

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1205227-0

Total Deleted Page(s) = 45

Page 18 ~ b6; b7C;
Page 23 ~ Referral/Direct;
Page 24 ~ Referral/Direct;
Page 25 ~ Referral/Direct;
Page 26 ~ Referral/Direct;
Page 27 ~ Referral/Direct;
Page 28 ~ Referral/Direct;
Page 29 ~ Referral/Direct;
Page 30 ~ Referral/Direct;
Page 31 ~ Referral/Direct;
Page 32 ~ Referral/Direct;
Page 33 ~ Referral/Direct;
Page 34 ~ Referral/Direct;
Page 35 ~ Referral/Direct;
Page 36 ~ Referral/Direct;
Page 37 ~ Referral/Direct;
Page 38 ~ Referral/Direct;
Page 39 ~ Referral/Direct;
Page 40 ~ Referral/Direct;
Page 41 ~ Referral/Direct;
Page 42 ~ Referral/Direct;
Page 43 ~ Referral/Direct;
Page 44 ~ Referral/Direct;
Page 45 ~ Referral/Direct;
Page 46 ~ Referral/Direct;
Page 47 ~ Referral/Direct;
Page 48 ~ b6; b7C;
Page 49 ~ b6; b7C;
Page 129 ~ b6; b7C;
Page 130 ~ b6; b7C;
Page 131 ~ b6; b7C;
Page 132 ~ b6; b7C;
Page 133 ~ b6; b7C;
Page 134 ~ b6; b7C;
Page 135 ~ b6; b7C;
Page 136 ~ b6; b7C;
Page 137 ~ b6; b7C;
Page 138 ~ b6; b7C;
Page 139 ~ b6; b7C;
Page 140 ~ b6; b7C;
Page 141 ~ b6; b7C;
Page 142 ~ b6; b7C;
Page 143 ~ b6; b7C;
Page 144 ~ b6; b7C;
Page 145 ~ b6; b7C;

```
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
X   Deleted Page(s)         X
X   No Duplication Fee      X
X   For this Page           X
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
```

DANIEL K. INOUE
HAWAII

APPROPRIATIONS
Subcommittee on Defense—Ranking Member

COMMERCE
Subcommittee on Surface Transportation and
Merchant Marine—Ranking Member

COMMITTEE ON INDIAN AFFAIRS

DEMOCRATIC STEERING AND COORDINATION
COMMITTEE

COMMITTEE ON RULES AND ADMINISTRATION

United States Senate

SUITE 722, HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1102
(202) 224-3934
FAX (202) 224-6747

✓ PRINCE KUHIO FEDERAL BUILDING
ROOM 7-212, 300 ALA MOANA BOULEVARD
HONOLULU, HI 96850-4975
(808) 541-2542
FAX (808) 541-2549

101 AUPUNI STREET, NO. 205
HILO, HI 96720
(808) 935-0844
FAX (808) 961-5163

October 31, 2005

Mr. Charles Goodwin
Special Agent in Charge
Federal Bureau of Investigations
300 Ala Moana Blvd.
Honolulu, Hawaii 96850

Dear Agent Goodwin:

I wish to share with you a copy of an email written by [redacted] which contains an allegation of bribery levied against me. I have also enclosed a copy of a letter I sent to [redacted]

b6
b7C

The allegation is not only false, it is personally insulting. I most respectfully request an investigation into the charges made and my name cleared. Thank you for your consideration and attention to this matter.

Aloha,


DANIEL K. INOUE
United States Senator

DKI:jsd
Enclosures

b7E

[redacted]

Please assign an SA to conduct
and coordinate with [redacted]
I have prepared a letter to [redacted]

Open & Assign. Inouye
to [redacted]
Date: 11/2/05 Initials: [redacted]
Source # 10
CPI [redacted]
IT Yes or No MF Yes or No

SAC [redacted]
ASAC [redacted]
#5 [redacted]

b6
b7C

NOV 1 2005

58C-HIN-19025-1

DANIEL K. INOUE
HAWAII

APPROPRIATIONS
Subcommittee on Defense—Ranking Member

COMMERCE
Subcommittee on Surface Transportation and
Merchant Marine—Ranking Member

COMMITTEE ON INDIAN AFFAIRS

DEMOCRATIC STEERING AND COORDINATION
COMMITTEE

COMMITTEE ON RULES AND ADMINISTRATION

United States Senate

SUITE 722, HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1102
(202) 224-3934
FAX (202) 224-6747

October 31, 2005

PRINCE KUHIO FEDERAL BUILDING
ROOM 7-212, 300 ALA MOANA BOULEVARD
HONOLULU, HI 96850-4975
(808) 541-2542
FAX (808) 541-2549

101 AUPUNI STREET, NO. 205
HILO, HI 96720
(808) 935-0844
FAX (808) 961-5163

[Redacted]
Professor
School of Social Work
University of Hawaii
Henke Hall
Honolulu, Hawaii 96822

b6
b7C

Dear [Redacted]

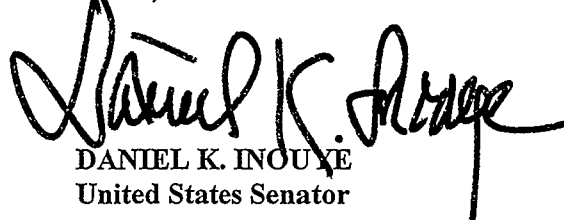
I am writing with regard to an email addressed to Hawaii Attorney General Mark Bennett for which I was included as a "cc" relating to your allegations of "Possible Corruption at UH."

As a general matter, when such allegations are raised, I defer to the State authorities to pursue as they deem appropriate. However, upon review of your email, I was taken aback by your allegations about the role you believe I had in the establishment of the University-Affiliated Research Center (UARC) at the University of Hawaii (UH). In particular, I take offense with your allegation that because of campaign contributions I received from UH officials, I advocated a URAC at UH. I have no recollection of the meeting or meetings you reference. In fact, the last time I participated in a meeting on the Manoa Campus was following the flood nearly a year ago.

I support a host of initiatives at UH which benefit numerous colleges and programs including the School of Social Work because they are worthwhile and will further a particular discipline. To suggest that I would support the URAC or any other program in return for campaign contributions worth a couple of thousand dollars is personally insulting, and which I take to be an allegation of bribery.

Accordingly, to ensure that this matter is properly investigated and my good name cleared, I have referred your allegations to the Federal Bureau of Investigation. I trust you will cooperate fully with any investigation they decide to pursue.

Aloha,


DANIEL K. INOUE
United States Senator

DKI:jsd

cc: Mr. Mark Bennett
Governor Linda Lingle
[Redacted]

b6
b7C

[redacted] (Inouye)

From: [redacted] (Inouye)
Sent: Monday, October 17, 2005 6:05 AM
To: [redacted] (Inouye)
Subject: FW: Possible Corruption at UH; Request for Response

Importance: High

Attachments: Card for [redacted]



-----Original Message-----

From: [redacted] (Inouye)
Sent: Monday, October 17, 2005 3:30 AM
To: [redacted] (Inouye)
Subject: FW: Possible Corruption at UH; Request for Response
Importance: High

-----Original Message-----

From: [redacted]
Sent: Friday, October 14, 2005 8:20 PM
To: hawaiiag@hawaii.gov
Cc: [redacted] Inouye, Senator (Inouye)
Subject: Possible Corruption at UH; Request for Response
Importance: High

b6
b7C

This is my second request for a response to the series of complaints I filed about possible corruption at UH. As I noted in my original complaint, the very reason I filed these complaints outside of UH circles is the hope they will not be swept under the rug as they most likely would be at UH.

I hope you will respond to tell me the status of my complaints.

Thank you.

[redacted]
Professor
University of Hawai'i, School of Social Work
[redacted]
Honolulu, HI 96822

----- Original Message -----

From: [redacted]
Date: Sunday, October 2, 2005 1:03 pm
Subject: [teamstopuarc] Possible Corruption at UH

> Mr. Mark Bennett, Esq.
> State of Hawai'i
> Attorney General
>
> Hi Mark:
>
> I am writing to file several complaints about possible corruption
> at
> the University of Hawai'i, including conflict of interest, misuse
> of
> University funds, retaliation and bribery, and potential
> discrimination. I am writing to the Attorney General's office so
> that
> you can take the appropriate action on these potential violations
> to
> stop current, and prevent possible future, violations. As you
> will
> see, these are very serious allegations, and I trust that you will
> take action where you find such action is necessary.

> Because I do not want other government agencies to learn about
> these
> violations in the media, so that they can be forewarned, I also am
> notifying, by this message, Governor Lingle, Senator Inouye and
> the
> office of Ed Kubo, US Attorney. As you will see below, all of
> these
> violations concern the proposed University-Affiliated Research
> Center
> (UARC) at UH-Manoa; hence, I am notifying the Federal officials.

*University-Affiliated
Research Center*

> You might wonder why I am not pursuing these cases through the
> channels at UH. The answer is simple. I have been a professor at
> UH
> for 35 years. I am very familiar with the progress -or lack of
> progress- of virtually any complaint brought to the UH
> administration,
> particularly, the UH Counsel's office. The administration simply
> will
> bury any complaint that even hints of corruption, so used are they
> to
> doing business in that way. Hence, I am bringing my complaints to
> the
> authorities who I believe will not be bound by the old ways of
> "doing
> business," and who have legal authorization to investigate
> violations
> of state law. I am, however, sending a copy of this message to the
> University Counsel in the event that the egregious nature of these
> possible violations does move them to begin their own
> investigation.

> I, first, will present the four violations, with some of the
> evidence
> that supports the charges. I hope you recognize that I cannot
> always
> provide names since some of this information was provided by
> confidential sources who greatly fear retaliation, particularly
> from
> [REDACTED] Some of the information was given
> me
> by the many contacts I have developed over the years, but
> virtually
> all of them can be validated by the public record. Following the
> presentation of the charges, I will provide some background

b6
b7C

> information on the UARC, primarily by listing some sites you can
> explore to bring yourself up-to-date on the proposal and the
> opposition to the proposal.

> It is important to note that none of the violations presented here .
> have anything to do with whether or not the UARC should be
> approved;
> the violations stand on their own, independent of the pros and
> cons of
> the UARC.

> Briefly, as introduction to the complaints, the UARC proposal is
> to
> establish a center for research funded by the Department of
> Defense,
> Naval Sea Command (NAVSEA). The proposed contract calls for some
> \$10
> to \$50 million to be spent over five years on non-bid task orders
> from
> the Navy. While this does not appear to be an enormous amount of
> money
> given the approximately \$330 million per year raised by the Manoa
> faculty for research, it certainly is enough money to understand
> the
> temptation to violate the law in order to obtain it.

> The complaints, and my allegations, follow.

> 1. POSSIBLE CONFLICT OF INTEREST. The Manoa official who is
> negotiating
> the contract with the Federal government is [REDACTED]
> [REDACTED] is married to [REDACTED] who is an
> employee of [REDACTED]
> [REDACTED] see attached, "ORINCON"). [REDACTED] unfortunately,
> has
> a history of funneling funds, or facilitating that funneling, to
> her
> husband's company when she was [REDACTED], a
> [REDACTED] at UH. For recent evidence of this charge, please go
> to
> http://www.ceros.org/contractor_news.html. There, you will see
> that
> Ceros, a branch of SOEST, was funding contracts with ORINCON
> during
> the time that [REDACTED] had the final, fiscal word at SOEST on
> such
> contracts. Such an arrangement clearly appears to violate Section
> 84-
> 14 of State law regarding Conflict of Interest (see
> attached, "Conflict of Interest").

> Sadly, the pattern described above seems to be repeating itself
> with
> the UARC. [REDACTED] is now [REDACTED] and the person
> primarily
> responsible for negotiating the contract with NAVSEA for the UARC.
> Once again, there appears to be evidence of conflict of interest.
> It
> is anticipated that ORINCON will receive funding from UARC money
> via a
> separate entity set up specifically to funnel some of these public
> monies to private business and particularly ORINCON. This "entity"
> is
> called the Hawai'i Engineering Development Center (HEDC), and more
> information will be provided on this "center" below. The evidence
> for
> this arrangement is absolutely irrefutable. In a 2003 legislative

> briefing on the UARC, not only did [redacted] husband, [redacted]
> [redacted] provide testimony endorsing the UARC on behalf of
> ORINCON,
> but the developer of HEDC, [redacted] testified
> specifically that HEDC will help fund ORINCON. I have in my
> possession
> a dvd showing this entire legislative briefing, and I will be
> happy to
> provide it if asked. In that briefing, you will hear [redacted] state
> that
> since UARC workers are "trusted agents of the government," they
> cannot
> interface with private business. Thus, HEDC had to be developed
> precisely to allow funneling of UARC monies to private businesses
> such
> as ORINCON.
>
> Thus, it appears that the conflict of interest is: The chief
> negotiator of the UARC contract is negotiating a contract that
> apparently will directly benefit her husband and his company.

b6
b7C

Possible
issue (C)
issue 2

> 2.DISCRIMINATION. The proposed UARC contract with the US Navy is
> illegal. Section 378-2 of Hawai'i Revised Statute specifically
> prohibits employment discrimination against a range of different
> individuals and groups. Among these groups are gays and lesbians.
> Since the Navy, by its own written policies, clearly discriminates
> against employment of gays and lesbians, a contract with the Navy
> for
> the UARC would be illegal by State law. I hope you will pursue
> this
> blatant, pending violation of State law so that such violations
> will
> not occur.

State issue
if AT all.

> 3.POSSIBLE MISUSE OF FUNDS. There is a small cadre of UH
> officials
> who have developed the proposal for the UARC from its inception,
> and
> are its chief advocates today. These include [redacted]
> [redacted]
> [redacted] and one or two others. As you know,
> [redacted] was [redacted] for a number of
> improprieties, many involving the UARC. Moreover, virtually every
> major advocate of the UARC currently is subject to an ongoing
> criminal
> investigation for violations in other government contracts (see
> attached, "NCIS Investigation of UH"). The criminal investigation
> of
> the people affiliated with the UARC is a very serious matter that
> threatens to cast an enormous shadow on the individuals involved
> and
> the capabilities of UH to manage federal contracts.
>
> Sadly, despite possible violations and continuing to be under a
> criminal investigation, these very individuals were allowed to
> take
> upon their shoulders development of the UARC, with very similar
> potential for violations, possible fraud, and possible misuse of
> funds.
> It appears as though such violations may, indeed, have occurred.
> [redacted] in 2003/2004 allocated to
> [redacted] without any public notice or competition,
> \$150,000
> to "develop" HEDC, plus another \$75,000 to serve as a "consultant"
> for

Navy personnel
always were
of center
of Navy
money.

b6
b7C

> the UARC. This is on top of [] considerable salary
> as []
> []
> This money doesn't even include the thousands of dollars in funds
> spent on travel and lodging by [] while
> negotiating
> with the Navy in Washington, DC. As of yet, there has been no
> clear, verifiable, publicly announced products that account for
> the
> extra \$225,000! It should be noted that []
> traveled to
> Washington to initiate the UARC negotiations in secrecy, more than
> two
> years before other UH faculty and the community were informed.
> Thus,
> the potential for fraudulent abuse of funds was increased
> dramatically
> since all negotiations and agreements were secret.
> Thus, the question seems clear: What exactly did [] DO to
> deserve
> hundreds of thousands of dollars over two years, other than
> participate with [] in secret negotiations? [] ability
> to
> use the overhead funds from other faculty members' research to
> dispense money to a small core of friends not only lacks any
> formal
> accountability, but provides clear potential for abuse by an
> unscrupulous administrator. It is this type of lack of
> accountability
> and transparency at UH that led the Legislature to request this
> session a comprehensive audit of UH finances, including spending
> on
> the UARC. (It is shocking to realize that while [] was drawing
> this huge amount of money from UH, the budget for the entire UH
> system
> library the same year as [] received all this public money is
> only
> \$30,000!)

b6
b7C

* > The picture may even be darker than I have presented here. First,
> Senator Inouye is the public official who is behind the UARC
> proposal.
> According to public records, each of the UH officials and faculty
> who
> are developing the UARC has made substantial contributions to the
> Senator, totalling many thousands of dollars. Second, all of the
> people I have described in this complaint also attend a variety of
> meetings together where such arrangements may be hammered out
> behind
> closed doors. Attached as "Participants" is a list of people
> attending
> a recent meeting here to discuss defense contracting. Senator
> Inouye.
> [] and many of the others are present.
> While
> this is not necessarily evidence of improprieties at first glance,
> it
> does provide evidence of increased potential for collusion among
> these
> individuals because of their close associations.

*was Inouye even
@ such meeting.*

> 4. POSSIBLE RETALIATION AND BRIBERY. Since [] was removed,
> []
> [] new to Hawai'i, has been the chief, and
> most outspoken, proponent of the UARC. He has appeared so

State
[]

> desperate to
> sell the UARC that there are reports that he has taken to bribery
> of
> faculty to support him and threats to retaliate if faculty don't
> support him. These threats have taken place as offers to provide
> literally hundreds of thousands of dollars -from the same slush
> fund
> that [] used to fund [] to fund faculty members'
> graduate
> students if the faculty member will either support [] or
> not
> oppose him, and threats to remove equally large sums of money that
> fund students if the faculty member opposes him!
>
> These threats are so egregious and appear to be such major
> violations
> of University rules and state laws that I hope the AG will not
> hesitate to intervene. And these are not isolated incidents;
> several
> of these threats/bribes have been reported.

b6
b7C

> These, of course, are very serious allegations. They also are very
> sensitive because many faculty fear exactly the kinds of
> retaliation
> that I have described here. Nevertheless, these allegations can be
> documented, and I trust the AG's office will conduct the
> investigation
> of these charges with sensitivity, ensuring faculty who are
> willing to
> testify that they will be given immunity from any retaliation by
> [] or any other UH official.

>
> *****
>

> Finally, I would like to provide three sites that will allow you
> to
> examine the UARC proposal from a variety of perspectives.

> The first is the Manoa Chancellor's site, which contains a number
> of
> papers and FAQ's about the UARC. That site is:
> http://manoa.hawaii.edu/mco/initiatives_issues/uarc/.

> The second site is the SAVEUH/STOPUARC Coalition site. This site
> contains a wealth of information from opponents of the UARC. That
> site
> is:
> www.stopuarc.info.

> The final site is the site of the interim report on the UARC by
> the
> Manoa Faculty Senate. The Senate currently is waiting for the
> administration to complete and release a proposed contract for the
> UARC. That site is:

> http://www.hawaii.edu/uhmfs/sessions/2005_06/20050831_uarc_report.html.

>
> I trust that the AG's office will find the contents of this
> message
> more than sufficient to initiate a full scale investigation into
> these
> allegations. Whether there are criminal indictments or a report of
> a
> clean bill of health, it is crucial for the support of the public
> and

> the morale of faculty and students that any cloud hanging over the
> University be removed by firm and fair governmental action.

> Thank you very much for your attention.

> Please feel free to contact me any time by email or telephone at

> [redacted]

> Aloha,

> [redacted]

> Professor
> University of Hawai'i, School of Social Work
> [redacted]
> Honolulu, HI 96822

b6
b7C

> [redacted]

> ----- Yahoo! Groups Sponsor -----

> --->

> DonorsChoose.org helps at-risk students succeed. Fund a student
> project today!

> <http://us.click.yahoo.com/G7lQgA/FpQLAA/HwKMAA/oLXolB/TM>

> --->

> Yahoo! Groups Links

> <*> To visit your group on the web, go to:
> <http://groups.yahoo.com/group/teamstopuarc/>

> <*> To unsubscribe from this group, send an email to:
> teamstopuarc-unsubscribe@yahoogroups.com

> <*> Your use of Yahoo! Groups is subject to:
> <http://docs.yahoo.com/info/terms/>

(File No.) 580-HN-19025.

