

**State of Hawai'i
Office of Hawaiian Affairs
560 North Nimitz Hwy.
Honolulu, HI 96817**

**Minutes of the Office of Hawaiian Affairs Special Meeting of the Board of Trustees
Thursday, February 2, 2017, 10:00 am**

I. CALL TO ORDER

Chair Rowena M. Akana called the Office of Hawaiian Affairs Board of Trustees Meeting to order at 10:22 am. Those present were as follows:

Attendance

Trustee Rowena M. Akana, Chair	Trustee Robert K. Lindsey, Jr.
Trustee Leina'ala Ahu Isa, Vice Chair	Trustee Carmen Hulu Lindsey
Trustee Dan Ahuna	Trustee Colette Machado
Trustee Keli'i Akina	Trustee John Waihe'e IV
Trustee Peter Apo	

Excused

-None-

Staff Present

Dr. Kamana'opono Crabbe, CEO	Makana Chai
Robert G. Klein, Board Counsel	Lady Elizabeth Garrett
Lora Lee Contreras, Chief of Staff	Alvin Akee
Nathan Takeuchi, Board Secretary	Albert Tiberi
Kay Watanabe	John Kim
Kama Hopkins	John Rosa
Kauikeaolani Wailehua	Kai Markell
Claudine Calpito	Kawika Riley
Davis Price	Mehana Hind
U'ilani Tanigawa	Miles Nishijima
Lehua Itokazu	Momilani Lazo
Laurene Kaluau-Kealoha	Raina Gushiken
Paul Harleman	Sterling Wong
Maria Calderon	Tiger Li
Melissa Wennihan	Timmy Wailehua

Others Present

Leimomi Khan	Jennifer K.M. Ueki
Kaukaohu Wahilani	Nainoa Reyes
Pua Pinto	Lisa Chow
Ka'iana Jennings	Puni Jackson
Haunani Apoliona	Nathan S. Paikai
Dan Purcell	Germaine Meyers
Kaui Pratt-Aquino	Toni Nickens
Michael Kumukauoha Lee	Ka'iulani Milham
Tiare Lawrence	

Chair Akana said the ten o'clock meeting is now called to order.

Trustee Akina said Chair, may I make a comment?

Chair Akana said yes.

Trustee Akina said thank you. Actually this is our first meeting of the day. The proceedings prior to this were informal and not all of the Trustees were here. I do want to state that I appreciate greatly Chair Rowena Akana's support of the financial audit and management review. I also appreciate the initiative she took but I do understand the importance of putting it in the Resource Management Committee as an agenda item and I do want to thank those Trustees who've expressed their support. Thank you Trustee Dan for communicating that your colleagues, our colleagues, support the idea of the audit and thank you Hulu Lindsey for having communicated that as well earlier and so I appreciate the opportunity to have been able to work on that and my notes from the presentation will be available to all of you. I look forward to next Wednesday when the matter is considered. Thank you.

II. BENEFICIARY COMMENTS

Chair Akana said okay we have beneficiary comments now. Germaine Meyers.

Germaine Meyers stated she was present at the 9:00 am BOT meeting to testify in support of an OHA audit. She also stated her support for Trustee Rowena Akana remaining the Chair of the OHA Board of Trustees and questioned the need for a reorganization of the Board. She felt that it was a contradiction to expect perfect behavior from Chair Akana and yet excuse the behavior of Trustee Apo.

Trustee Ahu Isa said I'm in favor of an audit but she wouldn't let me speak.

Germaine Meyers said if you were in favor of the audit you would have been here at nine o'clock like the rest of us.

Trustee Ahu Isa said I'm referring that recommitting back to Trustee Hulu's Committee because we need a budget attached to it. Forensic audit, I did it before, I used to be with PKF long time ago. I did it when UH wanted autonomy. I was under Fudge Matsuda and I know what a forensic audit is versus a management review audit. We need to help Kamana'o. We need a management audit.

Germaine Meyers said I wish you came at nine o'clock and said that.

Trustee Ahu Isa said I am working. There was a nine o'clock meeting agendized when I had a meeting scheduled already so I had to excuse myself. The ten o'clock was scheduled.

