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FIRST CIRCUIT COURT
 STATE OF HAWAII
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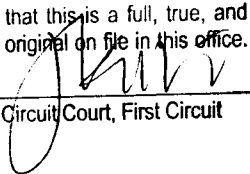
Attorney for Relators
 MITCHELL KAHLE and HOLLY HUBER

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT
 STATE OF HAWAI'I

THE STATE OF HAWAI'I,)	CIVIL NO. 13-1-0893-03 VLC
<i>Ex. Rel.</i>)	(Other Civil Action)
MITCHELL KAHLE and HOLLY HUBER,)	
)	
Plaintiffs,)	
)	
v.)	FIRST AMENDED COMPLAINT;
)	EXHIBITS (1)(a)-(1)(e), (2)(a)-(2)(e),
ONE LOVE MINISTRIES; CALVARY)	3-10; FIRST AMENDED
CHAPEL CENTRAL OAHU; DOE)	SUMMONS
ENTITIES 1 -50; JOHN DOES 1-50; and)	
JANE DOES 1-50,)	
)	
Defendants.)	
)	
)	

FIRST AMENDED COMPLAINT

I do hereby certify that this is a full, true, and correct copy of the original on file in this office.


 Clerk, Circuit Court, First Circuit

INTRODUCTION

1. Mitchell Kahle and Holly Huber (“Relators”) hereby respectfully bring this *qui tam* action and submit this, their First Amended Complaint, on behalf of the State of Hawai‘i, against the above-captioned defendants for treble damages, statutory penalties and other relief.

2. The claims herein arise from the defendants’ false statements, fraudulent material omissions, underpayments and non-payments despite knowledge of the proper amounts to be paid, false claims and reverse false claims,¹ made to the State of Hawai‘i, in violation of Hawai‘i Revised Statutes (“HRS”) § 661-21, *et seq* (commonly referred to as the False Claims Act).

3. The three former New Hope defendants are no longer parties to this case, leaving just defendants One Love Ministries and Calvary Chapel Central Oahu along with the Doe Defendants as defendants remaining herein (collectively “Defendants”).

4. The violations, generally (itemized below for One Love Ministries and Calvary Chapel Central Oahu), arise out of their: (i) affirmatively and knowingly making, using, and causing to be made and used false records and statements to the Department of Education (“DOE”) of the State of Hawai‘i, in order to reduce or altogether avoid payment of rental fees, utilities and other costs and charges (such as, for the installation of meters to monitor electrical use or liability insurance) that Defendants actually owed and still owe to the State for their actual use of Hawai‘i public school facilities; (ii) knowingly and improperly avoiding or decreasing obligations to pay money to the State by being the beneficiaries of inadvertent submissions of false claims/reverse false claims, or inadvertent billing errors, which they received and knew about, yet knowingly failed to disclose to the State within a reasonable period of time after

¹ A “reverse false claim” occurs when one knowingly fails to pay to the government moneys owed to it, as opposed to the standard false claim, which is a claim submitted to obtain an improper or undeserved payment from the government. See HRS § 661-21(a)(6). Reverse false claims comprise the great majority of what being alleged against Defendants herein, although one or two instances of direct false claims exist and are alleged where Defendants sought refunds from the state.

discovery, and, as a result, paid less than they knew to be correct per DOE-set rates and charges; (iii) actively conspiring with school employees and others to create illegal agreements that violated DOE-set rates and policies and using said illegal *quid pro quo* agreements to then submit false claims/reverse false claims to avoid or decrease obligations to pay money to the State; and (iv) actively conspiring to commit other acts in violation of HRS § 661-21.

5. As required by HRS § 661-25(b), Relators served on the State of Hawai‘i, through the Office of the Attorney General, 2,242 Bates-numbered pages of evidence regarding their findings, in a written statement which disclosed substantially all material evidence and information related to this First Amended Complaint.

6. The State elected not to intervene in this matter and reconfirmed that position on February 19, 2014, before the filing of this First Amended Complaint.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this actual controversy under HRS § 661-21 and HRS § 603-21.5, since the amount in controversy, exclusive of interest, fees and costs exceeds the minimal jurisdictional amount.

8. The First Circuit Court of the State of Hawai‘i is the proper venue for this action, pursuant to HRS § 603-36, because the claim for relief arose in the City and County of Honolulu and because Plaintiff the State of Hawai‘i, Relators and Defendants are legal residents and/or are domiciled and/or regularly conduct business in the City and County of Honolulu.

THE PARTIES

9. Relators are citizens of the United States and legal residents of the City and County of Honolulu, Hawai‘i from 1992 to the present. Relators bring this action based on the direct, independent and personal knowledge they obtained and, in a few instances where specified, upon well-founded information and belief.

10. The State of Hawai‘i is the rightful owner of all public school buildings, facilities and grounds. Laws dating back to 1953 require that all public school buildings, facilities, and grounds shall be available for general recreational purposes and for public and community use whenever these activities do not interfere with the normal and usual activities of the school and its pupils. *See* HRS §§ 302A-1148 and 1150.

11. Title 8, Chapter 39 (“Chapter 39”) of the Hawai‘i Administrative Rules (“HAR”) provides that users of public schools who are organizations, groups or individuals who do not belong to a Type I or Type II category – including churches, private schools, universities, business enterprises, special interest classes, and individuals, organizations, or activities utilizing school facilities who charge a fee or tuition or collect a donation or offering – *shall* be assessed hourly rental fees and service charges for the cost of utilities, based on *actual use*. A true and correct copy of Chapter 39, referred to through the Complaint, is attached hereto as **Exhibit 3** for the Court’s convenience and is incorporated by reference herein as if fully set forth.

12. Under HAR § 8-39-7(d), persons or groups renting public school facilities for events which involve large crowds or greater than usual risk of injury to participants due to the type of activity are required to obtain and carry general liability coverage in the amount of \$1,000,000 per incident of personal injury.

13. Under HAR § 8-39-7(f), persons or groups renting public school facilities for carnivals, fairs, and other large activities “shall provide and pay for the installation of necessary electrical service lines and meters” and any unauthorized “[c]onnection of electrical lines to a school’s system shall be prohibited.”

14. Under HAR § 8-39-5, rental fees and utilities charges shall be determined by the Superintendent of Education to recover costs that the schools necessarily incur when its buildings, grounds and facilities are rented. It states: “utility charges shall be assessed according

to the type of facility *and the number of hours the facility is used*. ... The charge shall cover *costs which would not have been incurred if the facility was not utilized.*” *Id.* (Emphasis added.)

15. The DOE’s Fee Schedule Worksheet (“Fee Schedule”), which lists all of the charges and rents to be applied, states: “[t]he charges include the 25% fee for administrative costs.” A true and correct copy of the DOE’s Fee Schedule, referred to throughout this Complaint, is attached hereto for convenience as **Exhibit 4**, and is incorporated herein by reference as if fully set forth

16. School employees do not have discretion or authority to vary from the rates, costs and charges set by the Superintendent of the Schools under Chapter 39. The school principal or designee only has discretion in determining if custodial services are required. If custodial services are “required,” then there is no discretion in the charges assessed; the services charges are strictly laid out by Chapter 39 in terms of minimum hours and rates.

17. Defendant One Love Ministries is and has been a domestic nonprofit corporation registered to do business in the State of Hawai‘i at all times pertinent hereto.

18. Defendant Calvary Chapel Central Oahu is and has been a domestic nonprofit corporation registered to do business in the State of Hawai‘i at all times pertinent hereto.

19. Defendants Doe Entities 1-50 (hereinafter “Doe Entity Defendants”) are legally registered, domestic nonprofit corporations and/or business entities in the City and County of Honolulu, the County of Maui, the County of Hawai‘i, or the County of Kauai, State of Hawai‘i, at all times pertinent hereto, who have knowingly made use, or caused to be made or used, false records or statements or material omissions in order to conceal, avoid, or decrease rental fees and/or service charges for utilities and other items to the State of Hawai‘i, or are individuals who are the beneficiaries of an inadvertent submission of a false claim to the State of Hawai‘i, who discovered the falsity of the claim and failed to disclose the false claim within a reasonable time

after discovery of the false claim. Doe Entity Defendants are entities whose true identities and capacities are as yet unknown to the Relators and their counsel, despite diligent inquiry and investigation, and who acted herein as described more particularly below, or who ordered, directed, ratified, approved, or conspired with Defendants (and/or others) to violate Chapter 39 and/or HRS § 661-21, and who in some manner or form, not currently discovered or known to the Relators and their counsel, may have contributed to or have been responsible for monies owed to the State of Hawai‘i not being paid by, or collected from, those entities who actually used buildings, facilities, and grounds of public schools. The true names and capacities of the Doe Entity Defendants will be substituted as they become known. Relators pray for leave to certify the true names, identities, capacities, activities and/or responsibilities of Doe Entity Defendants when, through further discovery in this case, the same are ascertained. Relators have made a good faith effort to identify said Doe Entity Defendants prior to filing the complaint, including investigating activities of users of public school buildings, facilities, and grounds, conducting research on the Internet, and reviewing documents and records.

20. John Does 1-50 and Jane Does 1-50 (“Doe Individual Defendants”) are individuals whose true identities and capacities are as yet unknown to Relators and their counsel, who have knowingly made use, or caused to be made or used, false records or statements or material omissions to conceal, avoid, or decrease rental fees and/or service charges for utilities and other items to the State of Hawai‘i, or are individuals who are the beneficiaries of an inadvertent submission of a false claim to the State of Hawai‘i, who discovered the falsity of the claim and failed to disclose the false claim within a reasonable time after discovery of the false claim. Doe Individual Defendants include but are not limited to persons in the employ of the State of Hawai‘i who arranged for or facilitated or permitted the unpaid use of State property by the named Defendants. These Doe Individual Defendants are individuals whose true identities

and capacities are as yet unknown to the Relators and their counsel, despite diligent inquiry and investigation, and who acted herein as described more particularly below, or who ordered, directed, ratified, approved, or conspired with others to violate Chapter 39 and/or HRS § 661-21, and who in some manner or form not currently discovered or known to the Relators and their counsel may have contributed to or have been responsible for monies owed to the State of Hawai'i not being paid or collected by users who rented buildings, facilities, and grounds of public schools. The true names and capacities of the Doe Individual Defendants will be substituted as they become known. Relators pray for leave to certify the true names, identities, capacities, activities and/or responsibilities of Doe Individual Defendants when, through further discovery in this case, the same are ascertained. Relators have made a good faith effort to identify said Doe Individual Defendants prior to filing the complaint, including investigating activities of users of public school buildings, facilities, and grounds, conducting research on the internet, and reviewing documents and records.

FACTS COMMON TO ALL COUNTS AND DEFENDANTS

Relators' Independent Efforts and the Additional Information They Obtained Making Them Original Sources of the Allegations Herein

21. Relators are original sources of the information herein and provided to the State of Hawai'i prior to filing suit. Relators: (i) obtained direct and independent knowledge of the information on which the allegations herein are based; (ii) have materially added to what little information was publicly available prior to their efforts; and (iii) have voluntarily provided said information to the Attorney General of the State of Hawai'i before filing this action.

22. In December 2011, Relators began an independent review of churches' use of public schools in Hawaii. Relators' investigation was prompted by a highly publicized court ruling in New York City. In *Bronx Household of Faith v. New York Bd. of Education*, the Court

ruled the City of New York could ban churches from using public schools on First Amendment grounds. After reading news stories about the *Bronx Household* case, Relators began to question whether churches had become overly entangled in the culture, social fabric, and identity of Hawaii's public schools, and with this in mind, set out to investigate. Relators, thus, set out to research and investigate the extent of church use of Hawai'i public schools to determine: (1) if the laws and rules were being followed; (2) the possibility of entanglement between churches and schools; (3) whether churches were receiving any special treatment; and (4) if the government was in any way subsidizing religion.

23. After learning that the DOE's "Community Use of School Facilities Program" ("Facilities Use Program") was decentralized – with no official monitoring or oversight – Relators submitted a request seeking copies of "current contracts or agreements" between churches and Hawaii public schools to the DOE Superintendent under the Uniform Information Practices Act ("UIPA").

24. Regarding their own independent investigation, Relators began visiting schools on Friday afternoons and at various times on Saturdays and Sundays to observe and take photographs documenting churches' actual use of school facilities each weekend, including the specific days, hours, activities and facilities and utilities that churches were using, in contradiction to reported times, and to understand the churches' normal practices and habits.

