



December 4, 2019

Report Attachments

CLA – OHA & LLCs Contract and Disbursement Review – Report Attachments

Prepared by:

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Attachment 01

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Office of Hawaiian Affairs

List of OHA Contracts

Number of Contracts Tested: 80

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-01	2499	Oahu Publications, Inc.	\$ 508,548.00	Printing of Ka Wai Ola Newsletter	Blaine Fergerstom (Public Information Director / Acting Director of Communications)	No longer employed by OHA at time of testing	Professional Services	C01 to C08
K-02	2659	University of Hawaii	650,000.00	Create programs and primers and conduct workshops and clinics to include the "A'o Aku A'o Mai" program	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 103D-102(B)(2)(G)	E01, E03, E04, E05, E06, E53
K-03	2683	Papa Ola Lokahi	160,000.00	Provide support for designing healthy work sites	Esther Kia'aina (Chief Advocate)	No longer employed by OHA at time of testing	Professional Services	C01, C03, C04, C07 to C12
K-04	2688	Alu Like, Inc.	830,000.00	Contractor to operate a state-wide delivery system for the programs set forth: community resource access and assistance, individuals and families asset building, and assets for independence	Denise Iseri-Matsubara (Community Relations Director)	No longer employed by OHA at time of testing	Competitive Sealed Proposals - RFP (OHA 11-01)	B01 to B06
K-05	2689	Native Hawaiian Legal Corporation	2,097,600.00	Render legal services and provide legal representation to clients in substantive areas	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services	C01, C03, C04, C07 to C10, C13
K-06	2695	Young of Heart Workshop dba Pu'uhonua Society	150,000.00	The Hawai'i Kakou mural and community engagement project will bear witness and validate an economy based on an indigenous valuing of place, stewardship, and care of the land/people	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A10, A14, A21, A36, A37, A38, A40
K-07	2717	Project Vision Hawai'i	24,900.00	Provide health screenings, patient information, and educational resources to Native Hawaiians so they can identify and address their chronic disease conditions	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A07, A14, A20, A21, A24, A31
K-08	2719	Neighborhood Place of Puna	24,990.00	The Kamalama Parenting Project will provide Hawaiian value-based parenting classes to Hawaiian families at risk for child abuse and neglect in the Puna district so they can understand how their values relate to their parenting skills, keep their children safe and healthy and stay out of the child protective service system	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A07, A10, A14, A20, A21, A24, A31
K-09	2721	The Kalaimoku Group, LLC	50,000.00	Public relations and messaging services related to the proposed Kaka'ako Makai settlement	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 3-120 Exh. A No. 1	E01, E07, E08, E09, E10, E11, E53
K-10	2725	Townscape, Inc.	20,000.00	Advise OHA regarding Kaka'ako Makai	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services	C01 to C04, C07, C10

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K-11	2726	Ola Lāhui, Inc.	500,000.00	Provide evidence-based health interventions in the area of obesity management that are culturally minded and tailored to treat a broad spectrum of Native Hawaiians so they can achieve a healthy weight and reduce health risks associated with obesity	Edwina Minglana (Education Advocacy Coordinator)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A10, A12, A14, A20, A21, A29, A41
K-12	2741	University of Hawaii - Office of Research Services	360,000.00	Native Hawaiian Rights training course	Jocelyn Doane (Public Policy Advocate)	Interviewed on July 23, 2019	Exempt Contract (Non-Grant): 3-120 Exh. A No. 1	E01, E02, E05, E12, E13, E14
K-13	2752	Girls Scouts of Hawai'i	24,500.00	Develop and implement an integrated native Hawaiian and Girl Scouts culture-based leadership training for guests of the Girls Scouts campus at Paumalū so they are responsible stewards of the natural and cultural resources of this ahupua'a and beyond	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A07, A10, A13, A14, A15, A20, A21, A29, A31
K-14	2759	Special Olympics Hawaii, Inc.	24,834.00	Provide much needed health care and sports training to intellectually challenged Native Hawaiians and their families so they can experience activities and lifestyle choices that will improve the quality and longevity of life	Keith Yabusaki (TA Program Manager)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A07, A10, A14, A21, A29, A31
K-15	2761	Lāna'i Culture & Heritage Center	125,000.00	Fund an archeological and cultural survey of the treasured-but-threatened Ka'ā Ahupua'a Lāna'i landscape	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	GRANT GA-1	A03, A06, A07, A10, A14, A16, A20, A21, A40
K-16	2799	McGregor, Davianna	110,500.00	Support of OHA governance initiatives and other purposes	Breann Nu'uhiiwa (Chief Advocate)	No longer employed by OHA at time of testing	Professional Services	C01, C03, C04, C07 to C10, C14 to C16
K-17	2828	Mid-Continent Research for Education & Learning dba Mid-Continent Regional Educational Laboratory	349,527.00	Kukulu Hou assessment framework project (Mana Scale) consulting and advisement phase	Kamana'opono Crabbe (CEO)	Unsuccessful attempts to interview	Professional Services	C01, C03, C04, C07 to C10, C17
K-18	2857	Native Hawaiian Education Association	99,600.00	Scholarship production and facilitation services	Edwina Minglana (Education Advocacy Coordinator)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 3-120-4(3)	E01, E05, E15, E16, E17, E18, E19, E57
K-19	2865	Rider Levett Bucknall, LTD	150,000.00	Design of management and development framework for Kaka'ako Makai land parcels	Aedward Los Banos (COO)	No longer employed by OHA at time of testing	Competitive Sealed Proposals - RFP (13-02)	B01, B02, B07, B08, B20
K-20	2879	Kuauili'Aina-Based Insights LLC	435,000.00	Documenting the sale of the former Hawaiian Kingdom Government and Crown Lands	Kamoa Quitevis (Research Designee)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 3-120 (1)	E01, E05, E06, E16, E18, E20, E21, E22, E23, E53
K-21	2880	DL Consulting LTD.	284,880.00	Services related to Papakilo Database	Kale Hannahs (Research Designee)	Interviewed on July 24, 2019	Exempt Contract (Non-Grant): 3-120 (1)	E01, E05, E08, E16, E22, E24

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K-22	2883	Parents and Children Together	500,000.00	Provide case management services that include outreach, intake, employment training and placement and career service planning	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A22, A29
K-23	2884	Kanu O Ka 'Āina Learning 'Ohana	1,500,000.00	Provide program activities to support seventeen Hawaiian-focused charter schools in providing a free and appropriate public education as chartered for school year 2012-2013	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A37, A38, A40
K-24	2886	Kāko'o 'Ōiwi	268,000.00	Advancing Pae 'Āina Sustainability in He'eia, O'ahu	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A25, A28, A29
K-25	2887	I Ola Lāhui, Inc.	500,000.00	Kūlana Hawai'i Weight Management Program	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A22, A29, A41
K-26	2892	Molokai Habitat for Humanity, Inc.	290,000.00	Molokai Habitat for Humanity Native Hawaiian Housing Program	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A25, A29
K-27	2898	Goodwill Industries of Hawai'i, Inc.	300,000.00	Employment Core & Career Support Services for Low-Income Native Hawaiians	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A29
K-28	2900	Native Hawaiian Legal Corporation	2,097,600.00	Render legal services and provide legal representation to clients in substantive areas	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services (LEGAL PROVISIO)	C01 to C04, C07, C08, C10, C18
K-29	2903	Kōkua Kalihi Valley Comprehensive Family Services	495,335.00	Provide opportunities for keiki to learn to cook local and traditional foods and to prepare and share meals with their families	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A17, A18, A20, A21, A25, A29
K-30	2911	Salvation Army Family Treatment Services	247,645.00	Women's way obesity and physical health improvements in Native Hawaiians	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A16, A21, A26, A29
K-31	2914	Hawaiian Community Assets, Inc.	248,645.00	Building stability in housing projects	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A28, A29, A30
K-32	2918	Waimea Hawaiian Homesteader's Association, Inc.	262,820.00	Farming for the Working Class	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A14, A16, A21, A24, A29
K-33	2922	Keiki O Ka 'Āina Preschool, Inc.	159,839.00	Implement One Board, One Stone, in Every Home program designed to decrease proficiency in the practice of carving papa ku'i'ai and pōhaku ku'i'ai among Native Hawaiians in furtherance of OHA's Strategic Result	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A14, A16, A21, A24, A28, A29
K-34	2926	Helping Hands Hawaii	1,600,000.00	Provide asset incentives, financial literacy, and multiservice referrals for Native Hawaiians	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Competitive Sealed Proposals - RFP	B01, B02, B04, B06

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K-35	2931	Oiwi Television Network	1,000,000.00	Producing broadcast media content	Ryan Gonzalez (CE Director / Designee)	No longer employed by OHA at time of testing	Professional Services (STATE PROVISIO)	C01 to C04, C07, C08, C10, C19 to C21
K-36	2932	The System Center, Inc.	810,677.34	Provide furniture, fixtures, and equipment for gentry	Kawi Nui Yoon (Land and Property Manager)	No longer employed by OHA at time of testing	Competitive Sealed Proposals - RFP (OHA 13-03)	B01, B02, B07, B09
K-37	2948	McCorriston Mukai Miller Mackinnon LLP	225,000.00	Render legal services as requested by OHA	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services	C01 to C04, C07, C08, C10, C22
K-38	2949	University of Hawaii Hilo	590,000.00	Provide educational enrichment programs for Native Hawaiian children in grades K through 12 throughout the State	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A10, A14, A16, A21, A37, A38, A40
K-39	2953	Native Hawaiian Education Association	150,000.00	Creating dialogs and action plans from local and international indigenous perspectives to address Native Hawaiian Education	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A01, A03, A06, A07, A14, A16, A21, A40
K-40	2955	University of Hawai'i Office of Research Services	100,000.00	Grant to UH-ORS on behalf of Hawaiiinuiakea School of Hawaiian Knowledge to support Ka Papa Loi o Kanewai Cultural Resource Center	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	Grant (Exempt - 10-17 (e))	A03, A06, A10, A14, A16, A21, A22, A40
K-41	2961	Good Juju Co., The	209,426.00	Produce a 45-60 minute animated educational video relating to the historical facts and events of Hawaii's Monarchy and its overthrow	Alice Silbanuz (Digital Manager)	Interviewed on July 23, 2019	Professional Services	C01 to C04, C07, C08, C10, C23
K-42	2962	Hawai'i Community Foundation	330,000.00	Carry out the Higher Education Scholarship Program (Hawaii Community Foundation administers one of OHA's Higher Education Scholarship services to Native Hawaiians)	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A14, A21, A40
K-43	2963	Environmental Science International	397,225.00	Final Product shall consist of one (1) full length video and fifteen (15) three to four minute vignettes	Koa Kulukukui (Corporate Counsel Designee)	No longer employed by OHA at time of testing	Competitive Sealed Proposals - RFP	B01, B02, B06, B07, B10, B11
K-44	2967	Rider Levett Bucknall, LTD	10,000.00	Present the management and development framework on the Kaka'ako Makai land parcels	Allen Kam (Commercial Property Manager)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 103D-102(b)(4)(G)	E01, E05, E25, E26, E27, E28, E29, E30, E56
K-45	2976	Spire Hawaii LLP	723,380.00	Review budget documents, financial statements, audit reports and other internal and external documents relating to OHA operations, OHA's LLCs, BOT Policies, and other documents requested by BOT Chair	Peter Apo (BOT - ARM Chair)	No longer with OHA at time of testing	Competitive Sealed Proposals - RFP	B01, B02, B04, B06, B07, B12
K-46	2978	Living Life Source Foundation	200,000.00	Grant to Living Life Source Foundation in support of Ho'opono Mamo	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A07, A10, A14, A16, A21, A40

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K-47	2979	Sai, David Keanu	25,000.00	Providing memorandums and lectures regarding political science perspective under the framework of international law	Kamana'opono Crabbe (CEO)	Last day with OHA was June 30, 2019	Exempt Contract (Non-Grant): 3-120-4(3)	E01, E05, E06, E31, E32, E33, E34, E35, E56
K-48	2981	High Tech Youth Network	180,000.00	Deploy two new High Tech Youth community studios on Kaua'i to provide a creative environment for youth to work on digitally based projects by linking cultural knowledge and values with technology	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A17, A21, A40
K-49	2985	University of Hawaii - Office of Research Services	65,000.00	Pili Ohana Partnership to address obesity and diabetes for native Hawaiians and Pacific Islander	Leanne Fox (Executive Manager to CEO)	On leave at the time of testing; questions submitted through Phyllis Ono-Evangelista & Raina Gushiken	Exempt Contract (Non-Grant): 103D-102(b)(2)(G)	E01, E05, E18, E36, E37, E53
K-50	2994	Department of Labor and Industrial Relations	250,000.00	Prisoner reintegration job training services	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A04, A09, A10, A14, A17, A21, A22, A40
K-51	2996	Inkinen & Associates	24,998.00	Personnel search for Land & Property Director recruitment	Edwina Minglana (Education Advocacy Coordinator)	No longer employed by OHA at time of testing	Small Purchase	F01
K-52	3007	WCIT Architecture, Inc.	2,925,752.00	The purpose of this conceptual master plan is to take OHA from the framework plan to the point of being ready to issue an RFP to select a site developer	Allen Kam (Commercial Property Manager)	No longer employed by OHA at time of testing	Competitive Sealed Proposals - RFP	B02, B04, B13, B14, B15
K-53	3010	Hawai'i Community Foundation	330,000.00	Provide scholarship services to assist Native Hawaiians for academic year 2015-2016 in furtherance of OHA's strategic result	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A14, A17, A21, A40
K-54	3019	McCorriston Mukai Miller MacKinnon LLP	150,000.00	OHA's designated insurance defense counsel	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): INSURANCE APPOINTED DEFENSE COUNSEL	E01, E05, E38, E39, E40, E45, E56
K-55	3022	Stryker, Weiner & Yokota Public Relations, Inc.	293,969.24	Provide research services to developing uniform communications and messaging highlighting OHA	Kamana'opono Crabbe (CEO)	Last day with OHA was June 30, 2019	Professional Services	C01, C03, C04, C07, C10, C24, C25
K-56	3025	Reed Smith LLP	200,000.00	Provide legal services regarding native Hawaiians	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services	C01 to C04, C07, C08, C10, C26 to C30
K-57	3026	Akamai Foundation	2,598,000.00	To facilitate an election of delegates, election and referendum monitoring, a governance 'Aha, and a referendum to ratify any recommendation of the delegates arising out of the 'Aha	Sarah Antone (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A08, A10, A14, A21, A40, A42

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K-58	3031	Peninsula Real Estate Partners LLC	90,000.00	Provide analysis of financial and budgetary data	Hulu Lindsey (BOT Member)	Current - Interview not needed	Professional Services	C01 to C04, C07, C10, C31
K-59	3032	Hawaii Housing Finance Development Corporation	24,500.00	Cooperative Purchasing Agreement for 2015 Hawaii Housing Planning Study	Deja Ostrowski	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 103D-102(b)(2)(G)	E01, E05, E22, E41, E53
K-60	3036	Helping Hands Hawaii	1,660,000.00	Provide asset incentives, financial literacy, and multiservice referrals for Native Hawaiians	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Competitive Sealed Proposals - RFP (TAP 2015-04)	B02, B04, B06, B13
K-61	3039	Parents and Children Together	523,000.00	To implement the Ready to Work and Career Support Services project which will provide outreach and recruitment, intake and assessment, Competency Based Diploma preparation classes, employment training and placement, career service planning and ongoing case management to Native Hawaiians on O'ahu, in furtherance of OHA's Ho'okahua Waiwai (Economic Self-Sufficiency) Strategic Result	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A17, A21, A22, A29
K-62	3041	The Queen's Medical Center	380,000.00	The purpose of the Hana Ola Project is to implement a culturally relevant, community-based program based on health and nutrition education, and physical activity to reduce the incidence and severity of obesity among Native Hawaiians, in order to improve their overall well-being, and reduce the burden of cardiovascular disease risk factors	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A07, A14, A21, A22, A27, A29
K-63	3043	Ka Honua Momona International	200,000.00	Return momona (health and abundance) to the land and people of Molokai through the community-based restoration of two ancient Hawaiian fishponds	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	Grant (Exempt - 10-17 (e))	A03, A07, A10, A14, A21, A22, A27, A29, A32
K-64	3046	Kōkua Kalihi Family Comprehensive Family Services	201,074.00	Restore the health of the Kalihi 'ahupua'a by promoting cultural practices for kama'āina (residents) and malihini (visitors) to ultimately improve the health of the Māluuawai watershed thereby ensuring its long-term sustainability	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	Grant (Exempt - 10-17 (e))	A03, A07, A14, A17, A20, A21, A22, A27, A29

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K-65	3047	Boys and Girls Club of the Big Island	230,000.00	Strengthen health for Native Hawaiian and other Club members by skillfully instilling healthy lifelong fitness and diet habits in the youth of 5 Boys & Girls Club of the Big Island communities through culturally responsive minds-and-bodies-involved experiential healthy lifestyles education delivered by caring Club mentors	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A07, A14, A21, A27, A29
K-66	3050	Kualapu'u Public Conversion Charter School	270,512.00	Reduce the rate of childhood obesity in students in grades K-6 and empower students and families in making positive health choices through a school-based initiative that integrates physical activity, health and nutrition education, and family engagement with in-school student support and clinical health services	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A07, A14, A21, A27, A29
K-67	3058	Native Hawaiian Legal Corporation	2,097,600.00	Render legal services and provide legal representation to clients in substantive areas	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services (LEG PROVISIO HB 209 H.C. 25.D.2.C.D.1.)	C01, C03, C04, C07, C08 to C10, C16
K-68	3068	University of Hawaii Office of Research Services Maui College CareerLink	350,000.00	Provide intake and assessment, individual service plans, job preparation and financial literacy workshops, high school equivalency completion assistance, education and training scholarships, participant monitoring, and job placement and maintenance assistance and support in Maui County through the CareerLink project, in furtherance of OHA's Ho'okahua Waiwai (Economic Self-Sufficiency)	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A14, A21, A22, A29
K-69	3072	McCorrison Mukai Miller MacKinnon LLP	250,000.00	Defense counsel to represent insureds in litigation and/or employment practices liability matters	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): INSURANCE APPOINTED DEFENSE COUNSEL	E01, E05, E08, E40, E42, E43, E44, E45, E56
K-70	3073	McCorrison Mukai Miller MacKinnon LLP	179,500.00	Initiate a mediated effort to resolve existing disputes between OHA, the State of Hawaii, the University of Hawaii, and any other interested parties admitted to the mediation proceedings	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): INSURANCE APPOINTED DEFENSE COUNSEL	E01, E05, E08, E40, E42, E44, E45, E46, E47, E56

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For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-71	3086	Kanu O Ka 'Āina Learning Ohana on behalf of Na Lei Na'auao	3,000,000.00	Support all seventeen (17) Hawaiian-focused public charter schools (HPCS) to exceed educational standards by increasing the number of students who meet or exceed standard-based reading and math state assessments and are on-track for college and career readiness, through a culturally based education model that perpetuates Hawaiian languages, culture, and traditions	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A07, A10, A14, A21, A37, A39, A40
K-72	3100	Bishop Museum	300,000.00	Licensing to disseminate files, images and providing indexing services	Kale Hannahs (Research Designee)	Interviewed on July 24, 2019	Exempt Contract (Non-Grant): 3-120-4(1)	E01, E05, E16, E22, E48
K-73	3101	Ayda Aukahi Austin Seabury	30,062.50	Transcription and facilitation services	Kealoha Fox	On leave at the time of testing; questions submitted through Phyllis Ono-Evangelista & Raina Gushiken	Exempt Contract (Non-Grant): 3-120-4	E01, E05, E16, E18, E49, E50, E51, E56
K-74	3104	MP Associates	157,550.00	Leadership development training	Lisa Victor (COO)	Questions submitted through Phyllis Ono-Evangelista and Raina Gushiken	Exempt Contract (Non-Grant): 3-120-4(3)	E01, E05, E52, E58
K-75	3110	Raedeen M. Keahiolo LLC	45,000.00	Complete Kukulu Hou Assessment Project	Kealoha Fox	On leave at the time of testing; questions submitted through Phyllis Ono-Evangelista & Raina Gushiken	Exempt Contract (Non-Grant): 3-120-4(1)	E01, E05, E18, E51, E54, E55, E59
K-76	2785	'Aha Kāne - Foundation for the Advancement of Native Hawaiian Males	200,000.00	Bettering the health and well being of families and communities and addressing the issues of Native Hawaiian male leadership and community involvement by focusing on the cultural history and roles of Native Hawaiian men; provide health and wellness screenings for conference participants	Edwina Minglana (Education Advocacy Coordinator)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A02, A03, A06, A07, A13, A14, A15, A16, A19, A21, A37, A38, A39, A40
K-77	2847	Absolute Plus Advisors LLC	\$185,000.00	Provide investment advisory services	Hawley Iona (CFO)	No longer employed by OHA at time of testing	Competitive Sealed Proposals - RFP	B01, B02, B04, B07, B16, B17, B18

Attachment 01

Office of Hawaiian Affairs

List of OHA Contracts

Number of Contracts Tested: 80

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-78	2983	Wai'anae Community Re-Development Corporation	249,811.00	Establish Ho'oulu Lāhui Aloha 'Āina, an opportunity that endows edu-preneurial options and resources for kanaka maoli youth, 'ohana, and community, in the fields of organic, sustainable, and just food systems	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A07, A14, A16, A21, A37, A38, A39, A40
K-79	No Contract #	'Aha Kukui o Molokai	7,566.00	Energizes and educate the Molokai community about what families can do to reduce dependence on fossil fuels by changing to renewables, changing lifestyle and habits, modernize infrastructure, using demand side management, and home and localized generation to increase disposable income by preserving family budget	Not applicable - no contract number	Not applicable - no contract number	Grant (Exempt - 10-17 (e))	A03, A06, A08, A14, A16, A33, A35
K-80	No Contract #	Maui Nui Botanical Gardens, Inc.	9,990.00	Raise awareness and interest for Central Maui Native Hawaiians in Hawaiian cultural practices and natural environment so that they can be stewards of the land and increase their desire to perpetuate Hawaiian culture	Not applicable - no contract number	Not applicable - no contract number	Grant (Exempt - 10-17 (e))	A05, A08, A11, A14, A16, A23, A33, A34, A35

Attachment 02

Attachment 02

Office of Hawaiian Affairs

List of OHA Disbursements

Number of Disbursements Tested: 50

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Check Number	Check Date	Method of Disbursement	Payee/Vendor Name (From OHA General Ledger)	Amount Paid (From OHA General Ledger)	Disbursement Type	CLA Observation Numbers
D-01	20212	01/27/2016	Direct Deposit	RILEY, JAMES KAWIKA	\$ 4,315.06	Disbursement	None
D-02	28535	06/17/2013	Check	SANBORN, DAVID R.	5,000.00	Disbursement	G-08, G19
D-03	25415	11/10/2011	Check	HI'IPAKA	6,472.90	Grant	F01, F04, F06, F10
D-04	25498	11/30/2011	Check	ABW HOLDINGS LLC	150,000.00	Disbursement	G03, G08, G20
D-05	25668	01/03/2012	Check	NAMU'O, CLYDE W.	183,000.00	Disbursement	None
D-06	25698	01/09/2012	Check	MARTIN TSACHEV AND BICKERTON LEE DANG & SULLIVAN	162,500.00	Disbursement	None
D-07	26028	02/28/2012	Check	PPPHI ASSOCIATES LLC	130,049.25	Lease Agreement	I01, I02, I03, I04
D-08	26042	03/05/2012	Check	HI'ILEI ALOHA, LLC	24,700.00	Grant	F02, F05, F06, F10, F14
D-09	26307	04/20/2012	Check	UNIVERSITY OF HAWAII	30,000.00	Grant	F06, F10, F11
D-10	26645	06/26/2012	Check	TITLE GUARANTY OF HAWAII, INC.	108,412.47	Disbursement	G02, G08
D-11	26694	07/09/2012	Check	OFFICE OF HAWAIIAN AFFAIRS	100,000.00	Disbursement	G08
D-12	26750	07/19/2012	Check	FIRST HAWAIIAN BANK	25,318.03	Purchasing Card and Travel	H01, H02, H03, H05, H07, H08, H10
D-13	26865	08/07/2012	Check	HO'OKIPAIPAI, LLC	207,179.00	Disbursement	G08
D-14	29001	09/25/2013	Check	FCH ENTERPRISES, INC.	68,607.31	Disbursement	G08
D-15	27013	08/31/2012	Check	HI'ILEI ALOHA, LLC	200,000.00	Disbursement	G08, G17
D-16	27175	10/04/2012	Check	X-PRESS TEES	2,453.93	Disbursement	None
D-17	27441	11/28/2012	Check	TITLE GUARANTY ESCROW SERVICES, INC.	3,000,000.00	Disbursement	G02, G08, G09
D-18	24736	07/07/2011	Check	INTER PACIFIC MOTORS	34,733.44	Disbursement	G08
D-19	27638	01/03/2013	Check	SUPPORTING THE LANGUAGE OF KAUAI INC.	25,000.00	Grant	F03, F10, F21
D-20	27802	02/01/2013	Check	POSTMASTER	100,000.00	Disbursement	G08, G13
D-21	28279	05/03/2013	Check	HI'ILEI ALOHA, LLC	520,940.00	Disbursement	G08
D-22	28442	05/31/2013	Check	HU'ENA POWER INC	600,000.00	Disbursement	G08, G14, G21

Attachment 02

Office of Hawaiian Affairs

List of OHA Disbursements

Number of Disbursements Tested: 50

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Check Number	Check Date	Method of Disbursement	Payee/Vendor Name (From OHA General Ledger)	Amount Paid (From OHA General Ledger)	Disbursement Type	CLA Observation Numbers
D-23	28593	06/27/2013	Check	FIRST HAWAIIAN BANK	67,146.65	Purchasing Card and Travel	H01, H03, H04, H05, H07, H08, H10
D-24	29531	01/23/2014	Check	MARSH USA INC	190,711.44	Disbursement	G08, G15
D-25	29566	01/30/2014	Check	PACIFIC PARK PLAZA OWNER, LLC	177,601.26	Disbursement	G08, G18
D-26	32032	06/09/2015	Check	TAHITIAN TREE SERVICE, INC.	31,370.00	Disbursement	G08
D-27	29691	02/24/2014	Check	I OLA LAHUI	3,000.00	Disbursement	G08
D-28	32242	07/08/2015	Check	KALIHI-PALAMA CULTURE & ARTS SOCIETY, INC.	30,000.00	Disbursement	G01, G08
D-29	30126	05/14/2014	Check	NATIVE HAWAIIAN EDUCATION ASSOCIATION	20,000.00	Grant	F06, F10, F12
D-30	30149	05/19/2014	Check	SMITHSONIAN/NMAI	25,000.00	Grant	F03, F10, F12, F19, F22
D-31	30190	05/27/2014	Check	NATURE CONSERVANCY, THE	24,999.00	Grant	F03, F9, F10, F15, F16, F17, F20, F23
D-32	30196	05/29/2014	Check	ALOHA FIRST	25,000.00	Grant	F03, F08, F09, F10, F15
D-33	28949	09/09/2013	Check	KALAIMOKU GROUP, LLC, THE	28,115.17	Disbursement	G01, G04, G08, G10, G12, G16 G22
D-34	30921	10/28/2014	Check	HI'ILEI ALOHA, LLC	50,000.00	Disbursement	G08, G23
D-35	31394	02/02/2015	Check	FIRST HAWAIIAN BANK	9,577.09	Purchasing Card and Travel	H01, H03, H07, H08, H09, H10
D-36	32085	06/18/2015	Check	MARIMED FOUNDATION FOR ISLAND HEALTH CARE TRAINING	49,000.00	Disbursement	G01, G08
D-37	32103	06/22/2015	Check	HALE KEALOHA - 'AI PONO CATERING SERVICES LLC	2,495.22	Disbursement	None
D-38	31980	06/01/2015	Check	WINDOWS CATERING COMPANY	24,985.81	Disbursement	G01, G08

Attachment 02

Office of Hawaiian Affairs

List of OHA Disbursements

Number of Disbursements Tested: 50

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Check Number	Check Date	Method of Disbursement	Payee/Vendor Name (From OHA General Ledger)	Amount Paid (From OHA General Ledger)	Disbursement Type	CLA Observation Numbers
D-39	32518	08/27/2015	Check	FIRST HAWAIIAN BANK	37,112.93	Purchasing Card and Travel	H01, H02, H03, H04, H05, H06, H07, H08, H10
D-40	32731	10/14/2015	Check	NATIONAL INDIAN EDUCATION ASSOCIATION	5,000.00	Grant	F07, F09, F10, F18
D-41	33037	12/23/2015	Check	THINK	4,852.09	Disbursement	G05, G08
D-42	33421	03/24/2016	Check	HALE KEALOHA - 'AI PONO CATERING SERVICES LLC	15,000.00	Disbursement	G01, G08
D-43	33539	04/21/2016	Check	EDITH KANAKAOLE FOUNDATION	25,000.00	Grant	F07, F09, F10, F13, F20, F24
D-44	26976	08/27/2012	Check	MAKAHA STUDIOS LLC	20,000.00	Disbursement	G01, G08
D-45	28872	08/23/2013	Check	FIELDS MASONRY	14,250.00	Disbursement	G01, G08
D-46	28173	04/19/2013	Check	KHAN, MARILYN L.	10,000.00	Disbursement	G01, G04, G06, G08, G16
D-47	30659	08/29/2014	Check	KUALOA RANCH HAWAII, INC	9,198.58	Disbursement	G01, G08, G24
D-48	28834	08/14/2013	Check	WET 'N' WILD HAWAII	8,483.33	Disbursement	G01, G07, G08, G25
D-49	11566	06/05/2013	Direct Deposit	HIND, NICOLE M.	6,405.00	Purchasing Card and Travel	None
D-50	32016	06/05/2015	Check	MCCORRISTON, MILLER, MUKAI, MACKINNON	5,541.15	Disbursement	G01, G08, G11

Attachment 03

Attachment 03
Office of Hawaiian Affairs
List of LLC Contracts
Number of Contracts Tested: 30
For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	LLC Name	CLA Observation Numbers
LK-01	InTech	\$ 16,505.23	Provide worry-free Information Technology package	Mona Bernardino	Contracts for Operations - hourly rates	None specified	Hi'ilei Aloha	J01, J02, J03
LK-02	June E. Otow	20,017.93	Training preparation Eight days of Ford Institute Leadership Development Training on Maui	Mona Bernardino	Contracts for capacity building	None specified	Hi'ilei Aloha	J01, J02, J03
LK-03	Pacific Park Plaza Owner LLC	70,398.26	Base rent, (4) parking spots, and operating expense recovery	Mona Bernardino	Contracts for Park Plaza - Base Rent Per Month \$4,116.55 plus operating expenses	None specified	Hi'ilei Aloha	J01, J02, J03
LK-04	Joseph Villa	7,500.00	Grant Data Organization, writing, compliance, and business plan	Mona Bernardino	Contracts for ANA Grant	None specified	Hi'ilei Aloha	J01, J02, J03
LK-05	KM Consulting LLC	10,052.00	Communications plan and grant research	Mona Bernardino	Contracts for Operations	None specified	Hi'ilei Aloha	J01, J02, J03
LK-06	Shoreline Builders, Inc.	122,500.74	Renovation of the visitors center	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	Hi'ipaka	K01, K02, K03, K04, K05
LK-07	Aloha Surf Lifesaving Corp	60,834.23	Lifeguard services	Randall Hoopai	Contracts Life Guard Services - hourly rates	Reinstate Contract	Hi'ipaka	K03, K05
LK-08	SustainPro Management	10,482.96	Grant writing services	Richard Pezzulo	Contracts for Other Contracts -hourly rates	Professional Services	Hi'ipaka	K03, K04, K06, K07, K08
LK-09	Shoreline Builders, Inc.	113,375.11	Proud Peacock restaurant improvements	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	Hi'ipaka	K01, K03, K04, K05, K09, K10, K11
LK-10	NICK industries	115,518.28	Construct bathroom facilities that meet ADA compliance by the waterfall	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	Hi'ipaka	K01, K03, K04, K05
LK-11	Shoreline Builders, Inc.	185,835.87	Construct a pre-fabricated nursery building	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	Hi'ipaka	K01, K03, K04, K05, K12
LK-12	Shoreline Builders, Inc.	18,188.00	Construct new bar, install and remove benches in the Proud Peacock restaurant	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	Hi'ipaka	K03, K04, K05, K13
LK-13	Francis P. Sinenci (dba Hale Ku'hikuhi (HKK))	30,000.00	Kauhele project - supervise and teach the building of eight hale of various functions	K. Diamond	Contracts for Capital Improvement Projects	Sole Source	Hi'ipaka	K14

Attachment 03

Office of Hawaiian Affairs

List of LLC Contracts

Number of Contracts Tested: 30

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	LLC Name	CLA Observation Numbers
LK-14	Island Builders and Construction LLC	524,134.00	Scale and/or stabilize hazardous rocks within Waimea Valley (Unit A- Zone 1)	Richard Pezzulo	Contracts for Capital Improvement Projects	RFP	Hi'ipaka	K01, K03 K04, K05 K15
LK-15	Prometheus Construction	347,300.00	Scale and/or stabilize hazardous rocks within Waimea Valley (Unit B - Zones 2, 3, 4)	Richard Pezzulo	Contracts for Capital Improvement Projects	RFP	Hi'ipaka	K01, K03 K04, K05
LK-16	Lokahi stone Inc.	50,000.00	Diamond polish concrete floor in the Pikaka Pavilion	M. Furshpan	Contracts for Building Improvement	Sole Source	Hi'ipaka	K03, K04, K05, K16, K17
LK-17	Thomas Penna	5,700.00	Produce cultural 3-5 minute video for website, 3-5 minute history video, design of Kauhale signs for lower entrance and 8 hale, and edit Mo'olelo o Kauhale to ensure accuracy of depiction of the valley sites	K. Diamond	Contracts for Other Contracts	Sole Source	Hi'ipaka	K18, K19
LK-18	Office of Hawaiian Affairs	23,225.02	Sublease of Waialua Courthouse property	Maile Furshpan	Contracts for Operations - rents	Service Agreement	Hi'ipaka	K18, K20, K21, K22
LK-19	Mele Apana Productions	30,000.00	Concert promotions - Summer concert series 2016	Richard Pezzulo	Contracts Summer Concert	Professional Services	Hi'ipaka	K18, K21
LK-20	Robin Erb	10,000.00	Graphic design services	Richard Pezzulo	Contracts for Graphic Design	Professional Services	Hi'ipaka	K03
LK-21	Pacific Current Industries LLC	58,770.00	Renovation of restroom in the visitors center	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	Hi'ipaka	K03, K04, K05, K23
LK-22	OutreachSystems.com	9,750.00	Hosting of Client Relationship Management system, including setup and conversion of data from PTAssist, bid match annual subscription, and online training	Jadine Lee	Contracts for Operations	Small or Simplified Purchasing	Ho'okipaipai	None
LK-23	ProService Pacific, LLC	208,724.00	Human Resources outsourcing services	Mona Bernardino	Contracts for Human Resources outsourcing - monthly and per person rates	Non-Competitive	Ho'okipaipai	None

Attachment 03
Office of Hawaiian Affairs
List of LLC Contracts
Number of Contracts Tested: 30
For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	LLC Name	CLA Observation Numbers
LK-24	Thomas Naylor, LLC	16,492.00	Staffing services to include chefs, sous chefs, bartender and wait staff	Richard Pezzulo	Contracts for Catering - hourly rates	Service Agreement	Hi'ipaka	K03, K04, K05, K18, K21
LK-25	Aecom Technical Services, Inc.	292,429.00	Rock-fall mitigation design and limited construction services	Richard Pezzulo	Contracts for Capital Improvement Projects	RFP	Hi'ipaka	K03, K04, K18, K21, K24
LK-26	Peter Hanohano, Jr.	1,960.00	Help co-teach the 4-weekend "leadership development and capacity- building" workshops during February to May on Moloka'i	Mona Bernardino	Contracts for capacity building	None specified	Hi'ilei Aloha	J01, J02, J03, J04, J05
LK-27	SAS Services, LLC	9,900.00	Nonprofit Fund Development - Social Enterprise Training Curriculum (Participant and Trainer Manuals), including agendas, materials, tools, and resource	Mona Bernardino	Contracts for capacity building	None specified	Hi'ilei Aloha	J01, J02, J03, J04, J05
LK-28	Hawaii Alliance for Community-Based Economic Development (HACBED)	10,000.00	Provide capacity building services and assist Haiohuli Hawaiian Homesteaders Association Inc. with feasibility study and business plan for phase 1 of the WHTA Community Center complex	Gigi Curiel	Contracts for capacity building	None specified	Hi'ilei Aloha	J01, J02, J03, J07, J08
LK-29	EAN Services LLC	2,341.00	Car rental services	Mona Bernardino	Car rental - rental rates	None specified	Hi'ilei Aloha	J01, J02, J03, J09, J10, J11, J12
LK-30	Pacific Park Plaza Owner LLC	16,428.00	Sublease agreement for Suite 1430 and Suite 1450 for general office use	Mona Bernardino	Contracts for Operations - rents	Sole Source	Ho'okipaipai	L01

Attachment 04

Attachment 04

Office of Hawaiian Affairs

List of LLC Disbursements

Number of Disbursements Tested: 25

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Check/ Payment Number	Check/ Payment Date	Payee/Vendor Name (From General Ledger)	Amount Paid (From General Ledger)	LLC Name	CLA Observation Numbers
LD-01	002724	07/20/2011	Julie Bernardino	\$ 2,617.80	Hi'ilei Aloha	None
LD-02	003292	07/05/2012	RIM RIM Architects	18,936.12	Hi'ilei Aloha	M07
LD-03	003687	06/24/2013	LEHUA Lehua Poi Company	20,000.00	Hi'ilei Aloha	M01, M03
LD-04	A41114	04/11/2014	HIIPAKA Hiipaka LLC	347,767.00	Hi'ilei Aloha	None
LD-05	004597	09/03/2015	SLK Supporting Language of Kaua'i	60,000.00	Hi'ilei Aloha	M02, M04
LD-06	004863	05/31/2016	JTP Julie T. Percell	6,000.00	Hi'ilei Aloha	None
LD-07	001070	01/18/2012	WORLD World Wide Tours and Travel	3,859.60	Ho'okōpaipai	None
LD-08	001058	01/30/2012	MEOBDC MEO Business Development Cente	22,902.74	Ho'okōpaipai	None
LD-09	001276	02/26/2013	INTECH Integration Technologies Inc	2,010.68	Ho'okōpaipai	None
LD-10	001633	08/24/2015	UH HILO University of Hawaii at Hilo	20,000.00	Ho'okōpaipai	None
LD-11	001701	04/05/2016	HCC Honolulu Country Club	2,000.00	Ho'okōpaipai	None
LD-12	006422	10/04/2011	ALSTON HUNT FLOYD & ING	26,625.95	Hi'ipaka	M08
LD-13	007002	02/28/2012	50TH STATE AIRCONDITIONING AND	63,696.31	Hi'ipaka	None
LD-14	ACH506	05/02/2013	Bankcard	6,236.73	Hi'ipaka	M09
LD-15	011142	02/10/2014	Bankcard	3,325.71	Hi'ipaka	M10
LD-16	A0713	07/13/2015	AMERICAN EXPRESS	14,566.98	Hi'ipaka	None
LD-17	017026	01/19/2016	THE ISLANDER GROUP	3,094.42	Hi'ipaka	None
LD-18	DM 11	02/18/2016	GATOR MOTO UTILITY VEHICLES	21,090.00	Hi'ipaka	None
LD-19	001154	07/06/2011	Franklin Dusenberry	3,000.00	Hi'ipoi	M12
LD-20	001437	03/15/2012	Pural Water Speciality Co., In	16,448.92	Hi'ipoi	None
LD-21	001058	03/14/2013	Supporting the Language of Kau	10,000.00	Hi'ipoi	M06
LD-22	004494	12/27/2012	CDSI Commercial Dehydrator Systems	13,367.00	Hi'ilei Aloha	M05
LD-23	001310	04/03/2013	HALEKOA Hale Koa Hotel	11,263.39	Ho'okōpaipai	None
LD-24	009943	08/26/2013	EDWARDS ENTERPRISES	8,376.96	Hi'ipaka	M10, M11
LD-25	ACH704	06/02/2014	BANK OF HAWAII	5,827.30	Hi'ipaka	M09

Attachment 05

Attachment 05
Office of Hawaiian Affairs
Grant Contracts
Number of Contracts Tested: 39
For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-06	2695	Young of Heart Workshop dba Pu'uhonua Society	\$ 150,000.00	The Hawai'i Kakou mural and community engagement project will bear witness and validate an economy based on an indigenous valuing of place, stewardship, and care of the land/people	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A10, A14, A21, A36, A37, A38, A40
K-07	2717	Project Vision Hawai'i	24,900.00	Provide health screenings, patient information, and educational resources to Native Hawaiians so they can identify and address their chronic disease conditions	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A07, A14, A20, A21, A24, A31
K-08	2719	Neighborhood Place of Puna	24,990.00	The Kamalama Parenting Project will provide Hawaiian value-based parenting classes to Hawaiian families at risk for child abuse and neglect in the Puna district so they can understand how their values relate to their parenting skills, keep their children safe and healthy and stay out of the child protective service system	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A07, A10, A14, A20, A21, A24, A31
K-11	2726	I Ola Lāhui, Inc.	500,000.00	Provide evidence-based health interventions in the area of obesity management that are culturally minded and tailored to treat a broad spectrum of Native Hawaiians so they can achieve a healthy weight and reduce health risks associated with obesity	Edwina Minglana (Education Advocacy Coordinator)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A10, A12, A14, A20, A21, A29, A41

Attachment 05
Office of Hawaiian Affairs
Grant Contracts
Number of Contracts Tested: 39
For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-13	2752	Girls Scouts of Hawai'i	24,500.00	Develop and implement an integrated native Hawaiian and Girl Scouts culture-based leadership training for guests of the Girls Scouts campus at Paumalū so they are responsible stewards of the natural and cultural resources of this ahupua'a and beyond	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A07, A10, A13, A14, A15, A20, A21, A29, A31
K-14	2759	Special Olympics Hawaii, Inc.	24,834.00	Provide much needed health care and sports training to intellectually challenged Native Hawaiians and their families so they can experience activities and lifestyle choices that will improve the quality and longevity of life	Keith Yabusaki (TA Program Manager)	No longer employed by OHA at time of testing	GRANT GA-1	A03, A06, A07, A10, A14, A21, A29, A31
K-15	2761	Lāna'i Culture & Heritage Center	125,000.00	Fund an archeological and cultural survey of the treasured-but-threatened Ka'ā Ahupua'a Lana's landscape	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	GRANT GA-1	A03, A06, A07, A10, A14, A16, A20, A21, A40
K-22	2883	Parents and Children Together	500,000.00	Provide case management services that include outreach, intake, employment training and placement and career service planning	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A22, A29
K-23	2884	Kanu O Ka 'Āina Learning 'Ohana	1,500,000.00	Provide program activities to support seventeen Hawaiian-focused charter schools in providing a free and appropriate public education as chartered for school year 2012-2013	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A37, A38, A40
K-24	2886	Kāko'o 'Ōiwi	268,000.00	Advancing Pae 'Āina Sustainability in He'eia, O'ahu	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A25, A28, A29
K-25	2887	I Ola Lāhui, Inc.	500,000.00	Kūlana Hawai'i Weight Management Program	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A22, A29, A41
K-26	2892	Molokai Habitat for Humanity, Inc.	290,000.00	Molokai Habitat for Humanity Native Hawaiian Housing Program	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A25, A29