Germaine Meyers said I came Tuesday. I woke up at 4:30 am, gave the dog food and caught the bus from Nānākuli Avenue and Farrington Highway at 6:00 am. This morning I did it again because Tuesday's meeting was moved to today.

Trustee Ahu Isa said I apologize for not being here although I have to work for a living. I don't have husband.

Germaine Meyers said me too, respectfully.

Trustee Ahu Isa said I came to this meeting. I'm going to vote for the audit in Hulu's meeting, but I want to see a budget attached to it. When I was in the Legislature, you got to have a budget attached to any proposal.

Germaine Meyers said see again...

Trustee Ahu Isa said I'm not arguing with you, I'm just saying that I agree with you.

Germaine Meyers said Trustee Lei Ahu Isa, I apologize if it comes across, because what I'm hearing you again say is perfection.

Trustee Ahu Isa said kala mai

Germaine Meyers said I only see you asking for perfection. You're making excuses for others...

Trustee Ahu Isa said I'm not running for office. I want that clear.

Chair Akana said let the speaker speak please.

Germaine Meyers said I'm just asking, you're going to ask for perfection out of a brand new Trustee that you just elected. Why you wasting time talking again? Go forth and holomua.

Chair Akana said Prophet Paikai.

Trustee Akina said Madame Chair, just a reminder of the time limits.

Chair Akana said yeah, we have time limits.

Nathan S. Paikai stated his strong support for Chair Akana remaining Chair of the OHA Board of Trustees.

Chair Akana said Tiare Lawrence.

Tiare Lawrence stated that she believed we can do so much more if we can set aside this personal bickering and crabs-in-a-bucket mentality. She also believes our children deserve more and that our ability to move our community forward is only limited by our inability to unite and work together. She strongly supports a reorganization of the Board for a fresh start.

Chair Akana said thank you. Ka'iulani Milham.

Ka'iulani Milham stated that she strongly supports a more detailed audit of OHA. She also stated that it is shocking that there is a call to remove Chair Akana as Chair after denying public testimony at the last Board meeting and not doing the same for a Trustee that has committed sexual misconduct. She also stated that she supports giving Chair Akana a fair term.

Chair Akana said Nainoa Reyes.

Nainoa Reyes stated he strongly supports reorganizing the Board and removing Chair Akana from her position as Chair. He believes she has been given a fair chance and that her behavior in the public and in

the media is unacceptable as a human being and as a Hawaiian. He also stated that he strongly supports CEO Crabbe, who is his leader regardless of his position or employment, and that he would follow him to the end. He also questioned what Chair Akana has done in the last two months besides attacking CEO Crabbe and questioned the need for a more detailed audit. He also felt that it was wrong for the Chair to deny his testimony at the last Board meeting during Community Concerns and that if he wanted to talk about rockets in space or dogs on the moon he should have been given that opportunity.

Chair Akana said thank you for your comments. Let me just say something. You know, it probably is a misunderstanding with some folks. When we decided to look at Kamana'o's contract, it wasn't because it was a personal issue. You may know him in a personal way and know his family but, as a CEO working for the Office of Hawaiian Affairs, he is our employee and we judge him at a different level, not as a friend, not as a buddy to go out drinking with, or family. He has a contract and his contract says he is responsible for certain things. We evaluate that, evaluate him and others based on the contract and how they have performed. So don't misunderstand that this is personal. It's not an attack. Personal. You know, when you look at the contract...

Trustee Machado said but the lawsuit filed yesterday...

Chair Akana said it's not a lawsuit. So when you speak, speak with knowledge.

Trustee Machado said please acknowledge. I'd like to address that.

Chair Akana said it's not personal. It has to do with performance and so don't mix up those two things. There're differences. When someone works for you, they are supposed to perform according to their contract. If they don't, you have a right to review that contract and vote yes or no on whether you want to keep that employee. That is our right as Trustees and if we feel that that the person does not perform well then that's our call too. And you can criticize us if you wish, that's your call, but to say that you want to know what we have done, young man, you need to study, Google some of us and you will see we have done more in the short time we've been here than in your life time. So don't judge us, around this table, unless you really know what some Trustees have done for you and for generations to come.