25. In order to fully prepare for their investigation, as well as, the analysis of the information to be obtained, and to determine specifically what would and would not comprise practices by churches in violation of Hawai'i laws and rules, Relators sought to gain expertise and technical knowledge of the State's Facilities Use Program by researching the laws and rules that govern it. To this end, Relators visited the State Archives and Supreme Court Law Library to research the legislative history and background of Chapter 39. Relators also reviewed the

DOE's standard practices and policies for implementing the Facilities Use Program, Standard Practices Document No. SP 6110, and the DOE Superintendent's May 2012 Memorandum on Accountability. Relators also reviewed minutes of the Hawaii State Board of Education ("BOE") meetings dating back to 1995, reviewing all materials relating to the Facilities Use Program and reading committee reports, board member comments, proposed rules amendments, and policy statements including the BOE's Accountability Policy which requires compliance and implementation of all DOE rules, regulations and policies.

26. True and correct copies of the aforementioned documents – (i) the DOE's Standard Practices Statement from its Facilities and School Support Services Manual (Standard Practices Document No. SP 6110), (ii) the Superintendent's May 2012 Memorandum on Accountability, and (iii) the Board of Education's ("BOE") Accountability Policy, which requires compliance and implementation of all DOE rules, regulations and policies – are attached hereto for convenience as **Exhibits 5, 6 and 7**, respectively, and are incorporated herein by reference as though fully set forth.

27. On February 15, 2012, in response to Relators' UIPA request, the DOE produced copies of 542 "Form BO-1 Application[s] for Use of Buildings Facilities, and Grounds" ("BO-1 Applications") for the 2011-12 school year. These documents provided information regarding only the churches' *claimed and projected* use. Nothing revealed the churches' *actual* use.

28. After further independent investigation, consisting of communications directly with school principals and vice principals and on-site surveillance, Relators were able to identify a large discrepancy between the school use *claimed* by the churches and the *actual use* that Relators witnessed and documented during their on-site surveillance. Through calculations, Relators also determined that rental fees and utilities charges were not being properly assessed and/or paid in accordance with the rates set forth in the DOE's Fee Schedule.

29. Relators designed and programmed a custom relational database to help analyze and review all 542 BO-1 Applications they obtained. Through it, Relators determined there were 189 churches regularly using 137 Hawaii public schools during the 2011-12 school year. Using the database, Relators' were able to verify assessments and calculations of rental fees and utilities charges, track years and terms of use, highlight missing application data, note late applications, and generate custom reports. Relators also created detailed spreadsheets to replicate the calculations, compare the facilities and hours assessed and the rates charged by each school, check for billing/payment errors, and track the number of Sundays in each month, school year and calendar year.

30. In May 2012, Relators used their database to generate 154 customized requests for specific information for direct communication by email with principals at the local school level. Each of these independent, direct personalized inquiries included questions relevant to particular applications made, used, and presented by churches. Relators, for example, asked about: the size of specific school facilities, such as auditoriums and cafeterias; whether facilities were air- conditioned; if churches were in possession of keys to the school; if churches stored property at the school; the number of years the church has been using the school; and clarification of the terms, including days and hours of use, rental fees and utilities charges.

31. Within ten days, principals responded to 79 of Relators' 154 inquiries. Of these: 30 responded with complete and detailed answers; 41 responded with incomplete information; and eight principals replied that they had sent the requested information to the DOE. Relators received no response to the remaining 75 inquiries. Relators reviewed and analyzed in detail each and every school's responses.

32. Upon learning of Relators' direct communications with school principals, however, the DOE demanded that all future requests for information be directed to the

Superintendent's office and instructed principals to stop communicating with Relators directly. This effectively muzzled principals and cut off Relators' direct and independent access to reported statistical usage information.

33. In spite of the DOE's hindering response, Relators continued their independent investigation for more than 12 more months, visiting numerous school campuses to observe and photograph churches' activities and to personally document churches' actual use of buildings, facilities, grounds, parking lots and storage, including extensive use of lighting, sound, production, video and other technical equipment, including personal visits to One Love Ministries at Kaimuki High School and Calvary Chapel Central Oahu at Mililani High School.

34. Relators audited over 40 churches using public schools, evaluating hours and facilities used for regular services and extra events and logging payments. Based on the information they obtained directly through communications with the schools and their independent, direct, on-the-ground investigation, Relators programmed multiple spreadsheets to calculate the amounts each church was actually paying a school, as compared to the amounts each church had underpaid, detailing hourly rental fees and utilities charges, as well as, facilities used but not claimed, including parking lots, grounds and storage.

35. In addition to personal on-site surveillance, Relators also continually monitored the churches through observation of their service broadcasts on television and online. Relators signed up for church newsletters and email announcements, and made a complete search of the internet, monitoring and reviewing the various church websites (both current and archived), social media pages, videos, bulletins, magazines and advertisements.

36. Further, to ensure that public schools were providing equal access without discrimination, and to view the insides of school buildings and obtain direct knowledge of

spaces, Relators rented school facilities, filling out applications for facilities use, and paying rental and utilities charges.

37. Through all these considerable efforts, Relators were able to identify churches that appeared to be exploiting Hawai`i's public schools for advantage, benefit, and profit.

38. Relators' year-long, comprehensive investigation, surveillance and analysis is the only thing that exposed the until-then, unknown, significant divergence between the Defendants' *claimed* usage and their far greater, *actual* usage of Hawai`i school facilities and utilities. The only information available prior to Relators' involvement consisted of each of Defendants' underlying "transactions" with the government (*i.e.*, their BO-1 Applications representing the churches' applied for and paid for usage, not their actual usage, and corresponding receipts for payment, when available).

39. Thus, the information obtained by Relators materially and significantly added to the existing information of publicly disclosed BO-1 Applications and other public sources of information about Defendants' claimed usage of Hawai`i schools, leading directly to the allegations herein.

40. Accordingly, Relators fit within the exception in HRS § 661-31(c), which states that they may bring suit because they have knowledge that is independent of and which materially adds to the limited nature of the publicly disclosed church transactions, rendering them "original sources" under Hawai`i's FCA.

41. The First Circuit Court has agreed. On December 19, 2013, the Court ruled, "[w]ith respect to the argument as to the public disclosure bar, the Relators have made sufficient allegations at this juncture that the – they are original sources and have firsthand knowledge with respect to allegations that are being made."

42. Relator's efforts exposed definitively that Defendants are not and have not been paying the full and proper amounts in rental fees, utilities and other costs and charges as required under Chapter 39 and the DOE Fee Schedule, because their actual use of school facilities far exceeded their reported and claimed use, including: (i) knowingly claiming and/or paying for fewer hours for use of a particular school facility than actually used; (ii) knowingly claiming and/or paying for fewer facilities than actually used (such as, not applying for and not paying for use of storage facilities, parking lots or other parts of a school and its grounds); and (iii) failing to request and report the installation of equipment directly into school facilities and electrical lines directly connected to school electrical grids, for which Defendants would have been required to pay for special service lines and installation of meters and/or other monitoring equipment had proper disclosures been made.

43. Additionally, the foregoing violations and pattern of behavior was neither accidental nor inadvertent, as evidenced, in part, by Defendants' constant and pervasive disregard for other rules and regulations, such as failing to acquire liability insurance and failing to obtain necessary approvals from the Board of Land and Natural Resources ("BLNR") and DOE.

44. By comparing the Defendants' claimed uses appearing on their BO-1 Applications with their actual uses, as observed directly by Relators over the course of more than one year, Relators were able to then calculate the amounts of unpaid/underpaid rental fees, utilities charges and other costs and charges the churches had been successfully avoiding paying. Relators found that Defendants have knowingly and intentionally avoided paying more than \$1 million dollars to the State of Hawai'i in hourly rental fees and/or utilities and other charges that they owed based upon their actual use.

45. currently owe the State of Hawai'i more than \$1 million for unpaid/underpaid rental fees, utilities and other charges over the six years leading up to the filing of the Complaint on March 22, 2013 (the "Relevant Period").

46. Since many of the violations in this case arise from a failure to apply for, report or pay for an event or facility at a school, with discovery, it is possible that instances of unapplied for and unpaid for usage of school facilities may be uncovered, in addition to those specified below.

47. Relators determined that Defendants have also regularly, knowingly and routinely underpaid for their actual use of Hawai'i public school buildings, grounds, storage facilities and parking lots, by intentionally failing to correct invoices and/or billing statements from school employees that contained charges and assessments which were known to be below the required rates set by the DOE Fee Schedule and/or which altogether omitted certain charges required by the DOE. Defendants were fully aware of improper *quid pro quo* agreements, waivers and reductions of fees and charges, since Defendants were aware during the entire Relevant Period of the published DOE's Fee Schedule.

48. Relators further discovered that Defendants affirmatively sought out and conspired with various school employees to solicit, negotiate and enter into illegal agreements in direct violation of Chapter 39. This practice involved staff at Defendants' churches soliciting and receiving reduced rents and waivers of other charges based on *quid pro quo* agreements, in exchange for return "favours" to the schools, none of which were known, let alone approved, by the BOE/DOE at the time.

49. Church employees would then regularly direct other school employees to the illegal agreements to induce them to apply the illegal discounts they had solicited and received. In doing so, Defendants actively fostered and took advantage of confusion, lack of

communication, staff turnover, and other problems at the schools to “enforce” said illegal agreements and actually get bills and invoices being sent to them revised downwards, based on the alleged terms of said illegal agreements.

50. Such illegal and unauthorized arrangements enabled Defendants to significantly underpay for their actual use of Hawai‘i public school buildings, grounds, storage facilities and parking lots, with each invoice and/or billing statement that was received containing the wrongly-procured, reduced and/or omitted rents and utilities charges.

51. Discovery is necessary to determine whether the individual school employees who entered into illegal and unauthorized agreements with Defendants were also members of, or affiliated with, the specific churches to whom they were giving special treatment, which would indicate a conspiracy with church “insiders” at various schools giving favorable billing to the congregations with which they were affiliated.

52. Although Defendants’ religious services and events are attended by as many as 500 people (and sometimes more), each weekend and at holiday services such as Easter or Christmas, BO-1 Applications do not indicate that Defendants ever obtained general liability insurance, even though their events involved large crowds and even though the risk of personal injury at these events is mandated by the statute to be borne by Defendants. For One Love Ministries, these events included use of the Kaimuki High School swimming pool. Thus, Defendants avoided paying insurance premiums that they should have paid, and thereby put the State of Hawai‘i and its taxpayers at risk of being held liable as the landowner in the event of personal injury at Defendants’ events on public school property by knowingly failing to disclose material information to the DOE which would have resulted in their being required to obtain insurance.

53. Relators also learned from their direct investigation that Defendants' consumption of electricity and other utilities, such as water and sewer, is excessive, based upon the large number of attendees each weekend and at special events, as well as, on the use of air-conditioned facilities, and of lighting, sound and other production equipment for religious services that are broadcast on television or streamed over the internet. Defendants have cost the State (and, therefore, its taxpayers) thousands of dollars each month as a result of their excessive use of electricity, water consumption and sewer usage at Hawai'i public schools. Chapter 39 requires that utility charges are assessed hourly "to cover costs which would not have been incurred if the facility was not utilized."

54. Relators also directly observed that Defendants connected electrical lines to the respective schools' systems, which is directly prohibited by HAR § 8-39-7(f), and did not pay for the installation of separate electrical service lines and/or meters. Defendants avoided paying what that they should have paid, and thereby benefitted from reverse false claims in violation of HRS § 661-21, by knowingly failing to disclose material information which (i) would have resulted in their being required to pay for and install additional service lines and meters/monitors, and (ii) would have ensured 100% recovery for all electricity consumed.

55. Defendants have also used parking lots, school grounds and facilities at will, usually with no application, reporting or payment, placing the burden for custodial, repair and maintenance of such facilities squarely on the State's shoulders, specifically, from the DOE's budget earmarked for education.

56. As taxpayers and concerned citizens, Relators seek legal redress to recover all underpaid and unpaid rental fees and charges for utilities and other charges and services that are due to the DOE, the State of Hawai'i and each of the individual affected schools and districts.

57. By falsely representing the length of time of their actual use of public school buildings, facilities, grounds and utilities, and/or by failing to disclose the full extent of their actual use of public school buildings, grounds, storage facilities and parking lots, in terms of both space used and numbers of users, Defendants knowingly misled the State of Hawai'i into accepting payments for rental fees, utilities and other required charges that were substantially less than the amounts owed and which Defendants should have paid.

58. Defendants also knowingly concealed and/or knowingly and improperly avoided or decreased their obligations to pay money to the State by failing to correct charges which they knew to be incorrect and which they knew omitted significant assessments for use in terms of hours, facilities and numbers of attendees, (i) which, in some cases may have been inadvertent or caused by mistake, but (ii) at other times, were due to conspiracy with or affirmative misstatements to school employees who were complicit in or duped into giving illegal discounts to the churches based on illegal agreements.

