

JOSH GREEN, M.D.
GOVERNOR



DEPT. COMM. NO. 88

ANNE E. LOPEZ
ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
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MATTHEW S. DVONCH
FIRST DEPUTY ATTORNEY GENERAL

December 9, 2025

The Honorable Ronald D. Kouchi
President and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Department of the Attorney General's Report on Administratively Established Funds and Accounts, as required by section 37-52.5, Hawaii Revised Statutes (HRS). In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at <https://ag.hawaii.gov/publications/reports/reports-to-the-legislature/>.

If you have any questions or concerns, please feel free to call me at (808) 586-1500.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew S. Dvonch'.

Matthew S. Dvonch
Acting Attorney General

c: Josh Green, M.D., Governor
Sylvia Luke, Lieutenant Governor
Legislative Reference Bureau (Attn: Karen Mau)
Leslie H. Kondo, State Auditor
Seth S. Colby, Ph.D., Director of Finance, Department of Budget and Finance
Stacey A. Aldrich, State Librarian, Hawaii State Public Library System
Wendy F. Hensel, President, University of Hawaii

Enclosure

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REPORT ON ADMINISTRATIVELY ESTABLISHED FUNDS AND ACCOUNTS

Pursuant to Section 37-52.5, Hawaii Revised Statutes

Fiscal Year 2024-2025

Submitted to the Thirty-Third State Legislature
Regular Session of 2026

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I. INTRODUCTION

Section 37-52.5, Hawaii Revised Statutes (HRS), requires that, except for the Judiciary, any department that administratively establishes a new fund or account must

submit a report to the Legislature and, at least twenty days prior to the convening of each regular session, must submit a report that shall include (1) a list of all administratively established accounts or funds and (2) all revenues, expenditures, encumbrances, and ending balances of each account or fund. The Department of the Attorney General (Department) administers two administratively established funds and one final disposition pending account: the National Mortgage Settlement Trust Fund, the Legal Services Trust Fund Related to the Maui Wildfires, and the Seized Funds – Final Disposition Pending Account, respectively.

II. NATIONAL MORTGAGE SETTLEMENT TRUST FUND

A. Overview of the National Mortgage Settlement Trust Fund

The National Mortgage Settlement Trust Fund, appropriation number T-916-N, was established pursuant to a consent judgment that was filed in the United States District Court for the District of Columbia on April 4, 2012. Hawaii, along with 48 other states and several departments and agencies of the federal government, reached a national mortgage settlement with the nation's five largest banks and mortgage servicers on April 4, 2012. Pursuant to the United States District Court's judgment approving the settlement, Hawaii received \$7,911,883 in direct settlement funds. The court's order approving the settlement requires that the Hawaii funds be expended as follows:

The monies are to be held in trust for the benefit of homeowners and others in the State of Hawaii who are, have been, or may be affected by mortgage loan proceedings. This includes, but is not limited to, those who have been subject to foreclosure, are in foreclosure, are at risk of foreclosure, have delinquent mortgage loan payments, have negative equity in their homes, have lost their homes due to foreclosure, have been unable to refinance their mortgage loans, or are leasing a dwelling affected by foreclosure. The monies shall be used for housing and financial counseling, public education, mediation, dispute resolution, and enforcement of laws and agreements protecting the rights of homeowners and lessees. The monies shall be used only for these purposes. The monies shall be deposited into an administrative trust account to be administered by the Attorney General of the State of Hawaii, who as custodian shall have sole discretion to make determinations as to the amounts and the purposes for which the monies are to be expended.

Then Attorney General, David M. Louie, convened a task force on March 22, 2012, to provide recommendations on how best to expend the funds that Hawaii received pursuant to the settlement. The task force was comprised of Senators Rosalyn Baker and David Ige; Representatives Robert Herkes and Marcus Oshiro; Department of Commerce and Consumer Affairs Director Kealii Lopez and Acting Deputy Director Jo Ann Uchida; Judiciary Staff Attorney Julia Verbrugge and Center for

Alternative Dispute Resolution mediator Elizabeth Kent; and Attorney General David Louie.

B. Details of Revenues and Expenditures

In accordance with recommendations from the task force and the federal court consent order, the Attorney General established the Foreclosure Assistance Program and the National Mortgage Settlement Trust Fund to expend the settlement funds.

During Fiscal Year (FY) 2024-2025, the following significant transactions occurred in the trust fund:

REVENUES:

Revenues for FY 2024-2025 for the trust fund totaled \$2,263.58.