Trustee Ahuna said Madame Chair, I have some statements prepared to answer some beneficiary questions.

Chair Akana said excuse me but we have beneficiary concerns now. You can speak when this is done. Alright, Kai Pratt-Aquino.

Trustee Ahuna said Madame Chair, if I have time later I would like to speak on the audits and everything you've just talked about. Please let me...

Chair Akana said yes, of course.

Trustee Ahuna said and then allow me that time.

Kai Pratt-Aquino stated that the lawsuit filed by a Trustee last night did egregious harm and it appears to be a desperate last attempt to grab power and take out CEO Crabbe. She asked the Board what they are going to do to hold that Trustee accountable for acting on her own.

Chair Akana said it's not a lawsuit.

Kauai Pratt-Aquino said what is it then?

Chair Akana said what kind of lawyer are you if you don't know the difference between a lawsuit and a declaratory judgment?

Kauai Pratt-Aquino said it's a complaint, it's the beginning of a lawsuit and it was not filed by the lawyers here. It's filed by another lawyer. She also stated that the community is starving for leadership and she wants the Board to reorganize now. She suggested that the Trustees go back into the communities they serve and get reconnected.

Trustee Ahuna said Chair, I'd just like to make a few statements. I want to make it very clear that I, and some of the peers on this table, hear the voices in our community very clearly. We have been listening and know that we need to respond to our people's calls for answers and for pono leadership. We have moved to refer the action item to the RM Committee meeting on February 8th. I want to thank Trustee Hulu Lindsey so much. I would also like to raise a few of my observations with regards to this action item. First and foremost, I have been very consistent since this topic of forensic audit came up and that is that I am not against an audit. I want us to answer all of the questions being asked, however, I have also been very consistent that we should not be calling this a forensic audit. Mr. Akina, you have sent memos to Trustees calling for a forensic audit and now you're saying that we are requesting it is not a forensic audit and Trustee Akana scheduled a meeting to discuss a forensic audit, then cancelled that meeting and changed that language of that action item to what we see before us. You folks have really created a circus around this issue and I am trying to make sense of it all. Here is what I know, on January 5th, Trustee Akina sent a memo for Trustee Hulu Lindsey and included the other Trustees. It was titled, Forensic Audit and Management Review Discussion. The term forensic audit is used ten times in the memo and provides an explanation that there is no defined scope of a forensic audit, essentially claiming the term is insignificant. This is not true. Black's Law Dictionary does provide a legal definition of forensic audit. A quote, use of accounting methods to get forensic evidence used for criminal acts like fraud or embezzlement. End quote. We have yet to see any real evidence of crimes at this magnitude. Then on January 30th, after the meeting was scheduled, Trustee Akina sent an email and stated this action item is not a call for a forensic audit in the sense that has been spoken of recently by many beneficiaries. Specifically, the purpose of this audit is not to target any individuals, generate evidence for court, or collaborate with law enforcement agencies. So if the term is not significant then why do we need to back-pedal now? This is insanity. We are fiduciaries. How can we make any decisions properly with all of the confusing messages? What we are allowing is to take place at this table is absurd. We really need to step back, cool down, do some homework, and figure out how to fix this mess because that's all it is. It's a big mess. Since the start of the New Year when Trustee Akana took Chair and Trustee Akina took office, nothing has been accomplished to move this organization forward for our people. Right out the gate, the first agenda item, the Chair wants to remove our CEO and Trustee Akina wants a forensic audit. And now, another lawsuit to accomplish your self agendas. While this is serious and we call for pono leadership, pono leadership is listening to the voices of our community at large and responding to them. And we do this with reason, not go on a hunt making false allegations, attempting to ruin people's reputations and create hysteria, which is exactly what is happening. I want us to base our decisions soundly, on truth and facts. That said, let's talk about how we are going to address the matter at hand. Let me provide some facts to set the record straight on this audit matter. My concerns with this RFQ proposal is that we may have already paid for much of the work Trustee Akina is requesting as part of the fiscal sustainability plan research that Spire has conducted. My understanding is that Spire was contracted to gather and review a base of organizational knowledge that included policies, transactional reviews, legal obligations, and debt service to name a few areas. Based on the information they gathered, they provided a recommendation of how to pursue implementation of a fiscal sustainability plan through the use of twelve separate work plans they developed in specific areas. This report was delivered to the

