

**From:** "HCSSC" <hcssc@lava.net>  
**Date:** Friday, September 17, 2010 1:32 PM  
**To:** <jim@jameshochberglaw.com>  
**Cc:** "ALL MEMBERS HAWAII SENATORS" <sens@capitol.hawaii.gov>; "Sen Colleen Hanabusa" <senhanabusa@Capitol.hawaii.gov>; "ALL MEMBERS HAWAII HOUSE" <reps@capitol.hawaii.gov>; "Rep Calvin Say" <repsay@Capitol.hawaii.gov>; "Governor Linda Lingle" <gov@hawaii.gov>; "Duke Aiona" <ltgov@hawaii.gov>; "Todd Apo" <tapo@honolulu.gov>; "Nestor Garcia" <ngarcia@honolulu.gov>; "Gary Okino" <gokino@honolulu.gov>; "Romy Cachola" <rcachola@honolulu.gov>; "Rod Tam" <rtam@honolulu.gov>; "Ann Kobayashi" <akobayashi@honolulu.gov>; "Ikaika Anderson" <ianderson@honolulu.gov>; "Donovan Dela Cruz" <dmdelacruz@honolulu.gov>; "Lee Donahue" <ldonohue@honolulu.gov>; "Mark Bennett" <hawaiiag@hawaii.gov>; "Neil Abercrombie" <info@neilabercrombie.com>; "Francis Oda" <oda@group70int.com>; "Dennis Arakaki" <darockcg@hotmail.com>; "Eva Andrade" <eandrade@rcchawaii.org>; "Walter Yoshimitsu" <wyoshimitsu@rcchawaii.org>; "Bishop Clarence Silva" <bishop@rcchawaii.org>; "Marc Alexander" <malexander@rcchawaii.org>; "David Shapiro" <dave@volcanicash.net>; "Honolulu Weekly" <editorial@honoluluweekly.com>; "KITV" <news@kitv.com>; "KHNL-KGMB" <News@HawaiiNewsNow.com>; "KHON" <news@khon2.com>; "KHPR" <krosenfeld@hawaiipublicradio.org>; "Richard Borreca" <rborreca@staradvertiser.com>; "Honolulu Star Advertiser" <citydesk@staradvertiser.com>; "Chad Blair" <cblair@civilbeat.com>; "Civil Beat" <news@civilbeat.com>; "Susan Essoyan" <sessoyan@staradvertiser.com>  
**Subject:** RE: IRS Has Possitively NOT Slapped Hawaii Family Forum with Any Penalty for Any Reason Whatsoever  
Aloha,

At 3:00 PM -0700 9/17/10, James Hochberg <jim@jameshochberglaw.com> wrote:

This law firm represents Hawaii Family Forum in connection with the complaints against it that have been lodged with various governmental offices by the so-called Hawaii Citizens for Separation of State and Church, d.b.a. Mitch Kahle and Holly Huber. As you can see by the State of Hawaii website regulating corporations, there is no such thing as the Hawaii Citizens for Separation of State and Church: <http://hbe.ehawaii.gov/documents/business.html?fileNumber=109917D2>

We are pleased that Attorney James Hochberg has agreed to discuss our claims against his client in this public forum; thus waiving any attorney-client privilege.

As a point of clarification, Hawaii Citizens for the Separation of State and Church (HCSSC) does NOT accept donations, grants, membership fees, dues, or financial contributions of any kind. Therefore HCSSC is not required to register as a 501(c) organization.

<http://www.lava.net/~hcssc/Donations.html>

Mr. Hochberg is choosing to advance his clients defense by *ad hominem*, attempting to impugn the whistle-blower, HCSSC, and deflect attention away from the facts in our complaint.

We recommend that government, media and members of the public read the detailed and factual complaints sent to the IRS.

IRS Complaint, Part I, June 15, 2010 (14-page .pdf)

[http://www.lava.net/~hcssc/HFF\\_Complaint\\_IRS.pdf](http://www.lava.net/~hcssc/HFF_Complaint_IRS.pdf)

IRS Complaint, Part II, September 7, 2010 (5-page .pdf),

[http://www.lava.net/~hcssc/HFF\\_Complaint2.pdf](http://www.lava.net/~hcssc/HFF_Complaint2.pdf)

Further, we recommend reading the formal charges facing Hawaii Family Forum before the Hawaii Ethics Commission.

Complaint Filed with Hawaii State Ethics Commission, September 7, 2010 (4-page .pdf)

[http://www.lava.net/~hcssc/HFF-HCC\\_Ethics.pdf](http://www.lava.net/~hcssc/HFF-HCC_Ethics.pdf)

We also recommend reading the Hawaii Family Forum's 2009 IRS Form 990.

Hawaii Family Forum's 2009 IRS Form 990 (36-pages, 8MB .pdf)

[http://www.lava.net/~hcssc/HFF\\_2009IRS990.pdf](http://www.lava.net/~hcssc/HFF_2009IRS990.pdf)

Hawaii Family Forum's filings with the IRS and the Ethics Commission are incomplete and contradictory, raising significant questions as to the accuracy and truthfulness of the financial information contained therein.

On behalf of Hawaii Family Forum I wish to correct the other, more substantive, false statements contained in the email sent to you which is presented as a news story but which is nothing but propaganda (see email string below).

1. The IRS has not contacted Hawaii Family Forum or otherwise acted on the complaint filed by Ms. Huber. The IRS has therefore not "slapped" HFF with any penalty, fine or other disposition. What Ms. Huber mis-reads in the voluntarily filed 990 form for 2009, is that HFF reported that it had an amount due in connection with its 990 return. That amount was paid with the filing of the 990 return.