EXPENDITURES:

There were no expenditures from the trust fund in FY 2024-2025.

Financial Data for Fiscal Years 2022-2023, 2023-2024, and 2024-2025:

The following tables detail the revenues and expenditures for the National Mortgage Settlement Fund account from Fiscal Years 2022-2023 through 2024-2025.

	FY 2022-2023	FY 2023-2024	FY 2024-2025
Beginning Cash Balance	\$61,114.10	\$60,447.84	\$75,367.53
Beginning Encumbrances	\$0.00	\$0.00	\$0.00
Revenues	\$1,182.08	\$14,919.69	\$2,263.58
Expenditures	\$1,848.34	\$0.00	\$0.00
Transfers	\$0	\$0.00	\$0.00
Ending Cash Balance	\$60,447.84	\$75,367.53	\$77,631.11

Revenue by Source Code:

Source Code	Description	Revenue
0288	Investment Pool Account	\$2,263.58
787	Miscellaneous Claims	\$0.00
1492	Sale of Services – Utilities	\$0.00
1364	Refund/Reimbursement of Prior Period Expenditures	\$0.00
	Total Revenue	\$2,263.58

Expenditure by Object Code:

Object Code	Description	Expenditure
6800	Judgments and Claims	\$0.00
7221	Other Current Expenses	\$0.00
	Total Expenditures	\$0.00

III. LEGAL SERVICES TRUST FUND RELATED TO THE MAUI WILDFIRES**A. Overview of the Legal Services Trust Fund Account**

The Legal Services Trust Account was established in April 2024 pursuant to a settlement agreement (Agreement) between Hawaiian Electric Industries, Inc., Hawaiian Electric Company, Inc., Hawai'i Electric Light Company, Inc. and Maui Electric Company, Inc. (collectively, the "Hawaiian Electric Parties") and the State. As part of the Agreement, the Hawaiian Electric Parties agreed to reimburse the State for costs and fees related to the services of various advisors procured by the State related to the August 2023 Maui wildfires. Pursuant to the Agreement, the Hawaiian Electric Parties agreed to reimburse the state a total up to \$5.4 million for fees incurred up to the date of the Agreement, as well as \$1.3 million per month beginning March 1, 2024, through December 31, 2024, to be billed and paid quarterly.

To date, the Department has used and continues to use these reimbursement proceeds to fund various costs and fees incurred by the Department for expert legal services, advice, and counsel on areas of law arising from the Maui wildfires including, but not limited to, bankruptcy, tort litigation, and public financing. Proceeds have also been used to fund non-legal expert and professional costs and fees related to the Maui wildfires including follow-up analysis and reports stemming from the findings and recommendations of the Department's investigation of the Maui wildfires, as well as travel expenses for the Attorney General and other Department staff to Maui for business related to the wildfires.

B. Details of Revenues and Expenditures

In accordance with section 37-52.5, HRS, the Department reports the following details of revenues, expenditures, and encumbrances from the Legal Services Trust Account.

Account Summary for Fiscal Years 2023-2024 and 2024-2025¹

	FY 2023-2024	FY 2024-2025
Beginning Cash Balance	\$0.00	\$1,814,158.58
Revenue	\$3,100,000.00	\$15,300,000.00
Expenditures	(\$1,285,841.42)	(\$6,735,661.47)
Encumbrances	\$0.00	*\$384,792.38
Ending Cash Balance	\$1,814,158.58	\$10,378,497.11

*An encumbrance records a commitment of funds for a future obligation. As such, while an encumbrance reduces the amount of available cash for future expenses, it does not reduce the actual ending cash balance. Thus, the ending cash balance reflected above only captures the sum of the beginning cash balance, revenues, and expenditures.

Revenue by Source Code, FY 2023-2024:

Source Code	Description	Revenue
1653	Special Deposits (Department)	\$3,100,000.00
	Total Revenue	\$3,100,000.00

Expenditure by Object Code, FY 2023-2024:

Object Code	Description	Expenditure
4110	Car Mileage	\$10.05
4205	Transportation, Intra-State	\$123.59
4300	Subsistence Allowance, Intra-State	\$100.00
4603	Hire of Passenger Cars	\$78.50
4803	Other Travel	\$111.97
7111	Services of Fee Basis (Other Than State Employees)	\$529,655.75
7112	Services of Fee Basis (Other Than State Employees)	\$755,761.56
	Total Expenditures	\$1,285,841.42

Revenue by Source Code, FY 2024-2025:

Source Code	Description	Revenue
1653	Special Deposits (Department)	\$15,300,000.00
	Total Revenue	\$15,300,000.00

¹ While the Department reported the financial position and account activities of the Legal Services Trust Account pursuant to sections 37-47, 37-48, and 37-49, HRS, to the Legislature for the Regular Session of 2025, the account was not included in the Department's Report on Administratively Established Funds and Accounts for the Regular Session of 2025. As such, the Department is including information for fiscal year 2023-2024 as part of this year's report to the Legislature for the Regular Session of 2026.