59. By failing to pay the rental fees, utilities and other charges that were actually owed and which would have been required if full and accurate disclosure to the State had been made in Defendants' applications and/or subsequent payments, by failing to obtain general liability coverage, by connecting electrical lines to the school's system without commensurately paying for installation of service lines, proper meters or other monitoring equipment, and through the other specific wrongful acts set forth above and specified below for each Defendant, Defendants were the beneficiaries of intentional and/or inadvertent submissions of false claims and reverse false claims to the State in the amount of over one million dollars.

FACTS REGARDING THE SPECIFIC DEFENDANTS

One Love Ministries at Kaimuki High School

60. One Love Ministries (“OLM”) has used the facilities at Kaimuki High School for more than six years, without seeking or receiving approval from the BLNR as required by law. HRS § 302A-1148 mandates “approval by the Board of Land and Natural Resources shall be required when the dispositions are for periods in excess of a year.” Similarly, under HAR § 8-39-4, school principals and/or their designees are required to approve or disapprove all BO-1 Applications presented by churches and other users. For long-term requests, HAR § 8-39-4(b) specifies: “For periods of use exceeding twelve consecutive months, all applications shall be initially processed by the school and final approval given by the land board of the Department of Land and Natural Resources.” Defendants knowingly violated the DOE’s five-year maximum on leasing of school facilities which is based on a 1986 Opinion by the Hawai`i State Attorney General. Attached hereto as **Exhibit 10** is a true and correct copy of the referenced 1986 Attorney General Opinion.

61. Notwithstanding Relators’ repeated written requests to inspect all BO-1 Applications and proofs of payment for the years leading up to and including the 2012-2013 school years, Kaimuki High and the DOE failed to disclose all of the forms and receipts.

62. Relators obtained the most detailed information for OLM for the 2011-2012 school year (July 1, 2011 to June 30, 2012). Thus, the allegations below begin with this period and do not follow a strict chronological presentation.

63. Copies of OLM’s BO-1 Applications, worksheets and proofs of payment representing its claimed and paid for use of Hawai`i public schools for the 2011-2012 school year – for both its regular weekly services and special, extra events – which Relators were able to

obtain, are attached hereto as **Exhibit 1(a)**² and are incorporated herein by reference as though fully set forth.

64. Within this Exhibit, the two BO-1 Applications for OLM's regular Sunday services (as opposed to ones for special events), see Exhibit 1(a) at KH000858-859,³ omitted the church's use of the school's air-conditioned auditorium, multiple classrooms, grounds, storage and parking lots. The forms, dated March 8 and 9, 2011 request use for "Indefinite-Sundays" for facilities usage, in violation of HAR § 8-39-4 and HRS § 302A-1148, which requires approval by the BLNR "when the dispositions are for periods in excess of a year."

65. According to OLM's own admissions, no BO-1 Applications were submitted for use of Kaimuki High facilities in 2010 for its regular, weekly services. (This is a violation of HAR § 8-39-2, which requires applications for use of public school facilities be submitted in writing.) Copies of receipts and checks (and BO-1 Applications filled out apparently by the school) representing OLM's claimed use and actual payments for use of Kaimuki High School during the 2010-2011 school year for its Sunday services and copies of OLM's BO-1 forms representing its claimed use of the school during the 2010-2011 school year for special and extra events, which Relators were able to obtain, are attached hereto as **Exhibit 1(b)** and are incorporated herein by reference as though fully set forth.⁴

² All Exhibits in the Exhibit 1 series pertain to OLM.

³ Two BO-1 Applications in Exhibit 1(a), KH000858-KH000859, request use of the school for "Indefinite—Sundays" for the 2011 *calendar* year, thereby, spanning two separate school years (the 2010-11 school year, July 1, 2010 – June 30, 2011, and the 2011-12 school year, July 1, 2011 – June 30, 2012). For consistency of organization and to minimize confusion, despite spanning two school years, these documents have been included in Exhibit 1(a) only.

⁴ One BO-1 Application in Exhibit 1(b), (which appears to have been completed by the school), KH000996, documents use by the church for "(52 Sundays)" for January 1 to December 31, 2010, thereby spanning two school years (the 2009-10 school year, July 1, 2009 – June 30, 2010, and the 2010-2011 school year, July 1, 2010 – June 30, 2011). For consistency of organization

66. Copies of OLM's BO-1 Application forms, worksheets and receipts representing its claimed use of public schools during the 2009-2010 school year for its regular Sunday services and certain special, extra events, which Relators were able to obtain, are attached hereto as **Exhibit 1(c)** and are incorporated herein by reference as though fully set forth.⁵

67. OLM's two BO-1 Applications, dated January 22, 2009, request usage of Kaimuki High School from January 1 through December 31, 2009, and omit the church's use of the school's air-conditioned auditorium, multiple classrooms, grounds, storage and parking lots. See Exhibit 1(c) at KH000860-KH000861.

68. Copies of BO-1 Applications representing OLM's claimed use of public schools for the 2012-13 school year and worksheets, which Relators were able to obtain, are attached hereto as **Exhibit 1(d)** and are incorporated herein by reference as though fully set forth.

69. Copies of all other BO-1 Applications, worksheets, receipts and proofs of payments for OLM were not provided to Relators and will be requested during discovery.

70. Attached hereto as **Exhibit 1(e)** and incorporated herein by reference as though fully set forth is a set of detailed spreadsheets programmed by Relators comparing OLM's claimed use with the church's actual use of school facilities and calculating OLM's underpayments to the State for the Relevant Period.

71. OLM has knowingly not paid and/or underpaid for its full and actual use of buildings, grounds, storage facilities and parking lots, including rents, utilities, charges and other

and to minimize confusion, despite spanning two school years, this document has been included in Exhibit 1(b) only.

⁵ Two BO-1 Applications in Exhibit 1(c), KH000860-KH000861, request use of the school for "Sundays" for the period January 1 to December 31, 2009, thereby, spanning two separate school years (the 2008-09 school year, July 1, 2008 – June 30, 2009, and the 2009-2010 school year, July 1, 2009 – June 30, 2010). For consistency of organization and to minimize confusion, despite spanning two school years, these documents have been included in Exhibit 1(c) only.

costs associated therewith, at Kaimuki High School, and has knowingly benefited from illegal *quid pro quo* agreements (discussed in detail below), improper discounts, waivers, undercharges and unreported uses, resulting in violations of HRS § 661-21, *et seq.*

72. All of the false claims and reverse false claims submitted and/or knowingly omitted and unpaid by OLM at issue in this action were made by or with the full knowledge and/or at the direction of the church's pastor and/or his delegates.

OLM's Regular Weekly Sunday Services

73. In order to determine OLM's full, complete, and actual use of the buildings, grounds, storage facilities and parking lots at Kaimuki High, Relators visited the school campus at various times on various Sundays over the course of one year to observe personally and to take photographs. Relators' observations are set forth in the following paragraphs.

74. Attached hereto as **Exhibit 9** are true and correct copies of a set of photographs, KH001020-KH001032, taken by Relators at OLM as part of their direct, independent investigation.

75. Regarding OLM's regular weekly Sunday services during the Relevant Period, OLM holds (and has held) two, Sunday worship services at Kaimuki High School at 8:00 AM and 10:30 AM. OLM's first Sunday service is held from 8:00 to 9:30 AM, and, after a one-hour intermission, the second Sunday service is conducted from 10:30 AM to 12:30 PM, followed by a "luncheon fundraiser" for congregants.

76. As directly observed by Relators, OLM sets up for two hours starting at 6:00 AM, holds the 90 minute service, allows one hour for ingress/egress of congregants between services, conducts a two-hour service, and holds a 90-minute a lunch followed by teardown, cleaning and restoration of facilities for students, vacating campus usually by 2:00 PM, for a total of eight hours use of and presence at the school.

77. On any given Sunday during the Relevant Period, by 6:30 AM, members of OLM have already arrived on campus and have unlocked and opened the parking lots, the cafeteria, classrooms and auditorium. Staff and volunteers were observed by Relators unpacking the church's (unpaid for) large commercial storage container, installed 24/7 on school grounds next to the auditorium, as well as, setting up several large tents on school grounds between the auditorium and the administration building. The school's cafeteria dining tables are rolled outside onto nearby covered walkways every weekend for OLM's weekly post-service meal. The cafeteria is then set up and partitioned for various Sunday school classes and childcare.

78. Each Sunday, electrical cables, connected to the auditorium for OLM's use, are used to power a large video monitor set up in the "overflow tent" erected outside the auditorium for those congregants who cannot fit inside the auditorium.

79. OLM's products, such as t-shirts, stickers, and DVDs, are offered for sale in a separate merchandise tent.

80. OLM's Worship Team ministry/praise band rehearses and conducts sound checks inside the auditorium beginning as early as 7:00 AM.

81. "One Love" signs and banners are put up in front of the school and around the entire school campus.

82. By 8:30 AM (during the first service), most of the school's parking lots and access roads are filled to capacity with vehicles belonging to staff and congregants.

83. Inside the 500-plus-seat, air-conditioned auditorium, OLM's band performs songs for a near-capacity crowd, and the overflow tents accommodate latecomers.

84. Inside the large cafeteria, OLM's Children's Ministry offers childcare and activities for newborns to 5th-graders, while classrooms are used for teen and adult Sunday school classes. OLM regularly uses at least seven of the school's classrooms: A-102, -103,

-104, -105 and H-102, -103 and H-203. In addition, Relators observed OLM also using classroom H-101.

85. OLM films its Sunday services for broadcast on local television, Channel 25, and also for online streaming, using sophisticated sound and stage lighting, and video equipment connected directly to the school's electrical system.

86. Of particular note regarding the statutory requirement that charges are intended to covering the full costs of utilities usage, OLM regularly warns congregants and visitors that the auditorium tends to be "over-air-conditioned and cold" during Sunday services, with air-conditioning being on and at maximum usage through teardown and cleanup.

87. Based on this information and Relators' direct observations, OLM should be paying rental fees and utilities charges to cover a minimum of eight hours (from approximately 6:00 AM to 2:00 PM for use of the Kaimuki High School air-conditioned auditorium, cafeteria, seven or more classrooms, grounds, on-campus storage and multiple parking lots. Eight hours represents the full and actual use, and includes the time necessary for setup, sound checks, rehearsals, technical preparations, TV broadcast and internet streaming, two worship services, intermission, time for ingress and egress of attendees, the post-service luncheon and final teardown, cleaning and restoration of facilities for the students on Monday morning.

88. During the entire Relevant Period, for each and every Sunday OLM used Kaimuki High School, OLM knowingly failed to pay for eight hours of full and actual use of buildings, grounds, storage facilities and parking lots, including rents, utilities, charges and other costs associated therewith, and knowingly benefited from discounts, undercharges, waivers, unreported uses, and illegal *quid pro quo* agreements in that regard.

January 2009 through June 2012

89. As previously stated, the information regarding OLM's use of Kaimuki High is confusing because the church submitted its BO-1s for calendar years, but bill payments were made quarterly based on the school year (July 1st to June 30th). Nonetheless, because the Church applied the illegal 2009 *quid pro quo* agreement from January 2009 through June 30, 2012, this period is addressed collectively.

90. From January 1, 2009 through June 30, 2012, OLM, paid no known rental fees and paid significantly reduced utilities charges for its regular use of Kaimuki High School for its weekly Sunday services. Per the illegal agreement worked out with school employees, OLM paid five hours of utilities for the classrooms it used (\$.95/hr) and for the cafeteria (\$9.10/hr) but paid only two hours for the auditorium (\$82.66/hr).

91. Also, the church's 2011 BO-1 Application increased their requested usage of hours from the five hours being assessed since 2009 to six hours use for 2011, yet the church continued to pay no rental fees and paid no increase in utilities.

92. For the 2011-2012 school year, four payments were made to the school by OLM totaling only \$13,364.47: (i) \$3,008.66 was received on December 8, 2011 for July-September 2011 (3-6 months late); (ii) \$4,161.99 was received on May 1, 2012 for October-December 2011 (5-8 months late); (iii) \$3,111.11 was received on September 19, 2012 for January-March 2012 (6-8 months late); and (iv) \$3,082.66 was received on September 19, 2012 for April-June 2012 (3-5 months late).

93. For the first quarterly billing period in the 2011-12 school year, July-September 2011, OLM paid for only two hours of utilities charges per Sunday, for their use of the school's air-conditioned auditorium, as per an illegal agreement entered into between school employees

and the church, discussed further below. For the three quarterly billing periods remaining in the 2011-12 school year, Kaimuki High submitted invoices to OLM charging three hours of utilities per Sunday for the church's use of the air-conditioned auditorium. OLM paid the additional \$1,074.58 for October-December 2011, but later *refused to pay* the extra hour of utilities charges for the remaining two quarters.

