

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



KEITH A. REGAN  
COMPTROLLER  
KA LUNA HO'OMALU HANA LAULĀ  
  
MEOH-LENG SILLIMAN  
DEPUTY COMPTROLLER  
KA HOPE LUNA HO'OMALU HANA LAULĀ

**STATE OF HAWAII'Ī | KA MOKU'ĀINA O HAWAII'Ī**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ**  
P O BOX 119, HONOLULU, HAWAII 96810-0119

**Comptroller's Certification**

Mr. Luis P. Salaveria, Director  
Department of Budget and Finance  
State of Hawaii

We have verified the Honolulu Authority for Rapid Transportation's (HART) compliance with Hawaii Revised Statutes (HRS) §46-16.8 (e) for capital costs in invoices submitted to the Comptroller by HART in the accompanying Schedule of Invoices. The management of HART is responsible for HART's compliance with HRS §46-16.8 (e). Our responsibility is to verify that the invoices for capital costs comply with HRS §46-16.8 (e).

As more fully described in Note 2 and Note 3 to the accompanying Schedule of Invoices, our verification procedures involved procedures to obtain evidence about whether the invoices submitted by HART for the capital costs of a locally preferred alternative for a mass transit project comply with HRS §46-16.8 (e). We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

As more fully described in Note 4 to the accompanying Schedule of Invoices, adjustments may be made to reduce the amount of future reimbursements to HART for prior invoices certified by the Comptroller that are found to be in error due to fraud, illegal activities or other violations of laws and regulations.

Our verification procedures do not provide a legal determination of HART's compliance with HRS §46-16.8 (e). Further, as the objective of our procedures were limited to verifying that the costs in invoices submitted by HART complied with a specific law, our procedures were not designed to detect fraud or other illegal activities.

Based on the results of our verification procedures performed, the invoices for capital costs in the accompanying Schedule of Invoices comply with HRS §46-16.8 (e).

/s/

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Keith A. Regan  
Comptroller

Dated: November 6, 2024

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Schedule of Invoices

Vendor	Contract No.	Reference No.	Certified Amount
Alexander & Baldwin, Inc.	CT-HRT-19H0081	70253	\$ 287,958.00
Alexander & Baldwin, Inc.	CT-HRT-19H0081	71724	287,958.00
Alexander & Baldwin, Inc.	CT-HRT-19H0081	73246	287,958.00
Alexander & Baldwin, Inc.	CT-HRT-19H0081	73561	278,296.14
Alexander & Baldwin, Inc.	CT-HRT-19H0081	75023	298,429.20
Alexander & Baldwin, Inc.	CT-HRT-19H0081	76413	298,429.20
Alexander & Baldwin, Inc.	CT-HRT-19H0081	77952	298,429.20
Alexander & Baldwin, Inc.	CT-HRT-19H0081	79610	298,429.20
Alexander & Baldwin, Inc.	CT-HRT-19H0081	81343	298,429.20
Alexander & Baldwin, Inc.	CT-HRT-19H0081	81657	278,296.14
Alexander & Baldwin, Inc.	CT-HRT-19H0081	83241	298,429.20
Alexander & Baldwin, Inc.	CT-HRT-19H0081	85043	298,429.20
Alexander & Baldwin, Inc.	CT-HRT-19H0081	86720	298,429.20
Aon Risk Services, Inc. of Hawaii	SC-HRT-1400008	8400000084581	237,340.22
Aon Risk Services, Inc. of Hawaii	SC-HRT-1400008	8400000086675	690,900.00
Aon Risk Services, Inc. of Hawaii	SC-HRT-1400008	8400000086676	375,854.00
CH2M Hill, Inc.	SC-HRT-1400027	00169	386,209.77
CH2M Hill, Inc.	SC-HRT-1400027	00171	381,570.60
CH2M Hill, Inc.	SC-HRT-1400027	00239	265,177.63
CH2M Hill, Inc.	SC-HRT-1400027	00243	378,375.31
City & County of Honolulu-Division of Treasury	ICP-HRT-25000105	GOB 2019A, Jul 2024	783,604.16
City & County of Honolulu-Division of Treasury	ICP-HRT-25000105	GOB 2020B, Jul 2024	1,139,416.66
City & County of Honolulu-Division of Treasury	ICP-HRT-25000105	GOB 2021E, Jul 2024	1,374,104.16
City & County of Honolulu-Division of Treasury	ICP-HRT-25000105	GOB 2023D, Jul 2024	591,520.84
		Carried forward	\$ 10,411,973.23

