

OHA consultant investigated

Financial adviser denies alleged insider trading

By James Dooley
Advertiser Staff Writer

An Office of Hawaiian Affairs financial consultant is under investigation for alleged insider trading in connection with First Hawaiian Bank's acquisition of Pioneer Federal Savings Bank, The Advertiser has learned.

He is Kenneth M.S. Wong, former vice chairman of the board of Pioneer Federal and now an independent financial management consultant. Wong's clients include the Office of Hawaiian Affairs.

Wong acknowledged yesterday that he is under investigation by the National Association of Securities Dealers Inc., for alleged insider trading. However, he said, "the charges have been denied."

Wong allegedly leaked advance word of the First Hawaiian acquisition of Pioneer Federal to one of his in-laws, a securities salesman in California, according to the NASD complaint, filed in May. That relative and an associate allegedly earned some \$41,000 by buying stock in Pioneer Federal ahead of news of the ac-

Kamali'i contends Akana out 'to get Clayton Hee'

By Mark Matsunaga
Advertiser Staff Writer

Office of Hawaiian Affairs trustee Kina'u Kamali'i yesterday said trustee Rowena Akana had political motivations for going to the press with questions about consultant Kenneth M.S. Wong.

"She told me and she told the (deputy attorney general), she wanted this to go public because she wanted to get Clayton Hee," said Kamali'i.

Akana said, "That's wrong."

"Four trustees referred this matter to the Attorney

General's Office," Akana said. She said Kamali'i arranged the meeting and attended it with Akana. Trustees Kamaki Kanahele and Moses Keale also supported referring the information to the attorney general, Akana said.

Akana has clashed frequently with Hee, the OHA board chairman.

Kamali'i said of Akana, "She's wrong and I think her judgment has been clouded by her hatred for Clayton . . ."

Akana said, "This involves a possible impropriety . . . and it is not a personal vendetta."

quisition, the NASD charged.

Wong declined further comment on the matter other than to deny any wrongdoing.

The National Association of Securities Dealers is a self-regulatory organization authorized by Congress to monitor the securities industry.

When asked if he disclosed the pending case to the Office of Hawaiian Affairs prior to his employment as a cash

management consultant this summer, Wong said he would defer comment to OHA administrator Dante Carpenter.

Carpenter was unavailable for comment, but his deputy, Sesnita Moepono, said: "He (Wong) mentioned something about it and I checked with the (state) securities commissioner's office. Nothing came back from them."

Russell Yamashita, deputy

securities commissioner, said he was unaware of any contact by Moepono with his office.

According to OHA records, Wong's employment contract was signed by Carpenter and Wong on Oct. 17, but the effective date of the contract was retroactive to July 2.

"That was my fault," Moepono said. "I was really tardy in drawing up the contract," she said. "He (Wong) never pressed me for it and just trusted that we would pay him."

Wong actually began work for OHA in June but was not paid for that month's work, Moepono said. "He worked for free, but certainly in the hope that we would be hiring him," she said.

Carpenter told the OHA board of trustees in a three-page memo this week that he began early this year to find ways to better manage more than \$10 million in OHA cash that was being held in bank accounts that earned either low or no interest.

Wong's contract says he is to be paid \$100 per hour, with a cap of \$31,500, for work performed between July 2 and the end of the year.

According to Carpenter's memo, OHA has already earned more than \$50,000 from the new cash management program installed by Wong, more than offsetting the cost of his contract.

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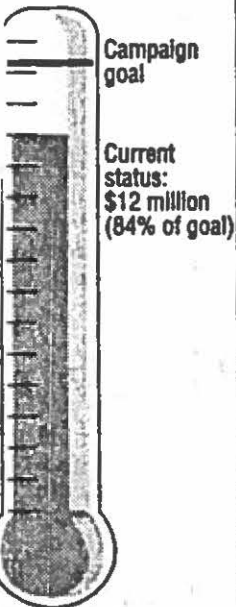
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