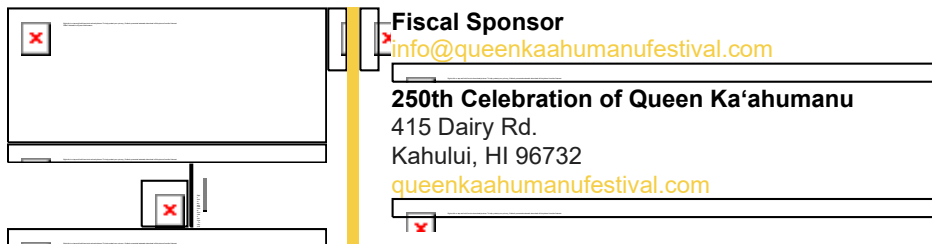


BF Committee

From: Queen Ka'ahumanu <info@queenkaahumanufestival.com>
Sent: Monday, October 15, 2018 11:33 PM
To: Riki Hokama; BF Committee
Subject: Fiscal Sponsor Clarification #2
Attachments: Fiscal Sponsor Clarification #2.pdf





Fiscal Sponsor Clarification to OED September 24, 2018 Responses

1. OED has had the full check register and an online download of all bank transactions since June 2018.
2. OED confirmed that all vendors from Invoices 1 & 2 have been paid.
The Department of Finance verified that Invoices 1 & 2 contained no problems preventing payment.
3. Sub Answers Below
 - a. The original requests for information for Invoices 1 & 2 were completely fulfilled and satisfactory, which is why they were both paid in full in March 2018. OED intentionally delayed for over 50 days before finally sending the fiscal sponsor “new”, mostly duplicative, requests for information, which seem to have only arisen out of political motivations in an attempt to attack Councilmember Atay and his staff during opportune voting weeks.
 - b. The MACC \$2,261.42 charge from March 23, 2018 is not on Invoice 1. Invoice 1 was submitted prior to the event on March 5, 2018 with the \$7500 estimate from the MACC. The additional \$2,261.42 did not occur until over 5 weeks after Invoice 1 had already been submitted and reimbursed. If approved by the board, this expense belongs on an Invoice 4, and will be paid at that time. However, as it is over and above the approved \$7,500 original projected fee, this payment is not able to be authorized by our volunteer grant administrator Mr. Bardellini, but requires a majority vote board approval, per the Board of Ethics and HRS 414D. The board is scheduled to meet in October and will be voting on whether or not to include this matter in Invoice 4.
 - c. Invoice 3 has been paid for using fiscal sponsor borrowed monies, not County money. On July 11, 2018 OED stated that grantees do not have to pre-pay for items before receiving reimbursement. Nevertheless, the grantee has in fact pre-paid for over \$28,000 of expenses that the county has not yet reimbursed.
4. We have evidence to support that Ms. Kalaola (and three other board members she has influence over) have breached HRS 414D on several occasions, some breaches of which may be a Class C felony. These board members have been put on notice and asked to return the monies spent on unallowable expenses. Currently, per Hawaii Revised Statutes Ms. Kalaola and the other three board members are indefinitely prevented from their vote counting on these and other related matters. At its board meeting this month, the fiscal sponsor will be discussing this and making decisions as to the next steps as suggested by an attorney.
5. OED has been in receipt of official bank statements for several months. We have resent the bank statement information for a third time.



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6. The remaining information for the Final Report will be determined by the decisions of OED on Invoice 3. The fiscal sponsor cannot produce an Invoice 4 without the information regarding Invoice 3; which will determine available monies and budget categories. From there, the board will meet and decide on any outstanding matters and invoice for remaining monies.
 7. N/A
 8. It does not seem, nor have we been notified that, the agreement has expired or been terminated. All property acquired with County funds is still being used for the purposes of the agreement.

To clarify, the BOSE Store purchase is not “sound equipment”; it is a hard drive and production peripherals for the purpose of fulfilling the agreement as approved previously by OED.

OED approved the oil painting on several occasions, in writing, starting in late 2017. Artisans and visuals are mentioned in our grant agreement in Sections D, E, K, and L and this artist was specifically named and subsequently approved by the director, again in writing, on March 1, 2018 when the concert poster, with the oil painting artist’s name prominently featured, was approved by OED.