



STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
711 KAPI'OLANI BOULEVARD, SUITE 500
HONOLULU, HAWAII 96813

February 23, 2012

Mr. Frank Pestana, Chair
Kawaiaha'o Church
Board of Trustees
957 Punchbowl Street
Honolulu, Hawaii'i 96813

Aloha Mr. Pestana,

We have conducted a review of contract compliance by the church and were disappointed to learn that our goal for the grant, the "construction of a multi-purpose facility", has foundered, and that the books and records of account, including many backup documents are missing. Our accounting firm had to piece the information together as best they could given the available information. Besides failing to complete the building and maintain the records there were reporting errors, non-secular uses of funds, and the failure to file a timely final report. The church's revised accounting for the funds now shows that they were expended on pre-construction activities, including archaeological surveys, cultural and environmental assessments, as well as some demolition activities as required by the contract.

On balance while we take serious issue with the way this grant was handled, we do not believe it would be productive or prudent to proceed with costly litigation inasmuch as that would be counterproductive to completing the project. As should be evident, the goal of producing a multi-purpose facility remains a worthy one.

'O wau nō me ka ha'aha'a,

A handwritten signature in cursive script that reads "Colette Y. Machado".

Colette Y. Machado, Chairperson
OHA Board of Trustees

C: OHA Board of Trustees
Kawaiaha'o Church Board of Trustees



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Aloha Mr. Pestana,

After months of observing Kawaiaha'o Church's handling of the iwi controversy, I write on behalf of our Trustees to express our despair and disappointment with the church's decision to proceed with disinterment, under the legal justification of the Department of Health's ruling, despite violating centuries old Hawaiian cultural burial protocols and traditions.

We are particularly disappointed that church leaders chose at times to pit Christian teachings against Hawaiian burial law with respect to processes and protocols guiding disinterment and reburial. While the church has its obligation and right to practice its religious doctrine, the moral obligations of culture, custom, and tradition would not appear to either spiritually or theologically undermine Christian belief or teachings. They merely set a higher bar for the treatment of ancestral remains.

While we respect the doctrine of separation of church and state, the Office of Hawaiian Affairs nevertheless fails to understand why the church would not want to voluntarily exercise the highest level of moral authority by using Hawaiian burial law as its guide.

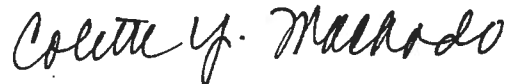
OHA Trustees are united in the steadfast belief in, and support for, the strict application of HRS Chapter 6E to all situations, including cemeteries. We believe that the State of Hawai'i Department of Health rules that currently permit mass removal and relocation of burial remains in conflict with these laws, Hawaiian cultural traditions and customs in the treatment of ancestral remains. Going forward we are supporting pending legislation that we hope will address the jurisdictional conflict among the State Department of Health, Department of Commerce and Consumer Affairs, and the Department of Land and Natural Resources through its State Historic Preservation Division and its Burial Councils.

When OHA provided financial support to the church for construction of a multi-purpose facility, we fully anticipated and expected that the burial laws in Chapter 6E would be respected. We did not anticipate the need to incorporate compliance provisions into our contract to ensure that the

law would be honored. It was our expectation that the iwi kupuna would be respected—especially by your church. We will be moving to make a course correction in future contracts.

On behalf of all Native Hawaiians, I personally implore the church to do what is pono and heal the wounds. In spite of our disappointment we still stand by ready to assist in any way that we can to ho'oponopono this situation.

'O wau nō me ka ha'aha'a,

A handwritten signature in black ink that reads "Colette Y. Machado". The signature is written in a cursive, flowing style.

Colette Y. Machado, Chairperson
OHA Board of Trustees

C: OHA Board of Trustees
Kawaiaha'o Church Board of Trustees