

# REPORT HAWAII CORRUPTION

[FACEBOOK.COM/GROUP/REPORTHAWAII/CORRUPTION](https://www.facebook.com/group/reporthawaii/corruption)

## ***WAIKOLOA HIGHLANDS HEIST: LEGAL BRIEF & EXECUTIVE SUMMARY***

Honolulu, HI (1-13-20)—The conveyance of 11.7 acres of the most valuable “commercial” portion of the “Waikoloa Highlands Project” (“WHP”) property by County of Hawaii officials to a hallucinogenic drug trafficker, indicted forger and veteran land thief, resulted in the loss of 48 affordable housing units for low income families in Hawaii.

According to Hawaii County tax records and Land Use Commission transcripts, Hilo lawyer, Paul J. Sulla Jr. was both the member and the attorney of record for the 11.7 acre property transfer from Waikoloa Highlands to his own LLC, Plumeria Waikoloa. Corporate counsel, the Mayor's Office and the County Office of Housing and Community Development all signed off on the transfer for the benefit of low income families in dire need of affordable housing.

Ch 11 of the Hawaii Housing Code, required Sulla's LLC ( the transferee), to be a non-profit entity, and the original deed, executed by the Armenian-Ukrainian developer, clearly evidences a lawful transfer to a non-profit. The record is undisputed. Subsequent to its receipt by the County, the deed was altered illegally, and transferred to a for-profit entity with Sulla as the exclusive named member.

The registered name on the forged (void) deed is “PLUMERIA AT WAIKOLOA, LLC, a Hawai'i limited liability company.” The transfer from WAIKOLOA HIGHLANDS, INC. a Colorado Corporation, representing the Armenian-Ukrainian business interests of Valery and Vitale Grigoryants of Arch Limited and Vitoil Co., was executed on June 1, 2017, but not recorded with the State of Hawaii's Bureau of Conveyances until January

29, 2018, with page 2 illegally altered to permit the for-profit sale of the land by Sulla and Plumeria in favor of, quoting Sulla, a “consortium” of interests.

According to a legal notice issued by Mayor Harry Kim on June 22, 2017, to the U.S. Army’s Director of Munitions and Chemical Matters (ODASA [ESOH]) pursuant to clearing the subject property of “unexploded ordinances” (i.e., bombs) and shell casings, cc’d to Senators Mazie Hirono and Brian Schatz, and Representatives Colleen Hanabusa and Tulsi Gabbard, “Plumeria at Waikoloa (JSM Enterprises)” designated the subject property owner.

It is noteworthy that the “JSM Enterprises” designation referenced by Mayor Kim to represent “Plumeria at Waikoloa” presumably references an enterprise with Sulla’s son, “Jason Sulla-Menashe.” On Jan. 11, 2020 Jason Sulla-Menashe was indicted by a Hilo grand jury on charges of child pornography and soliciting sex with minors. Sulla appeared in court to represent his son. It must, therefore, be presumed that Sulla, who was indicted for deed forgery and property theft on December 4, 2019, represents Plumeria at Waikoloa with his indicted son, Jason Sulla-Menashe, as members of the “consortium” that administered these transactions under the County’s instruction and jurisdiction.

According to County of Hawaii Tax Department records, the land was designated “AGRICULTURAL” with a map change on May 15, 2017 showing zero sale amount, reflecting the Grigoryants’ donation of the 11.7 acres under County direction. On June 1, 2017, at the time of the conveyance to the non-profit Plumeria, Sulla purportedly administered the sale amount of \$55,000.00 for the land assessed at \$921,900.

Then, on April 24, 2018, Plumeria (administered by Sulla) “sold” the land to a company named “PUA MELIA, LLC” (Hawaiian for “Plumeria, LLC”) with a Mr. Danny Joseph Julkowski designated as the owner proposing to build a True Value hardware store on the land.

Accordingly, and by Sulla’s own written admission, Sulla paid \$0 (zero dollars) for the property, and then ‘flipped it,’ with County approval, to purportedly Mr. Julkowski, a True Value hardware investor for a reported gain of \$1,500,000.

When asked by *Environment Hawaii* investigator Patricia Tummons who else was associated with the transaction, Sulla refused to answer, stating only that it was a “consortium”.

This illegal alteration of the transferee from a non-profit to a profit entity provided County officials with the 'legal' excuse to void the affordable housing deal the County made with the Grigoryants' company, WAIKOLOA HIGHLANDS, INC., and balk over the far more profitable 201H mixed use development leveraged by the unidentified "consortium."

