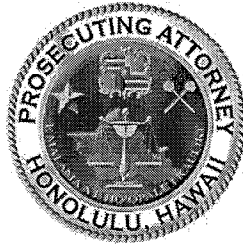


DEPARTMENT OF THE PROSECUTING ATTORNEY  
**CITY AND COUNTY OF HONOLULU**

ALII PLACE  
1060 RICHARDS STREET • HONOLULU, HAWAII 96813  
PHONE: (808) 768-7400 • FAX: (808) 768-7515



PETER B. CARLISLE  
PROSECUTING ATTORNEY

DOUGLAS S. CHIN  
FIRST DEPUTY PROSECUTING ATTORNEY

December 18, 2008

The Honorable Colleen Hanabusa, Senate President,  
and The Honorable Members of the Senate  
Hawaii'i State Capitol  
415 South Beretania Street  
Honolulu, Hawaii'i 96813

Dear Senate President Hanabusa and Members of the Senate:

RE: Report Relating to the Recommendations of the Senate  
Special Investigative Committee on the Hydrogen  
Investment Capital Special Management Contract Award,  
which was established pursuant to S.R. No. 2 (2008)

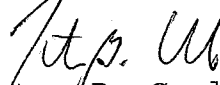
The Committee on the Hydrogen Investment Capital Special Management Contract Award (hereinafter referred to as the "Committee") recommended in its report dated October 14, 2008, that the Department of the Attorney General determine whether the Director of the Department of Business, Economic Development, and Tourism (hereinafter referred to as "DBEDT") and his top management team "violated applicable procurement laws and rules, and for further appropriate action as provided in section 103D-106, Hawaii Revised Statutes." The Honorable Mark J. Bennett, Attorney General for the State of Hawaii'i, referred this matter to the Department of the Prosecuting Attorney, City and County of Honolulu, State of Hawaii'i, on November 5, 2008. My department received the Committee's report and attached exhibits on that date. On November 21, 2008, my department received six boxes from the Senate Clerk's office and from the Committee. The boxes contained the documents subpoenaed by the Committee during its investigation, along with twenty-five DVDs of the testimony obtained in the Committee's hearings and in related hearings prior to the formation of the Committee.

The Honorable Colleen Hanabusa  
and The Honorable Members of the Senate  
December 18, 2008  
Page 2

As of the date of this report, we have reviewed the Committee's report and have viewed approximately sixteen of the twenty-five DVDs. We are also in the process of organizing and examining the voluminous subpoenaed documents.

As the relevant statutes and Hawai'i Administrative Rules carry misdemeanor penalties, conservatively, the Statute of Limitations will expire some time in early August of 2009. Our review of the extensive investigation by the Committee and our independent investigation will be completed before the Statute of Limitations on the applicable charges expires. This investigation continues to be a high priority for my department and every effort will be made to bring it to a successful conclusion in an expeditious manner.

Very truly yours,

A handwritten signature in dark ink, appearing to read "P. B. Carlisle", written over the typed name.

Peter B. Carlisle  
Prosecuting Attorney