Case ID: 58C-HN-19025

b6
b7C

File Number 58C-HM-19025

Field Office Acquiring Evidence HW

Serial # of Originating Document _____

Date Received 4/22/2005

From [Redacted] (Author/Interviewee)

UH Manog
(Address)

Honolulu, HI

By [Redacted]

To Be Returned ☐ Yes ☒ No
Receipt Given ☐ Yes ☒ No
Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No
Federal Taxpayer Information (FTI)
☐ Yes ☒ No

Title: DAMEL K. JOUYE;
ET. AL.

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[Redacted]
- original documents provided by [Redacted]

cf

Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

From: [REDACTED]
Posted To: HN.Division
Posted: Sat 11/26/2005 7:32 PM
Conversation: Delivery Notification: Delivery has timed out and failed. Attn: [REDACTED]
Subject: Fwd: Delivery Notification: Delivery has timed out and failed. Attn: [REDACTED]
Attachments: [REDACTED] Delivery Notification: Delivery has timed out and failed(4KB) [REDACTED]

[REDACTED]
Professor
University of Hawai'i, School of Social Work
[REDACTED]
Honolulu, HI 96822

b6
b7C

b6
b7C

[REDACTED] 11/28/2005

[REDACTED]

Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

From: postmaster@hawaii.edu [postmaster@hawaii.edu]

Sent: Sat 11/26/2005 7:15 PM

To: [REDACTED]

Subject: Delivery Notification: Delivery has timed out and failed

Attachments: [REDACTED] Attention Agent [REDACTED] (3KB)

b6
b7C

Your message did not reach some or all of the intended recipients.

Subject: Attention Agent [REDACTED]

Sent: 11/23/2005 6:33 PM

The following recipient(s) could not be reached:

honolulu@FBI.gov on 11/26/2005 7:15 PM

Could not deliver the message in the time limit specified. Please retry or contact your administrator.
<jem01.its.hawaii.edu (tcp-daemon) #4.4.7>

b6
b7C

[REDACTED]

11/28/2005

Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

From: [redacted]
Posted To: HN.Division
Conversation: Attention Agent [redacted]
Subject: Attention Agent [redacted]
Attachments: [redacted] Freedom of Information Act Request Confirmation(1KB) [redacted]

Posted: Wed 11/23/2005 6:33 PM

Aloha Agent [redacted]

I am writing to thank you for spending the time with me to go over the allegations. I was so happy that you were willing to treat these issues as serious charges, and that you acted with so much respect and decency toward me.

Putting such a human face on the FBI is a wonderful way of showing how much the Bureau really does care about average citizens. So, thank you again for all that.

b6
b7C

I am sending you some more material that might help you understand the illegalities of the procurement process for the UARC, and the role that Senaor Inouye played between the time of the presentation to him and/or his staff, and the push by Admiral [redacted] to move this very flawed procurement process along.

The original message attached here is my FOIA request for the documents that are missing in the procurement. The two FAR references can be accessed online as can the other pdf site I noted in my request.

Here is another site that you can access that shows the Navy solicitation letter, again in violation of Federal Acquisition Regulations:

04 Dec UARC solicitation ltr.pdf.

I hope you will forgive me for sending in other material in a piecemeal fashion as I locate it. We have a brand new email system at UH, and I don't trust it enough to save this as a draft while I look for the other material.

Thanks again.


[redacted]

b6
b7C



Professor
University of Hawai'i, School of Social Work
[redacted]
Honolulu, HI 96822

b6
b7C

11/28/2005

 This message was sent with high importance.

Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

From: [REDACTED] **Posted:** Fri 11/25/2005 4:51 PM
Posted To: HN.Division
Conversation: Re: Information on UARC Procurement. Attn Agent [REDACTED] and NCIS Agent [REDACTED]
Subject: Fwd: Re: Information on UARC Procurement. Attn Agent [REDACTED] and NCIS Agent [REDACTED]
Attachments:  Re: Information on UARC Procurement(578KB)  [REDACTED]

Enclosed are 2 attachments you might want to read to help you understand the UARC procurement process. The first is a discussion of the procurement process per se. The second is a letter regarding a NASA UARC that illustrates a program concluding that there is not sufficient justification to preclude a Broad Agency Announcement or other widespread advertising.

b6
b7C

That is what you call honest self-evaluation.

Please keep all names on this email list confidential, and please do not reply to them.

Thanks,

[REDACTED]
Professor
University of Hawai'i, School of Social Work
[REDACTED]
Honolulu, HI 96822





b6
b7C

[REDACTED] 11/28/2005



Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

From: [redacted]
Posted To: HN.Division
Conversation: Information on UARC Procurement
Subject: Re: Information on UARC Procurement


Posted: Thu 11/24/2005 2:29 PM

Attachments:  [Discussion Paper.pdf\(376KB\)](#)  [ATT23845.htm\(267B\)](#)  [JHUR.pdf\(195KB\)](#)  [ATT23846.htm\(5KB\)](#)

b6
b7C

 here are the attachments. 

b6
b7C

 11/28/2005

On Nov 24, 2005, at 9:01 AM, [redacted] wrote:

Hi [redacted]

I have added clarification using my in-line responses below (my remarks delimited by // ... \). I hope this helps.

Regards,

[redacted]

On Nov 23, 2005, at 10:32 AM [redacted] wrote:

[redacted]

Can you help to clarify for me....

UH and the Navy cite the 10 USC (c)(3)(B) as the authority for doing a noncompeted contract for the establishment of the UARC? This is the same language that's used in various places about "essential research and engineering..." "educational institutions...." right?

// I would answer affirmatively to both of your statement-questions. \

The [redacted] review concurs but they don't refute any of the DDR&E guidance documents such as the "discussion paper" that you have referred to?

b6
b7C

// I agree. Indeed, there is no evidence I can see that they referred to or even reviewed the Discussion Paper. \

When you say that that FAR provisions cited by the [redacted] report do not apply to the UARC procurement, are you referring to the FAR 6.303? or to another section?

// When I say that the FAR provisions cited by the [redacted] report do not apply to the UARC procurement, I am referring directly to the language in the Discussion Paper (see attached "Discussion_Paper.pdf") that states: "The sponsors should then solicit proposals from all interested Universities for establishing a new UARC to meet the approved core capability requirements. The selection process should follow established procurement procedures. Since the contract award is made competitively, 10 U.S.C. 2304(c)(3)(B) and the UARC Management Plan do not apply to the initiation of the university laboratory."

Now it may turn out, by some special circumstances (which were not present for any of the other new UARCs which were procured competitively), that there was sufficient

[redacted] 11/28/2005

justification for NAVSEA to procure this UARC from UH on the basis of a sole-source award. However, my understanding of FAR 6.303 is that IF ANY such procurement is made using Other Than Full And Open Competition, then the justifications required by FAR 6.303 must be fully satisfied, and these special circumstances would have to be fully explained.

It is also my understanding that justifications are required even for procurements that are made through UARCs using 10 U.S.C. 2304(c)(3)(B) [though I have no direct reference to this, and have developed this understanding only on the basis of my own research]. My understanding is that the agency would not only have to cite the statutory authority when sending a procurement to a UARC, but also be prepared to fully justify it. Why do I say this? Mainly because of the NASA Office of the Inspector General's ruling that one of NASA's procurements to Johns Hopkins APL was demonstrably unjustified on the basis of 10 U.S.C. 2304(c)(3)(B) (see attached "JHUR.pdf"). \\\

When would FAR 6.303 apply to the UARC procurement? How would it relate to the DDR&E guidance documents which lay out a different procedure?

// I think that FAR 6.303 must apply to ANY procurement, including a procurement for a new UARC, which is made using Other Than Full And Open Competition. If the DDR&E guidance document you are referring to is the Discussion Paper, then my answer to your last question would be as follows: If the procedures laid out in the Discussion Paper were followed as directed, and the new UARC was in fact appropriately competed, then no justifications (or a much more limited subset of justifications) would be required by FAR 6.303. \\\



b6
b7C

b6
b7C



ORINCON Defense

Technologies for Defense Systems

ORINCON Defense Overview

ORINCON Defense (OD) is the largest of the four operating companies within ORINCON Corporation International. We currently employ more than 150 people, with over 50% having attained advanced degrees and about 25% with PhDs.

OD's Corporate Headquarters are in San Diego, California near the Space and Naval Warfare Systems Command. We maintain satellite offices in locations near other strategic customers: Arlington, Virginia near DARPA and across from ONR, and Kailua, Hawaii near PACOM. Our customer base includes research organizations such as DARPA and the service research labs (Air Force, Army, Navy) and operational commands such as SPAWAR, NAVAIR, Marine Corps, and ESC. In addition, we provide component solutions to major prime corporations that support these organizations. We have successfully partnered with many companies, including Boeing, Raytheon, Motorola, IBM, and Lockheed.

Our business model includes two facets: 1) to research the development of new technologies for DoD agencies such as DARPA, ONR, and Air Force Research Lab (AFRL), often in partnership with universities, and 2) to provide solutions in the form of systems, products, and services for the major commands and industry primes through the application of information technologies.

For more about ORINCON Defense and its maritime solutions, visit us at www.naval-technology.com/.

=====

Washington Technology home > 07/07/03 issue

07/07/03; Vol. 18 No. 7

Lockheed finishes Orincon deal

Lockheed Martin Corp. completed its acquisition of Orincon Corp., a San Diego-based systems integrator. Terms of the deal were not released.

Orincon specializes in knowledge management, information assurance, signal and image processing and data fusion. The acquisition will strengthen Lockheed Martin's position in the intelligence, surveillance and reconnaissance areas.

Orincon has about 250 employees, who will now come under Lockheed Martin's Management & Data Systems unit. based in King of Prussia, Pa. Lockheed

Martin, based in Bethesda, Md., has 125,000 employees and reported revenue of \$26.6 billion in 2002.

=====

<http://www.sba.gov/sbir/tibbetts/orincon.html>

TIBBETTS AWARDS 1999

ORINCON Hawaii, Inc.

Jerry Moons
970 N. Kalaheo Avenue, Suite C-215
Kailua, HI 96734
Tel: (808) 254-1532
Fax: (808) 254-5622
Email: jerry@orinconhi.com

ORINCON, Hawaii, Inc. has been active in the SBIR program since its inception in 1989, and has won eleven Phase I and three Phase II SBIR projects, including projects sponsored by the Army, Navy, Air Force, DARPA and Department of Transportation. Both its Phase I and Phase II efforts have resulted in State Phase II transition grants and numerous Phase III transition contracts from both federal government and commercial sources. The company has grown from three to 17 employees with current annual revenues of over \$3 million. The intelligent information processing algorithms developed by ORINCON, Hawaii have been incorporated as software in our products that are currently serving the anti-submarine warfare (ASW) signal processing community.

One product in particular, ORINCON's Real-time Interactive Programming and Processing Environment (RIPPEN®), has been adopted as an essential tool by military and industrial developers of complex signal processing schemes worldwide. RIPPEN® employs a simple graphical interface to permit engineers to design and test complex signal processing schemes by simply linking objects in a network diagram. The new tool demonstrates an order of magnitude improvement in time and cost to develop new processing systems. Current applications of RIPPEN® by ORINCON include the development of new ASW software for back-fitting into the Navy's 688-class and Trident submarines. Copies of RIPPEN® have been purchased by the U.S. Navy, Army and Air Force as well as over 30 commercial customers. In the U.S., Raytheon TI has adopted RIPPEN® as its primary development tool for future development of embedded guidance software in the company's missile systems. Overseas, Ferranti Thomson Sonar Systems in the U.K is employing RIPPEN® in the development of ASW sonar systems.

Another important source of Phase III funding to ORINCON has been the Hawaii-based Center of Excellence for Research in Ocean Sciences (CEROS) program administered by DARPA. Under this program, ORINCON competes annually for product-oriented technology development contracts in the ocean studies field. Products that have resulted from the CEROS program include the Advanced Real-Time Sensor Processor (ARTS), developed for U.S. Navy submarine applications, an Improved Acoustic Intercept Receiver (IAIR), also for submarines, and an airborne version of the ARTS processor for installation on maritime patrol aircraft.



*Last Modified 7-3-01

=====

**INOUE ANNOUNCES ORINCON HAWAII, INC.
WINS TECHNOLOGY INNOVATION AWARD**

**ORINCON LAUDED FOR
DEVELOPING INTELLIGENT INFORMATION PROCESSORS**

Wednesday, October 6, 1999 FOR IMMEDIATE RELEASE

WASHINGTON, D.C. -- United States Senator Daniel K. Inouye is pleased to announce that ORINCON Hawaii, Inc. received the Tibbetts Award for excellence in high technology research from the U.S. Small Business Innovation Research (SBIR) program.

ORINCON Hawaii is a subsidiary of ORINCON Corporation, a San Diego-based information technology company. The prestigious award, named for Roland Tibbetts, who founded SBIR, is presented annually to companies and individuals displaying excellence in the program.

"Companies like ORINCON Hawaii are strategically utilizing the federal Small Business Innovation Research program," Inouye said. "The company's successes are translating into exciting job and business opportunities for Hawaii's citizens."

ORINCON Hawaii was selected for its intelligent information processing algorithms that have been incorporated into four software products. The company also received the Tibbetts Award last year.

The company has been awarded more than 100 SBIR start-up contracts and grants during the past 10 years. Through these contracts and grants, ORINCON Hawaii has been able to take several products to market for use in the military, transportation, life science, and financial analysis.

A small business specializing in innovation, ORINCON frequently depends upon SBIR funding to start research on new information technology concepts. It converts the small research contracts into commercial products.

Incorporated in 1989, the Hawaii company has grown from an initial contract worth \$50,000 to more than \$3 million per year, and from three employees to 17.

Posted on: Saturday, March 5, 2005

Navy investigation under UH scrutiny

By Beverly Creamer
Advertiser Education Writer

University of Hawai'i administrators are trying to determine the university's involvement in a Navy investigation of possible mismanagement of one or more classified research contracts handled by the independent Research Corporation of UH.

About RCUH

RCUH executive director Mike Hamnett has not returned several Advertiser calls, including one to his home.

Former RCUH executive director Harold Masumoto, reached at his home, said he doesn't know what happened to an investigation the Navy launched three years ago when he was in charge of RCUH, or what it was about.

RCUH is a nonprofit corporation formed a number of years ago to manage research grants for the university, but it is not formally part of the university. It has a separate board and executive director, although several university regents also sit on its board.

"They asked for a lot of information and we gave it," he said. "I don't know what they were fishing for. ... I don't keep up with those things anymore."

Jim Gaines, interim vice president for research for the university, has confirmed that there is an investigation, and said that UH's role is peripheral — "like a whistle-blower's, if we had one."

"I've checked on the UH end to see if we're clean on this, and it's my opinion we are," said Gaines.

A story in the University of Hawai'i student newspaper Ka Leo this week alleged that the Navy was investigating possible mismanagement of one classified contract by RCUH and the diversion of money from it to write a proposal for another.

According to Ka Leo, the investigation involves a research project headed by Vassilis Syrmos to develop a new generation of transmission/receiver switches for a radar system for the Navy's E-2C Advanced Hawkeye surveillance airplane.

Syrmos, associate dean of the UH College of Engineering and senior adviser to the vice chancellor for research, said he doesn't know anything about the investigation and cannot speculate on what it's about.

"At this point, we haven't been asked any questions," he said.

Gaines offered a deeper look at the issues involved.

§84-14 Conflicts of interests. (a) No employee shall take any official action directly affecting:

- (1) A business or other undertaking in which he has a substantial financial interest; or
- (2) A private undertaking in which he is engaged as legal counsel, advisor, consultant, representative, or other agency capacity.

A department head who is unable to disqualify himself on any matter described in items (1) and (2) above will not be in violation of this subsection if he has complied with the disclosure requirements of section 84-17; and

A person whose position on a board, commission, or committee is mandated by statute, resolution, or executive order to have particular qualifications shall only be prohibited from taking official action that directly and specifically affects a business or undertaking in which he has a substantial financial interest; provided that the substantial financial interest is related to the member's particular qualifications.

- (b) No employee shall acquire financial interests in any business or other undertaking which he has reason to believe may be directly involved in official action to be taken by him.
- (c) No legislator or employee shall assist any person or business or act in a representative capacity before any state or county agency for a contingent compensation in any transaction involving the State.
- (d) No legislator or employee shall assist any person or business or act in a representative capacity for a fee or other compensation to secure passage of a bill or to obtain a contract, claim, or other transaction or proposal in which he has participated or will participate as a legislator or employee, nor shall he assist any person or business or act in a representative capacity for a fee or other compensation on such bill, contract, claim, or other transaction or proposal before the legislature or agency of which he is an employee or legislator.
- (e) No employee shall assist any person or business or act in a representative capacity before a state or county agency for a fee or other consideration on any bill, contract, claim, or other transaction or proposal involving official action by the agency if he has official authority over that state or county agency unless he has complied with the disclosure requirements of section 84-17.

http://www.pichtr.org/TechEnterprise_2004/participants.htm

Participants

Agsalud, John ISDI Technologies, Inc.
Bailey, Leslie Le Bailey LLC
Barjaktarovic, Dr. Milica Information and Computer Science, University of Hawaii
Beers, David Progeny Systems Corporation
Bellinger, Reb Makai Ocean Engineering
Bleakley, Lance Omega
Carlin, Dr. Rich Office of Naval Research
Chan, Dr. James APIC Corporation
Cheung, Dr. Leo Wang-Kit Cancer Research Center of Hawaii
Chock, John Hawaii Strategic Development Corporation
Chung, Ann Hawaii Technology Trade Association
Cox, Richard Jr. Office of Tech Transfer & Economic Development, University of Hawaii
Crisafulli, Jim Department of Business, Economic Development & Tourism, Strategic Industries Division
Cutshaw, Larry Lockheed Martin Orincon
Minh, Professor Dang Vu Vietnam Academy of Science & Technology
Danner, Robin Council for Native Hawaiian Advancement (CNHA)
Dong, Liangjie Department of Molecular Bioscience & Biosystems Engineering, University of Hawaii
Downs, Hunter NovaSol
Dutt, Dr. Raj APIC Corporation
Elad, Joseph Quantum Leap Interactive, Inc.
Englert, Dr. Peter University of Hawaii
Fitzgerald, Mike Enterprise Honolulu
Floro, Craig Akimeka LLC
Friedl, William National Defense Center for Excellence for Research in Ocean Sciences (CEROS)
Gordon, Stuart OTTC, California State University, San Bernardino
Grabert, E.J. Jr. Technology Research, Education & Commercialization Center, University of Illinois at Urbana-Champaign
Gradie, Dr. Jonathan BAE Systems Spectral Solutions
Gray, Todd Council for Native Hawaiian Advancement (CNHA)
Harris, John Akimeka LLC
Hayashi, Alan BAE Systems Spectral Solutions
Holm-Kennedy, Dr. James Department of Electrical Engineering, University of Hawaii
Huergo, Jennifer Office of Naval Research
Hunter, Allen II, Ph.D. Trex Enterprises
Ikehara, Dr. Curtis University of Hawaii
Inouye, Daniel U.S. Senator
Ishii, Daniel College of Engineering, University of Hawaii
Itoga, Stephen Information & Computer Science, University of Hawaii
Jameson, Linda Trex Enterprises
Janov, Bernard San Diego State University Foundation
Jensen, Craig Department of Chemistry, University of Hawaii
Jensen, Gary Office of Naval Research
Kanemoto, Nelson Referentia Systems
Karins, James Novasol
Kaya, Maurice Department of Business, Economic Development & Tourism
Kelly, Lou Center for Commercialization of Advance Technology (CCAT)
Kim, Dr. Binsted Information & Computer Science, University of Hawaii
Kitajima, Ian Oceanit
Anh, Dr. Le Vu Hanoi School of Public Health, Department of Epidemiology
Liang, Dr. James College of Tropical Agriculture & Human Resources, Department of Molecular

Biosciences & Bioengineering, University of Hawaii
 Liberman, Larry Referentia Systems
 Lieberman, Dr. Stephen Center for Commercialization of Advance Technology (CCAT)
 Liebert, Dr. Bruce Department of Mechanical Engineering, University of Hawaii
 Lindo, Cory LGB & Associates
 Littlefield, Monte Pipeline Communications & Technology, Inc.
 Liu, Ted Department of Business, Economic Development & Tourism State of Hawaii
Lubard, Stephen Office of Naval Research
 Lum, Burt Midwind Labs
 Marsen, Dr. Bjorn Hawaii Natural Energy Institute
 Masumoto, Harold Hawaii Technology Development Venture
 Matsumoto, Keith Hawaii Technology Development Venture
 McClelland, Alan Hawaii BioTech, Inc.
 Mirabila, Chuck SPAWAR SYSCTR
 Miyagi, John Hoku Scientific, Inc.
 Miyasato, Leigh-Ann HiBEAM
 Mon, Bob High Technology Development Corporation
 MÅ¼ller, Dr. Ralf Hawaii BioTech, Incl.
 Lap, Nguyen Gia International Cooperation Department, Vietnam Academy of Science & Technology
 Noda, Laura High Technology Development Corporation
 Park, Ann Office of Tech Transfer & Economic Development, University of Hawaii
 Paul, Sco Hoku Scientific, Inc.
 Reyes, Emil RAPID Technology LLC
 Saka, Dr. Thomas Statistical Research & Analysis Section Office of Information Technology Services
 Schultz, Paul
 Scropo, Joseph Battelle
 Shema, Richard Applied Marine Solutions
 Sheppard, Ted Office of Naval Research
 Shiroma, Grant Department of Electrical Engineering , University of Hawaii
 Simond, Roger UH School of Medicine Hyperbaric Treatment Center
 Smith, John BAE Systems Spectral Solutions
 Steiner, Dr. Donald Quantum Leap Innovations, Inc.
 Strom, Jon Enterprise Honolulu
 Sullivan, Patrick Hoana Medical
 Surles, Dr. Terry Pacific International Center for High Technology Research
 Sweeney, Dr. Marie Haring U.S. Embassy " Hanoi
 Syrmos, Vassillis College of Engineering , University of Hawaii
 Taylor, Linda Hawaii Technology Development Venture
 Troy, Dr. Paul Hawaii Science & Engineering, Inc.
 Tuck, Renee White Dot Solutions
 Van Haaren, Matt Sensormatic Hawaii

Full Name:

Last Name:

First Name:

Job Title:

Department:

Company:

Professor

School of Social Work

University of Hawaii

Other Address:

Home:

E-mail:

b6
b7C

Article URL: <http://starbulletin.com/2005/10/08/news/story03.html>

© 1996-2005 The Honolulu Star-Bulletin | www.starbulletin.com



Navy plan fails to sway critics

A draft contract for a UH research center is not specific enough, opponents contend

By Nelson Daranciang
ndaranciang@starbulletin.com

A draft contract for a proposed Navy research center at the University of Hawaii was released yesterday, but opponents say it does not address their concerns about the project.

