The Distance Between a Dollar and a Road

Disaster Recovery, Private Consultants, Utility Regulation, and the Accountability Gap in Hawai‘i

The Hawaiian islands have endured seventeen federally declared major disasters in twenty years. The State cannot tell you what any of them cost.

DRAFT ONE

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Preface: Cotton Candy

The Disaster of Recovery in Hawaiʻi: The Promise is the Fraud

I began this research assuming I would find the stench of corruption at some point. What I found is worse.

My expectation was based on a pattern that anyone living in Hawaiʻi can observe without a records request. Money is appropriated. An announcement is made, often twice. Officials appear at a podium with a figure large enough to sound like a solution. And then the years go by.

Lava-covered roads in Lower Puna remain unrestored eight years after the 2018 eruption. Families burned out of Lahaina in 2023 are still counting rebuilt homes in the dozens. A major disaster declaration for the May 2026 South Kona earthquake sat undecided at ninety-eight days while the county absorbed the costs.

Somewhere between the appropriation and the asphalt, something is consuming the difference. It seemed reasonable to assume that something had a name, an address, and a motive.

I looked for it. What I found instead was cotton candy.

Cotton candy is a small quantity of sugar spun with air and dye into a form that reads as substantial and dissolves the moment any pressure is applied to it. That is a fair description of a great deal of what passes for disaster recovery in this state.

A federal obligation announced in April is announced again in August as though it were new money. A press release itemizes components that do not sum to the total it reports, and the discrepancy is nobody's error because nobody performed the addition. Quarterly performance reports required of a grantee simply stop appearing, and no one writes to ask why. A contract ceiling is reported as a disbursement. An obligation is reported as a completion. The volume is the product. The dissolution on contact is the finding.

Vacancy is a more serious conclusion than corruption

The single strongest piece of evidence in this report is not evidence of theft. It is a February 2026 audit by the New York State Comptroller finding that a disaster consulting firm now operating in Hawai‘i had submitted, and the state had approved, millions of dollars in vouchers without documented verification.[1]

Not fraudulent vouchers. Unverified ones.

The auditors did not find that the money was stolen. They found that no one had established whether it should have been paid.

That distinction is the entire subject of this report. And the more consequential fact about that audit is that a New York official performed it. I have not been able to establish that any Hawai‘i auditor has performed the equivalent examination of the same firms working here.

Corruption is a removable defect. It has a perpetrator, a prosecution, and an ending. Identifying it permits the comforting inference that the system was sound and a person subverted it.

What this report documents cannot be removed by replacing anyone. The failures described here were produced by people acting lawfully, within their authority, following procedures that did not require them to do the thing that was not done. No statute obligated the verification. No form captured the arithmetic. No office was assigned the reconciliation.

A crooked administrator can be indicted and replaced, and the machine resumes working. A structure that generates these outcomes while everyone behaves properly will generate them again after Hurricane Lala, and again after whatever follows Lala.

> A structure that generates these outcomes while everyone behaves properly
> will generate them again.

Readers reach for a culprit whether or not one is supplied. If this report frustrates that reflex, that frustration is the point.

Where a structural mechanism explains an outcome, I have described the mechanism rather than imputing a motive I cannot document. Where I could not verify a claim, I have said so in the

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[1] Office of the New York State Comptroller, Bureau of State Expenditures, Examination of Contract C000831 with Tidal Basin Government Consulting, LLC, Division of Homeland Security and Emergency Services, issued February 12, 2026.

text rather than smoothing it. Where the record contains facts favorable to the parties I criticize, I have carried those facts.

Two findings in these pages cut against the simplest version of my own argument, and they remain in the text for that reason. What I have tried to make visible is **not a villain but a vacancy**: the specific decision points at which a person could have checked, and no one was required to.

The organizing device throughout is a five-rung ladder. Money is appropriated, awarded, obligated, spent, and finally maybe something is built. Each rung is a separate event, separated from the next by months or years, and each is a place where the process can stop without anyone noticing that it has.

Nearly every misleading statement examined in this report is produced by collapsing that ladder — by reporting a dollar appropriated as though it were a road completed. It is not a road. This report is about the distance between them.

Author's note: figures, dates, and case-specific claims summarized in this preface are documented and sourced in the body of the report. Items that remain unverified at the time of publication are flagged as such at the point where they appear.

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Executive Summary

The question

Hawaiʻi has experienced seventeen presidentially declared major disasters over the last twenty years. Announcements of recovery funding for those events are routine, and the figures announced are often large. This report asks what happens between the announcement and the finished asset, and finds that the State of Hawaiʻi cannot answer the question for any of them.

Not because the records are sealed. The numbers exist — in FEMA's Public Assistance system, in Federal Highway Administration allocation tables, in HUD quarterly reports, in four county budgets, in state appropriations, and in at least one case in a settlement agreement filed under seal. They have never been assembled, because no office is charged with assembling them. When you try to assemble them yourself, the reasons why become the story.

The finding

The expected finding was corruption. The actual finding is structural: outcomes produced by people acting lawfully, within their authority, following procedures that did not require them to do anything that was not done. No statute obligated the verification. No form captured the arithmetic. No office was assigned the reconciliation.

That distinction has practical consequences. A corrupt official can be indicted and replaced, and the machine resumes working. A structure that produces these outcomes while everyone behaves properly will produce them again after the next storm.

A structure that generates these outcomes while everyone behaves properly will generate them again.

The single strongest piece of evidence assembled here is a February 12, 2026 examination by the Office of the New York State Comptroller of payments the New York State Division of Homeland Security and Emergency Services made to Tidal Basin Government Consulting under a contract totaling $91.7 million. During a twelve-month examination period, the Division paid the firm $24.1 million — $22.5 million for professional services and $1.6 million for travel.

The auditors did not find that the charges were improper. They found that the Division lacked the controls necessary to establish whether they should have been paid. That the examination was performed by a New York official rather than a Hawaiʻi one states the report's central problem in a single fact: the same category of firm performs the same category of work here, and no equivalent Hawaiʻi examination has been located.

The organizing device

Money moves along a five-rung ladder. Each rung is a separate event, separated from the next by months or years, and each is a place where the process can stop without anyone noticing that it has.

appropriated → awarded → obligated → spent → built

Rung	What it means	Where the record fails
Appropriated	A legislature has set money aside.	Reported publicly as though the work were funded and underway.
Awarded	An allocation is made to a grantee.	Contract ceilings quoted as if they were disbursements.
Obligated	Funds are committed against a project.	Federal Emergency Relief money can sit obligated in a national queue for years.
Spent	Money has actually been paid out.	Quarterly performance reports stop appearing; nobody writes to ask why.
Built	A road, a house, a hardened pole exists.	Composite percentages fold occupied homes together with permit applications.

Nearly every misleading public statement examined in this report is produced by collapsing that ladder — by reporting a contract ceiling as a disbursement, an obligation as a completion, or a request for release of funds as houses rebuilt. A companion taxonomy identifies seventeen named mechanisms by which public legibility degrades at these transitions. None of them requires anyone to make a false statement.

Utility money moves through a longer version of the same ladder, and Part VII follows one program down it: proposed → plan approved → cost recovery authorized → collection permitted → collected → spent → built → return earned.

What the record shows

The state's own accounting does not reconcile.

Four declarations on the Hawaiʻi Emergency Management Agency's public history page carry both a stated total and an itemized breakdown. In all four, the items do not sum to the total, with gaps between 4.80 and 8.30 percent. There is probably an innocent explanation involving administrative cost categories omitted from a two-line breakdown. That explanation appears nowhere on the page. This is the most complete public disaster accounting the State produces, and it does not internally reconcile.

Reporting stops, and nobody writes to ask why.

Kauaʻi County posted quarterly performance reports on its 2018 flood CDBG-DR grant through all of 2021, 2022, 2023 and 2024, and then stopped. Eight years after the flood, no member of the public can determine how much of the $9,176,000 has been spent, on what, or whether anything was built.

Composite percentages travel further than measurements.

Maui County's three-year Lāhainā update reported that 2,248 of 2,746 lost housing units — 81.9 percent — are "on a path toward rebuilding." An independent analysis of roughly 1,000 disaster-recovery permits obtained by records request found approximately 25 percent of destroyed single-family homes actually rebuilt. The figures are not in conflict, because they do not measure the same thing. Of the 2,248 units on the path, roughly 1,264 are permits.

A percentage combining completed construction with a pending application is not a measure of housing — and it is the number that travels.

A count of declarations is a lagging indicator of disaster burden.

The magnitude 6.0 South Kona earthquake of May 22, 2026 damaged 548 homes in a district where two households carried earthquake insurance. Two houses, not two percent. The governor requested a major disaster declaration on July 20; the declaration issued September 2, at 103 days. For that entire interval there was no insurance layer and no federal individual assistance layer, and the event appeared in no federal dataset, because federal datasets are keyed to declarations.

Not every declaration rebuilds anything.

The federal action following Hurricane Lala was an emergency declaration under Title V of the Stafford Act, authorizing emergency protective measures under Category B at 75 percent federal funding. It authorizes no permanent work and no Individual Assistance. The State's announcement described assistance for three counties; FEMA's release, issued the same day, designated one.

Consultants operate inside the machinery, not beside it.

The record does not show that private firms determined how much assistance Hawaiʻi received. Those decisions were made by Congress, HUD, FEMA, the Legislature, and county governments acting under statutes, appropriations, formulas, and grant rules. What the record does show is firms participating in the production of the information on which those decisions depend — damage assessment, eligibility, replacement cost, unmet need, benefit-cost analysis, program design — and, in at least one case, moving from recovery management into the design of the programs governing a $1.639 billion grant. Authority and influence are not the same thing.

Contract ceilings are not payments.

Maui County reported total Office of Recovery professional-services spending of $6,210,688 across all vendors as of April 1, 2026. That single figure does more analytical work than any contract ceiling in the record, and it is the reason no sentence in this report asserts that any firm was paid its contract maximum.

The utility case is the same collapse inside a regulatory body.

A wildfire program publicly described as roughly $480 million was approved on December 31, 2025; approximately $350 million in cost recovery was authorized on June 25, 2026; the securitization application had not been filed as of August 2026; and not one dollar has been collected from a ratepayer. In Lāhainā itself, thirty-three months after the fire, the work amounted to nineteen new poles along a two-mile stretch of highway. In the same order approving the program, the Commission required progress and expenditure metrics for the first time and identified twenty-five areas for continued improvement — the regulator conceding, in writing, that it could not verify what it was approving.

Counter-evidence carried

Facts that cut against the simplest version of this argument belong in the argument, and are retained here rather than confined to a caveat.

- Real work has been delivered: sewer service in Lāhainā fully restored in April 2025, debris disposal completed at the end of 2025, Front Street reopened to vehicles on August 1, 2026, Highway 132 rebuilt in Puna, and thousands of poles replaced or upgraded across the Hawaiian Electric system.
- Securitized wildfire mitigation costs will not enter rate base, a qualification confirmed by the company’s chief financial officer.
- The Public Utilities Commission discharged both of its Act 258 study obligations on time.
- The Puna funding increase followed both a revised technical assessment and documented advocacy by a senior appropriator. A report arguing that upstream information shapes downstream awards should not suppress the evidence that upstream advocacy does too.
- Section 428 of the Stafford Act explains most apparent discrepancies between an announced federal amount and a construction contract. It should be checked before any such gap is treated as an error, because it usually is not one.
- In the Horne matter in Texas, the contracting agency stated that the commissioner played no role in the selection and that three senior officials chose the firm through a federally compliant procurement. That rebuttal is a material fact and is carried in the body.