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K-27	2898	Goodwill Industries of Hawai'i, Inc.	300,000.00	Employment Core & Career Support Services for Low-Income Native Hawaiians	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A29
K-29	2903	Kōkua Kalihi Valley Comprehensive Family Services	495,335.00	Provide opportunities for keiki to learn to cook local and traditional foods and to prepare and share meals with their families	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A17, A18, A20, A21, A25, A29
K-30	2911	Salvation Army Family Treatment Services	247,645.00	Women's way obesity and physical health improvements in Native Hawaiians	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A16, A21, A26, A29
K-31	2914	Hawaiian Community Assets, Inc.	248,645.00	Building stability in housing projects	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A21, A28, A29, A30
K-32	2918	Waimea Hawaiian Homesteader's Association, Inc.	262,820.00	Farming for the Working Class	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A14, A16, A21, A24, A29
K-33	2922	Keiki O Ka 'Āina Preschool, Inc.	159,839.00	Implement One Board, One Stone, in Every Home program designed to decrease proficiency in the practice of carving papa ku'i'ai and pōhaku ku'i'ai among Native Hawaiians in furtherance of OHA's Strategic Result	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A14, A16, A21, A24, A28, A29
K-38	2949	University of Hawaii Hilo	590,000.00	Provide educational enrichment programs for Native Hawaiian children in grades K through 12 throughout the State	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A10, A14, A16, A21, A37, A38, A40
K-39	2953	Native Hawaiian Education Association	150,000.00	Creating dialogs and action plans from local and international indigenous perspectives to address Native Hawaiian Education	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A01, A03, A06, A07, A14, A16, A21, A40
K-40	2955	University of Hawai'i Office of Research Services	100,000.00	Grant to UH-ORS on behalf of Hawaiiuiakea School of Hawaiian Knowledge to support Ka Papa Loi o Kanewai Cultural Resource Center	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	Grant (Exempt - 10-17 (e))	A03, A06, A10, A14, A16, A21, A22, A40

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K-42	2962	Hawai'i Community Foundation	330,000.00	Carry out the Higher Education Scholarship Program (Hawaii Community Foundation administers one of OHA's Higher Education Scholarship services to Native Hawaiians)	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A14, A21, A40
K-46	2978	Living Life Source Foundation	200,000.00	Grant to Living Life Source Foundation in support of Ho'opono Mamo	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A07, A10, A14, A16, A21, A40
K-48	2981	High Tech Youth Network	180,000.00	Deploy two new High Tech Youth community studios on Kauai to provide a creative environment for youth to work on digitally based projects by linking cultural knowledge and values with technology	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A16, A17, A21, A40
K-50	2994	Department of Labor and Industrial Relations	250,000.00	Prisoner reintegration job training services	Shannon Toriki (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A04, A09, A10, A14, A17, A21, A22, A40
K-53	3010	Hawai'i Community Foundation	330,000.00	Provide scholarship services to assist Native Hawaiians for academic year 2015-2016 in furtherance of OHA's strategic result	Clarita Hironaka (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A10, A14, A17, A21, A40
K-57	3026	Akamai Foundation	2,598,000.00	To facilitate an election of delegates, election and referendum monitoring, a governance 'Aha, and a referendum to ratify any recommendation of the delegates arising out of the 'Aha	Sarah Antone (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A08, A10, A14, A21, A40, A42

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K-61	3039	Parents and Children Together	523,000.00	To implement the Ready to Work and Career Support Services project which will provide outreach and recruitment, intake and assessment, Competency Based Diploma preparation classes, employment training and placement, career service planning and ongoing case management to Native Hawaiians on O'ahu, in furtherance of OHA's Ho'okahua Waiwai (Economic Self-Sufficiency) Strategic Result	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A06, A07, A14, A17, A21, A22, A29
K-62	3041	The Queen's Medical Center	380,000.00	The purpose of the Hana Ola Project is to implement a culturally relevant, community-based program based on health and nutrition education, and physical activity to reduce the incidence and severity of obesity among Native Hawaiians, in order to improve their overall well-being, and reduce the burden of cardiovascular disease risk factors	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A07, A14, A21, A22, A27, A29
K-63	3043	Ka Honua Momona International	200,000.00	Return momona (health and abundance) to the land and people of Molokai through the community-based restoration of two ancient Hawaiian fishponds	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	Grant (Exempt - 10-17 (e))	A03, A07, A10, A14, A21, A22, A27, A29, A32
K-64	3046	Kōkua Kalihi Family Comprehensive Family Services	201,074.00	Restore the health of the Kalihi 'ahupua'a by promoting cultural practices for kama'āina (residents) and malihini (visitors) to ultimately improve the health of the Māluawai watershed thereby ensuring its long-term sustainability	Nancy King (Grants)	Questions submitted through Misti Pali-Oriol	Grant (Exempt - 10-17 (e))	A03, A07, A14, A17, A20, A21, A22, A27, A29

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K-65	3047	Boys and Girls Club of the Big Island	230,000.00	Strengthen health for Native Hawaiian and other Club members by skillfully instilling healthy lifelong fitness and diet habits in the youth of 5 Boys & Girls Club of the Big Island communities through culturally responsive minds-and-bodies-involved experiential healthy lifestyles education delivered by caring Club mentors	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A07, A14, A21, A27, A29
K-66	3050	Kualapu'u Public Conversion Charter School	270,512.00	Reduce the rate of childhood obesity in students in grades K-6 and empower students and families in making positive health choices through a school-based initiative that integrates physical activity, health and nutrition education, and family engagement with in-school student support and clinical health services	Jacee Smith (Grants)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A03, A07, A14, A21, A27, A29
K-68	3068	University of Hawaii Office of Research Services Maui College CareerLink	350,000.00	Provide intake and assessment, individual service plans, job preparation and financial literacy workshops, high school equivalency completion assistance, education and training scholarships, participant monitoring, and job placement and maintenance assistance and support in Maui County through the CareerLink project, in furtherance of OHA's Ho'okahua Waiwai (Economic Self-Sufficiency)	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A06, A14, A21, A22, A29

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K-71	3086	Kanu O Ka 'Āina Learning Ohana on behalf of Na Lei Na'auao	3,000,000.00	Support all seventeen (17) Hawaiian-focused public charter schools (HPCS) to exceed educational standards by increasing the number of students who meet or exceed standard-based reading and math state assessments and are on-track for college and career readiness, through a culturally based education model that perpetuates Hawaiian languages, culture, and traditions	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A07, A10, A14, A21, A37, A39, A40
K-76	2785	'Aha Kāne - Foundation for the Advancement of Native Hawaiian Males	200,000.00	Bettering the health and well being of families and communities and addressing the issues of Native Hawaiian male leadership and community involvement by focusing on the cultural history and roles of Native Hawaiian men; provide health and wellness screenings for conference participants	Edwina Minglana (Education Advocacy Coordinator)	No longer employed by OHA at time of testing	Grant (Exempt - 10-17 (e))	A02, A03, A06, A07, A13, A14, A15, A16, A19, A21, A37, A38, A39, A40
K-78	2983	Wai'anae Community Re-Development Corporation	249,811.00	Establish Ho'oulu Lāhui Aloha 'Āina, an opportunity that endows edu-preneurial options and resources for kanaka maoli youth, 'ohana, and community, in the fields of organic, sustainable, and just food systems	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Grant (Exempt - 10-17 (e))	A03, A07, A14, A16, A21, A37, A38, A39, A40
K-79	No Contract #	'Aha Kukui o Molokai	7,566.00	Energizes and educate the Molokai community about what families can do to reduce dependence on fossil fuels by changing to renewables, changing lifestyle and habits, modernize infrastructure, using demand side management, and home and localized generation to increase disposable income by preserving family budget	Not applicable - no contract number	Not applicable - no contract number	Grant (Exempt - 10-17 (e))	A03, A06, A08, A14, A16, A33, A35

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K-80	No Contract #	Maui Nui Botanical Gardens, Inc.	9,990.00	Raise awareness and interest for Central Maui Native Hawaiians in Hawaiian cultural practices and natural environment so that they can be stewards of the land and increase their desire to perpetuate Hawaiian culture	Not applicable - no contract number	Not applicable - no contract number	Grant (Exempt - 10-17 (e))	A05, A08, A11, A14, A16, A23, A33, A34, A35

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HRS §84: Standards of Conduct																						
HRS § 84-14: Conflicts of Interest																						
[1]	Employees selecting the contractor did not have a financial interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A01	✓
[2]	Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or in any other agency capacity.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HRS § 84-15(a): Contracts																						
[3]	The contract was not with a legislator or employee who has controlling interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[4]	If the contract was with a legislator or employee who has controlling interest, alternative criteria were met.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HRS § 84-15(b): Contracts																						
[5]	The person or the business entering into contract with OHA was not represented by a person employed by OHA in the preceding 2 years.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[6]	If the person or business entering into contract with OHA was represented by a person employed by OHA in the preceding 2 years, the person did not participate in the matter with which the contract is directly concerned.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HRS §10: Office of Hawaiian Affairs																						
HRS §10-17(a): Grants; conditions and qualifications																						
[7]	OHA received an application for the grant.	✓	✓	✓	✓	✓	✓	DM	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	DM	✓
[8-12]	The application met the minimum qualifications detailed in HRS §10-17(a).	✓	✓	✓	✓	✓	✓	DM	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	DM	✓
[13]	The activities of the grant were consistent with HRS §10-17.	✓	✓	✓	✓	✓	✓	DM	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	DM	✓
HRS §10-17(b): Grants; conditions and qualifications																						
[14]	The applicant applied for or received all license and permits, when required to conduct the activities.	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03
[15]	The applicant agreed to comply with federal, state, and county laws.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[16]	The grant was not used for entertainment or perquisites.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[17]	The applicant agreed to comply with federal, state, and county statutes and ordinances, including building code and agency rules.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[18]	The applicant indemnified OHA.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[19]	The applicant procured insurance if requested by OHA.	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06	x, A06
HRS §10-17(c): Grants; conditions and qualifications																						
[20-23]	Based on the grant application, the applicant was an eligible organization as defined by HRS §10-17(c).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[24]	If the applicant was a nonprofit organization:																					
	[a] the governing board members have no material interest and serve without compensation,	✓	x, A07	x, A07	✓	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	N/A	x, A07	N/A
	[b] has bylaws regarding nepotism and conflict of interests, and	✓	x, A07	x, A10	✓	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	N/A	x, A07	N/A
	[c] employs no more than two or more family members.	✓	x, A07	x, A10	✓	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	N/A	x, A07	N/A
[25]	The applicant made all records relating to its operation of the activity available to OHA.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[26]	The applicant satisfied OHA that sufficient funds were available for its operation or the grant activity.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HRS §10-17(d): Grants; conditions and qualifications																						

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[66-72] [78-79]	Every grant shall be: (1) Monitored by the office to ensure compliance with this chapter and the purposes and intent of the grant; and (2) Evaluated annually to determine whether the grant attained the intended results in the manner contemplated.	The monitoring requirements defined under HRS §10-17(d) were tested concurrently with the criteria at [66-72] and [78-79].																				
OHA Fiscal Procedures Manual, revised March 2, 2009																						
2.2.4.1: Grants Review Process																						
[27]	Staff completed the sections for scope of work, compensation/payment and reporting requirements.	x, A10	✓	✓	x, A10	x, A10	x, A10	x, A10	✓	✓	✓	✓	✓	✓	✓	x, A10	✓	x, A10	x, A10	x, A10	✓	x, A10
[28]	No sections of the forms were altered.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[29-31]	The grant was documented and completed on the appropriate form for the type of grant.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[32]	The proof of award was submitted, including the grant award letter, Board minutes, or the approved Administrative Memo.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	DM	DM	✓	DM	✓	✓	✓	✓	✓
[33]	If the award was over \$2,500, the senior staff attorney signed the Procurement Document Checklist (PCL).	✓	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[34]	If the award was over \$2,500, the award was submitted with the Procurement Document Checklist (PCL).	✓	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	DM	DM	DM	✓	DM	✓	✓	✓	✓	✓
2.2.4.3: Review Documentation⁵																						
[35]	A completed Purchase Requisition (PR) was submitted by a Purchase Requisition Representative.	✓	✓	✓	x, A12	x, A13	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[36]	For grants using the OHA Long Contract: [a] an Accounting Checklist was submitted, [b] funds were verified by the Budget Analyst, and [c] funds were certified by the CFO.	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14
[37]	For grants using the OHA Long Contract, a PCL was submitted and signed by a Hale Director.	✓	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[38-41] ^{1,2,3,4}	The legal relationship was documented on the appropriate form for the type of grant.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum Issued February 9, 2010 and revised December 12, 2012, May 19, 2015, October 21, 2015																						
[42-45]	The Purchase Requisition had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	✓	✓	x, A12	x, A13	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OHA Fiscal Procedures Manual, revised March 2, 2009																						
2.2.4.4: Purchase Review Process for Contracts and Grants																						
[46]	For grants over \$2,500 the AP Supervisor approved the Procurement Document Checklist (PCL).	✓	✓	✓	DM	✓	✓	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16	x, A16
[47]	The Budget Analyst verified the availability of funding and correct coding.	✓	✓	✓	✓	x, A13	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[48]	A Purchase Order (PO) was issued by the Treasury and Other Services (TOS) to the preparer.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A17	✓	✓	✓	✓	✓	✓	✓
2.2.7.4: Grants Payment Processing⁶																						
[49]	Payments were processed appropriately based on the type of Grantee Requirements and Grant Monitor Requirements.	✓	✓	✓	✓	✓	✓	✓	DM	DM	✓	✓	✓	✓	x, A18	✓	✓	✓	✓	✓	DM	DM
[50]	The Grant Monitor reviewed and approved the required grant reports within 5 working days.	✓	✓	✓	✓	✓	✓	✓	DM	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	DM
[51]	The Grant Monitor prepared the Contract Payment Request with the grantee invoice.	✓	x, A20	x, A20	x, A20	x, A20	✓	x, A20	✓	✓	✓	✓	✓	✓	x, A20	✓	✓	✓	✓	✓	✓	✓

Attachment 05
Office of Hawaiian Affairs
Grant Contracts
Number of Contracts Tested: 39
For the Period July 1, 2011 to June 30, 2016

CLA Selection/OHA Contract Number		K-06: 2695	K-07: 2717	K-08: 2719	K-11: 2726	K-13: 2752	K-14: 2759	K-15: 2761	K-22: 2883	K-23: 2884	K-24: 2886	K-25: 2887	K-26: 2892	K-27: 2898	K-29: 2903	K-30: 2911	K-31: 2914	K-32: 2918	K-33: 2922	K-38: 2949	K-39: 2953	K-40: 2955
[53]	The Controller approved the Contract Payment Request.	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum																						
<i>Issued February 9, 2010 and revised December 12, 2012, May 19, 2015, October 21, 2015</i>																						
[54-57]	The Request for Payment on Contract had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	x, A20	x, A20	x, A20	x, A20	✓	x, A20	x, A22	✓	✓	x, A22	✓	✓	x, A18, A20	✓	✓	✓	✓	✓	✓	x, A22
OHA Grants Program Standard Operating Procedures, revised July 1, 2015⁷																						
III. Procedures: (A) Community Grants⁸																						
[58 & 60]	The Community Grants application contains all of the required sections and minimum requirements.	N/A	✓	✓	✓	✓	✓	N/A	DM	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A
[59]	The application was received before the deadline.	N/A	x, A24	x, A24	✓	✓	✓	N/A	DM	N/A	x, A25	✓	x, A25	✓	x, A25	x, A26	✓	x, A24	x, A24	N/A	N/A	N/A
[61]	The grant was recommended by Grants Specialists and TAP Manager.	N/A	DM	DM	DM	DM	DM	N/A	DM	N/A	DM	DM	DM	DM	DM	DM	DM	DM	DM	N/A	N/A	N/A
[62]	The grant was reviewed by the CFO and approved by the COO and CFO.	N/A	✓	✓	✓	DM	✓	N/A	✓	N/A	DM	DM	DM	DM	DM	DM	DM	✓	DM	N/A	N/A	N/A
[63]	The grant award was approved by:																					
	[a] the Beneficiary Advocacy and Empowerment (BAE) and Assets and Resource Management (ARM) joint committee	N/A	N/A	N/A	✓	DM	N/A	N/A	✓	N/A	x, A28	DM	DM	DM	DM	DM	x, A28	✓	x, A28	N/A	N/A	N/A
	[b] confirmed at a full BOT meeting.	N/A	N/A	N/A	✓	DM	N/A	N/A	✓	N/A	x, A28	DM	DM	DM	DM	DM	x, A28	✓	x, A28	N/A	N/A	N/A
[64]	The grant agreement includes the required terms and conditions.	N/A	✓	✓	✓	✓	✓	N/A	✓	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
[65]	For multi-year grants, a Purchase Requisition was submitted for each fiscal year to encumber funds.	N/A	✓	N/A	x, A29	x, A29	x, A29	N/A	x, A29	N/A	x, A29	x, A29	x, A29	x, A29	x, A29	x, A29	x, A29	x, A29	x, A29	N/A	N/A	N/A
[66]	The grant file contains the required progress and monitoring reports, including correspondence and payment copies.	DM	DM	DM	✓	✓	✓	✓	DM	DM	✓	✓	DM	✓	✓	✓	x, A30	✓	✓	DM	DM	✓
[67]	The Desktop Monitoring contains the required Progress Activity, Performance Measures, and Expenditures reports.	DM	✓	✓	✓	✓	✓	DM	DM	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	DM	✓
[68]	The Grant Assessment form was approved by the TAP Manager.	DM	x, A31	x, A31	✓	x, A31	x, A31	DM	DM	DM	✓	✓	✓	✓	DM	✓	x, A30	✓	✓	DM	DM	✓
[69]	On-site monitoring was performed on an annual basis.	DM	DM	DM	✓	✓	✓	✓	DM	DM	✓	✓	DM	✓	✓	✓	DM	✓	✓	DM	DM	DM
[71]	The Grant Closeout Report was approved by the TAP Manager.	DM	DM	DM	✓	DM	DM	DM	DM	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	DM	DM
[72]	A grant evaluation was conducted by the Program Improvement Program (PIP).	DM	DM	DM	✓	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM
III. Procedures: (B) Ahahui Grants																						
[73]	The application was received before the deadline.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
[74]	The review committee consisted of a minimum of three individuals who did not have a real or perceived conflict of interest.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
[75]	The grant was recommended by the Grants Specialists and TAP Manager.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
[76]	The grant was reviewed by the CFO and approved by the COO and CFO.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
[77]	The OHA Form GP-1 was signed by the awardee.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
[78]	The final reporting form was completed by the awardee and submitted to OHA within 30 days after the event completion.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
[79]	The OHA Staff Attendance Report form was completed and submitted to the Grants Specialist within 5 business days after the event completion.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
III. Procedures: (D) Kūlia Initiative⁹																						
[84]	The application or funding request includes the required information and supporting documentation for Kūlia Initiative awards.	x, A36, A37, A38	N/A	N/A	N/A	N/A	N/A	DM	N/A	x, A37, A38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, A37, A38	DM	DM
[85]	The Grants Specialist recommended the funding request based on the merit and support of OHA's mission.	DM	N/A	N/A	N/A	N/A	N/A	DM	N/A	DM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	DM	DM	DM

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[86]	The Kūlia Initiative Review Form indicates how the funding request was assessed.	x, A40	N/A	N/A	N/A	N/A	N/A	x, A40	N/A	x, A40	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, A40	x, A40	x, A40
[87]	The funding consideration was approved by the ARM/BAE and BOT as an Action Item.	✓	N/A	N/A	N/A	N/A	N/A	✓	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓
[66-72]	The Kūlia Initiative monitoring and evaluation process follows the Community Grants monitoring process. The on-site monitoring is conducted only as appropriate.	The monitoring and evaluation requirements defined under the OHA Grants Program Standard Operating Procedures were tested concurrently with the criteria at [66] through [72].																				
Other Testing Results																						
[88]	Sufficiency of contract oversight provided appropriately by the assigned contract manager/monitor.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[89]	Deliverables were met by the contractor.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[90]	No fraudulent or wasteful disbursements were made.	✓	✓	✓	x, A41	✓	✓	✓	✓	✓	✓	x, A41	✓	✓	✓	✓	✓	✓	✓	✓	x, A01	✓

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HRS §84: Standards of Conduct																							
HRS § 84-14: Conflicts of Interest																							
[1]	Employees selecting the contractor did not have a financial interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A02	✓	✓	✓	0	2	37	39
[2]	Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or in any other agency capacity.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A02	✓	✓	✓	0	1	38	39
HRS § 84-15(a): Contracts																							
[3]	The contract was not with a legislator or employee who has controlling interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	39	39
[4]	If the contract was with a legislator or employee who has controlling interest, alternative criteria were met.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	39	39
HRS § 84-15(b): Contracts																							
[5]	The person or the business entering into contract with OHA was not represented by a person employed by OHA in the preceding 2 years.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A02	✓	✓	✓	0	1	37	38
[6]	If the person or business entering into contract with OHA was represented by a person employed by OHA in the preceding 2 years, the person did not participate in the matter with which the contract is directly concerned.	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, A02	N/A	N/A	N/A	0	1	38	39
HRS §10: Office of Hawaiian Affairs																							
HRS §10-17(a): Grants; conditions and qualifications																							
[7]	OHA received an application for the grant.	DM	DM	DM	DM	DM	DM	DM	✓	✓	✓	✓	✓	DM	✓	✓	DM	✓	DM	14	0	25	39
[8-12]	The application met the minimum qualifications detailed in HRS §10-17(a).	DM	DM	DM	DM	DM	DM	DM	✓	✓	✓	✓	✓	DM	✓	✓	DM	✓	DM	14	0	25	39
[13]	The activities of the grant were consistent with HRS §10-17.	DM	DM	DM	DM	DM	DM	DM	✓	✓	✓	✓	✓	DM	✓	✓	DM	✓	DM	14	0	25	39
HRS §10-17(b): Grants; conditions and qualifications																							
[14]	The applicant applied for or received all license and permits, when required to conduct the activities.	x, A03	x, A03	x, A03	x, A04	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A03	x, A05	0	39	0	39
[15]	The applicant agreed to comply with federal, state, and county laws.	✓	✓	✓	x, A04	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A05	0	2	37	39
[16]	The grant was not used for entertainment or perquisites.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A05	0	1	38	39
[17]	The applicant agreed to comply with federal, state, and county statutes and ordinances, including building code and agency rules.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A05	0	1	38	39
[18]	The applicant indemnified OHA.	✓	✓	✓	x, A04	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A05	0	2	37	39
[19]	The applicant procured insurance if requested by OHA.	x, A06	✓	x, A06	x, A04	x, A06	x, A06	x, A06	✓	✓	✓	✓	✓	x, A06	✓	x, A06	✓	x, A06	x, A05	0	31	8	39
HRS §10-17(c): Grants; conditions and qualifications																							
[20-23]	Based on the grant application, the applicant was an eligible organization as defined by HRS §10-17(c).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	39	39
[24]	If the applicant was a nonprofit organization:																						
	[a] the governing board members have no material interest and serve without compensation,	x, A07	x, A07	x, A07	N/A	x, A07	x, A08	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	N/A	x, A07	x, A07	x, A07	x, A08	x, A08	0	33	6	39
	[b] has bylaws regarding nepotism and conflict of interests, and	x, A07	x, A07	x, A07	N/A	x, A07	x, A08	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	N/A	x, A07	x, A07	x, A07	x, A08	x, A08	0	33	6	39
	[c] employs no more than two or more family members.	x, A07	x, A07	x, A07	N/A	x, A07	x, A08	x, A07	x, A07	x, A07	x, A07	x, A07	x, A07	N/A	x, A07	x, A07	x, A07	x, A08	x, A08	0	33	6	39
[25]	The applicant made all records relating to its operation of the activity available to OHA.	✓	✓	✓	x, A09	✓	x, A08	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A08	x, A08	0	4	35	39
[26]	The applicant satisfied OHA that sufficient funds were available for its operation or the grant activity.	✓	✓	✓	x, A09	✓	x, A08	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A08	x, A08	0	4	35	39
HRS §10-17(d): Grants; conditions and qualifications																							

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[66-72] [78-79]	Every grant shall be: (1) Monitored by the office to ensure compliance with this chapter and the purposes and intent of the grant; and (2) Evaluated annually to determine whether the grant attained the intended results in the manner contemplated.	The monitoring requirements defined under HRS §10-17(d) were tested concurrently with the criteria at [66-72] and [78-79].																						
OHA Fiscal Procedures Manual, revised March 2, 2009																								
2.2.4.1: Grants Review Process																								
[27]	Staff completed the sections for scope of work, compensation/payment and reporting requirements.	x, A10	x, A10	✓	x, A10	x, A10	x, A10	✓	✓	x, A10	✓	✓	✓	✓	x, A10	✓	✓	✓	✓	0	17	22	39	
[28]	No sections of the forms were altered.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	39	39	
[29-31]	The grant was documented and completed on the appropriate form for the type of grant.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A11	0	1	38	39	
[32]	The proof of award was submitted, including the grant award letter, Board minutes, or the approved Administrative Memo.	✓	✓	✓	DM	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	6	0	33	39	
[33]	If the award was over \$2,500, the senior staff attorney signed the Procurement Document Checklist (PCL).	DM	✓	✓	DM	✓	DM	DM	DM	DM	DM	DM	DM	DM	DM	✓	✓	✓	✓	12	0	27	39	
[34]	If the award was over \$2,500, the award was submitted with the Procurement Document Checklist (PCL).	DM	✓	✓	DM	✓	DM	DM	DM	DM	DM	DM	DM	DM	DM	✓	✓	✓	✓	16	0	23	39	
2.2.4.3: Review Documentation⁵																								
[35]	A completed Purchase Requisition (PR) was submitted by a Purchase Requisition Representative.	✓	✓	✓	✓	DM	DM	DM	✓	DM	DM	DM	DM	DM	DM	x, A13	✓	✓	✓	9	3	27	39	
[36]	For grants using the OHA Long Contract: [a] an Accounting Checklist was submitted, [b] funds were verified by the Budget Analyst, and [c] funds were certified by the CFO.	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	x, A14	0	39	0	39	
		✓	✓	✓	✓	DM	DM	DM	✓	DM	DM	DM	DM	DM	DM	x, A15	✓	✓	✓	9	2	28	39	
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	DM	2	0	37	39	
[37]	For grants using the OHA Long Contract, a PCL was submitted and signed by a Hale Director.	DM	✓	✓	DM	✓	DM	DM	DM	DM	DM	DM	DM	DM	DM	✓	✓	N/A	N/A	12	0	27	39	
[38-41] ^{1, 2, 3, 4}	The legal relationship was documented on the appropriate form for the type of grant.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A11	0	1	38	39	
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum Issued February 9, 2010 and revised December 12, 2012, May 19, 2015, October 21, 2015																								
[42-45]	The Purchase Requisition had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	✓	✓	✓	DM	DM	DM	✓	DM	DM	DM	DM	DM	DM	x, A13	✓	✓	✓	9	3	27	39	
OHA Fiscal Procedures Manual, revised March 2, 2009																								
2.2.4.4: Purchase Review Process for Contracts and Grants																								
[46]	For grants over \$2,500 the AP Supervisor approved the Procurement Document Checklist (PCL).	DM	x, A16	x, A16	DM	✓	DM	DM	DM	DM	DM	DM	DM	DM	DM	x, A16	x, A16	x, A16	x, A16	12	21	6	39	
[47]	The Budget Analyst verified the availability of funding and correct coding.	✓	✓	✓	✓	DM	DM	DM	✓	DM	DM	DM	DM	DM	DM	x, A13	✓	✓	✓	9	2	28	39	
[48]	A Purchase Order (PO) was issued by the Treasury and Other Services (TOS) to the preparer.	✓	✓	x, A17	x, A17	x, A17	✓	x, A17	✓	✓	x, A17	✓	✓	✓	✓	✓	✓	DM	DM	2	6	31	39	
2.2.7.4: Grants Payment Processing⁶																								
[49]	Payments were processed appropriately based on the type of Grantee Requirements and Grant Monitor Requirements.	DM	DM	DM	DM	DM	DM	DM	✓	✓	DM	✓	✓	✓	DM	✓	DM	DM	DM	16	1	22	39	
[50]	The Grant Monitor reviewed and approved the required grant reports within 5 working days.	DM	DM	DM	DM	DM	DM	DM	✓	✓	DM	✓	✓	✓	DM	x, A19	DM	DM	DM	16	1	22	39	
[51]	The Grant Monitor prepared the Contract Payment Request with the grantee invoice.	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, A20	✓	✓	✓	✓	✓	✓	N/A	N/A	0	7	32	39	
[53]	The Controller approved the Contract Payment Request.	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	x, A21	N/A	N/A	0	37	2	39
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum																								

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CLA Selection/OHA Contract Number		K-42: 2962	K-46: 2978	K-48: 2981	K-50: 2994	K-53: 3010	K-57: 3026	K-61: 3039	K-62: 3041	K-63: 3043	K-64: 3046	K-65: 3047	K-66: 3050	K-68: 3068	K-71: 3086	K-76: 2785	K-78: 2983	K-79	K-80: AH42.14-24	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested	
<i>Issued February 9, 2010 and revised December 12, 2012, May 19, 2015, October 21, 2015</i>																								
[54-57]	The Request for Payment on Contract had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	✓	✓	x, A22	✓	✓	x, A22	x, A22	x, A22	x, A20, A22	✓	✓	x, A22	✓	✓	✓	✓	x, A23	0	16	23	39	
OHA Grants Program Standard Operating Procedures, revised July 1, 2015⁷																								
III. Procedures: (A) Community Grants⁸																								
[58 & 60]	The Community Grants application contains all of the required sections and minimum requirements.	N/A	N/A	N/A	N/A	N/A	N/A	DM	✓	✓	✓	✓	✓	DM	N/A	N/A	N/A	N/A	N/A	3	0	36	39	
[59]	The application was received before the deadline.	N/A	N/A	N/A	N/A	N/A	N/A	DM	x, A27	x, A27	x, A27	x, A27	x, A27	DM	N/A	N/A	N/A	N/A	N/A	3	13	23	39	
[61]	The grant was recommended by Grants Specialists and TAP Manager.	N/A	N/A	N/A	N/A	N/A	N/A	DM	DM	DM	DM	DM	DM	✓	N/A	N/A	N/A	N/A	N/A	21	0	18	39	
[62]	The grant was reviewed by the CFO and approved by the COO and CFO.	N/A	N/A	N/A	N/A	N/A	N/A	DM	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	10	0	29	39	
[63]	The grant award was approved by: [a] the Beneficiary Advocacy and Empowerment (BAE) and Assets and Resource Management (ARM) joint committee [b] confirmed at a full BOT meeting.	N/A	N/A	N/A	N/A	N/A	N/A	DM	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	7	3	29	39	
[64]	The grant agreement includes the required terms and conditions.	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	0	0	39	39	
[65]	For multi-year grants, a Purchase Requisition was submitted for each fiscal year to encumber funds.	N/A	N/A	N/A	N/A	N/A	N/A	x, A29	x, A29	x, A29	x, A29	x, A29	x, A29	x, A29	N/A	N/A	N/A	N/A	N/A	0	20	19	39	
[66]	The grant file contains the required progress and monitoring reports, including correspondence and payment copies.	DM	DM	DM	DM	DM	DM	DM	✓	✓	DM	✓	✓	✓	DM	DM	DM	N/A	N/A	19	1	19	39	
[67]	The Desktop Monitoring contains the required Progress Activity, Performance Measures, and Expenditures reports.	DM	DM	DM	DM	DM	DM	DM	✓	✓	DM	✓	✓	✓	DM	✓	DM	N/A	N/A	16	0	23	39	
[68]	The Grant Assessment form was approved by the TAP Manager.	DM	DM	DM	DM	DM	DM	DM	✓	✓	DM	✓	✓	✓	DM	✓	DM	N/A	N/A	17	5	17	39	
[69]	On-site monitoring was performed on an annual basis.	DM	✓	DM	DM	DM	DM	DM	✓	✓	DM	✓	✓	✓	DM	DM	DM	N/A	N/A	20	0	19	39	
[71]	The Grant Closeout Report was approved by the TAP Manager.	DM	DM	DM	DM	DM	DM	DM	✓	x, A32	DM	✓	✓	✓	DM	✓	DM	N/A	N/A	21	1	17	39	
[72]	A grant evaluation was conducted by the Program Improvement Program (PIP).	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	N/A	N/A	36	0	3	39	
III. Procedures: (B) 'Ahahui Grants																								
[73]	The application was received before the deadline.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	x, A33	0	1	38	39
[74]	The review committee consisted of a minimum of three individuals who did not have a real or perceived conflict of interest.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, A33	x, A33	0	2	37	39
[75]	The grant was recommended by the Grants Specialists and TAP Manager.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	x, A33	0	1	38	39
[76]	The grant was reviewed by the CFO and approved by the COO and CFO.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	0	0	39	39
[77]	The OHA Form GP-1 was signed by the awardee.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	x, A11	0	1	38	39
[78]	The final reporting form was completed by the awardee and submitted to OHA within 30 days after the event completion.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	x, A34	0	1	38	39
[79]	The OHA Staff Attendance Report form was completed and submitted to the Grants Specialist within 5 business days after the event completion.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, A35	x, A35	0	2	37	39
III. Procedures: (D) Kūlia Initiative⁹																								
[84]	The application or funding request includes the required information and supporting documentation for Kūlia Initiative awards.	DM	DM	DM	DM	DM	DM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, A37, A39	x, A37, A38, A39	x, A37, A38, A39	N/A	N/A	9	6	24	39	
[85]	The Grants Specialist recommended the funding request based on the merit and support of OHA's mission.	DM	DM	DM	DM	DM	DM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	DM	DM	DM	N/A	N/A	15	0	24	39	
[86]	The Kūlia Initiative Review Form indicates how the funding request was assessed.	x, A40	x, A40	x, A40	x, A40	x, A40	x, A40	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, A40	x, A40	x, A40	N/A	N/A	0	15	24	39	
[87]	The funding consideration was approved by the ARM/BAE and BOT as an Action Item.	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	N/A	N/A	0	0	39	39	

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[66-72]	The Kūlia Initiative monitoring and evaluation process follows the Community Grants monitoring process. The on-site monitoring is conducted only as appropriate.	The monitoring and evaluation requirements defined under the OHA Grants Program Standard Operating Procedures were tested concurrently with the criteria at [66] through [72].																					
Other Testing Results																							
[88]	Sufficiency of contract oversight provided appropriately by the assigned contract manager/monitor.	✓	✓	✓	✓	✓	x, A42	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	1	38	39
[89]	Deliverables were met by the contractor.	✓	✓	✓	✓	✓	x, A42	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	1	38	39
[90]	No fraudulent or wasteful disbursements were made.	✓	✓	✓	✓	✓	x, A42	✓	✓	✓	✓	✓	✓	✓	✓	x, A02	✓	✓	✓	0	5	34	39

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1	Grant Agreement Form GA-1 is used for Kaiaulu grants up to \$100,000, CBED grants up to \$50,000, and Kauhale grants up to \$24,999.
2	Form CGA-1 is used for University of Hawai'i grants.
3	'Ahahui Agreement Form is used for 'Ahahui grants up to \$10,000.
4	Small Governance Award Letter is used for Hawaiian Governance grants.
5	The testing of criteria [36] and [39] also satisfied the requirements of the Fiscal Procedures Manual, Section 2.2.6: Grants Contract Funding Certification.
6	Criterion [52] was tested concurrently with the Operational Authority Delegation Hierarchy.
7	The Grants Program Standard Operating Procedures are applicable only to grants awarded after July 1, 2015.
8	Criterion [70] is excluded as it was used by CLA to document information pertaining to the process of reviewing the On-Site Monitoring Report. CLA determined this criterion is not necessary to report the final results of testing.
9	Criteria [80] through [83] were applicable to Sponsorships. Sponsorships were tested as disbursements.

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Documents Missing - OHA could not locate document(s) to provide to CLA
N/A	Not Applicable
A01	A \$150,000 Kūlia Initiative grant was awarded to the Native Hawaiian Education Association (NHEA) to sponsor the World Indigenous People's Conference on Education (WiPC:E) held May 19 to May 25, 2014 at Kapi'olani Community College. The sub-recipient of this grant, WiPC:E, engaged the former OHA CEO to be a keynote speaker at the event. NHEA did not disclose in its application that the former OHA CEO was a keynote speaker. NHEA also submitted a budget that lacked specific details on how the award funds were to be spent and did not specify whether the keynote speakers were compensated or received complimentary travel accommodations or meals. CLA could not determine if the former OHA CEO received compensation for the speech, was provided complimentary travel accommodations or meals, or if there was any possible financial benefit received.
A02	This grant was awarded to an organization that was founded by the former OHA CEO. The grantee, 'Aha Kāne, was founded by the former OHA CEO before he was employed at OHA. In 2012, 'Aha Kāne received an award of \$200,000 to convene a gathering of Native Hawaiian men for leadership and community involvement instruction. At the time, documentation shows the former CEO was serving as an Advisory Chair to the grantee recipient. This information was not documented in the grant or disclosed in the grant application.
A03	The grant proposal, agreement, and review documentation do not contain enough information to answer a key requirement outlined in HRS 10-17, including information necessary for the awarding of the grant (HRS 10-17(b)). Specifically, there is not enough information to determine if OHA verified the applicant applied for or received all applicable licenses and permits, when such is required to conduct the activities or provide the services for which the grant is awarded.

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A04	The grant proposal, agreement, and review documentation do not contain enough information to answer a key requirement outlined in HRS 10-17, including information necessary for the awarding of the grant (HRS 10-17(b)). Specifically, there is not enough information to determine if: (1) the applicant applied for or received all applicable licenses and permits, when such is required to conduct the activities or provide the services for which the grant is awarded;...(3) the grant shall not be used for purposes of entertainment or perquisites; (4) all activities and improvements undertaken with funds received shall comply with all applicable federal, state, and county statutes and ordinances, including applicable building codes and agency rules; and (5) the applicant will indemnify and hold harmless the office, the State of Hawaii, its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided hereunder, and procure sufficient insurance to provide this indemnification if requested to do so by the office.
A05	The grant award was not documented on an OHA contract or agreement form. Therefore, none of the minimum requirements under HRS §10-17 were met when the grant was awarded.
A06	The grant proposal, agreement, and review documentation do not contain enough information to answer a key requirement outlined in HRS 10-17, including information necessary for the awarding of the grant (HRS 10-17(b)). Specifically, there is not enough information to determine if OHA verified the applicant procured sufficient insurance to provide indemnification, if requested to do so by OHA.
A07	The grant proposal, agreement, and review documentation do not contain enough information to answer a key requirement as outlined in HRS 10-17, including information necessary for the applicant to receive the grant (HRS 10-17(c)). Specifically, there is not enough information to determine if the nonprofit organization governing body's members do not have a material interest and serve without compensation, has bylaws or policies that describe the manner in which business is conducted and policies relating to nepotism and management of potential conflict of interest situations, and employs or contracts with no more than two or more members of a family or kin of the first or second degree of consanguinity unless specifically permitted by OHA.
A08	The grant proposal, agreement, and review documentation do not contain enough information to answer a key requirement outlined in HRS 10-17, including information necessary for the applicant to receive the grant (HRS 10-17(c)). Specifically, there is not enough information to determine if (1) the nonprofit organization governing body's members do not have a material interest and serve without compensation, has bylaws or policies that describe the manner in which business is conducted and policies relating to nepotism and management of potential conflict of interest situations, and employs or contracts with no more than two or more members of a family or kin of the first or second degree of consanguinity unless specifically permitted by the office; (2) agree to make available to the office all records the applicant may have relating to the operation of the applicant's activity, business, or enterprise, to allow the office to monitor the applicant's compliance with the purpose of this chapter; and (3) establish, to the satisfaction of the office, that sufficient funds are available for the effective operation of the activity, business, or enterprise for the purpose for which the grant is awarded.
A09	The grant proposal, agreement, and review documentation do not contain enough information to answer a key requirement outlined in HRS 10-17, including information necessary for the applicant to receive the grant (HRS 10-17(c)). Specifically, there is not enough information to determine if the grant recipient: (1) agreed to make available to the office all records the applicant may have relating to the operation of the applicant's activity, business, or enterprise, to allow the office to monitor the applicant's compliance with the purpose of this chapter; and (2) establish, to the satisfaction of the office, that sufficient funds are available for the effective operation of the activity, business, or enterprise for the purpose for which the grant is awarded.
A10	The grant contract, on either the OHA Long Contract GA-1 or Grant Agreement CGA-1, was approved and finalized (by the appropriate authority following the Operational Authority Delegation Hierarchy) after the Time of Performance commenced.
A11	The 'Ahahui grant award was not documented on an 'Ahahui form GP-1. Therefore, none of the minimum requirements under OHA's Fiscal Procedures Manual section 2.2.4.1 were met when the grant was awarded.
A12	The grant file does not contain all of the Purchase Requisition forms equal to the amount awarded.
A13	The grant file does not contain all of the pages of the Purchase Requisition (PR) so there is no documentation of who approved the PR.

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A14	An Accounting Checklist was not included with the supporting documentation. According to OHA's Controller, the Accounting Checklist has not been used in a long time. The Accounting Checklist was used when purchasing was part of the accounting department, and there was a separate checklist for each group (accounting and procurement). Instead, OHA uses the Procurement Document Checklist (PCL) and Purchase Requisition (PR) to document the availability of funds was verified by the Budget Analyst. The CFO performs the certification of funds on the Purchase Order (PO). The Controller also confirmed only the Budget Analyst verifies the availability of funds when the purchase is above the required threshold, which is indicated in the Operational Authority Delegation Hierarchy.
A15	The grant is missing documentation that the Budget Analyst verified the availability of funding, correct coding was used, or installment payments coincided with the contract language.
A16	According to OHA's Controller, the AP Supervisor's approval of the Procurement Document Checklist (PCL) is not a control that OHA has utilized in her tenure and is not documented on the PCL. Instead, the PCL is forwarded to the Senior Staff Attorney for approval. Therefore, this step is conducted as a process and not a control.
A17	The final payment was not submitted with a Request to Close a Purchase Order and there is a partial amount that is not reconciled back to the original award amount.
A18	The amount recommended for Final Payment does not agree with the amount actually paid per the OHA Check Register. The Final Payment Amount recommended is \$74,834.57, but the amount per the OHA Check Register is \$78,284.57. OHA's explanation for the difference is that "it appears that the grantee submitted a late invoice for \$3,450 for graphic design cost that the grant monitor approved payment for"; however, CLA did not receive any documentation of the late invoice.
A19	The Final Progress Report (the only report required by the contract) was received on August 24, 2012, which was after the contract deadline in the contract. The contract deadline was August 15, 2012.
A20	The grant file does not contain all of the Request for Payment on Contract forms equal to the amount disbursed on the check register and/or all of the Grantee Invoices that match the Request for Payment on Contract forms.
A21	There is no evidence that the Controller approved the Request for Payment on Contract; however, on the form, there are only places for the Program Manager, LOB Director, Other Authority, BOT Chairperson, and CEO's approval signature. All of the appropriate approvals on the form are complete and appear to be sufficient evidence that there was appropriate oversight of the disbursement process. Therefore, the Controller's approval, as required by the OHA Fiscal Procedure Manual, updated March 2, 2009, Section 2.2.7.4 Grants Payment Process, does not appear to have been based on the procedures in place at the time of the contract payment.
A22	The Request for Payment on Contract was not approved by the Resource Management LOB Director but instead by OHA's former controller on her behalf. The Operational Authority Delegation Hierarchy in effect at the time of the disbursement requires the LOB Director approve the payment request. In addition, there was no documentation of an Out of Office Delegation memo delegating the LOB Director's authority to the former Controller.
A23	The Request for Check Issuance form was approved, signed, and dated by the LOB Manager before the Procurement Document Checklist (PCL) was approved, signed, and dated by the Senior Staff Attorney.
A24	There is no indication or marking on the original application of the date the application was received.
A25	The original grant application was received after the solicitation deadline.
A26	The grant application was signed and dated by the grantee after the deadline for the OHA solicitation, which indicates the grant application was not submitted before the deadline.
A27	The grant application was submitted to OHA in a digital format and there is no indication of the date the application was received.
A28	There is no evidence that the BOT approved the Community Grant. The BOT Action Item does not contain the Attachment A - OHA FY 2014-15 Community Grant Recommendations Matrix, which lists the 30 Fiscal Biennium 2014-15 Community Grant recommendations for funding.

