

## The Facts on Cayetano's Illegal Contributions

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### OVERVIEW: RECEIVED \$543K IN ILLEGAL CONTRIBUTIONS

Former Hawaii Gov. Ben Cayetano accepted \$543,475 in illegal campaign contributions in an extensive pay-to-play scheme involving firms with state contracts and Hawaii Democrats. Many firms illegally contributed through fake names to circumvent the state contribution limit of \$6,000. (Campaign Spending Commission, Letters to Friends of Ben Cayetano)

Election Cycle	Contributor	Company	False Name	Excess	False Name and Excess
1996	Gary K Kawakami	Architecture Plus, Inc	\$2,000		
1998	Wesley R. Segawa	Wesley R Segawa and Associates, Inc	\$13,200		
1998	Michael Matsumoto	SSFM International	\$100,500		
1998	Gary T & Lori T Okamoto		\$19,000		
1998	Lester Inouye	Lester Inouye & Associates			\$7,500
1998	Dwight Mitsunaga	Pacific Architects, Inc			\$15,000
1998	Paren, Inc, et al	Paren, Inc, et al			\$51,000
1998	CDS International	CDS International		\$9,550	
1998	Imata and Associates	Imata and Associates	\$12,000		

1998	Dennis Nakamoto	INK Associates, Inc	\$4,450		
1998	Dexter Kubota	KFC Engineering Management			\$25,000
1998	Ernest K Hirata	Ernest K Hirata & Associates			\$22,450
1998	Sam Hyun	MCE International	\$1,000		
1998	Russell Oda	Oda/McCarty Architects, Limited	\$22,000		
1998	Kendall N H Hee	Engineers Surveyors Hawaii, Inc	\$11,000		
1998	Jeffery Wong	NTW Associates, Inc	\$2,500		
1998	Grant Thornton	Grant Thornton, LLP	\$34,000		
1998	Edward K Noda	Edward K Noda and Associates, Inc	\$10,000	\$19,000	
1998	Ralph h Maruyama		\$11,000		
1998	Kirk Tadao Tanaka	RT Tanaka Engineers, Inc		\$5,000	
1998	Alvin M Yoshimori	GYA Architects, Inc	\$1,100		
1998	Sam K Hyun	WA Hirai and Associates, Inc	\$6,000	\$4,500	
1998	Wilson M Okamoto	WMO Corporation, Inc	\$5,000		
1998	Akira Fujita & Edwin H Maruyama	Fujita & Associates, Inc	\$10,000		

1998	Royce F Fukunaga	Fukunaga & Associates	\$4,500		
1998	Jerry Watanabe	Oda/McCarty Architects, Limited	\$1,000		
1998	Sandra Watanabe	Oda/McCarty Architects, Limited	\$1,000		
1998	Lennox Nishimura	ECS, Inc	\$12,750		
1998	Glen T Karamatsu	ECS, Inc	\$3,600		
1998	Vince Miyagawa	ECS, Inc	\$5,000		
1998	Fewell Geotechnical Engineering, Inc/ Hawaii Test Boring, Inc	Fewell Geotechnical Engineering, Inc/ Hawaii Test Boring, Inc		\$2,000	
1998	Alden Kajioka	Control Point Surveying, Inc	\$12,100		
2000		Geolabs		\$0	
2000		Geo Services		\$3,000	
2000	Vanxay Bounlangsy	Geolabs		\$6,000	
2000	Clayton S Mimura	Geolabs		\$6,000	
2000	Robin Lim	Geolabs		\$3,000	
2000	Wayne & Winnie Wong	Geolabs		\$5,000	