The University Affiliated Research Center could bring as much as \$50 million in Defense Department grants over five years, officials have said. But the proposed center has sparked numerous protests by students, professors and the community, some of whom took over interim President David McClain's office last spring for a week.

The draft contract offers no specifics on what type of Navy research projects would be handled by UH scientists. Instead, much of the proposed contract deals with the delivery of services and payment of fees.

"I think people will probably be disappointed in the document," said Gary Ostrander, UH-Manoa vice chancellor for research and graduate education, "because this is basically a contract about how you do this, how you set up task orders, how contracts work."

Ostrander, who has led negotiations with the Navy for the past four months, said a few points in the contract still need to be worked out but that it is complete enough to be reviewed.

For people opposed to the UARC, the proposed contract added more fuel to their fire.

"What the contract did for me was that it reaffirmed the secrecy and the insincerity of this UH administration to seriously sit down with all constituents involved with this UARC," said Kelii Collier, a political science graduate student at UH.

Collier said the administration refuses to have serious discussions about how a UARC is going to fundamentally change the university and the state. Collier is a member of Save UH/Stop UARC, a coalition of students, faculty and community members that believes a close relationship with the Navy will add to the militarization of Hawaii and involve UH in weapons development.

The contract does not say whether the university can reject task orders from the Navy, but Ostrander said UH and its researchers do not have to do any projects they do not want to do.

While the university could potentially receive \$50 million in research grants from the Navy during the five years of the proposed contract, it would receive nothing if it does not do any research.

A UH Faculty Senate ad hoc committee has been formed to examine the deal and will be looking into whether it makes

financial sense for the university, said committee Chairwoman Sara Rutter.

The university has set aside \$3.5 million to set up the UARC, but Ostrander said the cost is probably going to be well below \$500,000.

Rutter said her committee is also examining the contract language regarding the ability of faculty members to publish their research findings and use equipment for other research.

It plans to report its findings to the Faculty Senate next month for the Senate to vote on a recommendation to either support or reject the UARC. If the Senate votes to support the UARC, the UH administration will conduct a public hearing on the proposal before taking it before the Board of Regents for its approval, Ostrander said.

The Associated Press contributed to this report.

85-page draft contract

manoa.hawaii.edu/mco/initiatives_issues/uarc

Article URL: <http://starbulletin.com/2005/10/08/news/story03.html>

© 1996-2005 The Honolulu Star-Bulletin | www.starbulletin.com

ORIGINAL

THE SENATE

THE 22ND LEGISLATURE

REGULAR SESSION OF 2003

*Evidence re: several
charges from original email.
This is transcript of
DVD mentioned in original
EXCERPT FROM A JOINT INFORMATIONAL BRIEFING
email.*

Transcribed from the videotaped proceedings of The Senate
22nd Legislature Regular Session 2003 commencing at 1:15
p.m. on February 4, 2003 at Conference Room 229, State
Capitol, 415 South Beretania Street.

Transcribed by: WILLIAM T. BARTON, RPR, CSR #391
Court Reporter, State of Hawaii

PACIFIC REPORTING SERVICES UNLIMITED
Suite 1470, Makai Tower
733 Bishop Street
Honolulu, Hawaii 96813
(808) 524-PRSU

1 APPEARANCES:

2 Committee on Science, Art, and Technology

3 SENATOR DAVID Y. IGE, Chair

4 SENATOR MELODIE WILLIAMS ADUJA, Vice Chair

5

6 Committee on Economic Development

7 SENATOR CAROL FUKUNAGA, Chair

8 SENATOR MELODIE WILLIAMS ADUJA, Vice Chair

9

10 Panelists

11 DR. PETER ENGLERT

12 DR. VASSILIS SYRMOS

13 MR. RICK HOLASEK

14 MR. LARRY CUTSHAW

15

16

17

18

19

20

21

22

23

24

25

1 SENATOR DAVID IGE: -- proposal to establish a
2 University Affiliated Research Center and incubating an
3 Engineering and Design Center and the role that the UARC
4 may play in advancing the research agenda here at the
5 University of Hawaii.

6 With us we have a distinguished group of
7 panelists who will be presenting this afternoon.

8 And I guess most appropriately today is UH day at
9 the state capital. So it's good timing.

10 To start our hearing this afternoon we would
11 first like to start with Dr. Vassilis Syrmos. Go ahead.

12 VASSILIS SYRMOS: Thank you for your time. Thank
13 you, Senator Ige. Thank you, Senator Fukunaga.

14 At this time I would like to introduce Dr.
15 Englert who is the Chancellor at Manoa, as most of you
16 know.

17 I would also like to introduce Rick Holasek who
18 is with Novasol, a premier company in remote sensing.

19 And probably a lot of you know over here Larry
20 Cutshaw. He is with Orincon, a premier company in DOD
21 work.

22 Next to Larry is Gary Jenson (phonetic) who is
23 the ONR representative at the MIDPAC office.

24 And, of course, we also have Harold hiding there
25 somewhere there, Harold Matsumoto (phonetic), who we

1 probably all know.

2 And in the back of the room is Ron Deo (phonetic)
3 who is a partner in a couple of projects, as you will see.

4 And Jack Harley (phonetic) who is from the Noesis
5 Corporation. They are also partners in a couple of
6 projects we are doing here.

7 And of course next to them is Danny Seek
8 (phonetic) who you probably do know.

9 So we do share a very distinguished audience
10 here. And I will try to do a good job. Otherwise, Peter
11 may get to interrupt me in the middle of the presentation.

12 SENATOR DAVID IGE: Vassilis, I did want to
13 announce that we are broadcasting this informational
14 briefing live on public access television, Channel 54
15 Olelo. And it will be prebroadcast several times
16 throughout the week.

17 I did also want to thank the university for their
18 efforts. The feed is provided live statewide so public
19 access channels on the neighbor islands can also choose to
20 broadcast this proceeding live. Or they can choose to tape
21 it and rebroadcast it at a later time.

22 So I did want to acknowledge the university's
23 role in providing the infrastructure to allow us to do
24 that.

25 And as part of that for any of the panelists or

1 anybody making a presentation, we would just like to ask
2 you to come up to the testifying table and speak into the
3 microphones. That's very important for the internal and
4 the external audience that we have. So thank you very
5 much. And proceed.

6 VASSILIS SYRMOS: Thank you, David. Senator Ige
7 is a distinguished (inaudible) -- of the College of
8 Engineering and actually the Department of Electrical
9 Engineering. So he's very good with the high tech.

10 This project has been in the works for the last
11 three to six months. And it is a complement project to the
12 project that I will brief you in a little while which is a
13 University Affiliated Research Center.

14 First I would like to introduce to the idea and
15 the background of the University Affiliated Research Center
16 or UARC. Then Chancellor Englert will brief you on several
17 Manoa initiatives that he says are priorities at the Manoa
18 campus.

19 Then I will come back and close with why one
20 needs to have an Engineering and Design Center in order to
21 complement the UARC concept.

22 And I'm going to give some of the overview and of
23 course some of the economic development and the impact of
24 an Engineering and Design Center in this state.

25 So here is what a UARC is all about. Here is

2 salaries
1 what I do at the university. I have three bosses. I have
2 Harold there who is my boss at the UH. Then there is
3 another boss who is here who is Dr. Englert at Manoa. I am
4 with the Department of Electrical Engineering. Therefore
5 Dean Chen (phonetic) is my third boss.

6 The UARC came to us through the Office of Naval
7 Research as an opportunity. And to give you a background
8 what a UARC is, it is a designated institute of the Navy or
9 actually can be from the Department of Defense or even from
10 the Office of the Secretary of Defense. And a UARC is a
11 (inaudible) -- of the government. Also I will go a little
12 bit further into the explanation later.

13 The mission that we selected for the UARC for
14 our university's commitment to excellence is research and
15 development for national defense in the areas of applied
16 physics and engineering.

17 Both areas are very important areas for the state
18 and for the nation. And we do believe that Manoa has the
19 appropriate background and core competencies to back that
20 up.

21 The purpose is, as I said, is to provide
22 technical assistance to various DOD programs in the MIDPAC
23 region. And there is our representative of ONR for the
24 MIDPAC region.

25 Establish and maintain state-of-the-art

1 laboratories in the focus areas of core competencies, as
2 the Navy likes to call the focus areas.

3 And serve as a premier technical resource within
4 the core competency areas within the university.

5 The core competencies that currently we do
6 negotiate with the Navy are the following services.

7 Of course the ocean science and technology.
8 Manoa is a premier institute in ocean sciences and
9 technology. The (inaudible) programs and the marine
10 biology programs are being consistently run in the top
11 three to five in the nation.

12 Of course nobody else could doubt the astronomy,
13 especially the Institute of Astronomy, which has both the
14 dual use as I say of an institution because it has a big
15 commercial component up on Mauna Kea. However, there is a
16 big deal at the Air Force side component over at Haleakala.

17 To support some of this initiatives in astronomy
18 and also in remote sensing one area that the university has
19 developed is advanced electro-optics and sensing, remote
20 sensing.

21 And Rick here can testify to that, that Novasol
22 is the premiere company in optic systems and remote
23 sensing. And they have a very close relationship with the
24 university.

25 Sensors, communications, and information

1 technology. We call that a SENCIT program. And Of course
2 the high performance computing. With the high performance
3 computing of course Maui comes into play.

4 These are two major components in trust for us.
5 In the areas of sensors and communications you can look at
6 the sensor more than what we all know to be a sensor, but
7 can be a radar, an asset (phonetic), an E2C (phonetic), an
8 AWACS. So all these side very well with the infrastructure
9 at PMRF.

10 A fifth component here is material science
11 research. And when I say material science, I will put it
12 in the context into two very specific areas. And these
13 areas are hydrogen, hydrogen technology, which is materials
14 science as far as quantity (inaudible) -- university term.

15 Then the second one and very natural for our
16 state is corrosion. The University of Hawaii has a
17 corrosion center which is being funded both by ONR and both
18 by the Army.

19 Also I forgot to mention that the hydrogen is a
20 quite large program funded by ONR. And Gary knows much
21 more about this program.

22 Another emerging technology is telemedicine and
23 bioengineering. And Chancellor Englert will be able to
24 touch upon these initiatives when he briefs us about the
25 interests of the university.

1 The 7th technology which was of a high interest
2 to the Navy is the weaponized laser technology which the
3 Navy is interested to put into the PMRF base.

4 On the weaponized laser technology we have a lot
5 a lot of Assets at the university.

6 So having said all this, I'm going to conclude
7 with the UARC and say the following.

8 The UARC is an organization that is a trusted
9 agent of the government, the Department of Defense. And,
10 therefore, as a trusted agent should not get into any
11 business with commercial partners, should not subcontract
12 to any commercial partners. Because the major, major
13 mission of the UARC is to provide independent technical
14 assistance to the Navy.

15 And, therefore, we have gone and tried to
16 complement that with an Engineering Design Center.

17 Having said all this and having come out of the
18 core competencies, Dr. Englert would go ahead and brief you
19 on how we select the core competencies and how these core
20 competencies fit the Manoa initiative.

21 SENATOR DAVID IGE: Dr. Syrmos, can I just ask
22 one question for clarification? So the university has
23 already been designated by ONR and DOD --

24 VASSILIS SYRMOS: No. The university is in the
25 process of being designated by ONR as a UARC. We expect

1 that to happen sometime late spring, beginning of summer.

2 SENATOR DAVID IGE: Okay. Thank you. Go ahead,
3 Dr. Englert.

4 PETER ENGLERT: Thank you. Senator Ige, Senator
5 Fukunaga, Members of the Senate Committee, I am very
6 pleased to be able to speak to you today about research at
7 the University of Hawaii in Manoa and also the initiative
8 that I want to present to you.

9 This is in the framework of the University of
10 Hawaii at Manoa's mission has been the research university
11 of the University of Hawaii system.

12 With respect to that mission of course the
13 University of Hawaii at Manoa is not just the University of
14 Hawaii at Manoa, Oahu. It's the research university that
15 actually spreads across and that's at work in conjunction
16 with all of the islands of the State of Hawaii.

17 Having said that, I'd like to first talk about
18 the number of projects and initiatives that we have here on
19 the videograph (phonetic) but on something that might be of
20 interest to you with respect to the aspirations of the
21 University of Hawaii at Manoa and advancing its research
22 capacity and doing so its processes in which it attracts
23 and which it actually tries to obtain larger and larger
24 research projects.

25 In the past you may have noticed that many of our

1 units, the 24 units that make up the University of Hawaii
2 at Manoa were very efficient and very expedient actually in
3 attracting research and research funds and research grants.

4 All of these grants had a certain size that were
5 partially limited to the size and scope of the
6 units.

7 We are now in a position with the University of
8 Hawaii at Manoa going into a new phase of attracting and
9 actually trying to attract larger projects.

10 The way management at the University of Hawaii at
11 Manoa is happening right now, we can now pull together two,
12 three, four, five, or six units in under the scope of a
13 core competency that we have developed and look at how we
14 can maximize both on our staffing and on the resources that
15 we have to establish new and larger initiatives.

16 One part of it, of course, is to have larger and
17 better funded research projects.

18 The other part of that, of course, is also to
19 establish the management capacity and knowledge bank to go
20 to large projects to which we have to qualify and from
21 there on building the stepping stone to even larger
22 projects in the future.

23 This is something that is actually new to the
24 Manoa campus at this point in time and has been part of the
25 efforts of my new team and the Vice Chancellors for

1 Research office which Vassilis Syrmos is a part of.

2 If you look at the projects that I will present
3 to you in a moment, they are only examples of what is
4 ongoing at the campus right now.

5 But it's also an invitation to those who actually
6 want to work with the university and would like to have
7 access to work with all the capacities of the University of
8 Hawaii at Manoa to come and talk to us to initiate projects
9 that we ourselves are not thinking about and that we
10 ourselves would offer our capacities and capabilities.

11 I would like to remind you that the University of
12 Hawaii at Manoa is an enormous resource. If you really
13 look at research in the technical area, this is one thing
14 we can do.

15 But we also would like to emphasize that many
16 issues, many areas of research or many areas that would
17 address issues of interest to society in the larger context
18 actually are issues that only can be managed and be worked
19 on in the interdisciplinary and then even in a
20 multi-disciplinary environment.

21 And we do have many disciplines at Manoa that we
22 from our office and from the office of the Vice Chancellor
23 of Research can pull together and make available to solve
24 the issues and problems.

25 Not anymore is it necessary to go to the various

1 departments to go and try to bring them together.

2 We at the top, we through the office of the Vice
3 Chancellor of Research actually will be the facilitators
4 and the initiators of such projects if we are being asked
5 for -- if we think we can develop them out of our own
6 emphasis and initiative.

7 Having said that, I think I'd like to go into the
8 environment of looking and describing some of the projects
9 that are under way right now to give you a taste of what's
10 happening.

11 Most of these projects happen to be in the area
12 of science and technology which is relatively appropriate
13 to the committee. But I can also conceive of projects that
14 would be spanning arts, sciences, and the social sciences
15 that are present at our campus.

16 The Affiliated Research Center has been presented
17 by Vassilis already so I would not want to go into that.

18 But I would like to look at things that we are
19 presently working on in, optics, genomics, and proteomics,
20 and bionformatics, and also ocean science and technology to
21 give you a few ideas about the dimensions.

22 Optics. Optics is a capability that is
23 distributed across the university in many universities and
24 in many departments.

25 From the Institute of Astronomy over Physics

1 including into the environment of medicine even.

2 Our optics capability or co-competency fits in
3 the institute of astronomy. We do have, as you may know,
4 the Pan-STARRS project which is a significant new project
5 for the university.

6 We have capabilities in adaptive optics, in doing
7 remote sensing. And, of course, we all have to applaud the
8 school -- Department of Physics for having built our
9 capacity in the free electron laser environment.

10 Actually capacity both on the practical and
11 experimental side and on the theoretical side very much so.

12 So far the same -- actually as far as down to New
13 Zealand where I actually learned about the free electron
14 laser capacity of the University of Hawaii at Manoa before
15 I even thought about joining the University of Hawaii.

16 And we have specialists and capabilities in
17 optical communications.

18 One of the most important things for us, however,
19 is that all of these capabilities are only valid and
20 valuable to us if we can actually put them into context
21 with what our local industry would like to do with that.

22 Now, we are in the process of right now of
23 reassessing our capability and developing larger projects
24 in the area of optics with our partners outside of the
25 university.

1 The other area that we have where we have already
2 made a significant advancement inside the university is the
3 -- is an area that is actually underpinning and supporting
4 the university sled as well as the pledge to support
5 biomedical research and biotechnology development within
6 the state.

7 And one of the backbones of that is genomics,
8 proteomics, and bionformatics,

9 We are putting together a institute or unit that
10 will concentrate on genomics, proteomics, and
11 bionformatics.

12 Before we -- when I arrived and looked at this
13 opportunity six to seven units were individually trying to
14 establish at smaller centers, and we then decided that the
15 Vice Chancellor at the research level that it would be
16 useful to actually combine all of these efforts in order to
17 really provide the School of Medicine and the Pacific
18 Biomedical Research Center and the Cancer Research Center
19 and other biologists across the campus with the capability
20 necessary to undertake biotechnology oriented research.

21 There is a lot of reasons why biotechnology based
22 -- biotechnology and biomedical research are important in
23 order to survive.

