



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

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STATE SUES AIRPORT CONTRACTORS OVER BID RIGGING

Honolulu-The Department of the Attorney General filed a lawsuit against contractors and airport employees seeking recovery of damages sustained by the State in a series of small construction procurement contracts. It is alleged that they conspired to rig bids procured by the Department of Transportation, Airport Division. By rigging the bidding process the contractors were awarded contracts at prices greatly in excess of the value of services provided to the State.

Small construction procurement involves projects under \$25,000 and does not require sealed bids, but instead involves a less strict review of priced proposals from at least three contractors invited to bid on the work. The complaint alleges that contractors pre-selected for the work by the State employees set a highly inflated price which was supported by other more highly inflated bids from conspiring contractors, or by higher bids prepared on proposal forms without the knowledge or consent of the purported bidding company. Named as defendants in the lawsuit were Argent Construction, Inc., The Kenlee LLC, Gothic Builders Inc., MF Masonry, Inc., Blueprint Builders, Inc., B & U, Inc., Hammer Jammers,

News Release No. 2003-73

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Page 2

Inc., Site Engineering, Inc., Wes' Contracting, Michael Furukawa, Frances Furukawa, Wesley Uemauro, Arthur Inada, Michael Masutani, Alaric Sokugawa, Pamela Kaneshiro, Dennis Hirokawa and Richard Okada.

The State alleges that the defendants committed fraud, unfair competition, unfair trade practices, deceptive trade practices, conspiracy to restrain trade, and seeks civil forfeiture of at least \$1,249,458 in addition to compensatory, punitive and treble damages.

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