The accompanying notes are an integral part of the Schedule of Invoices.

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

**Schedule of Invoices (Continued)**

<u>Vendor</u>	<u>Contract No.</u>	<u>Reference No.</u>	<u>Certified Amount</u>
		Carried over	\$ 10,411,973.23
City & County of Honolulu-Division of Treasury	ICP-HRT-25000316	GOB 2019A, Aug 2024	783,604.16
City & County of Honolulu-Division of Treasury	ICP-HRT-25000316	GOB 2020B, Aug 2024	1,139,416.66
City & County of Honolulu-Division of Treasury	ICP-HRT-25000316	GOB 2021E, Aug 2024	1,374,104.16
City & County of Honolulu-Division of Treasury	ICP-HRT-25000316	GOB 2023D, Aug 2024	591,520.84
City & County of Honolulu-Division of Treasury	ICP-HRT-25000465	GOB 2019A, Sep 2024	687,729.17
City & County of Honolulu-Division of Treasury	ICP-HRT-25000465	GOB 2020B, Sep 2024	1,139,416.67
City & County of Honolulu-Division of Treasury	ICP-HRT-25000465	GOB 2021E, Sep 2024	1,374,104.17
City & County of Honolulu-Division of Treasury	ICP-HRT-25000465	GOB 2023D, Sep 2024	591,520.83
Frank V. Coluccio Construction Co., Inc.	CT-HRT-2200128	00021	3,565,472.01
Frank V. Coluccio Construction Co., Inc.	CT-HRT-2200128	00023	3,154,836.15
Frank V. Coluccio Construction Co., Inc.	CT-HRT-2200128	00024	7,080,396.10
INIT Innovations in Transportation, Inc.	DO-HRT-1602362	00020	252,635.15
INIT Innovations in Transportation, Inc.	DO-HRT-1602362	00024	49,999.85
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00022	60,083.22
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00032	81,820.53
Jacobs Engineering Group, Inc.	SC-HRT-2200048	35 & 36	91,558.04
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00037	228,947.64
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00039	70,121.80
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00040	69,996.16
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00043	110,178.77
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00045	44,213.49
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00046	102,795.43
		Carried forward	\$ 33,056,444.23

The accompanying notes are an integral part of the Schedule of Invoices.

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Schedule of Invoices (Continued)

<u>Vendor</u>	<u>Contract No.</u>	<u>Reference No.</u>	<u>Certified Amount</u>
		Carried over	\$ 33,056,444.23
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00047	153,179.29
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00048	129,584.34
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00049	108,640.87
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00050	96,733.90
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00052	180,141.00
Jacobs Engineering Group, Inc.	SC-HRT-2200048	00053	137,643.98
Nan, Inc. CCUR	CT-HRT-1800230	TO 1-11	1,806,412.74
Nan, Inc. CCUR	CT-HRT-1800230	TO 1-16	1,015,961.51
Nan, Inc. CCUR	CT-HRT-1800230	TO 5-20	56,477.66
Nan, Inc. CCUR	CT-HRT-1800230	TO 5-21	36,240.13
Nan, Inc. CCUR	CT-HRT-1800230	TO 7-5	17,904.35
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-26	82,095.58
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-27	171,797.00
Nan, Inc. CCUR	CT-HRT-1800230	TO 10-28	91,181.64
Nan, Inc. CCUR	CT-HRT-1800230	TO 12-11	920,580.61
Nan, Inc. CCUR	CT-HRT-1800230	TO 12-12	1,308,783.14
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-1	395,012.37
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-6	420,534.40
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-8	584,790.71
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-9	434,112.73
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-13	556,453.01
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-15	1,065,539.30
		Carried forward	\$ 42,826,244.49

The accompanying notes are an integral part of the Schedule of Invoices.

