

The Dirty Secret About UARC:

**‘Military Pork’, Government Secrecy,
and the Corrupt Origins of the University of Hawai‘i UARC**

A Report for UH Board of Regents and the People of Hawai‘i

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Executive Summary

In 2001 plans were put in motion to establish a Navy University Affiliated Research Center (UARC) at the University of Hawai‘i (UH), a classified government sponsored research laboratory and an open-ended conduit for military research funds. But deeply troubling allegations of fraud, abuse and mismanagement have come to light involving several Navy-funded research programs at UH and the Research Corporation of the University of Hawai‘i (RCUH) that were precursors to the UARC, casting an cloud over the present UARC contract. This report is an attempt to uncover the hidden story of the creation of the UARC so that the public and decision-makers can fully consider the potential risks and liabilities of this endeavor.

With the UARC contract coming before the UH Board of Regents September 27, 2007, we offer this report in an earnest and urgent attempt to inform the decision makers and the public about the troubled, and troubling origins of the UARC. We hope the Board will act prudently and responsibly based this new information and the conclusions and recommendations set forth within the report. This report is based on a two and a half year investigation involving federal and state freedom of information requests, interviews and attempted interviews with key players, and background research about federal contracting, congressional appropriations and defense technologies.

An Illicit Creation:

The saga of the scandal began as early as 2001 with two Navy grants to UH that have been embroiled in a Navy criminal investigation and an aborted \$50 million Research Corporation of the University of Hawai‘i (RCUH) proposal to the Navy called “Project Kai e‘e” (meaning tsunami or tidal wave in Hawaiian), which was intended to become the UARC. The results of the Navy criminal investigation are not known at this time.

The UARC was born from questionable contract activities involving Navy admirals, Naval research program managers, UH researchers, military contractors, high ranking UH and RCUH officials and congressionally earmarked programs that have been the subjects of federal investigations. The suspicious circumstances surrounding the termination of the Project Kai e‘e proposal and the UARC’s creation by sole source award of a monopoly contract have raised serious questions about the legality and ethics of the procurement.

Furthermore, government secrecy has denied the public access to contracts and financial information, thereby making it impossible to assess the legality of the UARC process and

evaluate the risks and potential impacts of undertaking a UARC. To critics of the UARC, the obstruction of public information and accountability amounts to a de facto cover-up. Ironically, the secrecy masking the UARC's troubled beginnings illustrates the dangers critics have warned about.

The criminal investigation stems from complaints filed with federal authorities in the summer of 2003 by a UH Facilities Security Officer Jim Wingo. Wingo is a whistleblower who accused Mun Won Fenton, an Office of Naval Research (ONR) program manager and the Navy's designated "point of contact" for the creation of the UARC of "1) abuse of authority, 2) significant mismanagement of classified contracts, and 3) potential leaks of classified information, classified information lost, compromised, and unauthorized disclosure." Fenton oversaw several military sponsored research grants and contracts to UH worth several million dollars. Fenton has not returned repeated telephone calls for an interview.

Wingo's complaint also implicated three of these Navy-sponsored grants and contracts:

- N00421-01-1-0001/0176: awarded to UH in July 2001 for sensor integration research related to Theater Missile Defense. Initially valued at \$238,000, the grant was increased several times to a total of \$645,862. Electrical engineering professor Audra Bullock was the Principal Investigator (PI).
- N00014-01-1-0562: awarded to UH in March 2001 for research related to an advanced radar system called Ultra High Frequency Electronically Scanned Array (UESA) in the amount of \$246,375. The grant was increased to a total of \$1,462,759 with a promise of an additional \$50,000 future funding. However the project terminated early and \$9547.61 was eventually returned. UH professor Michael DeLisio was the initial PI, until electrical engineering professor Vassilis Syrmos took over after December 2001.
- N00421-03-C-0013: a contract awarded to RCUH in December 2002 related to "Sensor Integration and Testbed Technologies". The award was valued at \$1,163,028 with Vassilis Syrmos as the PI. It involved continuing research on the UESA radar, which was called the "Next Generation Radar".

On March 2, 2005, the *Ka Leo o Hawai'i* newspaper broke the story that the Navy Criminal Investigation Service was investigating Fenton and several Navy grants and contracts with UH. It reported that funds granted to UH by the Navy were allegedly used improperly to prepare another RCUH proposal, which is now known to be "Project Kai e'e".

Irregularities in Hiring and Appropriations:

Sometime in 2000, Fenton and Rear Admiral Paul S. Schultz, commander of the Amphibious Group ONE sought to establish a network-centric warfare program on Kaua'i based on a new and controversial technology called Tactical Component Network (TCN). According to John Monacci, the program manager recruited by Fenton to head the TCN project in Hawai'i, Fenton and Schultz allegedly sought to bypass normal procurement channels to establish the TCN

system in Hawai‘i, initially using UH research grants as cover to avoid resistance from hostile Navy officials.

Allegedly Fenton successfully lobbied Senator Daniel Inouye to secure funding for these programs. On July 27, 2000, the Senator announced that he had successfully secured Fiscal Year 2001 Defense Appropriations totaling \$150.5 million for PMRF programs. The projects in question correspond to several of the items in the appropriations.

Fenton allegedly awarded a laser sensors research grant to UH electrical engineering professor Audra Bullock. The grant was allegedly part of a larger Tactical Component Network proposal, which was intended to initiate a working relationship between ONR and UH that could lead to an Indefinite Deliverable / Indefinite Quantity (IDIQ) capacity contract. The UARC is a sole source IDIQ contract.

After the award of the initial grant, funds were added to the grant that more than doubled the award. Allegedly, Fenton directed Bullock to hire John Monacci as the program manager. As the Principal Investigator (PI) for the project, Bullock was supposed to manage the finances and personnel as well as oversee the research work performed.

But Monacci reported that he actually worked under Syrmos and was managed by Fenton and Schultz. Monacci’s job was to install a TCN system on several ships and units under Schultz’s command, a project that matches the description of a congressionally earmarked appropriation.

Bullock said that several months later, Fenton instructed her to hire two others whose jobs were unrelated to her research project. According to Bullock, Fenton promised that the two individuals would be moved off the grant as soon as other funding came through.

Bullock said that in her final report to her sponsors she indicated that she only directly oversaw approximately \$150,000 out of the total \$645,862 grant and she did not supervise the work of the personnel that the Navy directed her to hire. UH has refused to release Bullock’s actual grant contract, reports or finances.

Allegedly, Fenton and Schultz were assembling a team to run the MCC/TCN integration program and develop a much larger sensor integration proposal, which came to be called “Project Kai e‘e”.

Monacci said that he was terminated by Fenton because he refused to hire someone that Admiral Schultz wanted hired on the MCC/TCN project, which he believed to be an improper request. Syrmos said that he was directed by Fenton to hire this individual onto the UESA grant.

At least four Navy-directed personnel were hired through the administrative services of RCUH, despite assurances from James Gaines, UH Vice President for Research and Graduate Education, said that it is improper for Navy sponsors to direct personnel decisions on grants to UH. RCUH records show that these Navy-directed personnel were paid from several different sources other than the grants for which they were hired. In some cases, the employment of these Navy-directed personnel under the original job description continued long after their grants expired.

The Rise and Fall of Project Kai e'e:

During his employment on Bullock's grant, Monacci wrote a concept paper for a multifaceted "Pacific Operations Institute" based in Hawai'i that would integrate research, testing and evaluation and business development. According to Monacci, it was the initial concept that gave rise to the UARC, the Hawaii Engineering and Design Center and the Hawaii Technology Development Venture.

Fenton revised the plan and renamed it the "Pacific Research Laboratory" (PRL). Fenton's draft insisted, "Contracting...Provide fast/efficient streamlined contracting for DoD customers...THIS IS THE MOST IMPORTANT CORE COMPETENCE OF PRL!!!"

Based on this initial concept sketch, Monacci began writing a sensor integration proposal to be submitted by RCUH in response to a Naval Air Systems Command (NAVAIR) solicitation Broad Agency Announcement (BAA) N00421-01-R-0176 for "Sensors Integration and Communications Technologies". This was the first version of Project Kai e'e.

The RCUH proposal incorporated proposals prepared by seven UH faculty and compiled by Syrmos. Monacci also incorporated proposals from several defense contractors, including Oceanit, ORINCON, Solipsys, Cambridge Research Associates, SAIC, SYS, and WR Systems. RCUH and its Executive Director Harold Masumoto were key players in moving this project along.

RCUH submitted the proposal entitled "SENCIS Integration Tech Proposal (Project Kai e'e)" to NAVAIR around the end of 2001. It primarily focused on sensor integration programs and requested \$48,478,961.35 over five years. The proposal listed Grandfield as the technical point of contact and RCUH administrator Gilbert Oshima as the administrative point of contact.

The minutes of the March 2002 RCUH Board of Directors meeting stated:

"Executive Director Masumoto reported that we should know within a month or so whether this project will be funded for \$48 million over a five-year period. The project is related to missile defense and is basically in support of the Pacific Missile Range Facility. This is a direct project (not a UH project) in which RCUH is the applicant for the funds. The intent is that RCUH will "incubate" the project and then later there will be a new home base for it. **The long-range objective is to make this a federal research center similar to national labs such as Sandia, etc.** There is great potential for this project."

But apparently the contract was delayed. At the June 6, 2002 RCUH Board of Directors meeting, Masumoto reported:

Project Kaiee – We are still awaiting award of the contract. In the meantime, we will receive \$800k of funding to get started (hiring an Executive Director and a Technical Director as well as some other support/technical personnel). **The project will be incubated by RCUH.**

Plans at this time include evolving it into a UARC (University Affiliated Research Center).”

However, three months after Masumoto’s optimistic forecast, Project Kai e’e was abruptly and inexplicably aborted. The minutes of the September 27, 2002 RCUH Board of Directors meeting contained only a terse and vague statement about its cancellation:

“ONR Project – The proposal for Project Kaiee was withdrawn due to circumstances beyond our control. RCUH will pursue other avenues of funding for these types of projects.”

Monacci said that Schultz’s superiors at NAVSEA shut down the MCC/TCN program in Hawai‘i. Some have speculated that the proposal was withdrawn to avoid RCUH being implicated in possible illegal activities.

Admiral Schultz’s service transcript indicates that he was reassigned to be Commander, Military Sealift Command (Special Assistant) from April 2002 to June 1, 2003, at which point he retired at the reduced rank of Captain. Thus far, the Navy, RCUH and UH have failed to respond to freedom of information (FOIA) requests to produce documents related to Project Kai e’e. Current RCUH Executive Director Mike Hamnett said that the proposal files for Project Kai e’e were shredded and thrown away.

Moving Towards UARC: Secrecy and Deceptions:

Once Project Kai e’e was scrapped, Masumoto shifted gears to directly pursue the UARC designation. Recycling elements from Project Kai e’e, the UARC was outlined in a September 15, 2002 Powerpoint slide presentation by Masumoto and Syrmos entitled “University Affiliated Research Center (UARC)... SENSors Communications and Information Technology (SENCIT) for the 21st Century Warfare”. According to UH faculty who were briefed by Syrmos, the document was described as a presentation to “Senator Inouye’s staff”.

Plans for the UARC originated at RCUH. Under Masumoto the UARC plans moved swiftly. As early as March 6, 2003, Syrmos, who had been hired as RCUH’s Interim Director of Science and Technology reported to the RCUH Board of Directors:

“University Affiliated Research Center (UARC) – The proposal is 99% complete and the UHM approvals are in place to take it to next step which is for Admiral Cohen (Chief of Naval Research) to send it to NAVSEA to designate UHM as a UARC. It is hoped that the UARC will be in place by this summer. *Because a UARC functions as a trusted agent of the government, it operates under sole source, multi-task delivery of contracts to perform work primarily for Navy sponsors.... Until UH changes its policy on classified research, such an activity has to be run through an organization like RCUH. Creating a separate 501(c)(3) type organization is another alternative.*”

At this same Board of Directors meeting, however, Masumoto reported that there was a potential conflict of interest situation involving several of RCUH’s Navy-sponsored services contracts and research and development contracts. These potential conflicts of interest led to a significant

reorganization of the Office Naval Research's service contracts along with more stringent prohibitions on organizational conflicts of interest.

In the summer of 2003, Fenton allegedly classified a number of projects at UH in an irregular and confusing way, which led to the forced removal of Syrmos from his projects. Meanwhile Fenton was named ONR's "point of contact" for the UARC.

On May 13, 2003, Masumoto hinted to the RCUH Board of Directors that there were problems brewing:

"Security Issue – We have a situation where a project started **as an unclassified project, but the Navy has now decided to classify it.** Issue is safeguarding the appropriate data and allowing access to cleared employees only in a secure facility."

Irregularities in the classification procedures prompted UH Facilities Security Officer James Wingo to file complaints with federal authorities in July 2003.

Irregularities in UARC Designation for UH:

Opponents of the UARC point out that contrary to Federal Acquisition Regulations and Department of Defense guidance requiring competition in the awarding of UARC contracts, NAVSEA awarded the ARL/UH as a sole source procurement. UH officials have made false statements claiming that the UARC procurement was competitive.

Furthermore, despite Freedom of Information requests filed nearly two years ago, NAVSEA has failed to provide the required justification and certification for the sole source procurement of the UARC to the University of Hawai'i.

Unanswered Questions

There are many unanswered questions about Project Kai e'e/UARC.

- What was stated as the scope of work in the grants and contracts in question, and what work was actually performed on those projects? What work products were produced by those projects? How did the Navy-funded personnel spend their time?
- How were the grant and contract monies spent? Were the expenditures proper?
- What was written in the final Project Kai e'e proposal? Why was Project Kai e'e canceled? What happened to the Project Kai e'e documents?
- Was there a determination of illegal, unethical or improper activities, fraud, waste, abuse or mismanagement related to the programs in question?
- Which research projects were classified? How and why were they classified?

- Was the sole source award of the UARC designation to UH a proper and legal procurement? What is the documentation that the UARC procurement was legal and justified?
- What knowledge did UH and RCUH officials have of the irregular activities in question? What was their response? What steps did UH and RCUH officials take to ensure the integrity of the research programs?
- What support did members of the Hawai‘i Congressional delegation provide to these programs in question? What knowledge did they have about the questionable practices that took place? What steps did they take to ensure the integrity of earmarked defense programs in Hawai‘i?

Other details will surely come to light as the government investigations wrap up and as documents are released through freedom of information requests. Nevertheless, it is still necessary to draw some preliminary conclusions about the UARC and its connections to the projects implicated in the Navy investigation based on the available information, in order to inform the decisions about the still pending UARC contract.

Key Findings:

While many questions about these programs remain unanswered, more details will come to light as the criminal investigation wraps up and as documents are released through freedom of information requests. It is still necessary to draw some conclusions about the UARC and its connections to the projects implicated in the Navy investigation based on the available information before the Board of Regents acts on the proposal.

1. Navy, RCUH and UH officials were engaged in highly questionable and irregular practices, some of which may have been unethical and/or illegal, involving several Navy-sponsored research and development programs at UH and RCUH that were intended to become a UARC.
2. The goal of the Navy-sponsored programs in question and the Project Kai e‘e proposal was the establishment of a UARC at UH.
3. The irregular and questionable sole source award of a UARC contract to the University of Hawai‘i contradicts federal regulations and Department of Defense guidelines and may be an illegal procurement.
4. Several of the Navy-sponsored programs in question appear to have been Congressional earmarks.
5. The UH administration failed to provide the necessary oversight and controls over RCUH and the Navy-sponsored programs in question.

6. The secrecy surrounding the projects in question and the misleading and false statements made by some UH officials about the UARC's relationship to these projects, suggest the possibility of a cover up of potentially incriminating information.

Recommendations

1. Since the UARC proposal is an outgrowth of possible illegal activities related to Project Kai e'e, the University of Hawai'i and the Navy should cancel the UARC altogether. Even if federal investigators eventually conclude that no criminal activity took place, the secrecy, misinformation and questionable actions of the parties involved have destroyed all public trust and confidence in the project.
2. UH, RCUH and the Navy should immediately disclose all relevant documents as a first step to repairing public trust in government.
3. The State of Hawai'i should initiate an independent investigation and audit of the research programs related to Project Kai e'e/UARC to determine what happened and why, and to make recommendations to protect the integrity of UH research endeavors in the future, especially in the areas of transparency and fiscal and academic accountability.
4. The State and University should make necessary changes, as recommended by the independent investigators, including changes to ensure the accountability of RCUH as well as independent but closely related organizations, like PICHTR, which received outsourced military research contracts forwarded from RCUH.
5. The Hawai'i Congressional delegation should require and make public a full and transparent reporting on all earmarks requested and funded for Hawai'i based projects, starting with the ONR projects in question. Furthermore, the Hawai'i Congressional delegation should support "earmark reform" to create restrictions and create greater transparency and accountability for earmarks.

In a recent *New York Times* article about earmark reform Senator Inouye said, "If something is wrong we should clean house." The Project Kai e'e / UARC scandal demonstrates that something is clearly wrong and that it is time to "clean house". The Project Kai e'e/UARC scandal was not an isolated incident caused by rogue individuals. These plans involved the active participation or tacit support of powerful individuals and institutions that consistently and systematically used their power to steer non-competed federal funds to military programs in Hawai'i, without regard for those most impacted or careful consideration of the consequences.

Project Kai e'e/UARC, like so many other recent defense contract scandals, is another example of how government secrecy, lucrative contracts and unchecked political, corporate and military power can create an irresistible temptation to corruption. The problem of corruption in military contracting may be the normal outcome of a deeply flawed system based on tragically misplaced priorities. Even if the Navy declines to pursue criminal charges, the whole affair has revealed the vulnerabilities of military contract-driven research and should stimulate a tough, urgent and critical reevaluation of the dangers of the military-industrial complex in Hawai'i.

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If a big wave comes in, large and unfamiliar fishes will come from the dark ocean, and when they see the small fishes of the shallows they will eat them up.

- David Malo, 1837

In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist...the free university, historically the fountainhead of free ideas and scientific discovery, has experienced a revolution in the conduct of research. Partly because of the huge costs involved, a government contract becomes virtually a substitute for intellectual curiosity...The prospect of domination of the nation's scholars by Federal employment, project allocations, and the power of money is ever present and is gravely to be regarded. Yet in holding scientific research and discovery in respect, as we should, we must also be alert to the equal and opposite danger that public policy could itself become the captive of a scientific-technological elite.

- President Dwight D. Eisenhower, 1961

In November 2004, the University of Hawai‘i (UH) Board of Regents voted to provisionally approve the establishment of a classified Navy-sponsored University Affiliated Research Center (UARC) at UH Manoa, touching off a firestorm of controversy and protests on the UH Manoa campus and throughout the UH System. In April 2005, a coalition of students, faculty and community members staged a week-long occupation of the UH President's office to protest the UARC and the secretive manner in which it was developed, forcing the issue into the international spotlight.

The UH Manoa Interim Chancellor Denise Konan rejected the UARC contract in response to the overwhelming opposition to the plan by major University constituencies, including the UH student government, the UH Native Hawaiian councils, the UH Manoa Faculty Senate and the faculty senates of several other campuses. Yet, despite the UH community's opposition to the UARC, UH Interim President David McClain issued a decision on February 16, 2006 to pursue the UARC at the UH system-level. On the very next day, the Board of Regents rewarded McClain, recommending that he be appointed permanent president without a search.

Some have chalked it up to more of the same business-as-usual in Hawai‘i, where cronyism, secret back-room deals and petty corruption are the norm. But there is a dirty secret lurking

behind the UARC controversy that suggests larger problems and distinguishes it from the run of the mill corruption in Hawai‘i.

On March 2, 2005, the University of Hawai‘i at Manoa *Ka Leo o Hawai‘i* newspaper broke the story about a Navy criminal investigation of alleged mismanagement of several Navy research contracts with the UH and the Research Corporation of the University of Hawai‘i (RCUH).¹ In the article, Michael Hamnett, Executive Director of RCUH confirmed that the investigation involved allegations that RCUH diverted funds from a Navy research grant awarded to UH known as Ultra High Frequency Electronically Scanned Array (UESA) to prepare a proposal for another unspecified grant. This investigation has discovered that the RCUH proposal in question was a secretive project known as Project Kai e‘e.

Despite clues that the Navy investigation involved many of the same research programs and actors as the UARC, the media has not probed this connection. When asked to explain what the investigation was about and how it was related to the UARC, UH administrators either refused to answer questions or gave evasive and misleading responses. As a result, the public has not gotten a complete understanding of the UARC’s shadowy origins.

James Gaines, the UH Vice President for Research told the *Honolulu Advertiser* “I’ve checked on the UH end to see if we’re clean on this, and it’s my opinion we are.”² Yet he offered no further explanation. In January 2007 UH President McClain declared, “The UARC under negotiation is not a derivative of project Kaiee.”³ Requests for information about the actual contracts in question have been denied by both UH and RCUH, while numerous Freedom of Information requests to the Navy are still pending.

It has now been substantiated that the Navy research contracts under investigation were part of a plan to secure a \$48 million contract named Project Kai e‘e, which in turn, was intended to evolve into the UARC, a permanent military research institution imbedded within the University of Hawai‘i. Key figures behind the UH-Navy research programs in question were also driving the genesis and evolution of the UARC. The irregularities and questionable elements of the Navy’s UARC procurement cast doubt over the legality of the UARC. The evidence suggests the UARC and the UH-Navy research scandal are symptomatic of a bigger problem.

This report is being issued to inform the public and decision makers as the UH Board of Regents discusses the UARC contract on September 27, 2007.

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1. Bart Abbott, “Navy investigates RCUH, UH contracts”, *Ka Leo o Hawai‘i*, March 2, 2005.
 2. Beverly Creamer, “Navy investigation under UH scrutiny”, *Honolulu Advertiser*, March 5, 2005.
 3. David McClain, “In the Hot Seat”, *Honolulu Advertiser* blog, January 25, 2007.

I. Faults and tremors

Throughout most of the 1990s, ballistic missile defense, a carryover from Ronald Reagan's earlier 'Star Wars' programs, had been held at bay by Democrats in Congress and the White House, but only by a slim margin. In 1998, Hawai'i Senators Inouye and Akaka were two of only four Democrats who voted with all fifty-five Republicans in the U.S. Senate to support a bill by Republican Senator Thad Cochran calling for the deployment of a national missile defense system "as soon as technologically feasible." That bill failed.

But in 1999, President Clinton announced that he would add another \$6.6 billion to the Pentagon budget over six years for missile defense deployment. Afraid of looking soft on defense in an election year, Democratic Senator Bob Kerrey swung over to support missile defense. Opposition to the bill caved in. The National Missile Defense Act of 1999 – the so-called Cochran-Inouye Bill that was nicknamed the missile defense "blank check act" by anti-nuclear activists – passed overwhelmingly in Congress.