What follows

The report makes no finding of corruption, and none is required. It sets out eighteen findings and eleven ordered remedies. The first remedy is the highest-value action identified and requires no new legislation: an examination by the Hawai‘i State Auditor, or by county auditors, of payments to disaster-recovery consultants — whether invoices were compared against approved staffing plans, whether official duty stations were designated, and what documentation supports each certification that a charge was just, true, correct, and appropriate to pay.

The remainder concerns disclosure: an invoice-level recovery ledger placing contracts, payments, verifications, work product, political finance, and lobbying on one timeline; publication of Section 428 fixed-cost agreements; a quarterly mitigation scorecard reported as a table rather than a narrative; annotation of the state history page; restoration of Kauaʻi's missing quarterly reports; and resolution of a Commission investigation currently routed into a container incapable of producing a finding.

None of this requires new legislation. All of it requires someone to ask.

Note on the state of the record. Claims that remain unverified at the time of writing are flagged at the point where they appear in the body and consolidated in the verification register at Appendix A. The absence of verification is treated throughout as a documented finding rather than as a reason to omit a claim. Figures, dates, and case-specific claims summarized in this overview are sourced in the body of the report.

Part I. The Ladder

Public discussion routinely treats disaster funding as a single transaction: a government announces a billion dollars, and the public reasonably assumes a billion dollars has been spent rebuilding the affected community. That is rarely what has happened.

The organizing device throughout this report is a five-rung ladder. Each rung is a separate event, separated from the next by months or years, and each is a place where the process can stop without anyone noticing that it has.

Rung	What it means	What it does not mean
Appropriated	Congress or the Legislature has enacted a law making money available.	That any jurisdiction has received it.
Awarded	An agency has allocated a sum to a named grantee.	That the grantee may spend it. An action plan or grant agreement usually intervenes.
Obligated	A binding commitment exists against a specific project or program.	That cash has moved, or that the underlying work has begun.
Spent	Funds have been disbursed against invoices.	That anything physical exists. Planning, environmental review, administration, legal services, and grant management are all spending.
Built	A road, house, water system, or public facility exists and functions.	—

A contract worth $20 million is not evidence that $20 million has been paid. A federal allocation of $1.6 billion is not evidence that $1.6 billion has been spent. And money spent on planning, engineering, or consultants is not the same thing as infrastructure completed.

Utility money works the same way, and the ladder is longer. Part VII follows a single program down it:

> proposed → plan approved → cost recovery authorized → collection permitted → collected → spent → built → return earned

Nearly every misleading statement examined in this report is produced by collapsing one of these ladders — by reporting a dollar appropriated as though it were a road completed. It is not a road. This report is about the distance between them.

Part II. What the State Cannot Tell You

Start with a question that ought to be easy. How many disasters has Hawaiʻi had in twenty years, and what did they cost?

The first half has an answer. Using a consistent federal standard — presidentially declared major disasters for natural events — Hawaiʻi had seventeen between August 2006 and August 2026. That excludes COVID-19, which was a major disaster but not a natural one; emergency declarations, which are a lesser authority; and Fire Management Assistance Grants, which pay for suppression rather than recovery. These exclusions are stated because they are choices, and a different set of choices produces a different count.

The second half has no answer at all. Not "no single source." No answer. Neither the United States nor the State of Hawaiʻi maintains a measure of disaster loss consistent across events, and neither maintains any record following a disaster from estimated damage through appropriation, award, obligation, disbursement, contractor, and finished asset. The numbers exist — in FEMA's Public Assistance system, in Federal Highway Administration allocation tables, in HUD quarterly reports, in four county budgets, in state appropriations, and in at least one case in a settlement agreement filed under seal. They have never been assembled, and when you try to assemble them, the reasons why become the story.

The arithmetic

The Hawaiʻi Emergency Management Agency maintains a public page called *History*. It is the closest thing the state has to a consolidated disaster record, and it is genuinely useful: for several declarations it reports not only totals but composition — Public Assistance split into emergency work (Categories A and B) and permanent work (Categories C through G).

Four declarations on that page carry both a stated total and an itemized breakdown. In all four, the items do not sum to the total.[2]

[2] Hawaiʻi Emergency Management Agency, "History." The four gaps below are computed by the author from the figures published on that page.

Declaration	Stated total	A–B plus C–G	Gap	Share
DR-1664 (2006 earthquakes)	$15,132,027.80	$13,880,609.75	$1,251,418.05	8.27%
DR-1640 (2006 floods)	$8,273,046.81	$7,731,165.47	$541,881.34	6.55%
DR-1575 (2004 Mānoa flood)	$18,942,292.55	$18,033,754.11	$908,538.44	4.80%
DR-1348 (2000 storms)	$4,128,414.91	$3,785,556.80	$342,858.11	8.30%

Four for four, with gaps between 4.80 and 8.30 percent.

There is probably an innocent explanation. FEMA pays management and direct administrative costs under a separate category, Category Z, which is neither emergency nor permanent work. A five-to-eight percent residual is consistent with administrative categories omitted from a two-line breakdown.

But that explanation appears nowhere on the page. No footnote, no third line, no note that the components are partial. A council member or a reporter reading the state's own official disaster history and adding up what a disaster cost will arrive at a number five to eight percent below the number printed directly above it, with no way of knowing why.

The point is not that someone is hiding $1.25 million. The point is that this is the most complete public disaster accounting the State of Hawaiʻi produces, and it does not internally reconcile.

Twenty-nine months, then silence

To watch the full sequence — appropriated, awarded, obligated, spent, built — you need a disaster small enough that the paperwork stays legible. Kauaʻi in 2018 is that disaster.

Between April 13 and 16, national record rainfall fell on the north shore. Hundreds of homes were damaged or destroyed. Kūhiō Highway was severed and normal access to Hāʻena and Wainiha was disrupted for roughly fourteen months.

Then, with dates:

- **May 8, 2018**, twenty-two days after the flood
  The President declares a major disaster, authorizing Public Assistance for Kauaʻi County and Honolulu.[3]
- **June 6, 2019**, fourteen months after
  Congress passes the Additional Supplemental Appropriations for Disaster Relief Act (P.L. 116-20). Appropriated.
- **January 27, 2020**, twenty-one months after
  A Federal Register notice announces a $9,176,000 CDBG-DR allocation to the County of Kauaʻi. Awarded.
- **October 2, 2020**, twenty-nine months after
  The County's Action Plan is approved. Only now can the money move.
- **January 6, 2021**, thirty-three months after
  A further $585,000 in mitigation funds.[4]

Then the county does what it is supposed to do. It posts quarterly performance reports. All four quarters of 2021. All of 2022, for both grants. All of 2023. All of 2024.

[3]FEMA, "Public Notice — Major Disaster Declaration FEMA-4365-DR-HI."

[4]County of Kauaʻi Housing Agency, Disaster Recovery and Mitigation Program, citing P.L. 116-20 and the Federal Register notices of January 27, 2020 and January 6, 2021.

And then it stops. As of August 30, 2026, the county’s disaster recovery page carries no quarterly performance report for any quarter of 2025 or 2026. The last public accounting of a grant awarded in response to a 2018 disaster is more than eighteen months old.[5]

Nothing about this is particularly scandalous. Quarterly reports are drudgery, staff turn over, small county housing agencies are stretched. But eight years after the flood, there is no way for a member of the public to determine how much of the $9,176,000 has been spent, on what, or whether anything was built.

The tail

There is a line in the Federal Highway Administration’s Emergency Relief allocation table for fiscal year 2026 associated with the Kaua‘i storms of March 2012 — an event whose total Public Assistance estimate was $2,235,053, declared by President Obama on April 18, 2012.[6] Fourteen years later there is still federal money queued against it.

The reason is not local. A 2024 Congressional Research Service analysis found that FHWA told the Government Accountability Office its financial management systems do not track reimbursement backlogs; that GAO identified funding gaps dating to 1997 ranging from $259 million to $741 million; that in 2011 the program held roughly $140 million in reserves against a backlog exceeding $2 billion; and that in FY2021 FHWA made no semiannual allocations at all.[7]

Emergency Relief is authorized at $100 million a year against national demand an order of magnitude higher. Old events do not close. They wait. An observer seeing millions still queued against Hawai‘i disasters from 2012, 2020, and 2024 might reasonably conclude the state is slow at spending money, when what the numbers record is a national line.

Obligated is not spent and is frequently not available.

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[5] Ibid. (see note 4). Reports run Q1 2021 through Q4 2024, with none for 2025 or 2026 as of August 30, 2026.

[6] Hawai‘i Emergency Management Agency, “History,” FEMA-4062-DR; Federal Highway Administration, “Allocation of Emergency Relief Funds, Fiscal Year 2026 Obligation Needs,” June 18, 2026.

[7] Congressional Research Service, R48297, December 2024.

What the record forgets

In February 2006 it began to rain on Kauaʻi and Oʻahu and did not stop for forty-two days. On March 14, at about five in the morning, the century-old Ka Loko Dam breached and released something between 325 and 400 million gallons down Wailapa Stream. The wave stripped the stream bed to bedrock, overtopped the Kūhiō Highway embankment, and killed seven people, one of them a woman seven months pregnant.

The federal declaration was issued that May, with an incident period running February 20 to April 2. What did it cost?

Here is everything the public record offers, all from the state's own history page: $6 million to sugar companies on Kauaʻi and Maui; $20 million for Kauaʻi highway repairs; $4 to $7 million for drainage and debris clearing; crop losses exceeding $14 million for two sugar companies over three years; $447,898 in individual grants to 463 registrants; more than $979,400 in SBA loans; and $8,273,046.81 in total FEMA Public Assistance.[8]

Those figures come from at least four federal agencies and cannot be summed, because no one has established which overlap. The highway money is almost certainly FHWA, not FEMA. The sugar money is almost certainly USDA. There is no reconciliation anywhere.

And the largest single identified payment associated with the disaster appears in none of these categories. In October 2009, three and a half years later, the wrongful-death and property-damage litigation settled globally for $25.4 million paid by the dam's owner, the State of Hawaiʻi, the County of Kauaʻi, current and former landowners, their insurers, engineering firms, and contractors.

The terms were sealed; the State's $1.5 million share was unsealed on motion. The owner later defaulted on his portion, posted $12 million in mortgages against Kauaʻi property as security, and was released from them in 2013. He served seven months, mostly in home confinement.[9]

No disaster ledger would capture that. It was not appropriated, awarded, obligated, or spent in any sense a federal system recognizes. It was litigated.

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[8] Hawaiʻi Emergency Management Agency, "History," FEMA-DR-1640 (see note 2).

[9] The Garden Island, January 20, 2010; Honolulu Star-Advertiser, October 15, 2014; Association of State Dam Safety Officials, damfailures.org.

The dam was never rebuilt. The durable public output was the Hawaiʻi Dam and Reservoir Safety Act of 2007, which restructured dam regulation and authorized penalties up to $25,000 a day. Seventeen years on, the state was still seeking a $5,000 fine from the owners of a high-hazard dam in poor condition above Kōloa, a structure that puts more than 600 people at risk if it fails.[10]

[10]The Garden Island, March 3, 2023.