A 25% penalty tax on excessive lobbying is a severe and costly sanction (unprecedented in Hawaii). Most charitable organizations provide programs and services and are thus exempt from all taxes. By violating the 501(c)3 IRS code, Hawaii Family Forum has been slapped with a \$20,741 tax bill.

The IRS has written to HCSSC, acknowledging each of our complaints and informing us that the case has been assigned for investigation.

Hawaii Family Forum may not have been contacted by the IRS yet, but an investigation is underway nonetheless.

2. Ms. Huber exuberantly predicts that HFF will lose its tax exempt status on the basis of the 990 filing. Not only was Ms. Huber's complaint filed more than 90 days ago without any response by the IRS, but it is highly unlikely that HFF, having previously elected the "h" substatus, will have any issue with its tax exempt status based on the 990 filing for 2009.

Again, we stand behind the facts as presented.

In these cases, 501(c)(3) status is often revoked, although it can sometimes take up to a year for this formal process to conclude.

"Under the expenditure test, an organization that engages in excessive lobbying activity over a four-year period may lose its tax-exempt status, making all of its income for that period subject to tax," according to the IRS.

Mr. Hochberg recently denied his client exceeded lobbying limits for a 501(c)(3), but now we can see, by his client's admission, that Hawaii Family Forum has violated the IRS code and was thus required to pay a sizeable tax penalty for doing so.

3. The animus that Ms. Huber and Mr. Kahle hold against HFF and its supporters is related to HFF's successful efforts to keep civil unions from being introduced into Hawaii. Both people would be much better served, and would much better serve this fair state, by finding another effort to devote their time to.

Mr. Hochberg is correct. We do indeed hold considerable animus toward the Hawaii Family Forum.

The people behind the Hawaii Family Forum (i.e., Francis Oda, Bishop Silva, Dennis Arakaki, etc.) should understand that there is a price to be paid for their actions.

The Hawaii Family Forum has been used to attack our friends and families for far too long.

HCSSC intends to exhaust all possible legal means to stop the injustice brought on by the immoral actions of the Hawaii Family Forum, its supporters and financiers.

Sincerely,

Mitch Kahle  
Hawaii Citizens for the Separation of State and Church

P.S. If anyone would like to discuss this matter further, please call 524-4040.

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A proud sponsor of Hawai'i Pacific University and its athletic program.

**From:** HCSSC [mailto:hcsc@lava.net]  
**Sent:** Friday, September 17, 2010 8:05 AM  
**To:** ALL MEMBERS HAWAII SENATORS; Sen Colleen Hanabusa; ALL MEMBERS HAWAII HOUSE; Rep Calvin Say; Governor Linda Lingle; Duke Aiona; Todd Apo; Nestor Garcia; Gary Okino; Romy Cachola; Rod Tam; Ann Kobayashi; Ikaika Anderson; Donovan Dela Cruz; Lee Donahue; Mark Bennett; Neil Abercrombie  
**Cc:** jim@jameshochberglaw.com; Francis Oda; Dennis Arakaki; Eva Andrade; Walter Yoshimitsu; Bishop Clarence Silva; Marc Alexander  
**Subject:** IRS Slaps Hawaii Family Forum with \$20,741 Penalty for Excessive Lobbying

SUBJECT: IRS Slaps Hawaii Family Forum with \$20,741 Tax Penalty for Excessive Lobbying

Friday, September 17, 2010

Dear Hawaii Government,

This is to advise you that Francis Oda and Dennis Arakaki have been illegally using a 501(c)(3) to lobby Hawaii's government.

**Christian group required to pay taxes for lobbying**

In opposing civil unions, Hawaii Family Forum exceeded limits on political spending

Honolulu Star-Advertiser, By Susan Essoyan, September 17, 2010

[http://www.staradvertiser.com/news/20100917\\_Christian\\_group\\_required\\_to\\_pay\\_taxes\\_for\\_lobbying.html](http://www.staradvertiser.com/news/20100917_Christian_group_required_to_pay_taxes_for_lobbying.html)

This \$20,741 tax penalty (unprecedented in Hawaii) is only the tip of the iceberg, as Hawaii Family Forum is now under investigation by the Internal Revenue Service and will likely have its 501(c)(3) status revoked. Hawaii Family Forum is also facing formal charges before the Hawaii State Ethics Commission.

Think about this next time these "righteous" and "godly" people come knocking on your door to tell you what "moral and upstanding leaders" they are.

See links below for documentation and detailed information.

Sincerely,

Hawaii Citizens for the Separation of State and Church

Ph: 524-4040

Email: [hcssc@lava.net](mailto:hcssc@lava.net)

URL: <http://www.lava.net/~hcssc/>

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Hawaii Family Forum's 2009 IRS Form 990 (36-pages, 8MB .pdf)

[http://www.lava.net/~hcssc/HFF\\_2009IRS990.pdf](http://www.lava.net/~hcssc/HFF_2009IRS990.pdf)

IRS Complaint, Part I, June 15, 2010 (14-page .pdf)

[http://www.lava.net/~hcssc/HFF\\_Complaint\\_IRS.pdf](http://www.lava.net/~hcssc/HFF_Complaint_IRS.pdf)

IRS Complaint, Part II, September 7, 2010 (5-page .pdf),

[http://www.lava.net/~hcssc/HFF\\_Complaint2.pdf](http://www.lava.net/~hcssc/HFF_Complaint2.pdf)

Complaint Filed with Hawaii State Ethics Commission, September 7, 2010 (4-page .pdf)

[http://www.lava.net/~hcsc/HFF-HCC\\_Ethics.pdf](http://www.lava.net/~hcsc/HFF-HCC_Ethics.pdf)

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