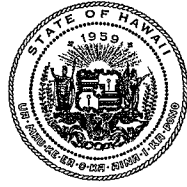


NEIL ABERCROMBIE  
GOVERNOR

BRIAN SCHATZ  
LT. GOVERNOR



FREDERICK D. PABLO  
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR  
DEPUTY DIRECTOR

**DEPT. COMM. NO. 66**

STATE OF HAWAII  
DEPARTMENT OF TAXATION  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

March 4, 2011

The Honorable Shan Tsutsui  
Senate President  
State Senate  
State Capitol, Room 409  
Honolulu, HI 96813

Dear Senate President Tsutsui:

In 2010, the State Legislature expressed concern over the Department of Taxation's contract with CGI Technologies and Solutions, Inc (CGI) to provide technical expertise to the department. The State Auditor, in her December 2010 report, concurred with the concerns expressed by the Legislature.

As the new administrators at the Department of Taxation, we have reviewed and investigated the issues raised. Our findings, conclusions and recommendations are enclosed for your review.

We would be happy to discuss this matter further at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads "Frederick D. Pablo".

Frederick D. Pablo  
Director of Taxation

cc: Sen. David Ige  
Chair, Senate Committee on Ways and Means

Enclosure