Rep. Pono Chong](#); [Rep. Rida Cabanilla](#); [Rep. Robert Herkes](#); [Rep. Roy Takumi](#); [Rep. Ryan Yamane](#); [Rep. Scott Nishimoto](#); [Rep. Scott Saiki](#); [Rep. Sharon Har](#); [Rep. Sylvia Luke](#); [Rep. Tom Brower](#); [Rep. Ty Cullen](#); [Sen. Brian Taniguchi](#); [Sen. Brickwood Galuteria](#); [Sen. Carol Fukunaga](#); [Sen. Clarence Nishihara](#); [Sen. Clayton Hee](#); [Sen. David Ige](#); [Sen. Donna Mercado Kim](#); [Sen. Donovan Dela Cruz](#); [Sen. Gilbert Kahele](#); [Sen. Glenn Wakai](#); [Sen. J. Kalani English](#); [Sen. Jill Tokuda](#); [Sen. Josh Green](#); [Sen. Les Ihara, Jr.](#); [Sen. Malle Shimabukuro](#); [Sen. Malama Solomon](#); [Sen. Michelle Kidani](#); [Sen. Mike Gabbard](#); [Sen. Pohai Ryan](#); [Sen. Ronald D. Kouchi](#); [Sen. Roz Baker](#); [Sen. Sam Slom](#); [Sen. Shan Tsutsui](#); [Sen. Suzanne Chun Oakland](#); [Sen. Will Espero](#)  
**Subject:** \*\*\*\*\*SPAM\*\*\*\*\* RE: RE: UH  
**Date:** Sunday, August 26, 2012 5:16:40 PM

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With the continuing saga of Stevie Wonder, do you not think that Greenwood and Apple have violated a behavioral clause(s) in their contract with the university? When anyone attempts to make a scapegoat of a person who is not guilty of causing a problem...it seems it MUST be a contract problem?...is that that not a problem for the person/individuals trying to scapegoat someone? From the start of this incident I thought UH was moving administratively/press wise too quickly...unless there was good evidence that Donovan and Sheriff had done something that caused the loss of \$200,000 there was nothing to indicate the rush to judgment that was made, except that people in charge were trying to deflect blame onto others...I think if true, Greenwood and Apple have to be fired...how are we able to put up with people who are terrible role models for our youth otherwise?

OK, never mind EDUCATION...can we trust these people?

Aloha,

Leroy Y Uyehara  


**From:** [Lance Abe](#)  
**To:** [Sen. Donna Mercado Kim](#)  
**Cc:** [Sen. Roz Baker](#); [Sen. Suzanne Chun Oakland](#); [Sen. Donovan Dela Cruz](#); [Sen. J. Kalani English](#); [Sen. Will Espero](#); [Sen. Carol Fukunaga](#); [Sen. Mike Gabbard](#); [Sen. Brickwood Galuteria](#); [Sen. Josh Green](#); [Sen. Clayton Hee](#); [Sen. David Ige](#); [Sen. Les Ihara, Jr.](#); [Sen. Gilbert Kahele](#); [Sen. Michelle Kidani](#); [Sen. Ronald D. Kouchi](#); [Sen. Clarence Nishihara](#); [Sen. Pohai Ryan](#); [Sen. Majile Shimabukuro](#); [Sen. Sam Slom](#); [Sen. Malama Solomon](#); [Sen. Brian Taniguchi](#); [Sen. Jill Tokuda](#); [Sen. Shan Tsutsui](#); [Sen. Glenn Wakai](#)  
**Subject:** UH Stevie Wonder Flop  
**Date:** Thursday, August 23, 2012 10:10:49 AM

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Aloha,

With all the cuts the State has been making these past few years how can the UH President authorize a new position at \$200k plus? Is this a necessary and vital position?

Health and Education funding has been drastically cut, and suddenly 200k is found to move someone whom I feel is doing a good job to a new position.

How much was Cades Shutte paid for their investigation? Was it a no bid contract?

Who signed the check for 200k? and who authorized it?

It appears UH officials and the Board of Regents are covering each other's back, why is so much information left out from Greenwood's release? It is the taxpayer's money and we want to know what went on!

Beware of the new AD, I bet he/she will have ties to Greenwood or Apple.