94. To that end, for the periods of January-March and April-June 2012, OLM improperly demanded from school employees responsible for billing and collections a reduction, claiming that they were only using the auditorium for two hours each weekend, not three hours. The invoice amounts were then improperly reduced from three hours of auditorium utilities charges to just two hours, with a commensurate reduction of \$1,074.58. See Exhibit 1(a) at KH000988-KH000989 and Exhibit 1(d) at KH000993-KH000994.

95. Relators calculate that OLM underpaid by amounts that exceed **\$206,838.89** for its regular weekly use of Kaimuki High School for the 2011-2012 school year. See Exhibit 1(e) at KH000847.

96. Since OLM perpetuated this known falsehood from January 1, 2009 through June 30, 2012, for use of Kaimuki High School's facilities and grounds each and every Sunday, without payment, this comprises *at least* 130 instances of knowing failure to correct, since OLM's actual use of the grounds, storage facilities and parking lots, each and every Sunday during this time frame was in direct contradiction to the information claimed on its BO-1 Applications and/or in contradiction to the invoices and/or payments it made supposedly representing its actual use.

2012-13 School Year

97. For that portion of the 2012-2013 school year which is actionable (July 1, 2012 – March 22, 2013), beginning in July 2012, the church began receiving assessment for utilities

charges for three hours for use of the school's air-conditioned auditorium, instead of the two hours the church "was enforcing" under the illegal agreement or the five hours the church had requested on its BO-1 Application. The school continued to assess utilities charges for five hours of use of the school's cafeteria and five classrooms. The total of all assessed fees was \$317.23 per Sunday in July 2012. Nevertheless, these new amounts still did not include rents or required charges for actual hours of use, and OLM continued to knowingly underpay by a significant amount.

98. In August 2012, OLM suddenly was assessed rental fees for the very first time; however, even then, OLM only paid for one hour for each facility requested instead of the at least five hours the church had requested. The church also was assessed, finally, utilities charges for the air-conditioned auditorium for the full five hours requested by OLM but not for the eight hours of actual use.

99. According to BO-1 Applications for September 2012 through June 2013, see Exhibit 1(d) beginning at KH000896, for the remainder of the 2012-13 school year, Kaimuki High School assessed rental fees and utilities charges for the full five hours of use OLM requested for each facility, dramatically increasing the total of assessed charges by 687%, due to application of the rates dictated in the DOE's Fee Schedule.

100. OLM repeatedly protested application of the appropriate charges, petitioning the BOE and DOE for rate reductions and requesting that their illegal and unauthorized 2009 *quid pro quo* agreement be honored. Relators have no evidence showing that OLM ever paid the increased rates in 2012-2013. A September 2012 communication from OLM to Kaimuki High School claims the illegal agreement remains in effect and states that OLM will only pay charges based on that agreement's terms.

101. Further complicating matters, in a October 10, 2012 communication to the DOE/BOE that accompanied OLM's plea to have the 2009 illegal agreement honored, Gil Berger, Executive Director for OLM Outreach, admits to using school facilities for *six* hours every Sunday, not the five hours disclosed on the church's BO-1 Applications.

102. Upon information and belief and based upon public statements by the church and through Relators' independent investigation and observations, despite all of the various assessments, BO-1 Applications and other requests, OLM actually used the school's facilities, more accurately, as stated above, for approximately *eight* hours each Sunday.

103. From all indications and evidence and from OLM's historical patterns and practices, OLM's actual regular weekend use of buildings, grounds, storage facilities and parking lots at Kaimuki High School has been substantially and materially the same for the entire Relevant Period covered by this Complaint. Therefore, for any periods not specified herein, upon well-founded information and belief, OLM's usage of the school's facilities were the same as during the period July 1, 2011 to June 30, 2012.

104. Since Relators could not possibly have detailed knowledge of all circumstances surrounding the alleged instances of fraud for this period, absent all of OLM's BO-1 Applications and proofs of payment, courts allow for an exception whereby Realtors may plead information based on well-formed belief, as in the prior paragraph, that is available only through further discovery.

**OLM's Unapplied for and/or Later Under/Unreported and
Under/Unpaid for Special Events**

105. OLM also held numerous extra, special events at Kaimuki High without always submitting signed BO-1 Applications and/or without paying the full and proper amounts due in rental fees and utilities charges. In certain instances, where indicated below, OLM filed a BO-1

Application with incorrect information and/or knowingly paid an improperly discounted amount. In other instances, no application was ever submitted. OLM perpetuated these falsehoods for the entire Relevant Period covered by the Complaint.

106. Regarding OLM's various extra events that were underreported and/or underpaid, OLM knowingly and falsely omitted or inaccurately reported on all of its applications for the Relevant Period, its actual use of Kaimuki High School's (i) auditorium, (ii) cafeteria, (iii) classrooms, (iv) parking lots and (v) grounds. OLM used the facilities for an unknown amount of time for extra pre- and post- services events and special seasonal, social and holiday events and services, and knowingly failed to pay or underpaid: (a) rent, (b) utilities or (c) other costs and charges, and/or failed to correct or notify anyone of the discrepancy or pay for the additional usage after each instance and each erroneous billing statement.

107. Furthermore, during the Relevant Period, *at least* 29 different, specific instances of underpayment or nonpayment for extra or special events and activities at Kaimuki High are known to Relators, see Exhibit 1(e) at KH001040-KH001110, which include but are not limited to the following:

a. **Easter Weekend 2012:** OLM held three days of special Easter worship services and special related activities at Kaimuki High in 2012 which involved numerous reverse false claims. OLM submitted five separate BO-1 Applications for the Easter events, showing OLM's projected, requested use of facilities at Kaimuki High for Easter Weekend 2012. These forms, all dated April 27, 2011, reserved use of the school's air-conditioned auditorium, cafeteria, gymnasium, swimming pool and baseball field, from Friday, April 6, 2012 through Sunday, April 8, 2012. See Exhibit 1(a) at KH000862-KH000875. Specifically, OLM reserved: use of the school's air-conditioned auditorium, cafeteria, and baseball field for Friday, Saturday, and Sunday from 6:00 AM to 9:00 PM (15 hours per day); use of the school's swimming pool on

Sunday from 1:00 to 2:30 PM (1.5 hours) for “Baptism;” and use of the school’s gymnasium on Friday from 8:00 AM to 9:00 PM (13 hours) for an “Easter Vigil.” The school principal or his/her designee disapproved the church’s requested use of the gymnasium on Good Friday and restricted the use of the baseball field to only Saturday after 3:00 PM and Sunday, due to a scheduling conflict. All other uses requested by OLM were approved. **For all of its use of Kaimuki High School over the three days, the church solicited and received a complete waiver of all rental fees for use of the 500-seat, air-conditioned auditorium, the cafeteria, the swimming pool, the baseball field and all other grounds used.** The principal or his/her designee also improperly discounted the utilities charged for use of the cafeteria, charging OLM for only nine hours per day instead 15, which improper discount the Church was aware of when it made payment. The principal or his or her designee also excluded all assessments for charges for the “Easter Vigil,” which OLM relocated to the school’s grounds, after the its request to use the gymnasium on Good Friday was denied. OLM held its “Easter Vigil” on Friday, April 6, 2012, on the grounds at Kaimuki High, from 4:00 PM to at least 8:30 PM. Yet no BO-1 Application, no later assessment of charges and no payment was ever made for the requested and reserved use of the school’s grounds on Good Friday for the Vigil. Relators estimate OLM should have paid rental fees and utilities charges for at least 5.5 hours use of school grounds in connection with the Easter Vigil, in addition to the improperly waived rental fees for all facilities and reduced utilities charges. Relators, therefore, calculate that OLM should have been assessed at least \$20,997.45 total for the 15-hour reserved use of Kaimuki High School facilities over the three-day Easter weekend. See Exhibit 1(e) at KH000850. According to the evidence obtained to date, Kaimuki High did not even bill OLM for the 2012 Easter weekend until August 2012, four months after the dates of use, and then when it did, OLM *contested* most of the charges.

Although the Kaimuki High principal or designee assessed charges of only \$4,051.32 for OLM's Easter Weekend 2012, OLM initially paid a scant \$81.90 (representing just nine hours of utilities charges for use of the school's cafeteria). Eventually, OLM managed to negotiate with Kaimuki High to reduce the charges for Easter weekend to \$2,235.24. Payment for the Easter 2012 event was not received by the school until October 8, 2012, a full six months late. In sum, Based on Relators' calculations, OLM knowingly underpaid the school by as much as \$18,680.31 for its three-day Easter 2012 event.

b. **Autumn Baptisms 2012:** OLM submitted a BO-1 Application for a "Baptism" held Sunday, September 23, 2012, at the Kaimuki High School swimming pool, from 1:00 PM to 1:30 PM. See Exhibit 1(d) at KH000963-KH000964. OLM knowingly understated and underreported the actual hours they used the facilities, since one half-an-hour is insufficient time for this event, which the church knew to be the case from past events of similar nature. Based on Relators' calculations, observations and comparisons to similar baptismal events held in the past by the church, OLM should have paid at least \$106.92 for use of the pool for at least 1.5 hours, not just 30 minutes. However, OLM knowingly applied for insufficient time and was assessed only \$35.64, thus an undercharge of at least \$71.28. OLM, however, in fact, appears to have contested these minimal charges, and there is no evidence it ever paid this amount.

c & d. **Christmas Eve Special Worship and New Year's Eve Church Event 2012:** OLM submitted two BO-1 Applications requesting use of the school's facilities on Monday, December 24 and Monday, December 31, 2012, from 5:00 PM to 9:00 PM; one application requests use of the auditorium for "church service," and the other requests use of the cafeteria for "children's ministry." See Exhibit 1(d) at KH000965-KH000969. Based on OLM's previous use of facilities for these annual holiday services, the church should have also requested use of the High School's grounds and parking lots, but it did not. OLM should have paid a total

of at least \$3,586.48 for these two special holiday services. However, OLM was assessed only \$3,422.08, thus being undercharged by the school by \$164.40. Again, OLM appears to have contested these charges, and there is no evidence it ever paid this reduced amount.

e. **Vacation Bible School 2012:** OLM held a Vacation Bible School from July 16–20 (five days), from 2:00 to 9:00 PM each day at Kaimuki High. The school submitted two BO-1 Applications for this, (although the school approved both forms, evidence indicates the latter application corrects errors on the former). Neither approved form lists any assessment of rental fees or utilities charges, nor is it made clear what specific facilities were requested or used by the church for these (at least) thirty-five hours of use. See Exhibit 1(d) at KH000973. Based on other similar events, OLM should have paid rental fees and utilities charges for seven hours per day for five days, for use of two classrooms and the cafeteria, for a total of at least \$3,360.00. The church, on the other hand, has claimed (i) that it paid the bill in advance, and (ii) that it cancelled the event and never used the facilities, so it is entitled to a refund. No evidence of either claim has been disclosed to date. (OLM’s demand for a refund from the school, if false, represents an instance of a typical false claim, as opposed to a reverse false claim.)

f. **Baby Dedication & Baptism 2011:** OLM held a “Baby Dedication & Baptism” on Sunday, October 23, 2011, at the Kaimuki High School swimming pool from 1:00 to 2:30 PM. Neither a BO-1 Application, nor assessment, nor proof of payment was provided for this special event. Based on OLM’s BO-1 Applications for similar baptism events held by the church at the school, OLM should have paid rental fees and utilities charges for at least 1.5 hours of pool use for a total of at least \$106.92 (not including parking lot use). Instead, OLM appears to have paid nothing.

g. **Halloween (“Hallow Him”) 2011:** OLM held a “Hallow Him”

Halloween celebration on Monday, October 31, 2011, on the Kaimuki High School front lawn from 5:30 to 8:30 PM. Relators were provided with a single BO-1 Application for this event, requesting use of the “E Building restrooms” from 3:00 to 9:30 PM (6.5 hours). See Exhibit 1(a) at KH001053-KH001058. The church, however, never paid anything for this use. While no other BO-1 Applications could be located, Relators obtained four invoices evidencing that OLM paid a total of \$76.95 for utilities charges for use of grounds, lighted walkways, and a lighted parking lot for use of the school comprising six hours of setup on October 30th and 6.5 hours of actual use on October 31st. Relators estimate OLM should have paid rental fees and utilities charges for school grounds and two parking lots for a total of at least \$391.33, thus knowingly underpaying the school \$314.38.