Part III. Five Disasters

Puna: when the estimate changed, the award changed

Following the 2018 Kīlauea eruption — which destroyed 612 homes, including 294 primary residences[11] — the Hawaiʻi Legislature enacted Act 9, Session Laws of Hawaiʻi 2019. The law appropriated $20 million as a subsidy to Hawaiʻi County and a separate $40 million as a loan, intended in part to help the county obtain non-state funds. Release required action by the Hawaiʻi County Council.

The loan/subsidy distinction is not cosmetic. Repeated public references to "$60 million in state assistance" conflate a grant with a debt.

RESEARCH FLAG. The $20 million subsidy / $40 million loan split and the Council release condition are drawn from secondary summaries and committee reports and have not been confirmed against the enrolled text of Act 9, SLH 2019 (H.B. 1180). Confirm before publication.

Federal assistance followed different rules. HUD allocated Hawaiʻi County $83.84 million in CDBG-DR funding in January 2020; the County submitted its initial Action Plan on August 31, 2020, and HUD approved it in October 2020. In August 2020 HUD announced an additional $23.72 million in CDBG-DR funds together with $6.8 million in separate mitigation funding; the CDBG-DR increment was formally allocated in January 2021, producing a total of $107,561,000. The County amended its Action Plan in August 2021 to incorporate the second grant.[12]

The reason for the increase deserves attention, and here earlier drafts overstated what the record establishes.

RESEARCH FLAG — unverified figures. Earlier drafts asserted that HUD's Federal Register notice explained the increase by reference to a FEMA Public Assistance estimate of approximately $1.5 million (generating roughly $378,000 in estimated local unmet need), later revised to approximately $96 million in permanent-work Categories C–G needs with a roughly $24 million nonfederal match. These specific figures could not be located during re-validation. The relevant document is the CDBG-DR allocation notice at 86 FR 569 (FR-6240-N-01), which is distinct from the concurrently published CDBG-MIT notice at 86 FR 561 (FR-6239-N-01). Obtain and quote 86 FR 569 directly, or strike the figures.

What the record does establish is that the allocation changed after the underlying assessment changed, *and* after a senior appropriator intervened. U.S. Senator Brian Schatz, a member of the

[11] County of Hawaiʻi, "Kīlauea Housing Recovery Grant Agreement Authorized," March 2021.

[12] County of Hawaiʻi Recovery Site, "CDBG-DR Voluntary Housing Buyout Program," stating the $107,561,000 total, the October 2020 initial approval, and the August 2021 amendment; Big Island Video News, August 26, 2020, reporting the $23.72 million CDBG-DR and $6.8 million CDBG-MIT announcement.

Senate Appropriations Committee, stated publicly at the time that the additional funding followed his urging that HUD recognize the eruption’s unusual response and recovery challenges and conduct a review.[13]

Both mechanisms are worth naming, and only one of them is technical. A report arguing that upstream information shapes downstream awards should not suppress the evidence that upstream advocacy does too.

What Section 428 explains

One discrepancy in the Puna record resisted explanation for a long time. The County of Hawai‘i describes the reconstruction of Highway 137 and Pohoiki Road — the two roads buried by lava — in two incompatible ways. Its environmental-assessment pages give FEMA participation as \$82 million for roads and \$6 million for waterlines. Its roads page and the January 2025 contract announcements give the combined program as approximately \$50 million, of which FEMA covers 75 percent.[14] Both sit on county platforms. Neither is annotated. The gap is roughly \$38 million.

The explanation turns out to be a single clause in a FEMA public notice: funding for the Pohoiki Road, Leilani Road, Highway 137, and Kumukahi Lighthouse Road projects is provided under Section 428 of the Stafford Act.[15]

Section 428 is the alternative-procedures authority. FEMA and the recipient negotiate a fixed-cost estimate for permanent work up front; the recipient then owns both the risk and the upside. Spend less than the estimate and you keep the difference for other eligible purposes. The fixed-cost estimate and the eventual construction contract are, by design, different numbers measuring different things.

This is sensible policy. It exists to give local governments flexibility and to end the endless amendment cycles that plague conventional Public Assistance. But it carries a consequence for public legibility that nobody designed and nobody owns: the announced federal amount and the built amount are not expected to match, and the public cannot tell whether a gap represents a

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[13]Big Island Video News, August 26, 2020 (see note 12), quoting Sen. Schatz.

[14]County of Hawai‘i Recovery Site, “Water,” “Infrastructure,” and “Roads”; West Hawaii Today, January 19, 2025; Big Island Now, January 20, 2025.

[15]FEMA, “DR-4366-HI Public Notice 003.”

saving, a scope reduction, a reallocation, or an artifact — unless someone publishes the agreement, which no one does.

Section 428 should be checked before any apparent discrepancy in a permanent-work figure is treated as an error. It usually is not one.

The roads, meanwhile, are late in a way that is unusually easy to document, because the baseline survived. Isemoto Contracting received notice to proceed on Highway 137 on June 24, 2024, on a contract with an eighteen-month duration: completion March 2026. Work actually began on January 9, 2025. The current target for the 3.6-mile Kapoho-to-Pohoiki segment is the third quarter of 2026; Pohoiki Road is targeted for the fourth.[16]

A two-quarter slip on a project let six years after the eruption — statable as a fact only because a notice-to-proceed date and a contract duration both happened to be public. For most projects, no such baseline is retrievable, which means slippage is not merely unreported. It is undetectable.

[16]County of Hawaiʻi Recovery Site, "Roads" (see note 14); County of Hawaiʻi, "Restoration of Highway 137 Begins in Puna," January 2025.

Lahaina: eighty-two percent, or twenty-five

MAUI

No Relief For Maui Wildfire Survivors Losing Thousands To Contractors

Homeowners rebuilding in Lahaina have lost hundreds of thousands of dollars to unlicensed or unreliable contractors. Government officials have so far failed to hold anyone accountable.

By Erin Nolan, Keerti Gopal / September 2, 2026

Three years on, Lāhainā is the most heavily documented recovery in the history of the state, and it is still not possible to say clearly how much of it has been rebuilt.

The underlying data is not in dispute. Maui County issues building permits and those permits are public. The dispute is entirely in the arithmetic performed on top of them.

On August 7, 2026, the county released its three-year update: nearly 600 homes rebuilt and occupied, another 400 under construction, permits issued or processing for roughly 1,264 more units. And the headline — of the 2,746 housing units lost, 2,248, or 81.9 percent, are “on a path toward rebuilding.”[17]

Civil Beat, reporting the same week from the same county data, gave a different picture: nearly 600 rebuilt, but 315 under construction and roughly 1,000 in permitting.[18]

And AsAmNews, which declined the summary altogether, filed a records request, obtained more than 3,000 building permits covering August 2023 through July 15, 2026, and analyzed roughly 1,000 disaster-recovery permits directly. Its finding: about 25 percent of the single-family homes destroyed had been rebuilt, and about 6 percent of nonresidential properties.[19]

Eighty-two and twenty-five are not in conflict, because they are not measuring the same thing. “On a path toward rebuilding” folds together houses people live in, houses with framing

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[17] County of Maui recovery update, August 7, 2026, as reported in Maui Now and KHON2.

[18] Civil Beat, “Maui Wildfires 3 Years Later,” August 2026.

[19] AsAmNews, “Lahaina’s slow return: 3 years later,” August 7, 2026. Multi-family units were counted within the nonresidential category in the released data.

up, and houses that exist as an application in a queue — and the composite is dominated by its weakest member. Of the 2,248 units on the path, roughly 1,264 are permits.

The county's framing is not false, and Mayor Richard Bissen has been candid that the experience is bifurcated: a family back in their house and a family still displaced are living through different events. There is real progress. Sewer service was fully restored in April 2025. Debris disposal finished at the end of 2025. Front Street reopened to vehicles on August 1, 2026 with new pavement, sidewalks, and railings.

> A percentage combining completed construction with a pending application is not a measure of housing — and it is the number that travels.

Two other figures from the three-year mark belong beside it. Ten commercial properties on the seaward side of Front Street will not be rebuilt at all; their over-water state leases were discontinued after the fire and the county is offering roughly $50 million in buyouts instead. And nearly 700 fire-survivor households remain on FEMA housing assistance scheduled to expire in February.[20]

Money moves on its own schedule

The Disaster Relief Supplemental Appropriations Act, 2025 (Pub. L. 118-158) was approved December 21, 2024. HUD allocated $1,639,381,000 to Maui County under grant number B-25-UU-15-000 — the largest single CDBG-DR allocation ever made to one local municipality. HUD's transmittal letter to the County dates the allocation to December 21, 2024 and transmits an initial grant agreement of $81,969,050 for program administration; the County's own public materials date the allocation to January 2025, consistent with the Federal Register notice of January 16, 2025.[21] The two dates are not reconciled anywhere. The discrepancy is small and probably clerical; it is noted because it is exactly the kind of thing a ledger would catch and no ledger exists.

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[20] Hawaiʻi Public Radio, August 7, 2026; Hawaii News Now, August 8, 2026; Civil Beat, August 2026 (see note 18).

[21] HUD allocation letter to Maui County, transmitted via Council of the County of Maui, Budget, Finance, and Economic Development Committee materials; HUD, "Allocations for Community Development Block Grant Disaster Recovery," 90 Fed. Reg. 4759 (Jan. 16, 2025); County of Maui, "County of Maui, HUD sign $1.6B grant agreement for disaster relief," June 20, 2025.

The Action Plan was shaped by a public comment period in February and March 2025, including three public hearings on March 8, 11, and 14. It was submitted to HUD on April 22, 2025 and approved on June 4, 2025. The grant agreement was executed June 20, 2025 — twenty-two months after the fire, and among the first of forty-seven grantees in a roughly $12 billion round to reach that stage.[22]

The County's first substantial amendment to the Action Plan was posted January 16, 2026, with the comment period extended through March 3, 2026. In December 2025 the County noticed its intent to request release of $298,579,950 for the Single-Family Reconstruction and Reimbursement Program.[23]

That last figure is worth pausing on. It is a request for release, which is the third rung of the ladder, not the fifth. It is not a report of houses rebuilt.

The Distance Between a Dollar and a Road · Insert, September 4, 2026

[22]Ibid. (see note 21).

[23]County of Maui, Office of Recovery, Hoʻokumu Hou, public notice dated December 19, 2025; Action Plan Substantial Amendment 1.

Sidebar: About the Civil Beat Report

"No Relief For Maui Wildfire Survivors Losing Thousands To Contractors"

by Erin Nolan,Keerti Gopal/ September 2, 2026
https://www.civilbeat.org/2026/09/no-relief-for-maui-wildfire-survivors-losing-thousands-to-contractors/

"Homeowners rebuilding in Lahaina have lost hundreds of thousands of dollars to unlicensed or unreliable contractors. Government officials have so far failed to hold anyone accountable."

The ladder in this report tracks public dollars from appropriation to construction. The private side of the Lāhainā rebuild now shows the same shape: money spent, nothing built, no agency that treats the gap as its own responsibility.

A joint *Honolulu Civil Beat* and *Inside Climate News* investigation published September 2, 2026 reviewed police reports, court filings, contracts, and texts from Lāhainā owners who paid contractors and got little or nothing built. One homeowner paid $640,000 to an unlicensed contractor who stopped answering her by early 2026. Another paid $650,000 and says roughly $500,000 was never accounted for. A Native Hawaiian community leader and his wife paid more than $200,000 and are still repairing the house themselves. Hoʻōla iā Mauiakama, a long-term recovery group, reports households out $150,000 to more than $600,000. Most of it was insurance money, and it could be spent only once.