Seemingly in anticipation of such an opportunity, since the mid-1990s Senator Inouye had pumped hundreds of millions of dollars worth of installation improvements and research funding into programs to resuscitate the languishing Pacific Missile Range Facility (PMRF) on the western tip of Kaua'i.⁴ As the ranking Democrat on the Senate Defense Appropriations Subcommittee, he was able to do this through a steady stream of earmarks tacked on to annual Defense Appropriation Bills.

On July 27, 2000, Inouye announced that he had successfully secured Fiscal Year 2001 Defense Appropriations totaling \$150.5 million for PMRF programs. This included \$10 million for "CEC improvements", \$11.5 million for "Theater Missile Defense new sensors", \$10 million for "UESA signal processing", and \$10 million for "Tactical Component Network demonstration".⁵ These programs represented research and development for missile defense programs as well as for the futuristic computer-networked battlefield weapons systems envisioned by the Pentagon and would be central to the emerging scandal involving UH and the Navy.

The fact that "CEC" and "Tactical Component Network" appeared together in a Hawai'i appropriations package is noteworthy because these were rival technologies. "CEC" refers to Cooperative Engagement Capability, a network software platform that was developed by the Johns Hopkins University Applied Physics Laboratory (JHU-APL), one of the Navy's four existing UARCs. The CEC was originally developed for coordinating and integrating sensors and weapons for AEGIS-class ship-borne missile defense systems, but it evolved into the main platform for networking ever more complex and diverse forces in a battlefield environment. The military contracted defense industry giant Raytheon to build CEC systems. Together, JHU-APL and Raytheon had a virtual monopoly on the Pentagon's network centric warfare systems development.

Several engineers from the Johns Hopkins CEC program left to start the Solipsys Corporation and developed what in the industry was considered a better solution to sensor networking and

4. Jan TenBruggencate, "Base generates 930 jobs on Kaua'i," *Honolulu Advertiser*, September 26, 2004.

5. Senator Daniel Inouye, *FY 2001 Department of Defense Appropriations Bill*, press release, July 27, 2000.

integration. They called their invention “Tactical Component Network” or TCN. Solipsys, with offices in Maryland and Kaua‘i, was angling to compete for contracts to develop the next generation of network centric warfare systems.

According to some experts in the network centric warfare field, the CEC was antiquated and plagued with interoperability problems. It utilized too much bandwidth and was limited because of the specialized hardware it required. The TCN was reportedly superior to CEC, because it could be installed onto a personal computer right out of the box and managed data much more efficiently using an approach similar to the World Wide Web.

This made Solipsys a threat to the Johns Hopkins, Raytheon and the Navy procurement bureaucracy. Navy procurement officials who had already sunk billions of dollars into the development of CEC systems were not receptive to the new technology that would upend their plans. Furthermore, JHU-APL was the designated technical advisor to the Navy for matters affecting the selection of new missile defense technologies. Given the high stakes for Johns Hopkins and Raytheon, it is not surprising that Solipsys could not gain favorable recognition for TCN, much less a foothold in the Navy’s procurement system.

The “UESA” or Ultra-High Frequency Electronically Scanned Array is a type of advanced military radar system used with the E-2C Hawkeye advanced warning aircraft. UESA was also an important component of a network centric warfare system. Senator Inouye had previously appropriated millions of dollars for development of a UESA testbed on Kaua‘i.

The Department of Defense budget justification documents indicate that these budget items were Congressional “Plus-up” funding, in other words, items that were not requested by the Department of Defense. The entry of \$9,659,000 for “CEC Preplanned Product Improvement” included work “to develop and demonstrate next generation CEC capability to various 7th Fleet assets, including Essex (LHD, CTF-76), Blue Ridge (LCC,CTF-76), and an AEGIS platform (CTF70) along with ground units from the Marine Corps (CTF-79).”⁶

The elements of the Defense funding package hinted at big plans afoot that would soon impact the University of Hawai‘i. With the election of George W. Bush as President of the United States in 2000, missile defense became a top administration priority. The confluence of factors generated a powerful, yet barely perceptible swell of militarization that was speeding towards Hawai‘i.

“Large and unfamiliar fishes will come”

In August 2000 the wave began to rear itself up, pulling with it a number of unsuspecting UH faculty. Only three days into her new job at UH, a young electrical engineering professor named Audra Bullock was introduced to Mun-Won Chang-Fenton, a Naval Air Systems Command (NAVAIR) program manager assigned to the Office of Naval Research. Reflecting back on the fateful meeting, Bullock ruefully joked, “I probably should have stayed home that day.”

6. United States Department of Defense, *FY 2003 RDT&E, N Budget Item Justification Sheet*. Exhibit R-2, page 7 of 21. February 2002.

Fenton invited Bullock to attend a planning meeting at the Pacific Missile Range Facility (PMRF) for the “Airship Program” and encouraged Bullock to submit a proposal for research related to the program. An optics specialist, Bullock submitted a proposal for a laser communications project. Although Fenton gave a verbal commitment to fund the proposal, nothing more came of it until the following year.

Meanwhile, another UH electrical engineering professor Michael DeLisio said he was asked by his former student Robert Swisher to submit a grant proposal to ONR for research on the UESA radar project. Swisher worked at PMRF under Fenton at the time. On August 28, 2000, DeLisio submitted a grant proposal for “CEC Antenna Miniaturization / UESA Switch Module Development” to the Office of Naval Research (ONR).⁷

On March 1, 2001, ONR awarded research grant N00014-01-1-0562 “CEC Antenna Miniaturization / UESA Switch Module Development” to the UH College of Engineering in the amount of \$246,375. The purpose of the grant, which was to end on August 31, 2003, was to “Develop microwave and radio-frequency components for the Navy’s radar systems.”

The influx of ONR funding to UH research programs coincided with a major expansion of the ONR presence in Hawai‘i. In April 2001, ONR opened its Greater Mid-Pacific Branch Office in Hawai‘i that was heralded as “the first of its kind in the United States.”⁸ The Hawaii Navy News photograph of the office grand opening painted a telling portrait of the powers and relationships behind Project Kai e‘e and the UARC. The photo depicted Fenton standing next to Senator Daniel Inouye, their shoulders touching, as Inouye and Admiral Thomas Fargo, Commander In Chief Pacific Fleet untied the ceremonial *maile* lei. Rear Admiral Jay Cohen, Chief of Naval Research, stood behind Fenton and reached out his hands towards Fenton in a reassuring fatherly gesture.

In an email to colleagues in May 2001, Fenton, who was still an employee of Naval Air Systems Command (NAVAIR), reported:

RADM Cohen has promised me core funding lines in Missile Defense at ONR (6.1 and 6.2). So this may be a way to come up with funds for Talon Sabre ACTD [Advanced Concept Technology Demonstration], even if it is small. Also, he has agreed to ALL my demands for the job (I was shocked actually) so it looks like I will become an ONR employee afterall...⁹

The Talon Sabre exercise she referred to was the military code name for a demonstration of a new network centric warfare system called the Modular Command Center (MCC). The Modular Command Center utilized the previously mentioned Tactical Component Network (TCN) network software.

7. Office of Naval Research, *Award/ Modification, Grant Award N00014-01-1-0562*, March 23, 2001.

8. Lt. Mike Flint, ONR Mid-Pacific Public Affairs, “Naval Research opens Mid-Pacific branch”, *Hawaii Navy News*, April 14, 2001. www.hnn.navy.mil

9. Email from Mun Wong Chang Fenton to Warren Citrin and John Monacci, “Subject: CEC vs. TCN (Hold Close)”, May 9, 2001.

As the Technical Director for this new office, Fenton oversaw a sizable portfolio of military grants and contracts with UH worth millions of dollars and wielded considerable power over the researchers of those projects.

RCUH: “little accountability and oversight”

The Research Corporation of the University of Hawai‘i (RCUH) and particularly Harold Masumoto, then Executive Director of RCUH, were key partners in ONR’s emerging plans. At the June 1, 2001 RCUH Board of Directors meeting, Masumoto reported “RCUH’s assistance is needed by the Navy for missile program project at PMRF because of the classified nature of the work to be done.”¹⁰

Established by the State legislature in 1965 to support research activities at UH, RCUH was exempted from various state laws governing procurement and personnel in order to provide more flexible and expedient administrative and financial services than a typical state agency could perform. Many UH researchers utilize RCUH to handle personnel and fiscal administration of their research grants. While this fulfilled legitimate and important functions for UH researchers working in a fast-paced and competitive research environment, RCUH also acquired the reputation of being a fiscal “shell game” and a “slush fund” for projects beyond public scrutiny and accountability. The 1993 State of Hawaii Audit of RCUH confirmed this perception with a scathing report:

*Our audit found that RCUH is an independent organization that operates with little accountability and oversight by either the university or its Board of Directors. An underlying problem is that the university and RCUH have not defined clearly their respective responsibilities for contracts and grants. By law, RCUH is attached administratively to the university, but the university has yet to decide what control it should exercise over RCUH. Since the federal government holds the university accountable for any deficiencies in grant administration by RCUH, we believe the university should have more oversight and control over the corporation to protect the integrity of its research contracts and grants program.*¹¹ [emphasis added]

In response to the critical 1993 audit, UH and RCUH signed an Internal Agreement, June 28, 1996 that supposedly established clear lines of accountability.

The Team

Allegedly to avoid unwanted attention or resistance from Navy officials hostile to the controversial TCN technology, Fenton assembled a research team through the University of Hawai‘i to quietly test and develop the MCC and TCN in Hawai‘i. Allegedly, the long-term plan was to establish a multifaceted network centric warfare research program and test facility at PMRF. Evidence suggests that Fenton allegedly funded, then used the fiscal and administrative cover of two UH research projects to channel funds and personnel to her projects and conceal her

10. Research Corporation of the University of Hawai‘i Board of Directors, Minutes, June 1, 2001.

11. State of Hawaii Office of the Auditor, *State of Hawaii Audit of RCUH*, 1993.

overall scheme from opponents in the Navy. RCUH's fiscal and personnel administrative services for these grants provided an additional layer of cover.

The evidence also suggests that personnel hired on UH grants at Fenton's direction were actually headquartered at or coordinated by the ONR office at the Pacific Missile Range Facility. On RCUH employment documents, these team members listed as their business telephone number "808-335-4909", which was the number for the ONR office at PMRF. Prior to joining the team, one team member staffed an industry briefing at PMRF related to a NAVAIR contract solicitation notice and listed the same number as her contact telephone number. Later when RCUH submitted the Project Kai e'e proposal pursuant to the very same NAVAIR solicitation, this ONR number was listed on the proposal for the RCUH Technical Point of Contact.

On April 25, 2001, Fenton wrote to Swisher:

John Monacci will be joining our team as the program manager for the MCC project, working for Chuck Caposell. He is currently a NAVSEA [Naval Sea Systems Command] employee but as soon as he retires, he would like to work for U of H and then become an IPA [Intergovernmental Personnel Act]. However, until he retires, he will assume the PM [Program Manager] position so we can leverage him now. Would you mind facilitating John with the University so that we get the paperwork moving?¹²

According to her email, Fenton recruited Monacci, a 30-year veteran of NAVSEA, to manage the Modular Command Center project. Under the IPA program, federal or non-federal employees such as university faculty could be "loaned" to another federal agency to meet professional services needs of the agency. Fenton's email also suggested that she arranged for Monacci to be hired by the University of Hawai'i, only to be loaned back to ONR to manage the MCC project.

MCC was a new network centric warfare system that utilized the TCN network centric warfare software platform as its "backbone architecture".¹³ It was the brainchild of Rear Admiral Paul S. Schultz, who from June 2000 to March 2002 was Commander, Amphibious Group ONE – a combined job of Commander, Amphibious Force Seventh Fleet; Commander, Task Force Seven Six (CTF76); and Commander, Maritime Prepositioned Force Seventh Fleet .

The Admiral and the "CEC vs. TCN" battle

According to Monacci, it was Admiral Schultz who called the shots. "Schultz controlled everything... Fenton followed his direction," said Monacci. "Whenever she went to Okinawa [where Schultz was stationed], she'd come back with new instructions and the plans would change."

12. Mun Won Chang Fenton email to Rob Swisher, "Subject: John Monacci", April 25, 2001. "MCC" refers to Modular Command Center, a new network centric warfare system based on the Tactical Component Network software.

13. Captain Terry C. Pierce, U.S. Navy, "Sunk Costs Sink Innovation", *Proceedings*, May 2002. <http://www.usni.org/proceedings/Articles02/PROpierce05.htm>, accessed May 17, 2005.

An ambitious and passionate advocate of expeditionary network centric warfare, Schultz saw great potential in Tactical Component Network (TCN) and apparently tried to use the UH research programs to establish such a system in Hawai'i.

But Fenton and Schultz may have also had a more personal stake in the success of MCC. Although Fenton or Schultz did not return calls, several persons close to both of them alleged that the two were having an affair at the time. At one point, a UH researcher who received funding from Fenton alleged that Fenton asked this faculty member to baby-sit Schultz's children so that the couple could travel unencumbered to Kaua'i. This UH faculty member refused. Since Fenton was responsible for funding Schultz's project, if the allegations are true, it raises ethical and legal questions about possible conflicts of interest.

Captain Terry C. Pierce, the Deputy Chief of Staff Amphibious Force Seventh Fleet under Schultz's command, wrote an award-winning article in the May 2002 *Proceedings*, the US Naval Institute journal about TCN and praised Schultz's role in championing the TCN technology. According to Pierce:

[Schultz] attempted to work with the surface Navy to field the Modular Command Center and assess the TCN technology in an operational environment, but fearing a threat to the CEC acquisition program, the surface community turned him down. With support from interested congressional leaders and the Office of Naval Research, Admiral Schultz and his staff were able to put the MCC to sea in fall 2001. Working diligently but quietly, he successfully tested MCC with TCN during predeployment work-ups in the fourth quarter of 2001.¹⁴

Pierce saw the potential of TCN as a "disruptive innovation" to revolutionize war fighting and believed that it was superior to the more established rival system - Cooperative Engagement Capability (CEC). However, because of the entrenched Navy, academic and corporate interests behind the CEC platform, Solipsys and TCN were locked out of the procurement loop. This was unacceptable to Pierce who argued: "We cannot waste time winding our way through an archaic acquisition process that rewards the status quo. If TCN is to succeed, its potential must be brought into the open and into direct competition with CEC."

Pierce's article was a call to arms, inciting senior military leaders to "revolt" against "an acquisition process that stifles free thought and crushes new ideas—a process, quite simply, that rewards bureaucrats and insider business interests and punishes innovation."

Fenton and Schultz apparently were leading the charge against such an idea-crushing acquisition process. In a confidential May 10, 2001 email entitled "CEC vs. TCN", Fenton asked Monacci and Solipsys founder Warren Citrin to prepare a briefing packet for Chief of Naval Research Admiral Jay Cohen. Fenton wrote:

I will need to get this to [Admiral Cohen] before Rob Holzer prints the article. I have put [Holzer] off for now (and promised him an exclusive) but we only have a couple of weeks to get RADM Cohen briefed. If I don't let him know whats [sic] happening but

14. Pierce, May 2002.

hears about it in the papers, my career at ONR will be over. I am hoping that John will have briefed McGinn within the next couple of weeks and I am planning to brief VADM Dyer also within the next couple of weeks. Also, RADM Schultz will let VADM Metzger and Mullen know what is going on. If he doesn't before the article shows up, then HE will get fired for sure.

So, the second item is, PLEASE HAVE ROB HOLZER hold the article until we had a chance to brief or send an advanced copy to Cohen, McGinn, Metzger, Dyer, and Mullen. We have to give them a heads up or else, again, RADM Schultz and I will be looking for contractor jobs...¹⁵

Monacci prepared a Powerpoint presentation for Fenton to brief Cohen on the history of the rivalry between the CEC and TCN systems. The presentation stated that “RADM Paul Schultz (CTF 76) and Ms. Mun Fenton (ONR) receive technical brief about TCN at Solipsys Kauai office in Sept 00 – Both express immediate understanding of TCN potential for network-centric operations.”¹⁶ But the presentation noted that in November 2000, officers in NAVSEA were “directed to permit no contracting for any efforts related to TCN.”

“Disguise the disruptive innovation”

Fenton and Schultz apparently tried to disguise their plans. A reviewer of Pierce’s book on disruptive innovation summarized what appears to be the theory behind Schultz’s and Fenton’s actions:

Pierce’s major thesis is that the catalysts for disruptive innovation are senior military officers. How these officers manage the disruptive innovation process is key. He shows that they establish small groups to define the tasks that must be carried out to conduct a new form of warfare, ensure that like-minded officers are promoted, and most intriguingly, disguise the disruptive innovation as merely improvements to existing modes, in order to avert ruinous opposition from entrenched interests.¹⁷

Pierce praised Schultz as a Navy leader who dared to champion the new and disruptive TCN technology even if it meant going up against entrenched Navy interests and bureaucracies. Schultz developed his own application of TCN called the Modular Command Center (MCC), which received significant earmarked funding from Senator Inouye, as much as \$12.75 million for FY2003.¹⁸ Pierce reported that with TCN as the backbone architecture and key support from Senator Inouye and the Office of Naval Research, Schultz conducted a successful field test of the

15. Email from Mun Won Chang Fenton to Warren Citrin and John Monacci, “Subject: CEC vs. TCN (Hold Close)”, May 9, 2001.

16. Mun-Won Chang-Fenton, *Cooperative Engagement Capability (CEC) and Tactical Component Network (TCN) Briefing to RADM Cohen*, Powerpoint slide presentation, May 2001.

17. Robert C. Rubel, “Pierce, Terry C. Warfighting and Disruptive Technologies: Disguising Innovation”, *Naval War College Review*, Winter 2006, a review of Pierce, Terry C., *Warfighting and Disruptive Technologies: Disguising Innovation*. New York: Frank Cass, 2004.

18. Senator Dan Inouye, *FY 2002 Department of Defense Appropriations Bill, List of Hawaii-related initiatives*, press release, October 16, 2002. Note: The title of the press release may be an error; the Defense Appropriations Bill was for Fiscal Year 2003.

TCN.¹⁹ His source for this information was Fenton. These field tests of the MCC utilized the TCN platform “disguised” as “CEC Preplanned Product Improvements”.

Working under UH Electrical Engineering professor Vassilis Syrmos and managed by Fenton and Schultz, Monacci said his job was to install a TCN system on several ships and units under Schultz’s command including the USS Essex, USS Blue Ridge, and an AEGIS cruiser along with ground units from the Marine Corps and to test the system at PMRF on Kaua‘i. As program manager for the MCC program, Monacci helped to organize the elements of the Talon Sabre demonstration, which was included in the “CEC improvements” mentioned in Senator Inouye’s press release for FY2001. But Monacci said he grew increasingly concerned because the whole operation seemed to circumvent proper Navy procurement procedures.

Theater-wide Ballistic Missile Defense (NAVAIR Grant N00421-01-1-0001/0176)

Sometime in 2001, Fenton finally contacted Bullock to follow up on her grant proposal. According to Bullock, Fenton asked her to modify her research proposal to be a part of a Tactical Component Network proposal. Fenton explained that the grant was intended to initiate a working relationship between ONR and UH that could lead to an Indefinite Deliverable Indefinite Quantity (IDIQ) capacity contract.

Under the Bush administration, the government’s use of noncompetitive federal contracts, and especially IDIQ contracts, increased dramatically. A 2004 Report of the House Committee on Government Reform requested by Rep. Henry Waxman found that in FY2003 43,131 federal contracts worth \$107 billion, and representing 37% of all federal procurements were awarded without full and open competition. The report noted an alarming increase in the use of IDIQ contracts, the same type of contract proposed for Project Kai e‘e and the UARC:

In addition to the increase in contracts awarded without full and open competition, the Bush Administration has also increased its use of a form of anticompetitive contract known as the “single-award indefinite-delivery/indefinite-quantity” contract. Under these contracts, the government commits to purchase an undefined range of goods or services from a single contractor, precluding competition and effectively making the contractor a monopoly provider. In FY2003, the Bush Administration issued 15,800 of these monopoly contracts worth \$5.9 billion, an increase of \$1.7 billion (40%) compared to the final year of the Clinton Administration.

On July 1, 2001, the day that Evan Dobbelle took over the reins as UH President from Kenneth Mortimer, Naval Air Systems Command (NAVAIR) awarded grant N00421-01-1-0001/0176 - “Theater-wide Ballistic Missile Defense: Study of Integration of Optical Sensors for Theater-wide Sensor Networking” valued at \$238,000, to the UH College of Engineering, with Audra Bullock as the Principal Investigator (PI).²⁰ In the initial grant, Bullock was responsible for researching sensor networks for the TCN.

19. Pierce, May 2002.

20. University of Hawai‘i Office of Research Services database.
<http://ors40.ors.hawaii.edu/Rept/Script/X29AllSe.asp>

Although NAVAIR was the sponsor of the research grant, the Office of Naval Research (ONR) administered the contract. ONR makes its own grants and contracts, as well as administers many federal grants and contracts from other Navy branches with educational and nonprofit institutions.

According to Monacci, defense appropriations for research and testing often are channeled to ONR, which in turn transfers the funds to another branch like NAVAIR to be awarded through a particular research program. Many times, ONR retains the administration and close supervision of the grants or contracts. However, as the sponsor of the award, NAVAIR maintains the responsibility for the performance of the funded projects. This appears to have been the case for Bullock's grant, as well as for a number of the research grants and contracts involved in the Project Kai e'e / UARC scandal. These kinds of complicated arrangements that made it difficult to track down the actual documents through the Freedom of Information Act.

According to Bullock, the contract was modified several times. At one point there was a complete change in the contract number, hence the dual suffix: 0001/0176. It is unclear which suffix was originally assigned to the Grant and which was the modification.

Vicki Fuhrman, the NAVAIR contracting officer for this grant, said that Bullock's grant number was changed because the Navy found that it was a duplication of another grant or contract number. Fuhrman did not explain how such a mix-up could have occurred in a system that generates thousands of unique identification numbers to track each contract. According to Bullock, around the spring or summer of 2003, a number of pieces of information in the grant were classified.

John Monacci

Fenton allegedly ordered a number of questionable personnel actions involving at least two Navy research grants awarded to UH, including directing the hiring of several individuals on grants to perform work that was unrelated or only peripherally related to the specific purposes of the grants. Furthermore, it appears that Fenton herself was involved in supervision, personnel decisions and even directing research activities over which the principal investigators of the grants had little or no oversight.

Soon after the Theater-wide Ballistic Missile Defense grant was awarded, according to Bullock, Fenton instructed her to hire Monacci onto the grant, which she did. Although the grant was awarded to UH, Monacci was listed as an RCUH employee through the service agreement between UH and RCUH.