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A29	The grant file does not contain all of the Purchase Requisitions (PR) for each year that the grantee received funding. Either the Grants Specialist did not complete some or all of Purchase Requisitions in a multi-year grant award or the documentation is not present in the file. Multi-year grants require a PR be submitted to encumber each fiscal year's funds.
A30	The grant file does not contain all the Grant Assessment Forms for the Payment Requests.
A31	The Grant Assessment Form is not signed by the Community Relations Specialist.
A32	The Grant Closeout Report was not signed by the Transitional Assistance Program Manager.
A33	There is not enough information within the 'Ahahui grant application cover sheet or grant file to determine if the application was received before the submittal deadline, the review committee met the minimum requirements, or the review committee finalized the recommendation.
A34	The awardee completed a final reporting form but did not submit it to OHA within 30 days after the event completion. The form was received 32 days after the event was completed.
A35	The Community Engagement Staff did not complete the OHA Staff Attendance Report Form and submit it to the Grants Specialist within 5 business days of the event completion.
A36	On September 23, 2011, a \$150,000 Kūlia Initiative grant was awarded to Young of Heart Workshop to create the Hawai'i Kakou mural and community engagement program. The grant did not disclose in the grant documents that the grantee had a prior business relationship with OHA. CLA discovered during the course of testing OHA disbursements that in December 2009, OHA signed a lease guaranty for \$150,000 on behalf of Mana Hawaii The Spirit Of Hawaii Nei, LLC, a company whose managing partner later applied for an OHA grant. In November 2011, Mana Hawaii The Spirit Of Hawaii Nei, LLC defaulted on its lease and OHA was required to pay the \$150,000 to the lessor, ABW Holdings, LLC. The Executive Director of the grantee, Young of Heart Workshop dba Pu'uohonua Society, was the same person as the LLC's managing partner. The prior business relationship was not disclosed in the grant application, nor is there any documentation by the OHA grant monitor during the grant's time of performance that OHA had to cover the lease guaranty.
A37	The Kūlia (BOT) Initiative grant application does not contain language explaining why the request is not made through a Community Grants Program process.
A38	The Kūlia (BOT) Initiative grant application is missing a copy of the Certificate of Vendor Compliance.
A39	The Kūlia (BOT) Initiative grant application is missing a copy of the IRS letter of determination.
A40	The Kūlia (BOT) Initiative grant was not assessed using the Kūlia Initiative Review Form. OHA assessed the Kūlia Initiative using the OHA Progress Report, Expenditure, and Final Report forms.

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HRS §103D-303 Competitive Sealed Proposals (RFP)

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-04	2688	ALU LIKE, INC.	\$ 830,000.00	Contractor to operate a state-wide delivery system for the programs set forth: community resource access and assistance, individuals and families asset building, and assets for independence	Denise Iseri-Matsubara (Community Relations Director)	No longer employed by OHA at time of testing	Competitive Sealed Proposals RFP (OHA 11-01)	B-01 to B-06
K-19	2865	Rider Levett Bucknall, LTD	150,000.00	Design of management and development framework for Kaka'ako Makai land parcels	Aedward Los Banos (COO)	No longer employed by OHA at time of testing	Competitive Sealed Proposals RFP (13-02)	B-01, B-02, B-07, B-08, B-20
K-34	2926	HELPING HANDS HAWAII	1,600,000.00	Provide asset incentives, financial literacy, and multiservice referrals for Native Hawaiians	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Competitive Sealed Proposals RFP	B-01, B-02, B-04, B-06
K-36	2932	THE SYSTEM CENTER, INC.	810,677.34	Provide furniture, fixtures, and equipment for gentry	Kawi Nui Yoon (Land and Property Manager)	No longer employed by OHA at time of testing	Competitive Sealed Proposals RFP (OHA 13-03)	B-01, B-02, B-07, B-09
K-43	2963	Environmental Science International	361,959.00	Perform environmental consulting work in Kaka'ako Makai land parcel	Koa Kulukukui (Corporate Counsel Designee)	No longer employed by OHA at time of testing	Competitive Sealed Proposals RFP	B-01, B-02, B-06, B-07, B-10, B-11
K-45	2976	SPIRE HAWAII LLP	723,380.00	Review budget documents, financial statements, audit reports and other internal and external documents relating to OHA operations, OHA's LLCs, BOT Policies, and other documents requested by BOT Chair	Peter Apo (BOT - ARM Chair)	No longer with OHA at time of testing	Competitive Sealed Proposals RFP	B-01, B-02, B-04, B-06, B-07, B-12

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Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-52	3007	WCIT Architecture, Inc.	2,925,752.00	The purpose of this conceptual master plan is to take OHA from the framework plan to the point of being ready to issue an RFP to select a site developer	Allen Kam (Commercial Property Manager)	No longer employed by OHA at time of testing	Competitive Sealed Proposals RFP	B-02, B-04, B-13, B-14, B-15
K-60	3036	HELPING HANDS HAWAII	1,660,000.00	Provide asset incentives, financial literacy, and multiservice referrals for Native Hawaiians	Misti Pali-Oriol (Grants)	Interviewed on June 5, 2019 & July 23, 2019	Competitive Sealed Proposals RFP (TAP 2015-04)	B-02, B-04, B-06, B-13
K-77	2847	Absolute Plus Advisors	\$185,000.00	Provide investment advisory services	Hawley Iona (CFO)	No longer employed by OHA at time of testing	Competitive Sealed Proposals RFP	B-01, B-02, B-04, B-07, B-16, B-17, B-18

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Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number / OHA Contract Number		K-04: 2688	K-19: 2865	K-34: 2926	K-36: 2932	K-43: 2963	K-45: 2976	K-52: 3007	K-60: 3036	K-77: 2847	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
HRS §84: Standards of Conduct														
HRS § 84-14: Conflicts of Interest														
[1]	Employees selecting the contractor did not have a financial interest.	DM	✓	DM	✓	✓	✓	✓	DM	DM	4	0	5	9
[2]	Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or any other agency capacity.	DM	✓	DM	✓	✓	✓	✓	DM	DM	4	0	5	9
HRS § 84-15: Contracts														
[3]	The contract was not with a legislator or employee who has controlling interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
[4]	If the contract was with a legislator or employee who has controlling interest, alternative criteria were met.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
[5]	The person or business entering into contract with OHA was not represented by a person employed by OHA in the preceding 2 years.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
[6]	If the person or business entering into contract with OHA was represented by a person employed by OHA in the preceding 2 years, the person employed by OHA did not participate in the matter with which the contract is directly concerned.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
HRS §103D: Hawaii Public Procurement Code														
HRS §103D-101(a): Application of this chapter														
[7]	No evidence was observed of OHA employee(s) not acting as a fiduciary of public funds.	✓	✓	DM	✓	DM	✓	✓	✓	DM	3	0	6	9
[8]	No evidence was observed of OHA employee(s) not remaining independent of bidder, offeror, contractor, or business.	✓	✓	DM	✓	DM	✓	✓	✓	DM	3	0	6	9
[9]	No evidence was observed of OHA employee(s) not acting only in the public interest.	✓	✓	DM	✓	DM	✓	✓	✓	DM	3	0	6	9
[10]	No evidence was observed of disobedience to statutes and administrative rules relating to public procurement.	DM	✓	DM	✓	DM	✓	✓	DM	DM	5	0	4	9
[11]	No evidence was observed of inefficiencies in the public procurement process.	✓	✓	DM	✓	DM	✓	✓	✓	DM	3	0	6	9
[12]	No evidence was observed of persons not afforded an equal opportunity to compete in a fair environment.	DM	✓	DM	✓	DM	✓	✓	DM	DM	5	0	4	9

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HRS §103D-303 Competitive Sealed Proposals (RFP)

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number / OHA Contract Number		K-04: 2688	K-19: 2865	K-34: 2926	K-36: 2932	K-43: 2963	K-45: 2976	K-52: 3007	K-60: 3036	K-77: 2847	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[13]	No evidence was observed of intent or appearance of unethical behavior.	✓	✓	DM	✓	DM	✓	✓	✓	DM	3	0	6	9
[14]	No evidence was observed of social interactions with actual/prospective bidder.	✓	✓	DM	✓	DM	✓	✓	✓	DM	3	0	6	9
[15]	No evidence was observed of a failure to maintain confidentiality in a manner that ensures a fair procurement process.	DM	✓	DM	✓	DM	✓	✓	DM	DM	5	0	4	9
[16]	No evidence was observed of a failure to remain impartial in dealings with actual or prospective bidders, offeror, contractor, business, or interested parties.	✓	✓	DM	✓	DM	✓	✓	✓	DM	3	0	6	9
HRS §103D-101(b) & (c): Application of this chapter														
[17]	No evidence was observed of a failure to identify and eliminate conflict of interests for this contract.	✓	✓	DM	✓	DM	✓	✓	✓	DM	3	0	6	9
[18]	No evidence was observed that any party involved in the negotiation, performance, or administration of this contract did not act in good faith.	✓	✓	DM	✓	DM	✓	✓	✓	DM	3	0	6	9
HRS §103D-303 Competitive Sealed Proposals¹														
[19]	Request for Proposal (RFP) was issued with proper adherence to HRS §103D-302(c).	✓	✓	DM	✓	✓	✓	✓	✓	DM	2	0	7	9
[21]	The number of days between the public notice of the invitation for bids and the opening of bids was reasonable.	✓	✓	DM	✓	✓	✓	✓	✓	DM	2	0	7	9
[22]	The form of the RFP notice was in accordance with board Policy.	✓	✓	DM	✓	✓	✓	✓	✓	DM	2	0	7	9
[23]	The manner in which the RFP notice was published was in accordance with OHA board policy.	DM	✓	DM	✓	DM	DM	✓	DM	DM	6	0	3	9
[24]	Proposals were opened in a manner that ensured no proposal materials were unfairly disclosed to competing offerors.	DM	✓	DM	✓	DM	DM	✓	DM	DM	6	0	3	9
[25]	A register of proposals was prepared and made available for public review.	DM	✓	DM	✓	DM	DM	✓	DM	DM	6	0	3	9
[26]	The RFPs included descriptions of the relative importance of price and any other factors considered in the selection process.	✓	✓	DM	✓	✓	✓	✓	✓	DM	2	0	7	9

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HRS §103D-303 Competitive Sealed Proposals (RFP)

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number / OHA Contract Number		K-04: 2688	K-19: 2865	K-34: 2926	K-36: 2932	K-43: 2963	K-45: 2976	K-52: 3007	K-60: 3036	K-77: 2847	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[27]	The award was made in writing to the most advantageous vendor after considering price and other factors set forth in the RFP and no other factors were considered if they were not in the official RFP.	DM	✓	DM	✓	DM	✓	✓	DM	DM	5	0	4	9
[28]	The design-build method was utilized for construction projects.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
[29]	For construction projects, prequalified offerors were selected prior to submittal of proposals and all offerors were notified of those offerors that had been short-listed.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
[30]	The project was a construction project and the cost was greater than \$1,000,000.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
[31]	For construction projects, the conceptual design fee (if any) was properly disclosed in the request for proposals.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
[32]	A pre-bid conference was held for contracts valued at \$100,000 or more or \$500,000, or more, as applicable.	✓	✓	DM	✓	✓	✓	✓	✓	DM	2	0	7	9
[34]	All potential interested bidders, offerors, subcontractors, and union representatives were invited to attend the pre-bid conference.	✓	✓	DM	✓	✓	✓	✓	✓	DM	2	0	7	9
HRS §103D-309 Contract Not Binding Unless Funds Available														
[35]	The comptroller (CFO) endorsed a certificate that appropriation over and above all outstanding contracts, sufficient to cover the amount required by the contract, was made.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
HRS §103D-312 Fair and Reasonable Pricing Policy - Cost Pricing Data														
[36]	The procurement officer made a written determination of whether a price was fair and reasonable for each contracting action, unless (c) (1) the contract is based on adequate price competition (2) the contract is based on established catalog prices or market prices, (3) the contract price is set by law, or (4) it is determined in writing in accordance with rules adopted by the policy board that the requirements of this section can be waived.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9

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[37]	The procurement officer obtained certified cost of pricing data and other data as necessary to perform a cost analysis to determine a fair and reasonable price, unless (c) (1) the contract is based on adequate price competition (2) contract is based on established catalog prices or market prices, (3) contract price is set by law, or (4) it is determined in writing in accordance with rules adopted by the policy board that the requirements of this section can be waived.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
[38]	The procurement officer obtained from the contractor pricing data and certification that the cost/pricing data submitted was accurate, complete, and current as of a date mutually determined before the award of the contract, or the pricing of any change order, unless (c) (1) the contract is based on adequate price competition (2) the contract is based on established catalog prices or market prices, (3) the contract price is set by law, or (4) it is determined in writing in accordance with rules adopted by the policy board that the requirements of this section can be waived.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
[39]	If a certificate was required for a contract, change order, or contract modification, it contained a provision that the price shall be adjusted to exclude significant sums for an increase due to inaccurate, incomplete, or not current data as of the date agreed.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
HRS §103D-315 Multi-Term Contracts²														
[40]	The terms of the contract and conditions for renewal or extension were included in the solicitation.	✓	✓	DM	✓	✓	✓	✓	✓	DM	2	0	7	9
[42]	For multi-year contracts, it determined in writing that the estimated requirements cover the period and are reasonably firm and continuing.	✓	N/A	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
[43]	For multi-year contracts, it was determined in writing that such contract serves in the best interest of OHA.	✓	N/A	✓	✓	✓	✓	✓	✓	✓	0	0	9	9

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[44]	For multi-year contracts, it was determined in writing that sufficient funds to pay for the initial term of the contract are available and funds necessary for the remaining terms are likely to be available from sources identified in writing.	✓	N/A	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
HRS §103D-323 Bid Security														
[45]	Documentation to show that a bid security bond provided in an amount equal to at least five percent of the amount of the bid was obtained for construction projects.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
HRS §103D-324 Contract Performance and Payment Bonds														
[46]	A performance or payment bond in an amount equal to one hundred percent of the price specified in the contract was obtained, if the contract was over \$25,000 and was for construction.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
P-10: OHA Purchase and Procurement Procedures, revised March 2, 2009														
2.2.1.9.3: Request for Proposal														
[47]	An Administrator made a written determination that a competitive sealed proposal was the more appropriate method.	✓	x, B07	N/A	x, B07	x, B07	x, B07	✓	N/A	x, B07	0	5	4	9
[48]	An Evaluation Committee or Procurement Officer was utilized to conduct the evaluation.	DM	✓	DM	✓	✓	✓	✓	DM	DM	4	0	5	9
[49]	The Procurement Officer prepared the RFP.	✓	✓	DM	✓	✓	✓	✓	✓	DM	2	0	7	9
[50]	The RFP was properly approved by an Administrator and Legal Office.	x, B01	x, B01	x, B01	x, B01	x, B01	x, B01	x, B13	x, B13	x, B01	7	2	0	9
[51]	The RFP was advertised in major newspapers and the OHA website.	DM	✓	DM	✓	DM	DM	✓	DM	DM	6	0	3	9
[52]	Proposals were fully evaluated, and if additional discussion was necessary, a priority list was prepared.	DM	✓	DM	✓	DM	✓	✓	DM	DM	5	0	4	9
2.2.2.1: Purchase Requisition														
[53]	A Hale Director or Deputy Administrator identified the need to create a Purchase Requisition.	✓	✓	✓	✓	✓	✓	✓	✓	x, B16	0	1	8	9
[54]	The Purchase Requisition complied with the OHA Procurement Policy.	✓	✓	✓	✓	✓	✓	✓	✓	x, B16	0	1	8	9
[55]	The Purchase Requisition documented the availability of funds for the procurement.	✓	✓	✓	✓	✓	✓	✓	✓	x, B16	0	1	8	9

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[56]	The Purchase Requisition was approved by the appropriate manager as per the delegation of authority document.	✓	✓	✓	✓	✓	✓	✓	✓	x, B16	0	1	8	9
[57]	A complete Purchase Requisition was submitted by a designated representative for the review process.	✓	✓	✓	✓	✓	✓	✓	✓	x, B16	0	1	8	9
2.2.4: Grants, Procurement, and Contracts Review Process														
[58]	[a] An Accounting Checklist was submitted.	x, B02	x, B02	x, B02	x, B02	x, B02	x, B02	x, B02	x, B02	x, B02	0	9	0	9
	[b] Funds were verified by the Budget Analyst.	✓	✓	✓	✓	✓	✓	✓	✓	x, B16	0	1	8	9
	[c] Funds were certified by the CFO.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
[59]	The CFO certified the availability of funds on the Accounting Checklist.	x, B02	x, B02	x, B02	x, B02	x, B02	x, B02	x, B02	x, B02	x, B02	0	9	0	9
[60]	Unless not required by statute, the contractor submitted a Tax Clearance to OHA prior to executing the Purchase Order.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
[61]	A Procurement Document Checklist was submitted and signed by a Hale Manager.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
[62]	The owner of the business, except for sole proprietorships, charitable organizations, unincorporated associations, and foreign insurance companies, submitted a DCCA Verification showing Proof of Good Standing with the State of Hawaii.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
[63]	The Hale Manager or Grants staff submitted a Standard Long Form Contract for Purchase of Services.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
2.2.4.2: Purchase of Goods and Services Review Process³														
[64]	The standard contract was used for the purchase of services and it included all of the provisions outlined in the Standard Long Form Contract.	x, B03	✓	✓	✓	✓	✓	✓	✓	✓	0	1	8	9
[65]	The senior staff attorney signed the Procurement Document Check List to ensure compliance with State Procurement Laws for purchases of more than \$2,500.	✓	✓	✓	✓	x, B10	✓	✓	✓	✓	0	1	8	9
[66]	The senior staff attorney signed the contract.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9

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[68]	The appropriate signatures were obtained on contract based on the Operational Authority Delegation Hierarchy revised 12/12/12, 5/19/15, and 10/21/15, as applicable.	✓	✓	✓	✓	✓	✓	x, B14	✓	✓	0	1	8	9
[69]	A copy of the Purchase Order was issued to the preparer to indicate the contract encumbrance process was complete.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
2.2.5: Purchase Orders														
[71]	The Purchase Order was reviewed and signed by the Controller or the CFO, as applicable.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
2.2.7.3: Contract Payment Process ^{4,5}														
[72]	The "Request for Contract Payment," was signed by the Hale Director for contracts, or a receipt of goods/services was received.	✓	x, B08	✓	✓	✓	✓	✓	✓	✓	0	1	8	9
[75]	The "Request for Payment on Contract" was reviewed and signed by the Hale Director and Administrator, or Deputy Administrator as, applicable.	✓	x, B08	✓	✓	✓	✓	✓	✓	✓	0	1	8	9
[78]	The payment was approved by the appropriate level based on Operational Authority Delegation Hierarchy revised 12/12/12, 5/19/15, and 10/21/15, as applicable.	✓	x, B08	✓	✓	✓	✓	✓	✓	✓	0	1	8	9
2.2.7.5: Check Issuance														
[79]	The invoice was stamped "Paid" and marked with the check number.	x, B04	x, B08	x, B04	x, B09	x, B11	x, B04	x, B04	x, B04	x, B04	0	9	0	9
Other Testing Results														
[80]	Deliverable was met by the contractor.	x, B05	✓	✓	✓	✓	x, B12	x, B15	DM	x, B17	1	4	4	9
[81]	There was sufficient oversight of project/work by the contract monitor/manager.	x, B06	x, B20	x, B06	✓	x, B06	x, B06	✓	x, B06	x, B18	0	7	2	9
[82]	There was no evidence of fraud, waste, or abuse.	DM	DM	✓	✓	✓	DM	x, B15	DM	x, B17, B18	4	2	3	9

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HRS §103D-303 Competitive Sealed Proposals (RFP)

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For the Period July 1, 2011 to June 30, 2016

Footnotes

1	Criteria [20] and [33] were also tested here but are excluded as it was used by CLA to document information pertaining to the procurement process, such as the number of days between the public notice of the invitation for bids and the opening of the bids; however, this information is not necessary to report the final results of the testing.
2	Criteria [41] was also tested here but is excluded as it was used by CLA to document whether the contract was a multi-year contract. This information is not necessary to report the final results of the testing as it is address within criteria [42].
3	Criteria [67] and [70] were also tested here but are excluded as they were used by CLA to document the name of the individual who approved the Requisition form and the date when the Purchase Requisition was signed; however, this information is not necessary to report the final results of the testing.
4	Criteria [73] and [74] were also tested here but are excluded as they were used by CLA to document the name of the Hale Director, and the date of certification of receipts of goods/services; however, this information is not necessary to report the final results of the testing.
5	Criteria [76] and [77] were also tested here but are excluded as they were used by CLA to document the name of the Hale Director or Administrator (Deputy Administrator); however, this information is not necessary to report the final results of the testing.

Tickmark

✓	Contract complied
×	Contract did not comply
DM	Documents missing - OHA could not locate document(s) to provide to CLA
N/A	Not applicable
B01	The OHA Fiscal Policies Manual states on section 2.2.1.9.3: Request for Proposal that administrator and legal counsel must properly approve the RFP prior to the RFP being published. However, based on the documentation received, it appears that review by legal counsel prior to the RFP being issued was not documented prior to January 2015. Prior to January 2015, the first document that records review by legal counsel is the Procurement Document Checklist which is completed prior to executing the contract but well after the RFP was published. Two contracts tested by CLA that were procured after January 2015 contained a document titled Procurement Solicitation Routing form. This form has a location to document legal counsel's review of RFP.

Attachment 06

Office of Hawaiian Affairs

HRS §103D-303 Competitive Sealed Proposals (RFP)

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

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B02	<p>An Accounting Checklist was not included with the supporting documentation. According to Gloria Li, Controller, the Accounting Checklist has not been used in a long time and the Procurement Document Checklist is used instead. The Accounting Checklist was used back when purchasing was part of the accounting department, and there was a separate checklist for each group (accounting and procurement). Now that procurement is its own department, only the Procurement Document Checklist is used. The availability of funds is verified on the Purchase Requisition by the Budget Analyst. The CFO's certification of funds is documented on the Purchase Order. See criteria [58][b] and [c] for funding verification by the Budget Analyst and certification by the CFO. Although Ms. Li did not recall the approximate dates of when the Accounting Checklist stopped being used, CLA noticed that only one of the selected contracts (K-01) contained this document within its files. The date the Accounting Checklist included in K-01 was signed was 10/5/2009. Based on this evidence it appears that the Accounting Checklist has not been used, likely, since 2009. Nonetheless, the Fiscal Procedures Manual has not been updated for this change.</p>
B03	<p>CLA received the original agreement for this contract; however, an amendment appears to have been executed and CLA was not provided with the contract amendment # 2688.01.</p>
B04	<p>Although the payment process indicates that the invoice will be stamped "Paid" and list the check number; per review of the provided support, the stamp and listing of check number is taking place on the Request for Payment on Contract form.</p>
B05	<p>This contract, including one amendment, totaled \$1,660,000. The contract terms detailed the payments to be contingent on deliverables as follows: 1: \$260,000 payable upon execution of agreement 2: \$200,000 upon approval of first quarterly report, expenditure report, and invoice for the period of 7/1/11-9/30/11 3: \$200,000 upon approval of second quarterly report, expenditure report, and invoice for the period of 10/1/11-12/31/11 4: \$200,000 upon approval of third quarterly report, expenditure report, and invoice for the period of 1/1/12-3/31/12 5: \$70,000 upon approval of fourth quarterly report, expenditure report, and invoice for the period of 4/1/12-6/30/12</p> <p>There were no deliverables provided to CLA for any of the payments made on this contract. Although invoices were located for payments 1 through 4, for payment 5, in addition not being able to locate evidence of deliverables, OHA was also unable to locate the corresponding invoice.</p>
B06	<p>The contract effective date was prior to the contract execution date. Executing a contract after the effective date is not a best business practice and provides indication of deficiencies in the contract oversight.</p>
B07	<p>Per 2.2.1.9.3 of the OHA Policies and Procedures manual, the RFP process must follow the described process: Although the flowchart calls for a written determination by the Administrator that a competitive sealed proposal is the more appropriate method of contracting rather than competitive bidding, the documentation included for this contract does not contain such written determination. Furthermore, the Procurement Documentation Checklist contains a box to be checked for "Copy of CPO or ADM written determination on use of RFP" This box was not checked. Therefore, it appears that a written determination was not included with the documents for this RFP.</p>

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HRS §103D-303 Competitive Sealed Proposals (RFP)

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For the Period July 1, 2011 to June 30, 2016

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B08	There were a total of five \$30,000 payments for this contract, the first payment of \$30,000 was made at the time of contract execution, and four other payments of \$30,000 were all made with one single check on 12/6/2013. However, CLA received only supporting documentation for the first payment. Attached to the supporting documentation for the first payment was a sticky note stating "contract closed - Can't find other payments." Therefore, CLA was unable to review the supporting documentation for a total of \$120,000 paid to this vendor. CLA confirmed with OHA that it was unable to locate the requested documentation. Although the payment information was not located by OHA for the second through last payment, OHA provided CLA with the deliverables for the project.
B09	As explained in observation B02, the stamp and listing of check the number was taking place on the Request for Payment on Contract page. That was the case for three of the four payments made on this contract. However, for the final payment totaling \$262,293.37, which was paid with check # 58223, although the Request for Payment on Contract form had the stamp that normally includes a listing of the check number written in, the check number was not written in on this location. Additionally, there was a note stating "Do not mail, pls, fwd check to Miki."
B10	OHA's Policy and Procedures manual on section 2.2.4.3 indicates that all purchases \$1,000 or more, require the senior staff attorney's signature on the Procurement Document Checklist to ensure compliance with State Procurement Laws. However, the Procurement Document Checklist for this contract was not signed by a senior staff attorney. It was only signed by the procurement officer.
B11	This contract after one amendment totaled \$297,225 and seven payments were made for the period tested by CLA. One of the seven payments for this contract was for two separate charges, one for \$1,365.00 and the other for \$545.45 for a total invoice of \$1,910.45; however, the payment made was for \$545.45 and for \$1,910.45 for a total check of \$2,455.90. An excess \$545.45 payment appears to have been processed for this vendor. This appears to have been an accounting error at the time of entry. Additionally, although the payment process indicates that the invoice will be stamped paid and list the check number, the check number was not listed on the Request for Contract Payment for this payment.
B12	The contract stated that invoices must include a detailed breakdown of contractor's time charges and be accompanied by a verbal or written activity report. Only one of the seven invoices tested by CLA had the required detailed breakdown of the contractor's time charged. The only invoice that included the detailed break down for contractor's charges was the invoice paid with check # 58605 for \$15,892.66. The other six invoices did not contain the detailed breakdown and CLA was not provided with any written reports.
B13	Per 2.2.1.9.3 of the OHA Policies and Procedures manual, the RFP process must follow the described process: However, although a Solicitation Routing form was approved by the program manager, the LOB Director, and the COO, the location for documenting the legal review for the solicitation was left blank, appearing to indicate that Legal Review was not conducted on this solicitation prior to publication. There were only two contracts tested that had the document titled Solicitation Routing Form which intended to document appropriate approvals prior to publication of an RFP. These two contracts were K-52 and 5-60 executed on 12/11/14 and 7/10/15, respectively.

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B14	<p>The Delegation of Authority document in effect for the period in which this contract was executed stated that the CEO is responsible for signing program level contracts and amendments of \$150,001 and higher. The COO is able to sign contracts up to \$150,000. This contract was for over \$150,000, yet the COO signed this contract when the CEO should have signed it. CLA did not receive a memorandum or any other type of documentation recording that the CEO delegated this authority to the COO.</p>
B15	<p>The supporting documentation provided does not include any of the deliverables for the contract. Based on a review of board minutes by CLA, it appears that presentations were made to the board as part of the work for this contract. However, CLA did not identify all board presentations. CLA requested the deliverables provided by the vendor to OHA; however, current OHA employees were not able to provide those deliverables.</p> <p>According to the contract, the purpose of this conceptual master plan was to take OHA from the Framework plan to the point of being ready to issue an RFP to select a site developer. Based on review of the OHA website, it appears that the Kaka'ako Makai parcel conceptual plan was to be completed before the end of 2015 at which time the Environmental Impact Statement would take place in 2015/16, followed by the Permitting in 2016/17, and the development process would have been started by the beginning of 2018. CLA discussed with the Resource Manager & Land Assets Director, Miles Nishijima, on October 16, 2019, whether there was any indication that the deliverable was actually provided to OHA. Mr. Nishijima communicated to CLA that the vendor did provide the deliverables that included an environmental impact report. The vendor took that analysis and prepared a presentation to the Board of Trustees. The analysis was to be incorporated into the design guidelines. The deliverables by the vendor were presented to the Board in closed session and OHA is not able to provide to CLA the deliverables or the minutes of the closed session. CLA will rely on the conversation held with Mr. Nishijima and on the agenda item that lists this closed meeting as evidence that some type of deliverable was provided by the vendor.</p> <p>Mr. Nishijima stated that OHA was very satisfied with the vendor's work and the contract was allowed to expire before all of the work listed in the contract was completed. This was because the delay was on OHA's side. OHA will use the input provided by the work performed by the vendor to complete the work. According to Mr. Nishijima, the target is to complete the design guidelines by the end of 2019.</p>
B16	<p>The contract file did not include a Purchase Requisition for the original contract. The contract file provided to CLA contained three versions of a Purchase Requisition for the contract amendment. The Purchase Requisitions were dated 5/24/13 for \$50,000; 9/6/13 for \$35,000 but then marked for an additional \$50,000; 9/6/13 for \$35,000 without the marking; and second copy of the 9/6/13 \$35,000 PR. Additionally, it included another Purchase Requisition dated 7/22/14 for \$50,000, but marked with pen for \$46,500. Although there were several Purchase Requisitions for the 2013 and the 2014 years, the contract file did not include the purchase request that should have been in place at the time the contract was entered into on 12/31/2012.</p> <p>Because the original Purchase Requisition was not located, CLA is unable to determine whether the availability of funds was verified on the Purchase Requisition by the Budget Analyst the initial contract executed on 12/31/2012. Current OHA employees were not able to locate the original Purchase Requisition and were not able to provide responses to CLA regarding this contract.</p>

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For the Period July 1, 2011 to June 30, 2016

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B17	<p>The contract file did not contain any deliverables. The terms of the contract required invoices to include a detailed breakdown of contractor's time charges attributable to the particular billing period and be accompanied by a verbal and/or written report identifying the activities, tasks, and/or work product completed.</p> <p>Although the contract required the invoices to include a detailed breakdown of contractor's time charges attributable to the particular billing period and to be accompanied by verbal and/or written report identifying the activities, tasks, and/or work product completed. These deliverables were not provided to CLA. CLA inquired with OHA, however, current employees were not able to locate any deliverables or speak to the possibility that the reports that were supposed to accompany the invoices were perhaps provided verbally.</p>
B18	<p>The contract amendment effective date for contract 2847.01 was prior to the contract amendment execution date. The original contract was to be effective 1/1/13 to 12/31/13. The amendment for this contract was not executed until 4/25/14 and it was to be effective retroactive to 1/1/14. Even though the amendment had not been executed, the LOB director (CFO) Hawley Iona, nonetheless approved payments for January and February invoices, on 3/17/14 and for March 2014 invoices on 4/9/14. The contractor continued to invoice OHA after his initial contract had expired in 12/31/13, and the OHA CFO approved these three payments before the amendment was executed on 4/25/14; however, the payment was not prepared until 5/23/14, which is after the contract amendment was executed on 4/29/14.</p> <p>The invoices from this vendor contain listings of expenses relating to his travel to conferences and all associated expenses as part of his out-of-pocket expenses. The invoices include out of pocket expenses for several investment conferences and also includes monthly parking at the Honolulu Club for a number of months. These were expenses that were listed as business expenses; however, no additional charge to OHA was added from these listed expenses, as the contract called for fixed fee monthly payments. The monthly payment was made in the same amount regardless of the hours listed on the invoice and regardless of the out-of-pocket expenses listed on the invoice. The totality of the observations for this contract suggest a greater risk of possible waste, or abuse as the payments made to the vendor were schedule to be fixed rather than based on the number of productive hours of his work that brought benefit to OHA.</p>

Attachment 07

Attachment 07

Office of Hawaiian Affairs

HRS §103D-304 Professional Services Testing

Number of Contracts Tested: 14

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-01	2499	Oahu Publications, Inc.	\$ 508,548.00	Printing of Ka Wai Ola Newsletter	Blaine Fergerstom (Public Information Director / Acting Director of Communications)	No longer employed by OHA at time of testing	Professional Services	C-01 to C-08
K-03	2683	PAPA OLA LOKAHI	160,000.00	Provide support for designing healthy work sites	Esther Kia'aina (Chief Advocate)	No longer employed by OHA at time of testing	Professional Services	C-01, C-03, C-04, C-07 to C-12
K-05	2689	Native Hawaiian Legal Corporation	2,097,600.00	Render legal services and provide legal representation to clients in substantive areas	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services	C-01, C-03, C-04, C-07 to C-10, C-13
K-10	2725	Townscape, Inc.	20,000.00	Advise OHA regarding Kaka'ako Makai	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services	C-01 to C-04, C-07, C-10
K-16	2799	McGregor, Davianna	110,500.00	Support of OHA governance initiatives and other purposes	Breann Nu'uhiiwa (Chief Advocate)	No longer employed by OHA at time of testing	Professional Services	C-01, C-03, C-04, C-07 to C-10, C-14 to C-16
K-17	2828	Mid-Continent Research for Education & Learning dba Mid-Continent Regional Educational Laboratory	99,716.00	Kukulu Hou assesement framework project (Mana Scale) consulting and advisement phase	Kamana'opono Crabbe (CEO)	Unsucessful attempts to interview	Professional Services	C-01, C-03, C-04, C-07 to C-10, C-17

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CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-28	2900	Native Hawaiian Legal Corporation	2,097,600.00	Render legal services and provide legal representation to clients in substantive areas	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services (LEGAL PROVISIO)	C-01 to C-04, C-07, C-08, C-10, C-18
K-35	2931	Oiwi Television Network	1,000,000.00	Producing broadcast media content	Ryan Gonzalez (CE Director / Designee)	No longer employed by OHA at time of testing	Professional Services (STATE PROVISIO)	C-01 to C-04, C-07, C-08, C-10, C-19 to C-21
K-37	2948	McCorriston Mukai Miller Mackinnon LLP	50,000.00	Render legal services as requested by OHA	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services	C-01 to C-04, C-07, C-08, C-10, C-22
K-41	2961	Good Juju Co., The	148,297.00	Produce a 45-60 minute animated educational video relating to the historical facts and events of Hawaii's Monarchy and its overthrow	Alice Silbanuz (Digital Manager)	Interviewed on July 23, 2019	Professional Services	C-01 to C-04, C-07, C-08, C-10, C-23
K-55	3022	Stryker, Weiner & Yokota Public Relations, Inc.	256,000.00	Provide research services to developing uniform communications and messaging highlighting OHA	Kamana'opono Crabbe (CEO)	Last day with OHA was June 30, 2019	Professional Services	C-01, C-03, C-04, C-07, C-10, C-24, C-25
K-56	3025	Reed Smith LLP	200,000.00	Provide legal services regarding native Hawaiians	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services	C-01 to C-04, C-07, C-08, C-10, C-26 to C-30
K-58	3031	Peninsula Real Estate Partners LLC	90,000.00	Provide analysis of financial and budgetary data	Hulu Lindsey (BOT Member)	Current - Interview not needed	Professional Services	C-01 to C-04, C-07, C-10, C-31

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For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-67	3058	Native Hawaiian Legal Corporation	2,097,600.00	Render legal services and provide legal representation to clients in substantive areas	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Professional Services (LEG PROVISIO HB 209 H.C. 25.D.2.C.D.1.)	C-01, C-03, C-04, C-07, C-08 to C-10, C-16

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HRS §103D-304 Professional Services Testing
Number of Contracts Tested: 14
For the Period July 1, 2011 to June 30, 2016

CLA Sample Number / OHA Contract Number	K-01: 2659	K-03: 2683	K-05: 2689	K-10: 2725	K-16: 2799	K-17: 2828	K-28: 2900	K-35: 2931	K-37: 2948	K-41: 2961	K-55: 3022	K-56: 3025	K-58: 3031	K-67: 3058	Contracts with Missing Documents	Contracts with Observations	Contracts without Observations	Total Contracts Tested
HRS §84: Standards of Conduct																		
HRS § 84-14: Conflicts of Interest																		
[1] Employees selecting the contractor did not have a financial interest.	✓	DM	DM	✓	DM	DM	✓	✓	✓	✓	DM	✓	✓	DM	6	0	8	14
[2] Employees selecting the contractor were not engaged by the contractor as legal counsel, advisor, consultant, representative, or other agency capacity.	✓	DM	DM	✓	DM	DM	✓	✓	✓	✓	DM	✓	✓	DM	6	0	8	14
HRS § 84-15 & §84-18: Contracts																		
[3] The contract was not with a legislator or employee who has controlling interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
[4] If the contract was with a legislator or employee who has controlling interest, alternative criteria were met.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	14	14
[5] The person or the business entering into contract with OHA was not represented by a person employed by OHA in the preceding 2 years who was employed by OHA for more than 181 days in the preceding year.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C26	✓	✓	0	1	13	14
[6] If the person or business entering into contract with OHA was represented by a person employed by OHA in the preceding 2 years, the person did not participate in the matter with which the contract is directly concerned.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C26	✓	✓	0	1	13	14
HRS §103D: Hawaii Public Procurement Code																		
HRS §103D-101(a) & (b): Requirements of Ethical Public Procurement																		
[7] No evidence was observed of OHA employee(s) not acting as a fiduciary of public funds.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	1	0	13	14
[8] No evidence was observed of OHA employee(s) not remaining independent of bidder, offer or, contractor, or business.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C27	✓	DM	1	1	12	14
[9] No evidence was observed of OHA employee(s) not acting only in the public interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	DM	1	0	13	14
[10] No evidence was observed of disobedience to statutes and administrative rules relating to public procurement.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C27	✓	DM	1	1	12	14
[11] No evidence was observed of inefficiencies in the public procurement process.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C27	✓	DM	1	1	12	14
[12] No evidence was observed of persons not afforded an equal opportunity to compete in a fair environment.	x, C01	x, C01	x, C01	x, C01	x, C14	x, C01	x, C18	x, C01	x, C01	x, C01	x, C24	x, C27	x, C01	DM	1	13	0	14
[13] No evidence was observed of intent or appearance of unethical behavior.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C27	✓	DM	1	1	12	14
[14] No evidence was observed of social interactions with actual/prospective bidder.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C27	✓	DM	1	1	12	14
[15] No evidence was observed of a failure to maintain confidentiality in a manner that ensures a fair procurement process.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C27	✓	DM	1	1	12	14
[16] No evidence was observed of a failure to remain impartial in dealings with actual or prospective bidders, offeror, contractor, business, or interested parties.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C27	✓	DM	1	1	12	14
HRS §103D-101(c): Requirements of Ethical Behavior																		

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HRS §103D-304 Professional Services Testing

Number of Contracts Tested: 14

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number / OHA Contract Number		K-01: 2659	K-03: 2683	K-05: 2689	K-10: 2725	K-16: 2799	K-17: 2828	K-28: 2900	K-35: 2931	K-37: 2948	K-41: 2961	K-55: 3022	K-56: 3025	K-58: 3031	K-67: 3058	Contracts with Missing Documents	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[17]	No evidence was observed of a failure to identify and eliminate conflict of interests for this contract.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C27	✓	DM	1	1	12	14
[18]	No evidence was observed that any party involved in the negotiation, performance, or administration of this contract did not act in good faith.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C27	✓	DM	1	1	12	14
HRS §103D-304 Procurement of Professional Services																			
[19]	Professional service was procured in accordance with 103D-302 (Competitive Sealed Bidding), 103D-303 (Competitive Sealed Proposal), 103D-305 (Small Purchases and P-Card), 103D-306 (Sole Source Procurement) or 103D-307 (Emergency Procurement), if not in accordance with this section, 103D-304.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	14	14
[20]	Professional engineers, architects, surveyors and landscape architects were procured using this section, 103D-304 (Procurement of Professional Services) or 103D-307 (Emergency Procurement).	N/A	✓	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	14	14
[21]	Contract was awarded on basis of competence/qualifications to provide required services at fair and reasonable prices.	✓	DM	DM	✓	DM	DM	✓	✓	✓	✓	DM	✓	✓	DM	6	0	8	14
[22]	Notices were published before the beginning of each year inviting professional service organizations to submit statements of qualifications and expressions of interest.	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	0	14	0	14
[23]	The selection committee was of sufficient education/training/licensure designated to review the professional service providers.	✓	DM	DM	✓	DM	DM	✓	✓	✓	✓	DM	✓	✓	DM	6	0	8	14
[24]	Steps were taken to ensure the Review Committee members and the Selection Committee members would be impartial and independent in their review of professional service providers.	x, C02	DM	DM	x, C02	DM	DM	x, C02	x, C02	x, C02	x, C02	DM	x, C02	x, C02	DM	6	8	0	14
[25]	The names of individuals designated to the Review Committee were noted in the contract file.	✓	DM	DM	✓	DM	DM	✓	✓	✓	✓	DM	✓	✓	DM	6	0	8	14
[26]	The Selection Committee's selection criteria was employed in descending order of importance by relevant experience, past performance or similar projects, and capacity.	✓	DM	DM	✓	DM	DM	✓	✓	✓	✓	DM	✓	✓	DM	6	0	8	14
[27]	The Selection Committee rankings, as well as a summary of qualifications that make up the ranking, were provided to the head of purchasing.	✓	DM	DM	✓	DM	DM	✓	✓	✓	✓	DM	✓	✓	DM	6	0	8	14
[28]	The contract was awarded to the first-ranked person.	✓	x, C09	x, C09	✓	x, C09	x, C09	✓	✓	✓	✓	x, C24	✓	✓	x, C09	0	6	8	14
[29]	The contract included fair/reasonable terms of compensation considering the scope and complexity of services to be rendered.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
[30]	If other than first-ranked was selected, the documentation that supported selection of the next-ranked person (or other-than-first person) was included with the contract.	✓	x, C09	x, C09	✓	DM	x, C09	✓	✓	✓	✓	x, C24	✓	✓	DM	2	4	8	14
[31]	Contracts in excess of \$5,000 were electronically posted within 7 days after the contract was awarded.	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	0	14	0	14
[32]	The Selection Committee's rankings were included in the posting.	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	0	14	0	14
[33]	The organization receiving the award was included in the posting.	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	0	14	0	14
[34]	The dollar amount of the contract was included in the posting.	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	0	14	0	14