24 We have a very high level of biodiversity. We
25 have an enormous oceanic resource that we would want to

1 tap. We are experts in tropical agriculture and medicine.
2 And we have probably one of the world's most heterogeneous
3 population pools.

4 In addition to the Cancer Research Center, PBRC
5 and (inaudible), we have very good -- we are operating the
6 MHPCC and we have, therefore, a very good infrastructure to
7 deal with bionformatics, tying all of these things together
8 on a computer base.

9 If I look at the third example of the project
10 that we are in the process of developing and doing and we
11 actually will sign off now in the next week while President
12 Evander Bell (phonetic) is visiting New Zealand a
13 Memorandum of Understanding towards the project that I'm
14 presenting to you right now.

15 While we have this -- also would want to go -- I
16 want to show you how we want to work larger projects,
17 environment in international operations.

18 This has two aspects. One, of course the UH is
19 within the Pacific environment, one that has an enormous
20 pool of technological resources.

21 Of course, the University of Hawaii as the only
22 research university in the middle of the Pacific is very
23 interested in exploring the ocean.

24 It will take more than the resources of the
25 United States government and the State of Hawaii in order

1 to really explore the southern ocean in areas that are of
2 interest and concern either to economic development or from
3 the point of view of very exciting biocomplexity,
4 biodiversity research.

5 And one of the areas that would be very
6 interesting are the perimeter (phonetic). But the
7 dimensions of this particular project are both the internal
8 within the United States and the external dimensions of
9 raising funds for a highly complex and logistically very
10 difficult project that I think the University of Hawaii is
11 very well posed to do.

12 The initiative is between the University of
13 Hawaii and the Institute of Geological and Nuclear Science
14 in New Zealand which is headed by a chief executive officer
15 who is also a professor at the University of Hawaii.

16 And the sponsors that we are looking for are NOAA
17 concerning ocean exploration and the national undersea
18 research program that we have with them. And, of course,
19 the New Zealand government resources that will be made
20 available as part of that -- of that project.

21 And partners within the New Zealand context are
22 the Victoria University of Wellington, the New Zealand
23 Department of Conservation, and the New Zealand National
24 Institute of Ocean Atmospheric Research, and of course on
25 our side NOAA.

1 I hope that these three projects give you a
2 taste and the flavor of the type of project that we will
3 try to put into play at the University of Hawaii at Manoa.

4 One step above what we have done in the past
5 being the stepping stone for larger projects in the future.
6 And I hope that this is information that you would like to
7 see and like to have. Thank you for your attention.

8 SENATOR DAVID IGE: Thank you. Any questions,
9 Members? Okay. Now proceed, doctor.

10 VASSILIS SYRMOS: Thank you Senator Ige. I will
11 proceed now explaining the complement to a UARC, to the
12 UARC idea. And that is the Engineering Design Center.

13 We're calling it engineering, an Engineering
14 Design Center. But it's more than engineering. It's also
15 applied physics. It is, as you will see, the areas we're
16 going to talk about doing for applied physics in all
17 aspects.

18 The mission of the Hawaii Engineering Design
19 Center would be apply university and industry expertise to
20 address national needs in the Pacific region and leverage
21 dual-use technologies.

22 There is a lot of DOD research coming into the
23 university. So we are able to leverage that technology
24 into dual-use application.

25 The approach is to establish a collaborative

1 partnership with the government, industry, and the
2 university research capabilities.

3 Actually we are a step ahead of that. We are
4 already have the relationship in place on several projects
5 as I will go through.

6 One of the current situation is that at this
7 point there is a large DOD funding coming to Hawaii through
8 the congressional delegation. And the idea is that this
9 funding should have a sustaining impact on the State of
10 Hawaii.

11 Secondly, the economic viability and
12 competitiveness should be realized through collaborative
13 industry academic research.

14 All these projects in order to be sustainable,
15 they've got to be competitive. This would be an extremely
16 important component. And it is an extremely important
17 component of this effort.

18 The goal is to provide a vehicle through which
19 technical experts at the participating institutions can
20 collaborate and leverage resources to effectively compete
21 for DOD contracts that meet national, regional, and local
22 needs.

23 Again, it is extremely important to be able to
24 compete for all these DOD contracts.

25 It needs to be a knowledge-based organization.

1 There should be collaboration, as I said, between local
2 industry, defense contractors, and academic institutions.

3 I want actually to stay on this a little bit. On
4 all the projects we have, and we're going to try to put and
5 we have put under one umbrella, this collaboration does
6 exist with local industry.

7 We have defense contractors both from the state
8 and out-of-state. And there is partnership between
9 academic institutions not only Manoa but also academic
10 institutions in the mainland and (inaudible) --

11 The organizational approach that we're going to
12 take on this should be we need to emphasize on the national
13 defense needs. Whether we like it or not, this has become
14 a very important aspect in our lives. We need to look at
15 local defense operations.

16 We need also to look at the civilian and
17 commercial operations. And then we need also to look in
18 hybrid programs and especially energy and ocean science,
19 environmental, disaster relief. There are a lot of high
20 tech programs that they take place in disaster relief.

21 The military has an unbelievable infrastructure
22 that can cope with this kind of situation. And when I was
23 exposed to this, it is breathtaking.

24 So how we fit in the engineering and Engineering
25 Design Center is that we'll have input from all our DOD

1 projects. We're going to have input from our business and
2 collaborate with our business partners. And, of course,
3 since I am a faculty I can't forget the academia. Because
4 it is, indeed it is what feeds all of the above.

5 Our students are the people that they are going
6 to work on all of this.

7 I have on this project -- and there is David.
8 David Lum (phonetic) is an undergraduate. I paid David
9 9.95 to work on an ONR project and do circuit layout for
10 me. (inaudible)

11 We have a circuit board here. (inaudible)

12 That is called the master control unit. It will
13 go on the radar test bed out at PMRF. That controls the
14 transmit/receive functions of the radar. It is a part of
15 the radar.

16 And this piece of software -- this piece of
17 hardware costs labor and software \$1,800 to ONR.

18 And this is a collaboration with Northrup Gruman
19 (phonetic) and TRW, the Navy, EWA, all these things.

20 And I had the opportunity with this center to
21 take a student that graduated with 9.95, stay here and pay
22 him as an engineer. Starting today he's not making 9.95.
23 He's making \$50,000 a year. That is what economic
24 development is.

25 Another student I tell you Nathan Taguchi

1 (phonetic). He worked -- he is a masters student. His
2 masters thesis with MIT Lincoln Labs (phonetic) on a
3 project on a linear array out at PMRF, Makaha Ridge
4 (phonetic).

5 Nathan came to me. He said, oh, I want to stay
6 here. I just had an offer from Raytheon. They're giving
7 me \$70,000. But I want to stay here.

8 And we have an ONR project, not their project,
9 out at PMRF. And I said, you know, Nathan, this is the
10 first time that I'm going to give you a raise here at TRW
11 and give you \$75,000. And I'm going to keep you here.

12 And this is the competition. If I can keep these
13 kids here, that's what we are all about. That is what all
14 these projects are.

15 I think it's the first time an engineer, and as a
16 professor, that I can call a lot of people like TRW,
17 probably a lot of people -- (inaudible) the first time I
18 can tell them oh, I beat their offers, are much better.

19 Having said that, here is the benefit of an
20 organization like that. It has to be a competitive
21 organization with broader and deeper knowledge. It's got
22 to be competitive in cost proposal.

23 Because if I'm competitive costing this proposal,
24 I can pass all this to the kids.

25 There should be a mechanism for resource

1 expansion. And that mechanism is the university.

2 And the university with the industry. Because we
3 have a different resource expansion. The Orincon, SCI
4 (phonetic), the Novasol, the Environet (phonetic). But
5 there isn't any competition here. We are all here to do
6 the same thing, educate students and actually make a
7 product that is useful.

8 We want to of course expand new technology and
9 knowledge. And this cannot be done only by the university.
10 But because it's technology it's got to be done by the
11 university, by the company, and through graduates, graduate
12 research. These kids are coming trained to me. I don't
13 have to do too much, hopefully not.

14 And here, here we found the students, they
15 (inaudible) -- academia, that's what Manoa does. Training
16 these kids, training these students.

17 And they go work whether they are in the DOD
18 project. And after the DOD project -- a lot of local
19 businesses are very successful in DOD projects. They are
20 very large, medium for mainland size, but for our state
21 very large defense contractors. So it is the feeding
22 engine of this economy, the university.

23 What we would like to see on this, we would like
24 to see some seed funding for FY04. And this is to
25 establish a functioning center, develop operational

1 infrastructure, and develop a five-year operational funding
2 plan for sustainability.

3 Also the seed funding is going to be used also
4 for business development and contractor development,
5 proposal development.

6 And again here is what we're looking at. As
7 Chancellor Englert said, we have the optics. The optics
8 office is a very important area for the university, for the
9 local industry, for the DOD.

10 We have also advanced science and technology
11 applications. We have another huge asset right now in the
12 state. And that huge asset is at PMRF. It's a base. It
13 is a designated MBA testing site.

14 So this is an important aspect of this
15 organization. And then of course we have at the MHPCC the
16 simulation and virtual test bed. These are important
17 assets both in capital, human capital, and also in physical
18 capital.

19 And the last one is the business development. We
20 do want to work with DBET. We do want to do technology
21 transfer. And we want to work with the federal government.
22 We do contracting and outsourcing. And of course local 808
23 companies, which we do. What we will do, we do that right
24 now with our current projects.

25 As I said, there are plenty of opportunities. I

1 said a lot about that. I said about MHPCC. I said about
2 the engineering environment. So this is a repeat of all
3 the good things this center can bring under one umbrella.
4 What I want to do is I tell you how this umbrella is going
5 to be built.

6 Here is the project we currently have. We have
7 an Integrated Health Management Systems project which is
8 funded by NAVAIR. Boeing is the big partner on this one
9 with the University of Hawaii, the two big partners.
10 Aloha, Hawaiian, and Continental are our commercial
11 partners.

12 Aloha and Hawaiian have actually agreed to let us
13 use their data for building an IDA TAM (phonetic) system.
14 Referencia with our local 808 company is going to do all
15 the data base integration and the model (phonetic)
16 integration for these projects.

17 So as you can see it's a partnership between the
18 federal government, outside mainland contractors, the
19 university, local, air carriers, Continental, and small
20 businesses.

21 One big thing here is that the C-17 fleet is
22 going to be arriving in the Pacific sometime in the summer
23 of 2003. The C-17 is an all-Boeing airplane.

24 And we have gotten actually the okay to go ahead
25 and test the IDA TAM system, the Integrated Health

1 Management Systems on the C-17 here at Hickam.

2 So we want to get into an agreement with Hickam
3 and use their C-17. Boeing will provide the quick access
4 recorder. And we will test the whole process.

5 And another very important project in this state
6 is the radar system, PMRF. ONR has been a big, big
7 supporter of these efforts. This project has been funded
8 by ONR, by NAVAIR, a joint collaboration by RCUH, the
9 classified research, the University of Hawaii, and of
10 course PMRF. That is the UESA radar testbed.

11 David was doing work on ONR for that UESA radar
12 testbed.

13 Then a third big project we have is the Metal
14 Fiber Brush Program. This is an ONR NAVSEA funded project
15 in collaboration with the Pearl Harbor Naval Shipyard, with
16 Noesis who is a mainland defense contractor, and Environet.
17 And I think -- (inaudible) the president of Environet.

18 (inaudible) president of a small 808 Hawaiian
19 company. The University of Hawaii, both at the Hawaiian
20 Community College and the College of Engineering.

21 And one aspect of this program is the
22 establishment of technology transfer office in Pearl
23 Harbor. So the shipyard put out the requirement and comes
24 out to the local companies for technology solutions.

25 A big project that we're in negotiation with ONR

1 is the UARC which we expect to be designated as a UARC
2 sometime in the summer of 2003.

3 And as Chancellor Englert says, the optics center
4 is under development. There is a big group working this
5 project at Manoa.

6 And here is some projections. What we have at
7 hand, here are the projects we do have at hand.

8 This is our NAVAIR project, the UESA project.
9 This is a contract out of NAVAIR. This is a UH grant out
10 of ONR. This is a NAVAIR contract out of the Navy with the
11 Boeing company. This is our NAVSEA program with the metal
12 fiber brushes.

13 And here is what we are spending in -- FY03 is
14 going to look for us. And we think that it's -- actually
15 we get that in the pipeline.

16 This is out of NAVAIR. We're expecting to be
17 dealing for a contract of \$50 million. And most of it with
18 our industrial partners.

19 The same thing with the NAVAIR Boeing. We have
20 in the pipeline \$8 million for FY 04. And of course with
21 NAVSEA and Pearl UESA we have the metal fiber brushes.
22 This is a \$9 million project.

23 It is a very important project. What actually
24 distinguishes this from these two is this is going into an
25 acquisition phase. That means the Navy is going into an

1 acquisition for the metal fiber brush.

2 That means that the Pearl Harbor naval shipyard
3 is going to actually do the rest of this of seventy nuclear
4 submarines on their fiber brushes. So these are actually
5 jobs at the shipyard.

6 That is what this project -- makes this project
7 very different than the other two. This one is at the
8 stages of R&D. Flight testing is going to be done here.

9 The FY04, FY05. We are looking at subsystem
10 components. Because the overall programs (inaudible) could
11 be \$150 million. But I don't think we have the core
12 competency to pay off -- we're going to go and do
13 everything.

14 So we're going to partner and beat our \$35, \$40
15 million dollar for past systems and partner with a mainland
16 company to get the rest 100 for flight workman's test
17 (phonetic).

18 The idea at TAM we want to put a different flair
19 to that. Out of these products is going to be mostly a
20 commercial spinoff.

21 So we have these three projects. We put them
22 under one umbrella and try to create different
23 opportunities and find different benefits for this
24 organization in this century.

25 So I would like to thank you for giving me the

1 time to talk to you. And I know sometimes I get too
2 excited. But I hope you don't -- we don't mind. Thank
3 you.

4 SENATOR DAVID IGE: Questions, Members?

5 SENATOR CAROL FUKUNAGA: I guess as a starting
6 point I have two questions. In the past one of the things
7 that has been very difficult for the university and
8 commercial sector to together, on has been the degree of
9 partnering and being able to undertake projects of this
10 magnitude within the existing state's bureaucracy and
11 typical ways in which we do things.

12 Would you envision beyond us -- meaning the need
13 for additional kinds of I guess different structures that
14 would facilitate this type of rapid deployment and
15 expansion of the type of technology spinoff that you could
16 do?

17 PETER ENGLERT: Maybe I should give you an
18 answer in principle first. And then you can end on that.

19 This may have been the case in the past. I'm not
20 quite so sure actually having only been here for half a
21 year what the actual opticals are.

22 But from the philosophical point of view, I think
23 that we have opening -- we're opening up the university to
24 direct industry faculty contacts in order to do these
25 things. The barriers that are there I think are only

1 conceptual, are in perception.

2 Really what has happened and when things start to
3 work, when our faculty are interested to do the work have
4 no obstacles in working with partners that are interested
5 in their expertise.

6 We have of course to look at what the other
7 obligations of faculty, such as teaching and so on. But by
8 in large we have an open door to such projects.

9 VASSILIS SYRMOS: I can only talk about my
10 experience. And I should give Harold all the credit on
11 that.

12 It has been great working for RCUH. Indeed it
13 has been much more flexible on purchasing, especially for
14 federal contracts.

15 It has given us the ability, the university, the
16 ability of servicing through RCUH to run our projects much
17 more efficiently. And for the time being it has been a
18 wonderful organization for myself and working -- having
19 worked with Harold. As long as we don't change things,
20 Harold, we're going to work very well.

21 SENATOR CAROL FUKUNAGA: Under the current
22 structure you envision the UARC and the Engineering Design
23 Center as being able to fully exploit the level of growth
24 and expansion using RCUH as your funding and kind of
25 management mechanism?

1 VASSILIS SYRMOS: Right. That's exactly correct.
2 We would like it to be Manoa but incubate under RCUH
3 because of the flexibility that it can give.

4 SENATOR CAROL FUKUNAGA: Thank you.

5 SENATOR DAVID IGE: I have one question. I know
6 in the past doing classified research was an issue. How
7 much of this stuff is classified versus how much of it --
8 did I ask the wrong question?

9 VASSILIS SYRMOS: No, no. It's a pretty
10 interesting question. Let me go back.

11 Out of this one, there is a ten percent
12 classified work.

13 On this one, ninety percent of the work is
14 classified.

15 On this one, there is no classified work
16 involved.

17 This one does get some classified work. This is
18 not classified with respect to technology. But if you have
19 to go into nuclear submarines, you have to be cleared,
20 security cleared. Because there are parts of the
21 submarine, and Gary would know that as a submariner, that
22 if you are not cleared you can't go in.

23 So this is a different kind of classified
24 research. Not the research that's classified. It's the
25 environment you've got to work in that's classified.

1 SENATOR DAVID IGE: Is there a need for a
2 classified or secured facility in part of this?

3 VASSILIS SYRMOS: That's a good question, David.
4 Because we were talking about that with Harold for quite a
5 long time. Yes, we think that our situation is to invest
6 in a classified secured facility, yes.

7 SENATOR DAVID IGE: Any further questions from
8 the Members?

9 SENATOR CAROL FUKUNAGA: Very exciting.

10 SENATOR DAVID IGE: I guess the flip of that, is
11 the UARC designation kind of in process? And is there
12 something that we need to do to try to help facilitate
13 that? Or are things well in hand and you know --

14 VASSILIS SYRMOS: I think things are well in hand
15 between Chancellor Englert and Harold. I think they have
16 the process under control. And of course ONR. And both
17 Gary and also Glen is here from ONR representative from
18 Hawaii.

19 SENATOR DAVID IGE: So everything is under
20 control?

21 VASSILIS SYRMOS: Hopefully, as far as we know.

22 SENATOR DAVID IGE: Okay. Any further questions?
23 Thank you.

24 VASSILIS SYRMOS: Thank you.

25 SENATOR DAVID IGE: Was Rick also going to be

1 presenting anything?

2 VASSILIS SYRMOS: I wanted Rick and Larry here to
3 help with all the work we do at the university. Rick, do
4 you want to talk a little?

5 SENATOR DAVID IGE: If you could give us your
6 name and position.

7 RICK HOLASEK: My name is Rick Holasek, vice
8 president at Novasol. And, yeah, I just wanted to come
9 here with a smile on my face just saying that I really
10 support what the guys at the University of Hawaii are
11 doing.

12 I'm a university PhD graduate from the University
13 of Hawaii myself. And we really look to the University of
14 Hawaii for qualified trained students, graduates,
15 especially with higher level degrees in building the
16 technology base in our company in the State of Hawaii.

17 So the low hanging fruit, the people who are
18 available out of the University of Hawaii we hire rather
19 quickly.

20 In fact, we cannot hire people as fast as we need
21 them. We are desperate to hire people, technology trained
22 people. And we hire just about everything the university
23 can turn out.

24 And I would really like to see the university
25 turn out more people that are qualified. And this type of

1 program really enables that capability.

2 And we literally are hiring as fast as we
3 possibly can. And we are going back to the mainland to
4 hire a lot of people because we have to.

5 And we often find that the people that are the
6 best qualified are the ones that have a connection back to
7 Hawaii, former UH graduates, people that served in military
8 here, people who grew up here, and want to come here. So we
9 are hiring these people back from Raytheon, back from
10 Boeing, et cetera, et cetera.

11 So we are big supporters of what the university
12 is trying to do here and what RCUH is doing. And we are a
13 real tight team partners with the University of Hawaii. So
14 I'm just here in support of their activities with both
15 teaming and also as a resource for human capital.

16 SENATOR DAVID IGE: Can I ask you this question,
17 Rick. If you can define what are the specific areas that
18 you would need to get graduates out of and what is
19 happening in those areas?

20 RICK HOLASEK: There are several areas. In fact
21 check out our website at www.nova-sol.com and you can see
22 quantitatively what we're talking about.