former ARM Chair, Trustee Machado, and all Trustees. It is dated November 18, 2016. This is relevant because in Trustee Akina's recommendation memo, he suggested a review of management policies, specifically in areas such as grant management, internal control systems, and investment management to name a few. However, Spire has covered some of these areas in their recommendation, so there is some overlap. Specifically, the Spire recommendations included work plan suggestions in the areas of investment committee, line of credit refinancing, grants management, and a Native Hawaiian program management. All of this may overlap with Trustee Akina's request. Maybe it doesn't, but we need to vet this. We have fiduciary obligations to not spend money on work that has already been conducted. Some areas that I am open to reviewing are the federal funds and the financial transactions that Trustee Akina recommended, but we need to be clear on what we are requesting for the RFQ. Let me be clear, I am open to some of your recommendations, Trustee Akina, but we need to do this in a proper and orderly fashion, not constant flip flopping on what we are asking for. That only causes confusion and hysteria for everyone. All that said, the proper way to have gone about this is to have the RM Committee vet this request before it comes to the Board for a final vote. There was no vetting. Therefore, Chair, you are asking us to approve an RFQ without having any understanding of how much it will cost, what work we are specifically requesting, and without a determination of whether any of the work has already been covered by Spire. These are the questions that I have. Let me be clear again. I want to answer all of the questions being raised by our community, but we need to do it right. For these reasons, we need to hear this matter in the RM Committee and we need to schedule that meeting for the February 8th, I believe, so we can begin a proper vetting process. So with that, in accordance with OHA Bylaws Article V, Section C-1, I move to remove Trustee Rowena Akana as Chair of the Board of Trustees and I want to speak to this. I want everyone on this Board and our community to understand that I am making this decision with this in mind. I do not just want to remove Chair and continue to kick the can down the road. I expect this Board to swiftly replace her with a Chair that will work to fix this mess. There are very serious allegations that have been made and we need to hear the voices of our community. The next Chair must act quickly to address these matters. The next Chair must be able to work closely with the Board, with Administration, and with our community to answer questions that make this organization better. I am confident that we can fix this and turn this organization around, but it will take strong, proactive leadership. I expect nothing less than pono leadership going forward and let's do this.

Chair Akana said thank you Davis Price.

Trustee Apo said Madame Chair, I second the motion and request that we defer discussion until after beneficiary comments.

Trustee Waihe'e said yeah, I want to get to the consideration of that motion at this time because we're required to accept testimony on any action we take before we...

Trustee Apo said I second the motion and I request that we defer discussion on the motion until after beneficiary concerns are completed.

Chair Akana said yes, let's defer.

Trustee Akina said Madame Chair?

Chair Akana said yes, Trustee Akina?

Trustee Akina said just in fairness, may I make a response to Trustee Ahuna, briefly?

Chair Akana said yes.

Trustee Akina said thank you. First, thank you, Trustee Ahuna for your support of the audit's consideration at the next Resource Management meeting. I want to say this in the kindest way I can, because I know your heart. I know you love the Hawaiian people. I know of your faith in God. But there were many material mistakes made in the speech you wrote and my staff would be very glad to share those with your staff for your consideration. And rather than my respond to those now, I offer to sit down with you and talk them through, because I think we want to reach an understanding to do good for the Hawaiian people. But I do have concern that the speech you were given is filled with errors and you were done a disservice by that and I know that your heart is a good heart so I say that in the kindest way I can and I do hope and invite you to sit down and we'll talk together, okay?

Trustee Ahuna said thank you so much. I really feel the same way too. You know, when this audit things was coming out, I had no way of agreeing or even approving or even being a part of it.

Trustee Akina said I understand.

Trustee Ahuna said so when you do things alone, by yourself, you really doing it by yourself.

Trustee Akina said well let's do things together Trustee Ahuna.