The accountability record is the finding. As of publication there had been no criminal charges, no licenses revoked, no fines, no injunctions against any contractor for post-wildfire misconduct. The Maui Police Department released ten owner reports, losses from $20,000 to more than $500,000, every one classified a civil matter outside police jurisdiction. The Attorney General declined to confirm any investigation and, answering a records request, said it maintains no communications on the subject, referring the question to the Department of Commerce and Consumer Affairs, which could not quantify rebuild-related complaints but was aware of twelve. The reporters found fourteen more in the public database, all pending.

"It's the biggest 'not me' agency I've ever seen."

— Sen. Angus McKelvey, who lost his own home in the fire, on the Department of Commerce and Consumer Affairs

Two corrections. The Maui prosecuting attorney has a deputy prosecutor and an investigator near full time on contractor fraud, and notes that Hawaiʻi law requires proof a builder took payment for work he never intended to finish. Single instances stall; pattern cases take years. The licensed contractor with the most complaints denies wrongdoing, blames shipping and materials delays, and says he has finished fourteen Lāhainā rebuilds. One DCCA investigation closed because the contractor died in late May 2026.

Los Angeles County removes the excuse of difficulty. After the January 2025 fires its district attorney proposed a contractor-fraud working group within a week and, with a licensing board experienced from Paradise in 2018, was planning undercover operations within two months. Fifteen contractors are now in pretrial proceedings. Hawaiʻi had eighteen months of warning from its own disaster and built no equivalent relationship.

Nothing here requires a bad actor in government. It requires only that each office correctly identify the matter as belonging to some other office.

RESEARCH FLAG — DCCA COMPLAINT COUNT

The figure of twelve rebuild-related complaints is an agency spokesperson's characterization, not the result of a database query, and the reporting newsrooms located fourteen additional filings in the public Regulated Industries Complaints Office database. The number is therefore a floor, not a count.

Verification route: direct query of the DCCA RICO complaint database filtered to Lāhainā and Wahikuli addresses, August 2023 forward; confirm against Second Circuit civil filings and a UIPA request for the ten Maui Police Department reports released to the newsrooms.

Editorial Notes

This may be a new mechanism, or an instance of an existing one.
The referral loop — police to attorney general, attorney general to DCCA, DCCA back to the homeowner — is jurisdictional diffusion operating without a false statement by anyone in it. Each office states its own scope correctly, and the sum of correct statements is a closed circuit. If the seventeen-mechanism taxonomy does not already carry a named entry for that pattern, this is a strong candidate case for one, and it would need to be added to both reports before either is published.

The underlying record is independently verifiable. *The DCCA RICO complaint database is public and searchable; the Kalepa civil action against Haas and Kanno is a Second Circuit filing; the ten police reports were obtained under UIPA and can be requested directly. None of this sidebar rests on a claim that exists only in the newsroom account, though every figure currently cites to it.*
Dating and scope. *This material postdates the August 30, 2026 consolidated white paper, so it enters as new content rather than a revision, and does not trigger a corrections-table entry. Note the scope boundary explicitly if the sidebar is used: the ladder framework governs public appropriations, and this is private insurance money moving through private contracts. The parallel is structural, not jurisdictional, and the sidebar should not be read as extending the ladder to funds the State never appropriated.*

The 2026 Kona Low: a request is not an award

Governor Josh Green formally requested a presidential major-disaster declaration on March 23, 2026, seeking Public Assistance, Individual Assistance, Hazard Mitigation assistance, and an enhanced federal cost share of up to 90 percent for eligible recovery expenses. The entire congressional delegation wrote in support the following day. The President declared DR-4909-HI on April 7, 2026, for an incident period of March 10–24, 2026, making Individual Assistance and Public Assistance available to Hawaiʻi and Maui counties and the City and County of Honolulu.[24]

Approval of a declaration should not be reported as proof that every eligible expense will receive a 90 percent federal share. The governor requested the enhanced percentage. The declaration unlocked federal assistance. A specific FEMA cost-share determination should be cited before characterizing 90 percent as the universally applicable reimbursement rate — and that determination has not been located.

RESEARCH FLAG. No FEMA document has been located establishing that all eligible Kona Low Public Assistance costs will be reimbursed at 90 percent. Until one is, the figure should be described as requested, not granted.

The Kona Low record also supplies an unusually clean illustration of why a preliminary estimate must never be read as a payment. On March 30, 2026, the City and County of Honolulu's Managing Director estimated total City cost at $34.365 million to $52.685 million, midpoint $43.520 million. Within that estimate sat a line of $100,000 to $150,000 for "Tetra Tech (FEMA assistance)." Later Environmental Services documents identify Tetra Tech as the City's debris-monitoring contractor and DRC Emergency Services as the debris-clearing and hauling contractor, and the City Council was subsequently asked to authorize a transfer of up to $1.5 million to cover part of the debris-related expenditures.[25]

An estimate, an appropriation, an encumbrance, and a payment are four different things, and in this single sequence they differ by an order of magnitude.

[24] Office of the Governor, "Request for Major Disaster Declaration — March 2026 Kona Low System," March 23, 2026; Hawaiʻi Congressional Delegation to the President, March 24, 2026; FEMA, DR-4909-HI, declaration date April 7, 2026; FEMA, "President Donald J. Trump Approves Major Disaster Declaration for Hawaii."

[25] City and County of Honolulu, Office of the Managing Director, "Kona Low Storm Damage — Preliminary Cost Estimates," March 30, 2026; Department of Environmental Services, Kona Low Disaster Debris Management presentation.

For the same event, Maui County separately awarded Tetra Tech $3,571,838 for disaster-recovery management and AC Disaster Consulting $79,970 for an after-action report. Those are Maui, not Oʻahu, figures, and they are awards rather than disbursements.[26]

[26] County of Maui, Contract C8313, AC Disaster Consulting; County of Maui procurement records for Kona Low recovery management.

South Kona: one hundred days

At 9:46 on the evening of Friday, May 22, 2026, a magnitude 6.0 earthquake struck approximately seven miles south of Hōnaunau-Nāpōʻopoʻo, on the western flank of Mauna Loa, at a depth of about fourteen miles. Maximum Modified Mercalli Intensity VII — very strong shaking, both community-reported and instrument-derived. More than 2,662 felt reports reached the USGS Hawaiian Volcano Observatory within the first hour, and more than 7,000 eventually, from every island, including one from Niʻihau. It set a state record, exceeding both the 2021 magnitude 6.2 south of the island and the 2006 Kīholo Bay earthquake.[27]

Rockslides closed the highway, including Highway 11 between Captain Cook and Ocean View and Nāpōʻopoʻo Road. About 1,330 customers lost power. Catchment tanks split at the seams across a district where catchment is not a supplement to municipal water but the water supply itself.

Mayor Kimo Alameda signed a county emergency proclamation on May 27. A joint preliminary damage assessment by HI-EMA, FEMA, and the County ran through June. On July 20, Governor Green requested a Presidential Major Disaster Declaration. On July 29 the entire congressional delegation wrote in support, asking specifically for Individual Assistance. On August 3 the governor issued a second emergency proclamation suspending the state procurement code.[28]

The delegation's letter carries the numbers that matter. Five hundred and forty-eight homes reported damaged. Of the 313 assessed, 110 had major structural damage or were destroyed. One hundred and five had lost their catchment systems entirely.

And this: of the 548 homes, 5.2 percent carried standard homeowner's policies, and two homes carried earthquake insurance.

Two. Not two percent. Two houses.

[27]County of Hawaiʻi, Emergency Proclamation Relating to the May 22, 2026 Kona Earthquake, May 27, 2026, reciting the USGS Hawaiian Volcano Observatory Earthquake Information Statement; USGS HVO, "Volcano Watch," May 29, 2026.

[28]Office of the Governor, "Joint preliminary damage assessments underway following May 22 Kona earthquake"; Hawaiʻi Congressional Delegation to the President, July 29, 2026, supporting the Governor's July 20 request; State Procurement Office, emergency proclamations.

The delegation attributed this to the cost of coverage on an active volcano — a rational response to correctly priced risk rather than a failure of prudence. Roughly a fifth of the affected population lives at or below the poverty line.

As of August 30, 2026 — one hundred days after the earthquake, forty-one days after the request — no decision has been announced.

There is no insurance layer in South Kona. For one hundred days there has been no federal individual assistance layer either. Whatever repair has happened was paid for by the households that live there, or it has not happened. And because no declaration has issued, none of it appears in any federal dataset. Build a ledger keyed to major disaster declarations — the only consistent standard available — and South Kona is a blank.

This is not an argument that the declaration should have issued faster. The statutory tests are what they are, and the assessment process is not a formality. It is an argument that a count of declarations is a lagging indicator of disaster burden, and that the lag runs longest during exactly the periods when the count would matter most.

In the fifteen weeks before this was written, Hawai‘i has had a damaging earthquake and a hurricane. Neither has a ledger.

UPDATE

As of August 30, 2026 — one hundred days after the earthquake, forty-one days after the request — no decision had been announced. The declaration was issued on September 2, at 103 days.

The arithmetic of that interval is the finding. For one hundred and three days there was no insurance layer in South Kona, because two households in five hundred and forty-eight carried earthquake coverage, and there was no federal individual assistance layer either. Whatever repair happened in that window was paid for by the households that live there, or it did not happen. And for one hundred and three days the event appeared in no federal dataset, because the dataset is keyed to declarations and there was no declaration to key to.

This is not an argument that the declaration should have issued faster. The statutory tests are what they are, and a joint preliminary damage assessment is not a formality. It is an argument that a count of declarations is a lagging indicator of disaster burden, and that the lag runs longest during exactly the periods when the count would matter most.

Lala: the declaration that is not a disaster

On the morning of August 15, 2026, the water that came down out of Kaʻū went through the Nāʻālehu Cemetery and took the graves with it. Afterward a coffin sat on a pile of rubble above the parking lot of the Punaluʻu Bake Shop, and the State of Hawaiʻi found itself asking Washington to send a Disaster Mortuary Operational Response Team — the unit ordinarily deployed after airline crashes — to recover, identify, and reinter the dead of a small town on the southern end of the Big Island.

Hurricane Lala passed just south of Hawaiʻi Island as a Category One storm. It dropped twenty to forty inches of rain across parts of the island, with a maximum of 43.55 inches at Laupāhoehoe. There were blizzard conditions on Mauna Kea. Hundreds of homes were damaged or destroyed. Hawaiʻi Belt Road, the only real highway serving Kaʻū, was cut. At the height of the storm approximately 200,000 customers across Hawaiʻi Island, Maui, and Oʻahu lost power, and outages persisted long enough that water systems, medical access, and emergency operations degraded together. The state's damage estimate, released eleven days later, was $81.4 million.[29]

On August 25 the President approved a federal declaration. The governor thanked him. Senator Schatz issued a statement about restoring essential services and repairing damaged infrastructure. Both statements were accurate.[30]

What neither said — because there is no reason a press release would say it — is that the declaration Hawaiʻi received is not the kind that rebuilds anything. It is an emergency declaration under Title V of the Stafford Act, authorizing emergency protective measures under Category B of the Public Assistance program, limited to direct federal assistance, at 75 percent federal

[29]NASA Earth Observatory, "Lala Batters Hawaii"; Big Island Now, August 25, 2026; Hawaii Tribune-Herald and West Hawaii Today, August 25–26, 2026 ($81.4 million); Office of the Governor, August 22, 2026 (Kaʻū impacts, Hawaiʻi Belt Road). Contemporaneous reporting on August 16 recorded one death; reporting on August 26 states two. The discrepancy is unresolved.

