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Hawaii News

Candidate did not report developers' contribution

By [Sophie Cocke](#)

Posted November 05, 2016

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Cedric Gates, who is running for a state House seat representing Waianae, Makaha and Makua, failed to disclose \$1,500 in campaign contributions he received during the Democratic primary from developers working on a \$300 million resort, spa and golf course in Makaha Valley.

At the time, Gates was locked in a contentious race with state Rep. Jo Jordan, whom he ousted during the August primary after receiving 1,219 votes to her 979. He's now facing Republican challenger Marc Paaluhi in the general election.

Gates said that his failure to list a \$1,000 contribution from Stanford Carr Development and a \$500 contribution from Kane Group in his primary campaign report was an honest mistake.

"My campaign committee made a mistake in our primary election report and I take full responsibility," Gates said by email. "We truly believe in transparency, our campaign is doing our best to meet all of the requirements and I have already reached out to the Campaign Spending Commission to address this matter and to make sure we are in full compliance moving forward."

Gates could face a fine of \$250 from the Hawaii Campaign Spending Commission or a misdemeanor charge if the commission determines that the contributions were intentionally left out of his primary disclosure report.

Gary Kam, general counsel for the Hawaii Campaign Spending Commission, said that his office is looking into Gates' filings.

The primary campaign contributions were included in aggregate figures disclosed on Gates' Nov. 1 filing for the general election.

In total, Gates lists \$1,250 in contributions from Stanford Carr Development this election cycle and \$1,500 from Kane Group, whose principal is Micah Kane.

In January, developer Stanford Carr Development and Pacific Links International publicly announced a \$300 million joint venture to develop a new resort, spa and world-class golf course in Makaha Valley. The development was touted as a master-planned destination resort community.

Kane served as chief operating officer for Pacific Links before joining the Hawaii Community Foundation at the end of last year. He still serves as an adviser to Pacific Links Hawaii, according to the company's website, and helped announce the development plans for Makaha Valley in January.

Jordan, the only incumbent in the Legislature to be ousted during the primary, said that she was "disheartened" to hear about the unreported campaign contributions.

"It is very critical that candidates correctly report their contributions and their expenditures, because that is what transparency is all about," she said.

Jordan said she never publicly took a position on the development.

Calvin Endo, a member of the Waianae Neighborhood Board, said the planned development has stirred some controversy in the community.

He said the community hadn't been fully briefed on what the resort is expected to look like and that there are concerns that historic structures are being demolished at the site of the shuttered Makaha Valley Resort.