Thank you,

**Lance Abe**  
Kalihi Valley



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**From:** Jefferey Tom [jefftomsf@yahoo.com]  
**Sent:** Sunday, September 23, 2012 2:46 PM  
**To:** SCATestimony  
**Cc:** Jefferey Tom  
**Subject:** WRITTEN TESTIMONY ON UH ACCOUNTABILITY--STEVIE WONDER CONCERT

My name is Jeff Tom and I live at 95-076 Kaulua Street, Mililani, Hawaii 96789. I'm 69 years old & a 2006 retiree from McKinley High School and a 1994 US Army officer retiree of 28 years service. I'm ashocked & disgusted how the UH and its Board of Regents handled the Stevie Wonder concert incident. If you conduct your own internal investigation & also pay \$50,000 to an outside law firm to conduct an independent inquiry, you should be able to identify blame. The money was spent to get a 57-page document that does not identify what went wrong. This is a travesty of justice with our public taxpayer funds!!! Even I, as an outsider, can say the person who did the legal review and the person from the finance office who reviewed the proposal failed in their job by not recommending outside concert insurance and a review of the addressee for the electronic transfer of funds. Additionally, the final approving authority, whether it was former Chanellor Hinshaw or another, should be found liable. My experience as a US Army officer and a State of Hawaii education officer dictates that these 3 cited individuals should be held accountable. Hence I fully concur with the Senate hearings and you should not let the UH, the Board of Regents, and the responsible individuals off the blame. My tax-payer money is being misused and ABUSED!! Respectfully, Jeff Tom, [REDACTED]

**Businesses**

**Testimony to the Senate Special Committee on Accountability**  
**Monday, September 24, 2012**  
**1 p.m.**  
**Conference Room 211**

Chair Kim, Vice Chair Tokuda and Members Ihara, Kouchi and Slom:

My name is Bill Wilson and I am the President of Hawaiian Dredging Construction Company, Inc. My company has 600 employees many of whom are graduates of the University of Hawai'i System. Our company has worked with and support the University of Hawai'i in the following ways:

- Participate with other General Contractors Association (GCA) members to fund a professor at UH Manoa.
- Serve on various committees with the University including currently as Chair of the Civil Engineering Depts.' Industry Advisory Council
- Support for various athletic and alumni programs
- Match employees individual charitable contributions to the University

The top concern of our residents these days, rightly so, is Hawai'i's economy. Consumer confidence, a key barometer of residents' overall outlook, remains well below pre-recession levels. However, the University of Hawaii has found a way forward.

The University of Hawai'i is a \$1.5-billion operation that employs more than 8,400 Hawaii residents. This institution is already vital to the economic future of the State of Hawaii. The University of Hawai'i currently brings in about \$.5 billion in outside funding, mostly for research, every year. This means the university is bringing in more than \$1 million a day, every day. Recently, the university has taken a leading role in diversifying our economy through the University of Hawai'i Innovation Initiative (HI<sup>2</sup>), 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.

The University of Hawai'i Innovation Initiative provides hope for a brighter future for 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 very much for the opportunity to testify.



William J. Wilson, President  
Hawaiian Dredging Construction Company, Inc.





55 Merchant Street  
Honolulu, Hawai'i 96813-4333

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**Monday – September 24, 2012 – 1:00pm**  
**Conference Room 211**

**Senate Special Committee on Accountability**

To: Senator Donna Mercado Kim, Chair  
Senator Jill N. Tokuda, Vice Chair

From: Chuck Sted  
Chief Executive Officer

Re: **Informational Briefing related to the operational and financial management of the University of Hawai'i System**

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Good afternoon. My name is Chuck Sted, Chief Executive Officer (CEO) of Hawai'i Pacific Health (HPH). HPH is a nonprofit health care system and the state's largest health care provider anchored by its four nonprofit hospitals: Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital on Kauai. HPH is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four affiliated hospitals, 49 outpatient clinics, more than 5,400 employees and 1,300 physicians on staff.

HPH, the University of Hawai'i and the community we serve have benefitted from a long standing partnership in the areas of teaching, research and clinical service. HPH is one of the host organizations to the John A. Burns School of Medicine, the University of Hawai'i Cancer Center and the University of Hawai'i School of Nursing. We also value our relationship with the Shidler College of Business.