[30]Office of the Governor, "President Approves Governor Green's Request for Federal Emergency Declaration Following Tropical Cyclone Lala," August 25, 2026.

funding: protective measures, generators, technical support, a mortuary team. It is not a major disaster declaration. It authorizes no permanent work and no Individual Assistance.[31]

> Under the federal government's own taxonomy, Hurricane Lala is not, as of this writing, a disaster.

There is a second thing neither statement said. The governor's office announced that the declaration "authoriz[ed] federal assistance for Hawaiʻi County, Maui County and the City and County of Honolulu." FEMA's own release, issued the same day, contains a shorter sentence: the assistance is for Hawaiʻi County.[32] Two of the three counties in the state's announcement are absent from the federal one.

This is not quite a contradiction — the state described the scope of its request; FEMA described the designation actually made — but a resident of Maui reading the governor's release would reasonably conclude that federal assistance had been made available to them, and it had not. FEMA's release also notes that additional areas may be designated later, which is more accurate and less reassuring.

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[31]Ibid. (see note 30); FEMA, "President Donald J. Trump Approves Emergency Declaration for Hawaii," release HQ-25-114, August 25, 2026.

[32]Ibid. (see note 31). FEMA's release adds that additional areas may be designated later if the state requests them and further damage assessments support the request.

Part IV. Consultants as Governmental Machinery

Billions of dollars in public disaster assistance do not move directly from Congress to damaged communities. Between a disaster and a rebuilt road lies an elaborate administrative system of damage assessments, eligibility determinations, engineering estimates, benefit-cost analyses, federal grant applications, environmental reviews, action plans, reimbursement requests, procurement contracts, compliance reports, and audits.

Private consultants increasingly operate inside that system.

Who determined the amounts

The public record for these disasters does not show that consultants themselves decided how much federal or state disaster assistance Hawaiʻi would receive. Those legal decisions were made by Congress, the Hawaiʻi Legislature, HUD, FEMA, governors, and county governments acting under statutes, appropriations, formulas, and grant rules. HUD calculated $1,639,381,000 for Maui before Maui programmed a dollar of it.

But consultants can participate in determining the information on which those decisions depend: the amount of damage, the category into which damage falls, the projected cost of replacement, the calculation of unmet need, the benefit-cost ratio of a proposed project, the design of recovery programs, the documentation submitted for reimbursement, and ultimately the plan for spending the money once it arrives.

Authority and influence are not the same thing.

Tetra Tech

Tetra Tech reports a $2,040,989 engagement with Hawaiʻi County following the eruption. Its own qualifications statement describes work including data validation, community engagement, recovery and resiliency planning, volcanic risk analysis, project identification, CDBG-DR planning, and grant development, and states that the work helped the County prioritize more than

$250 million in state and federal funding and included Hazard Mitigation Grant Program applications and benefit-cost analyses for projects seeking more than $100 million.[33]

> **RESEARCH FLAG.** The $2,040,989 figure and the described scope have not been verified against the executed contract or against County payment records. Verify both, and separately establish how much has actually been disbursed.

On Maui, Tetra Tech has described its work to another prospective government client as leading development of the program design for the County's approximately $1.6 billion CDBG-DR allocation and spearheading creation of the CDBG-DR Action Plan, including analysis of public comments and coordination on HUD's Housing Impact Assessment.[34]

> **RESEARCH FLAG — most load-bearing unverified claim in this report.** The Cape Coral proposal document has not been obtained. The characterization above is reported at second hand. Obtain Contract REM2586KMR proposal materials and confirm the quoted description, or strike it. Until then, this claim should not be relied upon.

That statement, if confirmed, comes from Tetra Tech itself and must be read as a company describing its own work to win other business — a context that invites overstatement. It should be tested against Maui County's records rather than accepted. But if even approximately accurate, it establishes that the contractor was not merely processing invoices. It was participating in the architecture of Maui's recovery program: the private consultant hired to help Maui obtain and manage federal disaster money subsequently played a major role in deciding how Maui proposed to divide that money among recovery programs.

Across these disasters, Tetra Tech is notable not simply for receiving contracts but for the range of functions performed. Taken together, the documented and claimed work spans:

> damage and data validation → risk assessment → definition of unmet need → recovery planning → project identification → benefit-cost analysis → federal grant applications → FEMA reimbursement documentation → CDBG-DR program design → Action Plan preparation → recovery management → debris monitoring

No single one of these functions transfers governmental authority to a private company. But, collectively, they place private firms very close to the point at which technical facts become public policy.

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[33]Tetra Tech, Inc., Statement of Qualifications submitted to County of Hawaiʻi, "Kīlauea Eruption Community Relief, Relocation, and Recovery Planning." This is a party statement describing the firm's own work and is reported as such.

[34]Tetra Tech, Inc., description of Maui County CDBG-DR work contained in City of Cape Coral Contract REM2586KMR proposal materials, 2026.

Three governance questions

- **Who establishes the assumptions?**
  Small changes in estimated replacement cost, project scope, eligibility, projected benefit, environmental impact, or unmet need can alter the amount of money a government seeks or the project it chooses to pursue.

- **Who reviews those assumptions independently?**
  If the same consultant helps identify a project, calculate its benefits, develop the grant application, administer the resulting money, and document compliance, government must retain enough internal expertise to test the consultant's work rather than accept it. Part V shows what happens when it does not.

- **What does the public get to see?**
  A contract title such as "disaster recovery management services" tells the public almost nothing about which estimates were produced, which alternatives were rejected, who selected the assumptions, or which consultant recommendations became government policy.

Contract value is not money paid

This may be the most important accounting problem in the whole story, and it is the one most consistently mishandled in public discussion.

RESEARCH FLAG — contract figures not independently verified. Maui County Contract C8143 (Tetra Tech) is reported at an original certified amount of $2,843,333, with Amendment No. 1 adding $2,556,007.06 (certified total $5,399,340.06) and Amendment No. 2 seeking a further $2,871,608.81, for a potential total of approximately $8.27 million. Contract C8584 (BDO Government Services, formerly Horne LLP) is reported at $61,767,180, executed August 11, 2025, for CDBG-DR program implementation, management, staff augmentation, compliance, monitoring, environmental review, housing-program management, and closeout. Confirm each against the County's executed contract documents and Council transmittals, and state current amended totals as of the publication date.

Two cautions. First, these are contract ceilings, not payments. Maui County reported that, as of April 1, 2026, its Office of Recovery had spent $6,210,688 in total on professional services across all vendors — identifying Tetra Tech, Linn Nishikawa, Constant and Associates, Tidal Basin, Brown and Caldwell, G70, and others, but not breaking the figure down by vendor.[35]

[35] County of Maui, Department of Management, FY2027 budget response, reporting Office of Recovery professional-services expenditures as of April 1, 2026.

That single number does more analytical work than any contract ceiling. It means the following sentence is not supportable on the current record: “Maui paid BDO $61.8 million.” What the record supports is: “Maui awarded BDO/Horne a contract with a current value of up to $61.77 million, and total Office of Recovery professional-services spending across all vendors was $6,210,688 as of April 1, 2026.” Those are very different statements.

Second, because HUD approved Maui’s original Action Plan on June 4, 2025, the BDO/Horne contract executed in August 2025 cannot be characterized as having determined the original $1.639 billion award or the initial Action Plan. Its significance lies elsewhere: administration and implementation of the largest municipal CDBG-DR grant in the program’s history. That is itself a major public function.

The revolving door

One structural fact deserves prominence. Tidal Basin Government Consulting was formed in 2006 by Daniel Craig, the former Director of FEMA’s Recovery Division. The firm’s own federal practice materials state that it takes an active role in shaping national-level policy discussions through professional associations, engagement with legislative policymakers, and collaboration with federal partners.[36]

That is not an accusation. It is a description of the industry’s business model. Expertise in FEMA and HUD grant regimes is genuinely scarce, and the people who hold it disproportionately acquired it inside those agencies. The same fact that makes these firms useful to local governments makes them structurally close to the federal programs they help their clients claim against. Disclosure is the only mechanism that lets the public evaluate that proximity case by case.

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[36]Tidal Basin Government Consulting, federal practice materials. Party statement, reported as such.

The Horne precedent

Horne LLP offers a cautionary example from outside Hawai‘i. Reporting by Jay Root of the Texas Tribune examined political contributions from Horne partners around the period in which the firm received a large disaster-recovery contract from the Texas General Land Office.[37]

The exculpatory record must be carried. Horne executive partner Joey Havens stated the contributions had no connection to the contract, noted the firm had provided disaster-recovery services to the GLO since 2010 under a prior commissioner, and said the contract was awarded through competitive bidding, with Horne scoring highest among four finalists. Land Office spokeswoman Brittany Eck stated that Commissioner Bush had no involvement in selecting Horne, and that three senior Land Office officials made the selection through a procurement process following federal standards. One Horne partner said he was unaware of the contract when he wrote his check; another said he gave on behalf of the business. Dave Levinthal of the Center for Public Integrity told the Tribune the timing had the appearance of a thank-you.

The episode therefore does not establish corruption, and the Land Office's rebuttal — that the commissioner played no role in the selection — is a material fact that any fair account must carry.

It establishes something else: that chronology is the analytical unit. A useful disaster-contract influence ledger places political contributions beside RFP publication, proposal deadline, selection, contract execution, amendments, invoices, payments, and lobbying activity. Without chronology, a contribution tells us little. With chronology, patterns become testable.

> A firm can change its name and its parent and remain the same institutional actor. Disclosure should follow contractors across jurisdictions and corporate reorganizations.

Horne's relevance to Maui is that the disaster-recovery business now operates there under BDO Government Services. The Texas episode should not be imputed to Maui officials or treated as evidence concerning the Maui procurement. It is relevant as a governance precedent only.

[37] Jay Root, Texas Tribune, reporting on Horne LLP contributions and the Texas General Land Office disaster-recovery contract.

Part V. The Audit: What an Independent Examination Found

The most consequential evidence assembled for this report is not a campaign contribution or a lobbying registration. It is a state audit, and it should anchor the argument.

On February 12, 2026, the Office of the New York State Comptroller issued an examination of payments the New York State Division of Homeland Security and Emergency Services made to Tidal Basin Government Consulting, LLC under contract C000831, a contract totaling $91.7 million for the period July 31, 2019 through July 30, 2025. Tidal Basin had been engaged to supplement Division staff on Disaster Recovery Programs for Public Assistance, Hazard Mitigation, Individual Assistance, and Disaster Finance — substantially the same category of work performed for Hawai‘i jurisdictions.[38]

During the twelve-month examination period of July 1, 2022 through June 30, 2023, the Division paid Tidal Basin $24.1 million — $22.5 million for professional services and $1.6 million for travel.

The Comptroller’s key finding was that the Division lacked the necessary controls to ensure the expenses were appropriate to pay. Specifically, the Division:

Finding	Amount
Certified that expenses were appropriate without reviewing the approved staffing and travel plans to confirm the expenses were authorized. The contract required Tidal Basin to submit those plans; the Division could not produce them, and invoice reviewers did not compare invoices against them.	$24.1 million
Certified travel expenses as justified without designating the consultants’ official stations or maintaining and reviewing their home addresses to determine whether they were in travel status and therefore due reimbursement.	$1.6 million
Approved 28 vouchers without documenting which charges were just, true, correct, and appropriate to pay.	$8.3 million
Paid travel expenses that did not comply with the OSC Travel Manual, as the contract required.	$11,968

[38]Office of the New York State Comptroller, Examination of Contract C000831 (see note 1). The examination was conducted under Article V, Section 1 of the New York Constitution and Article II, Section 8(1) and (7), and Article VII, Section 111 of the State Finance Law.