h. **Christmas Eve 2011:** OLM held a special Christmas Eve Celebration on

Saturday, December 24, 2011, at Kaimuki High from 5:30 to 8:30 PM. The church requested three hours of setup time on Friday December 23rd, see Exhibit 1(a) at KH001062, but Relators have never seen a form requesting use of the school for the Christmas Eve event itself. Based on the requested setup time and OLM’s BO-1 Application for Christmas Eve 2012, OLM should have paid rental fees and utilities charges for use of the school’s air-conditioned auditorium, cafeteria, grounds and parking for a total of at least \$3,308.53. However the church paid only a minimal \$247.98 for utilities charges for three hours of setup, thereby knowingly underpaying the school by at least \$3,060.55 for the actual Christmas Eve 2011 event.

i. **New Year’s Eve 2011:** OLM held a New Year’s Eve Celebration on

Saturday, December 31, 2011 at Kaimuki High School from 6:00 to 8:00 PM. Again, the only documentation Relators obtained was a single BO-1 Application wherein the church requested

three hours of setup time on Friday, December 30th. See Exhibit 1(a) at KH001062. As with the Christmas Eve event, Realtors located no evidence of the church ever requesting, reporting or paying for the use of the school's facilities for the actual New Year's Eve event itself. Based on the requested setup time and OLM's BO-1 application for New Year's Eve 2012, OLM should have paid rental fees and utilities charges for use of the school's auditorium, cafeteria, grounds and parking lots for a total of at least \$2,860.22. However the church only paid \$247.98 in utilities charges for three hours of setup, knowingly underpaying the school by at least \$2,612.24 for the New Year's Eve event.

j. **Easter Weekend 2011:** OLM held numerous events on Kaimuki High's campus over Easter weekend 2011, as it did in 2012, using the school's auditorium, cafeteria, classrooms, and grounds, including a sunrise service in the baseball field, baptisms in the school swimming pool, and kicking it all off with an "Easter Vigil" on Friday, April 22, 2011. The church's BO-1 Applications shows the church reserved the school's auditorium for 10 hours, two classrooms for 7 hours, and the cafeteria for 11 hours. See Exhibit 1(b) at KH001089-001096. Invoices indicate additional use of the school baseball field for 5.5 hours, and the swimming pool for one hour. See *id.*, at KH001093-001096. OLM should have paid rental fees and utilities charges for use of these facilities, plus parking, for a total of at least \$5,147.06, thus knowingly underpaying the school by at least \$3,979.01 for all of the Easter Weekend 2011 events. OLM provided the school with check in advance for \$989.68, but a notation on the check indicates it was returned to the church, without explanation.

k. **Vacation Bible School Leadership Training 2011:** OLM held a Vacation Bible School "Leadership Training" on Saturday, June 23, 2011, in the Kaimuki High School cafeteria, from 9:00 AM to 12:00 PM. OLM should have paid rental fees and utilities charges for a minimum of four hours use of the school cafeteria, including set up and tear down,

totaling at least \$288.40 in charges. However the church paid only \$36.40 utilities charges, thus knowingly underpaying the school by at least \$252.00.

l. **Baptisms Winter 2011:** On January 23, 2011, OLM reserved and used the Kaimuki High swimming pool for one hour, according to its BO-1 Application for the events. See Exhibit 1(b) at KH001085. OLM should have paid rental fees and utilities totaling of at least \$71.28 for this event. However evidence indicates the church paid only \$2.28 in utilities charges, thus knowingly underpaying the school by \$69.00 for this event.

m. **Fourth of July Services 2010 Setup:** On Saturday, July 3, 2010, OLM reserved and used the Kaimuki High cafeteria and auditorium from 11:00 AM to 9:00 PM (10 hours) for “set up for 4th of July services,” according to its two BO-1 Applications. See Exhibit 1(a) at KH001068-KH001069. OLM should have paid rental fees and utilities charges for ten hours use of the school facilities for a total of at least \$4,277.60. However the church paid only \$917.60 in utilities charges for this use, thus knowingly underpaying the school by \$3,360.00 for this event.

n, o & p: **Extra Wednesday Services July 2010:** OLM held three special “Wednesday Night Worship Services“ on July 7, 14, and 21, 2010 at Kaimuki High from 7:00 to 9:00 PM. No BO-1 Applications, nor proof of payment, were provided for any of these three added worship service events. OLM should have paid rental fees and utilities charges for at least four hours use of the air-conditioned auditorium and parking lots for three nights, as well as, time for set up and teardown. OLM knowingly failed to pay this amount. Evidence indicates, thus, that the church still owes the school as much as \$4,363.92.

q & r. **Leadership Training Session July 2010:** In July 2010, OLM reserved and used the Kaimuki High cafeteria for “Leadership Training” for 3.5 hours on Sunday, July

11th and again on Sunday, July 18th, according to a BO-1 Application. See Exhibit 1(a) at KH001072. OLM should have paid rental fees and utilities charges totaling at least \$504.70 for these extra events. However evidence indicates OLM paid only \$63.70 in utilities charges, thus knowingly underpaying the school by at least \$441.00 for these two events.

s & t. **Vacation Bible School Training and Baptism July 2010:** On Saturday July 17, 2010, OLM reserved and used the Kaimuki High cafeteria for Vacation Bible School Training for six hours and, on the following Sunday, reserved the school's pool for two hours for "Baptismal," according to two BO-1 Applications. See Exhibit 1(a) at KH001073-KH001074. OLM should have paid rental fees and utilities charges totaling at least \$575.16 for these two extra events. However evidence indicates the church only paid \$59.16 in utilities charges, thus knowingly underpaying the school by \$516.00 for these two events.

u. **Summer Surf Ministry Meeting 2010:** On Saturday, July 24, 2010, OLM reserved and used the Kaimuki High auditorium from 6:00 to 10:00 PM (four hours) for a "Surf Ministry Meeting," according to a BO-1 Application. See Exhibit 1(a) at KH001075. OLM should have paid rental fees and utilities charges totaling at least \$1,422.64 for this special event. The State and the school did not provide Relators with the requested payment information (*i.e.*, invoices, checks or receipts for this event), thus there is no evidence that any payment for this event was ever made by OLM. Apparently, OLM knowingly failed to pay anything for this event.

v, w & x: **Vacation Bible School August 2010:** On Tuesday, Wednesday, and Thursday August 17, 18 and 19, 2010, OLM reserved and used the Kaimuki High cafeteria for a Vacation Bible School for a total of ten hours, according to a school invoice. See Exhibit 1(a) at KH001076. OLM should have paid rental fees and utilities charges totaling at least \$721.00 for

this event. However evidence indicates the church paid only \$91.00 in utilities charges, thus knowingly underpaying the school by \$630.00 for this three-day event.

y. **Halloween (“Hallow Him”) 2010:** On Saturday, October 30, 2010, OLM reserved and used the Kaimuki High cafeteria for setup for nine hours and on Sunday used the cafeteria another six hours for its “Hallow Him” Halloween 2010 party, according to two BO-1 Applications. See Exhibit 1(a) at KH001078-KH001079. OLM should have paid rental fees and utilities charges totaling at least \$1,081.50 for this two-day event. However evidence indicates the church only paid \$136.50 in utilities charges, thus knowingly underpaying the school by at least \$945.00 for this extra event.

z. **Baptisms Winter 2010:** On December 5, 2010, OLM reserved and used the Kaimuki High swimming pool for one hour, according to a school invoice and receipt. See Exhibit 1(a) at KH001080. Other events of this nature took 1.5 hours. OLM should have paid rental fees and utilities charges totaling at least \$71.28. However evidence indicates the church paid just \$2.28 in utilities charges, thus knowingly underpaying the school by at least \$69.00 for this extra event.

aa. **Christmas Eve 2010:** OLM held a 2010 Christmas Eve Pre-Celebration on Friday, December 24, 2010, outside the Kaimuki High auditorium, from 5:00 to 6:15 PM. It was followed by a Christmas Eve Celebration inside the school’s air-conditioned auditorium from 6:30 to 8:30 PM. OLM’s BO-1 Application for this holiday event requested use of the school’s air-conditioned auditorium for seven hours. See Exhibit 1(a) at KH001083-001084. OLM should have paid rental fees and utilities charges for seven hours use of the school auditorium, grounds and parking for a total of at least \$2,633.47. However the church paid only \$578.62 in utilities charges, thus knowingly underpaying the school by \$2,054.85 for this event.

bb. **New Year's Eve 2010:** OLM held a New Year's Eve Celebration on Friday, December 31, 2010 at Kaimuki High from 6:00 to 8:00 PM. OLM's BO-1 Application for this holiday event requested use of the school auditorium for seven hours. See Exhibit 1(a) at KH001083-001084. OLM should have paid rental fees and utilities charges for at least seven hours use of the school auditorium, grounds and parking for a total of at least \$2,633.47. However the church paid only \$578.62 in utilities charges, thus knowingly underpaying the school by \$2,054.85 for this event.

cc. **Valentine's Day Dance 2010:** OLM held a Valentine's Day Dance for its members and guests on Sunday, February 13, 2010, in the Kaimuki High cafeteria from 6:00 to 8:30 PM. OLM's BO-1 Application requested 4.5 hours use of the school cafeteria from 5:00 to 9:30 PM. See Exhibit 1(b) at KH001088. OLM should have paid rental fees and utilities charges for use of the school cafeteria and parking areas for a total of at least \$360.45. However, OLM paid \$40.95 in utilities charges only, thus knowingly underpaying the school \$319.50 for this special event.

108. Upon well-founded information and belief and due to the church's demonstrated patterns and historical practices, OLM used the facilities at Kaimuki High School during the remainder of the Relevant Period in similar fashion, for the same events and time periods, with similar attendance and utilities usage, as during the period of July 1, 2011— June 30, 2012.

109. Since Relators could not possibly have detailed knowledge of all circumstances surrounding the alleged instances of fraud for earlier periods, absent OLM's BO-1 Applications and proofs of payment, courts allow an exception whereby Realtor may plead information based on well-formed belief that is available only through further discovery.

110. Because no custodial services were ever required for OLM's facilities use at Kaimuki High School, upon information and belief, OLM has keys to the school's auditorium, cafeteria, classrooms, restrooms, parking lots, etc. Without any official oversight of OLM staff and volunteers, the church enjoys unfettered, unrestricted, and unlimited free access to school buildings and facilities. Thus, upon information and belief, Relators believe OLM has held extra events and/or extended uses for weekly events and services at the school without ever submitting BO-1 Applications and/or making proper and timely payment of all required rental fees and utilities charges, or, without authorization or ever even informing the school of its use, in violation of Chapter 39.

111. All of the foregoing allegations regarding special events and services which were not applied for or paid for arise from the direct, independent investigation of rates and fees being paid by OLM for use of Kaimuki High School by Relators.

112. Relators calculate OLM's total underpayment for both normal, weekly worship activities and services and extra events for the Relevant Period to be at least **\$930,190.97**. See Exhibit 1(e).

113. Since its BO-1 Applications and later reporting and payments do not reflect *actual usage*, over the Relevant Period covered by the Complaint, given that there are exactly 313 Sundays in the Relevant Period, OLM engaged in *at least 313* separate instances of false claims/reverse false claims and fraud against the State in connection with its weekly Sunday usage of Kaimuki High School during the Relevant Period, and another known **29** for its special events, for a total of at least **342** separate violations.

114. However, since multiple violations exist – due to multiple misstatements and fraudulent omissions in connection with multiple facilities used at the School each and every weekend *and* for special events, and in regard to the distinct obligations of paying rent, utilities

and other charges – the actual number of violations is far greater and is a question of law which will have to be determined by the Court.

Other General, Continuing and Repeat Violations

115. Furthermore, OLM has not paid the appropriate and required charges in violation of HAR §8-39-5(b)(2), in that the church has failed to comply with HAR §8-39-7(f)(1) and (2)'s requirements for "large activities," because evidence indicates more than 500 congregants, guests and visitors attend OLM services each Sunday.

116. Additionally, OLM owns a large, metal commercial shipping/storage container that is permanently installed on the school campus outside the auditorium. OLM is also storing property, 24 hours a day, 7 days a week, year-round, in this container at the school without payment of any rental or storage fees for the space permanently occupied. Relators calculate proper charges for continuous use of the storage container (approximately 6' x 6' x 20') – based on advertised rates for commercial and business storage – are at least \$7,800.00 annually (or \$46,800 during the entire Relevant Period). Instead, evidence indicates OLM has paid nothing.

117. OLM also improperly uses, for free, without submitting BO-1 Applications or payment, storage areas *inside* the school and has done so for the entire Relevant Period, for which additional discovery is necessary.

118. Furthermore, Relators have observed OLM staff connecting electrical lines directly to the auditorium at Kaimuki, an act that is expressly prohibited under HAR §8-39-7(f)(2). Evidence indicates that OLM has not paid adequate or required utilities charges for its extensive and long-term use of electricity at school facilities, since OLM uses substantial amounts of electricity to power its professional sound system, high-watt stage lighting, amplified electric musical instruments, video projection, and television production equipment, inside the school's air-conditioned auditorium.