Documents obtained from RCUH show that John Monacci was employed by RCUH on Audra Bullock's grant from July 20, 2001 to January 26, 2002 as a "Tactical Combat Control Manager" for "Theater-wide Ballistic Missile Defense" at a monthly salary of \$10,471. Monacci's job description states that he was hired as "a liaison between the University of Hawaii and the Office of Naval Research in providing technical leadership in the installation and integration of ship and

air combat systems and their subsystems”. The minimum qualifications required included “Knowledge of Tactical Component networks and Naval weapons systems including AEGIS weapons systems. Able to obtain DoD Top Secret Clearance.”²²

According to James Gaines, UH Vice President for Research, it was highly unusual and improper for a federal grant manager to direct personnel decisions on research grants. However, it seems that RCUH changed its own personnel policies to accommodate Fenton’s plans. On June 26, 2001, RCUH had amended its personnel policy to create a new category of employee called “Directed Appointments”, which was defined as “an essential member of project and is a condition of the contract/grant as specified or approved by the sponsoring agency.”

Bullock said that she was under the impression that Monacci was to perform research on the grant; however Monacci turned out to be more of a program manager than a researcher. So Bullock continued to work with her students on environmental and ranging sensors that could be used in Theater Missile Defense.

Monacci said that he naively believed that his role was to devise a way for UH to bridge Bullock’s research and the missile defense program. However, although he was still listed as employed on Bullock’s grant, he actually worked on a research project headed by Vassilis Syrmos and was managed by Fenton and Schultz. According to Monacci, these kinds of projects usually go directly to a private contractor, but in this instance it was run through UH because it was supposed to benefit the university.

As the Principal Investigator (PI) for the project, Bullock was supposed to manage the finances as well as oversee the research work performed. But according to Monacci, “Audra Bullock didn’t oversee anything.” Monacci said Bullock was “a very nice person” who was “naïve to how Fenton was using her.”

He said, “I really believed that this was going to help kids in Hawai‘i, to create jobs so that they could stay in the islands.” But in the end he too felt that he was just being used.

Several months later, Bullock said Fenton instructed her to hire two others from the Pacific Missile Range Facility: Debby Gatioan and John Grandfield. At the time, Bullock expressed concerns to Fenton’s group about being directed to hire additional employees whose contributions to the project were not directly apparent. Further, Bullock was concerned that she did not have sufficient funds in the grant to pay two more people. Bullock said that Fenton promised that Gatioan and Grandfield would be moved off the grant as soon as other funding came through. Both Gatioan and Grandfield were employees of RCUH under Bullock’s grant.

UH records show that there was a modification to Bullock’s Grant in July 27, 2001 adding \$309,862 to the award. On June 25, 2002 there was another modification adding \$100,000 and extending the Grant until May 31, 2003.

Debby Gatioan

22. Research Corporation of the University of Hawai‘i, *Job description for Tactical Combat Control Project Manager, Theater-Wide Ballistic Missile Defense*, July 9, 2001.

Debby Gatioan was a former employee of defense contractor Oceanit Laboratories. RCUH employment documents show that Gatioan was hired September 27, 2001 as a “UESA Administrative Specialist” for “UESA Testbed” at a monthly salary of \$3523. However, Audra Bullock’s grant dealt with laser sensors, not the UESA radar.

Prior to joining Audra Bullock’s grant, Debby Gatioan was also listed as a point of contact for an industry briefing at PMRF related to NAVAIR Broad Agency Announcement N00421-01-R-0176. This is same solicitation in response to which RCUH later submitted the Project Kai e’e proposal. The telephone number listed for her was “808-335-4909”, the number of the ONR office at PMRF.

On August 11, 2006, Gatioan was contacted at PMRF where she was employed. When asked about her employment as the “UESA Administrative Specialist” she said that she did not have anything to do with it and that she was only a “support contractor” for RCUH.

“There’s all kinds of investigations going on. I don’t want to talk,” said Gatioan. She refused to answer any questions unless she was subpoenaed.

John Grandfield

John Grandfield was hired by RCUH October 29, 2001 as an “UESA Electrical Engineer” for the “UESA Radar Testbed Project” at a monthly salary of \$11,874.79. His employment agreement also listed Bullock as the PI, but his job seemed to have nothing to do with optical sensors.

Grandfield was contacted on June 14, 2006 at North Star Scientific, his current employer. He confirmed that he was the UESA Engineer.

Grandfield said that although he was listed as employed on Bullock’s grant, he was actually supervised by Syrmos. He called it an “odd arrangement”. Grandfield said he was employed on Bullock’s grant for a year before he actually met her.

Grandfield also confirmed that he was the technical point of contact on the final Project Kai e’e proposal. But he maintained that he worked on the proposal on his own time. Later he moved over to work on the HEATx Project, another Navy UESA radar program that was housed at RCUH.

Citing the Navy investigation, Grandfield declined to be interviewed. He said “Come talk to me in 10 years.” Then added, “You’ll find out things you wouldn’t believe. You could write a book.”

“Get lost”

Monacci confirmed that Fenton and Schultz intended to establish a track record for UH and RCUH in preparation for applying for a much larger, multifaceted research contract. He also

verified that they were assembling a research team of people whom they trusted and could control.

“But they couldn’t control me,” Monacci insisted.

As a veteran of the Cooperative Engagement Capability (CEC) program at NAVSEA with decades of experience in government procurement, Monacci was very familiar with what he called “normal procurement procedures”. He found the procurement and personnel procedures at UH and RCUH highly irregular and deeply troubling.

According to Monacci, Schultz wanted him to hire another person onto the team, Lt. Commander John Iwaniec, a Navy associate and a retired mine warfare specialist. Monacci refused, believing such a request to be improper. Monacci said that when Fenton learned that he was asking questions, she got Syrmos to pressure him to hire Iwaniec.

“I told [Syrmos] to get lost,” said Monacci. In retaliation, he said “They drew the iron curtain around me.” Monacci was cut off from information and eventually funding. At one point he received an impersonal notice from Syrmos stating that he had been terminated.

Bullock confirmed that around December 2001 conflicts arose between Monacci and Fenton. Fenton demanded that Monacci be fired, and at her direction, Monacci was terminated.

Soon after Monacci’s departure, James Wingo, the UH Facility Security Officer (FSO), called Bullock to ask about Monacci’s employment. Bullock referred him to Fenton, but Fenton denied any involvement in Monacci’s employment or termination. She referred Wingo to Chuck Caposell, a contract manager at NAVAIR. According to Monacci, Caposell “ran the money” for Fenton.

Ultra High Frequency Electronically Scanned Array (UESA) (Office of Naval Research Grant N00014-01-1-0562)

The UESA Radar system is a key component of the E-2C Hawkeye advanced warning aircraft. The system is also part of missile defense and network centric warfare systems.

Documents acquired through the Freedom of Information Act (FOIA) show that on March 23, 2001, the Office of Naval Research awarded Grant N00014-01-1-0562 “CEC Antenna Miniaturization / UESA Switch Module Development” to the UH College of Engineering in the amount of \$246,375, with an additional \$466,384 of future funding promised. There were at least ten known modifications to the grant. The ONR Technical Representative on record was Mon-Won Fenton, and the Principal Investigator was Michael DeLisio.

On September 17, 2001, the UESA Grant was modified and an additional \$51,000 was added to the grant award. On November 28, 2001, the Grant was amended again and the award increased by \$415,384.

Although DeLisio took an extended leave from UH in December 2000, he remained the Principal Investigator (PI) until December 10, 2001. At that time he was replaced as PI by another UH electrical engineering professor, Vassilis Syrmos. Syrmos remained PI until September 2003, when Audra Bullock was appointed to be the PI during the final month of the grant from September to October 2003.

On July 17, 2002, Modification P00004 was signed. It stated: “The purpose of the modification is to expand the research.” The nature of the expansion was not described. An additional \$750,000 was added to the grant award, with another \$50,000 in future funding promised. The deadline was extended from August 31, 2003 to October 31, 2003.

But on September 12, 2002, with the issuance of Modification P00005 the Navy classified the project. And a week later, on September 19, 2002 Modification P00006 added new classification specifications. This time period corresponds with a major shake up in the MCC and Project Kai e’e plans, which will be discussed further below. The alleged mishandling of classified information was the event that triggered the initial complaint to Federal authorities.

Then, on August 18, 2003 and October 14, 2003, a time period corresponding with the beginning of the Navy investigation, Modifications P00007 and P00008 documented that Fenton had been replaced by a new Technical Representative Gerard G. Walles. These modifications attached new classification specifications to the Grant. The Grant referenced three versions of the Contract Security Classification Specification Form DD-254 that were supposed to be attached to the Grant, but these documents were not provided by ONR. Without these documents it is impossible to know exactly what security instructions were attached to the Grant.

From the Navy documents acquired through FOIA, it appears that the last \$50,000 installment was cancelled. And an excess of \$9547.61 was “de-obligated” and returned to the Navy on May 6, 2004.

There were a number of other documents referenced in the Grant that were not provided by ONR in the FOIA release. These included several reports that were required by the Grant: a Performance/Technical Report with SF298, a Final Technical Report with SF298, a Report of Inventions and Subcontracts – DD882 and a Final Financial Status Report – SF269A. These documents were specifically requested in follow-up FOIA requests.

John Iwaniec

Apparently, when Monacci refused to hire Iwaniec on Bullock’s Grant, Fenton directed Syrmos to hire Iwaniec on the UESA project. Although Syrmos insisted that he did not take direction from Fenton, he admitted:

We were directed by the Navy to hire him as key personnel. Mr. Iwaniec’s employment under this grant was for one year from Dec. 2001 to Nov. 2002. Mr. Iwaniec showed up a week after I took over the project.

Iwaniec said that he knew Schultz only in a professional capacity and would not comment on how he was recruited and hired for the job. He referred inquiries to Harold Masumoto.

RCUH documents show that on December 19, 2001, John Iwaniec was hired as a “Program Manager, Mine and Undersea Warfare” at a monthly salary of \$9015. Iwaniec’s job description included “providing project collaborators with technical guidance in the development of a multi-sensor state of the art undersea warfare comand (sic) and control system. Will assist in test planning for exercises that will demonstrate the effectiveness of the new sensor integration tools being developed.”

It is not clear what, if anything, Iwaniec contributed to research on UESA and CEC antenna miniaturization. When asked about Iwaniec’s contribution to UESA engineering, Syrmos replied that Iwaniec “was very good at interfacing with the Navy.”

Iwaniec said that he was responsible for establishing a network connecting the mountain top UESA facilities with mobile devices at PMRF. He said that he was supervised by Rich McSheehy, an engineer working under Fenton who was on loan from Lincoln Labs to ONR. Iwaniec supervised a team of contracted workers from Oceanit corporation. Iwaniec complained that he couldn’t understand why his project was shelved when his was the only portion that was completed on time while the work on UESA switches (Syrmos’ project) was behind schedule.

II. *“If a big wave comes in...”*: Project Kai e‘e

The central figures behind the UESA and MCC/TCN grants – Fenton, Schultz, Monacci, Masumoto and Syrmos – were involved in much larger plans to establish a Pacific-wide research center and test range for missile defense and network centric warfare operations, testing and development. The original concept was named Pacific Operations Institute. It later became the Pacific Research Laboratory. This concept eventually evolved into the controversial UARC.

However, they needed to build UH’s capability and credibility in order to seek such a grandiose contract. The two grants to UH for Missile Defense and UESA were being used to demonstrate capacity and prepare another larger proposal called Project Kai e‘e.

Project Kai e‘e, which means tsunami or tidal wave in the Hawaiian Language, was a secretive RCUH proposal submitted in response to Navy solicitation N00421-01-R-0176. Project Kai e‘e was characterized by Fenton as a “capacity contract”.

Project Kai e‘e was submitted in response to a Naval Air Systems Command (NAVAIR) Broad Agency Announcement (BAA) N00421-01-R-0176 “Sensor Integration and Communications Technologies” that was posted February 21, 2001. The solicitation notice stated that the objectives of this joint Navy, Marine Corps and Defense Advanced Research Projects Agency initiative were related to network centric warfare systems:

to explore new concepts through emerging multi-sensor integration or adaptive data communications technologies, create adaptations to better suit the needs of the war-fighting community, certify the sustainability and safety of candidate systems, and promote those systems through the procurement process.

The solicitation sought proposals in three areas of interest: (1) “New Operational Concepts for using sensor integration or sensor communications including systems that can be integrated with aircraft, weapons, UAVs and robots”, (2) “Technologies that advance the state-of-the-art in performance and suitability of theatre-wide or tactical sensor integration and communications” and (3) “Systems Integration and Demonstration Testing.” The Project Kai e‘e proposal apparently sought to take advantage of and expand upon the geographical and technological assets already in place or in development at the Pacific Missile Range Facility on Kaua‘i.

On April 20, 2001 NAVAIR sponsored an “industry day” on Kaua‘i for bidders interested in submitting a proposal for N00421-01-R-0176. Industry days are commonly held by an agency soliciting proposals to provide technical background information to prospective bidders. In this case, the briefing focused on the UESA testbed at the Pacific Missile Range Facility. One of the points of contact listed on the notice for this “industry day” was Debby Gatioan, who would later be employed on Bullock’s research grant. Gatioan’s contact telephone number on the notice was the same business telephone listed on the RCUH employment roster and on the Project Kai e‘e proposal itself.

With a March 1, 2002 deadline for proposals, Fenton and the team she had assembled worked on the overall research center concept and the capacity contract proposal that would eventually be named Project Kai e'e.

Around August 2001, Monacci drafted the original concept of a multifaceted military research center, which he entitled the "Pacific Operations Institute".²³ The theme of this institute was "Applying DoD Operational Expertise to National Needs in the Pacific Arena" through "A Partnership of Federal, State, Civil, Industrial and Academia Organizations".

An August 19, 2001 draft of a Powerpoint presentation by Monacci listed the initial participating organizations as Pacific Missile Range Facility, UH, RCUH, Maui High Performance Computing Center, State of Hawaii Economic Development Board, the Office of Naval Research, as well as defense contractors Orincon, Solipsys, and SAIC.

A later draft, emblazoned with the UH and RCUH logos, added an Alaska component that included the Kodiak Air Force Base, University of Alaska, Artic (sic) Supercomputer Facility, and State of Alaska Economic Development Board as participating organizations. This draft dropped mention of the Office of Naval Research, Orincon, Solipsys, and SAIC.²⁴

Monacci laid out a vision consisting of a "Civil & Humanitarian Center", for "ensuring synergy among scientific and academic & commercial arenas", a "Simulation & Virtual Test-bed Center", for "Applying modeling & simulation in the academic & commercial arenas", an "Advanced Science & Technology Application Center", for "Application of sensor, environmental, vehicle, and specialized science and technology," a "Hawaiian Center" and an "Alaskan Center".

A proposed PMRF sensor testbed integration schedule was included in the presentation. It included tracks for the Modular Command Center/Tactical Component Network, Cooperative Engagement Capability pre-planned product improvements and UESA. These programs received earmarked funds according to Senator Inouye's press release of July 27, 2000.

The slide presentation also laid out the process that included two phases. Phase one was described as a "small effort (12 months and 2 million) in FY 02" for developing the concept and 5-year plan, memorandums of agreement, management structures and incorporation of the institute. Phase two was supposed to be a "5-year phased funding profile for the institute" that included creation of a virtual range.

On August 30, 2001, Fenton revised Monacci's draft and renamed it the "Pacific Research Laboratory". In her draft, Fenton wrote, "Contracting...Provide fast/efficient streamlined contracting for DoD customers...THIS IS THE MOST IMPORTANT CORE COMPETENCE

23. John Monacci, *Pacific Operations Institute*, Powerpoint slide presentation, August 19, 2001.

24. University of Hawai'i and the Research Corporation of the University of Hawai'i, *Pacific Operations Institute*, Powerpoint slide presentation, August 30, 2001.

OF PRL!!!”²⁵ This would turn out to be a very revealing statement about the driving motive behind the entire Project Kai e‘e / UARC scandal. As described below, the quest for an anti-competitive sole source IDIQ contract has been the consistent theme in Project Kai e‘e / UARC.

Fenton also included a detailed organization chart that specified positions for a Director and Deputy Director. The Director was described as a “Retired Flag Officer” with experience in missile defense programs and who “sets the Vision for the organization.” The Deputy Director was described as someone with a background in systems engineering and a Masters of Business Administration.

Monacci believed that this organization chart was a not-so-subtle bid by Schultz and Fenton to create jobs for themselves. He said that NCIS was concerned because it looked like Fenton was using government money to set up her own organization.

After incorporating Fenton’s revisions, later drafts of the concept inexplicably dropped the description of the Modular Command Center/Tactical Component Network and Cooperative Engagement Capability pre-planned product improvements track from a project timeline.

“Preparing proposals are very, is very expensive.”²⁶

Once the overall concept was sketched out, Monacci began drafting a proposal from RCUH in response to BAA N00421-01-R-0176 that sought a five-year contract for a wide range of research programs involving sensor integration technologies in Hawai‘i. This was supposed to be the capacity contract alluded to by Fenton that would prove UH’s capabilities to qualify for designation as a federal research laboratory.

Some time in 2001, Masumoto asked Syrmos to develop the UH portion of the proposal by organizing faculty members who might have had an interest in sensor integration technologies. Syrmos said he collected write-ups and budgets for each faculty and passed the information along to RCUH.

According to Syrmos, UH’s contribution to the proposal included microwave technology, electro-optics, communications, networking and navigation and control. But Syrmos refused to name the individuals who contributed to Project Kai e‘e, stating: “I am not going to provide names of faculty participants lest they be a target for harassment. Should you desire additional information on this topic you can contact Mr. Masumoto.”

When asked about Project Kai e‘e Masumoto said “Project Kai e‘e, project whatever, I don’t know what the hell they are anymore.”

25. Mun-Won Chang, *A proposed concept for Pacific Research Laboratory (PRL), Federally Funded Research Laboratory, A Subsidiary of RCUH/University of HI and University of Alaska*, Powerpoint slide presentation, created May 20, 1998, revised August 30, 2001.

26. Harold Masumoto, testimony at the Joint Informational Briefing of the Hawai‘i State Senate Committee on Science, Art and Technology and Committee on Economic Development, February 4, 2003.

A copy of the University of Hawai'i contribution to the Project Kai e'e proposal, entitled "NAVAIR Communication and Sensor Integration Capacity Contract Proposal" was obtained for this report. It listed Anthony Kuh as the Principal Investigator, with Audra Bullock, Mike DeLisio, Marc Fossorier, Anders Host-Madsen, Wayne Shiroma, and James Yee as Co-Principal Investigators. The proposal was created in September 2001 and submitted by the Center for Advanced Communications, College of Engineering at UH. The \$20 million, 5-year proposal focused on Novel Hardware, Secure Communications, Optical Sensors, Space Time Processing and Wireless Networks.²⁷ Monacci incorporated the UH proposal into the larger Project Kai e'e proposal.

Monacci's seventh draft of the proposal dated September 29, 2001 was entitled "Network Centric Warfare Technological Research and Development Proposal". The five-year proposal was valued at \$48 million.

The proposal listed the following prospective subcontractors: UH, Oceanit, ORINCON, Solipsys, Cambridge Research Associates, SAIC, SYS, and WR Systems. Of note, Oceanit was one of the companies involved in the UESA program and other missile defense projects on Kaua'i. ORINCON (prior to being acquired by Lockheed Martin) was a local small business that developed network centric warfare technologies, including a proprietary system called "Web-centric warfare". As discussed above, Solipsys was the company that developed the TCN platform for network centric warfare. Cambridge Research Associates (CRA) developed a battle-space visualization software called "PowerScene". Both "Web-centric warfare" and "PowerScene" turned up again later, when they were mentioned by name in a press release from Senator Inouye indicating that these programs would be eligible to compete for UARC funding.

The proposal included a five-year timeline of the "RCUH Advanced Technology Development Program Plan". The plan listed projects that addressed the three areas of interest in the solicitation: Under the category "New Operational Concepts", the proposal included \$8.1 million for projects in "Intelligence, Surveillance and Reconnaissance & Space Exploitation", "Remote/Space Sensing", "Sensor Exploitation and Demonstration", "Signal and Acoustic Processing" and "Battle Space Environments". Under "Sensor Integration and Communications", the proposal included \$9.3 million for "Sensor Networking", "Milimeter Wave Devices", "Integrated Circuits & Spectral Imaging", and "Network Controls & Collaboration Tools". And under "Systems Integration & Demonstration Testing", \$30.2 million was requested for "Mid-Pacific Integrated Sensor Network", "PMRF Radar Test Bed Development", "Synthetic Range" and "Synthetic Theater of War with Joint Semi-Automated Forces".

The plans for Project Kai e'e were proceeding rapidly. At the October 4, 2001 RCUH Board of Directors meeting, Masumoto gushed:

27. Anthony Kuh, Audra Bullock, Mike DeLisio, Marc Fossorier, Anders Host-Madsen, Wayne Shiroma and James Yee, *NAVAIR Communications and Sensor Integration Capacity Contract Proposal*, Hawaii Center for Advanced Communications, College of Engineering, University of Hawai'i, September 2001.

This may become a major project – about \$50 million if funding comes through. As more of these types of projects become reality, there may be a need for a separate entity to manage them because of their focused objectives.²⁸

After Monacci's termination, John Grandfield finished the Project Kai e'e proposal for RCUH, which he prepared while employed on Bullock's grant. Bullock said that she did not allow her grant to be used to pay for his work on Project Kai e'e, and instead required him write the proposal on his own time. However Bullock admits that she did not have oversight of Grandfield's or Monacci's actual activities or work product. In fact, Grandfield said that he was actually supervised by Syrmos and had not met Bullock until a year after being hired onto her grant.

Syrmos maintained that Iwaniec's work on the UESA grant was only for the purposes of the grant. He would not comment on Iwaniec's involvement with Project Kai e'e. Iwaniec said that he knew about Project Kai e'e but didn't work on it.

On December 4, 2001, Masumoto reported to the RCUH Board of Directors that:

RCUH was asked to submit a proposal and has done so for an ONR project with a potential price tag of \$48 million over four years...A Phase 2 proposal may also be submitted. This project is basically in support of the Pacific Missile Range Facility on Kauai.²⁹

Although attempts to obtain a copy of the final Project Kai e'e proposal have been unsuccessful, an anonymous source provided a transcription of portions of the final Project Kai e'e proposal. The cover sheet described the proposal to NAVAIR as "SENCIS Integration Tech Proposal (Project Kai e'e)". John Grandfield was listed as the Technical Point of Contact for the proposal, and Gilbert Oshima, RCUH Director of Finance and Project Management, was listed as the Administrative Point of Contact. Although the solicitation stated that the usual grant range would be in the \$1 to 2 million range, RCUH requested \$48,478,961.35 for a 60-month base contract. The transcription of the proposal included a cover letter dated January 30, 2002, from Harold Masumoto to NAVAIR contract officer Sue Wainwright, although in a recent interview, Masumoto denied that he was the principal investigator for Project Kai e'e.

