

## Statement of Harriet Enrique

On February 8, 2007, Harriet H. Enrique, employee of Bureau of Conveyances (BOC), Department of Land and Natural Resources (DLNR), telephone (808) 587-0151, and (808) 551-0052 was contacted by Hilton J. Lui. Upon contact Enrique was informed by Lui that he has been retained as an Investigator for the Hawaii State Ethics Commission whose Executive Director is Dan Mollway. Enrique advised her current address is 96-137B Waiawa Road, Pearl City, Hi 96782.

Enrique advised she has been working at the Bureau of Conveyances, Department of Land and Natural Resources, State of Hawaii, located at 1151 Punchbowl Street, Honolulu, HI 96813 since 1984. Currently she is the Branch Chief of the Regular System of the Bureau of Conveyances.

Enrique advised Carl Watanabe came to work at the Bureau of Conveyances sometime in 1990 or 1992. When Watanabe arrived he was hired as a Deputy Registrar and the Registrar was Sandra Furukawa. Enrique advised no one wanted to work under Furukawa and she solicited Watanabe who had been office manager for Island Title Corporation and had either been laid off or fired. When Furukawa found out of Watanabe's availability, he was interviewed and hired. Enrique added at the time Furukawa was working for the BOC she also was working for Title Guaranty at night. Enrique heard that in 1994 or 1995 Furukawa was forced to retire and then went to work Russia to play out her time as by ethic standards they can not go straight to the public sector related to what Furukawa worked. About a year and a half later Furukawa went to work for Title Guaranty. When Furukawa left Watanabe assumed the Registrar's position on a temporary assignment (TA). The recruitment went on for the Registrar's

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position for a long time and each time Watanabe put in for the position he was not selected. However, right before Cayetano's last year in office, maybe in the year 2000 Sakamoto was finally selected.

Enrique advised the practice of receiving gift baskets, etc. during Christmas existed before she started working at the BOC. Enrique advised title and other companies would drop of different gratuities consisting of gift baskets, fruit baskets, cakes, cookies, and gift certificates for a store and those that were not perishable were held off until their Christmas party where they were given out as door prizes. This past Christmas similar type of items were delivered but Dennis Ihara who became their Deputy Registrar put a stop to it as he was in contact with the Hawaii State Ethics Commission (HSEC) and guidelines were obtained as to what was legal. Some of the items delivered during the past Christmas holidays are still sitting there in the BOC office. Enrique was aware a general letter was sent to the title companies to come pick up the items pursuant to HSEC guidelines, however, most of the companies still have not picked them up and they are still sitting there. The title companies who have drop items off are Title Guaranty, Island Title Corporation, First American Title, First Hawaii Title, Hawaii Escrow and Title, Old Republic Title, Security Title, and Pacific Access Title. Owner's Title is so small she doesn't believe they delivered anything.

Enrique advised that title companies should pay for the information they receive from the BOC but not everyone does because they recently found out that only some of the companies have been billed and don't know why the amounts of payment received are like it is. Enrique advised Watanabe was supposed to set up a billing system for companies

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to hook into their Land Court Automated Title (LCAT) system but have not. Enrique advised some of BOC's information is on the internet, but there is a price one needs to pay to access their LCAT system. Enrique added recently she was assigned to have the Cashiers placed under her and found out that title companies sends to them checks but because there is no accounting system, the BOC have just taken the checks and deposits the checks received without question. Enrique added upon looking into this she found that there is definitely no system to check if some companies are not paying or not and no accountability. Enrique advised a payment system was to be set up by Watanabe in the late 1997 or so whereby companies could buy into their system and access their LCAT system records but there are no known contracts. Enrique advised at that time she was not directly involved in collection but heard the charge to initiate the service was \$1,000 and that there would be a monthly set base amount which every title company or client would need to pay which varied from company to company. If any company would be in excess of so many minutes of use a supplementary amount was to be paid. Enrique advised when she took over the Cashiers she sat with them and Watanabe and requested to see the agreements with the companies to see what the companies agreed to and what the charges were to set up a billing process. At the time of the meeting she was provided with a folder, which had prior checks and different things in it about this billing process. This was in the year January 2003. At that time however, Watanabe told her to not worry about the setting up of the system and that he would take care about it and took the folder. Watanabe indicated at that time also that all prior charges up to that time were to be forgiven. Watanabe told them that when he set up the billing system the charges would start from that date.