119. In addition, OLM staff directly solicited the participation of the Kaimuki High principal and/or his designee to conspire to violate the False Claims Act and Hawai'i statute by negotiating and entering into an improper *quid pro quo* agreement in January 2009, (which replaced an earlier illegal agreement dated April 1, 2006), through June 30, 2012, wherein OLM knowingly failed to pay required hourly rental fees and utilities charges. Instead, the church negotiated an exchange of unspecified "services" for payment of minimal utilities charges for a limited number of hours. This illegal agreement is dated January 22, 2009, is effective as of January 1, 2009, and was made between then vice-principal Christopher Daly, who was not authorized to waive rental fees or otherwise deviate from the DOE Fee Schedule, and OLM Pastor David Waxer Tipton. The illegal agreement puts no limits on the amount of time OLM can use the school's facilities, *but limits the amount the school can charge OLM for utilities, and waives all rental fees for the church's use of the school's air-conditioned auditorium, cafeteria and classrooms.* Attached hereto as **Exhibit 8** is a true and correct copy of the June 22, 2009 illegal *quid pro quo* agreement.

120. As a result of this illegal agreement, OLM repeatedly, intentionally avoided assessments for the full and proper hourly rental fees and utilities charges as required under Chapter 39, for the church's extensive use of the school's air-conditioned auditorium, cafeteria, multiple classrooms, grounds, parking lots, and 24/7 storage of church property at the school.

121. This agreement resulted in charges of only \$239.32 per Sunday with literally no time limit or accounting of the church's actual use of facilities. Based on the agreement, OLM paid a total of only \$12,444.64 for its extensive regular weekly use of the school's air-conditioned auditorium, cafeteria, classrooms, grounds, multiple parking lots, and storage space for the entire 2011-12 school year.

122. Application of this illegal agreement resulted in reverse false claims by the church for each week's usage from the effective date of the agreement, January 1, 2009, until its terms ceased being applied in September 2012.

123. However, even after September 2012, Relators have no evidence that OLM paid the amounts they were assessed. In fact, the evidence indicates that the church unilaterally adjusted (downwards) the amounts assessed by the school and made payments to reflect the illegal agreement, not the amounts actually due and being charged.

124. Furthermore, after September 2012, OLM continued to petition the school, BOE and DOE to have its rental fees waived and utilities charges reduced. The church even threatened to withdraw its "support" from the school if the terms of its 2009 illegal contract were not honored.

125. After more than a year of protesting a fee increase and disputing charges, OLM stopped holding their services at the Kaimuki High School in November 2013.

126. In addition to the illegality of the arrangement due to the parties' intent to circumvent the DOE policies and the required rates specified in the Fee Schedule, both the 2006 and 2009 agreements between OLM and Kaimuki High School are illegal because they violate HRS § 302A-1148, which mandates "approval by the board of land and natural resources shall be required when the dispositions are for periods in excess of a year." The 2006 agreement appears to have been in place for two to three years and the 2009 agreement was in effect for over three years, from January 1, 2009 through September 1, 2012. OLM, also knowingly violated the DOE's aforementioned five-year maximum on leasing of school facilities.

127. As stated above, Relators calculate at least **\$930,190.76** in actual damages for the Relevant Period resulting from OLM's unpaid fees, charges and other costs for its actual usage of Kaimuki High School that was not applied for, nor later added or reported, and for illegally

discounted and omitted rents, costs and charges that it paid, knowing them to be less than the amounts required by law and knowing that they deviated from DOE Fee Schedule. See Exhibit 1(e).

Calvary Chapel Central Oahu at Mililani High School

128. Calvary Chapel Central Oahu (“Calvary”) has used the facilities at Mililani High School for approximately 14 years, without seeking or receiving approval from the BLNR as required by law. HRS § 302A-1148 mandates “approval by the board of land and natural resources shall be required when the dispositions are for periods in excess of a year.” Similarly, under HAR § 8-39-4, school principals and/or their designees are required to approve or disapprove all BO-1 Applications presented by churches and other users. For long-term requests, HAR § 8-39-4 (b) specifies: “For periods of use exceeding twelve consecutive months, all applications shall be initially processed by the school and final approval given by the land board of the Department of Land and Natural Resources.” Calvary, also, knowingly violated the DOE’s aforementioned five-year maximum on leasing of school facilities.

129. Notwithstanding Relators’ repeated written requests to inspect all BO-1 Applications and proofs of payment for the years leading up to and including the 2012-2013 school years, Mililani High and the DOE failed to disclose all of the forms and receipts.

130. Relators obtained the most detailed information for Calvary for the 2011-2012 school year (July 1, 2011 to June 30, 2012). Thus, the allegations below do not follow a strict chronological presentation.

131. True and correct copies of Calvary’s single BO-1 Application representing its claimed use of public schools for the 2011-12 school year, July 1, 2011 – June 30, 2012, and its

applications and proofs of payment, which Relators were able to obtain, are attached hereto as **Exhibit 2(a)**⁶ and are incorporated herein by reference as though fully set forth.

132. A true and correct copy of Calvary's single BO-1 Application representing its claimed use of public schools for the 2010-11 school year, which is the only document Relators were able to obtain for this period, is attached hereto as **Exhibit 2(b)** and is incorporated herein by reference as though fully set forth.

133. True and correct copies of Calvary's BO-1 Applications representing its claimed use of public schools for the 2012-13 school year, including applications and proofs of payment for special events, which Relators were able to obtain, are attached hereto as **Exhibit 2(c)** and are incorporated herein by reference as though fully set forth.

134. Relators were unable, to date, to obtain copies of Calvary's BO-1 Applications for the period March 22, 2007 to June 30, 2010. However, upon well-founded information and belief and due to the church's demonstrated patterns and historical practices, Calvary used the facilities at Mililani High School during this period in similar fashion, and for the same events and time periods, with similar attendance and utilities usage, as during the 2011-2012 school year.

135. Since Relators could not possibly have detailed knowledge of all circumstances surrounding the alleged instances of fraud for this period, absent Calvary's BO-1 Applications and proofs of payment, courts allow an exception whereby Realtor may plead information based on well-formed belief that is available only through further discovery.

136. Attached hereto as **Exhibit 2(d)** and incorporated herein by reference as though fully set forth is a set of receipts for payments from Calvary received in 2011 and 2012, which Realtors were able to obtain, for which the corresponding BO-1 Applications and dates of usage

⁶ All Exhibits in the Exhibit 2 series pertain to Calvary.

are not clear, as they do not indicate for what events the payments are for and because the church habitually paid the school late. It should be noted regarding the receipts from August 2011 through November 2012: some documents are illegible; many include mathematical errors; and several indicate problems with payments. Based on the evidence to date, it is unclear whether the school actually invoiced the church, or if the church calculated a figure and made payment based on that amount, which the school accepted without any scrutiny. Relators repeated requests for clarification regarding the church's use and payments as related to these documents were ignored.

137. Attached hereto as **Exhibit 2(e)** and incorporated herein by reference as though fully set forth is a set of detailed spreadsheets programmed by Relators comparing Calvary's claimed use with the church's actual use of school facilities and calculating Calvary's underpayments to the State for the Relevant Period.

138. Calvary has knowingly not paid and/or underpaid for its full and actual use of buildings, facilities, grounds and parking lots, including rents, utilities, charges and other costs associated therewith, at Mililani High School, and has knowingly benefited from illegal *quid pro quo* agreements, improper discounts, waivers, undercharges and unreported uses, as a result of violations of HRS § 661-21, *et seq.*

139. Based on the evidence to date, all of the false claims and reverse false claims submitted and/or knowingly omitted and unpaid by Calvary at issue in this action were made by or with the full knowledge and/or at the direction of Clayton Young, Calvary's Assistant Pastor during the Relevant Period.

Calvary's Regular Weekly Sunday Services

140. Regarding Calvary's regular weekly Sunday services during the Relevant Period, Calvary holds a single worship service at 9:30 AM lasting about 1.5 hours. Every Sunday, the

church requires approximately 2.5 hours for setup, and another 1.5 hours for teardown, cleaning, and restoration of facilities, totaling at least 5.5 hours of use each weekend, not including extra events.

141. Relators observed that Calvary's worship services are held inside Mililani High School's cafeteria, where a stage is set up for performances by the church's rock band, which includes amplified electric guitars, electronic keyboards, microphones, drums, etc. The production includes professional, sound system, high-watt stage lighting systems, video projectors and screens.

142. Video and audio recordings of Sunday sermons are regularly posted on Calvary's website.

143. Calvary transports most of its production equipment to and from the school via trailer. While the school has stated to Relators that no church property is stored at the school during the week, Relators observed, in contradiction, that Calvary's extensive lighting and sound equipment remains installed on the ceiling and walls of the cafeteria throughout the school week without any payment of rent or application for or reporting of same to the DOE.

144. In addition to the main worship service held in the school cafeteria each Sunday, Calvary uses Mililani High's covered lanai area and various classrooms to hold Children's Church and Children's Sunday School (first to sixth grade), a Nursery (newborn –two years old), a Pre-school (two to three-year-olds), and a Pre-K/Kindergarten (four to five-year-olds).

145. Regular Sunday activities include extensive use of the school's covered lanai area, courtyard and/or pavilion, and grounds for children's activities and refreshments. Youth and teenagers meet on the lanai, where refreshments for the congregation are served. Calvary's

hospitality ministry sets up and staffs outdoor refreshment tables, including a “Hebrews Café” with coffee, mocha, and lattes, and “Habakkukie Corner” with waffles, bagels, and oatmeal.

146. Relators also directly observed electrical cords connected to the school being used to power musical equipment and food service set up outside.

147. Based on this information and Relators’ observations, Calvary should be paying rental fees and utilities charges according to the DOE Fee Schedule for 5.5 hours for use of the Mililani High School air-conditioned cafeteria, eight or more classrooms, grounds and multiple parking lots. During the entire Relevant Period, for each and every Sunday Calvary used Mililani High School, however, Calvary knowingly failed to pay for 5.5 hours of full and actual use of buildings, grounds and parking lots, including rents, utilities, charges and other costs associated therewith, for its regular, weekly Sunday usage, and knowingly benefited from discounts, undercharges, waivers, unreported uses, and illegal *quid pro quo* agreements in that regard.

2011-12 School Year

148. The information obtained by Relators is most detailed for the 2011-12 school year (July 1, 2011 to June 30, 2012), and, thus, it is presented first.

149. On its BO-1 Application dated July 5, 2011 requesting school facilities for July 1, 2011 to June 30, 2012, see Exhibit 2(a) at KH00001251, Calvary knowingly benefited from significantly reduced rental charges for its regular use of Mililani High School for its weekly Sunday services. Calvary made false representations and/or knowingly failed to correct its Application and payments after the church’s actual use exceeded its applied for and claimed use for its weekly Sunday services and events, as follows:

a. As stated, Calvary conspired with the Mililani High School Principal, a Dr. Brummel, to negotiate an illegal *quid pro quo* agreement, whereby the church received a

discount on rental fees for use of Mililani High School's cafeteria and classrooms. The rental fees for Calvary's use was adjusted from \$830.50 down to \$312.50, every Sunday, in exchange for Calvary's purchase and installation of two air conditioners for the high school cafeteria. This illegal discount violated Chapter 39, DOE policies and was not in compliance with the DOE Fee Schedule. This *quid pro quo* agreement was not approved by the DOE, nor does it appear the DOE was aware that the church had installed air conditioners at the school, as the required documentation was not filed per DOE policy 6700. Calvary thereby conspired with Dr. Brummel to pay \$518 less per week in rental fees than required by the DOE and knowingly failed to correct or notify anyone of the discrepancy or pay the correct amount after each actual use by the church. Calvary applied this improper agreement to reduce rental fees for each of the 52 Sundays in the 2011-12 school year when Calvary used the Mililani High School cafeteria and classrooms. Therefore, the application of this improperly secured rental rate comprises at least 52 instances of a reverse false claim being made, and/or at least 52 instances of a knowing failure to correct inaccurate billings/payments.

b. Calvary also knowingly and falsely omitted to include on its application, see *id.*, the church's use of other portions of Mililani High School's grounds, including but not limited to its lanai areas, courtyards and pavilions, as well as, its two parking lots. Calvary used the school grounds and parking lots for at least 5.5 hours each Sunday, and failed to apply for or pay rent for such usage and/or to correct or notify anyone of the discrepancy or pay for the additional usage after each instance and erroneous invoice. Calvary perpetuated this falsehood for the entire 2011-12 school year, for use every of Mililani High School's grounds and parking lots every Sunday. Therefore, this comprises at least 52 instances of a false claim being made, and/or at least 52 instances of knowing failure to correct, since Calvary's actual use of the school

grounds and parking lots each and every Sunday was in direct contradiction to the information on its 2011-2012 Application.