2000	Francis Meyer	Geolabs		\$6,000	
2000	Bob Wong	Geolabs		\$2,000	
2000	Teddy Kwock	Geolabs		\$5,000	
2000	Dayton E Fraim	Geolabs		\$1,000	
2000	Joseph Sun	Geolabs		\$6,000	
2000	Paul Fukunaga	Thermal Engineering		\$1,000	
2000	Jkevin Machida	Thermal Engineering		\$4,625	
2000	Bruce Omori	Thermal Engineering		\$4,500	
2000	Kevin Mashima	Thermal Engineering		\$2,000	
2000	Lisa Oxentine	Thermal Engineering		\$5,700	
2000	Peter Schubert	Thermal Engineering		\$3,250	
2000	Ben Lee	Brownlie & Lee		\$0	
2000	Richard Brownlie	Brownlie & Lee		\$1,500	
2000	Robert Y Akinaka	Akinaka & Associates, LTD		\$1,500	
2000	Howard Endo	Shimabukuro, Endo, & Yoshizaki		\$8,000	

2000	Gordon Imata	Imata and Associates		\$0	
2000	David Imata	Imata and Associates		\$700	
2000	Calvin Kim			\$0	
2000	Joyce Kim			\$2,000	
<b>Totals</b>			<b>\$304,700</b>	<b>\$117,825</b>	<b>\$120,950</b>

## **The Facts on Illegal Contributors Receiving State Contracts**

### **OVERVIEW: LATER GAVE MILLIONS IN CONTRACTS TO CONTRIBUTORS**

During the 1998 election cycle, Ben Cayateno received \$24,550 in illegal contributions from two firms – Pacific Architects and CDS International – that later received \$1,453,764 in state contracts. In Mar. 2002, the Housing and Community Development Corp. of Hawaii awarded a \$372,605 contract to CDS International, but the proper paperwork justifying why CDS International had been chosen was missing. The HCDCH also violated open competition provisions when it increased Pacific Architects' Apr. 2001 contract from \$687,054 to \$1,081,159. The HCDH's executive director and board of directors resigned after the U.S. Department of Housing and Urban Development criticized the state housing agency for the mismanaging federal funds.

**FACT: STATE HOUSING AGENCY AWARDS \$373K CONTRACT TO CDS**

On Mar. 19, 2002, the Housing and Community Development Corp. of Hawaii awarded a \$372,605 contract to CDS International to develop a master plan for the Mayor Wright Housing project, but key procurement records that justified the contract were missing from the HCDCH's contract files. HUD called for HCDCH's executive director and the HCDCH board to resign for mismanagement of federal funds. In 2002, Ben Cayetano defended the Housing and Community Development Corp. of Hawaii after the U.S. Department of Housing and Urban Development criticized the state housing agency. (Honolulu Advertiser, Oct. 11, 2002; Honolulu Advertiser, Nov. 2, 2002)

**FACT: STATE HOUSING AGENCY AWARDS ILLEGAL \$1M CONTRACT TO MITSUNAGA**

In 2002, the U.S. Department of Housing and Urban Development said a \$1 million state contract awarded to Pacific Architects by the Housing and Community Development Corp. of Hawaii violated open competition rules. The HCDCH board had approved a request by then-HCDCH Executive Director Sharyn Miyashiro to increase an Apr. 2001 contract with Pacific Architects from \$687,054 to \$1,081,159. Mitsunaga pleaded no contest to two misdemeanors for illegal contributions to former Honolulu Mayor Jeremy Harris. (Honolulu Advertiser, Oct. 14, 2002)

**FACT: CAYETANO DEFENDED INCOMPETENT HOUSING AGENCY OFFICIALS**

In 2002, Ben Cayetano defended the Housing and Community Development Corp. of Hawaii after the U.S. Department of Housing

and Urban Development criticized the state housing agency.  
(Honolulu Advertiser, Nov. 2, 2002)

Cayetano strongly defended the HCDCH in his new conference yesterday, saying that his administration had built and placed more people in affordable rental units during the past eight years than all the other previous administrations combined since statehood.

He said it was unusual for someone in Liu's position to directly question a state housing agency's contracting record rather than regional or local HUD officials. The state was not given a fair opportunity to review HUD's findings and issue a response, he said.