According to a U.S. Senator Brian Schatz publication of December 17, 2019, the Federal Government gave \$44.5 million, in 2018 to Hawaii to fund the HOME Investment Partnership program which provides resources to help communities build and maintain affordable housing. Such affordable housing is codified by the State Act 127 as a top state priority.

Consequently, the loss of 80 affordable housing units caused by the aforementioned transactions of the consortium not only countermands the intent of the Hawaii State Legislature and Federal Government, but adds insult to injury to every low-income family in the state, especially those who recently lost their homes to volcanic eruptions on the Big Island.

On December 4, 2019, when Sulla was indicted by a 12-member grand jury for a different 2016 deed forgery property theft scheme, prosecutors and the news media neglected a series of complaints filed with local, state and federal law enforcers regarding Sulla's public advertisements and admissions, that the church property his forgery(ies) had converted, had been transformed into a drug distribution hub for schedule 1 hallucinogenics. To the time of this writing, Sulla continues to operate this illegal drug trafficking enterprise with impunity under the blind eyes of local, state and federal law enforcers.

Multiple other alleged Sulla forgeries and criminal activities remain neglected on the Big Island, which appear to have empowered Sulla's consortium to transact this latest round of deed chicanery.

The Affordable Housing agreement and deed alteration at Waikoloa Highlands was the subject of a Land Use Commission hearing on November 18, 2018. Rather than getting to the truth of what occurred, County Commissioners inexplicably quashed a subpoena that would have provided answers.

Over 1 year later, the County is still silent as to why they agreed to the illegal deal with Sulla resulting in the loss of at least 48 units of affordable housing. While the County has denounced the affordable Housing

agreement as an ‘ultra vires act,’ paving the way for the property's commercial development, it seems unwilling to impose the required constructive trust on Sulla's \$1,500,000 windfall. Public duty, under the circumstances, compels such a constructive trust be formed for the benefit of the defrauded developer and for the people of the State of Hawaii.

“If there is all this noncompliance going on, why hasn't the County taken enforcement actions instead of just leaving us to do what amounts to what some people consider the death penalty in land use law?” asked Land Commissioner Gary Okuda of Ron Kim, Planning Program Co-manager, and Deputy Corporation Counsel for the County, regarding these oversights.

The Commissioner's reference to non-compliance included the elephant under the carpet. How is it possible that a deed in the County's control could have been illegally altered in violation of the Hawaii Housing Code, yet no one is willing to bring the perpetrator(s) to justice?

Steven Lim, lawyer for the defrauded Armenian and Ukrainian investors, asked, “Who would have been the person from the County that would be responsible for that?”

Jeff Darrow, Planning Program Manager, Deputy Corporate Counsel replied, “This would have been the members of the Office of Housing and Community Development, as well as our Corporation Counsel, and I believe that Mayor as well, and the parties, the Applicant themselves.”

Darrow was referring to Susan Akiyama, Alan Rudo and Neil S. Gyotoku, Housing Administrators; Amy Self, Deputy Corporation Counsel; incoming and outgoing Mayors Harry Kim and Billy Kenoi; and agent Stephan Martirosian who was indicted and jailed in Armenia for stealing at least \$50 million from the Grigoryants' WAIKOLOA HIGHLANDS, INC. seed fund. There is probable cause to suspect Martirosian and Sulla (working for the County-consortium) had a ‘meeting of the minds’ that resulted in the legal donation of the 11.7 acres from WAIKOLOA HIGHLANDS, INC. to Plumeria, non-profit, and illegal forgery by Sulla to convert Plumeria non-profit into Plumeria, LLC for-profit.

Lim noted that, “the County Office of Housing and Community Development, which I'll call OHCD, prepared all the documents for the transfer[s].”

When Administrator Gyotoku of OHCD was questioned under oath, he testified that even though the altered deed had been under County control when the forgery occurred, he had no idea how the forgery happened.

The evidentiary record however speaks volumes. In the end, Paul Sulla's companies pocketed 1.5 million dollars at the expense of low income families in dire need of affordable housing.

--End--

NOTE TO JOURNALISTS: The Hawaii news media has generally neglected this expanding story of great social importance (despite being adequately noticed). Major Hawaii media receiving this information will be contacted in the coming days to serve the public's trust under First Amendment license and accountability.