

# The Maui News

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## Mukai enters the mix as Liquor Commission director

WAILUKU – The 63-year-old Maui Beach Hotel lost its liquor license for the first time ever and has been dry since July 1, officials told the county Department of Liquor Control Commission Wednesday.

It's just one of the glitches the commission is dealing with as new director Glenn Mukai settles into the job.

Wailuku attorney Craig Nakamura, who represents the hotel, said its application had been rejected over an incomplete floor plan and other "minor technicalities." He asked the commission for a temporary liquor license and changes to its handling of applications.

"Right now, they consider June 15 to be the absolute cutoff," Nakamura told commissioners. "If it's not submitted and correct by that date, you lose your license. It's not renewed."

The deadline for applications had been June 30, but because many licensees turned in their applications at the end of the month, county Liquor Control Department staff did not have enough time to review each application, commission Chairman Robert Tanaka said.

He said the deadline was moved earlier to give staff had enough time to review applications and allow licensees two weeks to resubmit a new application if there were any errors.

Nakamura said there was "a lot of confusion this time around by licensees," but the Maui Beach Hotel faced additional hurdles with finding the original floor plans of the hotel built in 1953 and other conditions

following the hotel's acquisition by owner Peter Savio in 2014. In the past, former director Frank Silva was more "liberal" and "supportive" of businesses and gave them a few days to do corrections, Nakamura said.

"We're saying in situations where there's minor technical defects, that the director should have some kind of authority to use discretion and allow that," Nakamura said.

About 45 businesses faced issues with applications this year, said Karilee Yoshizawa, supervising investigator of the county Liquor Control Department.

Mukai said his department sends out renewal applications "way ahead of time," but many wait until the last minute before submitting applications.

"Throughout the process, we keep calling and reminding those who have not filed to turn in their application – all the way until the last day," he told commissioners. "In Maui Beach's case, I think we called them two or three times."

Wailuku attorney Dave Jorgensen, who also represents businesses seeking licenses, asked the commission to consider allowing the department to "white-out" errors instead of rejecting applications. He said there have been times where the department has called his office to let him know of mistakes, which are immediately corrected.

"But there's times where people aren't available, and they don't know there's that mistake, and the application is rejected for it," Jorgensen said. "That's not a material problem."

The hotel's application was later granted administratively by the department on the condition that an acceptable floor plan be submitted within one month. Commissioners asked about whether they could give the director discretion over minor mistakes in applications, but could not Wednesday because that matter was not listed on the meeting agenda.

"The problem is that the licensee knows about this deadline, but they wait to the last minute and try to submit it," Tanaka said. "We're going to work

on this and try to resolve this kind of issue and hopefully we'll give the director those discretionary powers.”

Following the commission's monthly public hearing, Mukai appeared to be settling in as new director of the department after Silva retired in November. Mukai was appointed to his post on May 24, concluding an eight-month hunt for a new director.

The department has long been the subject of federal investigations, with allegations of nepotism, preferential treatment and lack of transparency. Former director Joseph Souza was accused of receiving payments from a convicted felon who had illegally been granted a liquor license, but no charges were ever brought and he retired in 1993.

Silva became the next director and after he retired, liquor commissioner Dana Souza, son of Joseph Souza, was chosen as director after commissioners waived the selection process. He later declined the position.

Mukai said he is “slowly correcting things” after completing a management audit of the department. He said he is in the final process of formatting all the rules of the department and will be distributing them to licensees.

He said: “We have a great department. Good employees. They're working hard. It's just a matter of fixing these little things like the rules and all these things.”

Mukai's daughter, Yoshizawa, sat beside him during Wednesday's meeting and he said that is typical for her job. He said the director normally answers the commission's questions, and the supervisor presents the license applications.

“I don't even think of father, daughter,” he said. “She might be overworked since I've been here.”

Mukai has not hired a deputy director and told commissioners it would take several months for him to set up a committee to find a deputy. Former

Deputy Director Traci Fujita-Villarosa, who applied for the director position and lost to Mukai, was not kept on after her term ended.

Asked if Fujita-Villarosa could have continued to serve as deputy director, Mukai said he did not want a deputy “because I told the commission exactly what I’m going to do and I can only focus on that.

“I’m not going to promise anybody anything, or give them false hope or whatever it may be,” he said. “She knew her term ended, she thanked me and she left.”

In the meantime, Mukai has brought back a small-business committee to help the department work with licensees on rules and regulations. He said he created the Small Business Review and Advisory Committee when he served as deputy director under Silva, but it dissolved after he retired.

“When I came back, I felt that’s how you touch bases with licensees and they can immediately call me and tell me what’s happening out there,” he said. “We don’t live in ivory towers, right? So they call me and say this and this and this, and you can resolve the problem immediately.”

Mukai advocated for increased transparency with liquor licensees, adding that attorneys and business owners “know I follow the rules.” He said he provides “no favoritism” and treats every applicant the same.

When asked if he would post the minutes from the commission’s public hearings on the department’s website, he said would look into it. The department has agendas dating back to 2005 posted online, but no minutes. Currently, minutes from the hearings must be requested from the department.

“We don’t hide anything,” he said. “Like I tell the committee, I’ll tell you what kind of operation we’re running. I’ll show you the budget. Whatever you want to know, it’s public record, I’ll tell you – or anybody.”

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