The subcontractors listed on the Project Kai e'e proposal included the University of Hawai'i, the Economic Development Alliance of Hawaii (EDAH), Kaua'i Economic Development Board (KEDB) and other to be determined industries based on competitive procurement. The membership of KEDB, a non-profit organization established in 1984, includes such notable military contractors and research facilities as Envisioneering, General Dynamics, Lockheed Martin, Northrop Grumman, Oceanit Laboratories, Orincon, Science Applications International Corporation, Solipsys, Trex Enterprises, and the Pacific Missile Range Facility.

28. Research Corporation of the University of Hawai'i Board of Directors, Minutes, October 4, 2001.

29. Research Corporation of the University of Hawai'i Board of Directors, Minutes, December 4, 2001.

As the submission deadline passed in March 2002, Masumoto was optimistic about the project and began describing long range plans that included its transformation into a federal research center:

Executive Director Masumoto reported that we should know within a month or so whether this project will be funded for \$48 million over a five-year period. The project is related to missile defense and is basically in support of the Pacific Missile Range Facility. This is a direct project (not a UH project) in which RCUH is the applicant for the funds. The intent is that RCUH will “incubate” the project and then later there will be a new home base for it. The long-range objective is to make this a federal research center similar to national labs such as Sandia, etc. There is great potential for this project.³⁰

However, the project apparently ran into delays, but this did not deter long range plans to develop Project Kai e‘e into a UARC. At the June 6, 2002 RCUH Board of Directors meeting, Masumoto reported:

Project Kaiee – We are still awaiting award of the contract. In the meantime, we will receive \$800k of funding to get started (hiring an Executive Director and a Technical Director as well as some other support/technical personnel). The project will be incubated by RCUH. Plans at this time include evolving it into a UARC (University Affiliated Research Center).³¹

Masumoto did not specify the source of the \$800,000 start up funds for Project Kai e‘e. RCUH annual reports for the period do not list any federal contracts that match the description. Based on the amount of money in question and the timing of this new infusion, it is possible that he was referring to modifications to Bullock’s missile defense and Syrmos’ UESA grants. However, it is also possible that these funds never materialized as a result of the withdrawal of the Project Kai e‘e proposal and reorganization of the research program.

In the summer of 2002, Bullock expressed concerns to Fenton about not having enough money to pay her graduate students. But Fenton said that she could not transfer Grandfield and Gatioan off Bullock’s grant because the other anticipated contract had not yet been awarded. So Fenton added money to Bullock’s grant to cover Grandfield and Gatioan. On June 25, 2002, \$100,000 was added to Theater Missile Defense grant (N00421-01-1-0176). On July 17, 2002, \$750,000 was added to Syrmos’ UESA grant (N00014-01-1-0562).

“Things began to fall apart.”

Three months after Masumoto’s optimistic forecast, Project Kai e‘e was abruptly and inexplicably terminated. The minutes of the September 27, 2002 RCUH Board of Directors meeting contained only a terse and vague statement about its cancellation:

30. Research Corporation of the University of Hawai‘i Board of Directors, Minutes, March 13, 2002.

31. Research Corporation of the University of Hawai‘i Board of Directors, Minutes, June 6, 2002.

ONR Project – The proposal for Project Kai e‘e was withdrawn due to circumstances beyond our control. RCUH will pursue other avenues of funding for these types of projects.³²

Vicki Fuhrman of NAVAIR confirmed that RCUH sent a letter withdrawing its Project Kai e‘e proposal.

When asked why Project Kai e‘e was withdrawn, Masumoto said: “I don’t know... You know what I have to do to remember things, to refresh my memory? I have to go look for files and ask people questions...And I tell you what, frankly, I’m not going to do it for you people.”

“Things began to fall apart,” according to Monacci. He said that Schultz’s superiors at NAVSEA shut down the MCC program in Hawai‘i.

After leaving RCUH and going to work for Solipsys to help gain acceptance of the TCN through what he called “proper channels”, Monacci said that he encountered Schultz “hidden away” in a Navy desk job.

“He was nuclear,” said Monacci. “No one wanted to get near him.”

Schultz’s service transcript indicates that he was reassigned to be “Commander, Military Sealift Command (Special Assistant) from April 2002 to June 1, 2003, when he retired at the reduced rank of Captain.

Freedom of information requests for documents about Project Kai e‘e and/or NAVAIR solicitation N00421-01-R-0176 were submitted to NAVAIR under FOIA and to RCUH under the Hawai‘i Uniform Information Practices Act (UIPA). To date, the Navy has not produced any information responsive to the FOIA request. Current RCUH Executive Director Michael Hamnett wrote: “We do not have any documents.”

Hamnett said that his staff told him that the proposal files for Project Kai e‘e were shredded and thrown away after the proposal was withdrawn. He was not sure if the information was classified.

Masumoto said “Whatever we had,...there was a subpoena or something, we gave it to [federal investigators]. Whatever I had, I left it all at RCUH. Either that, or I threw it away.”

Gilbert Oshima refused to comment on the Project Kai e‘e documents even though his name was listed as the administrative point of contact. John Grandfield said he believed that the proposal was withdrawn to avoid RCUH being implicated in possible illegal activities.

The Department of Defense FY 2003 Research, Development, Testing and Evaluation budget justification sheet explained that the CEC Preplanned Product Improvement, TCN and UESA programs that were funded by Inouye in FY 2001 were “restructured in FY 2002” under different program element numbers. This may correspond to the withdrawal of Project Kai e‘e.

32. Research Corporation of the University of Hawai‘i Board of Directors, Minutes, September 27, 2002.

Revolving paychecks

By May 2003 Bullock was again concerned about being able to finish her project. She asked Masumoto to remove Grandfield and Gatioan from the contract payroll. He agreed to do so.

However, some time after Grandfield and Gatioan were supposed to have been off the contract, Bullock received a notice from RCUH of an unauthorized payroll transaction. She said that she complained to RCUH and was told that Brenda Kanno, the RCUH Executive Secretary, authorized the payroll transaction with funds from another, unspecified source. This came as a shock to Bullock, who as the principal investigator was supposed to authorize all payroll transactions on her grant.

In fact, RCUH employment records show that Gatioan and Grandfield were employed by RCUH under job descriptions created for Bullock's grant long after the grant itself had expired. The funding sources for their payroll changed several times.

Although Bullock's grant ended in August 2003, Gatioan's employment at RCUH as "UESA Administrative Specialist" went from September 27, 2001 to October 16, 2003. During this time Gatioan's salary was paid from three different sources. From October 29, 2001 to September 15, 2002, Gatioan was paid by the UH College of Engineering, which would correspond to the original grant. From September 16, 2002 to July 15, 2003, she was paid from unspecified RCUH "Direct Engineering Projects". And from July 16, 2003 to October 16, 2003, the Pacific International Center for High Technology Research (PICHTR) was listed as the source of funds for Gatioan's salary, which may correspond with an Anteon Inc. subcontract described below for RCUH and PICHTR to provide technical services to ONR.

PICHTR was originally established by the Hawai'i State Legislature in 1983 as a state-run educational and research organization focusing on high technology development for the Pacific region. In 1985, it became an independent non-profit organization but continued to receive state funds. Like RCUH, PICHTR has been criticized for lacking both transparency and public accountability.³³ In the summer of 2003, Harold Masumoto was acting in a dual capacity as CEO of PICHTR and Executive Director of RCUH until finally resigning from RCUH on July 22, 2003.

John Grandfield's employment records contained similar anomalies as Gatioan's. RCUH records show that he was employed as the "UESA Electrical Engineer" on Audra Bullock's grant from October 29, 2001 until to October 31, 2005, long past the grant's expiration. During this time he too was paid from three different sources. From October 29, 2001 to September 15, 2002, Grandfield was paid by the UH College of Engineering. From September 16, 2002 to September 30, 2003, he was paid by RCUH "Direct Engineering Projects". And from October 1, 2003 to October 31, 2005, he was paid by another radar project called the "HEATX Program". Both Gatioan and Grandfield were moved off of the College of Engineering funding on September 15, 2002, which corresponds to the timeframe when Project Kai e'e was abandoned.

33. "PICHTR: Long on Funds, Short on Accountability", *Environment Hawai'i*, May 1991.

When Bullock finished the research on her Theater Missile Defense grant in August 2003 a project report was due to NAVAIR. She asked Monacci and Grandfield to write their portions of the report since she did not have access to the work product they generated, nor was she intimately familiar with their daily tasks. Neither contributed anything to the report, and Bullock's report was delayed by many months.

In the summer of 2004, a new ONR program manager told Bullock to submit a report on her portion of the grant. So she wrote about her work with her students and included a disclaimer explaining that only a small fraction of the grant actually went to her research and her students. Bullock said that she wrote in her final report that although the grant totaled approximately \$645,862, she only had oversight of around \$150,000. The closing report for the grant was turned in a year late.

There were similar discrepancies in John Iwaniec's employment records on the UESA grant headed by Syrmos. Iwaniec was paid from the UESA grant from December 19, 2001 to November 15, 2002, which corresponds to Syrmos' timeline. But he stayed on as an employee of RCUH under the same job description. From November 16, 2002 to July 15, 2003, Iwaniec was paid from RCUH "Direct Engineering Projects". Then, like Gatioan, from July 16, 2003 to October 16, 2003, Iwaniec switched over to PICHTR funding. The migration of Gatioan and Iwaniec to PICHTR coincided with Masumoto's resignation as RCUH Executive Director on July 22, 2003 to head up PICHTR.

Iwaniec said he was told that his project was moved over to PICHTR because "RCUH had problems" with classification and security, and because PICHTR was supposedly a more secure organization.

"They will eat them up"

In 2002, Raytheon was faced with potential competition from a team of Solipsys and Lockheed Martin for developing the next generation of Cooperative Engagement Capability. So Raytheon decided to buy Solipsys.

On March 26, 2003, Raytheon announced that it had completed its acquisition of Solipsys Corporation for \$170 million. By September 28, 2004, Warren Citrin, the founding CEO of Solipsys was replaced by a new executive who joined the company after the merger.

Ronald O'Rourke, a defense analyst for the Congressional Research Service reported that the merger of Raytheon and Solipsys and the subsequent teaming arrangement between Raytheon and Lockheed Martin for development of the next phase of the CEC, called "Block II", sparked concerns that there would not be sufficient competition in the Navy's acquisition strategy.

This led to a major overhaul of the Navy's plans for developing the next phase of CEC.³⁴ According to O'Rourke, in mid-2003, the Navy announced that it would incorporate "open-

34. Ronald O'Rourke, *Navy Network Centric Warfare Concept: Key Programs and Issues for Congress*, Congressional Research Service Report for Congress, Updated May 31, 2005. Raytheon Solipsys did manage to get a noncompetitive award of \$8,801,797 from NAVSEA (N00024-05-C-5104) "in support of the design

architecture standards into Block II” and “divide the Block II development effort into a series of smaller contracts for which various firms might be able to submit bids.” However in December 2003, “the Navy cancelled its plans for developing Block II in favor of a new plan for developing a joint-service successor to Block I.” It is not clear if these developments in any way were related to the demise of Project Kai e’e.

With the withdrawal of Project Kai e’e, it seems that energies and funds were split into separate yet related projects. According the UH Manoa Faculty Senate report on the proposed UARC, the University developed “a coherent plan of three initiatives, the Hawai‘i Engineering Design Center (HEDC), the Hawaii Technology Development Venture (HTDV) and the UH Applied Research Laboratory [i.e. UARC], which together would serve different, but integrated functions for research and development on the part of the University of Hawai‘i and Hawai‘i businesses.”³⁵ In this scheme, the UARC was to be a vehicle to receive basic and applied research funding from the military. The HEDC was to be the entity that engineered inventions into military and “dual use” applications. And the HTDV was to be a vehicle to funnel federal seed funding to small tech start up companies seeking to contract with the military. These projects appear to be derived from concepts originally proposed by Monacci in the first sketches of the Pacific Operations Institute.

Senator Inouye announced in his September 25, 2003 press release that he successfully earmarked \$6.8 million for the Hawaii Technology Development Venture (HTDV) and \$500,000 for a “RCUH Engineering and Design Center” (a.k.a. Hawaii Engineering and Design Center). (See Appendix A for more information about HTDV and HEDC)

The Navy also issued solicitations and awarded a series of contracts related to network centric warfare research and testing that were smaller than Project Kai e’e, but similar to elements of Project Kai e’e.

and development of the Pacific Fleet Tactical Component Network (TCN).” This contract was aimed at “increasing TCN capability for 3rd and 7th Fleet Situational Awareness.” Forty eight percent of the work was slated to be performed in Lihu‘e, Hawai‘i. U.S. Department of Defense, Office of the Assistant Secretary of Defense (Public Affairs) Press Release, November 18, 2004, No. 1186-04, <http://www.defenselink.mil/contracts/2004/ct20041118.html>.

35. *Final Report of Ad Hoc Committee on the Proposed UARC at UH Manoa*, November 7, 2005, 10.

III. “*The dark ocean*”: Sources of Project Kai e‘e / UARC

The entire Project Kai e‘e / UARC saga must be understood in the context of greed and corruption of the Bush era. The prophetic warning of President Eisenhower in his famous “military industrial complex” speech has taken on new and urgent relevance with each new no-bid contract and congressional earmark scandal.

The first part of the new millennium was a heady time for military contractors. There were significant increases in missile defense funding. In addition, a virtual “gold rush” on homeland security and military funding in the aftermath of the 9/11 attacks created an intoxicating mix for military contractors and researchers. Several of the largest defense contractors in the world set up shop in Hawai‘i.

Fenton’s actions epitomized the ethos of this period. The title of her October 23, 2003 talk for the Hawaii Venture Capital Association seemed to sum it all up the prevailing mood: “Free Venture Capital: How to Tap Federal Dollars to Fund Concepts and Create Intellectual Property”. The event announcement stated:

The Department of the Navy’s Office of Naval Research has millions of dollars available to fund research and development activities that will both serve the Navy and be the basis for a wide range of commercializable intellectual property. Learning how to tap this source of “free venture capital” will be the topic of Ms. Fenton’s presentation... The Office of Naval Research is one of the key agencies that can work with Hawaii tech companies providing a major source of working capital.³⁶

In a review of Fenton’s presentation – “ONR official talks ‘off the record’ about government contracting”, Bill Spencer of Think Tech News wrote:

The government official gave the audience several tips about the ins and outs of dealing with the bureaucracy. Those unfamiliar with the process, not only gained a clearer sense of the tremendous opportunities afforded by learning how to “work the system” and they learned a multitude of vocabulary words unique to doing business with the government. Fenton spoke about how Federal research and development programs can be tapped to fund proof of concept and development of intellectual property. She also gave the audience several tidbits of advice, such as going for “service contracts”, getting security clearances, qualifying for 8A, small business and hub zone status.³⁷

The high technology sector in Hawai‘i was giddy with anticipation. Even as the surge from Project Kai e‘e was still receding, there were stirrings of another wave gathering force. State, military and business leaders had begun to strategize and organize themselves to better capitalize on the bonanza of federal research funds becoming available in Hawai‘i.

36. *HVCA Luncheon: Free Venture Capital*. Event announcement

37. Bill Spencer, “ONR official talks ‘off the record’ about government contracting,” *ThinkTech News*, <http://thinktechhawaii.com/display.aspx?base=Spensations&ID=10>, accessed November 8, 2005.

In July 2002, the Federal Funding for Technology Research, Development, and Commercialization Conference was held in Honolulu with opening remarks by Senator Inouye. Sponsors included the State of Hawai‘i, High Technology Development Corporation (HTDC), Hawaii Federal Health Care Partnership, Hawai‘i Technology Trade Association (HTTA), MHPCC, NASA Ames Research Center, Office of Naval Research, Pacific International Center for High Technology Research (PICHTR), Pacific Telehealth and Technology Hui, and the University of Hawai‘i.³⁸ This meeting of key players in the high technology sector was seminal in the development of the UARC and related military research initiatives.

The following year PICHTR sponsored a follow up event, the first annual Tech Enterprise 2003 Conference. The centerpiece of this event was an “invite only” activity called “Venture Capital Wargame” where strategies were developed for increasing and better exploiting federal funding and business opportunities in Hawai‘i. The Tech Enterprise conference has been sponsored by PICHTR every year since.

Diffraction

After plans for Project Kai e‘e were canceled, the Navy issued a number of solicitations and smaller contracts to RCUH and Hawai‘i companies pertaining to the same technologies. Given that many of the programs implicated in Project Kai e‘e appear to have been Congressional earmarks, one possibility is that the Navy cancelled the solicitation N00421-01-R-0176 at the same time that Project Kai e‘e was withdrawn and repackaged the appropriations into smaller solicitations and contracts in order to move the money to Hawai‘i.

Sensors Integration and Testbed Technologies (NAVAIR solicitation N00421-02-R-0013)

On May 30, 2002, NAVAIR issued a solicitation N00421-02-R-0013 “Sensors Integration and Testbed Technologies”, which was nearly identical to the earlier solicitation: N00421-01-R-0176 “Sensors Integration and Communications Technologies”. The overall program objectives were also very similar to the earlier solicitation: “to explore new concepts in both sensor integration and testbed design and applications architectures,... invest in key technologies and create adaptations to better suit the needs of the warfighting community,... certify the sustainability and safety of candidate systems,...and promote these systems through the procurement process.”

It has been confirmed that at least one RCUH project was awarded a contract in response to this solicitation: the HEATx project (N00421-03-C-0018) described below. It is also possible that solicitation N00421-02-R-0013 was related to the RCUH “Next Generation Radar” project (N00421-03-C-0013) described below.

Next Generation Radar (NAVAIR Contract N00421-03-C-0013 awarded to RCUH)

Another Navy research project awarded to RCUH was a radar project called “Next Generation Radar”. This project was also implicated in the Navy criminal investigation.

In the October 22, 2002 RCUH Board of Directors minutes, Masumoto announced:

38. State of Hawai‘i, *High Technology Development Corporation 2002 Annual Report*.

We just received a \$1.2 million contract for a radar systems project at the Pacific Missile Range Facility on Kauai, under the direction of Dr. Vassilis Syrmos.³⁹

At that time, Masumoto also announced his intention to appoint Syrmos to a temporary, half-time position of “Director of Science and Technology” for RCUH. The proposed arrangement was to charge half of the position to the Next Generation Radar contract and the other half to RCUH “core budget”. Masumoto also discussed the possibility that the position would become permanent.

NAVAIR contract N00421-03-C-0013 for “Sensor Integration and Testbed Technologies” was awarded on December 17, 2002 to RCUH in the amount of \$1,163,028, with Vassilis Syrmos as the principal investigator. Syrmos claimed that the contract was competitively awarded. Since the description of this contract is nearly identical to the solicitation described above N00421-02-R-0013 “Sensors Integration and Testbed Technologies”, it raises the possibility that the two are related even although the years are different. Syrmos has not responded to requests to confirm this.⁴⁰

“Next Generation Radar: A Unified Approach”, as Syrmos named the project, focused primarily on the development and production of 27 transmit/receive switches for the UHF Electronically Scanned Array (UESA) Radar demonstration program of the Navy at Makaha Ridge, part of the Pacific Missile Range Facility on Kaua’i.

Syrmos was the principal investigator on this contract from December 2002 to March 2003, when Fenton allegedly classified the project. Because Syrmos was foreign born, he was not able to continue under new security restrictions. According to Syrmos, after getting security clearance, he resumed work on the contract from February 2004 to September 2005.

The RCUH annual report for the fiscal year ending June 30, 2003 listed the contract as “Sensor Integration and Testbed Technologies” and reported that \$403,723 had been expended. A year later, the RCUH annual report for fiscal year ending June 30, 2004 listed the program as “Next Generation Optimized Radar” and reported that an additional \$449,727 had been expended. The RCUH annual report for the fiscal year ending June 30, 2005 reported that \$223,317 had been expended. In FY 2006, \$74,953 was expended from the contract.

However there are discrepancies between the dates of Syrmos’ employment in records provided by RCUH. As of January 11, 2006, Syrmos was listed as being a current employee of RCUH on

39. Research Corporation of the University of Hawai’i Board of Directors, Minutes, October 22, 2002.

40. In military contracts, the first set of numbers refers to the sponsoring agency. For example, a contract number beginning with N00421 means that the grant or contract was sponsored by Naval Air Warfare Center Aircraft Division, which is attached to NAVAIR. N00014 is the code for the Office of Naval Research (ONR). The second set of numbers refers to the year. The third set of numbers or alphabets describes the type of contract action. An “R” for example refers to a “Request for Proposals” or solicitation. “C” refers to a “Contract”, and the number “1” would indicate some kind of grant. The last set of numbers is the identifying number for the particular solicitation, grant or contract. Based on this information, it is possible that Audra Bullock’s grant N00421-01-1-0001/0176 was related to the NAVAIR solicitation N00421-01-R-0176.

the Next Generation program since October 20, 2005. His compensation was listed as \$1,341.80/month at 10% full time equivalent.

HawkEye Alternate Transmitter (HEATx) (NAVAIR contract N00421-03-C-0018 awarded to RCUH)

Another Navy-sponsored RCUH program that generated its own share of controversy was the HawkEye Alternate Transmitter project (HEATx). This was a two-year, \$7,462,180 NAVAIR contract (N00421-03-C-0018) awarded to RCUH on September 23, 2003 to develop an alternative transmitter for the E-2C Hawkeye early warning aircraft. The contract was later raised to \$8,442,180. This contract was awarded pursuant to the NAVAIR solicitation described above: N00421-02-R-0013.

HEATx was a type of UESA radar, similar to the projects under investigation. James Stamm, a former NAVAIR employee and close associate of Fenton, was the PI of the project.⁴¹ On October 1, 2003, while still employed as a UESA Engineer under Bullock's grant, John Grandfield's source of funding switched from RCUH "Direct Engineering Projects" to the HEATx project. Robert Swisher, a former student of UH professor DeLisio, also worked on HEATx. In June 2005, Stamm sued RCUH over an alleged breach of contract and intellectual property rights related to his HEATx research. (See Appendix A)

The Navy has denied FOIA requests for this contract claiming that the information was classified. This determination is being appealed.