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Schedule of Invoices (Continued)

<u>Vendor</u>	<u>Contract No.</u>	<u>Reference No.</u>	<u>Certified Amount</u>
		Carried over	\$ 42,826,244.49
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-16	911,657.12
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-17	598,999.70
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-18	401,309.66
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-20	395,810.42
Nan, Inc. CCUR	CT-HRT-1800230	TO 15-21	542,285.94
Nan, Inc. CCUR	CT-HRT-1800230	TO 18-15	854,585.12
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-1	55,569.67
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-2	104,372.14
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-3	2,924.72
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-4	923,559.68
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-6	836,788.94
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-8	575,865.69
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-11	598,734.87
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-13	588,685.21
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-16	633,005.31
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-17	908,221.29
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-18	993,162.71
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-19	1,095,334.06
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-20	1,042,590.70
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-21	1,161,539.35
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-22	1,063,561.20
Nan, Inc. CCUR	CT-HRT-1800230	TO 21-23	1,097,005.90
		Carried forward	\$ 58,211,813.89

The accompanying notes are an integral part of the Schedule of Invoices.

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

**Schedule of Invoices (Continued)**

<u>Vendor</u>	<u>Contract No.</u>	<u>Reference No.</u>	<u>Certified Amount</u>
		Carried over	\$ 58,211,813.89
Nan, Inc. CCUR IV	CT-HRT-2300070	00012	12,072,969.71
Nan, Inc. CCUR IV	CT-HRT-2300070	00015R1	9,611,393.85
Nan, Inc. CCUR IV	CT-HRT-2300070	00016	13,994,579.91
Nan, Inc. CCUR IV	CT-HRT-2300070	00017	12,147,900.71
Road and Highway Builders, LLC	CT-HRT-1900074	00026	1,639,088.52
		Subtotal	<u>\$ 107,677,746.59</u>
(A) CH2M Hill, Inc.	SC-HRT-1400027	00170	\$ 431,188.39
(A) INIT Innovations in Transportation, Inc.	DO-HRT-1602362	00018	405,802.93
(A) INIT Innovations in Transportation, Inc.	DO-HRT-1602362	00019	552,890.70
(A) INIT Innovations in Transportation, Inc.	DO-HRT-1602362	00022	884,625.12
(A) INIT Innovations in Transportation, Inc.	DO-HRT-1602362	00023	221,156.28
(A) INIT Innovations in Transportation, Inc.	DO-HRT-1602362	00025	65,505.92
(A) INIT Innovations in Transportation, Inc.	DO-HRT-1602362	00026	663,468.84
(B) Jacobs Engineering Group, Inc	SC-HRT-2200048	00044	171,275.14
(B) Jacobs Engineering Group, Inc	SC-HRT-2200048	00051	191,540.58
(B) Nan, Inc. CCUR	CT-HRT-1800230	TO 15-14R	531,307.60
(C) Road and Highway Builders, LLC	CT-HRT-1900074	00034	527,515.49
		Subtotal	<u>\$ 4,646,276.99</u>
		Total	<u>\$ 112,324,023.58</u>

See Note 3. Adjustments to Reduce Amounts Reimbursed to HART for items (A), (B) and (C).

The accompanying notes are an integral part of the Schedule of Invoices.

## HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

### Notes to Schedule of Invoices

#### 1. Organization

The Honolulu Authority for Rapid Transportation (HART) is a semi-autonomous government unit of the City and County of Honolulu (City) which came into being pursuant to the Revised Charter of the City and County of Honolulu (RCH). HART is authorized under the RCH to develop, operate, maintain, and expand the City guideway system.

