



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

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CONTRACTOR PLEADS GUILTY IN AIRPORT INVESTIGATION

HONOLULU-Attorney General Mark Bennett announced today that Herbert Hirota, 51, of Aiea, pled guilty to the charge of Theft in the First Degree before Circuit Court Judge Gerald H. Kibe. Hirota's plea was taken in connection with the investigation of contract fraud at the Honolulu International Airport that is being conducted by the Department of the Attorney General. He is the fifth individual to plead guilty to charges related to that investigation.

Hirota admitted to being part of a scheme in which he would obtain contracts to do repair work at the Airport by submitting rigged bids, using the cooperation of two other contractors who he was familiar with to ensure that he was the lowest bidder, and, thereby, the winning bidder for the kind of work he submitted bids on. Hirota was further assured of having projects awarded to him in that he had the help of certain highly-placed employees at the Airport who would limit notification of repair work to a predetermined group of contractors, of which he was one.

Hirota admitted to billing the Airport more for the work than would have been true if he were in a genuinely competitive environment. Hirota also acknowledged that he was asked for kickbacks by certain Airport employees for the continued opportunity to be part of the scheme. Part of what was overbilled to the State Airport Division was used to fund the kickbacks. Hirota estimated that he paid approximately \$5,000.00 to \$7,000.00 in kickbacks over the period covered by his plea.

As part of the agreement that was reached with the State in this case, Hirota has agreed to provide testimony in future proceedings against other individuals involved in the kickback scheme. The sentencing for Hirota has tentatively been set for July 21, 2004, but may be extended if he has not fully performed under the agreement. The State will not make any recommendations on Hirota's sentence until it has had an opportunity to assess the extent of his cooperation. Hirota has agreed to repay the State Airports Division \$25,000.00 in restitution.

The maximum penalty for the crime of Theft in the First Degree is ten years in prison and/or a fine of \$25,000.00.

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