



August 16, 2018

Honorable Russell Suzuki  
Hawaii State Attorney General  
Department of the Attorney General  
425 Queen Street  
Honolulu, HI 96813

Daria Loy-Goto  
Regulated Complaints and Enforcement Officer  
Department of Commerce and Consumer Affairs  
Regulated Industries Complaints Office  
Consumer Resource Center  
State of Hawaii  
Oahu Office  
235 South Beretania Street, 9<sup>th</sup> Floor  
Honolulu, HI 96813

Dear General Suzuki and Officer Loy-Goto:

We hereby call upon the Hawaii Attorney General and the Regulated Industries Complaints Office to investigate the serious charges of misuse of State of Hawaii public funds as detailed below by Mr. John Monahan, President and CEO of the Hawai'i Visitors and Convention Bureau (HVCB).

It appears that Mr. Monahan may have given preferential treatment to benefit the Laie based Polynesian Cultural Center (PCC), the \$100 million theme park, shopping mall and entertainment complex where he has served as member of its Board of Directors for many years and its sister organizations Hawaii Reserves, Inc. and Brigham Young University – Hawaii.

### **Hawaii Triad**

These three organizations make up what we have termed the "Hawaii Triad." All three businesses are owned by The Church of Jesus Christ of Latter-day Saints (Mormon Church). Mr. Monahan is a very prominent member of the Mormon Church. In our recently filed Internal Revenue Service Form 13909 and accompanying 283 page complaint against the Mormon Church and its "Hawaii Triad" of companies, we have reason to believe that all three Church owned and managed operations are closely tied together and money passes freely between them. We are told that it is done that way so the Mormon Church can avoid paying its federal, state and local tax obligations on what it terms its "for profit" businesses.



### **An Unholy Alliance**

Mr. Monahan has been the President and CEO of the Hawai'i Visitors and Convention Bureau<sup>1</sup> since 2003. This non-profit organization is tasked by the Hawaiian Tourism Authority, the official state agency for tourism, to fairly promote Hawaii and all of its attractions. For his role, Mr. Monahan receives an annual compensation of more than half a million dollars (\$503,481)<sup>2</sup>.

At the same time, Mr. Monahan has served on the Board of Directors of the Polynesian Cultural Center, the \$100 million per year theme park for tourists owned and operated by the Salt Lake City, Utah based Mormon Church.

On multiple occasions, the HVCB appears to provide false advertising for the Polynesian Cultural Center, at the expense of other Hawaiian tourist attractions. We are calling on both of your offices to look into these charges to see if Mr. Monahan is unfairly using his taxpayer funded organization to promote a tourist attraction in which he has or has had a personal stake.

The HVCB runs one of the most popular tourism websites anywhere, [GoHawaii.com](http://GoHawaii.com). Hawaiian tourist attractions pay the Bureau many thousands of dollars to advertise on its website. Since Mr. Monahan may simultaneously serve on the Board of Directors of the Polynesian Cultural Center (PCC) then this represents a definite conflict of interest. We have reason to believe that Mr. Monahan and the HVCB may have promoted inflated and untrue information about the PCC.

The HVCB's [GoHawaii.com](http://GoHawaii.com) web site regularly gives prominent placement for and claims that "the Polynesian Cultural Center is the #1 paid attraction in Hawaii<sup>3</sup>." But this is not correct. Trip Advisor,

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1 Hawaii'i Visitors & Convention Bureau. "John Monahan Named CEO Press Release." October 23, 2003. [http://media.gohawaii.com/en/assets/File/Press%20Release/Press%20Kit/HVCB\\_Monahan%20Bio.pdf](http://media.gohawaii.com/en/assets/File/Press%20Release/Press%20Kit/HVCB_Monahan%20Bio.pdf)

2 "Hawaii Vistors & Convention Bureau." Official 2015 990. [https://pp-990.s3.amazonaws.com/2017\\_03\\_EO/99-0040323\\_990O\\_201512.pdf?X-Amz-Algorithm=AWS4-HMAC-SHA256&X-Amz-Credential=AKIAI7C6X5GT42DHYZIA%2F20180502%2Fus-east-1%2Fs3%2Faws4\\_request&X-Amz-Date=20180502T070348Z&X-Amz-Expires=1800&X-Amz-SignedHeaders=host&X-Amz-Signature=12596fb141cd1fb55577007b70cbb0958b07c9927caa994aea52c59ed70b92b7](https://pp-990.s3.amazonaws.com/2017_03_EO/99-0040323_990O_201512.pdf?X-Amz-Algorithm=AWS4-HMAC-SHA256&X-Amz-Credential=AKIAI7C6X5GT42DHYZIA%2F20180502%2Fus-east-1%2Fs3%2Faws4_request&X-Amz-Date=20180502T070348Z&X-Amz-Expires=1800&X-Amz-SignedHeaders=host&X-Amz-Signature=12596fb141cd1fb55577007b70cbb0958b07c9927caa994aea52c59ed70b92b7)

3 "Polynesian Cultural Center." Listings. The Official Go Hawaii Website. Accessed May 1, 2018.

the world's largest travel web site with 600+ million travel reviewers, lists the PCC as #66 in its ranking of attractions on Oahu<sup>4</sup>. The HVCB lists the PCC as #1 on its list of Luaus on its [GoHawaii.com](http://GoHawaii.com) website<sup>5</sup>. But the PCC's luau only has 3.5 stars out of 5 stars for 1,531 reviews on Yelp, making it the 8<sup>th</sup> most popular Luau in Oahu<sup>6</sup> and Trip Advisor does not even list the PCC's Luau in its user generated ranking of the top ten luaus in Oahu<sup>7</sup>.