23 But we are looking for graduates in
24 electro-optics and a lot of different areas. Optical
25 engineering, electrical engineering, mechanical

1 engineering. All of them relate to electro-optics and
2 communications.

3 Software engineering as it relates to high speed
4 processing. Often it relates to electro-optical systems.
5 And we are also looking for some management personnel and
6 so on.

7 But a lot of highly trained people mostly in
8 engineering and also in science, physics. And we have a
9 half a dozen PhDs.

10 Instead of the geophysics kind of background, we
11 have more than enough, another half dozen PhDs in mostly
12 physics and optics background.

13 So covering pretty much the gamut of what the
14 university can churn out in science and in engineering in
15 every department.

16 SENATOR DAVID IGE: Okay.

17 SENATOR CAROL FUKUNAGA: I have a follow-up
18 question to that. You know in a lot of ways this type of
19 program sounds very similar to what the biotech industry is
20 doing in closely working between various businesses and the
21 University of Hawaii Med school and some of the other
22 disciplines.

23 Do you envision I guess the likelihood of fairly
24 rapidly growing the number of companies and placements that
25 the university is able to make into the companies with this

1 format or with this structure?

2 And do you need any additional, I guess, state
3 assistance, you know, say along the lines of Act 221 or any
4 other kinds of tax structuring which would then help to
5 kind of make that process a lot more flexible?

6 RICK HOLASEK: Absolutely. I would say yes to
7 both those questions or statements.

8 We recently got qualified at Novasol under Act
9 221 as a high tech company right at the end of last year.
10 So we're certainly hoping to take full advantage of all the
11 things associated with that act. And it's an excellent
12 program, excellent act. I can't support it enough.

13 I'm also the Vice Chair for the HTTA or the
14 Hawaii Technology Trade Association. That organization
15 strongly supports Act 221 and is all over the place in the
16 legitimate here in the last few days doing so. So we are
17 very strong supporters of it.

18 Individually and collectively at Novasol we are
19 big believers in the abundance mentality that the rising
20 tide will raise all ships. And that the more contractors
21 and people who work in this environment that we have, the
22 better off we are.

23 If there was fifty high technology companies in
24 the business we're in instead of a half a dozen in Hawaii,
25 it wouldn't be so difficult to find people who are trained.

1 One of the difficult things about bringing people
2 to Hawaii, even those who want to come here to be here,
3 they worry that if they lose their job or something goes
4 wrong for any reason they can't just sort of walk across
5 the street and get a job at Company X versus Company Y. If
6 things don't work, out (inaudible) they can't go to Coswell
7 Cox (phonetic).

8 And there's not a lot of opportunity in Hawaii
9 at the moment like that. However, it's growing, and it's
10 incubating. And now is the time to really get in there and
11 support it all the way around.

12 The university is supporting technology
13 development in Hawaii. The companies are going to do it
14 with the people here like myself and many others.
15 Entrepreneurially companies are going to get in there and
16 do the best they can always.

17 But the university is getting in there and trying
18 to really pitch in and make something happen. And the
19 state legislatively I think needs to continue the good work
20 they are doing such as Act 221. So I can't support those
21 kind of things enough.

22 SENATOR CAROL FUKUNAGA: So with respect to the
23 number of graduates that you currently have coming out of
24 the UH, say, for example, if the university was to expand
25 the number of graduates that they had in engineering, just

1 to take one area, could you know, the businesses that are
2 currently growing and developing here absorb ten percent
3 more or twenty percent more per year?

4 Or if there were additional, I guess, initiatives
5 which connected students with the engineering program, you
6 know, at an earlier level?

7 I see some of the people here from the college of
8 engineering who have been trying to work with the high
9 schools and middle schools in actually recruiting students
10 at a much earlier time so that you could produce a much
11 broader pool of candidates?

12 Would that be something that would be helpful or
13 not quite yet?

14 RICK HOLASEK: I think that would be helpful. In
15 fact, I can't say what percentage more with all the
16 companies in Hawaii are collecting any statistics on it.
17 But I know what's happening in Novasol. We could use 200
18 percent more graduates.

19 We just allotted positions for -- we have 23 open
20 positions for contracts in hand right now. And we are
21 struggling to fill those positions. We're filling them as
22 fast as we can. And I know that before we fill positions
23 by this summer that we'll have several more positions open
24 based on contracts that I anticipate coming in.

25 So those are just sort of the stuff for contracts

1 in hand. So the university really can't turn out too many
2 I think trained technology graduates.

3 Not just for the people in Hawaii. But that is a
4 real ticket for people to go anyplace on the mainland and
5 also gain all sorts of really engaging employment all over
6 the place and a very high salary level. So I think it's an
7 excellent place to put energy.

8 And hopefully the state will grow that kind of
9 business and will become less reliant on more traditional
10 things that have occurred in Hawaii and really be able to
11 benefit from these high technology very highly paid jobs,
12 tax base producing kind of opportunities.

13 SENATOR CAROL FUKUNAGA: Thank you.

14 SENATOR DAVID IGE: Mr. Cutshaw, do you want to
15 comment?

16 LARRY CUTSHAW: You just covered an awful lot of
17 things. But we can add to it. My name is Larry Cutshaw.
18 I'm the Director of Business Development with Orincon
19 Defense. We are located in Kailua.

20 We have the good fortune to have grown at about
21 26 percent for the last five years. We are currently at 30
22 employees. Of those 30 employees, 15 of them are
23 University of Hawaii graduates from the School or the
24 College of Engineering, they are from physics, they are
25 from (inaudible).

1 They have a variety of backgrounds, including
2 computer science. We are primarily an information
3 technology software company.

4 We do a lot of single image processing and a lot
5 of network communications. We complement the kind of
6 things that other companies like Novasol and SCI do. We
7 take their sensors and we make them better by adding
8 software to them.

9 So our vision has always been to grow the local
10 economy, grow it through creating jobs and creating
11 opportunities for the engineering students and
12 mathematicians and computer scientists.

13 Our vision has always been collectively if we as
14 a company work with all the other companies and the
15 university and the government research laboratories, we can
16 create much larger programs that we can all benefit from.

17 Rick's phrase was very appropriately stated;
18 that a rising tide will raise all of the ships. All of
19 those companies working together collaboratively along with
20 the University of Hawaii and along with their research
21 laboratories and the Office of Naval Research will allow us
22 to pool our talent base, and we can go after \$100, \$250
23 million type programs, as opposed to the traditional type
24 of stuff that Orincon has been doing.

25 In the past we were stuck with 100K, maybe if we

1 got lucky 700K types of programs that lasted six months,
2 nine months. So you've always got engineers in a state of
3 I'm running out of work, I need new work, what's going to
4 happen?

5 Well, as you begin to grow and collaborate and
6 get bigger programs, one of the immediate benefits is
7 longevity. Now you can work on a program that is going to
8 last for three years that (inaudible) transitions into the
9 Navy because there's four or five years worth of
10 engineering marine work to be done, those kinds of things.

11 Now you are looking at a program that you have a
12 choice as an individual to work on a program for 8 years.
13 Well, that gives you the stability to start thinking about,
14 well, now how do I start planning my life? How do I stay
15 close to my family? How do I grow? How do I buy a home?
16 How do I do the types of things that everybody
17 traditionally wants to do?

18 And that gives them a chance to stay home. I am
19 tickled pink to be in a place to have an opportunity to do
20 business development, to reach out to the university, and
21 to give kids an opportunity to stay here.

22 SENATOR CAROL FUKUNAGA: Thank you.

23 LARRY CUTSHAW: Any additional questions that
24 you'd like to ask? You've covered an awful lot in the
25 opening ones.

1 SENATOR CAROL FUKUNAGA: I guess one thing that
2 (inaudible) -- somewhat problematic in the past has been in
3 the work force development area, high tech development
4 corporation, (inaudible). A number of the state
5 associations have tried to develop recruitment efforts,
6 some of which have also included -- what do they call them,
7 you know, they go out and recruit all across the west
8 coast --

9 LARRY CUTSHAW: The high tech jobs there,
10 Kamaaina Come Home.

11 SENATOR CAROL FUKUNAGA: -- Kamaaina Come Home
12 type programs and so forth.

13 And as we have tried to identify you know with
14 both businesses as well as education providers and I guess
15 training providers, there comes -- it seems that one of the
16 real sensitive questions is what is the appropriate role
17 for which party, and how do you make sure that all of these
18 types of efforts complement each other rather than
19 duplicating them, overlapping so we are not really reaching
20 the widest possible audience of potential candidates that
21 we can bring to Hawaii in a time frame that works not only
22 for the businesses but also for all of the training and
23 higher education institutions.

24 Do you have any thoughts on, you know, either
25 some of the things that have worked well that you have seen

1 in the last several years? Or recommendations on what we
2 might be able to do that would be more effective?

3 RICK HOLASEK: I think one of the really good
4 things that exists from the high technology development
5 corporation is they have a website techjobshawaii.com. And
6 I would like to see them put a lot more energy into that
7 website to make it even a lot better than it currently is.

8 However, in its current form and with their tech
9 jobs out there locally, we've rehired I think about eight
10 or ten people in the last couple of years from that as a
11 resource. So we look at that as a resource that's
12 basically free.

13 And you can really reach out and touch a lot of
14 people through the computer. You really can. It's
15 amazing.

16 We just updated our website and put it online
17 yesterday, and I got three resumes sent in already saying,
18 "hey, cool website. Here's my resume. Got any jobs?"

19 So it's a powerful resource. And being out here
20 in Hawaii, you know, it's no longer like you're an ocean
21 away. It really does help connect you. And what a great
22 place to live. The lifestyle here, there's just nothing
23 better.

24 So this is something that I would really like to
25 emphasize. Of all the money spent in that organization,

1 you know, the portion of it spent on that I think is very
2 small but yet the results are very big. So maybe that
3 needs to be looked at. Hey, look at where the big results
4 are coming.

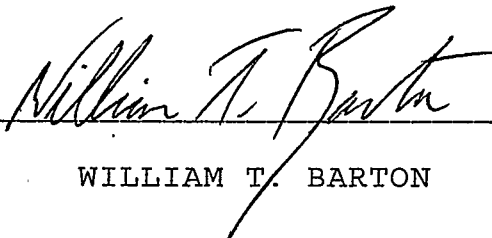
5 SENATOR CAROL FUKUNAGA: Thank you..

6 (End of Joint Informational Briefing Excerpt)

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1
2
3 I, WILLIAM T. BARTON, RPR, Certified Shorthand
4 Reporter, State of Hawaii, do hereby attest that the
5 excerpt of a videotaped proceeding herein was by me taken
6 down in machine shorthand and thereafter reduced to print
7 via computer-aided transcription under my supervision; that
8 the foregoing represents a complete and accurate transcript
9 of the excerpted proceedings to the best of my ability.
10

11 Dated this 17th day of October 2005 at Honolulu,
12 Hawaii.

13
14 
15 WILLIAM T. BARTON
16
17
18
19
20
21
22
23
24
25

b6
b7C

From: [REDACTED]
Date: September 26, 2003 12:05:00 PM HST
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: UHM UARC

[REDACTED]

Please be assured that I was never trying to "include" your research efforts in the UHM UARC initiative. We were approached by representatives from CNR and UHM, including ADM [REDACTED] and [REDACTED] and asked to help establish a Navy-sponsored UARC at UHM. We are the only Navy office with experience in UARC administration -- that's how we got involved. However, we are not a UH program/funding sponsor, and by ourselves we cannot justify a UHM UARC to the Navy/DoD acquisition executives who must approve it. So we are trying to reach out to all other DoD program funding offices which may be interested in a long-term UARC relationship with UHM, to determine what their interest is, and whether a UHM UARC case can be made based on DoD requirements. To help identify sponsor contacts and support the case for a UHM UARC, I asked [REDACTED] for a list of all DoD funded work within the past several years. He provided this list a number of months ago. Your programs are on this list, but that probably occurred before the internal UH agreement to exclude your programs. Until now, I did not know that. I am sure [REDACTED] felt he had covered this matter by insuring that your programs were not specifically reflected in the draft core statement, which is all he needed to do.

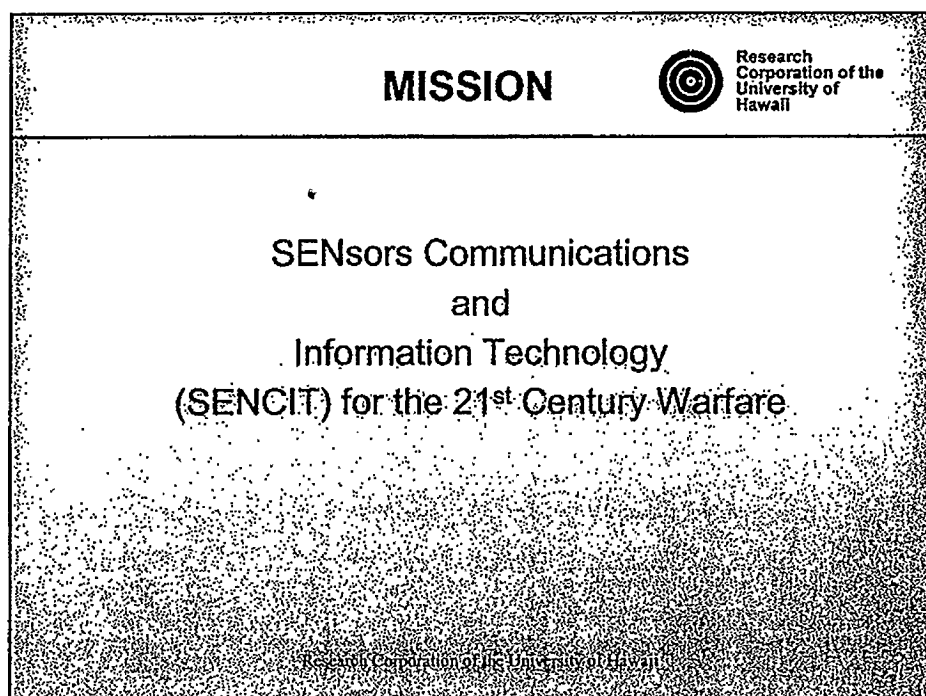
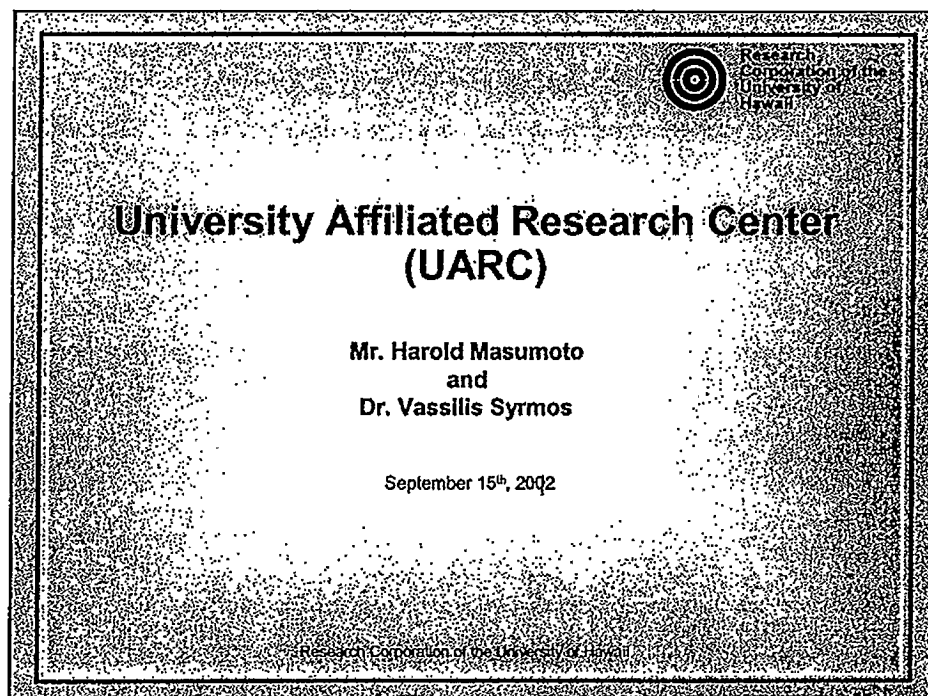
Part of our data gathering strategy is that DoD sponsors who have worked with UH in the recent past would be a good source of information, and some of them may want to support the UHM UARC initiative for the future. We need a substantial base of DoD sponsor support to make the case for a UHM UARC, and we are literally trying to build that base in response to this request from the Chief of Naval Research (copy attached FYI).

The shortcoming in our strategy of calling all recent UH DoD sponsors is that we never anticipated researchers within UH would seek exclusion from the UARC initiative. We have never seen that before, and I still wish I knew why, although I agree you don't have to tell me.

Sorry for the misunderstanding.

Sincerely,

[REDACTED]



PURPOSE



Research
Corporation of the
University of
Hawaii

- Provide Technical Assistance to various DoD programs in the MIDPAC region
- Establish and maintain state-of-the-art laboratories in the focus areas
- Serve as a premier Technical Resource to all members of the high tech community in the focus areas

Research Corporation of the University of Hawaii

SCOPE



Research
Corporation of the
University of
Hawaii

- UESA R&D
 - Leveraging PMRF and the Kauai Based Technology
- Laser and Optical R&D
 - Leveraging UH (FEL and Remote Sensing), Boeing Maui and IFA
- Signal and Image Processing (SIP)
 - Using MHPCC to support UESA for C-STAP demonstration
- Ocean Science and Technology
 - Working with SOEST (HIG, Department of Oceanography) and CEROS
- Corrosion R&D
 - Collaborating with the Corrosion Center at UH (CoE)
- Telemedicine and Bio-MEMS
 - Leveraging Tripler Hospital (VA), the Medical School and the DoD's interest of Modular and Mobile Operating Units

Research Corporation of the University of Hawaii

CORE COMPETENCIES



Research
Corporation of the
University of
Hawaii

- Astronomy (Big Island, Maui)
- Ocean Science and Technology
- Free Electron Laser and Applications
- Remote Sensing
- Advanced Computing (MHPCC)
- Systems of System Integration
- Integrated Sensors
- Communications
- Corrosion Center
- Telemedicine and Bioengineering
- MEMS and Bio-MEMS

Research Corporation of the University of Hawaii

STRATEGIC ASSETS



Research
Corporation of the
University of
Hawaii

- Pacific Missile Range Facility
- Tripler Hospital
- Barber's Point (Kalaheo)
- MHPCC
- Telescope Facilities (Big Island, Maui)
- CINPAC Fleet

Research Corporation of the University of Hawaii

University of Hawai'i, School of Social Work
[redacted]
Honolulu, HI 96822

b6
b7C

To Senator Inouye and All Recipients:

I am very sorry about the muddled email I sent you. We have a new email system at UH, and I have no idea how that last message was sent in so many forms.

Here is the message, clearer I hope.

b6
b7C

Aloha Senator Inouye:

This is in response to your letter to me in which you are responding to my allegations about "Possible Corruption at UH." I very much appreciate it that you would take the time to involve yourself in this manner.

Please allow me to express my condolences to you over the passing of Henry Giugni. I know the feelings of loss you are experiencing must be enormous.

Before I discuss the substance of your letter, I would like you to know that I am a long-term member of the Democratic Party, and, in fact, I am the [redacted] in the Democratic Party, as I have been for many years. I also have been a professor at UH for [redacted] years. All of this information is to let you know that I have a major stake in the health and welfare of both my political party of choice and my University. I have lived in Hawai'i for most of my adult life, and I have married into a local family. I, therefore, also am totally committed to keeping Hawai'i a safe, prosperous and healthy place in which to live and work.

b6
b7C

[redacted] 11/22/05

Because of my long association with the Democratic Party, the UH and the people of Hawai'i, I am very aware of the many contributions you have made to the University and State over your long career. I have attended many events, including several state Democratic Party Conventions as a delegate, where you have spoken, and I am very aware of your role in both national and state politics.