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Number of Contracts Tested: 14
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CLA Sample Number / OHA Contract Number		K-01: 2659	K-03: 2683	K-05: 2689	K-10: 2725	K-16: 2799	K-17: 2828	K-28: 2900	K-35: 2931	K-37: 2948	K-41: 2961	K-55: 3022	K-56: 3025	K-58: 3031	K-67: 3058	Contracts with Missing Documents	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[35]	The name of the designee(s) making the selection was included in the posting.	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	0	14	0	14
[36]	Any existing relationships between the principals of the service provider and the official making the award decision were included in the posting.	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	x, C03	0	14	0	14
[37]	Contracts of less than \$100,000 (\$250,000 for construction projects) were properly reviewed by the head of the purchasing agency, or designee, with at least two persons on the Selection Committee.	N/A	N/A	N/A	DM	N/A	DM	N/A	N/A	DM	N/A	N/A	N/A	N/A	N/A	3	0	11	14
[38]	Contracts that were in excess of \$100,000 were not unnecessarily split or parceled out to allow for this method of contract approval.	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
HRS §103D-315: Multi-Term Contracts¹																			
[39]	The terms of the contract and conditions for renewal or extension were included in the solicitation.	x, C04	x, C04	x, C04	x, C04	x, C04	x, C04	x, C04	x, C04	x, C04	x, C04	x, C04	x, C04	x, C04	x, C04	0	14	0	14
[41]	For multi-year contracts, it was determined in writing that the estimated requirements cover the period and are reasonably firm and continuing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
[42]	For multi-year contracts, it was determined in writing that such contracts serve in the best interest of OHA.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
[43]	For multi-year contracts, it was determined in writing that sufficient funds to pay for the initial term of the contract are available and funds necessary for the remaining terms are likely to be available from sources identified in writing.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
P-10: OHA Purchase and Procurement Procedures, revised June 2008																			
2.2.1.8: Professional Services²																			
[44]	Professional services were solicited no later than May of each year.	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	0	14	0	14
[45]	A procurement notice was issued requesting proposals from the appropriate service providers.	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	0	14	0	14
[46]	Notices were posted on the Procurement Notices System and in major newspapers.	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	x, C01	0	14	0	14
2.2.2.1: Purchase Request																			
[47]	A Hale Director or Deputy Administrator identified the need to create a Purchase Requisition.	✓	✓	✓	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	1	0	13	14
[48]	The Purchase Requisition complied with the OHA Procurement Policy.	✓	✓	✓	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	1	0	13	14
[49]	The Purchase Requisition documented the availability of funds for the procurement.	✓	✓	✓	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	1	0	13	14
[50]	The Purchase Requisition was approved by the appropriate manager as per the delegation of authority document.	✓	✓	✓	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	1	0	13	14
2.2.4: Grants, Procurement, and Contracts Review Process																			
[51]	A complete Purchase Requisition was submitted by a designated representative for the review process.	✓	✓	✓	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	1	0	13	14
[52]	[a] An Accounting Checklist was submitted.	✓	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	0	13	1	14

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[b] Funds were verified by the Budget Analyst.	✓	✓	✓	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	1	0	13	14
[c] Funds were certified by the CFO.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
[53] The CFO certified the availability of funds on the Accounting Checklist.	✓	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	x, C10	0	13	1	14
[54] Unless not required by statute, the contractor submitted a Tax Clearance to OHA prior to executing the Purchase Order.	✓	✓	✓	✓	✓	✓	✓	x, C19	✓	✓	✓	x, C29	✓	✓	0	2	12	14
[55] A Procurement Document Checklist was submitted and signed by a Hale Manager.	✓	✓	✓	✓	x, C15	✓	DM	✓	✓	✓	DM	x, C28	✓	✓	2	2	10	14
[56] The owner of the business (except for sole proprietorships, charitable organizations, unincorporated associations, and foreign insurance companies) submitted a DCCA Verification showing Proof of Good Standing with the State of Hawaii.	✓	✓	✓	✓	✓	✓	✓	x, C19	✓	✓	✓	x, C29	✓	✓	0	2	12	14
[57] The Hale Manager or Grants staff submitted a Standard Long Form Grant Agreement or Contract for Purchase of Services.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
2.2.4.2: Purchase of Goods and Services Review Process³																		
[58] The Standard Long Contract was used for the purchase of services and it included all of the provisions outlined in the Standard Long Form Contract.	x, C05	✓	x, C13	✓	x, C16	✓	✓	x, C20	✓	✓	✓	✓	✓	x, C16	0	5	9	14
[59] The senior staff attorney signed the Procurement Document Check List to ensure compliance with State Procurement Laws for purchases of more than \$2,500.	✓	✓	✓	✓	x, C15	✓	DM	✓	✓	✓	DM	x, C28	✓	✓	2	2	10	14
[60] The senior staff attorney signed the contract.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
[62] The appropriate signatures were obtained on the contract based on Operational Authority Delegation Hierarchy revised 12/12/12, 5/19/15, and 10/21/15, as applicable.	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C23	✓	✓	✓	✓	0	2	12	14
2.2.5.2: Receiving on a Purchase Order⁴																		
[65] The Purchase Order was reviewed and signed by the Controller or the CFO as applicable.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	14	14
[66] The Request for Contract Payment, signed by the Hale Director for contracts, or a receipt of goods/services was received.	x, C06	x, C11	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, C30	✓	✓	0	3	11	14
2.2.7.3: Contract Payment Process⁵																		
[69] The Request for Payment on Contract was reviewed and signed by the Hale Director and Administrator, or Deputy Administrator, as applicable.	x, C06	x, C11	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	2	12	14
[72] The payment was approved by the appropriate level based on Operational Authority Delegation Hierarchy revised 12/12/12, 5/19/15, and 10/21/15, as applicable.	x, C06	x, C11	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	2	12	14
2.2.7.5: Check Issuance																		
[73] The invoice was stamped "Paid" and marked with the check number.	x, C07	x, C07	x, C07	x, C07	x, C07	x, C07	x, C07	x, C07	x, C07	x, C07	x, C07	x, C07	x, C07	x, C07	0	14	0	14
Other Testing Results																		
[74] Deliverable was met by the contractor.	DM	x, C12	✓	✓	✓	x, C17	✓	x, C21	x, C22	✓	✓	✓	✓	✓	1	4	9	14

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[75]	There was sufficient oversight of project/work by the contract monitor/manager.	x, C08	x, C08	x, C08	✓	x, C08	x, C08	x, C08	x, C08	x, C08	x, C08	✓	x, C08	x, C31	x, C08	0	12	2	14
[76]	There was no evidence of fraud, waste, or abuse.	DM	✓	✓	✓	✓	x, C17	✓	✓	✓	✓	x, C25	x, C27	✓	✓	1	3	10	14

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Footnotes

1	Criteria [40] was also tested here but is excluded as it was used by CLA to document whether the contract was a multiyear contract
2	Criteria [23] and [27] were also tested here as part of section 2.2.1.8 Professional Services but are not shown in this section to avoid duplication.
3	Criteria [61], [63] and [64] were also tested here but are excluded as they were used by CLA to document the name of the individual approving the Purchase Requisition and the date of the approval; however, this information is not necessary to report the final results of the testing.
4	Criteria [67] and [68] were also tested here but are excluded as they were used by CLA to document the name of the Hale Director or Administrator (Deputy Administrator) and the date of receipt of services; however, this information is not necessary to report the final results of the testing.
5	Criteria [70] and [71] were also tested here but are excluded as they was used by CLA to document the Hale Director or Administrator (Deputy Administrator) approval and date of approval; however, this information is not necessary to report the final results of the testing.

Tickmarks

✓	Contract complied
x	Contract did not comply
DM	Documents missing - OHA could not locate document(s) to provide to CLA
N/A	Not applicable
C01	HRS §103-304(b) Procurement of Professional Services: requires at a minimum that, before the beginning of each fiscal year, the head of each purchasing agency publish a notice inviting persons engaged in providing professional services which the agency anticipates needing in the next fiscal year to submit current statements of qualifications and expressions of interest to the agency. CLA was unable to confirm that this required step took place; however, there are indicators that in high likelihood the publication took place because of the record of responding professionals. Documentation exists prepared by OHA to provide notice to providers of professional services. This documentation includes annual memorandums to all OHA programs requesting a listing of all the professional services that they anticipate needing in the following year. The memorandums also state that the Notice to Providers of Professional Services will be published in the Honolulu Star and posted on the state Procurement Notices System (PNS) website before the deadline (before the beginning of the new fiscal year). Nonetheless, CLA was unable to review a newspaper clipping or screenshot of the notice posted to the PNS. The Procurement Manager explained that although this process is completed, normally a printout of the published notice is not included in the Professional Services binder for the year.
C02	HRS §103-304(d) requires that in designating the members of the selection committee, the head of the purchasing agency shall ensure the impartiality and independence of committee members. Per review of the supporting documentation provided, CLA did not identify any documentation that the head of the purchasing agency completed this step. The procurement Manager explained that documentation of independence for the review committee and the selection committee members was not consistently done.
C03	HRS §103-304(i) requires that contracts awarded under this HRS section for \$5,000 or more shall be posted electronically within seven days of the contract award by the chief procurement officer or designee and shall remain posted for at least one year. Information to be posted shall include, but not be limited to: the names of the persons submitted under section (g); the name of the person or organization receiving the award; the dollar amount of the contract; the name of the head of the purchasing agency or designee making the selection; and any relationship of the principals to the official making the award. Per discussion with the Procurement Manager, although this step was completed for the contracts selected of testing, a printout was normally not included in the contract file.
C04	HRS §103D-315(a) requires that unless otherwise provided by law, a contract for goods or services may be entered into for any period of time deemed to be in the best interests of the governmental body, provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation. Based on the supporting documentation provided, CLA did not identify the original solicitation, therefore, CLA could not determine whether the terms of the contract and conditions of renewal or extension were included. The Procurement Manager communicated that for professional services obtained from vendors on the Professional Service Providers annual approval list, there is no other solicitation that will be sent to multiple vendors. Normally, a selection committee will rank the vendors to identify the most qualified vendor for that type of service and the top listed vendor is normally contacted at the time the services are needed.
C05	CLA received a copy of the original contract and of two contract amendments. No additional amendments were provided; however, per notes included in the general ledger it appears that there were 9 total amendments to this contract.

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C06	<p>CLA received payment supporting documentation (request for payment and invoices) and verified that payments were processed according to established procedures for the years prior fiscal year 2013; however, the payment information for the payments made from fiscal year 2013 through to fiscal year 2016 were not provided to CLA.</p> <p>CLA requested the support for the following sample of invoice numbers; however, the payment support was not available and were not provided to:</p> <p># 100466281-10312012 # 100515975-04302013 # 100588473-12272013 # 100624716-04302014 # 100674680-09302014 # 100750138-04302015 # 100812307-10302015 # 100870593-04292016</p>
C07	<p>Although the payment process indicates that the invoice will be stamped "Paid" and list the check number; per review of the provided support, the stamp and listing of check number is taking place on the Request for Payment on Contract form.</p>
C08	<p>The contract effective date was before the contract execution date. Therefore the contract was effective retroactively, which means the vendor may have started to incur cost that it was planning to invoice to OHA before a formal agreement was in place. This is not a best practices as there could be instances were the written contract is not approved for execution and in these instances the vendor may believe that it has a verbal agreement with OHA that led the vendor to believe that a contract would be forthcoming. This may present an issue if a contract is ever not approved but the vendor has already incurred costs that it expects to recover from OHA.</p>
C09	<p>HRS §103-304 (c) to (g) states that during the course of the fiscal year, whenever the agency needs a particular professional service, the head of the purchasing agency shall designate a selection committee to evaluate the statements of qualification and performance data of those persons on the list prepared pursuant to subsection (cc) along with any other pertinent information, including references and reports. There are additional requirements for the qualification of those participating in the selection committee and for how the professional service providers must be evaluated. However, for this contract, even though there were more than one vendor in the approved listing for this category and the selected vendor was not the first vendor listed, no review committee matrix was included in the contract file. The Procurement Manager informed CLA that the process to select a contract from the list of approved vendors consists of having a Selection Committee evaluate and identify the most qualified vendor from the original responses (Statements of Qualification) received. However, no documentation of this assessment was provided to CLA.</p>
C10	<p>An Accounting Checklist was not included with the supporting documentation. According to Gloria Li, Controller, the Accounting Checklist has not been used in a long time and the Procurement Document Checklist is used instead. The Accounting Checklist was used back when purchasing was part of the accounting department, and there was a separate checklist for each group (accounting and procurement). Now that procurement is its own department, only the Procurement Document Checklist is used. The availability of funds is verified on the Purchase Requisition by the Budget Analyst. The CFO's certification of funds is documented on the Purchase Order. See criteria [52][b] and [c] for funding verification by the Budget Analyst and certification by the CFO. Although Ms. Li did not recall the approximate dates of when the Accounting Checklist stopped being used, CLA noticed that only one of the selected contracts (K-01) contained this document within its files. The date the Accounting Checklist included in K-01 was signed was 10/5/2009. Based on this evidence it appears that the Accounting Checklist has not been used, likely, since 2009. Nonetheless, the Fiscal Procedures Manual has not been updated for this change.</p>
C11	<p>Supporting documentation was not located for three invoice payments (#83111, #7681, #7690) totaling \$70,000.</p>
C12	<p>The contract stipulated that the contractor would submit nine (9) written reports on its finding which shall be received by OHA no later than the dates listed in the contract: YR1: 10/1/11, 1/1/12, 4/1/12, 7/1/12; YR2: 10/1/12, 1/1/13, 4/1/13, 7/1/13; YR3: 1/1/14. The support provided to CLA included the reports for only two dates, 4/1/13 and 7/1/13. No other deliverables were provided to CLA.</p>
C13	<p>The Purchase of Goods and Services Review Process section 2.2.4.2 of the OHA Policies and Procedures Manual states that for the purchase of services, staff must use the standard contract template provided by the legal office. Each contract should include a number of provisions including an insurance provision; however, this contract did not include an insurance provision. Although the contract did not include an insurance provision, the insurance certificate for the vendor was included in the support for this contract.</p>

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C14	<p>HRS §103-304(b) Procurement of Professional Services requires at a minimum, before the beginning of each fiscal year, the head of each purchasing agency shall publish a notice inviting persons engaged in providing professional services which the agency anticipates needing in the next fiscal year, to submit current Statements of Qualifications and expressions of interest to the agency. The only document provided to CLA includes the supplemental list #1 dated 7/12/11 for the 2012/13 year. The supporting documentation does not include a newspaper clipping or screenshot of the online publication to provide evidence that the notice was actually posted; therefore, CLA was not able to verify that this public notice actually took place for the supplemental list #1 dated 7/12/11 for the 2012/13 years. Per discussion with the Procurement Manager, although this process is completed, normally a printout of this is not included in the Professional Services binder for the year.</p>
C15	<p>Section 2.2.4 of the OHA Policies and Procedures Manual (revised March 2009) states that the Hale Manager and senior staff attorney must sign the Procurement Document Check list. Although the Hale Manager and senior staff attorney signed the procurement document checklist, no procurement method was indicated. Additionally, no SPO (State Procurement Office) forms and documents used for this procurement were indicated. The Procurement Document Checklist contained only the purchasers name, division name, name of vendor, description of purchase, and the signature of preparer and legal counsel.</p>
C16	<p>Section 2.2.4.2 Of the OHA Policies and Procedures Manual (revised March 2009) states that for the purchase of services, staff must use the standard contract template provided by the legal office. Each contract should include a number of provisions including an insurance provision. This contract in addition to not containing the insurance provision section, it also did not contain a copy of the insurance certificate that should have been provided by the vendor.</p>
C17	<p>Contract #2828 with Mid-Continent Research for Education and Learning was executed on 9/7/2012, but made effective from 5/11/2012 to 5/31/2013 for a total contract amount of \$99,716. The scope of services included consulting and advisement. Vendor was to collaborate with OHA on the culturally recognized domains of mana to determine the scope, attributes, and sub-constructs of the phenomenon to be assessed. Vendor was to contribute a total of no less than 700 staff hours for all tasks within this agreement. The contract specifically listed contract deliverable as per the following schedule:</p> <ol style="list-style-type: none"> 1: Execution of contract (first payment \$19,943.20); 2: Corpus study report (second payment \$23,267.07); 3: Literature review report (third payment \$23,267.07) 4: Focus group report (Fourth payment \$23,267.07) 5: Annotated bibliography (fifth payment \$9,971.60) <p>Only the first payment of \$19,943.20 was made on 2/4/13. There were no additional payments made during the contract's time of performance and through the end of the original contract period. A contract amendment was made on 6/26/13 but effective from 6/1/13 (the day after the ending period of the original contract) to 6/30/14. The scope of the contract was changed and additional funds were added to the contract for a total contract amount of \$349,527 (two additional amendments only extended the time of performance, first to 6/30/15, and then to 8/31/15). The first amendment(2828.01) on 6/26/13 listed the following:</p> <ol style="list-style-type: none"> 1: Execution of amendment agreement (first payment \$49,962.20); 2: Instrument facilitation guide (second payment \$58,289.23); 3: Assessment blue prints (third payment \$58,289.23); 4: Assessment pilot Tool (fourth payment \$58,289.23); 5: Report of phase II (final payment \$24,981). <p>None of the deliverables for the original contract were located. None of the deliverables for the second amendment were located. Based on the fact that no payments were made during the initial contract period, aside from the payment upon execution, it appears that the original contract period expired without any work being performed and without any deliverable being provided. The contract file contained an email communication from Gerald Honda (Procurement Manager at the time) to the CEO's Executive Assistant regarding the first contract amendment in preparation for the first contract amendment. The CEO's Executive Assistant forwarded this email to Ernie Kimoto, Corporate Counsel; however, the contents of her communication to Mr. Kimoto were redacted from the copy of the email included in the contract file that was provided to CLA. Additionally, the response from Mr. Kimoto was also redacted.</p> <p>Based on the language of the original contract, the language of the first amendment, the lack of additional payments during the original contract period, the change in scope for the first amendment, the additional payment due upon the execution of the contract amendment, and the change in scope, it appears to CLA that none of the work for the original contract was performed.</p>

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C18	HRS §103-304(b) states that at a minimum, before the beginning of each fiscal year, the head of each purchasing agency shall publish a notice inviting persons engaged in providing professional services which the agency anticipates needing in the next fiscal year to submit current statements of qualifications and expressions of interest to the agency. Based on the responses from applicants it appears that this notice was published; however, the application included in the contract file for this vendor appears to be responsive to the prior year's publication for consideration in the year 2012/13 and not for the year 2013/14, which is when the contract was actually awarded. The vendor was in the list of approved vendor for 2012/13 and 2013/14; however, no selection committee scoring matrix was provided for CLA's review
C19	Section 2.2.4 Grants, Procurement, and Contracts Review Processes of the OHA Policies and Procedures Manual states that unless not required by statute, the contractor should submit a Tax Clearance to OHA prior to executing the Purchase Order. For this contract there was no Certificate of Vendor Compliance (where the tax clearance is verified) obtained prior to the execution of the first contract and prior to the establishment of the Purchase Order. The Procurement Package Checklist had a check mark in the box for "not required for grants or for this payment if less than \$25,000." This check mark appears to convey that these documents were not applicable to this contract; however, this contract was for \$1 million, therefore, it did require this verification. The contract file did have a Certificate of Vendor Compliance for the final payment as required by the contract. The fact that the certificate was in the contract file for the final payment additionally suggests that the certificate should have been obtained prior to the original contract being executed.
C20	Section 2.2.4.2 Purchase of Goods and Services Review Process section of the OHA Policies and Procedures Manual states that for the purchase of services, staff must use the standard contract template provided by the legal office. Each contract should include a number of provisions including a section for "Other Terms and Conditions." The contract stated that the Other Terms and Conditions section was attached to the contract; however, this attachment was not included in the supporting documentation provided to CLA and it was not located after additional requests.
C21	This contract required delivery of reports prior to payments 2 through 5. Only three of the four reports were included in the contract file provided to CLA.
C22	The contract listed specific types of professional legal services to be provided; however, the invoices submitted by the attorney in request for payment contained redactions applied by OHA's Corporate Counsel, therefore CLA was unable to determine whether the services provided by the vendor were the services listed in the contract.
C23	The Operational Authority Delegation Hierarchy updated 12/12/12 and effective through 5/18/2015, stated that contract executions and amendments of up to \$150,000 can have the final execution by the COO; however, contract executions of more than \$150,000 must be executed by the CEO. For this contract, the original contract was for under \$150K and the COO, Kawika Burgess, executed the contract, which was appropriate based on the delegated authority; however, the amendments, which amounted to a total contract of \$209,426 exceeded the COO's delegated authority and should have been executed by the CEO as well. The CEO did not sign these contracts.
C24	HRS §103D-101 Requirements of Ethical Public Procurement requires that OHA must abide by the statutes and administrative rules relating to public procurement. For this contract CLA was not provided with supporting documentation related to the procurement process. Although the Memorandum of Professional Service Review Committee Recommendations lists this vendor in the recommended approval for this category, CLA was not provided with the scoring matrix which would have shown whether the Review Committee selected this candidate as the top vendor. Therefore, CLA is unable to determine whether the contract was awarded on the basis of competence/qualifications to provide the required services at a fair and reasonable price, awarded to the first-ranked person/company.

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Office of Hawaiian Affairs

HRS §103D-304 Professional Services Testing

Number of Contracts Tested: 14

For the Period July 1, 2011 to June 30, 2016

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<p>C25</p>	<p>Contract 3022 was executed on 4/1/15 with Stryker Weiner & Yokota Public Relations, Inc. with effective date of 4/1/15 to 3/31/17 for \$256,000. The scope of services listed the project name as "Integrated Marketing Communications Plan" and the description included stated, "Uniform communications and messaging highlighting OHA." Among other deliverables, the vendor was to provide training to the Board of Trustees, Executive Team and all OHA staff. The Integrated Marketing Communications Plan, was to provide OHA a strategic plan to increase the positive image of OHA among the Native Hawaiians and the general public. This plan was to include, among other items, four trainings at three levels to be presented to the Board of Trustees, the Executive Team, and all OHA staff. One amendment was executed for this contract on 9/25/15, which added \$37,969.24 to bring the total contract amount to \$293,969.24. Total payments made on this contract amounted to \$215,969.24 for the period tested by CLA (through 6/30/16).</p> <p>The contract file contained the deliverables and included records of a Beneficiary Advocacy and Empowerment (BAE) committee meeting on 8/24/16. This meeting was held to discuss approving the "One Voice, One Message" method for communication action item based on the work performed by Stryker Weiner & Yokota Public Relations, Inc. The Action Item BAE 16-02 stated "To approve an OHA Board of Trustees Executive Communications Policy Plan called 'one Voice, One Message.'"</p> <p>Based on the minutes of this BAE meeting, it appears that a trustee disagreed with the plan stating that, as elected officials, the Board of Trustees could not be told not to speak their minds. Another Trustee stated that the policy, as it was being presented for vote, was unconstitutional as it would be a violation of the First Amendment and cited <i>Bond v. Floyd</i>, which stated that legislators have an obligation to take positions on controversial political questions so that their constituents can be fully informed and be better able to assess their qualifications for office. There was lengthy discussion on the issue, and having not agreed on a decision for the proposed BAE, it was tabled. The CEO stated during this meeting: "I think the discussion has raised a legal issue regarding the Constitutionality, which we did not look at, and we will get a legal perspective on it and look to revising this." CLA inquired whether this item was brought back to the Board of Trustees for discussion. OHA communicated to CLA that as of October 2019, a revised "Integrated Marketing Communications Plan" was not brought back to the Board of Trustees and there was no action taken by the Board of Trustees on this item. However, the other aspects of the communications plan are actively used by OHA to guide OHA's internal and external communications.</p> <p>Based on the fact that the objective of this contract, in the amount of \$293,969.21 (including amendment), was to devise an "integrated Marketing Communications Plan" that in part involved action by the Board of Trustees, it would have been prudent to discuss with the Board of Trustees regarding the objective of the proposed work prior to beginning the procurement process, and certainly prior to entering into this contract. OHA administration should not have waited until all the work was performed, to have one of the objectives of the deliverable be questioned by certain members of the Board of Trustees, which in effect rendered portion of the deliverable unusable by OHA. For this reason, CLA questions whether part of this expenditure was a waste of OHA's resources.</p>
<p>C26</p>	<p>Contract 3025 with Reed Smith LLP was executed on 5/5/15, but effective 9/7/2014, for \$200,000 to provide non-litigation legal expertise and advice to OHA in connection with OHA's advocacy in the areas of Native Hawaiian language immersion education. The contract stated that time expended by timekeepers who have not been approved by OHA are not billable and listed as approved for billing Breann Y.S. Nu'uhiwa.</p> <p>HRS 84-18 (C) states: No former employees, within twelve months after termination of the former employee's employment, shall represent any person or business for a fee or other consideration, on matters in which the former employee participated as an employee or on matters involving official action by the particular state agency or subdivision thereof with which the former employee had actually served. This section shall not apply to a task force member who, but for the service as a task force member, not be considered an employee. (e) This section shall not apply to any person who is employed by the state for a period of less than one hundred and eighty-one (181) days.</p> <p>Based on review of documentation provided by OHA, it appears that the listed provider of services, Ms. Nu'uhiwa, was employed by OHA as the Chief Advocate from 4/23/12 to 9/4/13. Based on the date of ending of employment it appears that the contract with Reed Smit LLP was effective after one year after her employment ended with OHA. However, according to Raina Gushiken, OHA's Senior Legal Counsel, Ms. Nu'uhiwa provided services to OHA on a "pro-bono" basis from the time her employment with OHA ended until 9/6/2014. Please refer to tickmark C27 below for additional details that call into question whether there may be a perception that consideration was provided during the one year after Ms. Nu'uhiwa's employment with OHA ended, which could be contrary to HRS 84-18 (C).</p>

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As stated in C26 above, contract 3025 with Reed Smith LLP was executed on 5/5/15 but effective 9/7/2014 for \$200,000 to provide non-litigation legal expertise and advice to OHA in connection with OHA's advocacy in the areas of Native Hawaiian language immersion education. The contract stated that time expended by timekeepers who have not been approved by OHA are not billable and listed as approved for billing Breann Y.S. Nu'uhiwa and "paralegals." The following are details relevant to this contract:

- 4/23/12 to 8/30/13: Ms. Nu'uhiwa employed by OHA as the Chief Advocate
- 9/6/2013: Last day of Ms. Nu'uhiwa's employment with OHA, according to Raina Gushiken, OHA's Senior Legal Counsel.
- 9/27/13: Date of Statement of Qualifications submitted by Reed Smith LLP, which included Ms. Nu'uhiwa as the key contact for Reed Smith LLP. Ms. Nu'uhiwa was the only attorney for whom a biography was included in the Statement of Qualifications. Her employment history did not list employment with OHA and the first reference provided included Dr. Kamana'opono Crabbe, OHA's CEO. The executive summary included in the Statement of Qualifications stated that the service provider understood that OHA anticipated the need for legal services from 7/1/13 to 6/30/14.
- 10/2/13: Professional Service Review Committee recommended approval of Reed Smith LLP (Ms. Nu'uhiwa) for the category of Legal Services - Native Hawaiian affairs
- 10/3/13: The CEO approved the Professional Services Review Committee Recommendation; however, a contract was not established at this time and according to OHA's Senior Legal Counsel, Ms. Nu'uhiwa provided services to OHA on a "pro-bono" basis for the one year after her employment with OHA ended.
- 8/26/14: Purchase Requisition was prepared for the 2014/15 contract listing expected amount at \$200,000 and estimated start date of 9/7/2014
- 9/5/14: Purchase Requisition was approved by the CFO for \$200,000 of legal services for advocacy in the areas of Native Hawaiian self governance and language immersion education
- 9/7/14: Contract's effective date for a contract amount of \$200,000 for the provision of legal services. The contract stated that \$112,500 would be paid upon contract execution. The contract stated that payment of a retainer (\$112,500) did not release the contractor from the obligation to provide detailed statements for itemized costs and expenses
- 9/15/14: Memorandum of appointment of Professional Services Selection Committee members including: 1) Albert Tiberi, 2) Kawika Riley, and 3) Ernie Kimoto
- 9/16/14: The CEO (Dr. Crabbe) approved the appointment of the Professional Services Selection Committee members
- 11/5/14: Email from Wendell Tengan, Procurement Specialist, expressing concern that he, "did a quick check of Gerald's desk and only found a PR copy and an email from you (Shirley Okamoto) saying that this procurement should be on a fast track because of a start date of 9/7/14 (already past). The appointment form should have been completed before the evaluations." The response by Shirley Okamoto was "That is what Gerald provided."
- 11/6/14: Interoffice memorandum communicated that for the category of legal services - Native Hawaiian Affairs for Project: Advocacy-Native Hawaiian Self Governance/Hawaiian Language immersion education, there were 6 vendors recommended for professional services for the year 2014/15. One of the vendors was Reed Smith LLP

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HRS §103D-304 Professional Services Testing

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C27	<p>- 11/14/14: The Procurement Document Checklist was prepared and identified the contract as an "Exempt Purchase" citing 103D-102(b)(4)(J). None of the check boxes that would indicate that the appropriate documents were completed were checked.</p> <p>- 12/6/2014: The Procurement Documentation Checklist was signed by Senior Corporate Counsel</p> <p>- 5/5/15: The CEO signed the contract for \$200,000 with \$112,500 due upon contract execution (Contract execution date was 5/5/15 while the effective date was 9/7/14)</p> <p>- 5/11/15: The Authorization to Proceed with Contract form was signed by the procurement specialist, Wendell Tengan, and by the CFO Hawley Iona. This form listed the contract effective date of 9/7/14</p> <p>- 5/15/15: The Procurement Package Checklist was completed and signed by the procurement specialist, the procurement manager, and the controller. It listed the procurement as Professional services (not as Exempt Purchase)</p> <p>- 5/21/15: The Purchase Order was established indicating an exempt purchase under 103D-102(b)(4)(J) and listing payment of \$112,500 upon contract execution</p> <p>- 6/3/15: The Request for Payment on Contract form was stamped "paid." The CEO had approved it on 6/2/15 and payment of \$112,500 was issued on 6/3/15</p> <p>- 12/31/15: DRAFT invoice dated 12/31/15 communicated charges incurred from 9/10/14 through 9/30/15 totaling \$84,728.42. The contract file did not contain a final invoice and current OHA employees were unable to locate a final invoice</p> <p>- 2/1/16: Request to Close a Purchase Order form was completed for this contract. No other payments aside from the initial \$112,500 payments were made</p> <p>- 5/31/17: Reed Smith LLP refunded OHA \$27,771.58 (the difference between the amount of the retainer payment and the amount of the draft invoice). A cover letter dated 5/31/17 stated, "we are now returning the balance as no current work is being done on this matter."</p> <p>The observations made by CLA pertaining to this contract are the following:</p> <p>1: Possible non compliance with HRS §84: As mentioned in observation C26, Ms. Nu'uhiwa worked for OHA one "pro-bono" basis for the one year after her employment ended. However based on this irregularities identified in the procurement process, the perception may be that Ms. Nu'uhiwa provided the services to OHA for the one year after separation for the consideration of obtaining the contract once the one-year period expired.</p> <p>2: Non compliance with HRS §103D-304: The persons selecting the professional services provider may not have been independent and may not have been impartial in their selection for the following reasons: CEO who approved the contract was listed as the first reference in the vendors. One of the individuals in the Selection Committee, Kawika Riley, was a direct report to Ms. Ms. Nu'uhiwa during her time of employment with OHA.</p> <p>3: Failure to follow the appropriate contract execution process: The contract was executed before the Authorization to Proceed with Contract form and before the Procurement Package Checklist was completed. The contract should only be executed after these two forms are completed.</p> <p>4: Failure to follow OHA procurement process for Professional Services: The contract effective date was, before the appointment of the Selection Committee, before the evaluation by the Selection Committee, before the recommendation by the Selection Committee, and before the contract execution date.</p> <p>5: Possible inappropriate use of Exemption Method of procurement: All of the documentation contained in the contract file indicated this contract was procured through the Professional Services method, with the exemption of the Procurement Document Checklist and the Purchase Order. However, the fact that the Procurement Documentation Checklist indicated "Exempt Purchase" citing 103D-102(b)(4)(J) calls into question whether because of the irregularities observed in the procurement process were noticed, it was decided that the contract could be executed if determined to qualify under an exemption. The Exemption listed 103D-102(b)(4)(J), which provides "for services of attorneys employed or retained to advise, represent, or provide any other legal service to the State or any of its agencies, on matters resulting under laws of another state or foreign country, or in an action brought in another state, federal or foreign jurisdiction, when substantially all legal services are expected to be performed outside of this state." This does not seem to be an appropriate exemption for this work as further explained in Observation C28 below.</p>
C28	<p>As mentioned in observation C-27 above, although most of the procurement documents included in the contract file are those of a Professional Service procurement process, two documents, the Procurement Document Checklist and the Purchase Order, identify this contract as exempt from HRS § 103D-304 under HRS 103D-102 (b)(4)(J). HRS § 103D-102 (b)(4)(J) indicates "Services of attorneys employed or retained to advise, represent, or provide any other legal service to the State or any of its agencies, on matters arising under laws of another state or foreign country, or in an action brought in another state, federal, or foreign jurisdiction, when substantially all legal services are expected to be performed outside this State."</p> <p>It is questionable whether this contract would fit the cited exemption as the exemption applies to "matters arising under laws of another state or foreign county." However, this contract was to provide non-litigation legal expertise and advice in the areas of Native Hawaiian self-governance and Hawaiian language immersion education. Additionally, the draft invoice listed "RE: Advice and Counsel on Nation-Building" and the detailed descriptions of the time entries for work performed reference work performed such as conferences and analysis of "ANPRM" (Advance Notice of Proposed Rulemaking (ANPRM) for procedures for reestablishing a government-to-government relationship with the Native Hawaiian community). There are also entries related to the following topics, among others: Hawaiian Language Immersion testing, Native Hawaiian Roll Commission, HB 1252, Mo'olelo, HHCA (Hawaiian Homes Commission Act). Based on the contract details and on the contents of the draft invoice, it is not clear to CLA that this contract would qualify under the cited exemption.</p>
C29	<p>No Tax Clearance or Certificate of Good Standing was included in the contract file. As mentioned in observation C-27 above, contract #3025 was executed on May 5, 2015, with Smith Reed LLC for \$200,000 to provide legal advice regarding Native Hawaiian Self Governance and Hawaiian Language immersion education. The Procurement Package Checklist included in the contract file has a check mark in the box that indicates compliance documents "not required for grants or for this payment if less than \$25,000." Additionally, the Professional Service Provider Review Worksheets state that the vendor was not registered with the State of Hawai'i; however, under current Hawai'i law, any business entity intending to enter into (or bid on) a contract with an agency of the State is required to obtain a tax clearance certificate prior to entering into a State contract, as well as upon completion of the contract before the final payment is made</p>

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Office of Hawaiian Affairs
HRS §103D-304 Professional Services Testing
Number of Contracts Tested: 14
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Tickmarks

C30	As mentioned in observation C-27 , the contract states that the payment of a retainer (\$112,500) does not release the contractor from the obligation to provide detailed statements for itemized costs and expenses - this provision requires that detailed statement and itemized cost and expenses be submitted to OHA by the vendor; however, the contract file only contained a draft invoice with description of work performed. Therefore, CLA was not able to verify whether the vendor submitted a finalized invoice.
C31	The contract was executed to be effective 6/9/15; however, there were three charges included in the first invoice that preceded the contract effective date as follows: 5/28/15 for attending committee meeting for \$385; 6/1/15 and 6/2/15 for 8 hours of review of documents for \$1,120; and 6/3/15 for meeting with Trustee for \$175. All of these charges were incurred before the contract effective date. Documentation for the payment includes an email from the Land Director on 9/24/15 that confirms the charges for services prior to the contract effective date are legitimate and recommends to treat it as a procurement violation, and to proceed with payment. The land Director had originally approved the payment on 9/14/15, but was questioned on the services that predated the contract effective date by the Controller. On 9/23/15 the full payment was made. There was no documentation in the contract file to determine whether a procurement violation report was completed in order to process the payment.

Attachment 08

Attachment 08

Office of Hawaiian Affairs

HRS §103D-305 Small Purchases

Number of Contracts Tested: 1

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-51	2996	Inkinen & Associates	\$ 24,998.00	Personnel search for Land & Property Director recruitment	Edwina Minglana (Education Advocacy Coordinator)	No longer employed by OHA at time of testing	Small Purchase	F-01

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Office of Hawaiian Affairs

HRS §103D-305 Small Purchases

Number of Contracts Tested: 1

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number / OHA Contract Number		K-51: 2996	Contracts with Missing Documents	Contracts with Observations	Contracts without Observations	Total Contracts Tested
HRS §84: Standards of Conduct						
HRS § 84-14: Conflicts of Interests						
[1]	Employees selecting the contractor did not have a financial interest.	✓	0	0	1	1
[2]	Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or any other agency capacity.	✓	0	0	1	1
HRS § 84-15: Contracts						
[3]	The contract was not with a legislator or employee who has controlling interest.	✓	0	0	1	1
[4]	If the contract was with a legislator or employee who has controlling interest, alternative criteria were met.	N/A	0	0	1	1
[5]	The person or business entering into contract with OHA was not represented by a person employed by OHA in the preceding 2 years.	✓	0	0	1	1
[6]	If the person or business entering into contract with OHA was represented by a person employed by OHA in the preceding 2 years, the person did not participate in the matter with which the contract is directly concerned.	✓	0	0	1	1
HRS §103D: Hawaii Public Procurement Code						
HRS §103D-101(a): Requirements of Ethical Procurement						
[7]	No evidence was observed of OHA employee(s) not acting as a fiduciary of public funds.	✓	0	0	1	1
[8]	No evidence was observed of OHA employee(s) not remaining independent of bidder, offeror, contractor, or business.	N/A	0	0	1	1
[9]	No evidence was observed of OHA employee(s) not acting only in the public interest.	✓	0	0	1	1
[10]	No evidence was observed of disobedience to statutes and administrative rules relating to public procurement.	✓	0	0	1	1
[11]	No evidence was observed of inefficiencies in the public procurement process.	N/A	0	0	1	1
[12]	No evidence was observed that persons were not afforded an equal opportunity to compete in a fair environment.	N/A	0	0	1	1
[13]	No evidence was observed of intent or appearance of unethical behavior.	✓	0	0	1	1

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HRS §103D-305 Small Purchases

Number of Contracts Tested: 1

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number / OHA Contract Number		K-51: 2996	Contracts with Missing Documents	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[14]	No evidence was observed of social interactions with actual/prospective bidder.	✓	0	0	1	1
[15]	No evidence was observed of a failure to maintain confidentiality in a manner that ensures a fair procurement process.	N/A	0	0	1	1
[16]	No evidence was observed of a failure to remain impartial in dealings with actual or prospective bidders, offeror, contractor, business, or interested parties.	✓	0	0	1	1
HRS §103D-101(b) & (c): Requirements of Ethical Procurement						
[17]	No evidence was observed of a failure to identify and eliminate conflict of interests for this contract.	✓	0	0	1	1
[18]	No evidence was observed that any party involved in the negotiation, performance, or administration of this contract did not act in good faith.	✓	0	0	1	1
HRS §103D-305(a): Small Purchases						
[19]	Procurement was of less than \$100,000 (\$250,000 for construction projects) was made in accordance with the policy board that are designed to ensure administrative simplicity and as much competition as practicable.	N/A	0	0	1	1
[20]	Multiple expenditures were not created at the inception of the transaction or project so as to evade the requirements of 103D-305	✓	0	0	1	1
HRS §103D-305(b): Small Purchases						
[21]	Security by performance and payment bonds was required for procurements relating to construction greater than \$50,000 for construction projects.	N/A	0	0	1	1
HRS §103D-305(c): Small Purchases						
[22]	Procurement of \$25,000 - \$249,999 was made in accordance with small purchase procedures and through an electronic system (HePS)	N/A	0	0	1	1
P-10: OHA Purchase and Procurement Procedures, revised June 2008						
2.2.1.5: Small Purchases Procedures						
[23]	At least 3 verbal quotes were obtained.	✓	0	0	1	1
[24]	Form SPO-10 Record of Procurement was prepared.	✓	0	0	1	1

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HRS §103D-305 Small Purchases

Number of Contracts Tested: 1

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number / OHA Contract Number		K-51: 2996	Contracts with Missing Documents	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[25]	The purchaser completed the Procurement Check List (PCL).	✓	0	0	1	1
[26]	Form SPO-10 was submitted to Hale Director for review and approval.	✓	0	0	1	1
[27]	The purchaser completed the review process outlined in 2.2.4.4 Purchase Review Process for Contracts and Grants	✓	0	0	1	1
[28]	A contract was prepared for purchase of services	✓	0	0	1	1
[29]	Vendors were notified to register with HePS for procurements of \$25,000 - \$249,999.	N/A	0	0	1	1
[30]	A requisition/solicitation was created for procurements of \$25,000 - \$249,999.	N/A	0	0	1	1
[31]	The Hale Director submitted a solicitation notice and recommended names of bid review committee members for procurements of \$25,000 - \$249,999.	N/A	0	0	1	1
[32]	The solicitation notice and bid review committee members were approved by the Administrator/Division Manager for procurements of \$25,000 - \$249,999.	N/A	0	0	1	1
[33]	The solicitation was released through Helps with closing date indicated for procurements of \$25,000 - \$249,999.	N/A	0	0	1	1
[34]	An HePS PO Summary Report was prepared for procurements of \$25,000 - \$249,999.	N/A	0	0	1	1
2.2.1.10: Small Purchases Procedures- P Cards						
[35]	A request for issuance of a P-Card was transmitted by the Deputy Administrator or Hale Director, including the reason and need for the card, the people responsible for the card's use and security measures for the card.	N/A	0	0	1	1
[36]	The P-Card charge was reviewed and approved by the Administrator.	N/A	0	0	1	1
2.2.2.1: Purchases Requisition Procedures ¹						
[37]	The Purchase Requisition information was entered in the online Oracle Purchase Requisition form.	✓	0	0	1	1
[38]	If funds are available, the Purchase Requisition was sent to the appropriate manager for review.	✓	0	0	1	1
[39]	The Purchase Requisition was approved.	✓	0	0	1	1
[40]	If not approved, the Purchase Requisition was appropriately cancelled.	N/A	0	0	1	1

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HRS §103D-305 Small Purchases

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CLA Sample Number / OHA Contract Number		K-51: 2996	Contracts with Missing Documents	Contracts with Observations	Contracts without Observations	Total Contracts Tested
2.2.5: Purchase Orders²						
[43]	The Purchase Order was reviewed and signed by the Controller or the CFO, as applicable.	✓	0	0	1	1
[44]	The Request for Contract Payment, signed by the Hale Director for contracts, or a receipt of goods/services was received.	✓	0	0	1	1
2.2.5.2: Receiving on a Purchase Orders						
[47]	The payment was approved by the appropriate level based on Operational Authority Delegation Hierarchy revised 12/12/12, 5/19/15, and 10/21/15 as applicable.	✓	0	0	1	1
2.2.7.5: Check Issuance and Distribution						
[48]	The invoice was stamped "paid" and marked with the check number.	x, F01	0	1	0	1
Other Testing Results						
[49]	Deliverable was met by the contractor.	✓	0	0	1	1
[50]	There was sufficient oversight of project/work by the contract monitor/manager.	✓	0	0	1	1
[51]	There was no evidence of fraud, waste, or abuse.	✓	0	0	1	1

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HRS §103D-305 Small Purchases

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Footnotes

1	Criteria [41] and [42] were also tested here but are excluded as they were used to document the name of the individual approving the Purchase Requisition and the date of the approval; however, this information is not necessary to report the final results of the testing.
2	Criteria [45] and [46] were also tested here but are excluded as they were used to document the name of the Hale Director or Administrator (Deputy Administrator) and the date of receipt of services; however, this information is not necessary to report the final results of the testing.