Trustee Ahuna said thank you so much.

Trustee Akina said thank you. Aloha.

Chair Akana said thank you. We have one more beneficiary to speak.

Trustee Ahuna said but there's a motion on the table, right?

Chair Akana said no, it was tabled, deferred. We have one more beneficiary to speak, but before that beneficiary speaks, I want to say this, that Trustee Ahuna was not in the room when I explained that the reason that this action was moved to this Board at this time was because of the filing of the reorganization letter that was filed last week and there is no guarantee in a reorganization that Trustee Hulu Lindsey would be the Chair of RM, so we had no way of knowing even after we reorganized the Board whether she is going to be indeed the Chair of that Committee where this could even be heard and so rather than have it buried, I wanted to bring it to the Board because we promised the people that we would.

Trustee Machado said you got to give us both credit.

Trustee Ahuna said I know. I can't believe that's said.

Trustee Machado said you have to give us more credit.

Chair Akana said one of the speakers said, there is a matter of trust here and that's right, there is no trust. There is no trust here, because as soon as you turn around, someone's got a knife in your back or like another speaker said, you know, while you guys want to chastise me for not letting people speak, you have your own reasons for doing this, but I know what the real reason is. You're all protecting each other and so is the Administration. When this audit happens, it's going to back several years. It'll touch Apoliona, it'll touch Stender,

Trustee Machado said and me.

Chair Akana said it'll touch people who have left this Board and that's what everybody is afraid of.

Trustee Machado said we don't disagree with the audit. It's just we have to follow procedures.

Chair Akana said these people over here don't have any clue about how far it's going to go.

Trustee Machado said it's not because you want it now you get it now Trustee. Trustee Akina, you need to know we all support an audit, but you folks cannot do it one way. You got to include everybody and there is a process, like a committee to go through.

Trustee Ahuna said that is right.

Trustee Akina said thank you. Mahalo.

Chair Akana said Ms. Apoliona, it's your turn.

Haunani Apoliona stated that she signed up for the ten o'clock agenda and it was number one.

Chair Akana said no, it wasn't.

Haunani Apoliona said yes it was, ma'am, I signed-up number one. Okay, that's your call.

Chair Akana said there's no such thing as number one.

Haunani Apoliona said okay, I just signed this number one to note it. She also stated that today marks approximately 57 days of questionable leadership by Trustees Akina, Hulu Lindsey, and Waihe'e and that they have maintained an OHA Chair that has been judged in the Court of Virginia Crandall to have liability for breach of duty. She praised Trustee Ahu Isa for signing the notification for reorganization of the OHA Board of Trustees. She also believes that the actions of the Trustees today will declare their position, with regards to their trust and fiduciary duties, once and for all and that it is imperative that the Trustees reorganize to get OHA back on course and heading in the correct direction.

Chair Akana said thank you, Ms. Apoliona for all your good, whatever you throw on the Board. Nothing has changed. Evidently, you don't know that you lost your election but you keep coming back like a bad [inaudible].

Trustee Ahuna said are we done with the beneficiary comments? Are we done?

III. NEW BUSINESS

Chair Akana said so, alright, we're moving on to the reorganization of the Board and before I take the first motion let me say to this Board and to everyone here, last night I had a dream and in the dream I dreamt that I had a heated discussion with Lei Ahu Isa. When I woke up this morning, I opened the bible and it was in Ezekiel Three, and what it said was, God said to Ezekiel, son of man, go down to Israel and speak to those people who are stiff necked and hard headed and hard hearted. Whether they listen to you or not is not my concern. They are hard headed and hard hearted so they probably won't listen, but your job is to say that I sent you anyway to speak and what Ezekiel said was that if the hard hearted people, which he was speaking to, which were the Israelites, if they did not listen, in a time very soon, God would require of them their soul and so I leave you with that because that was the reading that I had this

morning. So I say to all of you, I leave it to your conscience. You can reorganize this Board, do whatever you will, but the Lord is with us today and he is in this room. So whatever happens, happens. Go ahead, make your motion.

Trustee Ahuna said in accordance with OHA Bylaws Article V, Section C-1, I move to remove Trustee Rowena Akana as Chair of the Board of Trustees.