Sensor, Communication, Information, and Integration Technologies (NAVAIR solicitation N000421-03-R-0058)

On March 6, 2003, NAVAIR issued another solicitation N000421-03-R-0058 "Sensor, Communication, Information, and Integration Technologies" seeking proposals specific to next generation advanced surveillance radar and electronics testbed on Makaha Ridge, Kaua'i, Advanced Integrated Radar, Electronics, and Photonics (AIREP, a successor to UESA), and Mobile Modular Command Center (M2C2, a successor to the Tactical Component Network). The projected award size range was \$1 million to \$10 million. A number of Hawai'i companies were listed as prospective bidders, but which projects received funding remains unknown.

It is likely that one contract was awarded to Honolulu-based Pacific Technologies, which received \$5 million in earmarked seed monies from Senator Inouye.⁴² Pacific Technologies called its project Mobile Modular Command and Control, which differs slightly from the description in the solicitation yet makes the same acronym. Pacific Technologies subcontracted with Raytheon, Oceanit, Akimeka and Referentia.

41. Stamm wrote in his PhD dissertation: "I would like to thank Ms. Mun-Won Fenton of the Office of Naval Research, without whose financial and moral support, this effort would not have been possible." James Stamm, *Analytical and Numerical Optimization of an Electronically Scanned Circular Array*, Thesis in electrical engineering, Pennsylvania State University. December 2000.

42. "Souped-up Humvee Excites Marines", Associated Press, September 11, 2005.

Freedom of Information Act requests for documents related to this solicitation were submitted to NAVAIR. However, NAVAIR redirected FOIA requests related to this contract to ONR, whom they claimed was the custodian of the documents. To date no documents have been produced.

Curiously the DoD budget justification documents for FY 2003 contained entries for UESA, MCC and TCN, but not for “AIREP” and “M2C2”. It is possible that after the MCC/TCN project was canceled and the Project Kai e’e proposal withdrawn, the funds earmarked for UESA and MCC/TCN were reallocated to similar programs under different names. Iwaniec described how trailers brought to PMRF for the Modular Command Center (MCC) program stood idle for a long time after the project was shut down.

The new systems – AIREP and M2C2 – did appear in Senator Inouye’s press release on the following fiscal year Defense Appropriations bill. In this bill there were sizeable appropriations for network centric warfare systems: \$10.75 million for AIREP, \$2 million for M2C2, \$5 million for Network Applications Integration Facility (a hub for a global TCN system), and \$4.5 million for a Network Centric Warfare testbed.

Conflicts of Interest

Repercussions from the Project Kai e’e debacle continued to be felt. Masumoto’s report to the RCUH Board of Directors on March 6, 2003 hinted at conflict of interest problems that arose in the wake of Project Kai e’e:

RCUH may find itself in a potential “conflict of interest” situation since we are doing R&D work and we also have a contract for “services”. People writing specs for RFPs and reviewing proposals need to be separate from those developing proposals. We currently have “firewalls” in place, but the potential still exists. In the future, the RCUH services contract will be moved from RCUH to PICHTR. RCUH will perform the applied research and development functions.⁴³

He may have been referring to RCUH’s contract to provide technical services to the ONR Mid-Pacific Branch Office. Through a very complicated arrangement of contracts and subcontracts, money was passed through several government agencies and corporations to RCUH.

Technical Services for ONR Mid-Pacific Branch Office (NAVAIR Task Order T-03-03-DSM012 awarded to Anteon via GSA contract GS09K99BHD0001; subcontracted to RCUH, PICHTR and Oceanit)

The General Services Administration contract with Anteon Inc. (GS09K99BHD0001) was a “worldwide MA-ID/IQ contract available for use by any federal government agency to acquire contractor services and support for information technology (IT) needs”. Under this open ended and unspecific service contract, NAVAIR ordered the services of Anteon (Task Order T-03-03-DSM012) to provide technical support services to the Mid-Pacific Branch Office of ONR.

43. Research Corporation of the University of Hawai‘i Board of Directors, Minutes, Report on New Project Initiatives, March 6, 2003.

Anteon in turn awarded noncompetitive subcontracts to three Hawai'i-based entities: Oceanit Laboratories, RCUH, and PICHTR.

Details about the size of the contract and the "technical services" provided under this contract, are not clear. FOIA requests to NAVAIR for its Task Order T-03-03-DSM012 were redirected to ONR, but to date no information has been released.

A freedom of information request for the subcontract was also submitted to RCUH. RCUH claims that it shredded its records. RCUH had this services contract at the same time that it was working on research contracts related to the UESA and Next Generation Radar projects.

RCUH apparently created a Conflict of Interest Policy on June 23, 2003 "to address any perception of conflict of interest." It is possible that the concern about conflicts of interest arose partly out of this Anteon subcontract. At the August 25, 2003 RCUH Board of Director's meeting, Masumoto explained that:

The policy was put in place because of the Department of Defense (DoD) projects RCUH was involved in. RCUH had both a "services" contract (providing people for specific jobs) as well as an R&D (research and development) contract (providing a specific product). Additionally, while he was Executive Director [of RCUH], he was also serving as President & CEO of PICHTR and because PICHTR's subsidiary company, PTAC [Pacific Technology Applications Corporation], submitted a proposal to the Office of Naval Research in response to an RFP for a "services" contract, there may have been a perceived conflict of interest with his involvement in the RCUH R&D contract and the PICHTR services contract...It was not developed for his personal gain in any way.⁴⁴

Technical, Management and Administrative Support for the Greater Mid-Pacific Branch Office Technical Division of the Office of Naval Research (ONR solicitation N00014-03-R-0008)

Seemingly in response to potential conflicts of interest that may have arisen from its arrangement with Anteon, Oceanit, RCUH and PICTHR, the Office of Naval Research reorganized its "service" contract. On March 13, 2003, ONR issued a request for proposals N00014-03-R-0008 "Technical, Management and Administrative Support for the Greater Mid-Pacific Branch Office Technical Division of the Office of Naval Research". The management and administrative services sought related to the technical programs described above in N00421-03-R-0058 "Sensor, Communication, Information, and Integration Technologies". The ONR solicitation stated that approximately 70% of the work would be new, while 30% was already being done under the previously discussed Anteon contract, with 7% of the total award having gone to Oceanit, 5% to RCUH and 5% to PICHTR through subcontracts.

ONR specified that this solicitation was amended to safeguard against organizational conflicts of interest: "our future MIDPAC technical and administrative support contractor will be ineligible

44. Research Corporation of the University of Hawai'i Board of Directors, Minutes, Report of Interim Executive Director, August 25, 2003.

to participate in future out-of-house R&D work supporting MIDPAC's on-going and future R&D programs."⁴⁵ FOIA requests to ONR related to N00014-03-R-0008 are still pending.

45. United States Navy, Office of Naval Research, *Acquisition Department: RFP, Technical, Management and Administrative Support for the Greater Mid-Pacific Branch Office Technical Division (MIDPAC TD) of the Office of Naval Research - # N00014-03-R-0008*, www.onr.navy.mil/02/rfps/n00014%5F03%5Fr%5F0008/faqs.asp.

IV. Genealogy of the UARC

The seeds of the UARC can be found in John Monacci's early concept sketches of a Pacific Operations Institute, which took shape as early as August 2001. Fenton's variation on the theme was the Pacific Research Laboratory, which was primarily envisioned as a vehicle to bypass competition requirements and funnel appropriations to Hawai'i based projects.

The original plan seemed to have three phases. First was to boost UH's capacity as a research university by funding two small Navy grants (UESA and Theater Missile Defense/MCC/TCN) to UH researchers as the vehicle to demonstrate a relationship between UH and the Navy and to assemble a hand-picked research and development team. Second, this team prepared a comprehensive five-year project proposal for sensors integration and network centric warfare systems research and testing to be conducted primarily at PMRF and contracted through RCUH. This was known as Project Kai e'e. Once the programs were funded and the University could demonstrate its capacity to handle the work, the program was supposed to become a long-term arrangement such as a UARC or a Federally Funded Research and Development Center (FFRDC).

As Masumoto reported to the RCUH Board of Directors in March 2002:

The intent is that RCUH will "incubate" [Project Kai e'e] and then later there will be a new home base for it. The long-range objective is to make this a federal research center similar to national labs such as Sandia, etc.⁴⁶

And in June 2002:

Plans at this time include evolving it into a UARC (University Affiliated Research Center).⁴⁷

When Project Kai e'e was terminated, RCUH apparently shifted its energies to focus on development of the UARC itself: "RCUH will pursue other avenues of funding for these types of projects."⁴⁸

The UARC concept was outlined in a September 15, 2002 Powerpoint slide presentation by Masumoto and Syrmos. At the time, Syrmos was an UH faculty member on contract to RCUH.⁴⁹

In November 2002 Syrmos distributed these slides to UH researchers to discuss their possible participation in the UARC and explained that they were from a presentation made to "Senator Inouye's staff". He later claimed the slides were from a presentation to NAVSEA.

46. Research Corporation of the University of Hawai'i Board of Directors, Minutes, March 13, 2002.

47. Research Corporation of the University of Hawai'i Board of Directors, Minutes, June 6, 2002.

48. Research Corporation of the University of Hawai'i Board of Directors, Minutes, September 27, 2002.

49. Harold Masumoto and Vassilis Syrmos, *University Affiliated Research Center (UARC)*, Powerpoint presentation, September 15, 2002.

In their Powerpoint presentation, Masumoto and Syrmos described the UARC as “SENSors Communications and Information Technology (SENCIT) for the 21st Century Warfare”. It recycled elements of Project Kai e’e.

The UARC then appeared in an October 16, 2002 press release from Senator Inouye about the Defense Appropriations Bill that stated:

Also, the Power Scene initiative and the Web Centric Warfare program may compete for University Affiliated Research Center funding.⁵⁰

As mentioned above, PowerScene and Web Centric Warfare and were projects of Cambridge Research Associates and Orincon respectively, and were incorporated into the early drafts of Project Kai e’e. According to Navy Research Development, Testing and Engineering budget justifications for 2000 and 2001, \$7 million was earmarked for Orincon’s “Web Centric Warfare” program working with distributed underwater sensors.

Rich McSheehy, a former MIT Lincoln Laboratory employee on loan to ONR through the Intergovernmental Personnel Act and an assistant to Fenton, said, “Nobody wanted a UARC in the beginning...Business didn’t trust it.”

With this in mind, the curious sentence in Inouye’s press release may have been intended to reassure businesses that the UARC would benefit them too.⁵¹ But this would seem to contradict prohibitions on organizational conflicts of interest that govern UARCs as “trusted agents” of the government, as Syrmos explained in a Ka Leo newspaper article:

“The UARCs cannot partner with private industry, because the idea is that the UARC is a trusted agent of the government,” Syrmos said. “As such, the government turns to the UARC for advice on programs. If these programs were to later go out for a BAA (Broad Agency Announcement) or an RFP (Request for Proposal) where private industries come in and compete, then you have a conflict of interest. So there should be no collaboration between a center like that (UARC) and private industry.

“There should be no collaboration between the UARC and defense contractors,” Syrmos continued. “At that point the DOD (Department of Defense) would have a problem, and that problem is called organizational conflict of interest, and one should not engage in this because it’s not correct.”⁵²

50. Senator Daniel Inouye, *FY2002 Department of Defense Appropriations Bill, List of Hawaii-related initiatives*. October 16, 2002, 9.

51. An email exchange between Gary Godshalk, General Manager of Orincon, and Mun Fenton hinted at other anxieties about the subcontracting for the MCC program. Godshalk wrote “Have had very fruitful discussions with Cambridge Research Associates (CRA), Buck Adams and Bob Akers. Moving forward with CRA as a subcontractor is happening as expected. In contrast, I have not heard from Solipsys. In his last email to me, dated 10 May, Warren Citrin wrote: ‘I will get with Mun to better understand what her desires are.’ Have you heard from Warren and what is the status?” Gary Godshalk email to Mun Fenton, “questions”, May 21, 2001. The next day Godshalk wrote to Fenton: “How do we assure that Solipsys will subcontract to ORINCON?” Gary Godshalk email to Mun Fenton, “RE: questions”, May 22, 2001.

52. Bart Abbott, March 2, 2005.

It is unclear from a review of Defense Appropriations legislation and related Committee Reports specifically what the Senator's press release was referring to. Charly Houy, Senator Inouye's staff for the Senate Defense Appropriations Subcommittee could not explain the specific projects mentioned in the press release. Senator Inouye has not yet responded to a January 26, 2006 letter requesting an explanation of the UARC reference and other budget items mentioned in the Senator's press release.

But Inouye's hand in the UARC was apparent throughout. Patricia Gruber, research director for ONR was quoted in a Chronicle of Higher Education article February 10, 2006 as saying "Mr. Inouye did a very good job of pointing out to the Navy that Hawaii is a very strategic university... and also that they have some unique capabilities."

Masumoto had begun to pitch the UARC to UH Administrators. On October 22, 2002, he reported to the RCUH Board of Directors:

UARC – We are also looking into the establishment of a University Affiliated Research Center and have discussed the matter with President Dobbelle and UHM Chancellor Englert.⁵³

Around November or December 2002, the Chief of Naval Research Rear Admiral Jay Cohen nominated UH for a UARC.

Interference Patterns

On April 6, 2005, at a Public Meeting to discuss the proposed UARC, this author asked UH Manoa Chancellor Peter Englert "I would like to know what is the relationship between the UARC and, and this Navy criminal investigation of mismanagement, alleged mismanagement of classified contracts."

Englert replied, "I am actually not knowing what investigation you are talking about to some degree..."

When pressed further, Englert said "It doesn't touch the University of Hawaii at Manoa campus and it has nothing to do whatsoever with the proposal that you're discussing today."

Asked about his dealings with Mun Won Fenton and Harold Masumoto, Englert answered "In the discussions that I had, in all the dealings, the names that you mentioned, the people that you mention I have never seen with respect to the UARC."⁵⁴

Untrue. Englert's story was contradicted by Masumoto's account of having discussed the UARC with him as early as October 2002, and by Englert's own December 6, 2002 letter to Chief of Naval Research Admiral Cohen:

53. Research Corporation of the University of Hawai'i Board of Directors, Minutes, October 22, 2002.

54. Transcripts from the UHM Chancellor's Public Meeting on the UARC held April 6, 2005.

Currently we are working with Ms. Mun Won Fenton at ONR and Mr. David Savillo at NAVSEA to create a preliminary management plan that will serve as the road map of the University's core competencies. Furthermore, Mr. Harold Masumoto, Executive Director of the Research Corporation of the University of Hawaii, has briefed Mr. John Young, Assistant Secretary of the Navy, on our intention to apply for a UARC at UHM.⁵⁵

On a "Frequently Asked Questions about the UARC" page of the UH Manoa Chancellor's website, the following question was submitted:

The proposal writers of Project Kai'e'e have been seriously involved in the UARC proposal since its inception. How does this change the opinions of yourself, and the Chancellor's office about the UARC?

The university administration's response was cryptic:

Several university (seven) faculty members from engineering contributed to the Project Kai'e'e proposal on the portion designated to UH. No UH faculty members contributed to the portion of the proposal designated to RCUH. At least ten faculty members from SOEST, Institute for Astronomy (IfA) and Engineering contributed to the UARC initial "proposal". Three UH faculty members that contributed to the UH part of the Project Kai'e'e proposal also contributed as well to the initial "UARC proposal". The final UARC proposal to the Navy was coordinated by four faculty members with inputs from numerous faculty members in SOEST, IfA, and Engineering.

Project Kai'e'e was not funded for reasons unrelated to the University of Hawaii. Since there is no evidence of wrongdoing on the part of any UH faculty members relative to their participation in the Project Kai'e'e proposal there is no basis to "change the opinions".⁵⁶

In a July 18, 2003 email to UH Physicist Eric Szarnes, Syrmos disclosed that he was the chief author of the UARC proposal. He named other contributors as Paul Lucey (School of Ocean and Earth Science and Technology), Rick Rocheleau (Hawaii Natural Energy Institute), Lloyd Hihara (College of Engineering, COE), Todd Reed (COE), Chris Ftaclas (Institute for Astronomy), Lenny Capello (PICHTR) and Audra Bullock (COE). Syrmos indicated that he compiled the pieces and assembled it together, while James Gaines and Rolf Kudritski, Director of the UH Institute for Astronomy, edited the final version.

Amazingly, the UH administration has continued to deny that the UARC is related to Project Kai'e'e or the Navy investigation. Even as late as February 2007 after being presented with proof of RCUH's plans to transform Project Kai'e'e into a UARC, UH President McClain wrote to Hawai'i State Representative Roy Takumi, "To the best of our knowledge, there is no relationship between Project Kai'e'e, the Navy investigation and the UARC."⁵⁷

55. Peter Englert letter to Jay Cohen, December 6, 2002.

56. *Frequently Asked Questions on the UARC* on the website of the UH Manoa Chancellor's website: http://manoa.hawaii.edu/mco/initiatives_issues/uarc/faq.htm, Accessed October 30, 2005.

57. David McClain, Letter to Rep. Roy Takumi, February 7, 2007.

“The Consigliere”⁵⁸

Although Harold Masumoto remained in the background of Project Kai e‘e, he was a key actor. According to Monacci, “Harold Masumoto knew everything.”

However, when asked about Project Kai e‘e and the UARC, Masumoto pleaded forgetfulness: “I really don’t want to get into that because, you know why? It’s three, four years ago...I forget things. I’m not going to, you know, do any research ...Eh, go talk to Mike [Hamnett, the current RCUH Executive Director].”

When it was pointed out to him that Project Kai e‘e was intended to become a UARC, Masumoto said: “I forget what Project Kai e‘e was. There were two projects. I don’t know which one was supposed to be what.”

But as the interview continued, he grew more combative: “You got to understand people like me. I don’t speculate in answering questions to people like you. Okay? You can’t quote me because I’m not going to tell you anything that you can quote me on.”

Although proponents have defended the UARC as a NAVSEA and University of Hawai‘i initiative, the project clearly originated with RCUH and ONR and was orchestrated by Masumoto. Under his direction, plans for the UARC moved quickly.

On February 4, 2003, UH Manoa Chancellor Peter Englert and Vassilis Syrmos testified at a Joint Informational Briefing of the Hawai‘i State Senate Committee on Science, Art and Education and the Committee on Economic Development. They described the elements of the proposed UARC as including, among other things, Sensor Communications and Information Technologies (SENCIT), Advanced Electro-Optics and Sensing (AEOS), as well as Weaponized Laser Technology.

The presentation also explained the connection between the proposed UARC and another initiative headed by Syrmos, the Hawaii Engineering and Design Center (HEDC). In the audience and offering supportive comments were Larry Cutshaw (a Lockheed Martin – Orincon executive and husband of Kathy Cutshaw, UH Manoa Interim Vice Chancellor for Administration, Finance and Operations), representatives of NovaSol and other defense contractors. Harold Masumoto watched from the back of the hearing room.

As early as March 6, 2003, Syrmos, who had been hired as RCUH’s Interim Director of Science and Technology reported to the RCUH Board of Directors:

University Affiliated Research Center (UARC) – The proposal is 99% complete and the UHM approvals are in place to take it to next step which is for Admiral Cohen (Chief of Naval Research) to send it to NAVSEA to designate UHM as a UARC. It is hoped that the UARC will be in place by this summer. Because a UARC functions as a trusted agent of the government, it operates under sole source, multi-task delivery of contracts to

38. David Yount used the title “Consigliere” to describe Harold Masumoto in his book *Who Runs the University: The politics of higher education in Hawaii, 1985 – 1992*, University of Hawai‘i Press: Honolulu, 1996.

perform work primarily for Navy sponsors.... Until UH changes its policy on classified research, such an activity has to be run through an organization like RCUH. Creating a separate 501(c)(3) type organization is another alternative.⁵⁹

This statement would indicate that McClain's "compromise" position of locating the UARC off the UH Manoa Campus was in the cards all along.

On April 16, 2003, UHM Chancellor Englert submitted a proposed UARC management plan to Admiral Cohen, and copied the letter to Fenton and Masumoto. In this initial submission to ONR, the UH Free Electron Laser program, Institute for Astronomy programs and PICHTR were named as key assets in support of the UARC. The UARC proposal included several references to Ultra High Frequency Electronically Scanned Array (UESA) radar projects, sensor network integration projects, and network centric warfare technologies.

In a May 27, 2003 letter to the Commander of Naval Sea Systems Command (NAVSEA), Rear Admiral Cohen requested the establishment of a UARC at UH and named Mun Won Chang Fenton as his "point of contact" for the UARC.

Although Masumoto resigned as Executive Director of RCUH in the summer of 2003, he continued to work behind the scenes as a consultant to secure the UARC. Masumoto quietly signed a \$60,000 "Agreement For Services" with RCUH dated July 1, 2003. The contract was originally set to terminate June 30, 2004. Under the Scope of Services, Masumoto's top job responsibility was:

Coordinate and follow up on University of Hawaii efforts to be designated as a University Affiliated Research Center (UARC). Advise and participate in setting up the infrastructure within UH / RCUH for operating a UARC.

At its June 23, 2004 meeting the RCUH Board of Directors approved an extension of Masumoto's contract to December 31, 2004. The new RCUH Executive Director Michael Hamnett "added that Mr. Masumoto's assistance is needed for the UARC (University Affiliated Research Center) initiative since he was instrumental in proposing the establishment of such a center at the University."⁶⁰ On December 14, 2004, his contract was extended again to June 30, 2005.

During his term as a consultant, Masumoto maintained his government security clearance, although it is not clear what level of clearance he had, or why he needed a security clearance beyond his employment at RCUH. With several months remaining on his contract, Masumoto abruptly canceled the agreement and his security clearance on March 31, 2005 soon after the news of a criminal investigation broke.

When this author requested Masumoto's consultancy contract soon after its cancellation, RCUH executive secretary Brenda Kanno originally denied its existence. After persistent questioning, however, she found the contract.

59. Research Corporation of the University of Hawai'i Board of Directors, Minutes, March 6, 2003.

60. Research Corporation of the University of Hawai'i Board of Directors, Minutes, June 23, 2004.

V. The Wave Breaks

Mimiki ke kai, ahuwale ka papa leho.

When the sea draws out in the tidal wave, the rocks where the cowries hide are exposed.

- 'Olelo No'eau⁶¹

Turbulence from the unseen events that led to the cancellation of Project Kai e'e continued for months afterwards. By 2003, the relationship between Fenton and Syrmos grew unbearably strained. James Gaines, UH Vice President for Research told the Honolulu Advertiser in March 5, 2005, "It wasn't that we had mismanaged contracts, but that our principal investigator didn't want to go along with some changes suggested by the program manager." The article reported that Gaines and the PI of the grant did not think that the suggested changes were appropriate.