After all these years in Hawai'i, however, I cannot help but observe the anguish and sense of betrayal that so many Native Hawaiians feel when they see that the so much of the funding you have helped provide for Hawai'i will arrive as part of an increasing militarization of their lands. You, of all people, know the history of oppression of Kanaka Ma'oli from the days of the (not very great) Mahele in 1848 to the overthrow of the sovereign government and the Queen in 1893 to the advent of the new Stryker brigade. You have served so many years on the Committee on Indian affairs, and have long claimed to be an advocate for Native people. One cannot be an advocate and at the same time bring untold sadness to the people for whom one is advocating.

I know that native people can and do speak for themselves. But this issue is crucial to understanding opposition to the proposed UARC. Many of us see this as simply an extension of the ongoing policies of militarization of Hawai'i, and as adding insult to injury for the native people of Hawai'i. In other words, you simply cannot continue calling yourself an advocate for native people while at the same time participating in actions that bring greater despair and anger to those very same people.

There also is a similar fundamental contradiction between adding more and more monies for weaponry to the military arsenal and then failing to understand that, almost as a corollary of this funding, the weapons WILL be used. You made an eloquent and heart-felt speech opposing the resolution that, in essence, allowed President Bush to engage in the aggressive, preemptive war in Iraq. All of us are quite aware that Bush and his political

gang are brainless nitwits, and neo-fascists at that. Giving Bush unlimited military power and virtually unlimited funds is akin to giving a small boy a hammer. The small boy will think that everything needs hammering, and our nitwit President, of course, was bound to find some way to use the "toys" HE has been given, with disastrous effects as we all know.

Thus, the continuing military buildup in Hawai'i, in addition to the damage inflicted on native Hawaiians and the entire community, is certainly going to be employed in Bush's aggressive, preemptive wars. Anyone who supports the military buildup is as responsible for the devastation around the world as the President.

That is the context for understanding so much of the disruption at UH over this UARC proposal.

With regard to your letter, Senator, I want to remind you that my original email never said that you had attended any meetings at UH. However, that email DID state that you had attended the same meetings at which those advocating for a UARC were present. Let me help you refresh your memory, since you claim you "have no recollection of the meeting or meetings (I) reference."

In 2002, [redacted] and [redacted] made a presentation to you and/or your staff during which they advocated for a UARC at UH. Following that presentation, an email from [redacted] of NAVSEA stated that NAVSEA does not see the need for another UARC, but was asked to create one at UH anyway. As you well know, this solicitation by the university is the opposite of the rules in the Federal Acquisition Regulations, the UARC guidance documents, that state that the need and initiative for a UARC must come from the sponsor (i.e., NAVSEA). Then, in 2003, Admiral Cohen, in an email, conveyed his support for the UARC.

b6
b7C

This process not only violates administrative rules, it may also

violate the law since it does not follow the Federal Acquisition Regulations that require full and open competition in the establishment of a UARC.

You attended other meetings with UARC proponents in August, 2003, at the Naval Research Enterprise – Collaboration for Public-Private Partnerships, and in 2004, at the meeting that I attached to the original email in the attachment called “Participants,” where, as you can see from that attachment, your name is listed. There may be many other meetings that you attended with the UARC proponents, and I am sure you will begin to recall them with the prompts I have provided here.

Please note also that in the original email, I did not specifically accuse you of participating in these meetings so that you could secretly advocate for the UARC. On the other hand, the likelihood for conversations about the proposed UARC is greatly increased by the joint attendance of all those who are proposing and supporting the UARC, wouldn't you agree?

With regard to your outrage at the notion that, as you put it, “because of campaign contributions I received from UH officials, I advocated a URAC (sic) at UH...To suggest that I would support URAC (sic) or any other program in return for campaign contributions worth a couple of thousand dollars is personally insulting, and which I take to be an allegation of bribery.”

I am very surprised at your comments here, Senator. You sound as though you may be the only person in America who does not believe that large campaign contributions usually are intended to affect elected officials' behavior. There almost always is an implicit or explicit expectation for reciprocation that I am certain you understand. In Japanese, the concept is called *kaeshi*. Or, is your statement in your letter, when you deny that "contributions worth a couple of thousand dollars" are not enough to get you to act on the donors' behalf, intended to say that larger contributions would?

Bribery is a very serious allegation, Senator, and if you take the opportunity to reread my original email, you will see that I never alleged that you acted on the UARC BECAUSE of the contributions. I merely pointed out the coincidence of very substantial contributions being made to you by University personnel who were committed to developing a UARC at UH. Is that not true? In fact, these really WERE rather substantial contributions for UH personnel who are chronically underpaid, and in the aggregate, totaled way more than "a couple of thousand dollars."

So, Senator Inouye, I hope you understand just how much is at stake if a UARC were to be established at UH. The attempt to institutionalize military weapons research at UH will undermine our mission, our strategic plan that explicitly calls for a "Hawaiian place of learning," and our standing as a university. As noted peace scholar [REDACTED] recently put it, "If UH accepts the UARC, UH will cease to be a university."

b6
b7C

Thus Senator, I believe, as do many of the UH faculty, students and community, that you have the power to help the UH and NAVSEA stop the negotiations and end the disruption at UH over the UARC. All I would ask for is that you find the political courage and will to do so.

To that end, it is particularly important that you have asked the FBI to investigate. I know that you must recognize that the purpose of such an investigation is not to clear your name or to prove my allegations. The purpose is to get at the truth. Therefore, I hope you will join with me in cooperating fully with any investigation the FBI decides to pursue as well as those currently underway by the NCIS and the State Attorney General.

In the meantime, the only way you can remove yourself from any controversy about the UARC is to publically call for, and privately support, an end to the negotiations over the UARC so that this very ill advised adventure can be eliminated from the agenda of our University.

I also urge you to join with many of us in endorsing a new mission for UH as a peace university. I am certain that a legacy of great peace endeavors always will trump a legacy of providing funds for increasing militarization. To that end, I have attached a proposal from former [REDACTED] and Emeritus Professor, [REDACTED] that can fuel the kind of debate that is now missing at UH because of all the discord sewn by the UARC proposal.

Sincerely,

b6
b7C

[REDACTED]

Professor
University of Hawai'i, School of Social Work

[REDACTED]

Honolulu, HI 96822

[REDACTED]

b6
b7C

Sent: Wednesday, October 26, 2005 3:19 PM

To: [REDACTED]

Cc: [REDACTED]

Subject: 2 urgent UARC issues not included in draft report

Aloha [REDACTED]

My name is [REDACTED] I am the [REDACTED]
[REDACTED] I want to
start by thanking you and the ad hoc committee for all of your work
studying the UARC issue.

As a non-faculty community member concerned about this issue of military encroachment into UH, I have refrained from submitting comments to the faculty senate website on the UARC, leaving the discussion to the appropriate constituency of the Faculty Senate. However, after reviewing the draft report and the documents and comments posted, I feel compelled to make a few comments about what appear to be deficiencies in the report and in the general discussion. I apologize to bring these issues to you at such a late hour, but I think that they are extremely important to the UARC question.

In general, I think that the report does a good job of summarizing the issues pro and con. However there are two serious issues that are not reflected in your draft report and I think deserve their own heading and summary.

1. Apparent failure of the Navy to follow Federal Acquisition Regulations (FAR) requirements for full and open competition in the establishment of the UARC. The administration has only cited regulations that allow for UARCs to operate under sole source contracts with the government once the "trusted agents" relationship has been established. However, as Professors [REDACTED] [REDACTED] have pointed out on numerous occasions, the guidance documents from the Department of Defense call for competition in the establishment of the UARC. This has been affirmed by other UARCs created by the Army and NASA. Although the administration claims that the Navy does it differently, they have failed to provide documentation that exempts the Navy from FAR and DoD guidance.

2. Key UARC personnel and programs appear to be implicated in the Navy criminal investigation of possible mismanagement of past military classified contracts. When asked for a full explanation of the UESA/ Kai'e'e scandal, the administration has deflected the question by saying that RCUH is autonomous from UH or dismissed the concern by saying that "in the end you'll see that we're the good guys." These are not satisfactory explanations of a very serious matter.

Basically my understanding of the facts is that the UH facility security officer (FSO) alerted the federal government about possible mismanagement of three military research contracts. One of these contracts was the Ultra High Frequency Electronically Scanned Array (UESA) [REDACTED] was the Principle Investigator on this contract through UH engineering. RCUH under [REDACTED] [REDACTED] was administering the contract. [REDACTED] also served at RCUH during this same period. It is alleged that the Office of Navy Research Program officer [REDACTED] who handled all the military contracts, ordered UH officials to improperly handle classified information related to the UESA project after the Navy classified the project. It is also alleged that [REDACTED] then director of RCUH, asked UH and RCUH staff to comply with improper instructions from [REDACTED] The Navy is also investigating whether funds from the UESA contract were improperly used to hire someone to write another proposal for a Sensor Integration (SENCIT) project

b6
b7C

11/18/2005

which RCUH called "Kai'e'e".

When the Navy criminal investigation began around 2003, project Kai'e'e was dropped. Although it's not clear by whom. No one in the administration has ever explained Kai'e'e. When asked about Kai'e'e, the chancellor's office replied on its website that three UH faculty worked on both Kai'e'e and UARC. But they did not disclose who these persons were, what they were doing, or explain the Kai'e'e project. This seems to be the only public mention of Kai'e'e.

Around the same time that the investigation heated up, [redacted] resigned from RCUH. However he simultaneously signed a consultant contract that included work on securing a UARC for UH. This contract was only terminated in March 2005 after the KaLeo broke the story of the Navy investigation. [redacted] retained his security clearance throughout this time as a consultant. We have not gotten any answers about what work [redacted] performed on behalf of the UARC. The administration denied any knowledge of [redacted] work for the UARC.

b6
b7C

The earliest documentation we have is that the UARC originated with [redacted] and [redacted] making a presentation to Senator Inouye in 2002. This solicitation of a UARC initiated by the University is the opposite of what is stated in UARC guidance which states that the need and initiative for the UARC must come from the sponsor. Hence the vague and overly broad nature of the UH UARC proposal. In an email [redacted] from NAVSEA states that NAVSEA does not see a need for a UARC, but was asked to create the UARC.

When Adm. [redacted] of the Office of Naval Research conveyed his support for a UARC in a 2003 email, he designated [redacted] as the ONR point of contact.

So we have [redacted] working on UESA/Kai'e'e at the same time they were developing the UARC proposal. You also have collaboration between UH, RCUH and ONR to create the UARC proposal, and then these three entities trying to persuade NAVSEA to adopt the concept.

The original UARC proposals list UESA (a type of SENCIT technology) as one of the UARC competencies (See the UARC management plan from 2003). Although UESA is not specifically mentioned in the current proposed core competencies include SENCIT, research using the electromagnetic spectrum, is listed. So the programs that the UH is offering up for the UARC are the same ones implicated in the Navy investigation.

Other circumstantial factors raise the level of concern about the UH administration's integrity on this matter. At one of the hearings at the State Legislature, [redacted] stated that there was a broad agency announcement for the UARC. When confronted with contradictory information at the hearing, he changed his story and said that there was an RFP. But this was also proven to be false. The UARC was announced on the Federal Business opportunities website as a sole source contract award, neither an RFP nor a BAA.

At one of the Chancellor's public meetings on the UARC last semester, [redacted] was asked about the UESA/Kai'e'e scandal and whether he spoke with Navy investigators. He stated that he never spoke to them. (see the transcripts) Later I got confirmation from the Navy that [redacted] was in fact interviewed twice by Navy investigators. I do not know why he lied to us.

Combined with the apparent improper procurement of the UARC, this raises serious questions about the integrity and legality of the

* see www.
stopuarc.info
for all
docs.
Evidence
of development
of UARC
in violation
of FAR.

11/18/2005

UARC. At a minimum, the UH community and the general public need full disclosure and answers about the UESA/Kai'e'e scandal before we can even be expected to evaluate the potential risks and benefits of the UARC. We also need to see the accounting of the UESA contract and other two contracts that alarmed the UH FSO. Unfortunately, the administration seems to be driven by an unseen timetable that precludes careful consideration of the issues. Why is the November deadline for a BoR vote so critical?

The reason I go into so much detail is to only impress upon you the seriousness of the allegations and the possibility that the UARC will drag UH into a potentially damaging scandal. The information I have is very incomplete and has been very difficult to get. I would be happy to provide what information I have to you or the ad hoc committee. I have also filed freedom of information requests with RCUH and UH on a number of these contracts including Harold Masumoto's consultancy. So far I have not gotten any additional information. We need full disclosure and answers before anyone should be asked to make a decision on the UARC. Perhaps the ad hoc committee could assist in securing the release of information about this matter.

The matter of the criminal allegations really deserves its own independent investigation before the matter goes before the Board of Regents. I would urge the ad hoc committee to make such a recommendation.

Thank you very much for your attention to this serious matter and for your work to preserve the integrity of the University of Hawai'i.

[redacted] → Has most documents re. to Sen. Inouye pushing UARC
AFSC Hawai'i Area Program
2426 O'ahu Avenue
Honolulu, Hawai'i 96822
Telephone [redacted]
Fax: (808) 988-4876
Email [redacted]
Internet: [redacted]

[redacted]
University of Hawai'i, School of Social Work
[redacted]
Honolulu, HI 96822

b6
b7C

[redacted] 11/18/2005

[REDACTED]

Here it is. [REDACTED]

[REDACTED] wrote:

> You shoulda seen [REDACTED] yesterday. Man, he was on
> target!
>
> I brought about 1/8 inch of papers; [REDACTED] brought a
> pile about 2 inches
> high to give the agents. Their eyes were popping.
>
> They said, as I heard it, that they believe
> something is going on
> here, but they have to find a smoking gun. Anyone
> have one?
>
> [REDACTED] and [REDACTED] Forgive me but I gave them your names
> and phone
> number. The agents didn't know squat about how
> UARCS work and didn't
> seem to know about the required BAA. We explained as
> well as we could,
> but they need your expertise. The more we talked,
> the more I thought
> we really have something there.

> [REDACTED] Could you please send me again the site that
> shows all the
> RTRF expenditures with [REDACTED] getting his fake
> consultant fee and 150K
> for the HEDC?

> Thanks everyone,

> [REDACTED]
> [REDACTED]
> Professor
> University of Hawai'i, School of Social Work
> [REDACTED]
> Honolulu, HI 96822

[REDACTED]

> > begin:vcard
> n: [REDACTED]
> fn: [REDACTED]
> tel;home [REDACTED]
> [REDACTED]
> org:University of Hawaii;School of Social Work
> adr: [REDACTED]
> Stre [REDACTED] USA
> version:2.1

↑
rt of expenditures
↑
~~revolving~~
research & training
revolving fund "

b6
b7C

[REDACTED]

11/18/2005

From [redacted]
Sent Friday, October 28, 2005 12:25 pm
To [redacted]

Subject Additional Info

Attachments vCard [redacted]

1K vCard [redacted]

1K

Hi [redacted] and [redacted]

Wanted you to know that I was informed by my "deep throat" in the UH admin that [redacted] wrote a letter to the administration asking that I be investigated. That is the crudest form of retaliation possible. I emailed my concerns about retaliation and my rights under state and federal whistleblower laws to the UH Chief Counsel and the President of UH.

The [redacted] letter shows that I must be on target. In fact, if you look at that transcript of the 2003 Senate briefing that I gave you, [redacted] says he also works for [redacted] at the RCUH (Research Corporation of the UH.) If he is being paid by them also, that means he is getting money from the UH for his salary (probably around 200K), 75K as a "consultant, 150K for his HEDC, money from RCUH and money from several grants.

There is no possible way for him to be doing the work required from all those sources of money. This may be your smoking gun!

I also am forwarding you a message sent by [redacted] to give you a little perspective on the background of my charges. This small gang of people have been involved in possible wrongdoing for quite a while.

I am not having luck in getting faculty to talk to you about being intimidated by [redacted] I told them about your promise of confidentiality, but they are just too scared. That alone proves that the intimidation exists. Awful, yeah?

b6
b7C

[redacted]
[redacted]
Professor
University of Hawai'i, School of Social Work
[redacted]
Honolulu, HI 96822

----- Original Message -----

From [redacted]
Date Thu, 27 Oct 2005 14:28:57 -1000
To [redacted]
From [redacted]

11/18/2005

-----Original Message-----

From: [REDACTED]
Sent: Monday, October 31, 2005 4:02 PM
Subject: More Information for Your Investigation
Importance: High

Hello Again:

I have additional information that may add to our understanding of why [REDACTED]
[REDACTED] may be seeking to retaliate against me for filing the
complaints.

I seriously UNDERSTATED the amount of money he has received for establishing the Hawaii Engineering and Design Center (HEDC) discussed in the transcripts of the 2003 Legislative Briefing. Attached is information on the Chancellor's web site that [REDACTED] actually received \$452,000! I believe that may be IN ADDITION to the \$150,000 he received for the HEDC and the \$75,000 he received for being a "consultant" on the UARC, both from the UH. The latter amounts can be verified by the spending report at the following site: http://www.hawaii.edu/offices/eaurlgovrel/reports/2005/2005_hrs_304-8.1_rtrf_annual_report.pdf.

Thus, to the extent that [REDACTED] received these monies for establishing a unit to funnel UARC monies to the community, AND THERE IS NO UARC, we must have a case of fraud by both the giver [REDACTED] and receiver of the funds because the purpose for which they were intended does not yet exist.

b6
b7C

Further, my original complaint charged that the monies in the UH RTRF (Research and Training Revolving Fund) are subject to abuse by the Chancellor and Vice Chancellor because there is little or no accountability. A recent report from the UH Board of Regents dated April 30, 2004, echoes my conclusions in that an audit reported that there is lack of clarity about the policy for use of those funds; therefore, it cannot be ascertained that they are being used properly. I have attached that report as RTRF Policy.

I hope you will be able to make good use of this information in your investigation.

[REDACTED]

[REDACTED]

[REDACTED] 11/18/2005

From [REDACTED]
 Sent Sunday, October 2, 2005 1:03 pm
 To hawaiiag@hawaii.gov
 Cc governor.lingle@hawaii.gov [REDACTED]@hawaii.gov ,
 [REDACTED]@usdoj.gov [REDACTED]@hawaii.edu ,
 senator@inouye.senate.gov

b6
 b7C

Subject [teamstopuarc] Possible Corruption at UH

Attachments	ORINCON.doc	53K	NCIS Investigation of UH.doc	58K	Conflict of Interest.doc	29K
	Participants.doc	28K	vCard(jfischer)	1K		

Mr. Mark Bennett, Esq.
 State of Hawai'i
 Attorney General

Hi Mark:

I am writing to file several complaints about possible corruption at the University of Hawai'i, including conflict of interest, misuse of University funds, retaliation and bribery, and potential discrimination. I am writing to the Attorney General's office so that you can take the appropriate action on these potential violations to stop current, and prevent possible future, violations. As you will see, these are very serious allegations, and I trust that you will take action where you find such action is necessary.

Because I do not want other government agencies to learn about these violations in the media, so that they can be forewarned, I also am notifying, by this message, Governor Lingle, Senator Inouye and the office of Ed Kubo, US Attorney. As you will see below, all of these violations concern the proposed University-Affiliated Research Center (UARC) at UH-Manoa; hence, I am notifying the Federal officials.

You might wonder why I am not pursuing these cases through the channels at UH. The answer is simple. I have been a professor at UH for 35 years. I am very familiar with the progress—or lack of progress—of virtually any complaint brought to the UH administration, particularly, the UH Counsel's office. The administration simply will bury any complaint that even hints of corruption, so used are they to doing business in that way. Hence, I am bringing my complaints to the authorities who I believe will not be bound by the old ways of "doing business," and who have legal authorization to investigate violations of state law. I am, however, sending a copy of this message to the University Counsel in the event that the egregious nature of these possible violations does move them to begin their own investigation.