Trustee Apo said second.

Trustee Akina said discussion?

Chair Akana said discussion?

Trustee Apo said call for the question.

Chair Akana said don't deny discussion.

Trustee Ahuna said up to you.

Chair Akana said go ahead, Trustee.

Trustee Akina said the motion is to remove a sitting Chair and I will not support that motion. On the other hand, if there was a fair competition of a Trustee putting his or her name forward in order to be considered to be Chair, I would consider that because that kind of competition is good for us and we can make comparisons and so forth. I just wanted to clarify here and to add one thing, that our current Chair has not been perfect even by her own admission, at the same time, there are some things that have been brought to the Office of Hawaiian Affairs from which all beneficiaries have benefited. Whatever we may call the audit that needs to look deeper, I think we all agree that it needs to be done and I think we need to commend Rowena Akana for the initiative she has taken with respect to getting that audit on the table. The beneficiaries will be served greatly by that. I thank her for her friendship as a Chairperson. I'm aware of what the vote count would be and so it is not with any disrespect for you that I vote *kanalua* today and I do thank you for your service.

Chair Akana said thank you.

Trustee Apo said Madame Chair.

Chair Akana said Mr. Apo.

Trustee Apo said just to clarify the procedure, under Article V-3, under officers, of the bylaws, vacancy. Vacancy in the office of the Chair or the Vice Chair shall exist under the following circumstances. One, when the Chair or Vice Chair is removed by the majority, in this case five, of the members to which the Board is entitled. Succession. In the event of a vacancy in the office of the Chair, the Vice Chair shall succeed as Chair until the following Board meeting at which time a Chair is elected by a majority of the members of the Board. Thank you.

Trustee Ahu Isa said I'd like to address Trustee Akina. I think all of us acknowledge that there is a friendship here because I was kind of shocked when I saw the memo from our comptroller or acting CFO that they approved a travel for your Trustee Aide who has only been with us for a month and a half. You talk about spending beneficiary money. Commonfund trip is really an investor, you know, it's for people

who invest. You have to be invited by Commonfund to go. I got the letter in October of last year. I was invited. There's no registration fee. Then all of the sudden you are going with your Trustee Aide using beneficiary money to Commonfund's so-called seminar in San Antonio. I don't think that's right in using our beneficiary money for that. Thank you.

Chair Akana said further discussion?

Trustee Apo said call for the question.

Trustee Ahuna said call for the question.

Chair Akana said roll call.

Motion

Trustee Ahuna moved, and Trustee Apo seconded, in accordance with OHA Bylaws Article V, Section C-1, to remove Trustee Rowena M. Akana as Chair of the Board of Trustees.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA	1		X			
TRUSTEE KELI'I AKINA					X	
TRUSTEE PETER APO		2	X			
TRUSTEE HULU LINDSEY					X	
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE COLETTE MACHADO			X			
TRUSTEE JOHN WAIHE'E					X	
CHAIR ROWENA AKANA				X		
TOTAL VOTE COUNT			5	1	3	0
MOTION: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED						
Motion passed with five (5) YES votes, one (1) NO votes, three (3) abstentions, and no (0) excused.						

Trustee Akana said okay, the Vice Chair succeeds to the Chair. Lei Ahu Isa.

Trustee Akina said Trustee Ahu Isa, you have the Chair.

Trustee Akana said I just have one last comment to make to my fellow Trustee, Peter Apo. Peter, I sit here and I'm in awe that I have not admonished you or judged you, but today, how dare, how dare you judge me when, like one beneficiary said. I have not committed a crime or an offence. I'm not all over the newspapers with charges. I did not come here to judge you, but you sit in that chair and you dare to judge me. The Lord will judge you. And the Lord will judge you Bob Lindsey.

IV. ANNOUNCEMENTS

There were no announcements.

V. ADJOURNMENT

Having no further business, the meeting was adjourned at 11:20 am.

Respectfully Submitted,


Nathan H. Takeuchi
Board Secretary

Approved by the Board of Trustees on March 9, 2017:


Trustee Rowena M. Akana
Chair, Board of Trustees