According to Gaines, Fenton tried to remove Syrmos from the two research projects he was heading. On several occasions, she met with Gaines and complained about Syrmos being "very uncooperative" but did not specify the nature of the dispute. Gaines recalled that the meetings with Fenton were very tense, but he told Fenton that he would not intervene.

Monacci said "Fenton was obsessed with keeping things secret from everybody... She was totally obsessed."

In September 2002, modifications to the UESA Grant (N00014-01-1-0562) classified some information on the project. This occurred during the same period that the MCC/TCN project was shut down and Project Kai e'e was withdrawn. Further modifications to the classification specification occurred in August and October of 2003, when the Navy investigation was starting up.

According to Syrmos, it was in the Spring of 2003 that several pieces of information were classified on the Next Generation Radar project. Heightened security restrictions in the wake of September 11, 2001, guaranteed that a foreign born researcher like Syrmos would not be able to easily attain security clearance. As a result, he was temporarily forced off the UESA and Next Generation projects.

Gaines said he believed that Fenton used classification of the UESA and Next Generation contracts to have Syrmos removed from the projects. While Syrmos acknowledged that he did not have a good relationship with Fenton, he would not comment on the nature of the conflict between himself and Fenton, or whether he observed any improper conduct by Fenton.

After Syrmos was removed from the UESA grant, Gaines said he appointed Audra Bullock to be the PI for the final month of the UESA grant in order to finish the report. It took Syrmos nearly a year to get his security clearance, at which point he returned in February 2004 to finish the Next Generation Project, which he claimed was completed in September 2005.

61. Mary Kawena Pukui, *'Olelo No'eau: Hawaiian Proverbs & Poetical Sayings*, Bishop Museum Press, Honolulu. 1983, entry 2157, 235.

63. Research Corporation of the University of Hawai'i Board of Directors, Minutes, May 13, 2003.

At the May 13, 2003 RCUH Board of Directors meeting, Masumoto hinted at a growing problem:

Security Issue – We have a situation where a project started as an unclassified project, but the Navy has now decided to classify it. Issue is safeguarding the appropriate data and allowing access to cleared employees only in a secure facility.⁶³

Alleged irregularities in Fenton's handling of classified information alerted UH and RCUH Facilities Security Officer (FSO) James Wingo to possible problems. There may have been disagreement between UH and RCUH about how to accommodate Fenton's requests regarding the handling of classified information. This "security issue" may have led to the migration of Iwaniec and Gatioan to PICHTR several months later. Iwaniec said he was told that "RCUH had problems" with classification and security and that his project was being moved to PICHTR supposedly because it was a more secure organization.

RCUH employment records show that from June 3, 2003 to October 15, 2003, RCUH hired a Facility Security Officer named Pamela Rigg to perform work for PICHTR. At a salary was \$5834 per month, she was responsible for "(a) implementation and maintenance of adequate facility security necessary to maintain certification for performance of classified federal government research and development projects, and (b) physical security of PICHTR and sponsors' facilities and equipment."⁶⁴ Rigg was supervised by Harold Masumoto and PICHTR staff Keith Matsumoto. Her business address was the Department of Electrical Engineering at UH Manoa, and her telephone was the number of the Dean's Office at the College of Engineering. Pamela Rigg later became a Senior Program Manager for Hawaiya Technologies, a company founded by Paul Schultz after retiring from the Navy. With Inouye's support, Schultz has continued to receive funding for Homeland Security engineering projects in Hawai'i.⁶⁵

An October 20, 2003 email from James Wingo to the Department of Defense Inspector General's office outlined a timeline of events related to his initial complaint. According to this memo, Wingo contacted Ann Marie Smith of the Defense Security Service (DSS) Honolulu office on July 24, 2003 and raised concerns about the handling of classified research information by Fenton. DSS claimed that it had no jurisdiction over alleged mismanagement involving a government official.

On August 21, 2003, Wingo's memo indicated that he filed a complaint with the Department of Defense Inspector General (DOD IG) accusing Fenton of "1) abuse of authority, 2) significant mismanagement of classified contracts, and 3) potential leaks of classified information, classified information lost, compromised, and unauthorized disclosure." In his complaint, he named the three Navy contracts or grants discussed above: N00421-01-1-0001/0176, N00014-01-1-0562, and N00421-03-C-0013.

64. Research Corporation of the University of Hawai'i, *Facility Security Officer – Pacific International Center for High Technology Research (PICHTR)*, Job Description, June 7, 2003.

65. Bill Mossman, "Ensuring Hawaii's Security", *Midweek*, April 6, 2005.

Wingo received contradictory directives from various federal offices, each claiming to have jurisdiction over the matter. On September 17, 2003, he was directed by the Naval Air Systems Command (NAVAIR) Contracting Officer Security Representative (COSR) to destroy all safeguarded information, held at RCUH, within 10 working days. NAVAIR was the sponsor for at least two of the contracts in question.

However, on October 9, 2003, the NAVAIR COSR directed Wingo to “Immediately and without further delay, within 1 business day, ship the entire contents of the RCUH classified container to ONR, ATTN: Ms. Mun-Won Chang-Fenton”. On October 10, 2003, DSS advised Wingo to follow the instructions on the DD254, the form detailing the handling requirements for a classified federal contract, and ship the information to Fenton.

But several days later, the Honolulu United States Attorney office informed Wingo that the information in question may be of evidentiary value and requested that he not ship information to Fenton.

Evidently there were jurisdictional struggles between different federal law enforcement agencies. On October 14, 2003, NAVAIR Inspector General (IG) Edward Lopez notified Wingo that NAVAIR was placing a law enforcement hold on the information in question and instructed Wingo to not send the information anywhere without guidance from the NAVAIR IG office. But that same day, the Defense Security Service contacted Wingo and told him that the US Attorney had no authority in this matter.

On October 15, 2003, the Office of Naval Research Inspector General (ONR IG), notified Wingo that the Navy Inspector General had passed to their office a number of issues to be investigated. That same day, Wingo received a reply from the Department of Defense Inspector General (DODIG) to his August 21 complaint that stated “The Defense Security Service is the appropriate agency to handle security breaches involving a Defense contractor”.

On October 20, 2003, NAVAIR IG requested that NAVAIR direct RCUH to ship information to the NAVAIR IG, because the Honolulu US Attorneys office had expressed an interest in the contents of the subject hard drive. That same day, Wingo sent a letter to the DODIG requesting that they reconsider doing an investigation of possible violations of federal laws.

It seems that Naval Criminal Investigation Service (NCIS) eventually took on the investigation, but other branches continued to be involved. According to a March 2, 2005 article in *Ka Leo o Hawai'i*, the Navy Inspector General requested documents from RCUH in January 2005. Monacci and Bullock both confirmed being interviewed by NCIS. As of May 2006, the NCIS investigation was still open.

The March 5, 2005 *Honolulu Advertiser* article reported that Masumoto said he did not know what the investigation was about. He was quoted as saying “they asked for a lot of information and we gave it,...I don't know what they were fishing for. ... I don't keep up with those things anymore.”

On two separate occasions, Syrmos publicly denied talking with Navy investigators. The same March 2005 the Honolulu Advertiser article reported that Syrmos “doesn’t know anything about the investigation and cannot speculate on what it’s about.” He was quoted as saying: “At this point, we haven’t been asked any questions.” Then at an April 7, 2005 public meeting on the UARC, Syrmos was asked by this author “Has a Navy criminal investigation service interviewed you?” His response was a flat “No.”

But he was not telling the truth . Soon after that public meeting, the Navy confirmed that their agents had interviewed Syrmos on at least two occasions.

There appears to have been a major shake up among the entities and players involved, including possible disciplinary actions against certain individuals. Schultz’s military service transcript shows that his otherwise illustrious Navy career ended rather ignominiously when he retired on June 1, 2003 at the reduced rank of Captain. Some time between the end of 2003 and summer 2004, Fenton was replaced as the ONR project manager for UH contracts and reassigned to another division.

On January 1, 2003, Vassilis Syrmos had been appointed to the position of Interim Director of Science and Technology at RCUH, a position he held concurrently with his faculty position at UH and the title of Special Assistant to the UH Manoa Chancellor. But Syrmos abruptly left RCUH on May 31, 2003. When asked about his role at RCUH and his relationship to Masumoto, Syrmos snapped back “If you did your homework, you would know why I left RCUH.”

In the midst of the classified information clean up and mounting threat of a federal investigation, Harold Masumoto resigned as RCUH Executive Director on July 22, 2003 and went to work full time as the CEO of PICHTR. At the same time, he quietly signed a \$60,000 consultancy contract with RCUH to help secure the UARC for UH.

On July 15, 2003 Debby Gatioan and John Iwaniec apparently joined Masumoto, and arrangements were made to switch the source of their salaries from RCUH “Direct Engineering Projects” to an unspecified source of funds from PICHTR.

VI. Searching for a Sole Source

The driving impetus behind the UARC and Project Kai e‘e was the quest for a sole source, open ended funding arrangement for military research programs in Hawai‘i. As Fenton stated in 2001 “fast/efficient streamlined contracting for DoD customers...IS THE MOST IMPORTANT CORE COMPETENCE...”⁶⁶ This idea was echoed by UH President McClain in January 2007: “the UARC contract is simply a master agreement...”⁶⁷

Irregularities in the procedures for establishment of the UARC have raised concerns about the Navy’s failure to follow established federal acquisition regulations for the procurement of the UARC to UH.⁶⁸ Neither the UH administration nor the Navy have provided a satisfactory explanation nor justification why the sole source procurement of the UARC to UH deviated from normal competition requirements for federal contracts. Public notice of the UARC procurement came after two years of negotiations and planning had already taken place between UH, ONR and NAVSEA.

At the recommendation of RADM Cohen, Chief of Naval Research, in May 2003, NAVSEA conducted a *Review and Justification for Establishing a University Affiliated Research Center (UARC) at University of Hawaii at Manoa (UHM)*, which concluded in May 2004. Based on this document, on May 21, 2004, Gregg Hagedorn, the Acting Executive Director of NAVSEA recommended the establishment of the UARC with the concurrence of John Young, the Assistant Secretary of the Navy (Research, Development and Acquisition) on June 5, 2004.⁶⁹

A string of congratulatory emails followed. One message that appears to be from Hagedorn stated: “Excellent news. I hope [Director of Defense Research and Engineering] approval is soon... We are on a success [sic] oriented schedule to award the UARC contract. Gregg”. Admiral Cohen, who was also copied on the message replied “Good, tks, pls let me know IF you need my help. Jay”⁷⁰

66. Mun-Won Chang, *A proposed concept for Pacific Research Laboratory (PRL), Federally Funded Research Laboratory, A Subsidiary of RCUH/University of HI and University of Alaska*, August 30, 2001.

67. David McClain, “In the Hot Seat”, *Honolulu Advertiser*, January 25, 2007.

68. Eric Szarmes, “Re: Requirement for a Broad Agency Announcement for the NAVSEA Applied Research Laboratory UARC procurement”, Letter to Peter Englert with attachments. April 12, 2005. Eric Szarmes. “Re: Procurement for New UARCs”, Letter to Peter Englert with attachments. May 13, 2005. Eric Seitz. Letter to Walter Kirimitsu, UH counsel. April 25, 2005.

69. Gregg Hagedorn, Acting Executive Director, NAVSEA, “Recommendation for Establishing a University Affiliated Research Center at the University of Hawaii at Manoa”, letter to the Director of Defense Research and Engineering, via Assistant Secretary of the Navy (Research, Development and Acquisition), May 21, 2004, with attached *Review and Justification for Establishing a University Affiliated Research Center (UARC) at University of Hawaii at Manoa (UHM)*, Naval Sea Systems Command University Affiliated Research Center Management Office (NAVSEA 106), May 2004.

70. “Recommendation for UARC at UHM”, a string of emails dated June 8 – 9, 2004, produced through FOIA request to NAVSEA from the computer of Antonia Stine.

In a letter dated July 8, 2004, Ronald Sega, Director of Defense Research and Engineering (DDR&E) wrote “I approve the request to designate the University of Hawaii at Manoa Applied Research Laboratory (UHM-ARL) as a University Affiliated Research Center (UARC).”⁷¹

A congressional notification memo addressed to Senator Inouye, Senator Akaka and Representative Abercrombie was prepared in anticipation of Sega’s approval.⁷² But according to Pete Brown at NAVSEA, Lieutenant Commander Leda Chong, from the Navy Office of Legislative Affairs made personal phone calls to the Hawaii Congressional delegation rather than send the letter. Brown wrote, “CDR Leda Chong had spoken with SEN Inouye’s staff on 12, July 04.”⁷³

Procurement Irregularities

Federal Acquisition Regulations (FAR) require full and open competition for most types of federal procurement actions. This is to ensure the fairness, quality and cost effectiveness of goods and services acquired by the government.

The law allows for some exceptions to full and open competition when there is a compelling need or extenuating circumstances. Federal law 10 U.S.C. 2304 (c)(3)(B) permits “other than full and open competition” when “it is necessary to award the contract to a particular source or sources in order ...to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center”. However, the procedures for establishing this type of relationship with the government usually require exhaustive steps to justify the need for and to select a sole source provider of “essential engineering, research, or development capability”.

University Affiliated Research Centers (UARCs) and their closely related cousins, Federally Funded Research and Development Centers (FFRDCs) are considered “trusted agents” of the federal government that have access to privileged information and receive sole source research grants and contracts within their designated “core competencies”. Because of their uniquely close relationship to the federal government and access to information and funds, UARCs and FFRDCs also must observe strict guidelines to avoid organizational conflicts of interest.

In the mid-1990s, inappropriate contracting activity involving existing UARCs and FFRDCs led to a review of these programs and tighter restrictions.⁷⁴ To prevent the abuse of sole source funding through UARCs and FFRDCs, the Department of Defense (DoD) promulgated its own

71. Ronald M. Sega, “Subject: Designating the University of Hawaii at Manoa Applied Research Laboratory (UHM-ARL) as a University Affiliated Research Center (UARC)”, Memorandum for Executive Director, Naval Sea Systems Command, July 8, 2004.

72. Leda Chong, “Subj.: Establishment of University Affiliated Research Center”, Memorandum for Interested Members of Congress, unsorted congressional notification memo.

73. Pete Brown, “RE: Recommendation for UARC at UHM – Status of Notifications”, email to Michael Mcgrath, August 19, 2004.

74. Government Accounting Office’s August 1996 *Report on Issues Relating to the Management of Federally Funded R&D Centers*, GAO/NSIAD-96-112, notes that “[the] DOD’s internal advisory group decided to include university-affiliated research centers [in May 1995] when reviewing FFRDCs due to the similar manner in which the organizations function.”

rules for management of UARCs.⁷⁵ A “Discussion Paper” from the Directorate for Defense Research and Engineering (DDR&E) that was distributed by UH administrators to researchers at UH Manoa clearly laid out the guidelines and requirements for the establishment of a new UARC:

Sponsorship comes first, driven by Defense program needs.... The determination to establish a new UARC is therefore internal to DoD, independent of a University’s potential desire to establish a UARC.

On the process of establishing a new UARC, the “Discussion Paper” stated:

The sponsor(s) must define the long-term requirement (with funding expected to exceed \$10 M annually), in the context of the core capabilities to be maintained by the UARC. These required capabilities must be approved through the Service Acquisition Executive (SAE) and forwarded to the Director of Defense Research and Engineering (DDR&E) for final approval to establish a new UARC. *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.*⁷⁶ [emphasis added]

Basically, a DoD sponsor of a new UARC must clearly define why it needs a UARC and what work (core competencies) will be required of the UARC. Then the sponsor should follow competitive procurement practices, soliciting proposals from all qualified and interested Universities, before awarding the UARC contract. This is logical since once the UARC is established it would enjoy access to an indefinite amount of non-competed funding.

However, NAVSEA did not follow these guidelines or processes for procuring the UARC to UH. Perhaps because the UH UARC was the first new UARC to be considered by the Navy in 60 years, reviewers of the proposal seemed to be making up the procedures. In fact on the “coordination page” of the Review and Justification for Establishing a University Affiliated Research Center (UARC) at University of Hawaii at Manoa (UHM), a hand written note by Sophie Krasik, Assistant General Counsel dated June 4, 2004 stated:

Note: I haven’t been able to find any guidance on establishment of UARC’s (vice FFRDCs, for example) but the criteria used here are reasonable ones.⁷⁷

75. See *Department of Defense University Affiliated Research Center (UARC) Management Plan*, 1996. Commander, Naval Sea Systems Command, *University Affiliated Research Center (UARC) Memorandum*, June 24, 2002.

76. U.S. Department of Defense, Directorate for Defense Research and Engineering (DDR&E) *Discussion Paper*, undated.

77. Gregg Hagedorn, Acting Executive Director, NAVSEA, “Recommendation for Establishing a University Affiliated Research Center at the University of Hawaii at Manoa”, letter to the Director of Defense Research and Engineering, via Assistant Secretary of the Navy (Research, Development and Acquisition), May 21, 2004, with attached *Review and Justification for Establishing a University Affiliated Research Center (UARC) at University of Hawaii at Manoa (UHM)*, Naval Sea Systems Command University Affiliated Research Center Management Office (NAVSEA 106), May 2004.

The public has gotten contradictory accounts of the procurement process for the UARC. In a hearing before the State Senate Committee on Higher Education in 2005, Syrmos testified that there had been a Broad Agency Announcement (BAA), a widely distributed competitive procurement announcement, for the UARC. But when an audience member pointed out that there was no BAA, Syrmos corrected himself and said that it was a Request for Proposals (RFP) that was issued on September 24, 2004. But this was also a false statement.

There was no competitive solicitation of any kind. After Sega approved the designation of UH Manoa – Applied Research Laboratory as a UARC, NAVSEA issued a Presolicitation Notice N00024-05-R-6234 dated September 24, 2004, which stated:

The Naval Sea System Command *intends to award a sole source contract* for up to 315 work years to establish and further solidify a strategic relationship for essential Engineering, Research, and Development capabilities at the Applied Research Laboratory, University of Hawaii at Manoa (ARL/UHM), 2500 Campus Road, Honolulu, HI 96822. [emphasis added]

In a public meeting on April 7, 2005, it was pointed out to UH administrators that other federal sponsors, including the Army and NASA used full and open competition in procurement of new UARCs. Syrmos blithely dismissed the information: “The Navy runs the UARC office differently than the Army.”

According to Federal Acquisition Regulations (FAR) Subpart 6.3, federal sponsors seeking to use one of the listed exceptions to full and open competition are required to conduct a rigorous written justification. The FAR spells out at least twelve elements that must be part of a justification.

Obtained through FOIA, the May 2004 *Review and Justification for Establishing a University Affiliated Research Center (UARC) at the University of Hawaii at Manoa (UHM)* produced by NAVSEA and transmitted to the Director, Defense Research and Engineering on May 21, 2004, only addressed the question of whether or not NAVSEA had a legitimate need for a UARC at UH. While it is debatable whether the document fulfilled even this requirement, the *Review and Justification* did not address the justification required under FAR for a non-competitive procurement. A FOIA request to NAVSEA for the written justification and certification of a noncompetitive procurement was filed in November 23, 2005. To date, there has not been a substantive response.

But there is another exception to full and open competition that deserves mention. “Full and open competition need not be provided for when...a statute expressly authorizes or requires that the acquisition be made through another agency or from a specified source,” in other words, when a budget item is a congressional earmark.⁷⁸ The Navy has not evoked this exception to the competition requirements. However, given that no other justification for the sole source procurement has been provided, it may be possible that the UARC was non-competitively awarded to UH by congressional earmark.

Free Electron Laser

78. Federal Acquisition Regulations 6.302-5 (a)(2)(i).

At the February 4, 2003 legislative briefing Syrmos testified that a “technology which was of high interest to the Navy is the weaponized laser technology which the Navy is interested to put into the PMRF base.” This interest in directed energy research added a new twist to the UARC story that has revealed much about the forces at play behind the UARC.

The Navy’s intense interest in a weaponized laser program has been a source of enormous concern and frustration for UH physicists John Madey and Eric Szarmes, both of whom work on the UH Free Electron Laser (FEL) program and oppose a weaponized laser program at PMRF as a hazard to the civilian populations on Kaua‘i and Ni‘ihau. Their opposition to the program is significant because as a graduate student at Stanford in the late 1960s, John Madey invented the FEL, a revolutionary technology that allowed researchers to adjust the power and frequency of the beam generated. Ever since, he has had to fend off the advances of others who vied for control of his invention.

A case in point is Madey’s long legal battle with Duke University over ownership of Madey’s invention, the MkIII Free Electron Laser. Madey brought the laser with him from Stanford to Durham in 1988, but when a dispute arose over control of Madey’s research in 1997, Duke claimed that it owned the device. Madey maintained that the laser was developed under contract to the Department of Energy and the Army Space and Missile Defense Command and that the equipment should move with him to UH.⁷⁹

In 2001, the ONR entered the fray and issued a report that erroneously claimed that the Air Force originally sponsored and later transferred ownership of the MkIII laser to Duke, a finding that bolstered Duke’s claim to the laser.⁸⁰ However, according to Madey, when he, UH and the Department of Energy presented evidence conclusively refuting ONR’s findings, ONR refused to retract its conclusions.

The Navy’s interventions continued after Madey moved to UH. Early in 2002, Northrop Grumman sought an agreement with UH to support the development of a Navy Free Electron Laser program at PMRF. Madey and Szarmes urged UH to reject the proposal because, they argued, their expertise in FEL sensors, sources, and diagnostics was not compatible with weapons development, and there would be few benefits to UH. This threat seemed to go away.

Then around May 2002, Mun Won Fenton asked Audra Bullock, who also worked with lasers, to make a presentation to Senator Inouye’s staff Charly Houy at a meeting at PMRF. The proposal was to create a weaponized laser facility on Kaua‘i with up to \$500 million in plus up funding.

It seemed odd to Bullock that Fenton had not invited John Madey, the “father” of the FEL, so she spoke with Madey and learned that Madey was excluded because he did not support a laser

79. Bernard Wysocki Jr., “A Laser Case Sears Universities’ Right to Ignore Patents, Court Narrows an Exemption In Suit Over Device at Duke And a Spurned Physicist,” *The Wall Street Journal*, October 12, 2004.

80. Arthur O. Murray, “Duke squabbles over laser fair economics,” *Business North Carolina*, May 2003, http://www.businessnc.com/archives/2003/05/tar_heel_tattler.html.

weapons program at PMRF since such a program would endanger residents of Ni‘ihau. Bullock said that she thought the initiative did not go anywhere.

So understandably, it was a shock for Madey and Szarmes to learn that their program was being put forth as part of a UARC package that included weaponized laser development. Madey and Szarmes told UH administrators in late 2002 that they wanted nothing to do with the UARC, but for months afterwards, their research program kept appearing in different versions of the UARC plan.