I, first, will present the four violations, with some of the evidence that supports the charges. I hope you recognize that I cannot always provide names since some of this information was provided by confidential sources who greatly fear retaliation, particularly from [REDACTED]. Some of the information was given me by the many contacts I have developed over the years, but virtually all of them can be validated by the public record. Following the presentation of the charges, I will provide some background information on the UARC, primarily by listing some sites you can explore to bring yourself up-to-date on the proposal and the opposition to the proposal.

b6
 b7C

It is important to note that none of the violations presented here have anything to do with whether or not the UARC should be approved; the violations stand on their own, independent of the pros and cons of the UARC.

.. 11/18/2005

Briefly, as introduction to the complaints, the UARC proposal is to establish a center for research funded by the Department of Defense, Naval Sea Command (NAVSEA). The proposed contract calls for some \$10 to \$50 million to be spent over five years on non-bid task orders from the Navy. While this does not appear to be an enormous amount of money given the approximately \$330 million per year raised by the Manoa faculty for research, it certainly is enough money to understand the temptation to violate the law in order to obtain it.

The complaints, and my allegations, follow.

1. POSSIBLE CONFLICT OF INTEREST. The Manoa official who is negotiating the contract with the Federal government is [redacted] [redacted] is married to [redacted] who is an employee of Lockheed Martin ORINCON Defense, a major local defense contractor (see attached, "ORINCON"). [redacted] unfortunately, has a history of funneling funds, or facilitating that funneling, to her husband's company when she was [redacted] at UH. For recent evidence of this charge, please go to http://www.ceros.org/contractor_news.html. There, you will see that Ceros, a branch of SOEST, was funding contracts with ORINCON during the time that [redacted] had the final, fiscal word at SOEST on such contracts. Such an arrangement clearly appears to violate Section 84-14 of State law regarding Conflict of Interest (see attached, "Conflict of Interest").

Sadly, the pattern described above seems to be repeating itself with the UARC. [redacted] is now [redacted] and the person primarily responsible for [redacted] with NAVSEA for the UARC. Once again, there appears to be evidence of conflict of interest. It is anticipated that ORINCON will receive funding from UARC money via a separate entity set up specifically to funnel some of these public monies to private business and particularly ORINCON. This "entity" is called the Hawai'i Engineering Development Center (HEDC), and more information will be provided on this "center" below. The evidence for this arrangement is absolutely irrefutable. In a 2003 legislative briefing on the UARC, not only did [redacted] husband, [redacted] [redacted] provide testimony endorsing the UARC on behalf of ORINCON, but the developer of HEDC, Professor [redacted] testified specifically that HEDC will help fund ORINCON. I have in my possession a dvd showing this entire legislative briefing, and I will be happy to provide it if asked. In that briefing, you will hear [redacted] state that since UARC workers are "trusted agents of the government," they cannot interface with private business. Thus, HEDC had to be developed precisely to allow funneling of UARC monies to private businesses such as ORINCON.

b6
b7C

Thus, it appears that the conflict of interest is: The chief negotiator of the UARC contract is negotiating a contract that apparently will directly benefit her husband and his company.

2. DISCRIMINATION. The proposed UARC contract with the US Navy is illegal. Section 378-2 of Hawai'i Revised Statute specifically prohibits employment discrimination against a range of different individuals and groups. Among these groups are gays and lesbians. Since the Navy, by its own written policies, clearly discriminates against employment of gays and lesbians, a contract with the Navy for the UARC would be illegal by State law. I hope you will pursue this blatant, pending violation of State law so that such violations will not occur.

3. POSSIBLE MISUSE OF FUNDS. There is a small cadre of UH officials who have developed the proposal for the UARC from its inception, and are its chief advocates today. These include former [redacted] Professor [redacted] [redacted] and one or two others. As you know,

11/18/2005

[redacted] for a number of improprieties, many involving the UARC. Moreover, virtually every major advocate of the UARC currently is subject to an ongoing criminal investigation for violations in other government contracts (see attached, "NCIS Investigation of UH"). The criminal investigation of the people affiliated with the UARC is a very serious matter that threatens to cast an enormous shadow on the individuals involved and the capabilities of UH to manage federal contracts.

Sadly, despite possible violations and continuing to be under a criminal investigation, these very individuals were allowed to take upon their shoulders development of the UARC, with very similar potential for violations, possible fraud, and possible misuse of funds.

It appears as though such violations may, indeed, have occurred. [redacted] in 2003/2004 allocated to Professor [redacted] without any public notice or competition, \$150,000 to "develop" HEDC, plus another \$75,000 to serve as a "consultant" for the UARC. This is on top of Professor [redacted] considerable salary as Professor and [redacted] in the College of Electrical Engineering! This money doesn't even include the thousands of dollars in funds spent on travel and lodging by [redacted] and [redacted] while negotiating with the the Navy in Washington, DC. As of yet, there has been no clear, verifiable, publicly announced products that account for the extra \$225,000! It should be noted that [redacted] and [redacted] traveled to Washington to initiate the UARC negotiations in secrecy, more than two years before other UH faculty and the community were informed. Thus, the potential for fraudulent abuse of funds was increased dramatically since all negotiations and agreements were secret.

Thus, the question seems clear: What exactly did [redacted] DO to deserve hundreds of thousands of dollars over two years, other than participate with [redacted] in secret negotiations? [redacted] ability to use the overhead funds from other faculty members' research to dispense money to a small core of friends not only lacks any formal accountability, but provides clear potential for abuse by an unscrupulous administrator. It is this type of lack of accountability and transparency at UH that led the Legislature to request this session a comprehensive audit of UH finances, including spending on the UARC. (It is shocking to realize that while [redacted] was drawing this huge amount of money from UH, the budget for the entire UH system library the same year as [redacted] received all this public money is only \$30,000!)

The picture may even be darker than I have presented here. First, Senator Inouye is the public official who is behind the UARC proposal. According to public records, each of the UH officials and faculty who are developing the UARC has made substantial contributions to the Senator, totalling many thousands of dollars. Second, all of the people I have described in this complaint also attend a variety of meetings together where such arrangements may be hammered out behind closed doors. Attached as "Participants" is a list of people attending a recent meeting here to discuss defense contracting. Senator Inouye, [redacted] and many of the others are present. While this is not necessarily evidence of improprieties at first glance, it does provide evidence of increased potential for collusion among these individuals because of their close associations.

4. POSSIBLE RETALIATION AND BRIBERY. Since [redacted] was removed, [redacted] new to Hawai'i, has been the chief, and most outspoken, proponent of the UARC. He has appeared so desperate to sell the UARC that there are reports that he has taken to bribery of faculty to support him and threats to retaliate if faculty don't support him. These threats have taken place as offers to provide literally hundreds of thousands of dollars -from the same slush fund that [redacted] used to fund [redacted] to fund faculty members' graduate students if the faculty member will either support [redacted] or not

b6
b7C

oppose him, and threats to remove equally large sums of money that fund students if the faculty member opposes him!

These threats are so egregious and appear to be such major violations of University rules and state laws that I hope the AG will not hesitate to intervene. And these are not isolated incidents; several of these threats/bribes have been reported.

These, of course, are very serious allegations. They also are very sensitive because many faculty fear exactly the kinds of retaliation that I have described here. Nevertheless, these allegations can be documented, and I trust the AG's office will conduct the investigation of these charges with sensitivity, ensuring faculty who are willing to testify that they will be given immunity from any retaliation by [redacted] or any other UH official.

Finally, I would like to provide three sites that will allow you to examine the UARC proposal from a variety of perspectives.

The first is the Manoa Chancellor's site, which contains a number of papers and FAQ's about the UARC. That site is:
http://manoa.hawaii.edu/mco/initiatives_issues/uarc/.

The second site is the SAVEUH/STOPUARC Coalition site. This site contains a wealth of information from opponents of the UARC. That site is:
www.stopuarc.info.

The final site is the site of the interim report on the UARC by the Manoa Faculty Senate. The Senate currently is waiting for the administration to complete and release a proposed contract for the UARC. That site is:
http://www.hawaii.edu/uhmfs/sessions/2005_06/20050831_uarc_report.html.

I trust that the AG's office will find the contents of this message more than sufficient to initiate a full scale investigation into these allegations. Whether there are criminal indictments or a report of a clean bill of health, it is crucial for the support of the public and the morale of faculty and students that any cloud hanging over the University be removed by firm and fair governmental action.

Thank you very much for your attention.

Please feel free to contact me any time by email or telephone at [redacted]

[redacted]
Aloha,

[redacted]
[redacted]
Professor
University of Hawai'i, School of Social Work
[redacted]
Honolulu, HI 96822

b6
b7C

[redacted] .. 11/18/2005

[redacted]

1:45 PM
11/22/05
RM

"participants"
"2nd email" w/ factual corrections.

Prof. [redacted] now [redacted]

FAR: <Federal Acquisition Regulations>
→ I think Sen. Inoue did this illegally.

BAA: Broad Agency Announcement;

b6
b7C

→ [redacted] (initially proposed OARC)

(NAVSEA) [redacted] expects some sort of retaliation, etc.
[redacted] we don't need.

* [redacted] professor, [redacted]
from DOD.

* [redacted] (CD): [redacted] physicist.



U.S. Department of Justice

United States Attorney
District of Hawaii

PJJK Federal Building
300 Ala Moana Blvd., Room 6-100
Honolulu, Hawaii 96850

(808) 541-2850
FAX (808) 541-2958

TRANSMITTAL LETTER

TO: Supervisory Special Agent [REDACTED]
Federal Bureau of Investigation
300 Ala Moana Blvd., Rm. 4-230
Honolulu, HI 96850

DATE: October 3, 2005

FROM: [REDACTED]

RE: Email Correspondence Received from
UH Professor [REDACTED]

TRANSMITTED FOR:

- ☐ Your Information
☐ Your Signature & Return
☐ Your Signature & Forwarding as noted
Below
☐ Per Our Conversation

- ☒ Your Further Necessary Action
☐ Your Approval
☒ Your Review and Comment
☐ Per Your Request
SEE REMARKS BELOW

** SHOULD YOU HAVE QUESTIONS, PLEASE CALL OUR OFFICE **

COPIES	DATE	DESCRIPTION
One	October 3, 2005	Email from UH Professor [REDACTED] on Possible Corruption at UH

b6
b7C

REMARKS:

SSA [REDACTED]

We are forwarding to you a whistle blowing complaint made by UH Professor [REDACTED] which involves possible corruption at the University of Hawaii. Please assign it to one of your agents for review and consideration. Thank you.

10/04/05 - COPY PROVIDED TO
SA [REDACTED], DCIS.
10/05/05 - DCIS ADVISED THAT
THIS LOOKS LIKE AN NCIS
MATTER. GAVE APPROVAL FOR
DCIS TO GIVE A COPY OF
THIS TO NCIS.

10/07/05 - SEE HONOLULU
ADVERTISER ARTICLE TITLED, "
"UH AWAITS MILITARY COMMIT."

10/28/05
- COPY FAXED TO [REDACTED]
DOJ. ANTI TRUST DIVISION.

46-0-200
58C-HN-19025-2

[Redacted]

From: [Redacted]
Sent: Monday, October 03, 2005 1:39 PM.
To: [Redacted]
Subject: Fwd: [teamstopuarc] Possible Corruption at UH



(091)teamstopuarc(
093) Possibl...

[Redacted]

b6
b7C

[Redacted]

Professor
University of Hawai'i, School of Social Work
[Redacted]
Honolulu, HI 96822

[Redacted]

[REDACTED]

THIS LOOKS LIKE A
NAVY MATTER. IT SOUNDS
SIMILAR TO THE CURRENT
INVESTIGATION THAT
NCIS HAS RE RCUH.

[REDACTED]

b6
b7C

DOC LAB NOTE

ITEM(S)

CAN NOT

BE SCANNED

DESCRIPTION

NEWSPAPERS.

SECTION

B

FRIDAY | October 7, 2005 ★



Hawai'i

**Running
partner**

Hawaiian Telecom
to sponsor Great
Aloha Run

CITY EDITOR | FERNANDO PIZARRO
E-mail: fpizarro@HonoluluAdvertiser.com | Telephone: 525-4444

[HONOLULUADVERTISER.COM/localnews]



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Post Office Box 50164
Honolulu, Hawaii 96850
November 1, 2005

Honorable Daniel K. Inouye
United States Senate
Post Office Box 50123
Honolulu, Hawaii 96850

Dear Senator Inouye:

The Federal Bureau of Investigation at Honolulu is in receipt of your letter dated October 31, 2005, which transmitted a copy of an email written by [redacted] and your response to him.

b6
b7C

I have instructed Agents in this office to conduct a preliminary inquiry into the allegations made and to coordinate this inquiry with Hawaii Attorney General Mark Bennett's office.

Sincerely,

CHARLES L. GOODWIN
Special Agent in Charge

1 - Addressee
1 - Honolulu
CLG:el
(2)

el

98

58C-HN-19025-3



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 58C-HN-19025

Honolulu, Hawaii
November 10, 2005

DANIEL K. INOUE;
UNITED STATES SENATOR, HAWAII;
[REDACTED]
CORRUPTION FEDERAL PUBLIC OFFICIALS-
LEGISLATIVE BRANCH

b7E

On November 2, 2005, Honolulu received a letter from Hawaii United States Senator Daniel K. Inouye (Senator Inouye) requesting an FBI investigation into allegations of bribery levied against him by a University of Hawaii (UH) professor. Senator Inouye requested that the FBI conduct an investigation in order to clear his name.

Based upon information obtained from various sources, a [REDACTED] to look into bribery allegations against Senator Inouye. An initial review of the allegations are inconclusive, but seem to consist of politicking, UH faculty in-fighting, and unsubstantiated argumentation put forward by a group of University of Hawaii (UH) professors and students angry over a proposed United States Navy (U.S. Navy) University-Affiliated Research Center (UARC) at UH. This group is afraid of what UH may be required to study and develop for the U.S. Navy. It is estimated that UARC could bring \$50,000,000 in research grants to UH. At its core, a small number of UH professors, with [REDACTED] UH Professor, School of Social Work, as its voice, allege that Senator Inouye is supporting UARC in return for campaign contributions from UH staff who support UARC.

b7E

b6
b7C

It should be noted that various elements of the UARC proposal pertaining to the proposal itself and related contracts are already under scrutiny/investigation by the United States Navy. It is proposed [REDACTED] will concentrate only on bribery allegations against Senator Inouye. Other matters related to possible procurement and/or proposal related disputes between UH and the U.S. Navy will be deferred to U.S. Navy investigators and not be incorporated into the scope [REDACTED] unless evidence suggests a greater scheme and/or culpability related to Senator Inouye. If this takes place, Public Corruption will be advised and [REDACTED]

b7E

DANIEL K. INOUE;
UNITED STATES SENATOR, HAWAII;
[redacted]

b7E

On October 2, 2005, [redacted] sent an email to the State of Hawaii Attorney General, Senator Inouye himself, State of Hawaii Governor Linda Lingle, the District of Hawaii United States Attorney's Office, and other significant public figures detailing, what [redacted] believes to be, evidence of Senator Inouye's alleged illegal activities. [redacted] email "From" line is [redacted] on behalf of teamstopuarc@yahoogroups.com. In his email, [redacted] sites four "violations, with some of the evidence that supports the charges." The four alleged "violations" are as follows:

b6
b7C

1. Conflict of Interest: [redacted] alleges that the UH official negotiating the UARC contract with the Federal government is UH [redacted] [redacted] husband, [redacted] [redacted] is an employee of Lockheed Martin ORINCON Defense (ORINCON), a major Hawaii-based defense contractor. [redacted] alleges that, if successful, UH acquisition of the Navy UARC contract would directly benefit UH Vice Chancellor's husband's company.
2. Discrimination: By statute, Hawaii companies can not discriminate against a person based on race, sex, or sexual preference. The U.S. Navy discriminates against gays and lesbians. As such, any contract UH enters with the U.S. Navy will be "illegal" by State of Hawaii laws due to discrimination against gays and lesbians.
3. Possible Misuse of Funds: UH officials have spent \$225,000 in secret negotiations regarding UARC. \$150,000 was given to the Hawaii Engineering Development Center (HEDC), an entity developed by UH Professor and [redacted] in the College of Electrical Engineering [redacted] without any public notice or competition. ORINCON will receive funding from UARC money via HEDC. \$75,000 was then given to [redacted] to serve as a consultant for UARC. Senator Inouye is the public official who is behind the UARC proposal. According to public records, each of the UH officials and faculty who are developing the UARC have made substantial contributions to Senator Inouye, totaling many thousands of dollars. Senator Inouye, [redacted]

b6
b7C

DANIEL K. INOUE;
UNITED STATES SENATOR, HAWAII;

b7E

[redacted] and others related to the UARC contract acquisition have held numerous meetings behind closed doors.

4. Possible retaliation and bribery: UH [redacted] has been the chief, and most outspoken, proponent of UARC. There are reports that he has taken to bribery of faculty to support him and threats to retaliate if faculty don't support him.

b6
b7C

[redacted] provided limited documentation to substantiate the allegations. However, Honolulu will attempt to ascertain the validity of [redacted] complaints through interviews and collection of documentary evidence. Honolulu will interview [redacted] and, if appropriate, other UH faculty members to conduct a logical inquiry into the bribery allegations. If the bribery allegations are supported by evidence, Honolulu will advise Public Corruption and convert this matter into a full investigation. If the bribery allegations are not supported by evidence, Honolulu will advise Public Corruption and the matter closed.

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 11/10/2005

To: Criminal Investigative

Attn: Public Corruption

From: Honolulu

Squad 5

Contact: SA [redacted]

Approved By: [redacted] *gls*

Drafted By: [redacted]

:dlm *am*

Case ID #: 58C-HN-19025-⁵ (Pending)

Title: DANIEL K. INOUE;
UNITED STATES SENATOR,
HAWAII;
[redacted]

CORRUPTION FED. PUB. OFFICIALS-
LEGISLATIVE BRANCH

Synopsis: Opening LHM.

Details: Per MIOG Part 1, Section 58, Honolulu submits an opening LHM to Public Corruption. On 11/2/2005, Honolulu received a letter from Hawaii United States Senator Daniel K. Inouye (Senator Inouye) requesting an FBI investigation into allegations of bribery levied against him by a University of Hawaii (UH) professor. Senator Inouye requested an investigation in order to clear his name.

Honolulu is aware of the inherent sensitive nature of an inquiry into the alleged illegal activities of Senator Inouye and will take appropriate steps to protect the integrity of the Senator, [redacted] itself at all times.

[redacted] and assigned to writer to look into bribery allegations against Senator Inouye. An initial review of the allegations are inconclusive, but seem to consist of politicking, partisanship, and unsubstantiated argumentation put forward by a group of UH professors angry over a proposed United States Navy University-Affiliated Research Center (UARC) at UH. It is estimated that UARC could bring \$50,000,000 in research grants to UH. At its core, a small number of UH professors, with [redacted] UH Professor, School of Social Work, as its voice,

b6
b7C

(X)
m

b7E

b7E

b6
b7C

To: Criminal Investigative From: Honolulu
Re: 58C-HN-19025, 11/10/2005

allege that Senator Inouye is supporting UARC in return for campaign contributions from UH staff who support UARC.

[redacted] sent an email to the State of Hawaii Attorney General, Senator Inouye himself, State of Hawaii Governor Linda Lingle, the District of Hawaii United States Attorney's Office, and other significant public figures detailing, what [redacted] believes to be, evidence of Senator Inouye's alleged illegal activities.

b6
b7C

It should be noted that various elements of the UARC proposal pertaining to the proposal itself and related contracts are already under scrutiny/investigation by the United States Navy. It is proposed that [redacted] will concentrate only on bribery allegations against Senator Inouye. Other matters related to possible procurement and/or proposal related disputes between UH and the United States Navy will be deferred to Navy investigators and not be incorporated into the scope [redacted] unless evidence suggests a greater scheme and/or culpability related to Senator Inouye. If this takes place, Public Corruption will be advised and [redacted]

b7E

Honolulu will interview [redacted] and, if appropriate, other UH faculty members to conduct a logical inquiry into the bribery allegations. If the bribery allegations are supported by evidence, Honolulu will advise Public Corruption and convert this matter [redacted] If the bribery allegations are not supported by evidence, Honolulu will advise Public Corruption and the matter closed.

b6
b7C

b7E

Details of the allegations levied against Senator Inouye are contained in the attached LHM.