Does the Polynesian Cultural Center pay the HVCB for these false and glowing reviews and all the prominent placement? We believe that Mr. Monahan provides this “extra service” to the PCC since he was or still is a member of its Board of Directors as well as a member of the faith. According to its 2015 990 federal tax return, the PCC had an advertising budget of \$2.3 million. Did Mr. Monahan personally profit from any advertising dollars spent by the PCC?

When Mr. Monahan began as the CEO of the HVCB in 2003, his compensation was \$231,388. The press release announcing his hiring states that “Monahan could get up to 50 percent more pay if he meets certain goals.”<sup>8</sup> Since then, his compensation has more than doubled. In that same period, the income of the HVCB has only grown from \$23 million to \$33.5 million a year, a 40% increase, while his compensation has increased more than 100%.

Mr. Monahan and the HVCB may also have benefited because the PCC requires its performers to regularly go on tour in the Mainland with HVCB.<sup>9</sup> These tours increase the stature of the HVCB and encourage more Hawaiian businesses to become paying members.

In our federal complaint to the Internal Revenue Service we've uncovered numerous potential illegal employment practices at the Polynesian Cultural Center. The PCC works hand in hand with its next door neighbor, Brigham Young University--Hawaii (BYU-H) to poach talent from seven Polynesian islands. It's reported that 70% of the PCC staff is made up of these student workers. These student workers are paid minimum wage and then have 2/3<sup>rd</sup>s of their income garnished by BYU-H. These student workers also have to sign contracts saying that they will not travel for the first year they are employed at the PCC. Are Mr. Monahan and the HVCB violating this rule and even federal immigration laws when they sponsor these tours since all the students are all on some type of US educational visa?

We are also calling upon your offices to investigate exactly how much money the Polynesian Cultural Center and its sister organizations, Hawaii Reserves, Inc. and Brigham Young University – Hawaii pay the Hawai'i Visitors and Convention Bureau annually? How much of Mr. Monahan's increase in salary

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<https://www.gohawaii.com/listing/polynesian-cultural-center/708>

4 “Things to Do in Oahu.” Trip Advisor. Page 3. Accessed on May 1, 2018. [https://www.tripadvisor.com/Attractions-g29222-Activities-oa60-Oahu\\_Hawaii.html](https://www.tripadvisor.com/Attractions-g29222-Activities-oa60-Oahu_Hawaii.html)

5 Search Results for “Luau.” The Official Go Hawaii Website. Accessed May 1, 2018. [https://www.gohawaii.com/hawaiian-culture/luau?search\\_api\\_views\\_fulltext=Luau&items\\_per\\_page=10#listings](https://www.gohawaii.com/hawaiian-culture/luau?search_api_views_fulltext=Luau&items_per_page=10#listings)

6 Search of “Luaus in Oahu.” Yelp.com. Accessed on May 1, 2018. [https://www.yelp.com/search?find\\_desc=Luau&find\\_loc=Oahu&ns=1](https://www.yelp.com/search?find_desc=Luau&find_loc=Oahu&ns=1)

7 “Luaus in Oahu.” Trip Advisor. Accessed May 1, 2018 [https://www.tripadvisor.com/Attractions-g29222-Activities-c58-t251-Oahu\\_Hawaii.html](https://www.tripadvisor.com/Attractions-g29222-Activities-c58-t251-Oahu_Hawaii.html)

8 Dicus, Howard. “John Monahan to head to HVCB.” Pacific Business News. October 23, 2003. <https://www.bizjournals.com/pacific/stories/2003/10/20/daily39.html>

9 “HVCB Launches Major Los Angeles Area Campaign to Boost Fall/Winter Travel.” Go Hawaii Press Release. August 27, 2009. <http://media.gohawaii.com/statewide/press-room/news-releases/hvcb-launches-major-los-angeles-area-campaign-to-boost-fall-winter-travel/>

is directly related to his close relationship with the PCC? If Mr. Monahan is still a member of the PCC's Board of Directors, is this a conflict to interest to be a Board Member of a HVCB while helping promote the Polynesian Cultural Center? If the HVCB is supposed to be an unbiased agency that receives government funding, is Mr. Monahan using his position as President and CEO to give preferential treatment to and potentially making false claims about the Polynesian Cultural Center the expense of competing Hawaii tourist attractions, hotels, theme parks and luaus?

We hope that both your offices will begin investigations into are charges immediately.

Thank you for your help on this important matter,

Sincerely yours,



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