Expenditure by Object Code, FY 2024-2025:

Object Code	Description	Expenditure
4300	Subsistence Allowance, Intra-State	\$1,411.88
4803	Other Travel	\$19.96
7111	Services of Fee Basis (Other Than State Employees)	\$566,596.43
7112	Services of Fee Basis (Other Than State Employees)	\$6,167,633.20
	Total Expenditures	\$6,735,661.47

Encumbrances by Source Code, FY 2024-2025:

Source Code	Description	Revenue
7112	Services of Fee Basis (Other Than State Employees)	\$384,792.38
	Total Encumbrances	\$384,792.38

IV. SEIZED FUNDS – FINAL DISPOSITION PENDING ACCOUNT**A. Overview of the Seized Funds – Final Disposition Pending Account:
FY 2024-2025**

In 1988, the Legislature enacted chapter 712A, HRS, the Hawaii Omnibus Criminal Forfeiture Act. Chapter 712A, HRS, provides for the forfeiture of property used or acquired in connection with the commission of certain criminal offenses and for the distribution of the property, or its proceeds, to law enforcement agencies for law enforcement purposes. The Asset Forfeiture Program (program) was created in 1988 by a law enforcement coalition consisting of the Attorney General and the four county prosecutors and police chiefs. The program operates pursuant to chapter 712A, HRS, and provides a mechanism to enable law enforcement to take away the means by which criminals engage in their unlawful activity and the benefits derived from that unlawful activity. A detailed history and explanation of the program is provided in the Annual Report of Proceedings under the Hawaii Omnibus Criminal Forfeiture Act submitted annually by the Attorney General pursuant to section 712A-16(6), HRS.

The Seized Funds - Final Disposition Pending Account, account number T-906, was administratively established in 1988 as a "holding" account. Currency seized pending the outcome of forfeiture proceedings can be deposited into the T-906 account. The currency seized for administrative or judicial forfeiture may be ordered returned to a claimant, forfeited to the State, or divided between the claimant and the State pursuant to a judicial or administrative settlement agreement. This account generates no actual revenue because it operates as a trust account. Disbursements from the account include amounts returned to a claimant if the seized funds are not forfeited. If the seized funds are ordered forfeited, the funds are transferred to the Criminal Forfeiture Fund established in section 712A-16, HRS, which is discussed more fully in the Annual Report of Proceedings under the Hawaii Omnibus Criminal Forfeiture Act.

The amounts in the Seized Funds - Final Disposition Pending Account may not reflect the total seized currency for a fiscal year. This is primarily due to cases where petitions are filed, but the deposits into the T-906 account related to the filed petitions are not completed within the same fiscal year. New petition deposit transaction times can often span from three to six months, or longer if a petition is refiled. Other reasons for delays may include, but are not limited to, evidentiary requirements in a criminal case, currency handling procedures within the seizing agencies, and other additional processing times required by seizing agencies and the Attorney General's Fiscal Offices to finalize a currency transaction in and out of the T-906 account.

B. Transactions

During FY 2024-2025, the following significant transactions occurred in the Seized Funds – Final Disposition Pending Account:

BEGINNING CASH BALANCE:	\$ 721,421.58
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TRANSFERS INTO ACCOUNT:

Honolulu Police Department	\$ 123,621.00
Hawaii Police Department	\$ 24,232.00
Maui County Police Department	\$ 29,173.00
Kauai Police Department	\$ 17,192.00
FY 2024-2025 Interest Payments	\$ 6,671.73

Total Transfers In	\$ 200,889.73
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TRANSFERS OUT OF ACCOUNT:

Transfers to the Criminal Forfeiture Fund	\$ 220,891.00
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Total Transfers Out	\$ 220,891.00
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ENDING CASH BALANCE:	\$ 701,420.31
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