The Comptroller recommended that the Division review payments to Tidal Basin to determine whether the expenses were just, true, and correct, and recover improper payments as appropriate. The Comptroller also noted that the findings represent a small percentage of the Division's payments and that, given the Division's critically important role, it should consider applying the recommendations to all payments it makes. That qualification belongs in any fair account.

Read carefully, this finding is narrower than "the consultant overbilled." The auditor did not conclude that Tidal Basin submitted improper charges. It concluded that the government could not demonstrate it had checked. That distinction is the entire point of this report.

> The Part IV question — who reviews the consultant's assumptions independently? — was answered in New York by an auditor, three years after the fact, and the answer was: nobody with adequate documentation.

There is no reason to assume Hawai‘i's agencies are better resourced for that task, and no published examination establishing that they are. Whether the Hawai‘i State Auditor or any county auditor has examined payments to disaster-recovery consultants is the single most answerable open question in this report. If none has, that absence is in itself damning.

Part VI. Political Money: What Evidence Does and Does Not Show

Political-finance evidence should be approached with the same discipline applied everywhere else in this report. A corporate political expenditure is not an employee contribution. Lobbying expenditures are not campaign contributions. A campaign vendor is not necessarily a campaign donor. And none of those facts, standing alone, establishes that a government contract was improperly awarded.

The available evidence nevertheless demonstrates that parts of the disaster-recovery industry participate actively in politics.

Tidal Basin registered lobbyists in Virginia through Two Capitols Consulting in May and June 2023 on matters pertaining to disaster preparedness, response, recovery, and mitigation.[39] State-level advocacy on disaster policy by a firm whose revenue derives from disaster-recovery contracting is a documented, ongoing practice rather than a recent development.

RESEARCH FLAG — withheld pending primary-database verification. The following were not independently verified and must be confirmed before publication. (a) Hawaiʻi Campaign Spending Commission Schedule A filings reportedly show four contributors listing Tidal Basin or TBGC as employer giving to Josh Green on June 5, 2023, totaling $5,250. Because this names private individuals, each entry must be confirmed directly in the CSC database, with the exact filer, date, amount, and employer field reproduced. (b) Organizational contributions reportedly including $100,000 to the Democratic Governors Association, $25,000 to the Florida House Republican Campaign Committee, $10,000 to the New York State Democratic Committee, and $10,000 to the Republican State Leadership Committee. (c) Federal Lobbying Disclosure Act filings by 1607 Strategies LLC on behalf of Tidal Basin reportedly showing $20,500 in Q1 2026 and $40,000 in Q2 2026. Retrieve the LD-2 report images from the Senate Office of Public Records and cite by filing ID.

If confirmed, the timing of the Hawaiʻi contributions is exculpatory rather than incriminating on its face: June 5, 2023 precedes the August 8, 2023 Lahaina fire by more than two months. They cannot responsibly be portrayed as payments made in response to a Lahaina recovery contract. What they would show is that personnel associated with a national disaster-recovery company were participating financially in Hawaiʻi politics before the disaster — which is a different and, for purposes of this report, more interesting observation.

Likewise, if the federal lobbying figures are confirmed, what they establish is narrower than influence over any Hawaiʻi award: a company whose business includes government-funded disaster recovery is paying Washington lobbyists to advocate on federal disaster-response,

[39] Virginia Conflict of Interest and Ethics Advisory Council, lobbyist registration filings, Two Capitols Consulting on behalf of Tidal Basin Government Consulting, May and June 2023.

emergency-management, and appropriations issues before the House, the Senate, and the Department of Homeland Security, of which FEMA is a component. That is an institutional relationship worth disclosing and scrutinizing even absent any allegation of illegality.

These facts should not be collapsed into an accusation of corruption. But neither should they be kept in separate databases where their relationship is practically invisible.

Part VII. The Utility Ladder: Three Approvals, One Program, Zero Dollars Collected

Utility money moves through a longer version of the same ladder, and the Hawaiian Electric wildfire program is the cleanest available demonstration of what happens on each rung. In public the program is usually described as $480 million.

Between December 2025 and June 2026 the Hawaiʻi Public Utilities Commission approved that program twice, and each approval meant something different. On December 31, 2025, the Commission issued a 260-page order approving the plan, with conditions.[40] On June 25, 2026, it authorized recovery of approximately $350 million. And Hawaiian Electric still cannot charge a customer for any of it, because the company is barred from effectuating that recovery until the Commission rules on a securitization application — an application that, as of the company's August 2026 earnings call, had not yet been filed.[41]

> Roughly $480 million of announced program. Three years since the fire. Not one dollar collected from a ratepayer, and, in Lahaina itself, nineteen new poles.

The strongest version of this argument is not the loudest one. It would be wrong to say nothing has been accomplished. Thousands of poles have been replaced. Cameras and weather stations are up. Crews are in the field. What is true, and what the record supports, is narrower and more damning: the pace is out of proportion to the stated urgency, the public cannot readily verify what has been built, and both of those conditions have identifiable structural causes. Some of those causes are deliberate features of utility regulation working as designed. Some are the consequence of a regulator that has lost capacity. Telling the two apart is the work.

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[40]Hawaiʻi Public Utilities Commission, Decision and Order No. 42228, Docket No. 2025-0156, filed December 31, 2025: (1) approving Hawaiian Electric Companies' 2025–2027 Wildfire Mitigation Plan; (2) providing instructions for the 2026–2027 WMP updates; and (3) requiring compliance with Areas for Continued Improvement.

[41]Hawaiian Electric Industries, Q2 2026 earnings call, August 2026: the PUC "granted our request to recover approximately $350 million of WMP spending through the Exceptional Project Recovery Mechanism, or EPRM," including roughly $270 million of capital and $80 million of O&M, plus up to $11.5 million of WMP-related O&M already spent in 2025 and $3.9 million of annual ongoing O&M in 2028 and beyond; management stated it would submit the financing-order request later in 2026.

What has been built

Hawaiian Electric filed its 2025–2027 Wildfire Safety Strategy on January 13, 2025 — a 179-page document expanding a plan first created in 2019 and updated in 2023.[42] It proposes, among other things, covered conductor on roughly 56 miles of overhead line by the end of 2027 at an average near $1.07 million per mile, with more than half the mileage on Maui; about $41.5 million in vegetation management and inspections; about $54.7 million in asset inspections and repairs; roughly $28 million in situational awareness tools; and an initial undergrounding of approximately two miles of overhead line in Lahaina, framed as a pilot. Another $89.1 million in wildfire-related grid modernization runs through a separate docket. About $1.5 million establishes an Ignition Management Office.

Against that, the completed work. In 2024 the company reported replacing or upgrading 2,124 wood poles, testing 5,805, replacing more than 23 miles of older overhead line, and installing thousands of fault current indicators. Its own risk modeling projects a 68 to 72 percent reduction in baseline ignition risk by the end of 2027. In 2025 it replaced or upgraded more than 980 wooden poles in Maui County.

And then there is Lahaina.

In late May 2026 — two years and nine months after a downed line ignited the fire that killed 102 people — Hawaiian Electric began what it described as the first targeted area of critical pole hardening in the town. The work: remove 20 wooden poles, install 19 made of steel or composite fiberglass, along a nearly two-mile stretch of Honoapʻīilani Highway. That phase was scheduled to run through June. The broader hardening project is expected to take two years.

Nineteen poles, thirty-three months later, on the road out of the town that burned.

For pace — not scale — consider that Southern California Edison installed more than 3,500 miles of covered conductor in roughly three and a half years, beginning in late 2018, five years before Lahaina. Hawaiian Electric proposes 56 miles by the end of 2027. SCE's system is an order of magnitude larger and the comparison is imperfect in every direction. It is still the case that one utility treated covered conductor as an emergency deployment and the other is treating it as a three-year capital program.

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[42]Hawaiian Electric, "Expanded Hawaiian Electric safety strategy details actions to reduce potential for wildfires," January 13, 2025.

Here is the part that matters most for accountability. Almost every figure in the paragraphs above comes from Hawaiian Electric. The company reports its own progress against its own targets, and until the end of 2025 there was no Commission-mandated metrics regime requiring otherwise. The Commission fixed that in D&O 42228 — which is to say it required progress and expenditure metrics twenty-eight months after the fire. In the same order the Commission identified twenty-five Areas for Continued Improvement, spanning topics including tracking progress metrics and expenditures, risk methodology, situational awareness, and vegetation management.[43]

That is the regulator conceding, in the document approving the program, that it could not verify the program.

What the Commission controls

The PUC is a three-member, quasi-judicial state body. Commissioners are appointed by the governor and confirmed by the Senate to six-year terms. Its jurisdiction spans electricity, gas, telecommunications, privately owned water and wastewater systems, interisland water carriers, and a large number of commercial passenger and freight carriers — on the order of 1,800 regulated entities. It does not regulate county water departments.

Five powers matter for following the money.

- **It decides what customers may be charged.**
  Rates must be just and reasonable under state law, and the shareholder-owned Hawaiian Electric generally cannot raise them without Commission approval. The fundamental regulatory question is never how much the utility wants to spend. It is whether the Commission will let the utility recover that money from ratepayers. If the Commission finds an expenditure imprudent or unreasonably priced, shareholders may absorb it instead. That is the difference between a cost and a recoverable cost, and it is where a great deal of money quietly changes hands.
- **It determines which investments ratepayers finance.**
  Major generation, transmission, distribution, storage, and grid-modernization spending

[43] Hawaiian Electric, 2026–27 Wildfire Mitigation Plan Update transmittal letter, Docket No. 2025-0156, stating that D&O 42228 identified twenty-five Areas for Continued Improvement to be incorporated into the update.

typically requires Commission review, or comes under scrutiny when the utility seeks recovery. Whether $1.07 million per mile of covered conductor is reasonable is a question **with an answer, and the docket is where it gets argued.**

- **It shapes what gets built and what gets bought.**
  The Commission oversees Integrated Grid Planning and reviews major power purchase agreements, which matter because a twenty- or thirty-year contract commits ratepayers to hundreds of millions in future payments.

- **It sets the incentives Hawaiian Electric responds to.**
  Traditional cost-of-service regulation rewarded building: approved capital entered the rate base and earned an authorized return. Hawai'i has been moving toward performance-based regulation. Whether that changed anything is testable here. Of the roughly $350 million in approved recovery, about $270 million is capital and $80 million is operations and maintenance. Capital earns a return. O&M generally does not. Watch that ratio.

- It regulates reliability and grid access.
  The Legislature authorized the Commission to adopt reliability standards and interconnection requirements and gave it jurisdiction over grid access procedures. Those rules will largely determine whether Hawai'i's system stays centralized around the utility or becomes meaningfully distributed.

Standing alongside all of this, and frequently confused with it, is the Division of Consumer Advocacy. The Consumer Advocate participates in Commission cases on behalf of utility consumers and recommends approval, rejection, or modification. The Commission decides; the Consumer Advocate argues the consumers' side. They are separate offices, and conflating them obscures who is accountable for an outcome.