#### 2. Hawaii Revised Statutes §46-16.8 (e) and §40-81.5

Hawaii Revised Statutes (HRS) §46-16.8 (e) provides for the use of surcharge revenues received from the State of Hawaii (State) for capital costs of a locally preferred alternative for a mass transit project provided that revenues derived from the county surcharge of State tax shall not be used:

- 1) To build or repair public roads or highways, bicycle paths, or support public transportation systems already in existence prior to July 12, 2005;
- 2) For operating or maintenance costs of a mass transit project or any purpose not consistent with this subsection; or
- 3) For administrative or operating, marketing, or maintenance costs, including personnel costs, of a rapid transportation authority (Authority) charged with the responsibility for constructing, operating, or maintaining the mass transit project.

HRS §40-81.5 requires the Comptroller, upon request for payment by the rapid transportation authority, to verify that the Authority's invoices for capital costs of a locally preferred alternative for a mass transit project comply with HRS §46-16.8 (e). After submission of invoices by the Authority for capital costs of a locally preferred alternative for a mass transit project are verified by the Comptroller as an acceptable use of funds pursuant to a surcharge on State tax authorized pursuant to HRS §46-16.8 (e), the Comptroller shall submit a certification statement, including any appropriate supporting documents, to the State Department of Budget and Finance for allocation of funds from the Mass Transit Special Fund, if available. The certification statement shall include, at a minimum, the total amount contained in the invoices for capital costs that are verified as an appropriate use of funds pursuant to HRS §46-16.8 (e).

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

Notes to Schedule of Invoices (Continued)

3. Adjustments to Reduce Amounts Reimbursed to HART

During the quarter ended September 30, 2024, the Comptroller identified one invoice which contained an amount for \$62,992.44 which was deemed to be Administrative costs of HART and six invoices that contained amounts totaling \$209,433.91 which were deemed to be Operating and Maintenance costs of HART. These costs do not comply with HRS §46-16.8 (e) and the invoices were adjusted for these items to reduce the amount reimbursed to HART - see items (A).

The Comptroller identified three invoices that contained amounts totaling \$119.17 for errors on invoices which resulted in overpayments by HART. The invoices were adjusted for these items to reduce the amount reimbursed to HART - see items (B).

The Comptroller identified one invoice that contained amounts totaling \$991,111.19 for costs related to the Advanced Construction for the LTKS (Left Turn into Kuala Street) Temporary Pedestrian Crosswalk for which 47% of these costs (\$465,822.26) will be reimbursed to HART by the Hawaii Department of Transportation (HDOT). This invoice also contained costs related to the Pearl Highlands Three Utility Poles in Sidewalk of \$14,345.55 for which HART may seek Errors and Omissions reimbursement from the responsible party. The invoice was adjusted for these items totaling \$480,167.81 to reduce the amount reimbursed to HART - see item (C).

As of September 30, 2024, the balance in the Mass Transit Special Fund totaled \$112,324,031.11. As disclosed in the accompanying Schedule of Invoices, the total amount certified by the Comptroller as of September 30, 2024, totaled \$112,324,023.58.

4. Fraud, Illegal Activities and/or Violations of Laws and Regulations

During February 2019, HART was served with three separate subpoenas by the United States Attorney for the District of Hawaii. As a result of such actions by Federal authorities, the Department of Accounting and General Services (DAGS) has determined that adjustments to reduce the amount of future reimbursements to HART will be made should prior invoices certified by the Comptroller be determined to be in error due to fraud, illegal activities or other violations of laws and regulations as a result of investigations, audits and/or judicial proceedings by any governmental body. The scope of this policy includes the findings and conclusions of investigators, auditors or other third parties contracted by such governmental bodies for the purpose of examining HART for possible fraudulent and illegal activities or other violations of laws and regulations.