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Documents missing - OHA could not locate document(s) to provide to CLA
N/A	Not Applicable
F01	Although the payment process indicates that the invoice will be stamped "Paid" and list the check number, per review of the provided support, the stamp and listing of check number is taking place on the Request for Payment on Contract form.

Attachment 09

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-02	2659	University of Hawaii	\$ 650,000.00	Create programs and primers and conduct workshops and clinics to include the "A'o Aku A'o Mai" program	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 103D-102(B)(2)(G)	E01, E03, E04, E05, E06, E53
K-09	2721	The Kalaimoku Group, LLC	50,000.00	Public relations and messaging services related to the proposed Kaka'ako Makai settlement	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 3-120 Exh. A No. 1	E01, E07, E08, E09, E10, E11, E53
K-12	2741	University of Hawaii - Office of Research Services	360,000.00	Native Hawaiian Rights training course	Jocelyn Doane (Public Policy Advocate)	Interviewed on July 23, 2019	Exempt Contract (Non-Grant): 3-120 Exh. A No. 1	E01, E02, E05, E12, E13, E14
K-18	2857	Native Hawaiian Education Association	99,600.00	Scholarship production and facilitation services	Edwina Minglana (Education Advocacy Coordinator)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 3-120-4(3)	E01, E05, E15, E16, E17, E18, E19, E57
K-20	2879	Kuauli'Aina-Based Insights LLC	435,000.00	Documenting the sale of the former Hawaiian Kingdom Government and Crown Lands	Kamoa Quitevis (Research Designee)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 3-120 (1)	E01, E05, E06, E16, E18, E20, E21, E22, E23, E53
K-21	2880	DL Consulting LTD.	284,880.00	Services related to Papakilo Database	Kale Hannahs (Research Designee)	Interviewed on July 24, 2019	Exempt Contract (Non-Grant): 3-120 (1)	E01, E05, E08, E16, E22, E24
K-44	2967	Rider Levett Bucknall, LTD	10,000.00	Present the management and development framework on the Kaka'ako Makai land parcels	Allen Kam (Commercial Property Manager)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 103D-102(b)(4)(G)	E01, E05, E25, E26, E27, E28, E29, E30, E56
K-47	2979	Sai, David Keanu	25,000.00	Providing memorandums and lectures regarding political science perspective under the framework of international law	Kamana'opono Crabbe (CEO)	Last day with OHA was June 30, 2019	Exempt Contract (Non-Grant): 3-120-4(3)	E01, E05, E06, E31, E32, E33, E34, E35, E56

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-49	2985	University of Hawaii - Office of Research Services	65,000.00	Pili Ohana Partnership to address obesity and diabetes for native Hawaiians and Pacific Islander	Leanne Fox (Executive Manager to CEO)	On leave at the time of testing; questions submitted through Phyllis Ono-Evangelista & Raina Gushiken	Exempt Contract (Non-Grant): 103D-102(b)(2)(G)	E01, E05, E18, E36, E37, E53
K-54	3019	McCorriston Mukai Miller MacKinnon LLP	150,000.00	OHA's designated insurance defense counsel	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): INSURANCE APPOINTED DEFENSE COUNSEL	E01, E05, E38, E39, E40, E45, E56
K-59	3032	Hawaii Housing Finance Development Corporation	24,500.00	Cooperative Purchasing Agreement for 2015 Hawaii Housing Planning Study	Deja Ostrowski	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): 103D-102(b)(2)(G)	E01, E05, E22, E41, E53
K-69	3072	McCorriston Mukai Miller MacKinnon LLP	250,000.00	Defense counsel to represent insureds in litigation and/or employment practices liability matters	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): INSURANCE APPOINTED DEFENSE COUNSEL	E01, E05, E08, E40, E42, E43, E44, E45, E56
K-70	3073	McCorriston Mukai Miller MacKinnon LLP	179,500.00	Initiate a mediated effort to resolve existing disputes between OHA, the State of Hawaii, the University of Hawaii, and any other interested parties admitted to the mediation proceedings	Ernest Kimoto (Corporate Counsel)	No longer employed by OHA at time of testing	Exempt Contract (Non-Grant): INSURANCE APPOINTED DEFENSE COUNSEL	E01, E05, E08, E40, E42, E44, E45, E46, E47, E56
K-72	3100	Bishop Museum	300,000.00	Licensing to disseminate files, images and providing indexing services	Kale Hannahs (Research Designee)	Interviewed on July 24, 2019	Exempt Contract (Non-Grant): 3-120-4(1)	E01, E05, E16, E22, E48

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	OHA Contract Number	Vendor Name	Contract Amount with Amendments	Purpose	Contract Manager (Identified by OHA)	Status of Employment with OHA	Procurement Method (Identified by OHA)	CLA Observation Numbers
K-73	3101	Ayda Aukahi Austin Seabury	30,062.50	Transcription and facilitation services	Kealoha Fox	On leave at the time of testing; questions submitted through Phyllis Ono-Evangelista & Raina Gushiken	Exempt Contract (Non-Grant): 3-120-4	E01, E05, E16, E18, E49, E50, E51, E56
K-74	3104	MP Associates	157,550.00	Leadership development training	Lisa Victor (COO)	Questions submitted through Phyllis Ono-Evangelista and Raina Gushiken	Exempt Contract (Non-Grant): 3-120-4(3)	E01, E05, E52, E58
K-75	3110	Raedeem M. Keahiolalo LLC	45,000.00	Complete Kukulu Hou Assessment Project	Kealoha Fox	On leave at the time of testing; questions submitted through Phyllis Ono-Evangelista & Raina Gushiken	Exempt Contract (Non-Grant): 3-120-4(1)	E01, E05, E18, E51, E54, E55, E59

Attachment 09
Office of Hawaiian Affairs
HRS §103D-102b Exempt Contracts (Non-Grant)
Number of Contracts Tested: 17
For the Period July 1, 2011 to June 30, 2016

CLA Sample Number: OHA Contract Number	K-02: 2659	K-09: 2721	K-12: 2741	K-18: 2857	K-20: 2879	K-21: 2880	K-44: 2967	K-47: 2979	K-49: 2985	K-54: 3019	K-59: 3032	K-69: 3072	K-70: 3073	K-72: 3100	K-73: 3101	K-74: 3104	K-75: 3110	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
HRS §84: Standards of Conduct																					
HRS § 84-14: Conflicts of Interest																					
[1] Employees selecting the contractor did not have a financial interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	17	17
[2] Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or other agency capacity.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	17	17
HRS § 84-15: Contracts																					
[3] The contract was not with a legislator or employee who has controlling interest.	✓	✓	✓	✓	x, E20	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	1	16	17
[4] If the contract was with a legislator or employee who has controlling interest, alternative criteria were met.	N/A	N/A	N/A	N/A	x, E20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	1	16	17
[5] The person or business entering into contract with OHA was not represented by a person employed by OHA in the preceding 2 years.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	17	17
[6] If the person or business entering into contract with OHA was represented by a person employed by OHA in the preceding 2 years, the person did not participate in the matter with which the contract is directly concerned.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	17	17
HRS §103D: Hawaii Public Procurement Code																					
HRS §103D-102(b): Application of this chapter																					
[7] The service or goods qualify as a listed exemption in 103D-102(b).	✓	x, E07	N/A	x, E15	x, E21	x, E24	x, E25	x, E31	✓	x, E38	✓	x, E42	x, E42	N/A	x, E49	N/A	x, E54	0	11	6	17
[8] Document the specific exemption number.	103D-102(b) (2)(G)	x, E07	N/A	x, E15	x, E21	x, E24	x, E25	x, E31	103D-102(b) (2)(G)	x, E38	103D-102(b) (2)(G)	x, E42	x, E42	N/A	x, E49	N/A	x, E54	0	11	6	17
P-10: OHA Purchase and Procurement Procedures, revised March 2, 2009																					
2.2.1.3: Exempt Procurements¹																					
[9] If not qualified under the list of exemptions in 103D-102(b), the goods/service qualify as an exempt purchase under Hawai'i Administrative Rules Section 3-120-4 – Exhibit A.	N/A	x, E07	✓	x, E15	x, E21	x, E24	x, E25	x, E31	N/A	x, E38	N/A	x, E42	x, E42	✓	x, E49	✓	x, E54	0	11	6	17
[10] Document the specific exemption number.	N/A	x, E07	HAR 3-120-4(3)	x, E15	x, E21	x, E24	x, E25	x, E31	N/A	x, E38	N/A	x, E42	x, E42	HAR 3-120-4(1)	x, E49	HAR 3-120-4(3)	x, E54	0	11	6	17
2.2.1.3: Exempt Purchase Procedure																					
[11] The need to create a Purchase Requisition was identified by a Hale Director or Deputy Administrator.	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	0	16	17
[12] The Purchase Requisition complied with the OHA Procurement Policy (Attachment 19 to Fiscal Procedures Manual). Attachment 19 is a table that summarizes the value (amount) and type of good/service being purchased and the procurement method required. The testing of proper procurement method is documented in criteria [7] - [10] above.	✓	x, E07	DM	x, E15	x, E21	x, E24	x, E25	x, E31	✓	x, E38	✓	x, E42	x, E42	✓	x, E49	✓	x, E54	1	11	5	17
[13] The Purchase Requisition representative checked if funds were available for the procurement.	✓	✓	DM	✓	✓	✓	✓	x, E32	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	1	15	17
[14] The Purchase Requisition was approved by the appropriate manager (see Operational Authority Delegation Hierarchy for appropriate approval levels).	✓	x, E10	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	1	15	17
[15] For amounts under \$2,500, identify the name of the Purchaser.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	17	17

Attachment 09
Office of Hawaiian Affairs
HRS §103D-102b Exempt Contracts (Non-Grant)
Number of Contracts Tested: 17
For the Period July 1, 2011 to June 30, 2016

CLA Sample Number: OHA Contract Number	K-02: 2659	K-09: 2721	K-12: 2741	K-18: 2857	K-20: 2879	K-21: 2880	K-44: 2967	K-47: 2979	K-49: 2985	K-54: 3019	K-59: 3032	K-69: 3072	K-70: 3073	K-72: 3100	K-73: 3101	K-74: 3104	K-75: 3110	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[16] For amounts under \$2,500, identify the name of person preparing the check request.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	17	17
[17] For amounts under \$2,500, identify the name of the person(s) approving the check request.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	17	17
[18] For amounts equal to or greater than \$2,500, the Purchaser completed the Procurement Document Checklist. (See section 2.2.4 below)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, E46	✓	✓	✓	✓	0	1	16	17
2.2.4: Grants, Procurement, and Contracts Review Process																					
[19] A complete Purchase Requisition was submitted by a designated Purchase Requisition Representative for the review process.	✓	✓	DM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	0	16	17
[20] [a] An Accounting Checklist was submitted.	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	0	17	0	17
[20] [b] Funds were verified by the Budget Analyst.	✓	✓	DM	✓	✓	✓	✓	✓	x, E32	✓	✓	✓	✓	✓	✓	✓	✓	1	1	15	17
[20] [c] Funds were certified by the CFO.	DM	✓	DM	x, E16	x, E16	x, E16	✓	✓	✓	✓	✓	✓	✓	x, E16	x, E16	✓	✓	2	5	10	17
[21] Unless not required by statute, the contractor submitted a Tax Clearance to OHA prior to entering into the contract.	✓	✓	N/A	N/A	✓	✓	✓	✓	N/A	✓	N/A	✓	x, E47	✓	✓	✓	✓	0	1	16	17
[22] A Procurement Document Checklist was submitted and signed by a Hale Manager.	✓	x, E08	✓	✓	✓	x, E08	✓	✓	✓	✓	✓	x, E08	x, E08	✓	✓	✓	✓	0	4	13	17
[23] The owner of the business (except for sole proprietorships, charitable organizations, unincorporated associations, and foreign insurance companies) submitted a DCCA Verification showing Proof of Good Standing with the State of Hawaii.	✓	✓	N/A	N/A	✓	✓	✓	✓	N/A	✓	N/A	✓	x, E47	✓	✓	✓	✓	0	1	16	17
[24] The Hale Manager submitted a Contract for Purchase of Services.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	17	17
2.2.4.2: Purchase of Goods and Services Review Process																					
[25] For the purchase of services, staff used the standard contract and it include all required provisions.	x, E03	✓	x, E02	✓	✓	✓	x, E26	✓	x, E36	x, E39	x, E41	x, E43	✓	✓	✓	✓	x, E55	0	8	9	17
2.2.4.3: Review Documentation																					
[26] The senior staff attorney signed the Procurement Document Checklist.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	17	17
[27] The senior staff attorney signed the contract.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	17	17
2.2.4.4: Purchase Review Process for Contracts²																					
[28] The Accounting Check List (ACL) was submitted to the Budget Analyst to ensure availability of funding, correct coding, and installment payments coincided with contract language.	x, E01	x, E01	x, E12	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	x, E01	0	17	0	17
[29] [a] Appropriate signatures were obtained on the contract (see Operational Authority Delegation Hierarchy).	x, E04	✓	x, E13	✓	✓	✓	x, E27	x, E33	✓	✓	✓	x, E44	x, E44	x, E48	✓	✓	✓	0	7	10	17
[29] [b] Services began after the contract was fully executed by OHA.	x, E53	x, E53	✓	x, E57	x, E53	✓	x, E56	x, E56	x, E53	x, E56	x, E53	x, E56	x, E56	✓	x, E56	x, E58	x, E59	0	14	3	17
2.2.5: Purchase Orders																					
[32] The Purchase Order was reviewed and signed by the CFO.	DM	✓	DM	x, E16	x, E16	x, E16	✓	✓	✓	✓	✓	✓	✓	x, E16	x, E16	✓	✓	2	5	10	17
2.2.5.2: Receiving on a Purchase Order Process²																					
[33] The Request for Payment on Contract was reviewed and signed by the Hale Director and Administrator, or Deputy Administrator, based on the table on page 108 of the Fiscal Procedures Manual.	✓	✓	x, E14	x, E17	x, E22	x, E22	x, E28	✓	x, E37	✓	x, E22	✓	✓	x, E22	x, E50	x, E52	✓	0	10	7	17
2.2.7.3: Contract Payment Process^{2,3}																					

Attachment 09
Office of Hawaiian Affairs
HRS §103D-102b Exempt Contracts (Non-Grant)
Number of Contracts Tested: 17
For the Period July 1, 2011 to June 30, 2016

CLA Sample Number: OHA Contract Number	K-02: 2659	K-09: 2721	K-12: 2741	K-18: 2857	K-20: 2879	K-21: 2880	K-44: 2967	K-47: 2979	K-49: 2985	K-54: 3019	K-59: 3032	K-69: 3072	K-70: 3073	K-72: 3100	K-73: 3101	K-74: 3104	K-75: 3110	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[38] The payment was approved by the appropriate level based on the Operational Authority Delegation Hierarchy.	✓	✓	✓	✓	✓	✓	✓	✓	x, E37	✓	✓	✓	✓	✓	x, E50	✓	✓	0	2	15	17
[39] The invoice was stamped "paid" and marked with the check number.	x, E05	x, E09	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	x, E05	0	17	0	17
Other Testing Results																					
[40] Deliverable was met by the contractor.	x, E06	✓	✓	DM	x, E06	✓	DM	x, E06	DM	x, E40	✓	x, E40	x, E40	✓	DM	✓	DM	5	6	6	17
[41] There was sufficient oversight of the project/work by the contract monitor/manager.	✓	✓	✓	x, E18	x, E18	✓	x, E29	x, E34	x, E18	✓	✓	✓	✓	✓	x, E18	✓	x, E18	0	7	10	17
[42] There was no evidence of fraud, waste or abuse.	✓	x, E11	✓	x, E19	x, E23	✓	x, E30	x, E35	✓	x, E45	✓	x, E45	x, E45	✓	x, E51	✓	x, E51	0	10	7	17

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

Footnotes

1	Criteria [7] and [8] were also tested as part of OHA Purchase and Procurement Procedures (revised March 2, 2009) section 2.2.1.3. Exempt Procurements, but are not shown in this section to avoid duplication.
2	Criteria [30], [31], [34], [35], [36], and [37] are excluded as they were used by CLA to document information pertaining to the contract approval and execution, such as the name of the OHA staff that approved the Purchase Requisition; however, are not necessary to report the final results of the testing.
3	Criteria [33] was also tested as part of OHA Purchase and Procurement Procedures (revised June 2008) section 2.2.7.3. Contract Payment Process, but is not shown in this section to avoid duplication.

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Document missing - OHA could not locate document(s) to provide to CLA
N/A	Not Applicable
E01	An Accounting Checklist was not included with the supporting documentation. According to Gloria Li, Controller, the Accounting Checklist had not been used in several years, and CLA did not observe the use of an Accounting Checklist for any of the contracts tested. According to Ms. Li, the Procurement Document Checklist is used instead. The Accounting Checklist was used back when purchasing was part of the accounting department, and there was a separate checklist for each group (accounting and procurement). Now that procurement is its own department, only the Procurement Document Checklist is used. The availability of funds is verified on the Purchase Requisition by the Budget Analyst. The CFO's certification of funds is documents on the Purchase Order. See criteria [20][b] and [c] for funding verification by the Budget Analyst and certification by the CFO.
E02	A Cooperative Agreement (OHA Form CAG-1A) was used to document the original agreement. The copy provided to CLA appears to be missing every other page; therefore, CLA could not verify that all required sections were included. Amendments were documented using a Cooperative Agreement Amendment.
E03	A Cooperative Agreement (OHA Form CAG-1A) was used to document the original agreement, which did not include the following sections from the standard contract terms: Time and Manner of Performance; Indemnification and Injuries; Insurance; Dispute; and Waiver of Violations. All amendments were documented using a Cooperative Agreement Amendment. This contract was with the University of Hawai'i, which is another governmental entity; therefore, the risk to OHA is not as great as if this were a contract with a for profit entity.
E04	The applicable Delegation of Authority (dated 2/9/2010) does not include a category identifying the required signatures for contracts. The Cooperative Agreement was signed by the CEO, Corporate Counsel, and the Contract Monitor (which was also Corporate Counsel).
E05	Rather than the invoice, the "Request for Payment on Contract Form" is stamped paid and marked with the check number.

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

Tickmarks

E06	Only a portion of the deliverables required by the contractor could be provided to CLA for review.
E07	According to the Procurement Documentation Checklist, the listed exemption is 3-120-4(1) HAR, which states "research, reference, and educational materials including books, maps, periodicals, and pamphlets, which are published or available in print, video, audio, magnetic, or electronic form, including web-based databases." Based on the scope of work in the contract, the services provided are "public relations and messaging services" which does not appear to fall within this category of "research, reference, and educational materials." CLA could not identify an allowable exemption for this service through review of HRS 103D-102(b) or Hawai'i Administrative Rules Section 3-120-4 - Exhibit A. In addition, this vendor (The Kalaimoku Group) was added to the list of approved professional service providers after approval by the CEO on 9/12/2011 under the category of "Community Planning." Over 20 other vendors were approved under this category. It appears that the procurement process should have followed the professional services procurement method, which would have required a selection committee to rate the approved vendors based on the specific need, and then OHA would make contact with the vendor that was rated the highest to negotiate a contract. The "Community Planning" category includes the services of media consulting, radio production and broadcast, research and marketing, administrative assistant to Washington DC office. See also the May 1, 2017 letter from the State of Hawaii - State Procurement Office, which indicates that Exemption #1 under HAR 3-120 is used for "already published" research, reference, and educational material.
E08	According to Phyllis Ono-Evangelista, the Procurement Document Checklist requires only the identification of the Preparer in Purchasing, approval by Corporate Counsel, and initials by the Procurement Manager, currently Ms. Ono-Evangelista. This is the way that Ms. Ono-Evangelista was trained when she became Procurement Manager in 2013. Her initials indicate that she reviewed the form and the procurement went through Purchasing. The Hale Manager (Program/LOB Manager) does not have to sign the form. Because the purpose of the Procurement Document Checklist is to validate the procurement method used and supporting documentation as identified on the document (page 91 of the Fiscal Procedures Manual), this process appears sufficient. CLA verified the Preparer was identified and the signature of Corporate Counsel was present; however, the initials of Ms. Ono-Evangelista (or her predecessor, Emmitt Ford Jr.) were not present.
E09	Neither the invoice nor the "Request for Payment on Contract Form" are stamped paid. The check number is documented on the "Request for Payment on Contract Form."
E10	Delegation of Authority dated 2/9/2010 indicates that for Program Purchases from \$50,000 to \$99,999 require the approval of the Program Manager and LOB Director. The purchase requisition contained the approval of the Program Manager (Garett Kamemoto); however, there was no signature for the LOB Director (Richard Pezzulo).
E11	The procurement process used does not appear to comply with HRS Sec. 103D. Additionally, the invoices submitted are dated approximately 6 weeks apart; however, they are sequential in number. Based on a search of public information, the vendor was established in 2011, the same year as the contract with OHA was executed. These are indicators of potential fraud, waste, or abuse.

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

Tickmarks

E12	An Accounting Checklist was not included with the supporting documentation. According to Gloria Li, Controller, the Accounting Checklist had not been used in several years, and CLA did not observe the use of an Accounting Checklist for any of the contracts tested. According to Ms. Li, the Procurement Document Checklist is used instead. The Accounting Checklist was used back when purchasing was part of the accounting department, and there was a separate checklist for each group (accounting and procurement). Now that procurement is its own department, only the Procurement Document Checklist is used. The availability of funds is verified on the Purchase Requisition by the Budget Analyst; however, the Purchase Requisition was not available for this contract.
E13	The applicable Delegation of Authority (dated 2/9/2010) does not include a category identifying the required signatures for contracts. The Cooperative Agreement was signed by the CEO, Corporate Counsel, the Contract Monitor, and the Chief Advocate (LOB Director).
E14	For this contract, the "Request for Payment on Contract" for 7 of the 9 invoices tested was not signed by the Administrator (CEO) or Deputy Administrator (COO). For the remaining 2 invoices tested, the COO signed the Request for Payment on Contract when the CEO should have signed. This purchase was for the Public Policy division, which falls under the Advocacy LOB (Washington DC Bureau). Requests for Payment on Contracts for Advocacy must be approved by the Administrator (CEO).
E15	The Procurement Document Checklist (PCL) indicates that this contract is exempt under 3-120-4(3) HAR, which states "Services of lecturers, speakers, trainers, facilitators and scriptwriters, when the provider possess specialized training methods, techniques or expertise in the subject matter." According to the scope of the contract, Native Hawaiian Education Association was paid for the "production and facilitation of eighteen (18) scholarship 'aha for Native Hawaiian students." Although the work included "facilitation," it appears that this was not a service provided directly to OHA but was a program to benefit Native Hawaiians (similar to a grant or sponsorship). Additionally, the organization's website lists 'aha dates for 2018-19, which may be an indication that this is an ongoing program of the organization and not a service to OHA. Whether or not this type of program/service qualifies under HAR 3-120-4(3) would require a review by the State of Hawaii.
E16	The Controller signed on behalf of the CFO; however, there is no documentation that the Controller was given signing authority by the CFO. The signature of the CFO on the Purchase Order is the process by which the availability of funds is "certified."
E17	For 4 of 6 invoices tested, the "Request for Payment on Contract" was not signed by the Administrator (CEO) or Deputy Administrator (COO). For the remaining 2 invoices tested, this purchase was categorized under the Research LOB; therefore, all Requests for Payment on Contracts should have been approved by the Research Director and Administrator (CEO). The Request for Payment on Contract was signed only by the COO.
E18	Because there is no evidence of deliverables or only a portion of the deliverables could be provided, CLA is unable to determine whether there was sufficient oversight of the contract.

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

Tickmarks

E19	The procurement method used is questionable. There is no evidence of deliverables, which was required by the contract. This contract was for the facilitation and issuance of scholarships; however, the 990s filed by the contractor for 2013 and 2014 do not list any expenses for scholarships, and most expenses were for conferences, conventions, and meetings. These are indicators of possible fraud, waste, or abuse.
E20	Kamana Beamer, the owner of Kuauli Anina-Based Insights LLC, became a commissioner for the Hawaii State Commission on Water Resource Management, with his first term beginning on July 1, 2013. CLA is unable to conclude as to whether this position is considered a legislator. Other concerns regarding possible conflict of interest due to a possible personal relationship between Kamana'opono Crabbe and Kamana Beamer as Mr. Beamer was listed as one of the supporters for Mr. Crabbe on a petition posted on 5/10/2014, at the time of this contract.
E21	The Procurement Document Checklist (PCL) indicates that this contract is exempt under 3-120 (1), which states, "Research, reference, and educational materials including books, maps, periodicals, and pamphlets, which are published or available in print, video, audio, magnetic, or electronic form, including web-based databases." Based on the scope of work in the contract, the services provided were "documenting the sale of former Hawaiian Kingdom Government and Crown Lands" in an Excel spreadsheet and to provide geo-reference select maps for lands sold from 1893-1959. The State of Hawaii - State Procurement Office issued a letter dated May 1, 2017 regarding the procurement method used for this purchase. The letter stated on page 4, "The SPO notified OHA, on December 16, 2016, that Exemption #1 is used for already published research material and not for contracting a vendor to conduct research and create a report, which is a service. The subject contract's scope of work did not fit within the confines of this exemption and therefore the subject contract's award to Kuauli 'Aina-Based Insights does not comply with the Procurement Code."
E22	For some or all invoices tested for these contracts, the "Request for Payment on Contract" was not signed by the Administrator (CEO) or Deputy Administrator (COO).
E23	The procurement method used is questionable. There is only partial evidence that the contractor provided all deliverables required by the contract. The invoice numbers are sequential even though they are dated months apart. The filing date for the contractor is 2/4/2013, which is approximately 4 months prior to the final execution of the contract. There is also evidence of a possible personal relationship between the contractor and former CEO as the contractor's name is associated with a petition of support for the former CEO that was posted online on 5/10/14 at the site: hawaiiankingdom.org. These are indicators of potential fraud, waste, or abuse.

Attachment 09
Office of Hawaiian Affairs
HRS §103D-102b Exempt Contracts (Non-Grant)
Number of Contracts Tested: 17
For the Period July 1, 2011 to June 30, 2016

Tickmarks

E24	According to the Procurement Documentation Checklist, the listed exemption is 3-120 #1. This is "research, reference, and educational materials including books, maps, periodicals, and pamphlets, which are published or available in print, video, audio, magnetic, or electronic form, including web-based databases." Based on the scope of work in the contract, the services provided are to make updates and other integration tasks for the Papakilo Database, which does not seem to fit into this exemption category. CLA could not identify an allowable exemption for this service through review of HRS 103D-102(b) and Exhibit A. See also the May 1, 2017 letter from the State of Hawaii - State Procurement Office, which indicates that Exemption #1 under HAR 3-120 is used for "already published" research, reference, and educational material. Based on the interview with Kale Hannahs, contract manager, DL Consulting was originally retained by OHA in 2007 through an RFP process to develop the Papakilo Database. This new contract was executed in 2013 as they had completed the first stage of building out the database. The contracts were based on the stages and available funds. According to Mr. Hannahs, his understanding was this was a sole source contract because DL Consulting had already done the work to build-out and customize the database. Through internet searches, CLA identified a Notice & Request for Sole Source for DL Consulting related to updates and maintenance on the Papakilo Database for the period 6/1/18 - 6/1/19. It appears that this contract should have been processed as a sole source contract with appropriate notice and request made.
E25	The exemption reference listed on the Procurement Document Checklist is HAR 103D-102(b)(4)(G), which is "Performances, including entertainment, speeches, and cultural and artistic presentations." This does not seem to be an appropriate exemption for this work. The scope of this contract required the vendor to present the "management and development framework" on the Kaka'ako Makai land parcels to OHA leadership and project managers. The listed exemption appears applicable to entertainment performances, speeches and other cultural and artistic works. A presentation of the results of professional services provided to the organization does not seem an appropriate use of this exemption. This vendor had a previous contract with OHA (#2865) to perform the analysis and other work related to the Kaka'ako Makai lands. It seems more appropriate that this additional cost for a presentation would have been processed as an addendum to that original contract.
E26	The contract was missing the following provisions: Other Conditions of Use of Funds.
E27	Based on Delegation of Authority effective 12/12/12, COO-Level Contracts & Amendments require execution by the COO and CEO. Only the COO executed this contract.
E28	This purchase was categorized under the COO LOB and Land Acquisition division; therefore, all Requests for Payment on Contracts should have been approved by the COO and Administrator (CEO). The Request for Payment on Contract was signed only by the COO.
E29	This contract provided additional work and compensation to the contractor related to work performed by this contractor under a separate contract. See OHA Contract #2865 tested in the section for Competitive Sealed Proposals (RFP). The majority of work performed by this contractor was under the original contract (#2865), and the sufficiency of oversight provided by the contract manager was assessed as part of that contract testing.

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

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E30	The original contract (#2865) included in the scope section (#7) includes presenting "these findings to OHA project managers and decision-makers upon request." The scope covered by this contract appears duplicative of the original contract, which calls into question the need to pay the additional amount under this contract. This is an indicator of potential waste.
E31	The Procurement Document Checklist (PCL) indicates that this contract is exempt under 3-120-4(3) HAR, which states "Services of lecturers, speakers, trainers, facilitators and scriptwriters, when the provider possess specialized training methods, techniques or expertise in the subject matter." The contract indicates that the contractor will be conducting research related to international law and the sovereignty of Hawaii. The scope of work also states, "To perform lectures based on the memorandum developed for OHA, upon OHA assignment." OHA was unable to provide information regarding whether any lectures were provided. If lectures were not provided, it is not apparent that this would have been exempt under statute, as there is no exemption for research services. Additionally, the professional services procurement process includes a category for Legal Services - "Native Hawaiian Affairs" which includes "sovereignty" and "Native Hawaiian Rights and Entitlements" and had 9 approved vendors for FY2013-14 (when this contract was signed).
E32	The Purchase Requisition was not signed by the Budget Analyst to verify the availability of funds as required for purchases over \$2,500.
E33	Based on Delegation of Authority effective 12/12/12, LOB level contracts require approval by the LOB Director, Corporate Counsel, COO, and CEO. The COO did not approve this contract. All contracts require COO approval regardless of type or amount.
E34	CLA was unable to get answers to questions related to this contract. CLA requested an interview of Kamana'o pono Crabbe, the former CEO, prior to his last day at OHA; however, CLA was unable to get an interview with Mr. Crabbe. No one else within OHA was able to provide responses to questions, and OHA could not provide information on whether lectures were provided and when.
E35	The procurement method used is questionable. Based on redacted emails provided to CLA, it appears that lectures may have been added to the scope as a means to get the contract approved through the exempt method. Work was performed prior to having an approved contract in place. The first invoice was dated 3 days after the contract execution date. Contract effective date was prior to when the contract was executed. The memo and letter that were included in the scope of this contract were both dated prior to when the contract was executed. These are indicators of potential fraud, waste, or abuse.
E36	The contract was missing the following provisions: Responsibility for Accuracy; Insurance; Dispute; Severability; Waiver of Contractual Rights.
E37	For 1 of 2 invoices tested for this contract, the Request for Payment was signed only by the COO as the LOB Director. According to OHA, this was a Memorandum of Agreement that was approved by the CEO, and it was a CEO contract; therefore, the program was "Chief Executive Officer." Signature by only the COO does not appear appropriate. The signatures for the 2nd invoice appear appropriate.

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

Tickmarks

E38	The Procurement Document Checklist marked this as an "Exempt" contract; however, the applicable section under 103D(b) that qualifies this contract as exempt is not documented. The listing of contract managers and contract types provided by Phyllis Ono-Evangelista indicates this contract is "exempt insurance appointed defense counsel." There is no specific exemption criteria listed in HRS 103D under which this contract seems to comply. According to OHA, this contract is exempt under 3-120-4, Exhibit A, No. 6, which exempts purchases of insurance, including insurance broker services. OHA's insurance broker helps the agency obtain appropriate insurance coverage for OHA's assets and activities. For OHA's POL/EPL policy, the insurance carrier has an approved panel of counsel and/or the agency can obtain a Choice of Counsel endorsement. OHA provided a copy of the Choice of Counsel endorsement, which listed McCorrison Miller Mukai Mackinnon LLP and Alston Hunt Floyd & Ing. CLA is unable to determine whether legal services qualifies as an "insurance broker service" and would be exempt under HRS 103D. This is one of three contracts executed with this contractor. See also E42 .
E39	The contract was missing the following provisions: Waiver of Violations.
E40	A detailed invoice was submitted to substantiate hours and costs incurred. However, the labor descriptions were redacted. The level of detail on the invoices appears adequate; however, CLA cannot verify without the descriptions that the services provided relate to the scope of work per the contract.
E41	The standard contract for purchase of service was not used as this was a cooperative agreement between multiple government entities. The terms covered by the cooperative agreement included purpose, effective dates, solicitation and contract development, type of contract, term of contract, and point of contact information. This contract was amongst multiple government agencies; therefore, the risk to OHA is not as great as if this were a contract with a for profit entity.
E42	The Procurement Document Checklist marked this as "Exempt." According to OHA, it is exempt under 3-120-4, Exhibit A, No. 6, which includes purchases of insurance, including insurance broker services. OHA's insurance broker helps the agency obtain appropriate insurance coverage for OHA's assets and activities. For OHA's POL/EPL policy, the insurance carrier has an approved panel of counsel and/or the agency can obtain a Choice of Counsel endorsement. OHA provided a copy of the Choice of Counsel endorsement, which listed McCorrison Miller Mukai Mackinnon LLP and Alston Hunt Floyd & Ing. CLA is unable to determine whether legal services qualifies as an "insurance broker service" and would be exempt under HRS 103D. This tickmark applies to two contracts with this contractor, which are two of three contracts executed with this contractor. See also E38 .
E43	The contract was missing the following provisions: Termination of Agreement.
E44	According to the Delegation of Authority effective May 19, 2015, all corporate counsel contracts and amendments must be initiated by corporate counsel and signed by the CFO and CEO. This contract was signed only by corporate counsel and the CEO.
E45	The procurement method used is questionable and did not provide for any competition in price. This is an indicator of potential waste.

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

Tickmarks

E46	The Procurement Document Checklist, which is used to document that the proper procurement method was followed, was not completed, reviewed, and signed until October 6, 2015, which is after the Purchase Requisition was approved (9/28/2015) and the contract was signed by OHA (10/5/2015).
E47	The Certificate of Vendor Compliance (tax clearance and DCCA verification) was not issued until October 6, 2015, which is after the Purchase Requisition was approved (9/28/2015) and the contract was signed by OHA (10/5/2015).
E48	This contract was for \$300,000. The Delegation of Authority dated 10/21/2015 requires that Program-Level contracts over \$150,000 be executed by the COO and CEO and the "form approval" be completed by Corporate Counsel. This contract was executed by the CEO and the "form approval" was completed by Corporate Counsel; however, the COO did not execute the contract.
E49	According to the Procurement Documentation Checklist, the listed exemption is 3-120-4(1) HAR, which states "research, reference, and educational materials including books, maps, periodicals, and pamphlets, which are published or available in print, video, audio, magnetic, or electronic form, including web-based databases." Based on the scope of work in the contract, the services provided transcription services, which does not appear to fall within this category of "research, reference, and educational materials." CLA could not identify an allowable exemption for this service through review of HRS 103D-102(b) or 3-120-4. Based on the type of service, it seems the procurement of these services should have gone through the professional services procurement process. See also the May 1, 2017 letter from the State of Hawaii - State Procurement Office, which indicates that Exemption #1 under HAR 3-120 is used for "already published" research, reference, and educational material.
E50	The Request for Payment on Contract was signed by the Requestor (Kealoha Fox), Program Manager (Kealoha Fox), and Lisa Victor in the space designated for the LOB Director. However, when CLA inquired with OHA about who the LOB Director was for this contract, OHA indicated that the Contract Routing Form identified the LOB Director as CEO, Kamana'opono Crabbe. Dr. Crabbe did <u>not</u> sign the payment request. According to the Delegation of Authority dated 10/21/15, the LOB Director is the final approver for contract disbursements up to \$150,000. As the LOB Director for this contract, Dr. Crabbe should have signed the Request for Payment on Contract.
E51	Procurement method is questionable. Deliverables could not be located by OHA, and there was no one in OHA with knowledge of the contract that could answer CLA's questions. These are indicators of potential fraud, waste, or abuse.
E52	This purchase was categorized under the COO LOB and division; therefore, all Requests for Payment on Contracts should have been approved by the COO and Administrator (CEO). The Request for Payment on Contract was signed only by the COO.
E53	The TOP (time of performance) beginning date of the contract was prior to the date the contract was fully executed by OHA. Invoices did not contain sufficient detail to indicate when the contractor actually began services.

Attachment 09

Office of Hawaiian Affairs

HRS §103D-102b Exempt Contracts (Non-Grant)

Number of Contracts Tested: 17

For the Period July 1, 2011 to June 30, 2016

Tickmarks

E54	According to the Procurement Documentation Checklist, the listed exemption is 3-120-4(1) HAR, which states "research, reference, and educational materials including books, maps, periodicals, and pamphlets, which are published or available in print, video, audio, magnetic, or electronic form, including web-based databases." Based on the scope of work in the contract, the services provided were writing and editing of the Kukulu Hou Assessment Project, which does not appear to fall within this category of "research, reference, and educational materials." CLA could not identify an allowable exemption for this service through review of HRS 103D-102(b) or 3-120-4. Based on the type of service, it seems the procurement of these services should have gone through the professional services procurement process. See also the May 1, 2017 letter from the State of Hawaii - State Procurement Office, which indicates that Exemption #1 under HAR 3-120 is used for "already published" research, reference, and educational material.
E55	The contract included ONLY the following provisions: Background, Project Scope, Project Process, Timeline, Payment Schedule, and Deliverables. No other provisions were included.
E56	The TOP (time of performance) beginning date was prior to the date the contract was fully executed by OHA. The description on the invoice(s) also indicates that services began prior to when the contract was fully executed by OHA.
E57	The contract was executed by OHA on February 14, 2013; however, the effective date of the contract is December 3, 2012. A schedule attached to the contract provides the Scholarship 'Aha dates for 2012-13, which begin on November 27, 2012 and go through January 24, 2013. All dates are prior to when the contract was executed by OHA. This indicates that the activities of NHEA may have occurred prior to when the contract was approved and executed.
E58	The TOP (time of performance) beginning date was prior to the date the contract was fully executed by OHA. Within the documents provided, there is a document labeled "OHA Leadership and Team Development - Final Report - Summary of Deliverables" which indicates that services were provided beginning in November 2015. The TOP beginning date was 2/1/16.
E59	The TOP (time of performance) beginning date was not stated in the contract. The contract was fully executed by OHA on March 8, 2016. The first invoice from the vendor was dated March 7, 2016.