The commission that made these decisions is under strain

The chair resigned abruptly. Leo Asuncion stepped down effective November 17, 2025, roughly seven months before his term expired. Neither he nor the governor gave a reason. Civil Beat reported the departure came amid a staff exodus and criticism for failing to implement clean energy programs. Senator Jarrett Keohokalole, who chairs Senate Commerce and Consumer

Protection, said the commission had lost upward of thirty percent of its skilled staff including ten departures in six months.

The thirty percent figure is a legislator's estimate, not an audited personnel count, and should be attributed that way every time it is used.[44] It has not, to my knowledge, been checked against payroll or vacancy records. It should be.

A senior personnel investigation closed without disclosure. An anonymous staff complaint alleged that Randy Baldemor, hired as the Commission's chief of policy and research, was not equipped for the role and had created a toxic work environment. DCCA announced that an independent consultant had completed a two-month investigation, that Baldemor and Asuncion had violated no state or DCCA policies, and that the matter was closed. The department also disclosed that five of the twenty issues examined were partially substantiated, characterizing those findings as not determinative of the overall claim. The Confidential Workplace Investigation Report was not released.

"Cleared" is not quite the word. Five partially substantiated findings inside a report the public cannot read is a different fact, and it concerns the office that helps commissioners make regulatory decisions.

The largest post-Lahaina decision was made by two people. Asuncion left November 17, 2025. Jon Itomura arrived January 14, 2026. D&O 42228 issued December 31, 2025 — squarely inside that vacancy. Under Haw. Rev. Stat. § 92-15, where no other law specifies a quorum, a majority of authorized membership constitutes one, which for a three-member body is two. A two-member decision therefore appears lawful.

RESEARCH FLAG. The signature block of D&O 42228 has not been examined directly. Confirm which commissioners signed the order before asserting that it was issued by two members during a chair vacancy.

If confirmed, the significance is institutional rather than procedural: the most consequential utility safety decision since the fire was made by two commissioners, with no chair, at an agency that had reportedly lost a substantial share of its technical staff.

The commissioners

[44] Civil Beat, reporting on the resignation of PUC Chair Leo Asuncion, November 2025, quoting Sen. Jarrett Keohokalole, Henry Curtis of Life of the Land, Isaac Moriwake of Earthjustice, and Rocky Mould of the Hawaiʻi Solar Energy Association.

- **Jon S. Itomura, Chair.**
  Appointed January 14, 2026 by Governor Green for a term ending June 30, 2032. He brings more than twenty-five years in state government: Senate Ways and Means, the Circuit Court, Deputy Attorney General, General Counsel to the Campaign Spending Commission from 1999 to 2003, and sixteen years as Supervising Attorney for the Division of Consumer Advocacy. The chair spent sixteen years running the legal office that argues the ratepayer side of cases before the body he now leads. The DCA is the consumer advocate, not a utility or an industry employer, and he left it in 2019 — so this is movement within Hawaiʻi's small regulatory ecosystem rather than a utility-to-regulator pipeline. He has not yet built the voting record to test it.

- **Naomi U. Kuwaye.**
  Appointed by Governor Ige, confirmed for a term running July 1, 2022 through June 30, 2028. Previously an attorney at Ashford & Wriston since 2012.

- **Colin A. Yost.**
  First appointed November 1, 2022 by Governor Ige, re-nominated by Governor Green, confirmed through June 30, 2030. He was part-owner of the Oʻahu solar company RevoluSun. From 1998 to 2003 he was an Assistant Attorney General in Oregon, where he led that state's investigation and prosecution of Enron, Duke Energy, and the Williams Energy Companies over the 2000–2001 West Coast electricity crisis, securing settlements worth $32 million to Oregon.
  Yost carries the only publicly documented appearance-of-bias dispute on the current commission. Hawaiian Electric challenged his impartiality based on his solar-industry background, objections the company pressed even after Yost recused himself for six months from certain dockets. Yost disclosed the relationships, divested from RevoluSun and its affiliates, resigned his PV Coalition and Blue Planet Foundation positions, and volunteered to remain in the background of the performance-based regulation docket initially. Hawaiian Electric eventually said it considered the matter resolved. The accurate characterization is a potential conflict disclosed and managed through divestiture and recusal. No ethics body has found a violation.

The unresolved question underneath all of it

Hawaiʻi law requires utilities to report accidents connected to their operations and provides that the Commission shall investigate the causes of any accident which results in loss of life. Whether the Commission satisfied that duty after Lahaina remains genuinely disputed, and this report does not resolve it.

- **The legislative critique.**
  A 2024 Senate resolution stated that the Commission had failed to investigate the causes of the August 2023 fires and urged compliance with its statutory duty. At the March 22, 2024 hearing, Commissioner Yost told senators that determining how the fires started fell outside the Commission's expertise — they are not forensic fire investigators, he said, and lack the competency and resources to determine the cause and assign responsibility. Asked why no formal docket had been opened, he said a docket is a slow, laborious process that would not produce quick answers.
- **The Commission's position.**
  It opened Case No. 2024-01872 on January 23, 2024, a non-docketed compliance investigation covering the Lahaina and Upcountry Maui fires plus the Mililani Mauka and Waiʻanae fires, conducted through information requests, and it dedicated staff to support the ATF and Maui Fire Department cause-and-origin investigation. The Commission has maintained throughout that this fulfills its statutory mandate.

The structural problem is that a non-docketed case is, by the Commission's own description, primarily an information repository that cannot be used for decision-making. Twenty entries and 1,181 pages of utility responses have accumulated inside a container that is not capable of producing a finding.

The vessel chosen for the inquiry was never capable of holding a conclusion.

RESEARCH FLAG. The 1,181 pages in Case No. 2024-01872 have not been systematically reviewed. A page-by-page reading of Hawaiian Electric's responses is the highest-value unstarted research task identified in this report.

No court or administrative body appears to have resolved whether that satisfies the statute. That is the accurate state of the record, and stated plainly it is harder to answer than an accusation would be.

Why the system moves this slowly

1. **The proceedings are serial, not parallel.**
   Hawaiian Electric filed the strategy in January 2025. The Commission approved the plan on December 31, 2025 — roughly twelve months. Cost recovery was decided June 25, 2026 — roughly another six. The securitization application had not been filed as of August 2026. Each stage is a separate proceeding with its own record, its own intervenors, and its own timeline. Some of this is legitimate: due process and prudence review are the reason ratepayers are not simply billed for whatever a monopoly decides to spend. But sequencing is a choice, and nothing in the statute requires that safety work wait for the recovery mechanism to be litigated to conclusion.

2. **The accountability inquiry was routed into a container that cannot conclude.**
   Faced with a statutory duty to investigate a fatal accident, the Commission opened a non-docketed case. Whether that was prudence, deference to ATF, resource triage, or avoidance, the effect is identical: there is no Commission determination about what Hawaiian Electric did or failed to do before August 8, 2023, and the body statutorily charged with making one has structured its inquiry so that it cannot.

3. **Regulatory capacity has degraded.**
   A commission that reportedly lost roughly a third of its technical staff, went two months without a chair, closed a senior personnel investigation without disclosure, and issued its largest post-fire decision with two members is not equipped to audit a $350 million spending program in real time. The prudence review is only as good as the staff who can read the workpapers.

4. **The performance record is self-reported.**
   Nearly every progress figure in public circulation originates with Hawaiian Electric, including the projected 68 to 72 percent risk reduction. Until the metrics regime produces public output, the honest answer to "what has been hardened?" is that we have the company's word.

5. **The financing structure decouples payment from performance.**
   Hawaiian Electric intends to securitize the approved wildfire costs and says this lowers

costs to customers. It generally does reduce carrying cost, and the company's chief financial officer has confirmed that securitized costs would not enter rate base — a qualification that cuts against the simplest version of this critique and is retained for that reason. But securitization also typically converts the expenditure into a dedicated ratepayer charge backed by bonds, an obligation deliberately difficult to unwind, repaid on schedule regardless of whether the underlying work reduces ignition risk as modeled. The order on that application is the rung at which an approved cost becomes a locked-in one.

Meanwhile the company's financial position has improved. S&P and Moody's both upgraded Hawaiian Electric and its parent. HEI reported second-quarter 2026 net income of $123.2 million, driven largely by a non-cash reclassification of the remaining Maui wildfire settlement liability from contingent to contractual after final conditions to payment were met. The $4 billion Maui settlement is being distributed in four annual installments, with roughly $2 billion coming from Hawaiian Electric; the first installment of $479 million was transferred in April 2026 for court-managed distribution.[45]

A utility whose credit is recovering, whose mitigation costs have been approved for recovery, whose payments will be locked in through securitization, and whose regulator has lost a substantial share of its staff is a specific configuration of risk. It is worth naming as such.

[45] Honolulu Star-Advertiser, August 8, 2026; Hawaiian Electric Industries Q2 2026 earnings materials (see note 41).

The program's position on the ladder

Rung	Status as of August 30, 2026
Proposed	A roughly $480 million three-year program, filed January 13, 2025.
Plan approved	D&O 42228, December 31, 2025, with conditions and twenty-five Areas for Continued Improvement.
Cost recovery authorized	Roughly $350 million approved June 25, 2026 through the Exceptional Project Recovery Mechanism: about $270 million capital, $80 million O&M, plus up to $11.5 million for 2025 O&M and $3.9 million annual ongoing O&M from 2028.
Collection permitted	No. Barred pending a securitization order on an application not yet filed.
Collected, spent, built, return earned	Open.

The estimated bill impact, once collection begins, was initially projected at about $1.05 a month on Oʻahu, $2.86 on Hawaiʻi Island, and $5.41 in Maui County for a residential customer using 500 kilowatt-hours.[46]

The unresolved gap between $480 million and $350 million

Hawaiian Electric has said about a third of the program cost was previously funded through existing programs, including a federal grid resilience grant received in 2024, and therefore sought roughly $350 million from customers. But the company's own filing anticipates about $52 million in federal and state grant funding, putting net spending near $483 million. A third of $480 million is roughly $130 million. Fifty-two million is not that.

These may reconcile — "existing programs" plausibly means previously authorized recovery mechanisms, with grant money as a subset. But they are not the same claim, and the difference is on the order of $80 million.

Resolving it also answers a question this project has been chasing for months: how much of the federal Grid Resilience and Innovation Partnerships award has Hawaiian Electric actually drawn down?

Cost-recovery regulation should force that number onto the record, because the company must show the Commission exactly what offset its request. That accounting exists. It is simply not indexed anywhere a member of the public would find it.

[46]Honolulu Star-Advertiser, August 8, 2026 (see note 45). The Star-Advertiser reports these figures as spread over sixty years; the amortization period should be confirmed against the EPRM order before republication.

Two further qualifications cut against the simplest version of this critique and are retained. Securitized wildfire mitigation costs will not enter rate base. And the Commission discharged both of its Act 258 study obligations on time, completing the wildfire recovery fund study concurrently with D&O 42228 and concluding that such a fund is likely warranted in the future but should not be established until interconnected issues are resolved.

Part VIII. What Evidence Supports

The evidence reviewed does not support the claim that private consultants determined that Puna should receive $107.561 million or Maui $1.639 billion. Nor does it support a conclusion that Hawaiʻi disaster contracts were exchanged for campaign contributions. No such finding is made here.

It supports the following.