To: Criminal Investigative From: Honolulu
Re: 58C-HN-19025, 11/10/2005

LEAD(s) :

Set Lead 1: (Discretionary)

CRIMINAL INVESTIGATIVE

AT WASHINGTON, DC

Download, read, and disseminate LHM to appropriate parties.

♦♦

58A-HN-19025
DLM:dlm

1

The following investigation was conducted by SA [REDACTED]
[REDACTED] on 11/14/2005:

Writer telephonically contacted [REDACTED], State of Hawaii, Deputy Attorney General, Department of the Attorney General, 465 S. King Street, Suite B-2, Honolulu, Hawaii; telephone number [REDACTED] to advise that the Federal Bureau of Investigation (FBI) had initiated [REDACTED] into allegations of corruption levied at United States Senator Daniel Inouye by University of Hawaii professors. [REDACTED] was also advised that Inouye requested that the FBI look at the allegations against him. [REDACTED] stated that to her knowledge there was no investigation against Senator Inouye taking place that may be conflicted by a FBI inquiry. [REDACTED] will speak to the Attorney General and contact the FBI if, in fact, there is an ongoing investigation out of the Attorney General's office.

(X) b6
m b7C
b7E

#5/16

58A-HN-19025-6

318dlm03



Just Thoughts BOB JONES

The End Of Collegiality At UH

Campus life at a university is supposed to be "collegial." That's a 900-year-old English word meaning a partnership, shared responsibility and being nice.

There's always some tension between administration and faculty, for sure, but usually it's resolved with professional demeanor — smile even if it's killing you.

Alas, campus life at the University of Hawaii has turned butt-ugly, confrontational and about as collegial as two tomcats meeting in a dark alley over a discarded fish carcass.

The divisive issue is the Navy's money-in-the-bank proposal to make the UH an affiliated research center, abbreviated as UARC.

The administration seems to favor UARC to develop new technology for the Navy and potential civilian applications, and give UH many millions of dollars.

The faculty objectors don't like the school holding hands with the military, take issue with some of the no-publish secrecy and suspect that UARC is on fast track to approval by regents appointed by a GOP governor with close ties to the military-inclined Bush administration.

OK, such conflicts are not unusual: American universities do have heavily liberal, mostly anti-military, lopsidedly Democrat faculties. Also, professors don't like to feel they are being herded. Many have tenure, so unlike most employ-

ees they can say what they please without fear of being fired.

Some, however, have pushed so far in this UARC case that there will be permanent damage. This one's turned flat-out nasty.

It seems to have pitted interim Manoa chancellor Denise Konan (nine months left on her \$254,000 appointment) against some fellow professors who had supported her for the job. She's considered very liberal, a listener, a charmer, a major scholar. She's also a white woman from America married to a black man from Africa.

On UARC, she's now perceived by the headiest antis as a toady for perceived pro-UARC interim UH president David McClain. That's a very weird development because as chair of the economics department, Konan signed a faculty letter to the regents against UARC which said "the idea of expanding classified research at UH is a terrible idea" and that "the arguments in favor of classified research at UH are pretty hollow." She also agreed there wasn't enough faculty input. That was before she became interim chancellor.

One of the most vocal UARC opponents is journalism professor Beverly Deepe Keever. She argues that the research "will be encased in a virtual firewall that prevents its being shared with private industry, students and faculty without proper security clearance." Keever is a former Vietnam War correspondent and

is married to a retired Marine colonel. I'd love to eavesdrop on their breakfast conversations. She's at least been collegial on the UARC dispute.

Not so social work professor Joel Fischer, who had been a cheerleader for Konan's elevation to chancellor. He's done the collegiality no-no of filing charges with the state Attorney General and the state Ethics Commission against those he perceives as pro-UARC in Konan's circle.

Konan then went public to say of Fischer's charges: "They are being staged to influence a decision at this critical time. I find this reprehensible (my italics) and an attempt to interfere with the process."

Goodbye, collegiality. Put on the gloves.

Fischer did. He shot back: "Your three vice chancellors, who are among the main proponents of the UARC, have access to you most of the time, while you adamantly have refused to meet with faculty, students and community members who have serious concerns about the UARC. Is this a sign of neutrality? Is this fair play?"

"A university that attacks faculty for speaking out on issues of fairness and justice and bringing to its attention possible ethical and legal improprieties, while praising administrators for secretly attempting to set priorities for faculty activities, becomes less like a university and more like the military whose money — but not values, I hope — we seem so desperate

to possess."

Fischer is not known as one to pull punches. For example, here's an excerpt from his Web page:

"I am a professor in the School of Social Work at the University of Hawaii. There, we have the disaster of an incompetent interim dean who is full of hatred for anyone who dares to disagree with him. This is a little man with a little man's chip on his shoulders. A delightful working environment with most faculty colleagues working together as friends has been turned into a psychosocial wasteland by this twerp."

Well, at least he didn't call chancellor Konan a twerp! But maybe he has suspicions about her because she's worked as a consultant for the World Bank.

Fischer definitely is suspicious of the UH chief legal officer Walter Kirimitsu. Fischer says he didn't go the "collegial" route and file his criminality and ethics charges with Kirimitsu because "I know from long, hard experience he would never undertake an investigation of possible wrongdoing at UH."

Other objectors, such as UH physics professor John Madey and urban planner Karl Kim, have been models of collegiality, merely pointing out adverse impact on existing UH defense

research programs or the problematic secrecy rules that go with military projects.

The pro-UARC side has been very under-voiced in all this. UH-Hilo student Andrew Madden wrote a piece in the UH newspaper *Ka Leo*, saying that "anti-UARC forces are attempting to deny the academic freedom of faculty and students who wish to freely express themselves by assisting the national defense through military research. Growing numbers of faculty, students and members of the community have become disenchanted with what is being rammed down their throats as political correctness."

On the more vocal, more radical side of the UH faculty and student body, the fight is visceral, and it's doing serious damage that cannot be easily repaired. It also has set up a critical leadership test in just the third month of chancellor Konan's probationary period and could easily sink her if the campus mood turns sour.

This brouhaha comes much too soon after the shocks of the president Evan Dohelle and chancellor Peter Englert firings.

The UH has badly needed a settle-down period. The UARC dispute guarantees it won't get it.

BanyanHouse@hula.net

MIDWEEK

DATE: 11/02/2005

PAGE: 8

FILE # 58C-HN-19025

UH-Navy research suffers setback

Faculty leaders vote
31-18 to reject center
on Mānoa campus

BY ALEXANDRE DA SILVA
Associated Press

University of Hawai'i faculty leaders voted yesterday to oppose a \$50 million Navy research center planned for the Mānoa campus.

The Faculty Senate voted 31-18 after two hours of debate for a resolution asking school administrators to reject what would have been the first such new military research center on an American campus in more than 50 years.

An optional resolution had called for backing the center with a few conditions.

UH interim President David McClain and Mānoa campus interim Chancellor Denise Konan must approve the center for it to go to the Board of Regents, possibly by early next year.

Konan, who has said she'd keep an open mind on the issue, declined comment after the vote.

Proponents say the center would bring millions of dollars in research grants to the school. Opponents said the center could disrupt existing programs, set up publication restrictions on research and allow for weapons

SEE UH-NAVY, A11

THE HONOLULU ADVERTISER

DATE: 11/17/2005

PAGE: A-1; A-11

FILE # 58C-HN-19025 — 8

#5 

UH-Navy

CONTINUED FROM A1

development on campus.

The faculty group considered voting by secret ballot but agreed to a show of hands as about a dozen protesters wearing green shirts and holding signs stood in the back of the classroom where they met.

Last spring, students, faculty and others protested the proposed University Affiliated Research Center with a peaceful weeklong sit-in at McClain's office.

The protesters argued the research center would further militarize the state, which is already home to several military bases.

At yesterday's meeting, university researcher John Madey, who has worked with the Defense Department on laser technology, urged faculty not to vote for the center. He said it would take away researchers' rights to refuse Navy directives.

"How many of you are prepared to accept an environment in which those are the rules of the game?" he asked.

David Bangert, a professor at the university's business school, said after the vote that he felt the decision was centered on animosity toward the center's attachment to a branch of the military.

"It was not unexpected," said Bangert, because "there's a lot of discomfort with the military right now." He, however, voted for the center, citing overwhelming support from business school professors.

Military funding at the university reached \$52.3 million last year, up from \$10.3 million in 2000, according to the school's Office of Research Services. Overall research contracts and grants at the university totaled almost \$350 million in the last fiscal year.

If established, the center would require some \$3 million in start-up money and bring in about \$50 million in grants over its first five years of operation, school officials have said. It would be expected to become self-supportive in three years.

The Navy has four other centers: at the University of Washington, Pennsylvania State University, Johns Hopkins University in Baltimore and the University of Texas at Austin. The Hawai'i center was first proposed in 2004.

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/08/2006

To: Honolulu

From: Honolulu

Squad 1

Contact: FPS [REDACTED]

Approved By: [REDACTED] *[Signature]*

Drafted By: [REDACTED] :tkk

Case ID #: 58C-HN-19025

Title: DANIEL K. INOUE,
UNITED STATES SENATOR,
HAWAII:

[REDACTED]
CORRUPTION OF FEDERAL PUBLIC OFFICIALS -
LEGISLATIVE BRANCH

Synopsis: Case reviewed for forfeiture potential.

Details: On May 5, 2006, a discussion was held between Forfeiture Paralegal Specialist (FPS) [REDACTED] and Case Agent [REDACTED] to determine whether any forfeiture potential exists in this case.

After review of the case and discussion with the Case Agent, it was determined that there is currently no forfeiture potential at this time. SA [REDACTED] advised that he will notify a Forfeiture Paralegal Specialist if and when he felt a forfeiture subfile should be opened.

Therefore, it was decided that a forfeiture subfile will not be opened at this time.

♦♦

b6
b7C

b7E

b6
b7C

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/30/2006

[redacted], professor of [redacted] School of Social Work, University of Hawaii at Manoa (UH) [redacted] Honolulu, Hawaii; telephone number [redacted] was interviewed at his office. After being advised of the identity of the interviewing Agent and the nature of the interview, [redacted] provided the following information:

b6
b7C

In a telephone call preceding this interview, [redacted] claimed to have direct information that United States Senator Daniel K. Inouye (Inouye) accepted bribes. [redacted] also claimed to have direct information that Inouye supported the University-Affiliated Research Center (UARC) at UH because of illegal campaign contributions received from UH officials. [redacted] stated that he understood the Federal Bureau of Investigation was not investigating UH's intentions in acquiring a UARC contract or Inouye's relationship, if any, to that contract acquisition, rather only investigating [redacted] claim of having direct information that Inouye accepted bribes. Upon arriving to the interview, the interviewing Agent inquired into [redacted] allegation of Inouye having accepted bribes. [redacted] immediately denied having direct information that Inouye accepted bribes, rather that [redacted] believes that Inouye supports the UARC because certain UH officials contributed to Inouye's campaign. When reminded that he the FBI agreed to meet with him because of his bribery allegations against Inouye, [redacted] claimed that it was not his intention to give information about bribery.

b6
b7C

[redacted] then began to explain the UARC proposition, UH management involved in the UARC contract acquisition, and why [redacted] himself and other UH professors are against the UARC. When reminded that the interviewing Agent was not there to talk about the politics of the UARC acquisition, [redacted] became agitated and asked something to the effect as to why the FBI does not want to know the truth. When asked if he had any direct information of Inouye accepting bribery payments, [redacted] stated, "No."

b6
b7C

[redacted] thinks that Inouye illegal handled the Federal Acquisition Regulations (FAR) as they pertain to the UARC. [redacted] then began talking about the Broad Agency Announcement (BAA) and how Inouye may have used his influence to incorrectly bend rules.

Investigation on 11/22/2005 at Honolulu, HawaiiFile # 58C-HN-19025 -10 Date dictated _____by SA [redacted]b6
b7C

58C-HN-19025

Continuation of FD-302 of [redacted], On 11/22/2005, Page 2

[redacted] expects to be retaliated against for speaking out against Inouye and the UARC.

[redacted] a UH [redacted] professor brought in \$50 million from the Department of Defense.

[redacted], a UH [redacted] may have more information regarding Inouye.

[redacted] provided various documents to explain why the UARC acquisition is "illegal." These documents have been placed in a FD-340.

b6
b7C



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

58C-HN-19025

Honolulu, Hawaii
June 30, 2006

DANIEL K. INOUE;
UNITED STATES SENATOR. HAWAII;
[REDACTED]
CORRUPTION FEDERAL PUBLIC OFFICIALS-
LEGISLATIVE BRANCH

b7E

[REDACTED]
[REDACTED] to look into allegations of bribery levied against U.S. Senator Daniel Inouye (Inouye) by University of Hawaii Professor of [REDACTED]. On November 22, 2006, [REDACTED] was interviewed. Prior to the interview, [REDACTED] telephonically claimed to have direct information that Inouye accepted bribes. [REDACTED] also stated he understood that the FBI was not interested in the politics of a proposed University-Affiliated Research Center (UARC), of which [REDACTED] was adamantly opposed. During the interview, [REDACTED] denied having any direct knowledge of Inouye accepting bribes. [REDACTED] further also denied ever telling the interviewing Agent that he had direct knowledge, which was a blatant lie. When confronted by this lie, [REDACTED] became agitated and asked something to the effect as to why the FBI does not want to know "the truth." [REDACTED] again stated that he did not have direct knowledge of Inouye having accepted any bribes.

b6
b7C

[REDACTED] As a result of the interview, Honolulu determined that [REDACTED] sole purpose was to try and stop the UARC from being assigned to UH. While some UH faculty and/or management may have in fact provided campaign contributions, no reputable information was developed that Inouye engaged in any illegal activities. [REDACTED] interview was rambling in nature and was, in the opinion of writer, politically motivated by the UARC acquisition. Additionally, [REDACTED] lied to the interviewing Agent about having information regarding Inouye accepting bribes in order to attempt to get Honolulu to look at the UARC proposition. As [REDACTED] was dishonest in his statements, Honolulu does not feel he can be trusted as a witness and, as such, his unsupported allegations are simply that, unsupported allegations. No follow up interviews were deemed necessary due to [REDACTED] misrepresentations about having direct information against Inouye.

b6
b7C

#5 9A

58C-HN-19025-11

17701-08

DANIEL K. INOUE;
UNITED STATES SENATOR, HAWAII;

b7E

[REDACTED]

It should be noted that Inouye himself requested the FBI to look into this matter to clear his name as well on November 2, 2005. Based upon the information obtained during the [REDACTED] Honolulu does not feel there is evidence of any crimes whatsoever committed by Inouye and immediately terminates [REDACTED]

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/30/2006

To: Criminal Investigative
Honolulu

Attn: Public Corruption

From: Honolulu

Squad 5

Contact: SA [REDACTED]

Approved By: [REDACTED] *JA*

Drafted By: [REDACTED]

:dlm/*m*

Case ID #: 58C-HN-19025 (Pending)

Title: DANIEL K. INOUE
UNITED STATES SENATOR,
HAWAII;
[REDACTED]

CORRUPTION FED. PUB. OFFICIALS-
LEGISLATIVE BRANCH

Synopsis: Closing LHM.

Reference: 58C-HN-19025 Serial 5

Details: [REDACTED] to look into allegations of bribery levied against U.S. Senator Daniel Inouye (Inouye) by University of Hawaii Professor of [REDACTED]. On 11/22/2006, [REDACTED] was interviewed. Prior to the interview, [REDACTED] telephonically claimed to have direct information that Inouye accepted bribes. [REDACTED] also stated he understood that the FBI was not interested in the politics of a proposed University-Affiliated Research Center (UARC), of which [REDACTED] was adamantly opposed. During the interview, [REDACTED] denied having any direct knowledge of Inouye accepting bribes. [REDACTED] further also denied ever telling the interviewing Agent that he had direct knowledge, which was a blatant lie. When confronted by this lie, [REDACTED] became agitated and asked something to the effect as to why the FBI does not want to know "the truth." [REDACTED] again stated that he did not have direct knowledge of Inouye having accepted any bribes.

[REDACTED] As a result of the interview, the FBI determined that [REDACTED] sole purpose was to try and stop the UARC from being assigned to UH. While some UH faculty and/or management may have in fact provided campaign contributions, no reputable information

b6
b7C

b7E

b7E

b6
b7C

58C-HN-19025-121

177dlm7

To: Criminal Investigative From: Honolulu
Re: 58C-HN-19025, 06/30/2006

was developed that Inouye engaged in any illegal activities. [redacted] interview was rambling in nature and was, in the opinion of writer, politically motivated by the UARC acquisition. Additionally, [redacted] lied to the interviewing Agent about having information regarding Inouye accepting bribes in order to attempt to get the FBI to look at the UARC proposition. As [redacted] was dishonest in his statements, Honolulu does not feel he can be trusted as a witness and, as such, his unsupported allegations are simply that, unsupported allegations. No follow up interviews were deemed necessary due to [redacted] misrepresentations about having direct information against Inouye.

b6
b7C

It should be noted that Inouye himself requested the FBI to look into this matter to clear his name as well. Based upon the information obtained during [redacted] Honolulu does not feel there is evidence of any crimes whatsoever committed by Inouye and immediately terminates [redacted]

b7E

To: Criminal Investigative From: Honolulu
Re: 58C-HN-19025, 06/30/2006

LEAD(s) :

Set Lead 1: (Discretionary)

CRIMINAL INVESTIGATIVE

AT WASHINGTON, DC

Download, read, and disseminate to appropriate parties.

♦♦

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/30/2006

To: Honolulu

From: Honolulu

Squad 5

Contact: SA [REDACTED]

Approved By: [REDACTED]

b6
b7C

Drafted By: [REDACTED]

dlm/m

Case ID #: 58C-HN-19025 (Pending)

Title: DANIEL K. INOUE;
ET. AL.

Synopsis: Close case.

Details: [REDACTED] to look into allegations of bribery levied against U.S. Senator Daniel Inouye (Inouye) by University of Hawaii Professor of [REDACTED]. On 11/22/2006, [REDACTED] was interviewed. Prior to the interview, [REDACTED] telephonically claimed to have direct information that Inouye accepted bribes. [REDACTED] also stated he understood that the FBI was not interested in the politics of a proposed University-Affiliated Research Center (UARC), of which [REDACTED] was adamantly opposed. During the interview, [REDACTED] denied having any direct knowledge of Inouye accepting bribes. [REDACTED] further also denied ever telling the interviewing Agent that he had direct knowledge, which was a blatant lie. When confronted by this lie, [REDACTED] became agitated and asked something to the effect as to why the FBI does not want to know "the truth." [REDACTED] again stated that he did not have direct knowledge of Inouye having accepted any bribes.

b7E

As a result of the interview, the FBI determined that [REDACTED] sole purpose was to try and stop the UARC from being assigned to UH. While some UH faculty and/or management may have in fact provided campaign contributions, no reputable information was developed that Inouye engaged in any illegal activities. [REDACTED] interview was rambling in nature and was, in the opinion of writer, politically motivated by the UARC acquisition. Additionally, [REDACTED] lied to the interviewing Agent about having information regarding Inouye accepting bribes in order to attempt to get the FBI to look at the UARC proposition. As [REDACTED] was dishonest in his statements, Honolulu does not feel he can be

b6
b7C

b6
b7C

CLOSE ON THIS

7/3/2006

SR

4 5 6

[REDACTED]

7/3/06

58C-HN-19025-13

177Jlm 09

To: Honolulu From: Honolulu
Re: 58C-HN-19025, 06/30/2006

trusted as a witness and, as such, his unsupported allegations are simply that, unsupported allegations. No follow up interviews were deemed necessary due to [redacted] misrepresentations about having direct information against Inouye.

b6
b7C

There is no evidence to destroy or return in this matter.

Based on the foregoing, it is requested that [redacted] be closed.

b7E

♦♦