150. Relators calculate that Calvary underpaid by amounts that exceed \$35,101.30 for its regular weekly use of Mililani High School for the 2011-2012 school year. See Exhibit 2(e) at KH001241.

2010-11 School Year

151. On its BO-1 Application dated August 10, 2010 (submitted late) requesting school facilities for July 1, 2010 to June 30, 2011, see Exhibit 2(b) at KH001252, Calvary knowingly benefited from significantly reduced rental charges for its regular use of Mililani High School for its weekly Sunday services. Calvary made false representations and/or knowingly failed to correct its Application and payments after the church's actual use exceeded its applied for and claimed use, for its weekly Sunday services and events, as follows:

152. As stated, Calvary conspired with Mililani High School Principal Brummel to negotiate an illegal *quid pro quo* agreement, whereby the church received a discount on rental fees for use of Mililani High School's cafeteria and classrooms. The rental fees for Calvary's use was adjusted from \$830.50 down to \$237.50, every Sunday, in exchange for Calvary's purchase of tables for the high school cafeteria. This illegal discount violated Chapter 39 and DOE policies and was not in compliance with the DOE Fee Schedule. This *quid pro quo* agreement was not approved by the DOE. Calvary thereby conspired with Dr. Brummel to pay \$593 less per week in rental fees than required by the DOE and knowingly failed to correct or notify anyone of the discrepancy or pay the correct amount after each actual use by the church. Calvary applied this improper agreement to reduce rental fees for each of the 52 Sundays in the 2010-11 school year when Calvary used the Mililani High School cafeteria and classrooms. Therefore, the application of this improperly secured rental rate comprises at least 52 instances

of a false claim being made, and/or at least 52 instances of a knowing failure to correct inaccurate billings/payments.

153. Calvary also knowingly and falsely omitted to include on its application, see *id.*, the church's use of other portions of the High School's grounds, including but not limited to its lanai areas, courtyards and pavilions, as well as, its two parking lots. Calvary used such grounds and parking lots for at least 5.5 hours each Sunday, and failed to apply for or pay rent for such usage and/or to correct or notify anyone of the discrepancy or pay for the additional usage after each instance and erroneous invoice. Calvary perpetuated this falsehood for the entire 2010-11 school year, for use every of Mililani High School's grounds and parking lots every Sunday. Therefore, this comprises at least 52 instances of a false claim being made, and/or at least 52 instances of knowing failure to correct, since Calvary's actual use of the school grounds and parking lots each and every Sunday was in direct contradiction to the information on its 2010-2011 Application.

154. Relators calculate that Calvary underpaid by amounts that exceed \$39,001.30 for its regular weekly use of Mililani High School for the 2010-2011 school year. See Exhibit 2(e) at KH001242.

2009-10 School Year

155. Although a BO-1 Application for the 2009-10 school year was never provided to Relators, the church's 2010-11 form indicates that Calvary paid only \$425 per week from July 2009 through June 2010. A post-it note attached to its 2010-11 BO-1 Application indicates this amount in that it states: "Dr. Brummel, Currently we are paying \$425/wk. Thanks Clayton Young." See Exhibit 2(b) at KH001252. This notation verifies that Calvary was aware of the illegal discounts and knowingly solicited such favors from the school.

156. Based on this evidence, Calvary apparently paid only \$254.35 per Sunday for rental fees and utilities charges for a total of \$13,226.20 during the 2009-10 school year. Relators calculated that Calvary should have paid Mililani High a minimum of \$1,079.38 per Sunday, or at least \$56,127.50 for the entire school year. Thus Calvary underpaid Mililani High by at least \$42,001.30 for the 2009-10 school year. See Exhibit 2(e) at KH001243.

2012-13 School Year

157. On its BO-1 Application dated June 28, 2012 requesting school facilities for each Sunday from July 1, 2012 to June 30, 2013, see Exhibit 2(c) at KH001253, Calvary knowingly benefited from significantly reduced rental charges for its regular use of Mililani High School for its weekly Sunday services. Calvary made the following known false representations and/or knowingly failed to correct its Application and payments after the church's actual use exceeded its applied for and claimed use as follows for its weekly Sunday services:

a. Calvary conspired with school employees to negotiate an illegal discount (claiming a right to pay only \$700 per week instead of \$1,119.85) on Calvary's rental fees for Mililani High School cafeteria and classrooms every Sunday throughout the 2012-13 school year. Per an illegal agreement with Mililani High Principal Dr. Brummel, Calvary conspired with the school for the church to pay \$384.56 less per week in rental fees than required by the DOE and failed to correct or notify anyone of the discrepancy or pay the correct amount after each actual use by the church and after each payment. Calvary applied this improper agreement to reduce rental fees for each of the 52 Sundays in the 2012-13 school year, however the agreement was terminated by the school in September 2012. Therefore, the application of this improperly secured rental rate comprises at least nine instances of a false claim being made, and/or 9 instances of a knowing failure to correct inaccurate billings/payments.

b. In or about September 2012, Mililani High School, not Calvary, appears to have submitted a revised BO-1 application on behalf of the church for the period September 2, 2012 – June 30, 2013. See Exhibit 2(c) at KH001256. In place of the applicant’s signature, the following is written: “Dr. Brummel called Clayton [Pastor Young] 8/16/12, and this replaces the 6/28/12 form.” The revised BO-1 application appears to apply the correct rates for the remainder of the period it covers.

158. From all indications and evidence, Calvary’s actual regular weekend use of buildings, facilities, grounds, and parking lots at Mililani High School has been substantially and materially the same for all Relevant Periods covered by this Complaint. Therefore, for any periods not specified herein, Calvary’s usage of Mililani High School’s facilities were the same, upon well-founded information and belief, as during the period July 1, 2011 to June 30, 2012.

159. Since Relators could not possibly have detailed knowledge of all circumstances surrounding the alleged instances of fraud for this period, absent all of Calvary’s BO-1 Applications and proofs of payment, courts allow for an exception whereby Realtor may plead information based on well-formed belief, as in the prior paragraph, that is available only through further discovery.

160. Calvary has knowingly not paid and/or underpaid for its full and actual use of buildings, grounds, and parking lots, including rents, utilities, charges and other costs associated therewith, at Mililani High School, and has knowingly benefited from discounts, undercharges, unreported uses, and illegal *quid pro quo* agreements.

Other General, Continuing and Repeat Violations

161. Furthermore, Mililani High School appears to have charged Calvary for utilities on a monthly basis, as opposed to weekly, thus occasionally inadvertently charging the church for only four Sundays, when there were actually five Sundays in the month. There are a total of

26 instances of five Sundays appearing in the same month during the Relevant Period. Relators do not have enough information to determine the extent of this error, however upon information and belief, it occurred at least once and as many as potentially 26 times. This is an example of an inadvertent false claim which the church knowingly failed to correct upon learning of the error in order to avoid payments owed to the State.

162. Upon information and belief, Calvary also uses, for free, without submitting BO-1 Applications or making payment, storage areas *inside* Mililani High School and has done so for the entire Relevant Period, for which additional discovery is necessary.

163. Furthermore, Relators have observed Calvary staff connecting electrical lines directly to the school, an act that is expressly prohibited under HAR §8-39-7(f)(2). Evidence indicates that Calvary has not paid adequate or required utilities charges for its extensive and long-term use of electricity at school facilities, since Calvary uses substantial amounts of electricity to power its professional sound system, high-watt stage lighting, amplified electric and electronic musical instruments, video projection, and television production equipment, inside the school's air-conditioned cafeteria.

Calvary's Unapplied for and Later Under/Unreported and Under/Unpaid for Special Events

164. Relators are informed and believe that Calvary frequently holds additional events at Mililani High without always filing BO-1 Applications and/or paying required rental fees and utilities charges, in direct violation of Chapter 39.

165. Although some of the church's "off the books" events would have cost less than \$100 each in rental fees and utilities charges, the usage adds up to thousands of dollars over the years. As set forth in HAR Chapter 39, utilities charges are specifically designated to "recover costs." When a church uses public school facilities without proper payment, the school – and

thus taxpayers – must pay for the additional costs incurred. Whenever Calvary is not required to pay proper hourly rental fees and utilities charges, the money comes out of Mililani High School’s budget from funds intended for public education.

166. Regarding Calvary’s various “extra” events that were never applied for, never subsequently reported and never paid for, Calvary knowingly omitted to include on all of its applications for Relevant Period, the church’s use of portions of Mililani High School’s (i) cafeteria, (ii) classroom, (iii) parking lots and (iv) grounds, and used such facilities for extra pre- and post- services events and special seasonal, social and holiday events and services, and failed to pay: (a) rent, (b) utilities or (c) other costs and charges, and/or failed to correct or notify anyone of the discrepancy or pay for the additional usage after each instance and erroneous invoice or bill payment.

167. In one or two instances, where indicated below, Calvary filed a BO-1 Application with incorrect information and/or knowingly paid an improperly discounted amount.

168. Calvary perpetuated these falsehoods for the entire Relevant Period covered by the Complaint, and at least specific **20** instances are known to Relators, which include but are not limited to the following:

a. **Harvest America Start-Up Rally 2012:** Calvary reserved and held a “Harvest America Start-Up Rally” in the Mililani High Cafeteria on Sunday, August 5, 2012 from 1:00 to 2:30 PM. No BO-1 Application or payment was provided for this event. Including setup and tear-down, Calvary should have paid rental fees and utilities charges for at least 2.5 hours of cafeteria use and parking for a total of at least \$220.25. Instead evidence indicates the church paid nothing.

b. **Harvest America Crusade Rally 2012:** Calvary held a “Harvest America Crusade” in the Mililani High cafeteria on Sunday, August 26, 2012 at 12:00 PM with

lunch included. A BO-1 Application for this event was submitted, which requested the cafeteria from 12:30 to 4:00 PM (3.5 hours) with a note “need internet access, use of projector & screen.” Calvary paid only \$31.85 in utilities fees for this entire event. See Exhibit 2(c) at KH001261-KH001263. Per Relators’ calculations, the church underpaid the school by at least \$276.50 for this event, and received free internet access and free use the school’s projector and. See *id.*

c. **Chili Dog & Rice Lunch Fundraiser 2012:** Calvary held a “Chili Dog & Rice Lunch Fundraiser” after Sunday services in the Kaimuki High Pavilion on February 25, 2012 from 11:00 AM to 1:00 PM. No BO-1 Application or proof of payment was provided for this use. Calvary should have paid rental fees and utilities charges for at least 1.5 additional hours of grounds and parking for a total of at least \$42.83.

d. **Graduation Party 2012:** Calvary held a Graduation Party with dinner and desserts, worship, a talent show and a special recognition ceremony, at 5:30 PM on Sunday, May 20, 2012, in the Mililani High School cafeteria. Calvary submitted a BO-1 Application for this event on March 6, 2012. See Exhibit 2(a) at KH001257-KH001260. Calvary paid rental fees and utilities charges for only 4.5 hours of cafeteria use, for a total of \$324.45. Calvary should also have paid at least \$72.00 for use of the school’s parking lots for this event, as well as possible other charges depending on whether other school facilities were used.

e. **Movie Night 2011:** Calvary used the Mililani High School facilities for a “Movie Night” on Friday, August 19, 2011 from 6:00 to 9:00 PM with inflated “bouncers” and children’s games in the Mililani High School upper parking lot. No BO-1 Application or proof of payment was provided for this event. Calvary should have paid rental fees and utilities charges for at least five hours of parking lot use for a total of at least \$62.75. Instead, evidence indicates the church paid nothing and reported nothing.

f. **Pancake Brunch Fundraiser 2011:** Calvary used the Mililani High School facilities on October 30, 2011 for a “Pancake Brunch Fundraiser” with live entertainment and kids games from 11 AM to 1 PM. No BO-1 Application or proof of payment was provided for this event. Calvary should have paid rental fees and utilities charges for at least a half an hour of grounds and parking use and utilities for at least \$42.83. Instead, evidence indicates the church paid nothing and reported nothing.

g. **Christmas Eve Services 2011:** On Saturday, December 24, 2011, Calvary held special Christmas Eve services starting at 6:00 PM in the Mililani High School cafeteria. No BO-1 Application or proof of payment was provided for this event. Based on Relators information and its past use, Calvary should have paid rental fees and utilities charges for at least 5.5 hours of cafeteria, classrooms, grounds and parking for a total of at least \$1,079.38. Instead, evidence indicates the church paid nothing and reported nothing.