At this point Madey and Szarmes lodged a protest with the UH administration for including their program in the UARC proposal against their wishes. In a strongly worded letter to Englert dated July 16, 2003, Madey and Szarmes complained that Englert’s UARC Management Plan and attachments:

explicitly and erroneously state that AHI Sensors Project is a Navy research program, and that the AHI Sensors Project presently in progress here at UH under Army sponsorship represents a critical Navy “core competence”.

In a July 18, 2003 letter, Englert assured Madey that UH would “correct any inaccuracies and erroneous statements”. Yet, the Free Electron Laser remained in the UARC planning documents.

So Madey followed up directly with the NAVSEA UARC management office, which elicited a revealing response from Tom Neuberger, a NAVSEA UARC coordinator. In a September 26, 2003 email to Madey, Neuberger wrote:

We were approached by representatives from CNR [Chief of Naval Research] and UHM, including ADM Cohen, Dr. Syrmos and Chancellor Englert, 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 Dr. Syrmos 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. . . . 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. . . .

This evidence supports the conclusion that the UARC was not an essential research priority for NAVSEA. Instead, it suggests that the initiative for the UARC came from a small group outside of the sponsoring agency. Essentially, UARC managers at NAVSEA were forced to contrive a justification for procuring a new UARC that they neither needed nor wanted. NAVSEA

officials literally asked UH administrators for suggestions of which UH programs NAVSEA might include in their justification of the need.

An internal Navy communication from April 2004 indicated that it was difficult to muster up support for the UARC from various potential military customers:

I sent the final “official” call for UARC support in late March – asked for input by 15 April. We sent a reminder email earlier this week, as no responses had been received. We also forwarded a copy of the reminder to UHM. The following provides a summary of the organizations we queried and the responses we received...ONR – No response yet...PMRF/Naval Region Hawaii –Response attached (no funding planned)...[Missile Defense Agency] – Negative response (no need for UHM UARC at this time)...[Air Force Office of Scientific Research] – Negative response (no UHM UARC requirements)...NAVAIR – One of two responses. Favorable to UHM UARC, with up to \$5M estimated annual funding in photonics, antennas, radar and others.⁸¹

This email seems to confirm that the UARC was being driven by political considerations more than any real need. The favorable response came from NAVAIR for research related to the sensor technologies discussed in Project Kai e’e.

After Madey and Szarmes were eventually able to remove their program from the UARC package, the Institute for Astronomy (IfA) apparently realized that the UARC posed a threat to its interests and followed suit. In November of 2005, UH Manoa Vice Chancellor for Research and Graduate Education Gary Ostrander sent a letter to IfA Director Rolf Kudritski confirming that as they had discussed, the Pan-STARRS telescope project – a program that had been showcased in earlier presentations about the UARC – would be excluded from the UARC package.

What is most intriguing about this development is that it occurred after the Navy had already conducted its review and justification and approval of the UARC proposal. This supports the contention that the Navy’s justification for the UARC was fabricated to meet the appearance of compliance.

Another possible factor was that the Air Force, which funds the Pan-STARRS project did not want competition from the Navy for control of its research projects. In fact, the Air Force also opted to exclude its Maui supercomputer project from the UARC. An internal Navy email addressed to John Young, Assistant Secretary of the Navy (Research, Development & Acquisition) revealed that the Air Force wanted its Maui Supercomputer excluded from the UARC package:

You asked why High Performance Computing was not a core area for the Hawaii UARC. [Air Force] has a competitively awarded contract with UHM for the HPCC program, and wants the option to recompute when that contract ends in two years. They declined

81. Pete Brown, “University Affiliated Research Center at UHM – Status”, email to Michael Mcgrath, April 25, 2004.

Navy's offer to include it in the UARC contract now – we can add it in two years if they want us to.⁸²

Ku'e: Resistance

When the UARC was revealed to the UHM Faculty Senate on September 15, 2004, many faculty reacted with shock and disgust. Lilikala Kame'elehiwa, the former director of the Center for Hawaiian Studies criticized the administration for claiming to be a “special Hawaiian place of learning” while encouraging the University to “link up with the greatest killing machine in the world just to get \$50 million.” She urged the faculty to resist the UARC.⁸³

At the November 18, 2004 meeting of the UH Board of Regents, the Kualii Council, representing Native Hawaiians on the UH Manoa campus, issued a strong letter of protest against the UARC. Others raised concerns, including the UH Faculty Union and Faculty Senate. Nevertheless, the Board of Regents voted to “provisionally approve the establishment of the Applied Research Laboratory at the University of Hawai'i at Manoa with the stipulation that full consultation is to take place and that the administration shall be required to bring this matter back to the Board for final approval.”⁸⁴

The Save UH / Stop UARC Coalition formed in December 2004 at the initiative of 'Ilio'ulaokalani Coalition, Kualii Council and DMZ-Hawai'i / Aloha 'Aina. The Coalition organized a campaign of educational activities and demonstrations that culminated in a week-long occupation of the UH President's office in the Spring of 2005 to demand the cancellation of the UARC.

As a result of the overwhelming opposition to the UARC at UH, including resolutions against the UARC by both the UH Manoa Student Government and the Manoa Faculty Senate, UHM Interim Chancellor Denise Konan decided to reject the UARC contract. In a manner befitting the anti-democratic style of politics that spawned the UARC, President McClain overrode Konan and decided to pursue the UARC at the UH System level. On September 14, 2007, the new UARC contract resurfaced. The Board of Regents will vote on the contract September 27, 2007.

The Senator

Given the enormous costs, risks and conflict brought on by Project Kai e'e / UARC, it would be natural to wonder why the University continues to chase this idea. In a moment of candor, UH President McClain explained to anti-UARC activists on February 2, 2005 that stripped of lofty rhetoric about “academic freedom” and “national security”, the UARC was about establishing Senator Inouye's “legacy”.

As the Co-chair of the Senate Defense Appropriations Subcommittee, Inouye has secured more money per capita in earmarks than any other state except Alaska. In 2006, Hawai'i got \$903.9

82. Michael McGrath, “ASN (RDA) Question on UARC at UHM”, email to John Young, May 7, 2004.

83. University of Hawai'i at Manoa Faculty Senate Minutes, September 15, 2004.

84. University of Hawai'i Board of Regents, Minutes, November 18 – 19, 2004.

million, or \$746.05 per resident in earmarks.⁸⁵ He has added on to the Pentagon budget requests to generously provide for ONR programs such as Tactical Component Network, Modular Command Center and UESA. It appears that the projects in question were “plus ups”, projects not requested by the Pentagon, but added on by Congress, usually in committee. Calls to Inouye’s office for explanations of the appropriations and the programs in question were not returned.

According to a July 27, 2000 press release from Senator Inouye, the Defense Appropriations Bill for the next fiscal year contained \$10 million for Cooperative Engagement Capability Improvements, \$11.5 million for new sensors for the Theater Missile Defense Program, \$10 million for UESA Signal Processing, and \$10 million for Tactical Component Network Demonstration. In a press release dated December 6, 2001, Senator Inouye announced the appropriation of \$127 million for “Kauai defense initiatives”, including \$20 million for UESA, \$20 million for Tactical Component Network, \$5 million for Optical-Electro Sensors, and \$4 million for Web Centric Warfare.

On October 16, 2002, Senator Inouye announced the additional appropriations for ONR’s network centric warfare programs at PMRF: \$29.75 million for Tactical Component Network Applications Integration, \$12.75 million for Ultra High Frequency Electronically Scanned Antenna, \$12.75 million for the Modular Command Center (Paul Schultz’s innovation), and \$6.8 million for E-2C (Hawkeye surveillance aircraft) Technical Upgrade for Optimized Radar.

A Navy RDT&E N Budget Item Justification Sheet (February 2004) showed that in FY2003, \$28,515,000 was expended for “the integration of the TCN at Pacific Missile Range Facility (PMRF) to support networking for the Navy’s cooperative engagement capability demonstrations.”

According to Senator Inouye’s press release dated September 25, 2003, he added more money in the Defense Appropriations Bill for TCN and UESA for FY2004. These plus-up projects included: \$10.75 million for Advanced Integrated Radar Electronics and Photonics – a follow up program to UESA, \$5 million for Network Application Integration Facility (NAIF) – a global TCN concept demonstration project, and \$4.5 million for Network Centric Warfare Testbed.

Inouye’s generosity to the military technology industries was reciprocated by many of the beneficiaries of these appropriations. In the 2004 election cycle, Inouye received \$61,200 in campaign contributions from the defense electronics sector, the third highest recipient in the Senate and tenth highest of all federal candidates.⁸⁶ His contributions of \$56,900 from the defense aerospace sector ranked seventh in the Senate and thirteenth among all federal candidates.

Between 2001 and 2006, at least five of the top twenty sources of contributions to Inouye’s campaign were defense contractors: Lockheed Martin ranked third and provided \$24,200,

85. David D. Kirkpatrick, “As Power Shifts in New Congress, Pork May Linger,” *New York Times*, November 26, 2006.

86. <http://www.opensecrets.org/>

Boeing ranked fifth and gave \$20,800, Novasol ranked sixth and gave \$18,000, Raytheon, ranked twelfth and gave \$14,000, and Northrop Grumman ranked seventeenth and gave \$13,000.

Between 2002 and 2005, employees of Lockheed Martin's Orincon subsidiary gave significant contributions to support Hawai'i Congressional candidates and the State Democratic Party: \$7700 to Senator Inouye's campaign, \$8800 to U.S. Representative Neil Abercrombie, and \$2000 to the Democratic Party of Hawaii. Larry Cutshaw, Director of Business Development for Lockheed Martin – Orincon and husband of Kathy Cutshaw, UH Manoa Interim Vice Chancellor for Administration, Finance and Operations, gave \$1300 to Inouye's campaign, \$1500 to the Democratic Party of Hawai'i, and \$1250 to Abercrombie. Between 2001 and 2005, Gary Godshalk, General Manager of Lockheed Martin – Orincon Hawaii gave \$1300 to Inouye, \$5500 to Abercrombie and \$500 to the Democratic Party of Hawai'i.

On August 25, 2003, Solipsys executives, Warren Citrin and David Buscher each gave \$4000 to Inouye's congressional campaign. Citrin gave an additional \$1500 in January 2004.

In the 2004 election cycle, Paul Schultz gave \$1000 to the Democratic Party of Hawaii, and \$1500 to Inouye.

UH Manoa Chancellor Peter Englert gave Inouye's campaign \$2000 for the 2004 primary election and \$300 for the general election. On February 6, 2004, Syrmos gave \$2300 to Inouye for the primary election, which appears to have exceeded Hawai'i's 2004 contribution limit for a single election cycle.

The Veil of Secrecy: a De Facto Cover Up

Government secrecy has obstructed the public's ability and right to know what transpired with Project Kai e'e and the UARC and to assess the full legal, fiscal and ethical implications of the UARC endeavor. In October and November of 2005, the American Friends Service Committee (AFSC) submitted several information requests under the Uniform Information Practices Act (UIPA) to UH and RCUH seeking documents specifically related the contracts and grants in question. As of August 15, 2006, very little information has been released about these contracts.

In a November 10, 2005 response to AFSC, Michael Hamnett, Executive Director of RCUH, wrote "We have been advised by the federal sponsor of the above contracts [UESA and N00421-03-C-0013] that it is within their domain to make the decision on what information, if any, is subject to release." RCUH claimed that it was waiting for UH's permission to release information about several UH grants. In a subsequent letter, RCUH conveyed UH's position that "Any information (classified or unclassified) pertaining to this contract shall not be released for public dissemination except as provided by the Industrial Security Manual or unless it has been approved for release by appropriate Government authority."

In a November 14, 2005 response to AFSC, Trisha M. Kimura, UH Assistant General Counsel, evoked the UIPA option of incremental releases of information due to "extenuating circumstances". She explained:

We believe that this situation falls under HAR 2-71-15. Hawai‘i Revised Statutes (“HRS”) Chapter 92F does not require disclosure of government records that, by their nature, must be confidential in order for government to avoid the frustration of a legitimate government function....In addition, Chapter 92F also contains an exception from disclosure where compliance with any provision of this chapter would cause an agency to lose or be denied funding, services, or other assistance from the federal government.

Whether intentional or not, in this case government secrecy and the destruction of documents has amounted to a de facto cover up of essential information for evaluating the ethical and legal conduct of a public institution and the potential risks involved in becoming a UARC. The frustration of public information requests exemplifies the dangers of the proposed UARC contract with its intrinsic secret classification.

VII. Conclusion: “Mai huli kou kua i ke kai - Don’t turn your back toward the ocean.”⁸⁷

A lingering cloud hangs over the UARC due the deeply troubling allegations of fraud, abuse and mismanagement involving several Navy-funded research programs at the University of Hawai‘i (UH) and Research Corporation of the University of Hawai‘i (RCUH) that were precursors to the UARC. This report begins to uncover the hidden story of the creation of the UARC so that the public and decision-makers can fully consider the potential risks and liabilities of this endeavor.

Unanswered Questions

Yet there are many unanswered questions about Project Kai e‘e/UARC. The Project Kai e‘e/UARC scandal raises many bigger issues related to government contracting integrity and the security, fiscal, project management and personnel practices of UH and RCUH.

- What was stated as the scope of work in the grants and contracts in question, and what work was actually performed on those projects? What work products were produced by those projects? How did the Navy-funded personnel spend their time?
- How were the grant and contract monies spent? Were the expenditures proper?
- What was written in the final Project Kai e‘e proposal? Why was Project Kai e‘e canceled? What happened to the Project Kai e‘e documents?
- Was there a determination of illegal, unethical or improper activities, fraud, waste, abuse or mismanagement related to the programs in question?
- Which research projects were classified? How and why were they classified?
- Was the sole source award of the UARC designation to UH a proper and legal procurement? What is the documentation that the UARC procurement was legal and justified?
- What knowledge did UH and RCUH officials have of the irregular activities in question? What was their response? What steps did UH and RCUH officials take to ensure the integrity of the research programs?
- What support did members of the Hawai‘i Congressional delegation provide to these programs in question? What knowledge did they have about the questionable practices that took place? What steps did they take to ensure the integrity of earmarked defense programs in Hawai‘i?

Other details will surely come to light as the government investigations wrap up and as documents are released through freedom of information requests. Nevertheless, it is still necessary to draw some preliminary conclusions about the UARC and its connections to the

87. Lilia Wahinemaika‘i Hale and Kimo Armitage, *Na ‘Olelo No ‘eau No Na Keiki – Words of Wisdom for Children*, Island Heritage, 2001, 16.

projects implicated in the Navy investigation based on the available information, in order to inform the decisions about the still pending UARC contract.

Key Findings:

- 1. Navy, RCUH and UH officials were engaged in highly questionable and irregular practices, some of which may have been unethical and/or illegal, involving several Navy-sponsored research and development programs at UH and RCUH that were intended to become a UARC.**

The evidence suggests that an Office of Naval Research (ONR) program manager may have padded the budgets of two Navy grants awarded to UH. The ONR official allegedly ordered UH researchers to hire at least four additional personnel to work on research projects that were only tangentially related to the specific purposes of their grants.

These Navy-directed personnel made up a team that was involved in developing a much larger sensor integration program called Project Kai e'e that was to be run through RCUH and involved programs at the Pacific Missile Range Facility. The ONR official allegedly worked closely with a Navy Admiral in command of several Naval divisions in the Pacific and directed personnel decisions and supervised the work of this research team. The Navy-directed research team was not accountable to the UH researchers who were the Principal Investigators of the grants.

Allegedly, this arrangement was intended to cloak several controversial projects – TCN and MCC – from hostile elements within the Navy in order to establish a more permanent program with secure funding. These plans were apparently foiled, although the details are as yet unknown.

Project Kai e'e was withdrawn by RCUH for unknown reasons, although the circumstances surrounding its termination suggest that there may have been an attempt to avoid implication in possible wrongdoing and that disciplinary measures may have been involved.

Subsequently, parts of the Navy-sponsored programs in question at UH and RCUH were classified in an irregular way that resulted in one of the UH principal investigators being removed from his two Navy-sponsored projects. The irregular handling of classified information prompted the UH Facility Security Officer to file a report with federal authorities, which initiated a Navy criminal investigation of the Navy program manager and at least three Navy-sponsored UH and RCUH programs.

There may have been conflicts of interest involving RCUH having a contract to provide technical services to the Navy at the same time that it was receiving research contracts from this same Navy office. There is also the questionable relationship between the ONR program manager and a senior Navy officer whose pet projects may have received funding from the same ONR program manager.

The key persons at the center of this scheme were Mun Won Chang Fenton, Rear Admiral Paul S. Schultz, and Harold Masumoto. Vassilis Syrmos and John Monacci were key as technical and

scientific personnel. Although it is unclear what Senator Daniel Inouye knew about MCC, TCN and Project Kai e'e, his appropriations of funds provided the crucial funding and political muscle for the programs to proceed.

2. The goal of the Navy-sponsored programs in question and the Project Kai e'e proposal was the establishment of a UARC at UH.

The evidence is clear that the long-range goal of this secret team was to establish a permanent federal research center, i.e. the UARC, which would have access to nonbid monopoly research funds. The Navy-sponsored programs in question were intended to "establish a relationship" between the Navy and UH/RCUH that would enable RCUH to bid for a larger "capacity contract" known as Project Kai e'e. In turn Project Kai e'e was intended to evolve into a UARC.

3. The irregular and questionable sole source award of a UARC contract to the University of Hawai'i contradicts federal regulations and Department of Defense guidelines and may be an illegal procurement.

Federal regulations and Department of Defense guidelines generally require full and open competition for contracts. While Federal Acquisition Regulations contain an exception to the full and open competition requirement for UARCs once they are established, Department of Defense guidelines and institutional practices have required competition in the selection of new UARC contracts. In all known recently awarded UARC contracts except this one, federal agencies have engaged in full and open competition.

The procurement of the UARC to UH appears to be in violation of Department of Defense guidance documents. The Navy has not provided proof that the sole source procurement of the UARC award was properly justified and certified.

4. Several of the Navy-sponsored programs in question appear to have been Congressional earmarks.

The original funding for the MCC, CEC/TCN and UESA projects that are implicated in the investigation came from Congressional earmarks. This means that these budget items were specified by Congress, were not requested by the Navy in its budget request, and were added on without public hearings or discussion. Once the appropriations for these projects became law, the Navy was required to spend the funds as directed. The lack of transparency and accountability with earmarks has confounded public understanding of Project Kai e'e/UARC.

5. The UH administration failed to provide the necessary oversight and controls over RCUH and the Navy-sponsored programs in question.

Notwithstanding protestations of innocence, UH administrators failed to provide adequate oversight of RCUH's conduct in performing administrative services for Navy-sponsored research projects at UH. The questionable practice of facilitating Navy-directed personnel decisions on UH grants is one example.

Furthermore, UH leadership allowed RCUH officials to make major plans and commitments with the Navy that significantly involved the UH system and that raised major policy and liability questions for UH without consulting UH constituencies and deliberative bodies. The decision to pursue the UARC came from RCUH in collaboration with the Navy. With its inherent classification, the UARC raises serious contradictions for UH. RCUH officials knew this but continued to pursue the UARC anyway with the consent of UH administrators. The decision to pursue the UARC contract was made long before it was brought before the Board of Regents, the faculty or the students.

UH administrators have blurred the lines between UH and RCUH thereby avoiding accountability. As President McClain has sometimes stated, and as the State Auditor also determined, RCUH falls firmly within and is the responsibility of the UH system. However, when questions of accountability and transparency have been raised about RCUH, UH administrators have feigned ignorance and impotence regarding the “autonomous” actions of RCUH. As a result, UH administrators have allowed RCUH officials to act as a rogue division of the University undertaking initiatives that ultimately affect the reputation and implicate the entire UH system.

Assuming that UH administrators had no prior knowledge of the questionable activities related to Project Kai e‘e, their failure to disclose information and address the connection between the Navy investigation, Project Kai e‘e and the UARC when it was brought to their attention amounts to willful ignorance and a failure of leadership.

6. The secrecy surrounding the projects in question and the misleading and false statements made by some UH officials about the UARC’s relationship to these projects, suggest the possibility of a cover up of potentially incriminating information.

The secrecy surrounding the questionable projects and events leading up to the creation of the UARC amounts to a de facto cover up of possible wrongdoing and leaves open the lingering question of whether the cover up was intentional.

Recommendations

1. Since the UARC proposal is an outgrowth of possible illegal activities related to Project Kai e‘e, the University of Hawai‘i and the Navy should cancel the UARC altogether. Even if federal investigators eventually conclude that no criminal activity took place, the secrecy, misinformation and questionable actions of the parties involved have destroyed all public trust and confidence in the project.
2. UH, RCUH and the Navy should immediately disclose all relevant documents as a first step to repairing public trust in government.
3. The State of Hawai‘i should initiate an independent investigation and audit of the research programs related to Project Kai e‘e/UARC to determine what happened and why, and to make recommendations to protect the integrity of UH research endeavors in the future, especially in the areas of transparency and fiscal and academic accountability.

4. The State and University should make necessary changes, as recommended by the independent investigators, including changes to ensure the accountability of RCUH as well as independent but closely related organizations, like PICHTR, which received outsourced military research contracts forwarded from RCUH.
5. The Hawai‘i Congressional delegation should require and make public a full and transparent reporting on all earmarks requested and funded for Hawai‘i based projects, starting with the ONR projects in question. Furthermore, the Hawai‘i Congressional delegation should support “earmark reform” to create restrictions and create greater transparency and accountability for earmarks.

In a recent *New York Times* article about earmark reform Senator Inouye said, “If something is wrong we should clean house.” The Project Kai e‘e / UARC scandal demonstrates that something is clearly wrong and that it is time to “clean house”. The Project Kai e‘e/UARC scandal was not an isolated incident caused by rogue individuals. These plans involved the active participation or tacit support of powerful individuals and institutions that consistently and systematically used their power to steer non-competed federal funds to military programs in Hawai‘i, without regard for those most impacted or careful consideration of the consequences.

One former TRW missile defense engineer who exposed fraud in missile defense tests, made a harsh assessment of her program that might as easily apply to Project Kai e‘e/UARC: “It’s not a defense of the United States...It’s a conspiracy to allow them to milk the government. They are creating for themselves a job for life.”⁸⁸

Warren Citrin, the founding CEO of Solipsys and an inventor of the TCN platform came to a similar conclusion. He called the whole military research system a “jobs program”.

He said, that while at first he believed that he had genuine supporters of his work, he later concluded that his company and invention were being used self-servingly by certain individuals. He described it bitterly: “Pick up an ‘orphaned’ program and use it to establish yourself.”