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Enrique did not agree with Watanabe as title companies sell the information they received from the BOC. About a month later Watanabe called the Cashiers in and told them he was going to start up the billing system and Watanabe accused the Cashiers of having the folder. This seesaw of who has the folder went on for a couple of months, then it died off and the billing never got done. Sporadically over the past four years this matter of where's the folder charade would come up and would die again. Enrique advised the last time she saw the folder it was on Nancy Bartter's desk who was at that time their Administrative Assistant. Bartter has since transferred to the Board of Health sometime maybe in July of last year. Just before she left, Enrique again told her that they need to get this billing matter going and need to get something in writing from the people who are accessing their system and initiate where billing can be done properly. Bartter then showed her the folder and that she stated Watanabe had given it to her but she did not have the time to work on it. Since she left to the Board of Health Enrique does not know what happened to the folder and that was the last time she saw it. Enrique added in the meantime the BOC receives the checks with different companies and without any accounting just deposit them into the General fund every month like usual. Enrique again indicated she does not know if contracts exist with different companies, as she has not seen any.

Enrique advised that to have the title and other companies connect to their system a password is necessary and she doesn't know as to who have issued the passwords, but everything was regulated through Watanabe. Enrique assumed Watanabe designed or authorized it through their ICSB or their computer people. Enrique advised presently they have an ICSB person from DLNR assigned to them who

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sit in their office everyday, by the name of Alan Smith.

Enrique has not heard of anyone receiving free trips but heard that every year there is a group of individuals who work on the Land Court System Section in their office who go to Las Vegas. Enrique added that personnel in their office is divided and its' Land Court System people vs. Regular System people. Some people who were in the Land Court System but now work on Regular court systems side are now "spilling their guts" as to what they previously did at work. Michelle Pang, one of these individuals was asked by Enrique as to when they went to Las Vegas whether they paid for their trip or did someone else pay for them and Pang replied she gave her money to female named Angie who recently married, but who worked for First American Title. Pang told Enrique she paid cash for the trip. Pang also told Enrique that the trip was planned by Nicolene Gega-Chang, Branch Chief of the Land Court System who appears like the group leader in this and Gega-Chang instructed Pang to give Angie her money. This group goes every year to Las Vegas but the component of the group changes. Enrique added Kaiulani Lambert who also works at the BOC had gone once but it was a long time ago. There was also a part-timer by name of Janice Loo, now Janice Sligh, who is now married and currently works at an Outrigger who also went. The person who still goes with Gega-Chang is Rexford Davis who is "Gega-Chang's boy." The last trip was six months ago.

Enrique advised when the BOC went out for a Referral for Pricing (RFP) for proposal for computer resources the Lange Group was selected. Enrique heard that the Lange Group once did computer for Title Guaranty.

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Enrique mentioned that Peter Young their Chairman of the DLNR came on board when Linda Lingle came on as Governor.

Relative to Sandra Furukawa, when Furukawa was working for BOC during the day Furukawa worked for Title Guaranty at night. Enrique as well as others thought was a conflict. In the late 80s early 90s Furukawa made an ethical claim against a Curtis Ramsey, who an Assistant Registrar and made him give up his real estate license.

Enrique advised that Dave Thompson, owner of Owner's Title Company told her he is all for having "a level playing field."

On March 5, 2007, Enrique contacted this investigator and advised that a while back while with Watanabe in his office, Watanabe bragged to her that he could stay at any Marriott Hotel free because he did favors for them. Watanabe also indicated that his son was working part-time at Marriott while he was attending college and that he was hired without going through regular channels. Enrique added that Marriott has a lot of recordings as it has many time-shares and a large amount of it was handled through Title Guaranty. Enrique added the hurry to get documents recorded quickly means that as soon as it is recorded money can be released from Title companies so Marriott can be paid and it means a lot of money.

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