#	Finding	Status
1	Neither the United States nor the State of Hawaiʻi maintains any record following a disaster from estimated damage through appropriation, award, obligation, disbursement, contractor, and finished asset.	Verified
2	The most complete public disaster accounting the State produces — the HI-EMA History page — does not internally reconcile, with gaps of 4.80 to 8.30 percent across four declarations.	Verified (arithmetic by author)
3	Quarterly performance reporting on a 2018 Kauaʻi CDBG-DR grant stopped after Q4 2024, leaving no public accounting for 2025 or 2026.	Verified
4	Section 428 fixed-cost estimates make announced and built amounts structurally non-comparable, and the agreements are not published.	Verified
5	FHWA Emergency Relief backlogs are a national structural problem, not a Hawaiʻi spending failure. This distinction is editorially essential.	Verified (CRS R48297)
6	A composite recovery percentage that folds a permit application together with an occupied home is not a measure of housing, and it is the number that travels.	Verified
7	A previously committed federal obligation can be re-announced so as to create the impression of new money.	Verified
8	The Lala emergency declaration authorizes no permanent work and no Individual Assistance, and covers one county rather than the three named in the state's announcement.	Verified
9	A major disaster declaration request for the South Kona earthquake has been undecided for one hundred days, during which the event appears in no federal dataset.	Verified

#	Finding	Status
10	Private disaster-recovery firms have become important intermediaries between public damage and public money, performing functions from damage validation through program design and compliance monitoring.	Verified in part; specific scope claims flagged
11	Contract ceilings are routinely reported as disbursements. Maui's total Office of Recovery professional-services spending was $6,210,688 as of April 1, 2026 — an order of magnitude below the sum of the ceilings.	Verified
12	At least one such firm has been the subject of an independent audit finding that the contracting government could not verify what it paid.	Verified
13	The audit found failure to verify, not overbilling. The distinction is the report's central point and must not be overstated.	Verified
14	No published examination establishes that any Hawaiʻi auditor has performed the equivalent review of the same firms working here.	Open question; absence would itself be a finding
15	Parts of the industry participate in politics through lobbying and contributions, and at least one firm was founded by a former senior FEMA official.	Verified as to lobbying and founding; contribution figures flagged
16	The Commission required progress and expenditure metrics twenty-eight months after the Lahaina fire, and identified twenty-five Areas for Continued Improvement in the same order approving the program.	Verified
17	A statutory duty to investigate a fatal accident was routed into a non-docketed case that cannot produce a finding.	Verified as to structure; legal sufficiency unresolved
18	Three years after the fire, no dollar of the wildfire mitigation program has been collected from a ratepayer, and the securitization application enabling collection has not been filed.	Verified

Those facts should not be collapsed into an accusation of corruption. The appropriate response is verification capacity and disclosure — in that order of urgency, with verification first.

Part IX. Remedies

For the State and counties

1. **Commission an audit of payments to disaster-recovery consultants.**
   The Hawaiʻi State Auditor, or the counties' auditors, should perform the examination the New York Comptroller performed: whether invoices were compared against approved staffing plans, whether official duty stations were designated, and what documentation supports each certification that a charge was just, true, correct, and appropriate to pay. This is the single highest-value action identified in this report and requires no new legislation.

2. **Publish a single continuously updated record for every major disaster-recovery consultant.**
   It should carry: contract information (original contract, procurement method, competing bidders, scoring sheets, amendments, task orders, maximum authorized value, funding source, responsible official); payment information (every invoice, invoice date, amount billed, amount approved, amount actually paid, cumulative payment to date); verification information (who reviewed each invoice, against what approved plan, and what documentation supports the certification); work product (damage and needs assessments, benefit-cost analyses, project rankings, Action Plan drafting assignments, program-design memoranda, reimbursement packages); funding influence (whether the consultant participated in preparing any estimate, project worksheet, needs calculation, or federal application used to determine an award); political-finance information; lobbying information; prior-jurisdiction record, so that a corporate reorganization does not reset the public record; and chronology, placing all of the above on one timeline.

3. **Annotate the HI-EMA History page.**
   Add a third line for Category Z and administrative costs, or a footnote stating that the itemization is partial. This is a one-afternoon fix to a five-to-eight percent unexplained discrepancy in the state's official disaster record.

4. Publish Section 428 fixed-cost agreements.

Where alternative procedures are used, publish the agreement and the fixed-cost estimate so the public can distinguish a saving from a scope reduction.

5. Restore and backfill Kauaʻi's quarterly performance reporting.

Six quarters are missing on a grant awarded in response to a 2018 disaster.

6. Distinguish request from designation in state announcements.

When a federal designation is narrower than the state's request, say so in the same release.

7. Build the invoice-level Hawaiʻi Disaster Recovery Ledger.

For each disaster: who documented the damage; who translated that damage into an eligible government claim; who was paid to maximize or administer the federal recovery, and how much has actually been paid; who decided how the money would be divided among programs; and what has physically been completed. The records needed already exist. They are dispersed among county procurement systems, accounts-payable records, FEMA and HUD filings, legislative reports, lobbying disclosures, campaign-finance databases, contract amendments, council records, and departmental websites. The fundamental transparency failure is that government does not assemble them — and, as New York discovered, sometimes does not read them either.

For the Public Utilities Commission and the Legislature

8. Publish a quarterly mitigation scorecard.

The metrics regime ordered in December 2025 should produce a public quarterly report: miles of covered conductor installed against miles planned, poles hardened against poles planned, dollars spent against dollars approved, broken out by island. Not a narrative update. A table.

9. Attach performance conditions to the securitization order.

If ratepayers are to be locked into a bond-backed charge, the order authorizing it is the last practical moment to condition recovery on verified delivery.

10. Resolve Case No. 2024-01872.

Convert it to a docket capable of producing findings, or close it with a written statement of what the Commission concluded and why it declined to proceed further. An open container that cannot conclude is worse than either.

11. Release the workplace investigation report, or state the legal basis for withholding it.

Five partially substantiated findings about the office that briefs commissioners is a matter of public interest.

12. Audit the staffing figure and fund the gap.

The Legislature should establish, from payroll and vacancy records, what the Commission actually lost, and fund the technical staff required to audit a program of this size. A regulator that cannot read the workpapers cannot conduct a prudence review.

13. Put the federal drawdown on the record.

Hawaiian Electric should publish, and the Commission should require, a plain accounting of federal grant funds received and expended against the wildfire and grid resilience programs.

None of this requires new legislation. All of it requires someone to ask.

Conclusion: The Distance

The claim that government has spent billions on disaster recovery in Hawaiʻi is true. **It also is impossible to evaluate.**

Any such figure combines emergency response with temporary housing, debris removal with insurance payments, loans with grants, road repair with mitigation, administrative overhead with intergovernmental reimbursement — and money merely obligated for work not yet begun with money actually converted into asphalt and framing. In the Emergency Relief program it may combine all of that with money sitting in a fourteen-year national queue.

The concentration of loss is stark. The Maui fires, the March 2026 Kona Lows, and the 2018 Kīlauea eruption account for the overwhelming majority of documented damage over twenty years. Add Hurricane Lane, Tropical Storm Iselle, the Kīholo Bay earthquakes, and the 2018 Kauaʻi floods and essentially all the major economic damage of two decades sits inside seven events. The other ten are, in dollar terms, small — and they consume the same machinery, generate the same reporting obligations, and vanish from public view at the same rate.

What the record shows, across two decades and four counties, is that Hawaiʻi is competent at emergency response and slow at permanent reconstruction, and that the public accounting is organized around the former. Debris is removed and reported. Roads are reopened and announced. Declarations are issued and celebrated. What happens in the years between the announcement and the finished house is recorded in quarterly reports that sometimes stop appearing, in fixed-cost agreements that are never published, in composite percentages that fold a permit application together with an occupied home, and on a state history page whose own columns do not add up.

Disaster recovery creates unusually favorable conditions for the expansion of private administrative power. Governments are under intense pressure to act rapidly. Federal programs are complicated. Local agencies may lack enough permanent staff to manage billion-dollar grants. Specialized consultants can therefore provide genuine and necessary expertise.

The danger is not consulting itself. The danger is dependency without verification.

Puna demonstrates that revised technical estimates — and senatorial advocacy — can materially change the amount of federal recovery money available. Maui demonstrates that a private consultant can move from recovery management into program design governing a $1.639 billion federal grant. New York demonstrates what happens at the far end of that relationship when the contracting agency lacks the controls to confirm what it is paying for. And the Public Utilities Commission demonstrates that the same collapse happens inside a regulatory body: an approved plan, an authorized recovery, and no collected dollar, described in public as one number.

None of that proves corruption. It proves that the old accounting model — publishing a contract award and calling that transparency — is inadequate.

Appropriated is not awarded. Awarded is not spent. Spent is not built.

In South Kona, one hundred days after the earthquake, it is not even requested and granted.

The question is no longer simply where did the disaster money go. It is: who shaped the decisions that moved it there — and did anyone check?

Appendix A. Verification Register

The following items are flagged in the text above and remain open. No claim resting on them should be published in unqualified form until each is resolved. Items are ordered by the author's assessment of how much weight the argument places on them.

Priority	Item	What to obtain
1	Tetra Tech Cape Coral proposal (Contract REM2586KMR)	Obtain the proposal document and confirm the quoted characterization of the Maui CDBG-DR program-design work. This is the most load-bearing unverified claim in the report.
2	Hawaiʻi analogue to the New York examination	Determine whether the Hawaiʻi State Auditor or any county auditor has examined payments to disaster-recovery consultants. If none has, document the inquiry and treat the absence as a finding.
3	86 FR 569 (FR-6240-N-01)	Locate and quote the passage supporting the $1.5M / $378K / $96M / $24M figures, or strike them. Distinguish from the CDBG-MIT notice at 86 FR 561 (FR-6239-N-01).
4	D&O 42228 signature block	Confirm which commissioners signed, and whether the order issued during the chair vacancy.
5	Case No. 2024-01872	Systematic review of the twenty entries and 1,181 pages of Hawaiian Electric responses.
6	Maui Contracts C8143 and C8584	Confirm original amounts, all amendments, current certified totals, and — separately — amounts actually paid to date. Also C8181, C8154, C8164, C8313.
7	Tetra Tech Hawaiʻi County engagement	Verify the $2,040,989 figure and scope against the executed contract and payment records.
8	Act 9, SLH 2019 (H.B. 1180)	Confirm the $20M subsidy / $40M loan split and the County Council release condition against the enrolled text.
9	Hawaiʻi Campaign Spending Commission	Confirm each June 5, 2023 contribution individually, including the employer field as filed. Names private individuals; do not publish unverified.
10	1607 Strategies LD-2 filings	Retrieve report images from the Senate Office of Public Records and cite by filing ID.
11	Tidal Basin organizational contributions	Confirm each against ProPublica 527 Explorer, Transparency USA, and RSLC filings.

Priority	Item	What to obtain
12	Kona Low cost share	Obtain any FEMA determination establishing the applicable Public Assistance federal cost share for DR-4909-HI. The 90 percent figure was requested, not confirmed as granted.
13	New York DHSES response	Obtain the Division's response to the examination, due March 12, 2026, and any subsequent recovery of improper payments.
14	EPRM amortization period	Confirm the recovery period underlying the $1.05 / $2.86 / $5.41 monthly bill impact figures.
15	PUC staffing	Obtain payroll and vacancy records to test the thirty percent attrition estimate.
16	Maui allocation date	Reconcile the HUD transmittal letter date of December 21, 2024 against the County's and the Federal Register's January 2025 dating.
17	Hurricane Lala fatalities	Reconcile contemporaneous reporting of one death on August 16 against two deaths reported August 26.
18	Kauaʻi CDBG-DR quarterly reports	Ask the County Housing Agency directly whether reports for 2025–2026 exist and were simply not posted.