Attachment 10

Attachment 10**Office of Hawaiian Affairs****CEO Sponsorships****Number of Disbursements Tested: 10****For the Period July 1, 2011 to June 30, 2016**

CLA Sample Number	Check Number	Check Date	Method of Disbursement	Payee/Vendor Name (From OHA General Ledger)	Amount Paid (From OHA General Ledger)	Disbursement Type	CLA Observation Numbers
D-03	25415	11/10/2011	Check	HI'IPAKA	\$ 6,472.90	Grant	F01, F04, F06, F10
D-08	26042	03/05/2012	Check	HI'ILEI ALOHA, LLC	24,700.00	Grant	F02, F05, F06, F10, F14
D-09	26307	04/20/2012	Check	UNIVERSITY OF HAWAII	30,000.00	Grant	F06, F10, F11
D-19	27638	01/03/2013	Check	SUPPORTING THE LANGUAGE OF KAUAI INC.	25,000.00	Grant	F03, F10, F21
D-29	30126	05/14/2014	Check	NATIVE HAWAIIAN EDUCATION ASSOCIATION	20,000.00	Grant	F06, F10, F12
D-30	30149	05/19/2014	Check	SMITHSONIAN/NMAI	25,000.00	Grant	F03, F10, F12, F19, F22
D-31	30190	05/27/2014	Check	NATURE CONSERVANCY, THE	24,999.00	Grant	F03, F9, F10, F15, F16, F17, F20, F23
D-32	30196	05/29/2014	Check	ALOHA FIRST	25,000.00	Grant	F03, F08, F09, F10, F15
D-40	32731	10/14/2015	Check	NATIONAL INDIAN EDUCATION ASSOCIATION	5,000.00	Grant	F07, F09, F10, F18
D-43	33539	04/21/2016	Check	EDITH KANAKAOLE FOUNDATION	25,000.00	Grant	F07, F09, F10, F13, F20, F24

Attachment 10
Office of Hawaiian Affairs
CEO Sponsorships
Number of Disbursements Tested: 10
For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-03	D-08	D-09	D-19	D-29	D-30	D-31	D-32	D-40	D-43	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
HRS §84: Standards of Conduct															
HRS § 84-14: Conflicts of Interest															
[1]	Employees selecting the contractor did not have a financial interest.	x, F01	x, F02	✓	✓	✓	✓	✓	✓	✓	✓	0	2	8	10
[2]	Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or other agency capacity.	x, F01	x, F02	✓	✓	✓	✓	✓	✓	✓	✓	0	2	8	10
HRS § 84-15(a): Contracts															
[3]	The contract was not with a legislator or employee who has controlling interest.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	10	10
[4]	If the contract was with a legislator or employee who has controlling interest, alternative criteria were met.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	10	10
HRS § 84-15(b): Contracts															
[5]	The person or the business entering into contract with OHA was not represented by a person employed by OHA in the preceding 2 years.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	10	10
[6]	If the person or business entering into contract with OHA was represented by a person employed by OHA in the preceding 2 years, the person did not participate in the matter with which the contract is directly concerned.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	10	10
HRS §10: Office of Hawaiian Affairs															
HRS §10-17(a): Grants; conditions and qualifications															
[7]	The Office of Hawaiian Affairs received an application for the grant.	DM	DM	DM	✓	DM	✓	✓	✓	DM	DM	6	0	4	10
[8-12]	The application met the minimum qualifications detailed in HRS §10-17(a).	DM	DM	DM	x, F03	DM	✓	✓	✓	DM	DM	6	1	3	10
[13]	The activities of the grant were consistent with HRS §10-17.	DM	DM	DM	x, F03	DM	✓	✓	✓	DM	DM	6	1	3	10
HRS §10-17(b): Grants; conditions and qualifications															
[14]	The applicant applied for or received all licenses and permits, when required to conduct the activities.	DM	DM	DM	x, F03	DM	x, F03	x, F03	x, F03	DM	DM	6	4	0	10
[15]	The applicant agreed to comply with federal, state, and county laws.	DM	DM	DM	x, F03	DM	x, F03	x, F03	x, F03	DM	DM	6	4	0	10
[16]	The grant was not used for entertainment or perquisites.	DM	DM	DM	x, F03	DM	✓	✓	✓	DM	DM	6	1	3	10
[17]	The applicant agreed to comply with federal, state, and county statutes and ordinances, including building code and agency rules.	DM	DM	DM	x, F03	DM	x, F03	x, F03	x, F03	DM	DM	6	4	0	10
[18]	The applicant indemnified OHA.	DM	DM	DM	x, F03	DM	x, F03	x, F03	x, F03	DM	DM	6	4	0	10
[19]	The applicant procured insurance if requested by OHA.	DM	DM	DM	x, F03	DM	x, F03	x, F03	x, F03	DM	DM	6	4	0	10
HRS §10-17(c): Grants; conditions and qualifications															
[20-23]	Based on the grant application, the applicant was an eligible organization as defined by HRS §10-17(c).	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	10	10
[24]	If the applicant was a nonprofit organization,														
	[a] the governing board members have no material interest and serve without compensation,	x, F04	x, F05	x, F06	x, F03	x, F06	x, F03	x, F03	x, F03	x, F07	x, F07	0	10	0	10
	[b] has bylaws regarding nepotism and conflict of interests, and	x, F04	x, F05	x, F06	x, F03	x, F06	x, F03	x, F03	x, F03	x, F07	x, F07	0	10	0	10
	[c] employs no more than two or more family members.	x, F04	x, F05	x, F06	x, F03	x, F06	x, F03	x, F03	x, F03	x, F07	x, F07	0	10	0	10

Attachment 10
Office of Hawaiian Affairs
CEO Sponsorships
Number of Disbursements Tested: 10
For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-03	D-08	D-09	D-19	D-29	D-30	D-31	D-32	D-40	D-43	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[25]	The applicant made all records relating to its operation of the activity available to OHA.	x, F06	x, F06	x, F06	x, F03	x, F06	x, F03	x, F03	x, F03	x, F07	x, F07	0	10	0	10
[26]	The applicant satisfied OHA that sufficient funds were available for its operation or the grant activity.	x, F06	x, F06	x, F06	x, F03	x, F06	x, F03	x, F03	x, F03	x, F07	x, F07	0	10	0	10
HRS §10-17(d): Grants; conditions and qualifications															
[83]	The monitoring requirements defined under HRS §10-17(d) were tested concurrently with the criteria at [83].	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	10	0	0	10
OHA Fiscal Procedures Manual, revised March 2, 2009															
2.2.4.1: Grants Review Process															
[27]	Staff completed the sections for scope of work, compensation/payment and reporting requirements.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, F08	N/A	N/A	0	1	9	10
[28]	No sections of the forms were altered.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, F08	N/A	N/A	0	1	9	10
[29-31]	The grant was documented and completed on the appropriate form for the type of grant.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	10	10
[32]	The proof of award was submitted, including the grant award letter, Board minutes, or the approved Administrative Memo.	DM	DM	DM	DM	DM	DM	x, F09	x, F09	x, F09	x, F09	6	4	0	10
[33]	If the award was over \$2,500, the senior staff attorney signed the Procurement Document Checklist (PCL).	✓	✓	✓	✓	✓	✓	✓	✓	DM	DM	2	0	8	10
[34]	If the award was over \$2,500, the award was submitted with the Procurement Document Checklist (PCL).	DM	DM	DM	DM	DM	DM	x, F09	x, F09	x, F09	x, F09	6	4	0	10
2.2.4.3: Review Documentation															
[35]	A completed Purchase Requisition (PR) was submitted by a PR Representative.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	10	10
[36] ⁵	For grants using the OHA Long Contract,														
	[a] an Accounting Checklist was submitted,	x, F10	x, F10	x, F10	x, F10	x, F10	x, F10	x, F10	x, F10	x, F10	x, F10	0	10	0	10
	[b] funds were verified by the Budget Analyst, and	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	10	10
	[c] funds were certified by the CFO.	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	10	0	0	10
[37]	For grants using the OHA Long Contract, a PCL was submitted and signed by a Hale Director.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	10	10
[38-41] ^{1, 2, 3, 4, 5}	The legal relationship was documented on the appropriate form for the type of grant.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	10	10
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum															
Issued February 9, 2010 and revised December 12, 2012, May 19, 2015, October 21, 2015															
[42-45]	Purchase Requisition had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	✓	x, F11	✓	✓	✓	✓	✓	✓	✓	0	1	9	10
OHA Fiscal Procedures Manual, revised March 2, 2009															
2.2.4.4: Purchase Review Process for Contracts and Grants															
[46]	For grants over \$2,500 the AP Supervisor approved the Procurement Document Checklist (PCL).	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	DM	DM	2	0	8	10
[47]	The Budget Analyst verified the availability of funding and correct coding.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	10	10

Attachment 10
Office of Hawaiian Affairs
CEO Sponsorships
Number of Disbursements Tested: 10
For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-03	D-08	D-09	D-19	D-29	D-30	D-31	D-32	D-40	D-43	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[48]	A Purchase Order (PO) was issued by the Treasury and Other Services (TOS) to the preparer.	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	10	0	0	10
2.2.7.4: Grants Payment Processing⁶															
[49]	Payments were processed appropriately based on the type of Grantee Requirements and Grant Monitor Requirements.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	10	10
[50]	The Grant Monitor reviewed and approved the required grant reports within 5 working days.	DM	DM	DM	DM	DM	DM	DM	DM	DM	DM	10	0	0	10
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum Issued February 9, 2010 and revised December 12, 2012, May 19, 2015, October 21, 2015															
[54-57]	Request for Check Issuance had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	✓	x, F11	✓	x, F12	x, F12	✓	✓	✓	x, F13	0	4	6	10
OHA Grants Program Standard Operating Procedures, revised July 1, 2015^{7,8}															
III. Procedures: (C) Sponsorships															
[80]	The formal letter of request includes the information required by the Grants Program Standard Operating Procedures.	DM	x, F14	DM	DM	DM	✓	x, F15, F16	x, F15	DM	DM	6	3	1	10
[81]	The CEO approved the final award.	DM	x, F14	DM	DM	DM	DM	x, F17	✓	x, F18	✓	5	3	2	10
[82]	OHA documented evidence that the applicant received the Notice of Award, either via email or a letter signed by the Transitional Assistance Program (TAP) Manager.	DM	x, F14	DM	DM	DM	DM	DM	DM	DM	DM	9	1	0	10
[83]	OHA documented evidence that it received participation and/or recognition benefits.	DM	x, F14	DM	DM	DM	DM	DM	DM	DM	DM	9	1	0	10
Other Testing Results															
[84]	Compliance with budget restrictions.	✓	✓	✓	✓	✓	x, F19	x, F20	✓	✓	x, F20	0	3	7	10
[85]	No fraudulent or wasteful disbursements were made.	✓	✓	x, F11	x, F21	✓	x, F22	x, F23	✓	✓	x, F24	0	5	5	10

Attachment 10**Office of Hawaiian Affairs****CEO Sponsorships****Number of Disbursements Tested: 10****For the Period July 1, 2011 to June 30, 2016****Footnotes**

1	Grant Agreement Form GA-1 is used for Kaialuu grants up to \$100,000, CBED grants up to \$50,000, and Kauhale grants up to \$24,999.
2	Grant Agreement Form CGA-1 is used for University of Hawai'i grants.
3	'Ahahui Agreement Form is used for 'Ahahui grants up to \$10,000.
4	Small Governance Award Letter is used for Hawaiian Governance grants.
5	The testing of criteria [36] and [39] also satisfied the requirements of the Fiscal Procedures Manual, Section 2.2.6: Grants Contract Funding Certification.
6	Criteria [51] through [53] refer to the Fiscal Procedures Manual, Section 2.2.7.4: Grants Payment Processing. The criteria applied to the Request for Payment on Contract, which CLA determined was not applicable, since CEO Sponsorships were paid with the Request for Check Issuance form.
7	Criteria [58] through [79] relate to Grants Program Standard Operating Procedures for CEO Sponsorships and results for these criteria are included in the Grants Contract Testing section.
8	The Grants Program Standard Operating Procedures are applicable only to grants awarded after July 1, 2015.
9	Criteria [58] through [79] were applicable to Grants. Grants were tested as contracts.

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Documents Missing - OHA could not locate document(s) to provide to CLA
N/A	Not Applicable
F01	The CEO took an official action directly affecting a business in which the CEO was engaged in an agency capacity. As both the CEO of OHA and one of the managers of Hi'ipaka LLC, the former OHA CEO approved a CEO Sponsorship to cover costs for an event at Hi'ipaka's property, Waimea Valley.
F02	The CEO took an official action directly affecting a business in which the CEO was engaged in an agency capacity. As both the CEO of OHA and one of the managers of Hi'ilei Aloha LLC, the interim OHA CEO approved an "Administrative Grant" for the purpose of due diligence relating to the Maritime Museum.

Attachment 10**Office of Hawaiian Affairs****CEO Sponsorships****Number of Disbursements Tested: 10****For the Period July 1, 2011 to June 30, 2016****Tickmarks**

F03	The funding request letter for the CEO Sponsorship does not contain enough information to answer key requirements, as outlined in HRS 10-17, including information necessary for the application of the grant (HRS 10-17(a)), information necessary for the awarding of the grant (HRS 10-17(b)), and minimum qualifications of the grant awardee (HRS 10-17(c)).
F04	The governing board of Hi'ipaka LLC is comprised of members that have a direct material conflict of interest and receive compensation. The CEO of OHA is one of the managers of Hi'ipaka LLC. This setup creates an inherent conflict of interest for any grants awarded to Hi'ipaka LLC.
F05	The governing board of Hi'ilei Aloha LLC is comprised of members that have a direct material conflict of interest and receive compensation. The CEO of OHA is one of the managers of Hi'ilei Aloha LLC. This setup creates an inherent conflict of interest for any grants awarded to Hi'ilei Aloha LLC.
F06	The CEO Sponsorship request was not documented on either a funding request letter prepared by the applicant or a Sponsorship Review form prepared by OHA. Therefore none of the minimum requirements under HRS §10-17(c) were met when the grant was awarded.
F07	The CEO Sponsorship request was documented on a Sponsorship Review form prepared by OHA, even though there is no documentation that the applicant submitted a funding request letter. Regardless, there is no evidence that the applicant agreed to comply with (or met) the minimum requirements under HRS §10-17(c) when the grant was awarded.
F08	The information recorded on the Sponsorship Review Form is not consistent with the information on the funding request letter for the CEO Sponsorship. Specifically, the Sponsorship Review Form reports the Event Date, Strategic Result, Benefit to Hawaiians, Budget, and Recognition Benefits -- all of which are not included on the applicant's funding request letter.
F09	There is evidence that the CEO Sponsorship award was approved and documented on a Interoffice Memorandum or Sponsorship Review form; however, there is no evidence of a proof of award, including a grant award letter, Board minutes, approved Administrative Memo, or email as detailed in the Grants SOP, that notified the applicant of the award.
F10	An Accounting Checklist was not included with the supporting documentation. According to OHA's Controller, the Accounting Checklist has not been used in a long time. The Accounting Checklist was used back when purchasing was part of the accounting department, and there was a separate checklist for each group (accounting and procurement). Instead, OHA uses the Procurement Document Checklist (PCL) and Purchase Requisition (PR) to document the availability of funds was verified by the Budget Analyst. The CFO performs the certification of funds on the Purchase Order (PO). The Controller also confirmed that only the Budget Analyst certifies the availability of funds when the purchase is above the required threshold, which is indicated in the Operational Authority Delegation Hierarchy.

Attachment 10

Office of Hawaiian Affairs

CEO Sponsorships

Number of Disbursements Tested: 10

For the Period July 1, 2011 to June 30, 2016

Tickmarks

F11	The grant award appears to have been split to avoid restrictions on the CEO Sponsorship maximum award amount. The award is split into two components: \$24,950 for "Grants in Aid" and \$5,050 for "Services on a Fee Basis". According to the Operational Authority Delegation Hierarchy in place for 2012, dated February 9, 2010, the maximum CEO Sponsorship was \$24,999. It appears the award was split to circumvent this restriction.
F12	According to the Operational Authority Delegation Hierarchy in effect at the time, the CEO was required to approve the Request for Check Issuance form based on the amount of the disbursement; however, the CEO did not approve the Request for Check Issuance form.
F13	According to the Operational Authority Delegation Hierarchy in effect at the time, the COO was required to approve the Request for Check Issuance form based on the amount of the disbursement; however, the COO did not approve the Request for Check Issuance form.
F14	The grant is categorized as an "Other - Administrative Grant to Hi'ilei Aloha LLC". The grant funds were used to perform due diligence on the Maritime Museum as a potential new office location for OHA. The grant was not subjected to the CEO Sponsorship requirements defined in the OHA Grants Program Standard Operating Procedures.
F15	The funding request letter for the CEO Sponsorship indicates that the request is for program funding, not a one-time event. As such, this is not consistent with the purpose of the CEO Sponsorship, which is for one-time events. Furthermore, the funding request letter does not include any event date (or Time of Performance), event location, event name, event description, or recognition benefits for OHA.
F16	The Sponsorship Review Form (Papahanaumokuakea Sponsorship) indicates, under the "Request Type", "Comments", and "Evaluation Criteria", that the request is for program funding, not a one-time event. The Request Type is "Program/Product"; the Comments read, "Not considered a CEO Sponsorship request"; and the Evaluation Criteria for Recognition Benefits and Budget are evaluated as "N/A". As such, this is not consistent with the purpose of the CEO Sponsorship, which is for organizations "whose programs and services benefit the Native Hawaiian community, and whose events offer OHA valuable public relations and recognition benefits...[and are] not intended to support events that would otherwise qualify under the 'Ahahui Grant Program or to support program services" (Grants Program Standard Operating Procures, updated July 1, 2015, Pg. 23).
F17	The Proof of Award does not contain the CEO's approval of the CEO Sponsorship.
F18	The Sponsorship Review Form was not signed by the CEO.
F19	The grant disbursement package contains an email between the Controller and Executive Assistant, indicating that the award amount was approved for \$25,000 but that a portion (\$12,000) was not available without a Budget Realignment approved by the BOT. There is no documentation that the Budget Realignment was approved by the BOT before the grant award was approved by the CEO.

Attachment 10

Office of Hawaiian Affairs

CEO Sponsorships

Number of Disbursements Tested: 10

For the Period July 1, 2011 to June 30, 2016

Tickmarks

F20	The grant disbursement package contains a Budget Adjustment Request Form that decreased funds from another account in order to fund the CEO Sponsorship. The form appears to be properly approved by the Budget Analyst, Controller, and CFO. CLA was unable to determine if this budget adjustment was a violation of budget restrictions.
F21	This is a CEO Sponsorship for Supporting the Language of Kauai, Inc. (SLK) to help cover operational start-up costs. The funding request letter states, "as mentioned in our confidential Business Plan that was recently submitted and approved by the managers of Hi'ipoi, LLC, we are requesting support from OHA in the amounts of \$25,000". CLA requested the confidential business plan, but OHA did not provide a copy of the business plan or the LLC Managers' approval of that plan. CLA could not determine if the business plan to support SLK was a properly approved use of OHA funds.
F22	The Purchase Requisition, Procurement Package Checklist, and Procurement Document Checklist indicate that the OHA forms were not completed in chronological order. There are also duplicates of all three documents in the file, which indicates that a parallel procurement and disbursement process occurred.
F23	The documentation indicates that OHA knew this award was used to support a programmatic service, which is not the intended use of a CEO Sponsorship. This disbursement should have been submitted under the Community Grant or Kūlia Initiative programs.
F24	The documentation indicates that the purchase requisition method was rushed as the request of the OHA CEO.

Attachment 11

Attachment 11

Office of Hawaiian Affairs

Exempt (Non-Grant) and Small Purchase Disbursements

Number of Disbursements Tested: 34

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Check Number	Check Date	Method of Disbursement	Payee/Vendor Name (From OHA General Ledger)	Amount Paid (From OHA General Ledger)	Disbursement Type	CLA Observation Numbers
D-01	20212	01/27/2016	Direct Deposit	RILEY, JAMES KAWIKA	\$ 4,315.06	Disbursement	None
D-02	28535	06/17/2013	Check	SANBORN, DAVID R.	5,000.00	Disbursement	G-08, G19
D-04	25498	11/30/2011	Check	ABW HOLDINGS LLC	150,000.00	Disbursement	G03, G08, G20
D-05	25668	01/03/2012	Check	NAMU'O, CLYDE W.	183,000.00	Disbursement	None
D-06	25698	01/09/2012	Check	MARTIN TSACHEV AND BICKERTON LEE DANG & SULLIVAN	162,500.00	Disbursement	None
D-10	26645	06/26/2012	Check	TITLE GUARANTY OF HAWAII, INC.	108,412.47	Disbursement	G02, G08
D-11	26694	07/09/2012	Check	OFFICE OF HAWAIIAN AFFAIRS	100,000.00	Disbursement	G08
D-13	26865	08/07/2012	Check	HO'OKIPAIPAI, LLC	207,179.00	Disbursement	G08
D-14	29001	09/25/2013	Check	FCH ENTERPRISES, INC.	68,607.31	Disbursement	G08
D-15	27013	08/31/2012	Check	HI'ILEI ALOHA, LLC	200,000.00	Disbursement	G08, G17
D-16	27175	10/04/2012	Check	X-PRESS TEES	2,453.93	Disbursement	None
D-17	27441	11/28/2012	Check	TITLE GUARANTY ESCROW SERVICES, INC.	3,000,000.00	Disbursement	G02, G08, G09
D-18	24736	07/07/2011	Check	INTER PACIFIC MOTORS	34,733.44	Disbursement	G08
D-20	27802	02/01/2013	Check	POSTMASTER	100,000.00	Disbursement	G08, G13
D-21	28279	05/03/2013	Check	HI'ILEI ALOHA, LLC	520,940.00	Disbursement	G08
D-22	28442	05/31/2013	Check	HU'ENA POWER INC	600,000.00	Disbursement	G08, G14, G21
D-24	29531	01/23/2014	Check	MARSH USA INC	190,711.44	Disbursement	G08, G15
D-25	29566	01/30/2014	Check	PACIFIC PARK PLAZA OWNER, LLC	177,601.26	Disbursement	G08, G18
D-26	32032	06/09/2015	Check	TAHITIAN TREE SERVICE, INC.	31,370.00	Disbursement	G08
D-27	29691	02/24/2014	Check	I OLA LAHUI	3,000.00	Disbursement	G08
D-28	32242	07/08/2015	Check	KALIHI-PALAMA CULTURE & ARTS SOCIETY, INC.	30,000.00	Disbursement	G01, G08
D-33	28949	09/09/2013	Check	KALAIMOKU GROUP, LLC, THE	28,115.17	Disbursement	G01, G04, G08, G10, G12, G16 G22
D-34	30921	10/28/2014	Check	HI'ILEI ALOHA, LLC	50,000.00	Disbursement	G08, G23

Attachment 11

Office of Hawaiian Affairs

Exempt (Non-Grant) and Small Purchase Disbursements

Number of Disbursements Tested: 34

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Check Number	Check Date	Method of Disbursement	Payee/Vendor Name (From OHA General Ledger)	Amount Paid (From OHA General Ledger)	Disbursement Type	CLA Observation Numbers
D-36	32085	06/18/2015	Check	MARIMED FOUNDATION FOR ISLAND HEALTH CARE TRAINING	49,000.00	Disbursement	G01, G08
D-37	32103	06/22/2015	Check	HALE KEALOHA - 'AI PONO CATERING SERVICES LLC	2,495.22	Disbursement	None
D-38	31980	06/01/2015	Check	WINDOWS CATERING COMPANY	24,985.81	Disbursement	G01, G08
D-41	33037	12/23/2015	Check	TH!NK	4,852.09	Disbursement	G05, G08
D-42	33421	03/24/2016	Check	HALE KEALOHA - 'AI PONO CATERING SERVICES LLC	15,000.00	Disbursement	G01, G08
D-44	26976	08/27/2012	Check	MAKAHA STUDIOS LLC	20,000.00	Disbursement	G01, G08
D-45	28872	08/23/2013	Check	FIELDS MASONRY	14,250.00	Disbursement	G01, G08
D-46	28173	04/19/2013	Check	KHAN, MARILYN L.	10,000.00	Disbursement	G01, G04, G06, G08, G16
D-47	30659	08/29/2014	Check	KUALOA RANCH HAWAII, INC	9,198.58	Disbursement	G01, G08, G24
D-48	28834	08/14/2013	Check	WET 'N' WILD HAWAII	8,483.33	Disbursement	G01, G07, G08, G25
D-50	32016	06/05/2015	Check	MCCORRISTON, MILLER, MUKAI, MACKINNON	5,541.15	Disbursement	G01, G08, G11

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Office of Hawaiian Affairs
Exempt (Non-Grant) and Small Purchase Disbursements
Number of Disbursements Tested: 34
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CLA Selection		D-01	D-02	D-04	D-05	D-06	D-10	D-11	D-13	D-14	D-15	D-16	D-17	D-18	D-20	D-21	D-22	D-24	D-25	D-26
HRS §84: Standards of Conduct																				
HRS § 84-14: Conflicts of Interest																				
[1]	Employees selecting the contractor did not have a financial interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
[2]	Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or in any other agency capacity.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HRS §103D: Hawaii Public Procurement Code																				
HRS §103D-102(b): Application of this chapter																				
[3]	The service or goods qualify as a listed exemption in 103D-102(b).	✓	N/A	✓	✓	✓	N/A	N/A	✓	N/A	✓	N/A	✓	N/A	✓	✓	✓	N/A	✓	N/A
[4]	Document the specific exemption number.	103D-102(b) (2)(B)	N/A	103D-102(b) (4)(L)	103D-102(b) (2)(C)	103D-102(b) (2)(C)	N/A	103D-102(b) (2)(H)	103D-102(b) (2)(F)	N/A	103D-102(b) (2)(F)	N/A	103D-102(b) (2)(F)	N/A	103D-102(b) (3)	103D-102(b) (2)(F)	103D-102(b) (2)(F)	N/A	103D-102(b) (4)(L)	N/A
OHA Fiscal Procedures Manual, revised March 2, 2009																				
2.2.1.3: Exempt Procurements																				
[5]	If not qualified under the list of exemptions in 103D-102(b), the service or good qualifies as an exempt purchase under Hawai'i Administrative Rules Section 3-120-4 – Exhibit A.	N/A	✓	N/A	N/A	N/A	✓	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A
[6]	Document the specific exemption number.	N/A	HAR 3-120-4(1)	N/A	N/A	N/A	HAR 3-120-4(6)	N/A	N/A	HAR 3-120-4(10)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	HAR 3-120-4(6)	N/A	N/A
2.2.2.1: Purchase Requisition Procedure¹																				
[8]	The Budget Analyst verified that funds were available for the procurement and sent the Purchase Requisition to management for review.	✓	✓	✓	N/A	N/A	x, G02	DM	✓	✓	✓	N/A	x, G02	✓	✓	✓	DM	✓	✓	DM
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum																				
Issued February 9, 2019 and revised December 12, 2012, May 19, 2015, October 21, 2015																				
[11-14]	The Purchase Requisition had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	✓	x, G03	N/A	N/A	✓	DM	✓	✓	✓	N/A	x, G09	✓	✓	✓	DM	✓	✓	DM
OHA Fiscal Procedures Manual, revised March 2, 2009																				
2.2.4: Grants, Procurement, and Contracts Review Process																				
[15]	Funds were verified by the Budget Analyst and certified by the CFO using the Accounting Checklist.	N/A	x, G08	x, G08	N/A	N/A	x, G08	x, G08	x, G08	x, G08	x, G08	N/A	x, G08	x, G08	x, G08	x, G08	x, G08	x, G08	x, G08	x, G08
[16]	Unless not required by statute, the contractor submitted a Tax Clearance to OHA prior to entering into the contract.	N/A	DM	DM	N/A	N/A	✓	N/A	N/A	DM	N/A	N/A	DM	✓	✓	N/A	✓	✓	N/A	✓
[17]	The Procurement Document Checklist was signed by the Hale Manager.	N/A	✓	DM	N/A	N/A	✓	DM	DM	✓	DM	N/A	DM	✓	✓	✓	DM	✓	✓	DM
[18]	The owner of the business, except for sole proprietorships, charitable organizations, unincorporated associations, and foreign insurance companies, submitted a DCCA Verification showing Proof of Good Standing with the State of Hawaii.	N/A	DM	DM	N/A	N/A	✓	N/A	N/A	✓	N/A	N/A	DM	✓	N/A	N/A	DM	✓	N/A	✓
2.2.4.3: Review Documentation²																				

Attachment 11
Office of Hawaiian Affairs
Exempt (Non-Grant) and Small Purchase Disbursements
Number of Disbursements Tested: 34
For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-01	D-02	D-04	D-05	D-06	D-10	D-11	D-13	D-14	D-15	D-16	D-17	D-18	D-20	D-21	D-22	D-24	D-25	D-26	
[23]	The senior staff attorney signed the PCL to ensure compliance with State Procurement Laws for the purchase if was for more than \$2,500.	N/A	✓	DM	N/A	N/A	✓	DM	DM	✓	DM	✓	DM	✓	✓	✓	DM	✓	✓	DM	
2.2.5: Purchase Orders																					
[24]	The Purchase Order was reviewed and signed by the CFO.	N/A	✓	✓	N/A	N/A	✓	N/A	DM	✓	DM	✓	DM	✓	✓	✓	DM	✓	✓	✓	
2.2.7.1.a: Request for Check Issuance³																					
[26]	For amounts under \$2,500, receipts and/or invoices were included as supporting documentation.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2.2.7.1.b: Request for Reimbursement Payment Process⁴																					
[28]	The staff member obtained approval from the appropriate manager to make the purchase.	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
[32]	Original receipts and/or invoices were included as supporting documentation.	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2.2.7.2 Purchase Order Payments																					
[33]	For amounts over \$2,500, the goods or services were marked as received on the original invoice.	N/A	✓	DM	N/A	N/A	DM	N/A	N/A	✓	N/A	N/A	N/A	✓	✓	N/A	DM	N/A	✓	✓	
[34]	For amounts over \$2,500, receipts and/or invoices were included as supporting documentation and match the Purchase Order.	N/A	✓	DM	N/A	N/A	DM	N/A	N/A	✓	N/A	N/A	✓	✓	✓	N/A	DM	✓	✓	✓	
2.2.7.5 Check Issuance and Distribution																					
[35]	The invoice was stamped "Paid" and marked with the check number.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum Issued February 9, 2019 and revised December 12, 2012, May 19, 2015, October 21, 2015																					
[36-39]	Request for Check Issuance or Request for Reimbursement had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	DM	✓	✓	✓	✓	✓	✓	DM	✓	✓	✓	DM	x, G13	✓	x, G14	x, G15	DM	DM	
Other Testing Results																					
[40]	Compliance with budget restrictions.	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, G17	✓	DM	✓	✓	✓	DM	✓	x, G18	✓	
[41]	No fraudulent or wasteful disbursements were made.	✓	x, G19	x, G20	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, G21	✓	✓	✓	

Attachment 11
Office of Hawaiian Affairs
Exempt (Non-Grant) and Small Purchase Disbursements
Number of Disbursements Tested: 34
For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-27	D-28	D-33	D-34	D-36	D-37	D-38	D-41	D-42	D-44	D-45	D-46	D-47	D-48	D-50	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested	
HRS §84: Standards of Conduct																					
HRS § 84-14: Conflicts of Interest																					
[1]	Employees selecting the contractor did not have a financial interest.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	34	34	
[2]	Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or in any other agency capacity.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	34	34	
HRS §103D: Hawaii Public Procurement Code																					
HRS §103D-102(b): Application of this chapter																					
[3]	The service or goods qualify as a listed exemption in 103D-102(b).	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, G01	0	1	33	34
[4]	Document the specific exemption number.	N/A	N/A	N/A	103D-102(b)(2)(F)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, G01	0	1	33	34
OHA Fiscal Procedures Manual, revised March 2, 2009																					
2.2.1.3: Exempt Procurements																					
[5]	If not qualified under the list of exemptions in 103D-102(b), the service or good qualifies as an exempt purchase under Hawai'i Administrative Rules Section 3-120-4 – Exhibit A.	✓	x, G01	x, G01	N/A	x, G01	N/A	x, G01	✓	x, G01	x, G01	x, G01	x, G01	x, G01	x, G01	N/A	0	10	24	34	
[6]	Document the specific exemption number.	HAR 3-120-4(3)	HAR 3-120-4(14)	HAR 3-120-4(8)	N/A	HAR 3-120-4(1)	N/A	HAR 3-120-4(8)	HAR 3-120-4(3)	HAR 3-120-4(1)	HAR 3-120-4(1)	HAR 3-120-4(13)	HAR 3-120-4(3)	HAR 3-120-4(10)	HAR 3-120-4(10)	N/A	0	10	24	34	
2.2.2.1: Purchase Requisition Procedure¹																					
[8]	The Budget Analyst verified that funds were available for the procurement and sent the Purchase Requisition to management for review.	✓	DM	✓	DM	✓	N/A	DM	✓	✓	✓	✓	✓	DM	✓	✓	7	2	25	34	
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum																					
Issued February 9, 2019 and revised December 12, 2012, May 19, 2015, October 21, 2015																					
[11-14]	The Purchase Requisition had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	DM	x, G04	DM	✓	N/A	DM	x, G05	✓	✓	✓	x, G04, G06	DM	x, G07	✓	7	6	21	34	
OHA Fiscal Procedures Manual, revised March 2, 2009																					
2.2.4: Grants, Procurement, and Contracts Review Process																					
[15]	Funds were verified by the Budget Analyst and certified by the CFO using the Accounting Checklist.	x, G08	x, G08	x, G08	x, G08	x, G08	N/A	x, G08	x, G08	x, G08	x, G08	x, G08	x, G08	x, G08	x, G08	x, G08	0	29	5	34	
[16]	Unless not required by statute, the contractor submitted a Tax Clearance to OHA prior to entering into the contract.	N/A	DM	DM	N/A	DM	N/A	DM	N/A	N/A	DM	DM	DM	DM	DM	DM	14	0	20	34	
[17]	The Procurement Document Checklist was signed by the Hale Manager.	✓	DM	✓	DM	✓	N/A	DM	DM	✓	✓	✓	✓	DM	✓	DM	13	0	21	34	
[18]	The owner of the business, except for sole proprietorships, charitable organizations, unincorporated associations, and foreign insurance companies, submitted a DCCA Verification showing Proof of Good Standing with the State of Hawaii.	N/A	DM	DM	N/A	DM	N/A	DM	N/A	DM	DM	DM	DM	DM	DM	DM	15	0	19	34	
2.2.4.3: Review Documentation²																					

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CLA Selection		D-27	D-28	D-33	D-34	D-36	D-37	D-38	D-41	D-42	D-44	D-45	D-46	D-47	D-48	D-50	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[23]	The senior staff attorney signed the PCL to ensure compliance with State Procurement Laws for the purchase if was for more than \$2,500.	✓	DM	✓	DM	✓	N/A	DM	DM	✓	✓	✓	✓	DM	✓	DM	13	0	21	34
2.2.5: Purchase Orders																				
[24]	The Purchase Order was reviewed and signed by the CFO.	✓	✓	x, G10	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓	✓	x, G11	4	2	28	34
2.2.7.1.a: Request for Check Issuance³																				
[26]	For amounts under \$2,500, receipts and/or invoices were included as supporting documentation.	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	34	34
2.2.7.1.b: Request for Reimbursement Payment Process⁴																				
[28]	The staff member obtained approval from the appropriate manager to make the purchase.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	34	34
[32]	Original receipts and/or invoices were included as supporting documentation.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	34	34
2.2.7.2 Purchase Order Payments																				
[33]	For amounts over \$2,500, the goods or services were marked as received on the original invoice.	✓	DM	x, G12	N/A	✓	N/A	✓	✓	✓	✓	DM	✓	✓	✓	✓	5	1	28	34
[34]	For amounts over \$2,500, receipts and/or invoices were included as supporting documentation and match the Purchase Order.	✓	DM	✓	N/A	✓	N/A	✓	✓	✓	✓	DM	✓	✓	✓	✓	5	0	29	34
2.2.7.5 Check Issuance and Distribution																				
[35]	The invoice was stamped "Paid" and marked with the check number.	✓	✓	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	34	34
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum Issued February 9, 2019 and revised December 12, 2012, May 19, 2015, October 21, 2015																				
[36-39]	Request for Check Issuance or Request for Reimbursement had appropriate approvals based on the Operational Authority Delegation Hierarchy.	✓	✓	x, G16	✓	DM	✓	✓	DM	DM	DM	✓	x, G16	DM	DM	DM	12	5	17	34
Other Testing Results																				
[40]	Compliance with budget restrictions.	✓	DM	✓	DM	✓	✓	DM	✓	✓	✓	✓	✓	DM	✓	✓	6	2	26	34
[41]	No fraudulent or wasteful disbursements were made.	✓	✓	x, G22	x, G23	✓	✓	✓	✓	✓	✓	✓	✓	x, G24	x, G25	✓	0	7	27	34

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Footnotes

1	Criteria [7], [9], and [10] are excluded as they were used by CLA to document information pertaining to the Purchase Requisition, including the names of the individuals preparing and approving the form. CLA determined these criteria are not necessary to report the final results of testing.
2	Criteria [19] through [22] pertain to the forms used to document grants. CLA determined these criteria are not necessary to report the final results of testing.
3	Criteria [25] and [27] are excluded as they were used by CLA to document information pertaining to the Request for Check Issuance form, including the names of the individuals preparing and approving the form. CLA determined these criteria are not necessary to report the final results of testing.
4	Criteria [29] through [31] are excluded as they were used by CLA to document information pertaining to the Request for Reimbursement, including the names of the individuals preparing and approving the form. CLA determined these criteria are not necessary to report the final results of testing.

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Documents Missing - OHA could not locate document(s) to provide to CLA
N/A	Not Applicable
G01	The exemption OHA cited in HRS §103D or HAR §3-120 does not appear to be appropriate based on the good(s) and service(s) purchased.
G02	The Budget Analyst did not sign and date the Purchase Requisition.
G03	The Purchase Requisition contained an inappropriate person or insufficient level of approval required for the type and amount of the procurement.
G04	The Purchase Requisition (PR) was completed and approved by individuals not directly employed by OHA. The PR was requested by the Native Hawaiian Roll Commission (NHRC) Staffer and approved by the NHRC Executive Director (and former OHA CEO), who were both employees at Kana'iowalu, the organization operating the Native Hawaiian Roll Commission.
G05	The Purchase Requisition (PR) was completed and approved after the TH!NK training sessions occurred on September 23, 2015 and October 6, 2015. The PR was approved on February 28, 2017. The PR states "Follow-up trainings requested that was not originally budgeted...Four programs completed/committed to this (4 x \$2,525 = \$10,500). 1 outstanding invoice needs to be paid".
G06	The Purchase Requisition (PR) was completed and approved after the Huli-A-Mahi Event at 'Iolani Palace on January 20, 2013 occurred. The PR was approved on January 23, 2013.
G07	The Purchase Requisition amount was approved on July 22, 2013 for \$6,000 but was increased to \$8,500 on August 8, 2013 without requiring the original approver to authorize the increase or demonstrate approval.
G08	An Accounting Checklist was not included with the supporting documentation. According to OHA's Controller, the Accounting Checklist has not been used in a long time. The Accounting Checklist was used when purchasing was part of the accounting department, and there was a separate checklist for each group (accounting and procurement). Instead, OHA uses the Procurement Document Checklist (PCL) and Purchase Requisition (PR) to document the availability of funds was verified by the Budget Analyst. The CFO performs the certification of funds on the Purchase Order (PO). The Controller also confirmed only the Budget Analyst verifies the availability of funds when the purchase is above the required threshold, which is indicated in the Operational Authority Delegation Hierarchy.
G09	The disbursement package does not contain any documentation or evidence that the Purchase Requisition (PR) was performed as part of the procurement process; however, there is a Board of Trustees Asset Resource Management/Beneficiary Advocacy Empowerment Committee (ARM/BAE) action item that was approved for the acquisition of the Galbraith Estate land. Action Item ARM/BAE 11-07 indicates that the BOT approved the purchase of the land for \$3,000,000. The procurement appears to be properly approved but was not documented on a Purchase Requisition.
G10	The Purchase Order was completed and approved after the Kana'iowalu Concert Series occurred and after OHA received the invoice from the vendor.
G11	The Purchase Order was completed and approved after OHA received the invoice from the vendor.
G12	The invoice received from the vendor for the Kana'iowalu Concert Series is dated before the Purchase Requisition form was completed and before the concert occurred. In addition, there is only a single line item and no itemized costs.
G13	The Request for Check Issuance form contained an inappropriate person or insufficient level of approval required for the type and amount of the disbursement. The original amount on the Request for Check Issuance was \$50,000 but was crossed out and replaced with a handwritten amount of \$100,000. As such, the original approval for \$50,000 does not appear sufficient for this new amount. The original approval was by the Communications Manager. In comparison to all other approvals required for disbursements of \$100,000 or more, as shown on the Operational Authority Delegation Hierarchy, the CEO is required to approve the form.
G14	The disbursement package was missing the date that the Appropriate Budget Authority approved the Request for Check Issuance.

Attachment 11
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Number of Disbursements Tested: 34
For the Period July 1, 2011 to June 30, 2016

Tickmarks

G15	The disbursement package did not contain all of the Request for Check Issuance forms equal to the amount of the total disbursement.
G16	The Request for Check Issuance form was completed and approved by individuals not directly employed by OHA. The Request for Check Issuance was requested by the Native Hawaiian Roll Commission (NHRC) Staffer and approved by the NHRC Executive Director (and former OHA CEO), who were both employees at Kana'ioloowalu, the organization operating the Native Hawaiian Roll Commission.
G17	The disbursement was for an amount of \$200,000, which consisted of \$150,000 already approved by the BOT for FY13 and an adjustment funding of \$50,000 for "interim Makaweli Poi operations while the organization transitions its assets and operations to an appropriate community-based nonprofit organization." The \$50,000 adjustment was approved through a budget realignment during an ARM Committee meeting. Although the budget adjustment was properly approved, the operations of the poi mill exceeded the budget for the year, and, by year end, Hi'ipoi, LLC transferred the asset to a nonprofit organization. It appears that the poi mill had exceeded its operating budget, and the BOT approved additional funds to maintain its operation. However, CLA could not determine if there were any budget restrictions that were violated when the \$50,000 budget adjustment was approved.
G18	This disbursement on January 30, 2014 for \$177,601.26 paid to Pacific Park Plaza was to cover Common Area Maintenance (CAM) fees for OHA for the period December 16, 2013 to February 1, 2014. The Purchase Requisition, Procurement Package Checklist, and Purchase Order indicate that the original amount requested was \$81,328.65; however, the total amount billed on the invoices and paid to the vendor was \$177,601.26. The amount paid appears to be the result of the vendor billing for two months at \$88,800.63 per month. The amount invoiced, \$88,800.63, is greater than the original amount requested, \$81,328.65. There is no documentation that shows the increase was approved or a budget realignment was requested to offset the increase in the billing.
G19	This disbursement on June 17, 2013 for \$5,000 paid to David Sanborn was procurement using the exempt procurement method. The scope of work was for David R. Sanborn to develop a Native Hawaiian Organization consultation policy development handbook. Mr. Sanborn was paid for the entire amount that he invoiced OHA. The disbursement documentation provided to CLA was missing the Native Hawaiian Organization consultation policy handbook or the date it was received, so CLA was unable to determine if the handbook was ever finished or if it was delivered on time. When CLA inquired, OHA could not locate the deliverable document. This could be an indication of possible waste.
G20	The purpose of the disbursement was to pay ABW Holdings, LLC for a lease guaranty OHA had signed on behalf of Kauhale, LLC, a Native Hawaiian private corporation that defaulted on its commercial lease at the Waikiki Beach Walk. This disbursement did not receive the appropriate approvals on the Purchase Requisition, because it was split the \$150,000 owed into two amounts of \$75,000. Therefore, when the Purchase Requisition was approved, it only required the LOB Director to approve it. Had the full amount of \$150,000 been indicated on the Purchase Requisition, the Operational Authority Delegation Hierarchy would have required the CFO to approve the Purchase Requisition. Because the disbursement lacked a singular Purchase Requisition for the total amount disbursed, and the file is missing a Procurement Document Checklist, it appears that there was not sufficient transparency of the activities.
G21	This \$600,000 disbursement was an investment purchase of 500 limited partnership units (5%) in Hu'ena Power, LLP, a consortium that submitted a proposal to Hawaiian Electric Light Company to develop two 25MW geothermal power stations on the island of Hawai'i. The structure of this investment agreement required that OHA provide \$600,000 of funding with no guarantee that Hu'ena Power would be selected for the contract, which put all of OHA's investment funds at risk. Additionally, there is no information within the documentation that indicates what the \$600,000 was used for or why such a significant investment was needed when the contract had not yet been won. This was a highly risky investment from which OHA received no return, and OHA lost all of its initial investment. These factors indicate a waste of funds.
G22	The purpose of the disbursement was for Kālaïmoku Group to produce the Native Hawaiian Roll Commission Kana'ioloowalu Concert Series on August 31, 2013 at Maili Beach Park on Oahu. Because the contract was processed as an exempt contract when it possibly should not have been, OHA did not go through a process to obtain competitive quotes or bids to obtain these services. Therefore, it is unknown whether OHA paid a fair price for the services. This could be an indication of possible waste.
G23	The purpose of this disbursement was to fulfill Hi'ilei Aloha, LLC's funding request for \$50,000 to hire a Grant Writer for Hi'ilei Aloha, LLC. There was no documentation that the grant writer position was advertised or filled. CLA requested evidence that Hi'ilei Aloha, LLC advertised or filled the position. OHA did not provide any documentation to answer this request. Without documentation or other proof that Hi'ilei Aloha, LLC hired a Grant Writer, OHA was unable to demonstrate that the purpose of this disbursement met its intended use. The fact that there is no evidence of deliverables being provided as required by the funding request, this is a red flag or indicator of possible fraud, waste, or abuse.
G24	According to the scope of work, Kualoa Ranch Hawaii, Inc. was paid \$9,199 for "facility fees OHA Meeting." OHA categorized the purchase as exempt, citing Hawai'i Administrative Rules §3-120-4 exemption #10, "Facility costs for conference, meetings, and training sessions." The disbursement did not contain a meeting agenda, schedule, or documentation of the purpose of the meeting. The invoice listed "Secret Island Fees" (quantity 207), "Adult Signature Ranch Buffets" (quantity 150), "Child Signature Ranch Buffets" (quantity 57), "BBQ Grill Station" (quantity 1) and two lifeguards. The Kualoa Ranch Hawaii invoice also includes complimentary admission for 8 children under 3 years old. CLA determined that the facility costs do not appear to be for an official OHA conference, meeting, or training session, but rather an opportunity for OHA employees to visit a tourist attraction at a private nature reserve. The combination of the using the exemption procurement method for an unqualified expenditure and the use of State funds to provide entertainment to OHA employees, could be an indication of possible waste or abuse. Indicators of possible waste are the lack of documentation to support that the activities undertaken qualified as an exempt disbursement. If the disbursement was knowingly processed as an exempt disbursement when it likely should have not been processed at all, this may be an indicator of possible abuse.