"I don't think it's fair, I don't think it's right, and I think it's very political and Mike should be ashamed of himself," Cayetano said. (Honolulu Advertiser, Nov. 2, 2002)

**FACT: HOUSING AGENCY DIRECTOR, 8 OF 9 BOARD MEMBERS RESIGN**

After a scathing criticism of the Housing and Community Development Corp. of Hawaii, then U.S. HUD Official forced the resignation of HCDCH director Sharyn Miyashiro in Nov. 2002. Liu also forced the eight of the nine HCDCH board members to resign. (Honolulu Advertiser, [Jan. 1, 2005](#); Honolulu Star-Bulletin, Dec. 17, 2004)

**FACT: MATSUMOTO, SSFM AWARDED SUBCONTRACT ON \$163M UH PROJECT**

During the 1998 election cycle, now-convicted felon Michael Matsumoto contributed \$100,500 in illegal contributions to Ben Cayetano. Michael Matsumoto's SSFM International was hired as the structural engineer subcontractor for a \$163 million University of Hawaii medical school complex. In 2003, University of Hawaii chief of staff Sam Callejo – previously Ben Cayetano's chief of staff – refused to release the amount given to subcontractors hired by Architects Hawaii; many of those contracts were subcontracted during the Cayetano administration. Callejo said the amounts of the subcontract must be kept secret “to avoid the frustration of a legitimate government function.” In 2003, Michael Matsumoto pleaded no contest to a felony money-laundering charge for illegal contributions to former Honolulu Mayor Jeremy Harris. (Honolulu Advertiser, Jul. 20, 2003)

**FACT: GEOLABS PART OF SUBCONTRACT FOR \$163M UNIVERSITY PROJECT**

Seven months after being fined \$64,000 by the Campaign Spending Commission for illegal contributions, Geolabs was awarded subcontractor work as the geotechnical engineer for a \$163 million University of Hawaii medical school complex during the Cayetano administration. In 2003, University of Hawaii chief of staff Sam Callejo – previously Ben Cayetano's chief of staff – refused to release the amount given to the subcontractors, including Geolabs, hired by Architects Hawaii. Callejo said the amounts of the subcontract must be kept secret “to avoid the



frustration of a legitimate government function.” (Honolulu Advertiser, Jul. 20, 2003)

## **The Facts on Failing to Pay Money Owed to Election Fund**

### **FACT: CAYETANO OWED \$540K TO STATE ELECTION FUND**

Although the Campaign Spending Commission did not fine Gov. Ben Cayetano for the illegal contributions he received, the Commission did order him to pay \$540,625 to the state’s Election Fund. (Campaign Spending Commission, Correspondence to Friends of Ben Cayetano)

### **FACT: CAYETANO ONLY PAID \$9K FOR ILLEGAL CONTRIBUTIONS**

In Nov. 2005, former Gov. Ben Cayetano lied about refunding the all of the illegal campaign contributions he received. When asked why he wasn’t investigated to the extent of former Honolulu Mayor Jeremy Harris, Cayetano said it was because he repaid all the illegal contributions. However, he only repaid \$8,655.68, leaving an outstanding balance of \$531,969.32. (Hawaii Reporter, Nov. 10, 2005; Letter to Campaign Spending Commission from Friends of Ben Cayetano, Oct. 11, 2002; Hawaii Reporter, [Apr. 24, 2012](#))

In response to your letter dated September 11, 2002, enclosed please find checks made payable to the Hawaii Election Campaign Fund totaling \$8,655.68. This sum represents the remaining surplus in the

accounts of the Friends of Ben Cayetano. (Letter to Campaign Spending Commission from Friends of Ben Cayetano, Oct. 11, 2002)

**FACT: CAYETANO USED LOOPHOLE TO AVOID REPAYING MONEY OWED**

The Campaign Spending Commission had little recourse to recoup the rest of the illegal contributions from Cayetano and other politicians involved in the pay-to-play scandal, because the scandal-plagued politicians either spent their campaign committee money already or shuttered those committees altogether. Because state law does not allow the Campaign Spending Commission to pursue money owed by dissolved committees, Cayetano was not obligated to repay the remaining balance. A loophole in the law also prevents a new campaign committee from being responsible for the assessments levied against a previous campaign committee. We should be receiving documents soon that we requested from the Campaign Spending Commission detailing correspondence about his illegal contributions. (Hawaii Free Press, [Dec. 9, 2011](#))