Over the 35 years in my relationship with the University, I have never experienced the level of collaboration, accountability, oversight, and transparency as experienced under President Greenwood's leadership. We are currently in an era of openness and collaboration between the University and all health care providers, which is directly attributable to President Greenwood's tone at the top and personal actions which have set the example for others. She has surrounded herself with capable and collaborative leaders in areas important to health providers such as Jerris Hedges (Dean of JABSOM), Michele Carbone (Director of the UH Cancer Center), Mary Boland (Dean of Nursing) and Vance Roley (Dean of Business). Together they have worked with us to advance education, research and clinical practice through their academic units. Our recent success as a community in obtaining the National Cancer Institute funding and " NCI Cancer Center " designation is a direct result of President Greenwood's influence.

The future is bright for health care in Hawai'i under President Greenwood's sound leadership.



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Arthur A. Ushijima  
Keith Vieira  
Richard Wacker  
Roger J. Wall  
Jon C. Wallenstrom  
William J. Wilson  
Robert W. Wo, Jr.  
Eric K. Yeaman  
Russell K. Young

## Testimony to the Senate Special Committee on Accountability

Monday, September 24, 2012

1:00 p.m.

Conference Room 211

### RE: Informational Briefing – University of Hawaii System

Chair Kim, Vice Chair Tokuda, and Members Ihara, Kouchi and Slom:

My name is Gary Kai and I am the Executive Director of the Hawaii Business Roundtable. The members of the Roundtable employ nearly 70,000 people in the State of Hawaii and many of them have attended the University of Hawaii or have family members attending the University of Hawaii. Our members fully support the University and commend the work being done by its current leadership.

We complete a regular poll of the community with our People's Pulse Survey. The top concern of our residents is Hawaii's economy. The state consumer confidence, a key barometer of residents overall outlook, remains at a level well below the levels pre-recession. The members of the Hawaii Business Roundtable believe and support the work being done by to University's leadership to expand its Research Agenda. The Roundtable fully supports this activity and recognizes that the Research is not only important academically but is an important contributor to the Hawaiian economy. Our members are exploring ways to further support the University's efforts. We welcome the opportunity to work with the University, the Legislature and the Governor to continue to expand their efforts.

The University of Hawaii and the State have taken a lead role in moving the economy forward. The research being done by the University of Hawaii and the millions of grant dollars help to buoy consumer and business confidence in our economy and will provide real jobs at a time when they are so greatly needed. We recognize how important this is for our employees and our community.

Thank you very much for the opportunity to testify.

Gary K. Kai, Executive Director  
Hawaii Business Roundtable



Hunt Development Group, LLC  
737 Bishop Street, Suite 2750  
Honolulu, Hawaii 96813  
Office: 808-585-7900

September 20, 2012

**Testimony to the Senate Special Committee on Accountability  
September 24, 2012**

Chair Kim, Vice Chair Tokuda, and members of the committee:

My name is Steve Colón and I appreciate this opportunity to share with you our positive experience in collaborating with the University of Hawaii to advance a new community college campus on the Big Island.


I run the Hawaii Division for Hunt Companies, a real estate development and services company. One of our affiliates, Palamanui Global Holdings, collaborated with the leadership of the University of Hawaii and Hawaii Community College to help bring access to higher education to West Hawaii, one of the most underserved areas in the state. Recognition should be given to MRC Greenwood, Rockne Freitas, and John Morton.

Palamanui Global Holdings, supported by its partners the Hunt Companies and Charles R. Schwab, recently issued a \$9.7 million check to the University of Hawaii for the new Hawaii Community College at Palamanui campus in West Hawaii. Additionally, we are contributing another \$10 million to HCC at Palamanui to fulfill our commitment to provide necessary water, sewer and power infrastructure to the new campus. This unprecedented contribution is providing the seed money necessary to launch this vital project. In addition, Governor Abercrombie released \$7.5 million in state funds toward construction of this new campus and construction bid packages will go out this month.

The result of this highly successful public-private partnership between the University of Hawaii entities, our State, and Palamanui Global Holdings, is a new Hawaii Community College Palamanui Campus in West Hawaii that will welcome its first students in 2014.

I'm a big fan of UH and its leadership. This new community college campus was achieved by people coming together, without fanfare, to get this project started.

Mahalo for the opportunity to provide comments.

  
Steve Colón  
President, Hawai'i Region