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Tickmarks

G25	According to the scope of work, Wet 'N' Wild Hawaii was paid \$8,483 for "OHA-NA Day" on August 17, 2013. Wet 'N' Wild Hawaii is a water theme park on Oahu. OHA categorized the purchase as exempt, citing Hawai'i Administrative Rules §3-120-4 exemption #10, "Facility costs for conference, meetings, and training sessions." The disbursement did not contain a meeting agenda, schedule, or documentation of the purpose of the meeting. According to the Procurement Document Checklist, the purpose of the procurement was to "provide meeting facilities for OHA staff and families." The Wet 'N' Wild Hawaii invoice charged for OHA "Package A" admissions and lunch (quantity 242) and "Lunch Wristbands" for Season Pass Holders (quantity 20). These costs do not appear to be for a conference, meeting, or training session, but rather a family entertainment day for OHA employees. The combination of the using the exemption procurement method for an unqualified expenditure and the use of State funds to provide entertainment to OHA employees, could be an indication of possible waste or abuse. Indicators of possible waste are the lack of documentation to support that the activities undertaken qualified as an exempt disbursement. If the disbursement was knowingly processed as an exempt disbursement when it likely should have not been processed at all, this may be an indicator of possible abuse.
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Attachment 12

Attachment 12

Office of Hawaiian Affairs

Procurement Card (pCard) Disbursements

Number of Disbursements Tested: 5

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Check Number	Check Date	Method of Disbursement	Payee/Vendor Name (From OHA General Ledger)	Amount Paid (From OHA General Ledger)	Disbursement Type	CLA Observation Numbers
D-12	26750	07/19/2012	Check	FIRST HAWAIIAN BANK	\$ 25,318.03	Purchasing Card and Travel	H01, H02, H03, H05, H07, H08, H10
D-23	28593	06/27/2013	Check	FIRST HAWAIIAN BANK	67,146.65	Purchasing Card and Travel	H01, H03, H04, H05, H07, H08, H10
D-35	31394	02/02/2015	Check	FIRST HAWAIIAN BANK	9,577.09	Purchasing Card and Travel	H01, H03, H07, H08, H09, H10
D-39	32518	08/27/2015	Check	FIRST HAWAIIAN BANK	37,112.93	Purchasing Card and Travel	H01, H02, H03, H04, H05, H06, H07, H08, H10
D-49	11566	06/05/2013	Direct Deposit	HIND, NICOLE M.	6,405.00	Purchasing Card and Travel	None

Attachment 12
Office of Hawaiian Affairs
Procurement Card (pCard) Disbursements
Number of Disbursements Tested: 5
For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-12	D-23	D-35	D-39	D-49	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
HRS §84: Standards of Conduct										
HRS § 84-14: Conflicts of Interest										
[1]	Employees selecting the contractor did not have a financial interest.	✓	✓	✓	✓	✓	0	0	5	5
[2]	Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or other agency capacity.	✓	✓	✓	✓	✓	0	0	5	5
HRS §103D: Hawaii Public Procurement Code										
HRS §103D-102(b): Application of this chapter										
[3]	The service or good qualifies as a listed exemption in 103D-102(b).	N/A	✓	N/A	✓	✓	0	0	5	5
[4]	Document the specific exemption number.	N/A	103D-102(b)(4)(L)	N/A	103D-102(b)(4)(L)	103D-102(b)(4)(L)	0	0	5	5
P-10: OHA Purchase and Procurement Procedures, revised March 2, 2009										
2.2.1.3: Exempt Procurements¹										
[6]	If not qualified under the list of exemptions in 103D-102(b), the service or good qualifies as an exempt purchase under Hawai'i Administrative Rules Section 3-120-4 – Exhibit A.	✓	N/A	N/A	N/A	N/A	0	0	5	5
[7]	Document the specific exemption number.	HAR 3-120-4(3)	N/A	N/A	N/A	N/A	0	0	5	5
OHA's Purchasing Card Program Internal Guidelines and Procedures, effective June 2016										
3. Use Expectations¹										
[8]	The purchase met the expected use of a pCard.	✓	✓	✓	✓	N/A	0	0	5	5
[9]	The pCard holder is qualified to have a pCard.	✓	✓	✓	✓	N/A	0	0	5	5
4. Unauthorized and/or Inappropriate Card Use										
[10]	The purchase is not an unauthorized or inappropriate use of the pCard, including the state of Hawai'i's Restricted Purchases and Block Merchant Category Codes. ²	✓	✓	✓	✓	N/A	0	0	5	5

Attachment 12
Office of Hawaiian Affairs
Procurement Card (pCard) Disbursements
Number of Disbursements Tested: 5
For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-12	D-23	D-35	D-39	D-49	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[11]	If the purchase appears to be unauthorized or inappropriate, there is sufficient justification or extenuating circumstances to grant an exception.	N/A	N/A	N/A	N/A	N/A	0	0	5	5
[12]	The cardholder is the person utilizing the pCard for the purchase.	✓	✓	✓	✓	N/A	0	0	5	5
7. Forms³										
[14]	If the purchase was initiated by a person other than the cardholder, authorization was obtained to use the pCard prior to the purchase.	x, H01, H02	x, H01	x, H01	x, H01, H02	N/A	0	4	1	5
[15]	An appropriate person approved the Request for Use of Purchase Card form.	✓	N/A	✓	✓	N/A	0	0	5	5
[16]	If the receipt(s) were missing, a Missing Purchase Card Documentation Form was submitted.	N/A	N/A	DM	N/A	N/A	1	0	4	5
OHA Fiscal Procedures Manual, revised March 2, 2009⁴										
2.2.8: Travel										
[30]	The travel request form was submitted to the Travel Services Units in a timely manner. (In-State: 10 or more days; Out-of-State: 30 or more days)	x, H03	x, H03	x, H03	x, H03	✓	0	4	1	5
[31]	There is supporting documentation that justifies the travel.	✓	✓	✓	DM	DM	2	0	3	5
[32]	Other allowable travel expenses are properly supported.	N/A	N/A	✓	N/A	N/A	0	0	5	5
2.2.8.1: OHA Trustee Travel Procedures										
[33]	The Trustee or designated staff person transmits a Travel Allowance Authorization (TAA) form and completed Travel Order (TO) for each travel arrangement.	N/A	✓	N/A	✓	N/A	0	0	5	5
[34]	The Travel Services Unit obtains estimated costs for the travel.	N/A	✓	N/A	✓	N/A	0	0	5	5
[35]	The TAA was approved by the Chair or Administrator.	N/A	✓	N/A	✓	N/A	0	0	5	5
[36]	A signed Statement of Completed Travel with original receipts was submitted to the Administrator within 5 days.	N/A	x, H04	N/A	x, H04	N/A	0	2	3	5
2.2.8.2: OHA Employee Travel Procedures										

Attachment 12
Office of Hawaiian Affairs
Procurement Card (pCard) Disbursements
Number of Disbursements Tested: 5
For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-12	D-23	D-35	D-39	D-49	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[37]	The Trustee or designated staff person transmits a Travel Allowance Authorization (TAA) form and completed Travel Order (TO) for each travel arrangement.	✓	✓	✓	✓	✓	0	0	5	5
[38]	The Travel Services Unit obtains estimated costs for the travel.	✓	✓	✓	✓	✓	0	0	5	5
[39]	The TAA was approved by the Hale Director.	✓	✓	✓	✓	N/A	0	0	5	5
[40]	The TAA was approved by the Deputy Administrator.	✓	✓	✓	✓	✓	0	0	5	5
[41]	If applicable, the travel was approved by the Administrator.	✓	N/A	✓	N/A	N/A	0	0	5	5
[42]	A signed Statement of Completed Travel with original receipts was submitted to the Administrator within 5 days.	x, H05	x, H05	✓	x, H05, H06	✓	0	3	2	5
2.2.8.3: OHA Non-Employee Travel Procedures										
[43]	The traveler or designated staff person transmits a Purchasing Card Request & Authorization (PCRA) form and completed Travel Order (TO) with supporting documents for each travel arrangement.	N/A	N/A	N/A	N/A	N/A	0	0	5	5
[44]	The Travel Services Unit obtains estimated costs for the travel.	N/A	N/A	N/A	N/A	N/A	0	0	5	5
[45]	The TAA was approved by the Hale Director.	N/A	N/A	N/A	N/A	N/A	0	0	5	5
[46]	The TAA and TO were approved by the Deputy Administrator.	N/A	N/A	N/A	N/A	N/A	0	0	5	5
[47]	The TAA and TO were approved by the Administrator.	N/A	N/A	N/A	N/A	N/A	0	0	5	5
[48]	If applicable, a completed Request for Check Issuance was submitted.	N/A	N/A	N/A	N/A	N/A	0	0	5	5
OHA Operational Authority Delegation Hierarchy issued by the Chief Executive Officer on Interoffice Memorandum										
Issued February 9, 2010 and revised December 12, 2012, May 19, 2015, October 21, 2015										
[49-52]	Purchase Requisition had appropriate approvals based on the Operational Authority Delegation Hierarchy.	x, H07, H08	x, H07, H08	x, H07, H08, H09	x, H07, H08	DM	1	4	0	5
[53-56]	Request for Check Issuance had appropriate approvals based on the Operational Authority Delegation Hierarchy.	DM	DM	DM	DM	DM	5	0	0	5
Other Testing Results										

Attachment 12
 Office of Hawaiian Affairs
 Procurement Card (pCard) Disbursements
 Number of Disbursements Tested: 5
 For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-12	D-23	D-35	D-39	D-49	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[57]	Compliance with budget restrictions.	x, H10	x, H10	x, H10	x, H10	DM	1	4	0	5
[58]	No fraudulent or wasteful disbursements were made.	✓	✓	✓	✓	✓	0	0	5	5

Attachment 12**Office of Hawaiian Affairs****Procurement Card (pCard) Disbursements****Number of Disbursements Tested: 5****For the Period July 1, 2011 to June 30, 2016****Footnotes**

1	Criterion [5] is excluded as it was used by CLA to document information pertaining to use of the pCard including the cardholder, date, and amount charged along with testing of criteria [8] and [9] in section 3. <i>Use Expectations</i> . CLA determined that this criterion is not necessary to report the final results of the testing.
2	The State of Hawai'i's Purchasing Card Program and Procedures, revised October 2004, categorized Restricted Purchases as: 1) any purchase over an amount established by the agency; 2) automotive gasoline; 3) cash; and 4) goods and services for personal use. It defines Blocked Merchant Category Codes as: 1) Entertainment/Recreation; 2) Financial services; 3) Food; 4) Hotels; 5) Laundry/Cleaning Services; and 6) Entertainment.
3	Criterion [13] was excluded because it was used by CLA to document the name of the person who used the pCard but was not the cardholder. CLA determined that this criterion is not necessary to report the final results of the testing.
4	Criteria [17] through [29] were related to an overview of the pCard process discussed by the former OHA CFO and current controller. These criteria were not documented in any official OHA policy or procedure and were similar to officially documented procedures. CLA determined that this criteria are not necessary to report the final results of the testing.

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Documents Missing - OHA could not locate document(s) to provide to CLA
N/A	Not Applicable
H01	The Request for Use of Purchasing Card form was completed after the purchase was made.
H02	The Travel Allowance Authorization (TAA) form was approved after the travel reservation was made.
H03	The Travel Allowance Authorization (TAA) form was not submitted within the period that OHA's policy defines as timely for the type of travel. The request was for out-of-state travel and the TAA form was submitted fewer than 30 days before the date of travel.
H04	The OHA Trustee did not submit the signed Statement of Completed Travel within 5 days of returning from the trip.
H05	The OHA Employee did not submit the signed Statement of Completed Travel within 5 days of returning from the trip.
H06	The OHA Employee did not provide a date on the signed Statement of Completed Travel, so CLA could not determine if the form was submitted within 5 days of returning from the trip.
H07	The Budget Analyst did not sign and date the Purchase Requisition for the pCard charge.
H08	The Purchase Requisition form does not contain an area where the manager, LOB Director, or CFO/CEO can sign and date his or her approval.

Attachment 12

Office of Hawaiian Affairs

Procurement Card (pCard) Disbursements

Number of Disbursements Tested: 5

For the Period July 1, 2011 to June 30, 2016

Tickmarks

H09	The Purchase Requisition form for the CEO pCard travel charge is not approved by the BOT Chair and the form does not contain an area where the BOT Chair can sign and date his or her approval.
H10	The Budget Analyst did not sign and date the Purchase Requisition or the Request for Use of Purchase Card for the pCard charge. As a result, the purchase request was not certified that it was in accordance with BOT approval of the program's operating budget and that the amount did not exceed the BOT approved program budget for the fiscal year.

Attachment 13

Attachment 13

Office of Hawaiian Affairs

Exempt (Lease) Disbursement

Number of Disbursements Tested: 1

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Check Number	Check Date	Method of Disbursement	Payee/Vendor Name (From OHA General Ledger)	Amount Paid (From OHA General Ledger)	Disbursement Type	CLA Observation Numbers
D-07	26028	02/28/2012	Check	PPPHI ASSOCIATES LLC	\$ 130,049.25	Lease Agreement	I01, I02, I03, I04

Attachment 13

Office of Hawaiian Affairs

Exempt (Lease) Disbursement

Number of Disbursements Tested: 1

For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-07	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
HRS §84: Standards of Conduct						
HRS § 84-14: Conflicts of Interest						
[1]	Employees selecting the contractor did not have a financial interest.	✓	0	0	1	1
[2]	Employees selecting the contractor were not engaged as legal counsel, advisor, consultant, representative, or in any other agency capacity.	✓	0	0	1	1
HRS § 84-15: Contracts						
[3]	The contract was not with a legislator or employee who has controlling interest.	✓	0	0	1	1
[4]	If the contract was with a legislator or employee who has controlling interest, alternative criteria were met.	N/A	0	0	1	1
[5]	The person or the business entering into contract with OHA was not represented by a person employed by OHA in the preceding 2 years.	✓	0	0	1	1
[6]	If the person or business entering into contract with OHA was represented by a person employed by OHA in the preceding 2 years, the person did not participate in the matter with which the contract is directly concerned.	N/A	0	0	1	1
HRS §103D: Hawaii Public Procurement Code						
HRS §103D-102(b): Application of this chapter						
[7]	The service or good qualifies as a listed exemption in 103D-102(b).	✓	0	0	1	1
[8]	Document the specific exemption number.	103D-102(b)(2)(G)	0	0	1	1
OHA Fiscal Procedures Manual, revised March 2, 2009						
2.2.1.3: Exempt Procurements¹						

Attachment 13

Office of Hawaiian Affairs

Exempt (Lease) Disbursement

Number of Disbursements Tested: 1

For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-07	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[9]	If not qualified under the list of exemptions in 103D-102(b), the service or good qualifies as an exempt purchase under HAR 3-120-4, Exhibit A - Procurements Exempt from Chapter 103D, HRS.	N/A	0	0	1	1
[10]	Document the specific exemption number.	N/A	0	0	1	1
2.2.1.3: Exempt Purchase Procedure ²						
[11]	The need to create a Purchase Requisition was identified by a Hale Director or Deputy Administrator.	✓	0	0	1	1
[12]	The Purchase Requisition complied with the OHA Procurement Policy (Attachment 19 to Fiscal Procedures Manual). Attachment 19 is a table that summarizes the value (amount) and type of service or good being purchased and the procurement method required. The testing of proper procurement method is documented in criteria [7] - [10] above.	✓	0	0	1	1
[13]	The Purchase Requisition representative verified funds were available for the procurement.	✓	0	0	1	1
[14]	The Purchase Requisition was approved by the appropriate manager (see Operational Authority Delegation Hierarchy for appropriate approval levels).	✓	0	0	1	1
[18]	For amounts of \$2,500 or greater, the Purchaser completed the Procurement Check List (PCL). (See section 2.2.4 below)	✓	0	0	1	1
2.2.4: Grants, Procurement, and Contracts Review Process						
[19]	A complete Purchase Requisition was submitted by a designated Purchase Requisition Representative for the review process.	✓	0	0	1	1
[20]	[a] An Accounting Checklist was submitted.	x, 101	0	1	0	1
	[b] Funds were verified by the Budget Analyst.	✓	0	0	1	1
	[c] Funds were certified by the CFO.	✓	0	0	1	1

Attachment 13

Office of Hawaiian Affairs

Exempt (Lease) Disbursement

Number of Disbursements Tested: 1

For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-07	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[21]	Unless not required by statute, the contractor submitted a Tax Clearance to OHA prior to entering into the contract.	N/A	0	0	1	1
[22]	A Procurement Document Checklist was submitted and signed by a Hale Manager.	✓	0	0	1	1
[23]	The owner of the business (except for sole proprietorships, charitable organizations, unincorporated associations, and foreign insurance companies) submitted a DCCA Verification showing Proof of Good Standing with the State of Hawaii.	N/A	0	0	1	1
[24]	The Hale Manager submitted a Contract for Purchase of Services.	✓	0	0	1	1
2.2.4.2: Purchase of Goods and Services Review Process						
[25]	For the purchase of services, staff used the standard contract and it include all required provisions.	✓	0	0	1	1
2.2.4.3: Review Documentation						
[26]	The senior staff attorney signed the Procurement Check List.	✓	0	0	1	1
[27]	The senior staff attorney signed the contract.	✓	0	0	1	1
2.2.4.4: Purchase Review Process for Contracts³						
[28]	The Accounting Check List (ACL) was submitted to the Budget Analyst to ensure availability of funding, correct coding, and installment payments coincided with contract language.	x, I01	0	1	0	1
[29]	Appropriate signatures were obtained on the contract (see Operational Authority Delegation Hierarchy).	✓	0	0	1	1
2.2.5.1: Auto-create Purchase Order Process						
[32]	The Purchase Order was reviewed and signed by the CFO.	✓	0	0	1	1
2.2.5.2: Receiving on a Purchase Order Process³						

Attachment 13

Office of Hawaiian Affairs

Exempt (Lease) Disbursement

Number of Disbursements Tested: 1

For the Period July 1, 2011 to June 30, 2016

CLA Selection		D-07	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[33]	The Purchase Requisition Representative received the invoice on the Purchase Order.	x, I02	0	1	0	1
2.2.7.3: Contract Payment Process³						
[35]	The Request for Payment on Contract was approved by the Administrator or Deputy Administrator.	x, I03	0	1	0	1
2.2.7.5: Check Issuance and Distribution						
[38]	The invoice was stamped "Paid" and marked with the check number.	x, I04	0	1	0	1
Other Testing Results						
[39]	Compliance with budget restrictions.	✓	0	0	1	1
[40]	No fraudulent or wasteful disbursements were made.	✓	0	0	1	1

Attachment 13**Office of Hawaiian Affairs****Exempt (Lease) Disbursement****Number of Disbursements Tested: 1****For the Period July 1, 2011 to June 30, 2016****Footnotes**

1	Criteria [7] and [8] were also tested as part of the OHA Fiscal Procedures Manual, revised March 2, 2009, section 2.2.1.3. Exempt Procurements, but are not shown in this section to avoid duplication.
2	Criteria [15], [16], and [17] are excluded as they were used by CLA to document information pertaining to the Purchase Requisition, including the names of the individuals preparing and approving the form. CLA determined that these criteria are not necessary to report the final results of testing.
3	Criteria [30], [31], [34], [36], and [37] are excluded as they were used by CLA to document information pertaining to the approval and execution of the disbursement. CLA determined that these criteria are not necessary to report the final results of testing.

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Document Missing - OHA could not locate document(s) to provide to CLA
N/A	Not Applicable
I01	An Accounting Checklist was not included with the supporting documentation. According to Gloria Li, Controller, the Accounting Checklist has not been used in a long time and the Procurement Document Checklist is used instead. The Accounting Checklist was used back when purchasing was part of the accounting department, and there was a separate checklist for each group (accounting and procurement). Now that procurement is its own department, only the Procurement Document Checklist is used. The availability of funds is verified on the Purchase Requisition by the Budget Analyst. The CFO's certification of funds is documented on the Purchase Order. See criteria [20][b] and [c] for funding verification by the Budget Analyst and certification by the CFO.
I02	The invoice was not stamped "Goods/services Rec'vd Satisfactory", which indicates the invoice was approved for payment, the name of the person reviewing the invoice, the date of the review, and whether to close out the purchase order.

Attachment 13

Office of Hawaiian Affairs

Exempt (Lease) Disbursement

Number of Disbursements Tested: 1

For the Period July 1, 2011 to June 30, 2016

Tickmarks

103	Based on OHA's determination that the lease agreement was exempt from HRS §103D procurement methods, the disbursement was not categorized or treated as a contract. However, the lease agreement itself is a contract and should be treated as such. Therefore, OHA did not utilize the "Request for Payment on Contract" form to document the Hale Director and Administrator or Deputy Administrator's review and approval of the request. OHA instead paid the vendor directly from the invoice. CLA was unable to determine if the appropriate approval level, based on the Operational Authority Delegation Hierarchy, was applied in processing the disbursement.
104	The invoice is stamped "Approved for Payment" and it appears that the person approving the invoice was the Land Management Officer at the time. The individual does not appear on the list of Program Managers and LOB Directors and does not appear to be the appropriate Budget Authority to approve the disbursement.

Attachment 14

Attachment 14

Office of Hawaiian Affairs

Hi'ilei Aloha LLC

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	CLA Observation Numbers
LK-01	InTech	\$ 16,505.23	Provide worry-free Information Technology package	Mona Bernardino	Contracts for Operations - hourly rates	None specified	J-01 J-02, J-03
LK-02	June E. Otow	20,017.93	Training preparation Eight days of Ford Institute Leadership Development Training on Maui	Mona Bernardino	Contracts for capacity building	None specified	J-01 J-02, J-03
LK-03	Pacific Park Plaza Owner LLC	70,398.26	Base rent, (4) paking spots, and operating expense recovery	Mona Bernardino	Contracts for Park Plaza - Base Rent Per Month \$4,116.55 plus operating expenses	None specified	J-01 J-02, J-03
LK-04	Joseph Villa	7,500.00	Grant Data Organization, writing, compliance, and business plan	Mona Bernardino	Contracts for ANA Grant	None specified	J-01 J-02, J-03
LK-05	KM Consulting	10,052.00	Communications plan and grant research	Mona Bernardino	Contracts for Operations	None specified	J-01 J-02, J-03

Attachment 14

Office of Hawaiian Affairs

Hi'ilei Aloha LLC

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	CLA Observation Numbers
LK-26	PETER Peter Hanohano, Jr.	1,960.00	Help co-teach the 4-weekend "leadership development and capacity- building" workshops during February to May on Moloka'i	Mona Bernardino	Contracts for capacity building	None specified	J-01 J-02, J-03, J-04, J-05
LK-27	SAS Services, LLC	9,900.00	Nonprofit Fund Development - Social Enterprise Training Curriculum (Participant and Trainer Manuals), including agendas, materials, tools, and resouce	Mona Bernardino	Contracts for capacity building	None specified	J-01 J-02, J-03, J-04, J-05
LK-28	HAHCBED Hi Alliance	10,000.00	Provide capacity building services and assist Haiohuli Hawaiian Homesteaders Association Inc with feasibility study and business plan for phase 1 of the WHHA Community Center complex	Gigi Curiel	Contracts for capacity building	None specified	J-01 J-02, J-03, J-07, J-08
LK-29	Ean Services LLC	2,341.00	Car rental services	Mona Bernardino	Car rental - rental rates	None specified	J-01 J-02, J-03, J-09, J-10, J-11, J-12

Attachment 14

Office of Hawaiian Affairs

Hi'ilei Aloha LLC

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

CLA Selection		LK-01	LK-02	LK-03	LK-04	LK-05	LK-26	LK-27	LK-28	LK-29	Contracts with Missing Documents	Contracts with Observations	Contracts without Observations	Total Contracts Tested
Conflict of Interest with LLC Managers and Directors														
[1]	No conflicts of interest between the LLC managers or directors and the vendor/service provider were identified.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
Deliverables Were Met by the Contractor/Grant Recipient														
[2]	There was evidence that the service or product was verified and received by a staff member.	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	9	9
[3]	There was evidence that the deliverable was met by the contractor and CLA confirmed the deliverable.	✓	✓	✓	✓	✓	✓	✓	DM	✓	1	0	8	9
Sufficiency of Contract/Grant Oversight Provided Appropriately by the Assigned Contract Manager/Monitor														
Hi'ilei Aloha Fiscal Policies - Purchase Procedures														
[4]	A written contract was executed for this work.	✓	✓	✓	✓	✓	✓	✓	x, J07	x, J09	0	2	7	9
[5]	A purchase request was approved by the COO.	x, J01	x, J01	x, J01	x, J01	x, J01	x, J01	x, J01	x, J01	x, J01	0	9	0	9
[6]	The COO ensured that all purchases complied with the budget.	x, J02	x, J02	x, J02	x, J02	x, J02	x, J02	x, J02	x, J02	x, J02	0	9	0	9
Hi'ilei Aloha Fiscal Policies - Accounting Procedures														
[7]	The check request was submitted on a <i>Request for Check Issuance</i> form.	✓	✓	✓	✓	✓	✓	x, J06	✓	x, J10	0	2	7	9
[8]	The invoice was attached to the supporting documentation for payment.	✓	✓	✓	✓	✓	x, J04	x, J06	✓	x, J11	0	3	6	9
[9]	If applicable, the <i>Request for Check Issuance</i> form was approved by a supervisor.	✓	✓	✓	✓	✓	✓	x, J06	✓	x, J12	0	2	7	9
[10]	The <i>Request for Check Issuance</i> form was approved by the COO.	✓	✓	✓	✓	✓	✓	x, J06	✓	✓	0	1	8	9
[11]	If the form did not include a receipt, a typewritten explanation was submitted with the <i>Request for Check Issuance</i> form.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
[12]	The <i>Request for Check Issuance</i> form contained or described why the purchase was necessary and included a cost or price analysis.	x, J03	x, J03	x, J03	x, J03	x, J03	x, J03	x, J03	x, J03	x, J03	0	9	0	9
No Fraudulent or Wasteful Disbursements were Made														
[13]	No indication of fraud, waste, or abuse was identified.	✓	✓	✓	✓	✓	x, J05	✓	x, J08	✓	0	2	7	9

Attachment 14

Office of Hawaiian Affairs

Hi'ilei Aloha LLC

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Documents missing - Hi'ilei Aloha LLC could not locate document(s) to provide to CLA
N/A	Not applicable
J01	The supporting documentation provided for the contract did not contain a completed Purchase Request form. Although Hi'ilei Aloha requires that all purchases be approved by the COO in advance and that all Purchase Requests must be supported by appropriate documentation, Hi'ilei Aloha does not use a Purchase Request form for any purchase other than the purchase of office supplies. However, she also explained that Hi'ilei Aloha's office staff did not make purchases without her approval. Instead, her staff would bring procurement ideas to her, such as hosting a conference, and the COO would ask her staff to obtain and provide pricing and estimates. Once her staff brought in estimates, she would work with them to decide which vendor(s) to use and would give her staff a verbal approval to initiate the purchase. The COO stated that the only record of the purchase request discussions would have been emails exchanged between her staff and potential vendors. CLA did not request to see emails between her staff and vendors, but there were some files that contained a copy of email communication. A more formalized process should have been in place to document the purchase request approval process for all purchases.
J02	There was no documentation in the contract documents provided to determine whether the COO reviewed the budget prior to executing the contract. The COO is responsible for ensuring all purchases comply with the budget; however, the COO stated that she always knew what the budget was ("it was kind of in [her] head") and was not documented on paper. A formalized process to document the budget review should have been in place.
J03	There was no price analysis included in the supporting documentation for the contract. Hi'ilei Aloha policy requires that a cost or price analysis be conducted to determine reasonableness, allocability, and allowability of each purchase. This may be accomplished in various ways, including the comparison of price quotations, market prices, and similar indicia, together with discount. The COO explained that although they normally would check prices to make sure that Hi'ilei Aloha was receiving the best contract possible, there was no documentation of a cost or price analysis. The cost or price analysis performed should have been documented in writing and kept in the contract file.
J04	There was no invoice submitted by the vendor for an \$880.90 payment. The contract stated that the vendor was responsible for submitting receipts for travel (it did not state that the contractor must submit invoices). Therefore, no invoice was included with the request for business travel. The Statement of Completed Travel Non-Employee form was used and the COO approved the form which was submitted with the supporting receipts. According to Hi'ilei Aloha's policy, the invoice and or other supporting documentation are to be attached to the request for check issuance. The COO explained that only the Statement of Completed Travel form was used to process this payment because the contract stated the requirement of receipts only. Best practices include having vendors present invoices to request payment and for relevant supporting documentation, such as receipts or completed forms, to be included for out-of-pocket expenses.

Attachment 14

Office of Hawaiian Affairs

Hi'ilei Aloha LLC

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

Tickmarks

<p>J05</p>	<p>The contract was executed by Peter Hanohano, of Lie Ho'olana, on February 2, 2016 for \$1,960. The contract specified that Peter Hanohano would "help co-teach 4-weekend leadership Development and Capacity-Building" workshops with Hi'ilei Aloha staff. The four weekends were the following: February 20-21, March 19-20, April 23-24, and May 21-22, 2016. The contract further stated that the "contractor will pay for Peter Hanohano's salary and time and will submit all receipts, including boarding passes, for reimbursement." Hi'ilei Aloha will coordinate, recruit and promote the workshops, provide training materials, in print format, in sufficient quantity for workshop participants and assist with airfare and lodging expenses not to exceed \$240 roundtrip from Maui to Moloka'i, and 2-night stay for \$250 (\$240 + \$250 = \$490) per work shop weekend. The total contract amount was \$1,960 (\$490 x 4 = \$1,960).</p> <p>Payments to this vendor during the contract period totaled \$2,560.68, which is a total of \$600.68 over the contract amount. The overage amount was composed of a \$500 payment that was made during the contract period, but was unrelated to this contract. This \$500 payment was made for the vendor to help co-teach a grant writing workshop on March 12, 2016; however, there was no written stipulation of a \$500 payment. The additional overage of \$100.68 related to the airfare cost that was over the amount stated in the contract.</p> <p>The COO explained, "the additional [\$500] payment to Peter for his time was an honorarium. He had offered to do it [training] for just the cost of travel because we were in a bind. He had recently left Hi'ilei's employment, and his co-worker had also left. Martha Ross, the new person who took over, needed assistance. So Peter offered to help. We decided later to give him an honorarium to thank him for his time. He traveled on his own time and helped co-teach the workshops on his own time. We decided to give him an honorarium for his teaching time at \$100 per hour x 5 hours. He is highly qualified as a Ph.D. and well-known educator in the community." In regards to the \$100.68 additional payment, the COO explained " I have not found an adjustment to this contract. It is possible that, because the travel costs were reasonable and it was only slightly over budget, no contract adjustment was made."</p> <p>Based on the support received, it appears that this \$500 payment was related to a separate training that took place and was different from the contract CLA is testing here; however, the \$500 payment was made without an executed contract with the vendor. The \$100.68 payment was related to this contract but in excess of the amount agreed to in the contract. This is a indicator of possible waste or abuse. Payments should only be made as stated in the contract terms.</p>
<p>J06</p>	<p>The contract stated that the first payment of 50% of the total contract amount would be due upon signing of the contract. CLA was not provided with a copy of the Request for Check Issuance form, or an invoice. CLA reviewed a copy of the check and verified that it was made payable to the vendor and that it was negotiated as prepared.</p> <p>According to Hi'ilei Aloha's policy, requests for payment must be submitted in writing on a Request for Check Issuance form and have the related invoice and and/or any other supporting documentation. This payment had only the contract as supporting documentation. The COO explained that the payment was made based on the terms of the contract and acknowledged that the Request for Check Issuance form should have been completed and an invoice should have been provided.</p>

Attachment 14

Office of Hawaiian Affairs

Hi'ilei Aloha LLC

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

Tickmarks

<p>J07</p>	<p>The contract was executed on 3/8/13 between Hi'ilei Aloha and HACBED for \$10,000. HACBED was to provide capacity building services in coordination with Hi'ilei Aloha to Waiohuli Hawaiian Homesteaders Association Inc. (WHHA) from 3/18/13 to 8/31/13. The contract for HACBED was signed by Gigi Cairel, Hi'ilei Aloha's Capacity Building Manager. However, Ms. Cairel did not have the authority to sign this contract as only the COO had the authority. Additionally, The contract period was from 3/18/13 to 8/31/13; however the last invoice was received on 12/31/2013 and there was no written agreement that extended the contract period.</p> <p>The COO explained that Ms. Cairel did not have the authority to sign a contract and recalls that Ms. Cairel was newer to the organization and was "kind of finding her way" in the organization at the time the contract was executed. The COO was aware of the contract and did not have any concerns regarding the contract. The COO also explained that she was unable to locate an extension of the contract period from August to December 2013 and further elaborated that in working with homestead associations, "things often take longer than they commit to initially as they have boards, some are nonprofit boards, and everyone is a volunteer. With capacity-building of community-based organizations, Hi'ilei Aloha often finds these organizations have less capacity than they think they do, and everything takes longer. We [Hi'ilei Aloha] try to confine them to a reasonable timeframe, but it does not always work." The fact that work continued to take place past the contract expiration raises concerns over proper contract oversight.</p>
<p>J08</p>	<p>As mentioned in the observation above, The contract was executed on 3/8/13 between Hi'ilei Aloha and HACBED for \$10,000. HACBED was to provide capacity building services in coordination with Hi'ilei Aloha to Waiohuli Hawaiian Homesteaders Association Inc. (WHHA) from 3/18/13 to 8/31/13. Total payments on this contract were \$10,406.40. The contract budgeted a total of \$1,500 for travel (2 trips) for 3 individuals inclusive of flights and ground transportation. The invoice from the vendor included out-of-pocket expenses of \$406.40 for two round trip tickets for the Waiohuli community meeting; However, the receipts for out of pocket expenses from the vendor for this travel were not included with the invoice. Moreover, it is not clear why the additional \$406.40 was necessary or why it was billed to the Hi'ilei Aloha. Because this additional amount was invoiced and paid, the contract total amount was exceeded by \$406.40.</p> <p>Hi'ilei Aloha Policy for travel by employees requires that employees submit receipts for travel costs. Although this contract testing is not for employee travel but rather for reimbursement to vendor for out-of-pocket expense for travel, best practices require that receipts be included with the invoice for out of pocket expenses. The COO agreed that the contract should have specified that the receipts for travel should have been included with the invoices and believed that the overage amount must have been approved because the amount was not excessive and appeared reasonable, although it exceeded the contract amount. This is a indicator of possible waste or abuse. Payments should only be made as stated in the contract terms.</p>
<p>J09</p>	<p>A written contract was included in the contract file. However, this contract was signed by the vendor on 3/3/14, which is two days after the effective date of 3/1/14. The COO had signed the contract on 2/12/14. The COO explained that the vendor (Enterprise Car Rental) took some time to sign the contract and have it back to Hi'ilei Aloha. She explained that normally Hi'ilei Aloha's contracts are effective on or after the execution date.</p>
<p>J10</p>	<p>The request for payment for this check consisted of a number of Statement of Completed Travel and Request for Travel forms; however the Request for Check Issuance was not located for these three payments (three separate instances of car rentals were paid with one check).</p> <p>The COO explained that because this was a request for business travel, there is no Request for Check issuance and instead there is a Request for Business Travel. Since there were several forms that included line items for car rentals, there should have been a Request for Check Issuance form because the payment was being made to the car rental vendor for several car rental charges and it was not a reimbursement to an employee. (For reimbursements a Statement of Completed Travel form would have been appropriate.) A Request for Check Issuance form should have been completed prior to processing this payment.</p>

Attachment 14

Office of Hawaiian Affairs

Hi'ilei Aloha LLC

Number of Contracts Tested: 9

For the Period July 1, 2011 to June 30, 2016

Tickmarks

J11	Although a rental summary was included for the charges related to a \$194.38 payment for this contract, and an invoice was included for a car rental expense, there was no Statement of Completed Travel for this payment. All of the other payments tested for this contract did include the Request for Travel forms and the Statement of Completed Travel form. There was a note on the invoice stating, "SOCT was not received as of 5/17/16." Although the Statement of Completed Travel was not obtained, the COO explained that the payment needed to be made to the car rental agency (Enterprise). Hi'ilei Aloha's policy requires that Statements of Completed Travel form be completed.
J12	Neither the supervisor nor the COO signed the Request for Check Issuance form for a payment of \$912.35 made on this contract. The form only contained the requestor's signature.

Attachment 15

Attachment 15

Office of Hawaiian Affairs

Hi'ipaka LLC

Number of Contracts Tested: 18

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	CLA Observation Numbers
LK-06	Shoreline Builders, Inc.	\$ 122,500.74	Renovation of the visitors center	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	K-01, K-02 K-03, K-04 K-05
LK-07	Aloha Surf Lifesaving Corp	60,834.00	Lifeguard services	Randall Hoopai	Contracts Life Guard Services - hourly rates	Reinstate Contract	K-03, K-05
LK-08	SustainPro Management	10,482.00	Grant writing services	Richard Pezzulo	Contracts for Other Contracts -hourly rates	Professional Services	K-03, K-04, K-06, K-07, K-08
LK-09	Shoreline Builders, Inc.	104,510.19	Proud Peacock restaurant improvements	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	K-01, K-03 K-04, K-05 K-09, K-10, K-11
LK-10	NICK industries	105,858.60	Construct bathroom facilities that meet ADA compliance by the waterfall	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	K-01, K-03 K-04, K-05
LK-11	Shoreline Builders, Inc.	172,205.32	Construct a pre-fabricated nursery building	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	K-01, K-03 K-04, K-05, K-12

Attachment 15

Office of Hawaiian Affairs

Hi'ipaka LLC

Number of Contracts Tested: 18

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	CLA Observation Numbers
LK-12	Shoreline Builders, Inc.	18,188.00	Construct new bar, install and remove benches in the Proud Peacock restaurant	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	K-03, K-04, K-05, K-13
LK-13	Francis P. Sinenci (dba Hale Ku'hikuhi (HKK))	30,000.00	Kauhele project - supervise and teach the building of eight hale of various functions	K. Diamond	Contracts for Capital Improvement Projects	Sole Source	K-14
LK-14	Island Builders and Construction LLC	524,134.00	Scale and/or stabilize hazardous rocks within Waimea Valley (Unit A - Zone 1)	Richard Pezzulo	Contracts for Capital Improvement Projects	RFP	K-01, K-03 K-04, K-05 K-15
LK-15	Prometheus Construction	347,300.00	Scale and/or stabilize hazardous rocks within Waimea Valley (Unit B - Zones 2, 3, 4)	Richard Pezzulo	Contracts for Capital Improvement Projects	RFP	K-01, K-03 K-04, K-05
LK-16	Lokahi stone Inc.	50,000.00	Diamond polish concrete floor in the Pikaka Pavilion	M. Furshpan	Contracts for Building Improvement	Sole Source	K-03, K-04, K-05, K-16, K-17

Attachment 15

Office of Hawaiian Affairs

Hi'ipaka LLC

Number of Contracts Tested: 18

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	CLA Observation Numbers
LK-17	Thomas Penna	5,700.00	Produce cultural 3-5 minute video for website, 3-5 minute history video, design of Kauhale sings for lower entrance and 8 hale, and edit Mo'olelo o Kauhale to ensure accuracy of depiction of the valley sites	K. Diamond	Contracts for Other Contracts	Sole Source	K-18, K-19
LK-18	Office of Hawaiian Affairs	23,225.00	Sublease of Waiialua Courthouse property	Maile Furshpan	Contracts	Service Agreement	K-18, K-20, K-21, K-22
LK-19	Mele Apana Productions	30,000.00	Concert promotions - Summer concert series 2016	Richard Pezzulo	Contracts Summer Concert	Professional Services	K-18, K-21
LK-20	Robin Erb	10,000.00	Graphic design services	Richard Pezzulo	Contracts for Graphic Design	Professional Services	K-03
LK-21	Pacific Current Industries LLC	58,770.00	Renovation of restroom in the visitors center	Randall Hoopai	Contracts for Capital Improvement Projects	RFP	K-03, K-04, K-05, K-23
LK-24	Thomas Naylor, LLC	16,492.00	Staffing services to include chefs, sous chefs, bartender and wait staff	Richard Pezzulo	Contracts for Catering - hourly rates	Service Agreement	K-03, K-04, K-05, K-18, K-21

Attachment 15

Office of Hawaiian Affairs

Hi'ipaka LLC

Number of Contracts Tested: 18

For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	CLA Observation Numbers
LK-25	Aecom	292,429.00	Rock-fall mitigation design and limited construction services	Richard Pezzulo	Contracts for Capital Improvement Projects	RFP	K-03, K-04, K-18, K-21, K-24

Attachment 15
Office of Hawaiian Affairs
Hi'ipaka LLC
Number of Contracts Tested: 18
For the Period July 1, 2011 to June 30, 2016

CLA Selection	LK-06	LK-07	LK-08	LK-09	LK-10	LK-11	LK-12	LK-13	LK-14	LK-15	LK-16	LK-17	LK-18	LK-19	LK-20	LK-21	LK-24	LK-25	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested	
Conflict of Interest with LLC Managers and Directors																							
[1] No conflicts of interest between the LLC managers or directors and the vendor/service provider were identified.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, K20	✓	✓	✓	✓	✓	0	1	17	18	
Deliverables Were Met by the Contractor/Grant Recipient																							
[2] There was evidence that the service or product was verified and received by a staff member.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, K16	x, K18	x, K18	x, K18	✓	✓	x, K18	x, K18	0	6	12	18	
[3] There was evidence that the deliverable was met by the contractor and CLA confirmed the deliverable.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	18	18	
Sufficiency of contract/grant oversight Provided Appropriately by the Assigned Contract Manager/Monitor																							
SOP ADMIN ACCT-004 May 7, 2009 - Procurement of Goods and Services																							
[4] The Executive Director approved and signed the contract.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	0	0	18	18	
[5] The managers of Hi'ipaka had the final approval on contracts of \$100,000 or more.	x, K01	N/A	N/A	x, K01	x, K01	x, K01	N/A	N/A	x, K01	x, K01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	0	6	12	18	
SOP BUS-004 May 7, 2009 - Contracts with Suppliers, Vendors, and Contractors																							
[6] A written contract was executed for this work.	x, K02	✓	x, K06	✓	✓	✓	x, K13	✓	✓	✓	✓	x, K17	✓	✓	✓	✓	x, K23	✓	x, K24	0	6	12	18
[7] The contractor or service vendor demonstrated they are "responsible offerors" by providing:	x, K03	x, K03	x, K03	x, K03	x, K03	x, K03	x, K03	N/A	x, K03	x, K03	x, K03	N/A	N/A	N/A	x, K03	x, K03	x, K03	x, K03	0	14	4	18	
[a] A certificate of good standing with the DCCA, State of Hawaii																							
[b] Their FEIN (Federal Tax ID Number or Social Security Number for artisans)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	18	18	
[c] Current GET (General Excise Tax) license	✓	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	0	0	18	18	
[d] Certificates of Insurance	x, K04	✓	x, K04	x, K04	x, K04	x, K04	x, K04	N/A	x, K04	x, K04	x, K04	N/A	N/A	N/A	N/A	x, K04	x, K04	x, K04	0	12	6	18	
[e] Contractor's License (for construction projects)	x, K05	x, K05	N/A	x, K05	x, K05	x, K05	x, K05	N/A	x, K05	x, K05	x, K05	N/A	N/A	N/A	N/A	x, K05	x, K05	x, K25	0	12	6	18	
[8] The contract was signed by both parties.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	18	18	
[9] There was evidence that the group manager was monitoring the performance of the contractor in accordance with the terms of the contract.	✓	✓	✓	✓	✓	x, K12	✓	✓	x, K15	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	2	16	18	
[10] If applicable, the contract manager assessed to renew the contract 60 days prior to the termination of the contract.	N/A	✓	x, K07	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	1	17	18	
SOP BUS-005 July 15, 2009 - Accounts Payable Processing																							
[11] A Check Request form was prepared.	✓	✓	✓	x, K09	✓	✓	✓	✓	✓	✓	✓	✓	x, K19	✓	✓	✓	DM	✓	1	2	15	18	
[12] The Office Manager (or contract manager) approved the check request.	✓	✓	✓	x, K09	✓	✓	✓	✓	✓	✓	✓	✓	x, K19	x, K21	x, K21	✓	DM	x, K21	x, K21	1	6	11	18
[13] The Executive Director (or other authorized person) signed the check.	✓	✓	✓	x, K10	✓	✓	✓	✓	✓	✓	✓	✓	x, K22	✓	✓	✓	✓	✓	0	2	16	18	
[14] Two signatures were included on checks greater than \$10,000.	✓	N/A	N/A	✓	✓	✓	N/A	N/A	✓	✓	✓	N/A	x, K22	N/A	N/A	N/A	N/A	✓	0	1	17	18	
[15] The record of the contract payment contained the check stub and the invoice.	✓	✓	x, K08	x, K11	✓	✓	✓	x, K14	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	3	15	18	
[16] For reoccurring payments, the invoices contained the expense code and an authorized staff member's signature.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	0	0	18	18	
No Fraudulent or Wasteful Disbursements were Made																							
[17] No indication of fraud, waste, or abuse was identified.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	18	18	

