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COUNCILMEMBER DJOU: STRONG ANTI-CORRUPTION LEGISLATION NEEDED FOR RAIL PROCUREMENT

Today, Honolulu City Councilmember Charles K. Djou (Waikiki, East Honolulu) introduced legislation prohibiting companies with a criminal record of bribery or corruption from being awarded Honolulu's multi-billion dollar mass transit contract.

"Recent international criminal investigations of major rail manufacturing companies, concerns over contractors paying for trips for City elected officials, and backroom deal-making on Honolulu's transit route raise legitimate alarm about City Hall ethics. We need to set a high ethical standard for handling the largest public works project in Hawaii history and I introduced anti-corruption legislation to ensure Honolulu stays on the straight and narrow. To avoid even the appearance of impropriety, the City must establish a policy that it will not deal with companies that have engaged in past corrupt practices," stated Councilmember Djou.

Several major transit manufacturing companies are under investigation or have been convicted of bribing local municipal officials. Djou added, "Unfortunately, there's an enormous incentive and an incredible pay off for corruption with a multi-billion dollar government project like rail."

Last month, German industrial giant Siemens, a likely bidder on the Honolulu's mass transit project, pled guilty to obstruction of justice in a Federal anti-corruption probe on medical equipment bidding. Siemens is currently embroiled in the largest corruption scandal in European history for engaging in a regular pattern of bribing local government officials.

Hitachi, another major industrial conglomerate likely to bid on the Honolulu mass transit project, was convicted in 2002 by Japanese courts for corruption practices. A local Japanese mayor accepted a \$2 million bribe from Hitachi for providing inside information to help rig a public works project bid.

Recent concerns have also been raised with Honolulu city officials accepting gifts from major transportation firms that may bid on the mass transit project. Last year, Honolulu City

Councilmembers Todd Apo and Gary Okino accepted trips paid for by Canadian industrial company Bombardier Transportation, yet another likely bidder on the Honolulu mass transit system, to visit Bombardier's rail systems in Las Vegas and Vancouver. Last week, the City Council approved acceptance of a gift from still another mass transit manufacturing company, Phileas Advanced Public Transport System of France, for Councilmembers Todd Apo, Romy Cachola, Donovan Dela Cruz, and Ann Kobayashi to visit its mass transit systems in Paris and Amsterdam built by Phileas.

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