h. **Hula Halau Garage Sale 2010:** Calvary held a “Hula Halau Garage Sale” on Saturday, October 9, 2010 from 7:00 AM to 12:00 PM in the Mililani High School upper parking lot. No BO-1 Application or proof of payment was provided for this event. Calvary should have paid rental fees for at least seven hours of parking lot use for a total of at least \$56.00. Instead, evidence indicates the church paid nothing and reported nothing.

i. **Christmas Eve Service 2010:** On Friday, December 24, 2010, Calvary held a Christmas Eve Service starting at 6:00 PM at Mililani High cafeteria. No BO-1 Application or proof of payment was provided for this special Friday night service. Based on Relators information and its past use, Calvary should have paid rental fees and utilities charges for at least 5.5 hours of cafeteria, classrooms, grounds and parking for a total of at least \$1,079.38. Instead, evidence indicates the church paid nothing and reported nothing.

j. **Hula Ministry Garage Sale 2009:** Calvary held a “Hula Ministry Garage Sale” on Saturday, September 5, 2009 from 7:00 AM to 12:00 PM at the Mililani High School upper parking lot. No BO-1 Application or proof of payment was provided for this event. Calvary should have paid rental fees for at least seven hours of parking lot use for a total of at least \$56.00. Instead, evidence indicates the church paid nothing and reported nothing.

k. **Children’s Festival 2009:** Calvary held an all-day Children’s Festival with games, entertainment, costumes and refreshments in the Mililani High School Cafeteria on Sunday, October 31, 2009. No BO-1 Application or proof of payment was provided for this event. Calvary should have paid rental fees and utilities charges for at least six hours of cafeteria, grounds and parking for a total of at least \$603.90. Instead, evidence indicates the church paid nothing and reported nothing.

l. **“E Pule Kakou” Prayer Event 2009:** Calvary held a “Hawai’i United in Prayer event” called “E Pule Kakou,” with “prayer, worship, and fellowship,” on Sunday November 29, 2009 at 6:00 PM at Mililani High School cafeteria. No BO-1 Application or proof of payment was provided for this additional facilities use. Calvary should have paid rental fees and utilities charges for at least two hours of cafeteria, grounds and parking for a total of at least \$201.30. Instead, evidence indicates the church paid nothing and reported nothing.

m. **“Beyond the Dream Outreach” Services 2009:** Calvary held a “Beyond the Dream Outreach” service at Mililani High School on Saturday, December 12, 2009 at 6:00 PM. No BO-1 Application or proof of payment was provided for this event. Calvary should have paid rental fees and utilities charges for at least three hours of cafeteria, grounds and parking for a total of at least \$301.95. Instead, evidence indicates the church paid nothing and reported nothing.

n. **Christmas Eve Service 2009:** On Thursday, December 24, 2009, Calvary held a special Christmas Eve Service starting at 6:00 PM in the Mililani High cafeteria. No BO-1 Application or proof of payment was provided for this special Thursday night service. Based on Relators information and its past use, Calvary should have paid rental fees and utilities charges for at least 5.5 hours of cafeteria, classrooms, grounds and parking for a total of at least \$1,079.38. Instead, evidence indicates the church paid nothing and reported nothing.

o. p. & q. **Special Night Worship Services 2008 and 2009:** Calvary held at least three special Sunday Night Worship Services in the Mililani High cafeteria from 6:00 to 7:00 PM on August 10, 2008, November 16, 2008 and January 18, 2009. No BO-1 Application or proof of payment was provided for any of these additional three mid-week services. Calvary should have paid rental fees and utilities charges for at least three hours of cafeteria, grounds and parking totaling at least \$603.90 for all three services. Instead, evidence indicates the church paid nothing and reported nothing.

r. **Hula Ministry Garage Sale 2008:** Calvary held a “Garage Sale Fundraiser” for its “Hula Ministry” on Saturday, September 13, 2008 from 7:00 AM to 12:00 PM at the Mililani High School upper parking lot. No BO-1 Application or proof of payment was provided for this fundraiser. Calvary should have paid rental fees for at least seven hours of parking lot facilities use for a total of at least \$56.00. Instead, evidence indicates the church paid nothing and reported nothing.

s. **Youth Purity Graduations 2008:** Calvary held on Sunday, September 21, 2008, a “Youth Purity Class Graduation” from 5:30 to 7:30 PM in the Mililani High School cafeteria. No BO-1 Application or proof of payment was provided for this special event. Calvary should have paid rental fees and utilities charges for at least four hours of cafeteria use

and parking for a total of at least \$352.40. Instead, evidence indicates the church paid nothing and reported nothing.

t. **Christmas Eve Service 2008:** On Wednesday, December 24, 2008, Calvary held a special Christmas Eve service starting at 6:00 PM in the Mililani High cafeteria. No BO-1 Application or proof of payment was provided for this special Wednesday night service. Based on Relators information and its past use, Calvary should have paid rental fees and utilities charges for at least 5.5 hours of cafeteria, classrooms, grounds and parking for a total of at least \$1,079.38. Instead, evidence indicates the church paid nothing and reported nothing.

u. **Christmas Eve Service 2007:** On Tuesday, December 24, 2007, Calvary held a special Christmas Eve service starting at 6:00 PM in the Mililani High cafeteria. No BO-1 Application or proof of payment was provided for this special Wednesday night service. Based on Relators information and its past use, Calvary should have paid rental fees and utilities charges for at least 5.5 hours of cafeteria, classrooms, grounds and parking for a total of at least \$1,079.38. Instead, evidence indicates the church paid nothing and reported nothing.

169. Upon well-founded information and belief and due to the church's demonstrated patterns and historical practices, Calvary used the facilities at Mililani High School during the remainder of the Relevant Period in similar fashion, for the same events and time periods, with similar attendance and utilities usage, as during the period of July 1, 2011- June 30, 2012.

170. Upon information and belief, Relators believe Calvary has held -extra events and/or extended uses for weekly events and services at the school without ever submitting BO-1 Applications and/or making proper and timely payment of all required rental fees and utilities charges, or, without authorization or ever even informing the school of its use, in violation of Chapter 39.

171. All of the foregoing allegations regarding special events and services which were not applied for or paid for arise from the direct, independent investigation of rates and fees being paid by Calvary for use of Mililani High School by Relators.

172. Relators calculate at least **\$171,917.56** in actual damages resulting from Calvary's unpaid fees, charges and other costs for usage that was not applied for nor later added or reported and for illegally discounted and omitted rents, costs and charges for its regular, weekly services. See Exhibit 2(e).

173. Since Relators could not possibly have detailed knowledge of all circumstances surrounding the alleged instances of fraud for earlier periods, absent Calvary's BO-1 Applications and proofs of payment, courts allow an exception whereby Realtor may plead information based on well-formed belief that is available only through further discovery.

174. Since its BO-1 Applications and later reporting and payments do not reflect *actual* usage, over the Relevant Period covered by the Complaint, given that there are exactly 313 Sundays in the Relevant Period, Calvary engaged in *at least 313* separate instances of false claims/reverse false claims and fraud against the State in connection with its weekly Sunday usage of Mililani High School during the Relevant Period, and another known **20** for its special events, for a total of at least **333** separate violations.

175. However, since multiple violations exist – due to multiple misstatements and fraudulent omissions in connection with multiple facilities used at the School each and every Sunday *and* for special events and in connection with the knowing avoidance of rent, utilities and other charges – the actual number of violations is much greater and is a question of law which will have to be determined by the Court.

COUNT I

(Violation of HRS § 661-21(a)(6) by All Defendants)

176. Relators re-allege and incorporate the allegations in the foregoing paragraphs as if fully set forth herein.

177. Defendants knowingly made, caused to be made, or used, false records and/or statements, material to an obligation to pay or transmit money to the State, and knowingly concealed and withheld material information about their actual uses of Hawai'i school facilities, grounds and buildings, in order to intentionally avoid and decrease their obligations to pay money to the State for the full and proper rental fees and utilities charges owed.

178. Defendants' course of conduct violates HAR, Chapter 39 and/or HRS § 661-21.

179. The State of Hawai'i, unaware of the falsity of the claims and/or statements made by Defendants and/or of the material omissions made when Defendants filed their BO-1 Applications and made payments, and relying on the accuracy thereof, accepted substantially less monies from Defendants as payment of rental fees and service charges for utilities and other required set DOE charges than were actually owed.

COUNT II

(Violation of HRS § 661-21(a)(7) by All Defendants)

180. Relators re-allege and incorporate the allegations in the foregoing paragraphs as if fully set forth herein.

181. Defendants used public school buildings, facilities, and/or grounds, and incurred obligations to pay rental fees and service charges for utilities in accordance with HAR, Chapter 39.

182. Defendants were the beneficiaries of inadvertent submissions of false claims to the State of Hawai‘i, who subsequently discovered the falsity of the claims and/or the inaccuracy of the information provided to the State and/or the insufficiency of the payments made, or should have had they acted reasonably, yet failed to correct or update the information provided to the State regarding their actual usage, failed to disclose the false claims or erroneous information on which their payments (or lack thereof) were based, and knowingly underpaid or failed to pay amounts due to the State of Hawai‘i, within a reasonable time after discovery of the false claims and/or erroneous information inadvertently submitted to the State, or when discovery reasonably should have occurred.

183. The State of Hawai‘i, unaware of the falsity of the claims and/or statements made by Defendants, and in reliance on the accuracy thereof, accepted substantially less monies as payment of rental fees and utilities charges from Defendants than they owed based on their actual usage of public school buildings, facilities, and grounds.

184. For the purposes of this action, the State was damaged to the extent that the rental fees and utilities charges received were less than the amount that Defendants should have paid applying DOE-fixed rates and charges. Since utilities charges are directly assessed and intended to *recover costs*, nonpayment of them by the Defendants harmed the individual schools in that funds allocated for education were required to cover costs incurred by church use of school facilities.

COUNT III

(Violation of HRS § 661-21(a)(8) by All Defendants)

185. Relators re-allege and incorporate the allegations in the foregoing paragraphs as if fully set forth herein.

186. Defendants combined, conspired, and agreed together and with others to knowingly make, cause to be made or used, false documents, records and statements that were material to their obligations to pay money to the State, and knowingly concealed and withheld information from the DOE and other authorities, in order to improperly avoid and/or decrease obligations to pay money to the State for the full and proper rental fees and utilities charges owed to the State of Hawai'i, and committed other overt acts set forth above in furtherance of that conspiracy, in violation of HRS § 661-21.

187. Defendants, furthermore, combined with, conspired with and solicited and agreed with school employees to knowingly make and cause to be made and used, false and illegal agreements that were materially related to Defendants' payments to the State. Such illegal agreements were unknown to and unapproved by DOE officials, and were solicited by Defendants in order to avoid or decrease obligations to pay money to the State for the full and proper rental fees, utilities and other charges owed to the State, based on their actual usage and DOE-fixed rates and charges. Defendants, thus, knowingly paid to the State less than should have been paid due to said illegal agreements and other acts in furtherance of their conspiracies, in violation of HRS § 661-21.

PRAYER FOR RELIEF

WHEREFORE Relators respectfully request this Court to enter judgment against Defendants, Doe Entity Defendants, and Doe Individual Defendants, as follows:

(a) That the State of Hawai'i be awarded damages in the amount of three times the damages sustained by the State of Hawai'i because of the false claims and fraud alleged within this Complaint, as HRS § 661-21 provides;

(b) That civil penalties of not less than \$5,500 and not more than \$11,000, as required by statute, be imposed for each and every false claim/reverse false claim that each defendant

made to the State of Hawai'i, which number over 300 for each defendant, the precise number of which, however, must be determined by the Court;

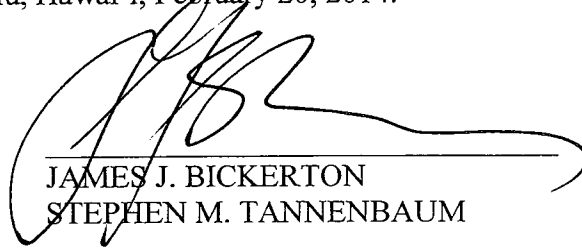
(c) That pre- and post-judgment interest be awarded, along with reasonable attorneys' fees, costs, and expenses which the Relators necessarily incurred in bringing and pressing this case;

(d) That the Court grant permanent injunctive relief to prevent any recurrence of the violations of HRS § 661-21 for which redress is sought in this Complaint in the form of an order enforcing the rates and fees set by the DOE;

(e) That the Relators be awarded the maximum amounts allowed to them pursuant to HRS § 661-21, *et seq.*; and

(f) That this Court award such other and further relief as it deems proper.

DATED: Honolulu, Hawai'i, February 20, 2014.



JAMES J. BICKERTON
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