Attachment 15
Office of Hawaiian Affairs
Hi'ipaka LLC
Number of Contracts Tested: 18
For the Period July 1, 2011 to June 30, 2016

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Documents missing - LLC could not locate document(s) to provide to CLA
N/A	Not applicable
K01	<p>The original Standard Operating Procedure (SOP BUS-004) dated 5/7/2009 stated the following about contracts: "Legal counsel will draft an agreement" and "Once the contract is finalized, the contract [sic] will be sent to the contractor/vendor for signature. The contractor/vendor will sign two original copies and return to Hi'ipaka LLC to be signed by a [sic] LLC manager." However, the Corporate Procedures Manual (CPM-005) effective date 2/2/2008 with revision date of 3/5/15, stated that contracts would be drafted by the contract manager using the standard Hi'ipaka LLC contract template created by Hi'ipaka LLC's legal counsel. After the contract is sent out to the contractor for review and signature and the signed contract is returned to Hi'ipaka LLC for the Executive Director's signature. The contract will be considered final once the Executive Director signs it.</p> <p>The Executive Director, Richard Pezzulo, explained that the conflicting information between the SOP and the CPMs was addressed on 2/9/18 with the establishment of "ADMIN -004." The revised SOP dated 2/9/18 states more clear guidelines as follows: Small purchase - Executive Director has authority to approve Sole Source - Executive Director has sole authority to approve Emergency Procurement - Executive Director has sole authority to approve Competitive Bids - Executive Director has authority to approve Request for Proposals - Executive Director has authority to approve; however, procurement of \$100,000 or more are approved by Executive Director with "final approval" by the Managers of Hi'ipaka LLC.</p> <p>Consequently, the SOPs and the CPMs in place during the scope period communicated conflicting information. SOP BUS-004 stated legal counsel would draft the contract agreements and that an LLC manager would sign the contracts, while CPM-005 stated that the contracts would be drafted by the contract manager using the standard Hi'ipaka contract template and that Executive Director would sign the contracts. Based on the conflicting information between the two documents, CLA performed the testing based on the process communicated verbally by the Executive Director. The Executive Director communicated that the process used was more in line with CPM-005: the contract manager or the Executive Director would draft the contract based on a template created by legal counsel. The contract would be sent to the vendor for signatures and after it was returned, the Executive Director would sign the contract. The Executive Director stated he would have discussed the bigger contracts with the LLC managers during the quarterly meetings.</p> <p>The Executive Director further communicated that during the quarterly meetings with the LLC manager the new contracts were discussed, although, the contract template itself did not have a location for one or more LLC managers to sign. All of the contracts tested were signed by the Executive Director except for LK-25, which was signed by one of the LLC managers, Aedward Los Banos. Based on this fact pattern it appears that the process was for the most part as described by the Executive Director.</p>
K02	<p>A written contract was provided to CLA. The scope of work included the renovation of the Waimea Valley Visitor center as per plans dated 6/20/12 and was signed by the Executive Director. The contract contained a hand written execution date of 10/7/2012. The typed part of the contract listed the effective date of 6/22/2011. It appeared that the reason for the date of the contract to be executed over one year after the listed effective date was an error based on review of additional documents contained into the contract file, such as the RFP communications and the invoice payments which had all taken place in the months of April, May, and/or June 2012.</p> <p>The Executive Director, when asked about this concern, stated he would attempt to locate additional information. The Executive Director located another version of the contract. This version of the contract stated the same information (it was the same contract) and the effective date also listed 6/22/11; however, the execution date listed was 6/18/2012, and this version of the contract was signed by Aedward Los Banos (COO of OHA in his capacity as a manager of the LLC) and Halei Ala Moden (CFO of OHA in her capacity as one of the managers of the LLC). The Executive Director commented that perhaps there was difficulty locating the original contract that was signed on 6/18/2012 and for that reason, he signed a new version of the same contract on 10/7/2012.</p> <p>It is a concern that two versions of the contract were executed for this contract. Nonetheless the contract effective date of 6/22/11 appears to be an error in both versions of the contract as the RFP communications, the project progress communications (there were multiple), and the payments all took place in April, May, June, and/or July 2012.</p> <p>The contract terms stated that the first payment of \$30,625 would be processed upon contract execution. The first payment of \$30,625 was processed on 6/25/12. It appears reasonable that the contract signed by the LLC managers on 6/8/2012 was the original contract, although the effective date printed on the contract of 6/22/2011 was incorrect. It should have been written for the year 2012 and not for the year 2011.</p>

Attachment 15
Office of Hawaiian Affairs
Hi'ipaka LLC
Number of Contracts Tested: 18
For the Period July 1, 2011 to June 30, 2016

Tickmarks

K03	The Certificates of Good Standing were not maintained in the contract file. The Executive Director communicated to CLA that typically the standing status is reviewed online but the print out is not added to the contract file. Subsequent to the onsite visit, the Executive Director provided CLA with printouts of the verification of the contractors' Good Standing status with the DCCA for all of the years, encompassing the year of the contract. The verification consisted of printouts obtained directly from the DCCA State of Hawaii website indicating the vendor's status for all of the filing years for the vendor.
K04	The Certificates of Insurance were not maintained in the contract file. The Executive Director explained that the Certificates of Insurance for all current contracts are kept in a binder, so that all of the Certificates of Insurance are reviewed on a monthly basis to identify any that may be close to the expiration date. When a new Certificate of Insurance is received for a current contract, the old certificate is removed from the binder and is discarded. The Certificates of Insurance are normally not placed within the contract file. CLA reviewed the binder that contained the Certificates of Insurance for the 2019 year and verified the current process. The Certificates of insurance should have been kept within the contract file as well for future reference.
K05	The contractor's licenses were not maintained in the contract file. The Executive Director explained that the process used is to review the contractor's license online and that normally a print out of the contractor's license was not included in the contract file. Subsequent to CLA's visit, the Executive Director provided CLA with a printout from the Professional & Vocational Licensing Search website of the Department of Commerce and Consumer Affairs, which provided evidence of the contractor's general license. The print out contained the following information: license ID, current status, expiration date, legal license name, entity, original license date, and business address. The contractor's license should have been retained in the contract file for reference.
K06	A written contract was provided to CLA. However, the execution date was not listed in the contract. It was not listed in the first paragraph as per the Hi'ipaka contract template. The contract only indicated "September," with no day and no year. Additionally, the signature of the witnesses signing the contract similarly did not include a date for the execution of the contract. Although the contract terms communicate effective date of 9/1/12 to 2/28/13 with a six-month extension if notice of termination of the agreement is not delivered prior to the end of this initial term, the contract should have stated an execution date in the first paragraph of the contract or next to the signatures for the contract execution.
K07	This contract was for an independent contractor to research and write grant applications. The contract effective date was from 9/1/12 to 2/28/13 with a six-month extension if notice of termination of the agreement was not delivered prior to the end of the initial term. There was no notice of termination, therefore, the contract end date would be 8/28/13. However, there were three invoices that were for work performed after the contract end date. The total amount of the three additional invoices was \$3,229.16. The Executive Director mentioned there likely was not a contract amendment to extend the effective date of this contract. The work was performed by the vendor and there was supporting documentation for the grants that he researched and applied for on behalf of Hi'ipaka as part of his work under this contract. CLA reviewed the supporting documentation for the grant applications that were prepared and also the notices of grant awards that were won because of the work performed by this vendor. A contract amendment should have been prepared prior to the end of the contract period, as it appears that the services of the contractor were still needed.
K08	The record of the contract payment contained the check stub and the invoice; however there was an error in the invoice that was not corrected prior to processing payment. This contract was for an independent contractor to research and write grant applications. The contract stated an hourly rate of \$85 per hour worked. The first invoice stated a quantity of 1 and rate of \$850. The rest of the invoices appropriately stated the number of hours and the rate of \$85 per hour. The first invoice nonetheless was approved as received and paid. The invoices from this vendor were for grant writing and the average grant writing proposal process was between 8 to 17.5 hours. There were only two invoices for research funding sources: one for 5 hours and the other was the invoice mentioned with the error (where the number of hours listed was 1 hour but the rate (or unit price) was listed at \$850 while the contract stated hourly rates of \$85). It is not possible for CLA to state whether the contractor actually worked 10 hours and the error was that instead of listing 10 hours at a rate of \$85, it listed 1 hour at the rate of \$850. The Executive Director explained he believed that it was reasonable for the research of funding sources to likely take the contractor 10 hours, because the contractor assisted Hi'ipaka LLC with a number of grant applications and he would have had to perform extensive research at the start of the contract. Nevertheless, the invoice should have been corrected prior to the payment being processed.
K09	For one of six payments tested for this contract, the payment was prepared one day before the invoice date and one day before the Check Request Form was completed. The contract was executed on 10/9/12 and stated that the initial payment would be due upon execution of the contract. The contract file included an invoice dated 11/20/12 for the initial \$30,000 payment, and the request for payment was dated 11/20/12; however, the check was issued on 11/19/12, which is a day before the invoice was dated, but over a month after the contract was executed. Although the invoice and request for payment were signed on 11/20/12, because the contract called for payment upon contract execution, the payment appeared to follow the terms of the contract, but not the written procedures that required receipt of an invoice and the completion of a Check Request form prior to payment being issued.
K10	The Executive Director signed the check; however, the check number was incorrectly recorded in the general ledger as check # 8824 when in reality the check was # 8225. CLA reviewed both of these checks (front and back of the negotiated check copy) and both checks were appropriate. Check #8824 was written to a different vendor and check # 8225 was written to this vendor. The error was made when recording the check numbers in the general ledger.

Attachment 15
Office of Hawaiian Affairs
Hi'ipaka LLC
Number of Contracts Tested: 18
For the Period July 1, 2011 to June 30, 2016

Tickmarks

K11	The contract was executed on 10/9/12 and stated that the initial payment would be due upon execution of the contract and that the payment for the vertical lift (elevator) would be made as soon as it was ordered by Shoreline Builders, the vendor. The invoice from Shoreline Builders stated that the deposit made on the purchase of the lift for \$17,643.14 was due. Only the invoice was included in the request for payment. Best practices suggest that a receipt for the purchase of the lift should have been included. However, the contract language did not require the vendor to submit receipts for out-of-pocket expenses, such as the purchase of this vertical lift.
K12	There was a \$5,115.16 change order that was verbally approved by the Executive Director on this \$185,835 contract. The contract file had a note that stated "additional work outside of agreement" and had the initials of the Executive Director. The Executive Director communicated to CLA that there was no written change order; however, he verbally approved the change order and he considered the initials on the note his documentation of approval although a written contract amendment was not prepared. A written contract amendment should have been prepared.
K13	A written contract was provided to CLA. However, the contract start and end dates were not included in the contract.
K14	One of the payments made to this contractor was made out to the name of the individual (Francis Sinenci) instead of the company (Hale Kuhikuhi). CLA reviewed the front and back of the cancelled check and verified that the endorsement on the check made out to the individual showed the same endorsement as the other checks made in payment for this contract. Additionally, total payments, including the payment made to the name of the individual, match the contract amount.
K15	There was a \$6,124.62 change order for the strapping of two rocks that was verbally approved by Executive Director. Per discussion with the Executive Director, there was no written change order; however, he verbally approved the change order based on the original estimate that was given per unit for rock strapping. There were two additional rocks that needed to be strapped and he verbally approved the change. At the end of the project some savings were materialized and the overall contract payments were less than the total contract amount after the two change orders. A written contract amendment should have been prepared for this change order.
K16	The invoices reviewed by CLA were normally initialed by the contract manager or the Executive Director; however, for this contractor's invoices, there were no initials of the Executive Director or of a contract manager to document monitoring of the process. CLA discussed this item with the Executive Director. He mentioned that he must have forgotten to initial, but indicated the work was done as per the terms of the contract. The Executive Director gave CLA a tour of Waimea Valley to show the work completed for contracts selected for testing. During this tour he showed CLA the concrete floor polishing, which he stated was completed by this vendor in the pavilion area per the terms of the contract. (Disclaimer: CLA is not in a position to assess the quality of the work performed and whether it was consistent with the terms of the contract)
K17	A written contract was provided to CLA. However, the contract was not signed by the vendor and it was not signed by the Executive Director. After CLA's on site visit, CLA received an email on 9/11/19 from the Executive Director. The email contained certain follow up documents requested. One of these documents included a one-page contract that was located for this work. This one-page contract was signed by both the Executive Director and the vendor. The clarification provided by the Executive Director stated, "We found a Lokahi Stone agreement, but not in our contract [sic] format. I must have agreed to use their format." Per CPM-005 under Contractor Issued Agreements it states, "Companies providing services to Hi'ipaka LLC who do not have a need for entering the property can utilize their own agreement provided it includes the Hi'ipaka LLC waiver and insurance requirement. For this contract, the work specified required the contractor to be on site at Waimea Valley to conduct the work. Therefore, agreeing to use the contractor's contract template was not in accordance with the Hi'ipaka CPM-005 requirement. Additionally, all documentation pertaining to the contract should have been included in the contract file.
K18	Some of the invoices contain a handwritten account coding, but there are no signatures, initials, or dates to indicate that the Accountant verified the invoice.
K19	The contract file does not contain a copy of the Check Request Form. This was the case for three of the four checks tested totaling \$4,285 from the total payment of \$5,785 for all four checks.
K20	There is an inherent conflict of interest in the contract between OHA and Hi'ipaka LLC. The lessor signer for OHA is Kamana'opono Crabbe, OHA CEO, but he was also one of the managers for Hi'ipaka, LLC. The Executive Director signed on behalf of Hi'ipaka, LLC, the lessee.
K21	For one or more of the payments tested for this contract, the Check Request Form was incomplete as it did not contain the Executive Director's signature indicating his approval.
K22	The check amount was for over \$10,000 but was not signed by either the Executive Director or an LLC Manager. The bank still deposited the check, despite containing no signatures. The Executive Director explained that this check was over \$10,000 so instead of signing the check since it needed two signatures, he sent the check to OHA and requested the LLC Managers to review and sign the check. The Executive Director had not realized that this was the case until he requested the check from the bank to provide to CLA.
K23	A written contract was provided to CLA. However, the contract does not contain the terms for the Time of Performance. The Executive Director explained that at the time the contract was signed, the person assisting him was using the generic Hi'ipaka LLC contract template and in all likelihood unintentionally forgot to update the terms section, therefore, it wasn't included in the final contract. The Executive Director explained that the remodel of the bathroom at the visitor center would have been for a period of no more than 6 months.

Attachment 15
Office of Hawaiian Affairs
Hi'ipaka LLC
Number of Contracts Tested: 18
For the Period July 1, 2011 to June 30, 2016

Tickmarks

<p>K24</p>	<p>Initially, a written Hi'ipaka LLC contract was not provided to CLA. The contract file contained a "Proposal/Agreement" from the vendor, Aecom, that was signed by Aecom's District Manager and Hi'ipaka LLC's manager. There is no documentation of a contract that was drafted by Hi'ipaka. Furthermore, the "Proposal/Agreement" does not contain a beginning or ending date for the vendor's services.</p> <p>Per Hi'ipaka's procedures CPM-005 under Contractor Issued Agreements it states, "Companies providing services to Hi'ipaka LLC who do not have a need for entering the property can utilize their own agreement provided it includes the Hi'ipaka LLC waiver and insurance requirement." For this contract, the work specified required the contractor to be on site at Waimea Valley to conduct the work. Therefore, agreeing to use the contractor's contract template was not in accordance with the Hi'ipaka CPM-005 requirement.</p> <p>The Executive Director explained that for this RFP 5 responses received. Hi'ipaka selected the bidder with the lowest cost and elected to sign the contract the vendor provided instead of using the generic Hi'ipaka template because the vendor contract was more detailed and specific to the proposal.</p>
<p>K25</p>	<p>The contractor's license was not included in the contract file. For many of the other contracts tested, the contractor's license was not in the contract file, but CLA was provided with the contractors licenses after requesting it. For this one contract, no contractor's license was provided because the contractor, at the time of performance, did not have a current contractor's license.</p> <p>The Executive Director explained that after CLA's request for the contractor's license, he contacted the vendor and realized that at the time the work was performed, the vendor Pacific Current, did not have a contractor's license. He additionally explained the circumstances that were probably the cause for Hi'ipaka LLC not verifying the contractor had a contractor's license. He stated the owner of Pacific Current, the vendor hired for this contract, had performed the work for the bathrooms by the waterfall under a different contractor, Nick Industries. When the owner of Pacific Current was hired to do this work, Hi'ipaka failed to review whether the new company, Pacific Current, had a contractor's license. The Executive Director further communicated that the owner of Pacific Current claims he was working under the Nick Industries contractor's license at the time he performed the work for this contract and that the owner of Pacific Current was willing to provide a letter from Nick Industries attesting to this.</p> <p>Hi'ipaka should have verified the vendor had a current contractor's license prior to executing the contract. Additionally, a copy of the contractor's license should have been retained in the contract file.</p>

Attachment 16

Attachment 16
Office of Hawaiian Affairs
Ho'okipaipai LLC
Number of Contracts Tested: 3
For the Period July 1, 2011 to June 30, 2016

CLA Sample Number	Vendor Name	Contract Amount with Amendments	Purpose	Identify Contract Manager	Type of Contract	Procurement Method	LLC Name	CLA Observation Numbers
LK-22	OutreachSystems.com	\$ 9,750.00	Hosting of Client Relationship Management system, including setup and conversion of data from PTAssist, bid match annual subscription, and online training	Jadine Lee	Contracts for Operations	Small or Simplified Purchasing	Ho'okipaipai	None
LK-23	ProService Pacific, LLC	208,724.00	Human Resources outsourcing services	Mona Bernardino	Contracts for Human Resources outsourcing - monthly and per person rates	Non-Competitive	Ho'okipaipai	None
LK-30	Pacific Park Plaza Owner LLC	16,428.00	Sublease agreement for Suite 1430 and Suite 1450 for general office use	Mona Bernardino	Contracts for Operations - rents	Sole Source	Ho'okipaipai	L01

Attachment 16
Office of Hawaiian Affairs
Ho'okipaipai LLC
Number of Contracts Tested: 3
For the Period July 1, 2011 to June 30, 2016

CLA Selection		LK-22	LK-23	LK-30	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
Conflict of Interest with LLC Managers and Directors								
[1]	No conflicts of interest between the LLC managers or directors and the vendor/service provider were identified.	✓	✓	✓	0	0	3	3
Deliverables Were Met by the Contractor/Grant Recipient								
[28]	There was evidence that the service or product was verified and received by a staff member.	✓	✓	✓	0	0	3	3
[29]	There was evidence that the deliverable was met by the contractor and CLA confirmed the deliverable.	✓	✓	✓	0	0	3	3
Sufficiency of Contract/Grant Oversight Provided Appropriately by the Assigned Contract								
<i>Ho'okipaipai LLC HI-PTAC Fiscal Policies & Procedures, revised November 2012^{1,2}</i>								
[3]	The Purchase Request was approved by the Program Manager.	DM	DM	DM	3	0	0	3
[4]	The check request was submitted on a "Request for Check Issuance".	✓	✓	✓	0	0	3	3
[5]	The Request for Check Issuance form was approved by the Program Manager.	✓	✓	✓	0	0	3	3
[6]	The Request for Check Issuance form was approved by the COO.	✓	✓	×, L01	0	1	2	3
[8]	The check was signed by the COO.	✓	N/A	✓	0	0	3	3
[9]	The Request for Check Issuance form provided justification for the purchase, an analysis of lease/purchase alternatives (if applicable), and included a cost or price analysis.	DM	✓	✓	1	0	2	3
[10]	Purchases in excess of \$25,000 were supported by a written contract.	✓	✓	✓	0	0	3	3
[11]	The transaction included all of the source documents (receipts, purchase orders, invoices, and bid materials).	✓	✓	✓	0	0	3	3
[12]	Purchases between \$2,500 and \$25,000 contained three quotes in the contract file.	DM	N/A	N/A	1	0	2	3

Attachment 16

Office of Hawaiian Affairs

Ho'okipaipai LLC

Number of Contracts Tested: 3

For the Period July 1, 2011 to June 30, 2016

CLA Selection		LK-22	LK-23	LK-30	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested
[13]	The quote evaluation selected the lowest priced, responsive, and responsible vendor.	DM	N/A	N/A	1	0	2	3
[14]	There was documentation that a price analysis was performed.	DM	N/A	N/A	1	0	2	3
[26]	Non-competitive negotiations were allowable when it was determined in writing that competitive negotiation or bidding was not feasible.	N/A	✓	N/A	0	0	3	3
No Fraudulent or Wasteful Disbursements were Made								
[2]	No indication of fraud, waste, or abuse was identified.	✓	✓	✓	0	0	3	3

Attachment 16

Office of Hawaiian Affairs

Ho'okipaipai LLC

Number of Contracts Tested: 3

For the Period July 1, 2011 to June 30, 2016

Footnotes

1	Criteria [7] was only applicable if the Request for Check Issuance form did not include a copy of the receipt. All of the Request for Check Issuance forms included receipts.
2	Criteria [15] to [25] and [27] were not applicable to the contracts CLA tested.

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Document missing - LLC could not locate document(s) to provide to CLA
N/A	Not applicable
L01	The Request for Check Issuance form does not contain the signature of the COO/final approver.

Attachment 17

Attachment 17**Office of Hawaiian Affairs****LLC Disbursements****Number of Disbursements Tested: 25****For the Period July 1, 2011 to June 30, 2016**

Sample Number	Check/ Payment Number	Check/ Payment Date	Payee/Vendor Name (From General Ledger)	Amount Paid (From General Ledger)	LLC	CLA Observatio n Numbers
LD-01	002724	7/20/2011	Julie Bernardino	\$ 2,617.80	Hi'ilei Aloha	None
LD-02	003292	7/5/2012	RIM RIM Architects	18,936.12	Hi'ilei Aloha	M07
LD-03	003687	6/24/2013	LEHUA Lehua Poi Company	20,000.00	Hi'ilei Aloha	M01, M03
LD-04	A41114	4/11/2014	Hi'ipaka LLC	347,767.00	Hi'ilei Aloha	None
LD-05	004597	9/3/2015	SLK Supporting Language of Kaua'i	60,000.00	Hi'ilei Aloha	M02, M04
LD-06	004863	5/31/2016	JTP Julie T. Percell	6,000.00	Hi'ilei Aloha	None
LD-07	001070	1/18/2012	World Wide Tours and Travel	3,859.60	Ho'okipaipai	None
LD-08	001058	1/30/2012	MEO Business Development Cente	22,902.74	Ho'okipaipai	None
LD-09	001276	2/26/2013	INTECH (Integration Technologies Inc)	2,010.68	Ho'okipaipai	None
LD-10	001633	8/24/2015	University of Hawai'i at Hilo	20,000.00	Ho'okipaipai	None
LD-11	001701	4/5/2016	Honolulu Country Club	2,000.00	Ho'okipaipai	None
LD-12	006422	10/4/2011	Alston Hunt Floyd & Ing	26,625.95	Hi'ipaka	M08
LD-13	007002	2/28/2012	50th State Air Conditioning	63,696.31	Hi'ipaka	None
LD-14	ACH506	5/2/2013	Bankcard	6,236.73	Hi'ipaka	M09
LD-15	011142	2/10/2014	Bankcard	3,325.71	Hi'ipaka	M10
LD-16	A0713	7/13/15	American Express	14,566.98	Hi'ipaka	None
LD-17	017026	1/19/2016	The Islander Group	3,094.42	Hi'ipaka	None
LD-18	DM 11	2/18/2016	Gator Moto Utilitiy Vehicles	21,090.00	Hi'ipaka	None
LD-19	001154	7/6/2011	Franklin Dusenberry	3,000.00	Hi'ipoi	M12
LD-20	001437	3/15/2012	Pural Water Speciality Co., In	16,448.92	Hi'ipoi	None
LD-21	001058	3/14/2013	SLK Supporting Language of Kaua'i	10,000.00	Hi'ipoi	M06
LD-22	004494	12/27/2012	CDSI Commercial Dehydrator Systems	13,367.00	Hi'ilei Aloha	M05
LD-23	001310	4/3/2013	Hale Koa Hotel	11,263.39	Ho'okipaipai	None
LD-24	009943	8/26/2013	Edwards Enterprise	8,376.96	Hi'ipaka	M10, M11
LD-25	ACH704	6/2/2014	Bank of Hawaii	5,827.30	Hi'ipaka	M09

Attachment 17
Office of Hawaiian Affairs
LLC Disbursements
Number of Disbursements Tested: 25
For the Period July 1, 2011 to June 30, 2016

CLA Selection		LD-01	LD-02	LD-03	LD-04	LD-05	LD-06	LD-22	LD-12	LD-13	LD-14	LD-15	LD-16	LD-17	LD-18	LD-24	LD-25	LD-19	LD-20	LD-21	LD-07	LD-08	LD-09	LD-10	LD-11	LD-23	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested							
Conflict of Interest with LLC Managers and Directors																																					
[1]	No conflicts of interest between the LLC managers or directors and the vendor/service provider were identified.	DM	✓	x, M01	✓	x, M02	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, M06	✓	✓	✓	✓	✓	✓	✓	1	3	21	25						
No Fraudulent or Wasteful Disbursements were Made																																					
[2]	No indication of fraud or wasteful disbursement was identified.	DM	✓	x, M03	✓	x, M04	✓	x, M05	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x, M06	✓	✓	✓	✓	✓	✓	✓	1	4	20	25						
Compliance with Internal Policies and Procedures																																					
Hi'ilei Aloha LLC																																					
Hi'ilei Aloha LLC Fiscal Policies & Procedures^{1,2}																																					
[4]	The purchase request was approved by the COO.	DM	DM	DM	DM	DM	DM	DM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	0	0	7		
[5]	The check request was submitted on a Request for Check Issuance form.	DM	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	6	7	
[6]	The Request for Check Issuance form was approved by a supervisor.	DM	N/A	N/A	✓	N/A	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	6	7	
[7]	The Request for Check Issuance form was approved by the COO.	DM	x, M07	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	5	7	
[8]	If the Request for Check Issuance form did not include a receipt, an explanation was provided for the absence of a receipt.	DM	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	6	7	
[14]	The Request for Check Issuance form described why the purchase was necessary and a cost or price analysis.	DM	DM	✓	✓	DM	DM	DM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5	0	2	7	
[15]	The transaction included all of the appropriate documentation.	DM	DM	DM	✓	DM	DM	DM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6	0	1	7		
Hi'ipaka LLC																																					
Hi'ipaka Standard Operating Procedures																																					
SOP ADMIN ACCT-002: Accounts Payable Processing, revised January 19, 2018																																					
[3]	The service or product was verified by a staff member.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, M08	✓	x, M09	x, M10	✓	✓	✓	x, M10	x, M09	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	5	4	9
[4]	A check request was prepared.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	x, M09	✓	✓	DM	✓	x, M11	x, M09	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	3	5	9	
[5]	The check request was approved by the Office Manager.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	x, M09	✓	✓	DM	✓	x, M11	x, M09	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	3	5	9	
[6]	The check was signed by the Executive Director.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	x, M09	✓	✓	✓	✓	✓	x, M09	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	2	7	9	
[7]	Checks over \$10,000 contained two signatures, including the Executive Director.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	N/A	N/A	✓	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9		

Attachment 17
Office of Hawaiian Affairs
LLC Disbursements
Number of Disbursements Tested: 25
For the Period July 1, 2011 to June 30, 2016

CLA Selection		LD-01	LD-02	LD-03	LD-04	LD-05	LD-06	LD-22	LD-12	LD-13	LD-14	LD-15	LD-16	LD-17	LD-18	LD-24	LD-25	LD-19	LD-20	LD-21	LD-07	LD-08	LD-09	LD-10	LD-11	LD-23	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested	
[8]	The file contained a check stub and invoice.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	x, M09	✓	✓	✓	✓	✓	x, M09	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	2	7	9
[9]	Reoccurring invoices contained the expense code and an authorized staff member's signature.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	x, M09	N/A	N/A	N/A	N/A	N/A	x, M09	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	2	7	9
SOP ADMIN-004: Procurement of Goods and Services, revised February 19, 2018																															
[10]	Procurement requests for goods, services and construction were requested in writing.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	DM	✓	DM	✓	✓	✓	✓	✓	DM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	0	6	9
SOP ADMIN-009: Ordering Office Supplies, revised February 15, 2018³																															
SOP BUS-013: Store: Inventory Control, revised November 9, 2010																															
[13]	Purchases of merchandise included a completed Purchase Order.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	9	9
Hi'ipoi LLC																															
Hi'ipoi "Best Practices" consistent with the other LLC Fiscal Policies																															
[3]	There is an approved purchase request.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	DM	DM	DM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	0	0	3
[4]	There is an invoice or receipt that matches the check amount.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	x, M12	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	1	2	3
[5]	There is an approved check request form.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	DM	DM	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	0	1	3
[6]	The check was signed by the Hi'ipoi COO or LLC Manager.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	DM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0	2	3
Ho'okipaipai LLC																															
Ho'okipaipai HI-PTAC Fiscal Policies & Procedures, revised November 2012^{4,5}																															
[4]	The purchase request was approved by the Program Manager.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	DM	DM	DM	DM	DM	DM	5	0	1	6
[5]	The check request was submitted on a Request for Check Issuance form.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	0	0	6	6
[6]	The Request for Check Issuance form was approved by the Program Manager.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	N/A	N/A	✓	0	0	6	6	
[7]	The Request for Check Issuance form was approved by the COO.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	0	0	6	6
[9]	The travel request was submitted on a Request for Business Travel form.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	0	0	6	6
[10]	The Request for Business Travel form was approved.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	0	0	6	6
[11]	The Statement of Completed Travel form was submitted within a week of completing travel.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	N/A	0	0	6	6

Attachment 17
Office of Hawaiian Affairs
LLC Disbursements
Number of Disbursements Tested: 25
For the Period July 1, 2011 to June 30, 2016

CLA Selection		LD-01	LD-02	LD-03	LD-04	LD-05	LD-06	LD-22	LD-12	LD-13	LD-14	LD-15	LD-16	LD-17	LD-18	LD-24	LD-25	LD-19	LD-20	LD-21	LD-07	LD-08	LD-09	LD-10	LD-11	LD-23	Contracts with Missing Document(s)	Contracts with Observations	Contracts without Observations	Total Contracts Tested	
[13]	The Statement of Completed Travel form was approved by the COO.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A	0	0	6	6
[14]	The Request for Check Issuance form described why the purchase was necessary, an analysis of lease/purchase alternatives, and a cost or price analysis.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	DM	DM	2	0	4	6
[15]	The transaction included all appropriate documentation.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓	0	0	6	6
[16]	Purchases between \$2,500 and \$25,000, contained three quotes in the contract file.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	N/A	✓	N/A	✓	0	0	6	6
[17]	The quote evaluation selected the lowest priced, responsive, and responsible vendor.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	N/A	✓	N/A	✓	0	0	6	6
[18]	There was documentation that a price analysis was performed.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	N/A	✓	N/A	✓	0	0	6	6
[19]	The Purchase Order was signed by the Program Manager.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	N/A	✓	N/A	✓	0	0	6	6

Attachment 17**Office of Hawaiian Affairs****LLC Disbursements****Number of Disbursements Tested: 25****For the Period July 1, 2011 to June 30, 2016****Footnotes**

1	Criteria [3] (Hi'ilei Aloha LLC) was only applicable to corporate card use for travel purposes. This criteria was not applicable to any of the Hi'ilei Aloha LLC disbursements CLA tested.
2	Criteria [9] through [13] were only applicable to travel-related purchases. These criteria was not applicable to any of the Hi'ilei Aloha LLC disbursements CLA tested.
3	Criteria [11] and [12] were only applicable to office supplies purchased with the Hi'ipaka LLC credit card. These criteria was not applicable to any of the Hi'ipaka LLC disbursements CLA tested.
4	Criteria [3] (Ho'okipaipai LLC) was only applicable to corporate card use for travel purposes. This criteria was not applicable to any of the Ho'okipaipai LLC disbursements CLA tested.
5	Criteria [8] was only applicable to disbursements missing a receipt. This criteria was not applicable to any of the Ho'okipaipai LLC disbursements CLA tested.
6	Criteria [12] was only applicable to a Statement of Completed Travel form approved by the program manager. The program manager field was marked "N/A" and the COO provided final approval. This criterion was not applicable to any of the Ho'okipaipai LLC disbursements CLA tested.

Tickmarks

✓	Contract complied
×	Contract did not comply
DM	Documents missing - LLC could not locate document(s) to provide to CLA
N/A	Not applicable

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Office of Hawaiian Affairs

LLC Disbursements

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For the Period July 1, 2011 to June 30, 2016

Tickmarks

M01	<p>On 6/24/13 a \$20,000 disbursement was made to Lehua Poi Company by Hi'ilei Aloha. Information from public sources indicates that one of the LLC Managers had a conflict of interest with the new operator of the Makaweli Poi Mill, the Lehua Poi Company. The conflict arose when Hi'ipoi LLC transferred the Makaweli Poi Mill to Supporting the Language of Kaua'i. This transaction was a \$20,000 emergency loan given to Makaweli Poi Mill. Information was provided to CLA during our inquiries that one of the LLC managers, Dr. Crabbe, was an acquaintance with the recipient of the loan. Supporting documentation provided indicated that this \$20,000 loan was intended to improve cash flow during the start-up months of business and during an LLC managers and COO meeting on 7/10/13, it was agreed by the LLC managers (Dr. Crabbe and Mr. Los Banos) and by the COO, that a \$20,000 loan would be issued as capacity-building assistance. Both the COO and the LLC manager approved the Request for Check Issuance. There was no receipt or invoice for this disbursement because this disbursement was an emergency loan of \$20,000 to the Lehua Poi Company made by Hi'ilei Aloha LLC. The loan terms were for one year, starting 6/24/13 and ending 7/1/14, with no interest for the first year. According to the terms of the loan agreement, the Lehua Poi Company was required to pay an interest rate of 4% over four years, with monthly payments of \$452, if Lehua Poi Company did not repay the loan in full by 7/1/14. The Lehua Poi Company did not repay the loan. Subsequently, Hi'ilei Aloha wrote off the loan on 10/2/15. Hi'ilei Aloha LLC is not in the business of making loans. At a minimum, this fact pattern could give rise to a perception of a conflict of interest.</p>
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LLC Disbursements

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<p>M02</p>	<p>On 9/3/15 check number 4795 for \$60,000 to Supporting the Language of Kauai, Inc. (SLK) was issued by Hi'ilei Aloha LLC and signed by the LLC manager, Dr. Crabbe. The supporting documentation for this disbursement contained a Request for Check Issuance, which described, "Grant to offset financial losses of Lehua Poi Co. (Owner Nakulu Arquette), operator of former Makaweli Poi Mill, through September 15, 2015." The code classification described, "Grant Cash-Nonprofit" and it was signed by the COO on 9/3/15. The supporting documentation also included a letter from the COO to the LLC manager addressed as "Ka Pouhana." This letter stated, "per our meeting on Kauai yesterday, attached please find two check requests and check payable to SLK. Please sign both checks and both check request forms and return all to me." There was no grant agreement or any other type of agreement provided as support for this check disbursement.</p> <p>CLA inquired with the COO about the reason for this payment because of the lack of supporting documentation. The COO explained that the LLC Manager, Dr. Crabbe, had made an agreement with Mr. Nakulu in an attempt to make Mr. Nakulu "whole." The COO further explained that Dr. Crabbe believed that it was OHA's obligation to make Mr. Nakulo "whole." To explain to CLA what this meant, the COO provided additional history relating to the poi mill: She stated that in May 2012, it was determined that the poi mill owned by Hi'ipoi LLC would need to be divested. Dr. Crabbe attempted to work with the employees of the mill for the employees to buy out Hi'ipoi's ownership, but it was perceived that the employees of the mill only brought business ideas to the table and never presented a fully executed business plan. Dr. Crabbe and Hawley Iona (OHA's CFO) determined that they would need to find another interested party and identified Supporting the Language of Kauai, Inc., a 501(c)(3) organization associated with the Kawaiini New Century Public Charter School. A director at SLK, Kimo Perry, desired to help keep the mill open, and he and Dr. Crabbe approached Nakulu Arquette, a Kauai farmer who ran a successful snack shop. The arrangement was that Mr. Arquette would operate the poi mill and any profits would be turned into scholarships offered by SLK. Dr. Crabbe, Mr. Perry, and Mr. Arquette were familiar with each other from their involvement in an 'Aha Kāne, an association of Native Hawaiian men. When Dr. Crabbe decided to transfer the poi mill to Mr. Arquette's management, there was a boycott by the Kauai farmers, who refused to sell taro to the mill. This caused problems for the operations at the mill and forced Mr. Arquette to sell the business in 2015. This arrangement was also overseen by Dr. Crabbe, who believed it was OHA's obligation to make Mr. Arquette whole for his efforts and losses. The COO further mentioned that, during a meeting in a parking lot on Kauai, Dr. Crabbe and Mr. Arquette agreed that OHA would inject \$60,000 in an attempt to make Mr. Arquette "whole" and serve as a buyout for his losses, which Mr. Arquette estimated were approximately \$150,000. The COO stated that after this payment, Mr. Arquette transferred the poi mill to another local individual.</p> <p>CLA was unable to interview Dr. Crabbe and therefore was only able to obtain an explanation from the COO relating to this disbursement. Because there was no grant application, grant agreement, or grantee invoice related to the payment of \$60,000 to SLK and based on the explanation by the COO that Dr. Crabbe was familiar with Mr. Arquette from their association through 'Aha Kāne, it appears that this disbursement provides indicators of a possible conflict of interests between Dr. Crabbe and the recipient of this disbursement.</p>
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Attachment 17**Office of Hawaiian Affairs****LLC Disbursements****Number of Disbursements Tested: 25****For the Period July 1, 2011 to June 30, 2016****Tickmarks**

M03	The \$20,000 loan made to the Lehua Poi Company, mentioned in observation M01 , was never repaid. No monthly payments were ever received by Hi'ilei Aloha and the loan was written off as a loss on 10/2/15. Because Hi'ilei is not in the business of making loans, and there was no indication that the recipient of the loan ever attempted to make any monthly payments, it appears that this disbursements contained indicators of possible fraud, waste, or abuse.
M04	As explained in observation M02 , a \$60,000 disbursement was made to SLK. This disbursement was classified as a "grant." However, the processing of this disbursement was not supported by a grant agreement, or any other type of written agreement, between SLK and Hi'ilei Aloha. Based on the lack of supporting documentation and based on the description by the COO that it had been a verbal agreement made between Dr. Crabbe and Mr. Arquette, that caused this disbursement, it appears that these fact patterns are indicators of possible fraud, waste, or abuse.
M05	<p>On 12/27/12 check number 4494 for \$13,367 to Commercial Dehydrator Systems was issued by Hi'ilei Aloha. This payment was made for the purchase of a commercial dehydrator system for the Hi'ipoi poi mill. The Request for Check Issuance form stated the following description: "Capacity-building assistance to Makaweli Poi Mill to purchase a large industrial dehydrator to make taro flour & other taro products. Full cost with attachments & shipping is \$15,867. Deposit of \$2,500 made on bank card on 12/21/12. This form was signed by the COO and two LLC Managers, Dr. Crabbe and Ms. Iona. The check was also signed by two the LLC Managers.</p> <p>CLA understands that the poi mill owned by Hi'ipoi LLC was transferred to SLK along with all of its assets on 12/31/12. Based on the timing of the purchase which took place less than ten days before the poi mill was transferred to SLK, it raises the concern that this purchase was made with the knowledge that Hi'ipoi LLC would not own the poi mill for much longer. Therefore, this disbursement appears to have indicators of possible waste, fraud, or abuse.</p>
M06	<p>On 3/12/13 check number 1058 for \$10,000 was issued to SLK by Hi'ipoi LLC. The Request for Check Issuance form, described this payment as "Final payment on grant." Additional supporting documentation included a letter from the COO to the three LLC managers, Dr. Crabbe, Mr. Los Banos, and Ms. Iona dated 1/28/13. This letter provided an update on Hi'ipoi LLC and the transfer of the assets of Makaweli Poi Mill to a "Hawaiian community organization." It described that to assist SLK in gearing up for operations, Hi'ipoi advanced initial funding of \$5,000 and OHA provided a grant in the amount of \$25,000. It also stated, "we will transfer the funds remaining in Hi'ipoi's operating account, estimated at \$20,000, after all of the bills that Hi'ipoi is responsible for have been paid. This amounts to total cash assistance of \$50,000."</p> <p>Based on the documentation reviewed, it appears that this disbursement was categorized as the "final payment on grant." However, there was no grant application or agreement on file for this disbursement. For this reason, it appears that Hi'ipoi LLC was funding the poi mill operation even though it no longer owned it. Therefore, this disbursement appears to have indicators of possible waste, fraud, or abuse.</p>
M07	The Request for Check Issuance form was approved by the LLC Managers after the check date.
M08	The "Received By" stamp on the invoice, indicating that the accountant verified that the service or product was received, was blank.

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M09	The disbursement package did not contain the invoice from the service provider because the service provider automatically deducted funds from the Hi'ipaka LLC bank account. This disbursement was a reoccurring, variable fee from Heartland for processing Waimea Valley's credit card charges. Since the funds were automatically deducted, the disbursement file does not contain a check request form or written check.
M10	There is no documentation or evidence that the service or product was verified and received by a staff member.
M11	The check request form did not contain the signature of the approver.
M12	There is no documentation or evidence that indicates what type of procurement method was used.