“They didn’t want a system that worked,” said Citrin. “They wanted the contracts to continue.” He summed it up as “malfeasance”.

And Rich McSheehy, who was “Fenton’s right hand” but now writes novels and applications for cell phones said: “The whole thing is corrupt. They’re all corrupt. That’s why I got out of it. I won’t work with those people again.”

Project Kai e‘e/UARC, like so many other recent defense contract scandals, may be another example of how government secrecy, lucrative contracts and unchecked political, corporate and military power create an irresistible temptation to corruption. The problem of corruption in military contracting may be the normal outcome of a deeply flawed system based on tragically misplaced priorities. Even if the Navy declines to pursue criminal charges, the whole affair has

88. Nira Schwartz quoted in William D. Hartung and Michelle Ciarrocca, *Tangled Web: The Marketing of Missile Defense 1994-2000*, A Special Issue Brief, Arms Trade Resource Center, May 2000.

revealed the vulnerabilities of military contract-driven research and should stimulate a tough, urgent and critical reevaluation of the dangers of the military-industrial complex in Hawai‘i.

It is unknown what the creators of Project Kai e‘e had in mind when they decided to name their project after the Native Hawaiian word for tsunami. Perhaps they believed that their program might be awesome and unstoppable like a tsunami. But this would have been sheer hubris. Some were swept away by the “big wave” or eaten by “the large and unfamiliar fishes” they conjured up. The UARC is the second wave that could unleash destructive forces on UH and Hawai‘i. As the struggle over the UARC and the future of UH continues to rage, UH constituencies are alert to the danger, and UH leadership should heed David Malo’s prophetic warning.

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Appendix A – Programs and Organizations Related to Project Kai e'e / UARC

HawkEye Alternate Transmitter (HEATx)

HawkEye Alternate Transmitter project (HEATx) was a two-year, \$7,462,180 NAVAIR contract (N00421-03-C-0018) awarded to RCUH on September 23, 2003 to develop an alternative transmitter for the E-2C Hawkeye early warning aircraft, another type of UESA radar. The contract was later raised to \$8,442,180. This contract was awarded pursuant to the NAVAIR solicitation N00421-02-R-0013.

James Stamm, a former NAVAIR employee and close associate of Fenton, was the PI of the project.ⁱ RCUH documents for Stamm show that he was employed by RCUH from March 17, 2003 to October 31, 2005 at a salary of \$11,874.79 per month. His job title was “Senior Staff Scientist” for RCUH “Special Projects”. His job description stated that his work was primarily to design UESA antenna and circuitry improvements, but he was also responsible for writing proposals. From March 17, 2003 to August 31, 2003, Stamm was paid out of RCUH “Direct Engineering Projects”. From September 1, 2003 to October 31, 2005 he has paid by HEATx.

On October 1, 2003, while still employed as a UESA Engineer by RCUH under the job description created for Audra Bullock’s Theater-wide Ballistic Missile Defense grant, John Grandfield’s source of funding switched from RCUH “Direct Engineering Projects” to the HEATx project.

Robert Swisher, a former student of UH professor DeLisio, also worked on HEATx. Swisher was hired January 21, 2003 and employed until October 16, 2005 at a salary of \$5342.40 per month. His job description was “Microwave Technical Design Agent” and included evaluating UESA microwave components and generating proposals. Job descriptions for both Stamm and Swisher listed Vassilis Syrmos as the principle investigator overseeing the project.

RCUH Board of Directors minutes for September 2, 2004 described the HEATx Project as a direct classified project and hinted at an emerging conflict between RCUH and the researchers:

The Principle Investigator (PI) of the project has requested that the project be novated (transferred) to his private company, per an employment agreement which was executed when he was initially hired by RCUH. There are differing interpretations as to whether the agreement is still valid, but RCUH has agreed to submit a novation request to the government, despite our doubts that this is the proper vehicle. The government, however, has requested that RCUH instead consider a subcontract to the PI’s company, but we have some major concerns with a subcontract arrangement ...need to demonstrate competition and cost reasonableness (given contract amount of approximately \$5 million), ethics concerns, solvency of this new company, RCUH would still be

i. Stamm wrote in his PhD dissertation: “I would like to thank Ms. Mun-Won Fenton of the Office of Naval Research, without whose financial and moral support, this effort would not have been possible.” James Stamm, *Analytical and Numerical Optimization of an Electronically Scanned Circular Array*, Thesis in electrical engineering, Pennsylvania State University. December 2000.

responsible, etc. Our preference is to continue the project as is until its conclusion in September 2005.ⁱⁱ

In December 2004, RCUH Executive Director Hamnett reported, “We are still dealing with issues related to this classified, direct project, especially as they relate to conflict of interest and liability.”ⁱⁱⁱ

However, in June 2005, Stamm and his company North Star Scientific Corporation sued RCUH for breach of contract. In his lawsuit Stamm alleged that he was hired:

for the purpose of pursuing research and development contracts for NavAir’s E-2C aircraft radar system. RCUH and Dr. Stamm agreed that Dr. Stamm would be the Principle Investigator for the radar projects responsible for the technical execution of the projects. RCUH and Dr. Stamm agreed that if RCUH successfully contracted with the military for any E-2C aircraft radar projects, then Dr. Stamm would “spin off” the projects to his own corporation within a year from the initial contract award, RCUH would assign/novate the contracts to Dr. Stamm’s corporation, Dr. Stamm would own all intellectual property associated with or developed under the radar projects, RCUH employees working on the radar projects could join Dr. Stamm’s corporation or would be sub-contract employees, and Dr. Stamm and his corporation would complete the radar projects.

The lawsuit alleged that RCUH was preventing Stamm from developing and commercializing the product of his research. Stamm and Masumoto had signed a separate “Employment Agreement between the Research Corporation of the University of Hawaii and Jim Stamm” in March 2003. The current RCUH executive director, Michael Hamnett allegedly informed Stamm in March 2005 that the agreement was “no longer valid.” Stamm, Swisher and Grandfield are all officers of North Star Scientific Corporation.

Although the contract ended on October 31, 2005, Hamnett reported to the RCUH Board on December 8, 2005 “we are still experiencing some problems with this direct project. One of the subcontractors has not delivered an item contracted for, so we are trying to resolve the problem.”^{iv} The contract was extended to April 15, 2006. At the March 9, 2006 RCUH Board of Directors meeting, Hamnett reported “We are hopeful that the project can be closed out on April 15.”^v

Hawaii Technology Development Venture (HTDV)

Around March 2004, the ONR posted a request for proposals for a \$6 million contract to create a Hawaii Technology Development Venture (RA# 04-012) “to exploit the capabilities of Hawaii-based small business firms in performing high technology efforts related to current and future U.S. Navy programs.” The announcement was a mere formality because the outcome was

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- ii. Research Corporation of the University of Hawai‘i Board of Directors, Minutes, September 2, 2004.
 - iii. Research Corporation of the University of Hawai‘i Board of Directors, Minutes, December 1, 2004.
 - iv. Research Corporation of the University of Hawai‘i Board of Directors, Minutes, December 8, 2005.
 - v. Research Corporation of the University of Hawai‘i Board of Directors, Minutes, March 9, 2006.

already predetermined. On June 30, 2004, Senator Inouye issued a press release announcing the award of the contract to PICHTR. Harold Masumoto was named the Project Director for HTDV.

The HTDV website states that HTDV is “a project of the Pacific International Center For High Technology Research (PICHTR) and funded by the Office of Naval Research (ONR) that utilizes the capabilities of Hawaii-based small businesses in performing high technology efforts related to current and future Department of Navy and Department of Defense programs.”

The Board of Directors of HTDV include: Eugene Bal (Maui High Performance Computing Center), Tom Cooper (General Dynamics – Kauai), William Friedl (National Defense Center of Excellence for Research in Ocean Sciences), Robert Kihune (Economic Development Alliance of Hawaii), Richard Lim (City Bank), Ted Liu (Department of Business, Economic Development and Tourism), Raymond Ono (First Hawaiian Bank) and Vassilis Syrmos (University of Hawaii).

In July 2004, the following solicitation was posted by PICHTR:

The Hawaii Technology Development Venture (HTDV), a project of the Pacific International Center for High Technology Research (PICHTR), is soliciting proposals for concept development and demonstration of technologies and applied sciences. (1) Radar systems and components associated with Missile defense. (2) Medical including Bio-Informatics and Telemedicine. (3) Advanced Energy Systems. (4) Decision Theory for Battlefield Simulation, Remote Sensing, and Multi-Modality. (5) Crisis and Consequence Management, and Disaster Mitigation and Risk Management. (6) Anti Terrorism/Force Protection.

In a presentation at Tech Enterprise 2004 conference, Harold Masumoto acknowledged Senator Inouye’s role in appropriating “plus-up” funding in excess of \$10 million over two years for the HTDV. Masumoto also thanked ONR for support for the concept and Orincon, a subsidiary of Lockheed Martin, for their lobbying efforts.

Federal Lobbying reports show that from 1998 to the end of 2004, Orincon spent \$900,000 to lobby Congress on military appropriations and transportation bills. In June 2006, Orincon’s lobbying firm Copeland, Lowery, Jacquez, Denton & White announced that it was disbanding due to its involvement in investigations of Rep. Jerry Lewis (R-California) and disgraced lobbyist Jack Abramoff.^{vi}

Masumoto named Battelle, Lockheed Martin – Orincon Technologies, and Enterprise Honolulu as HTDV’s private sector partners. Board members of Enterprise Honolulu include UH Board of Regents Chair Kitty Lagareta, Mike Fisch, publisher of the Honolulu Advertiser and supporter of the UARC, and newly appointed UH President David McClain.

Awards made by HTDV in 2004 and 2005 included \$371,411 to a subsidiary of NovaSol, \$499,890 to Akimeka, and \$524,803 to TREX Enterprises Corporation.

Hawaii Engineering and Design Center (HEDC)

vi. Jeffrey H. Birnbaum, “Lobby firm disbands because of investigation”, *Washington Post*, June 17, 2006.

In August 2004, in another feigned competitive procurement, the Office of Naval Research posted a request for proposals (RA# 04-002) from interested bidders “to create a center to establish the Hawaii Engineering and Design Center (HEDC) at the University of Hawaii, Manoa School of Engineering.” The purpose of this center was to “support the University research initiatives for the development of technologies (applied research) that advance the national defense including: aircraft systems and related technologies, sensor and optics, environmental engineering and ordinance studies, communication and information systems.” Not surprisingly, the UH College of Engineering was awarded the contract in the amount of \$452,000. Vassilis Syrmos became the PI and director of HEDC. The UH awards database shows that the HEDC contract N00014-05-2-0004 was awarded March 18, 2005 and ended March 17, 2006.

Hawaiya Technologies

Within two months of leaving the Navy, Paul S. Schultz formed a business named Hawaiya Technologies LLC on July 30, 2003. According to the state business registry, the purpose of the company was listed as: “RESEARCH AND DEVELOPMENT; ADVANCED SENSOR, COMMUNICATIONS AND C4ISR DEVELOPMENT AND INTEGRATION.” “C4ISR” refers to Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance.

A FY 2006 / FY 2007 Navy budget document reported that a \$1.4 million Indefinite Delivery / Indefinite Quantity (IDIQ) contract for a Military Rapid Response and Information System was awarded to Anteon, Inc., “which will be subcontracting the 95% of the tasking to Hawaiya Technologies, LLC in Hawaii.”^{vii}

The contract was a congressional add-on to several other Navy projects related to F/A-18 squadrons. “The Military Rapid Response-Command and Information System (MRRSIS) is a command, control, and communications mobile ground node that will provide enhanced connectivity” for various elements in a battlefield. “This funding will be used to perform a initial proof-of-concept demonstration, system engineering and analysis on new technologies with the long range goal of establishing test and evaluation facilities in Hawaii.”

Hawaiya Technologies received a \$416,000 contract from the Hawai’i Department of Transportation through a U.S. Department of Homeland Security grant for an electronic security system for Hawai’i’s ports.^{viii}

Fenton now goes by Mun Won Chang. She still works for ONR in the Strike Technology Division. The PICHTR website now lists Schultz as the Program Director for Disaster Management.

vii. United States Department of Navy, *Fiscal Year (FY) 2006/ FY 2007 Budget Estimates, Justification of Estimates, Research, Development, Test & Evaluation, Navy Budget Activity*7. Exhibit R-2a, page 35 of 40. February 2005.

viii. Bill Mossman, “Ensuring Hawaii’s Security”, *Midweek*, April 6, 2005.

Appendix B – Acronyms, Glossary and Key Persons

AIREP Advanced Integrated Radar, Electronics, and Photonics, a successor to UESA radar

Anteon is a defense technology company that won several IDIQ type contracts to provide technical services to the government. NAVAIR utilized one of Anteon's contracts to procure technical services for ONR's Mid Pacific Office. This task order was subcontracted to Oceanit, RCUH and PICHTR. General Dynamics acquired Anteon on June 7, 2006.

BAA Broad Agency Announcement is a general announcement of a federal agency's research interests. It is a competitive acquisition method that may be used to issue contracts for basic and applied research instead of the development of a specific system or hardware solution.

Bullock, Audra is a Professor of Electrical Engineering at the UH Manoa specializing in optics. She was the principle investigator for the Theater-wide Ballistic Missile Defense grant N00421-01-1-0001/0176 that is subject of the Navy investigation.

CEC stands for Cooperative Engagement Capability, a system that links ships and aircraft operating in a particular area into a single, integrated air-defense network in which radar data collected by each platform is transmitted in real-time to other units in the network. CEC was developed at the Johns Hopkins Applied Physics Laboratory and built by Raytheon.

Chang-Fenton, Mun Won An Office of Naval Research (ONR) program manager. She was formerly the Technical Director for the Mid-Pacific Office of ONR. A Navy investigation centers on her activities related to several Navy-sponsored research projects at UH and RCUH.

Cohen, Jay was the Chief of Naval Research (CNR) during much of the period in question. He named Mun Won Chang Fenton as ONR's point of contact for the UARC.

CNR stands for Chief of Naval Research, who heads up the Office of Naval Research.

CTF76 refers to Commander, Task Force 76, a Navy division based in Okinawa. Admiral Paul Schultz was commander of this division when several of the projects in question were taking place.

Cutshaw, Kathy, the Vice Chancellor for Administration, Finance and Operation at UH Manoa was the UH official primarily responsible for negotiating the terms of the UARC contract with the Navy.

Cutshaw, Larry is an executive for Orincon, Hawaii Operations Business Development. He is married to Kathy Cutshaw, UH Manoa Vice Chancellor for Administration, Finance and Operation.

DOD stands for the Department of Defense

DSS refers to the Defense Security Service. This agency establishes and enforces the security regulations for defense facilities and performs background checks on individuals seeking security clearance.

Englert, Peter, is the former Chancellor of the University of Hawai'i at Manoa. He was a proponent of the UARC and was the target of protests against the UARC plan. After a tumultuous semester of anti-UARC protest, his contract as Chancellor was not renewed.

Enterprise Honolulu is a non-profit economic development organization funded by Oahu's private sector. Its board of directors include Kitty Lagareta, Mike Fisch and David McClain. Enterprise Honolulu is a non-profit partner in HTDV.

FAR, Federal Acquisition Regulations are the main rules that govern government contracting.

FEL, Free Electron Laser, a type of tunable laser that is of interest to the Navy as a potential weapon system.

FFRDC stands for Federally Funded Research and Development Centers. FFRDCs are a type of research center considered to be a “trusted agent” of the government and are similar to UARCs. Lincoln Laboratory is one such FFRDC.

FOIA, Freedom of Information Act

FSO, Facilities Security Officer, the designated official at a cleared facility tasked with maintaining compliance with government security regulations.

Gaines, James, is Interim Vice President for Research, the chief research policy advisor to the president, responsible for developing and coordinating system-wide research policies and procedures and management of research-related administrative support services.

Gatioan, Debby, a former employee of Oceanit, was hired onto Bullock’s grant as an “UESA Administrative Specialist”.

Grandfield, John, was hired onto Bullock’s grant as an “UESA Electrical Engineer”. He later went to work for the HEATx program.

Hamnett, Michael, the current Executive Director of RCUH.

Hawaiya Technologies is a technology company started by Paul Schultz when he retired from the Navy.

HEATx, stands for HawkEye Alternate Transmitter, a UESA radar project of RCUH, headed by James Stamm. Stamm sued RCUH in 2005 for breach of contract and violations of intellectual property rights when RCUH would not allow Stamm to novate (spin off) the research to his company as agreed.

HEDC, Hawaii Engineering Design Center, an ONR-sponsored program to “support the University research initiatives for the development of technologies (applied research) that advance the national defense including: aircraft systems and related technologies, sensor and optics, environmental engineering and ordinance studies, communication and information systems.”

HTDV, Hawaii Technology Development Venture “is a project of the Pacific International Center For High Technology Research (PICHTR) and funded by the Office of Naval Research (ONR) that utilizes the capabilities of Hawaii-based small businesses in performing high technology efforts related to current and future Department of Navy and Department of Defense programs. HTDV will create a Pacific regional center for commercialization of defense and homeland security technologies that would benefit small companies in Hawaii. The results of the effort will be a stronger technology base in Hawaii to meet technology requirements of the Department of Navy and Department of Defense.” <http://www.hitdv.com/index.htm> HTDV is headed by Harold Masumoto. It was conceived in 2002 and finally received Military funding in 2004. Senator Daniel Inouye secures “plus up” funding for \$10+ million over 2 years.

IDIQ refers to Indefinite Deliverable Indefinite Quantity, a type of anti-competitive contract that has been abused in recent years.

IfA stands for the University of Hawai’i Institute for Astronomy.

IG stands for Inspector General. The inspector general for a particular agency is frequently referred to by the agency acronym followed by the IG. (e.g. DODIG refers to Department of Defense Inspector General).

Inouye, Daniel, Senior U.S. Senator from Hawai’i, Vice Chair of the Senate Defense Appropriations Subcommittee.

Iwaniec, John, a retired Navy mine warfare specialist who was allegedly hired onto the UESA grant at the direction of Paul Schultz and Mun Won Fenton.

JHU-APL, Johns Hopkins University – Applied Physics Laboratory, a Navy UARC that developed the Cooperative Engagement Capability platform for network centric warfare. JHU-APL also reviews and approves new technologies for the Navy procurement programs.

Konan, Denise, Interim Chancellor for UH Manoa, replaced Peter Englert. After considering the bitter controversy surrounding the UARC, she rejected the UARC contract for UH Manoa.

Lagareta, Kitty, Chair of the University of Hawai’i Board of Regents and a Board member of Enterprise Honolulu.

Lockheed Martin is one of the world’s largest defense contractors, specializing in aeronautics, electronic systems, information and technology services, integrated systems, and space systems. Lockheed Martin acquired Orincon in 2003.

M2C2 Mobile Modular Command Center (M2C2, a successor to the Tactical Component Network).

Masumoto, Harold, is the Program Director for the Hawaii Technology Development Venture (HTDV). He is the former Executive Director of the Research Corporation of the University of Hawai’i (RCUH), former Director of the Office of State Planning, and a former Vice President for the University of Hawai’i. Since 2001, Masumoto has been a key proponent of the UARC. As the former Executive Director of the RCUH, he is at the center of many of the activities under investigation. Masumoto was also a consultant for RCUH from July 2003 to March 31, 2005 to facilitate the establishment of the UARC at UH Manoa.

MCC, or Modular Command Center, is an adaptation of the Tactical Component Network (TCN) network centric warfare system developed by Paul Schultz.

McClain, David was named interim president by the Board of Regents effective Aug. 15, 2004, and appointed permanent President without a search on February 17, 2006. The president is chief executive officer of the UH System. He succeeded ousted President Evan Dobbelle.

Monacci, John was a program manager hired by RCUH on Audra Bullock's Theater-wide Ballistic Missile Defense research grant.

NAVAIR stands for Naval Air Systems Command. This branch of the Navy funded a number of research grants and contracts related to advanced radar, network centric warfare and sensor integration systems.

NAVSEA stands for Naval Sea Systems Command. This branch of the Navy was primarily responsible for weapons systems related to surface ships. Procurement of network centric warfare systems such as the CEC system generally went through NAVSEA. NAVSEA also is the only branch of the Navy that sponsors UARCs.

NCIS stands for Naval Criminal Investigation Service, the primary law enforcement and counterintelligence arm of the United States Department of the Navy.

Network Centric Warfare is a strategic concept that focuses on using computers, high speed data links and networking software to link military personnel, platforms, and formations into highly integrated local and wide-area networks to share command-and-control and target data.

North Star Scientific Corporation is a technology company started by James Stamm that sought to spin-off the HEATx program. Officers of the company include John Grandfield and Robert Swisher.

Oceanit is a technology company subcontracted by the Anteon Corp. to provide technical services to ONR via an IDIQ contract.

ONR, the Office of Naval Research "coordinates, executes, and promotes the science and technology programs of the United States Navy and Marine Corps through schools, universities, government laboratories, and nonprofit and for-profit organizations. It provides technical advice to the Chief of Naval Operations and the Secretary of the Navy and works with industry to improve technology manufacturing processes."

Orincon is a [systems integration](#) and [information technology](#) company that supports [Lockheed Martin](#)'s position in the [Intelligence, Surveillance, and Reconnaissance \(ISR\)](#) industry. Lockheed Martin acquired Orincon in 2003. Orincon has a major presence in Hawai'i. It is a corporate partner of HTDV and was credited with lobbying to bring about the funding for HTDV.

Oshima, Gilbert, is the Director of Finance and Project Management for RCUH. Oshima was listed as the Administrative Point of Contact on the Project Kai e'e proposal.

Ostrander, Gary, the Vice Chancellor for Research and Graduate Education, has been a main proponent of the UARC.

Pan-STARRS, the Panoramic Survey Telescope & Rapid Response System is an Air Force funded telescope project at the University of Hawaii's Institute for Astronomy with a stated goal of discovering Earth-approaching objects. The prototype was built on Haleakala, Maui, but a much larger array is planned for either Mauna Kea or Haleakala. The Institute for Astronomy withdrew the Pan-STARRS program from the UARC package in November 2005.

PI stands for Principle Investigator, the designated responsible person for research projects.

PICHTR is the acronym for the Pacific International Center for High Technology Research, an independent, not-for-profit, applied research and development center incorporated in Hawaii with an international [board of directors](#) from the United States, Asia, and the Pacific region. PICHTR is the parent organization of HTDV.

Pierce, Terry, a retired Navy Captain, was the Deputy Chief of Staff Amphibious Forces Seventh Fleet under Admiral Schultz's command and scholar who wrote about disruptive innovations in military technology. Pierce heads Network Information and Space Security Center at the University of Colorado at Colorado Springs, a research and education center focused on homeland security and defense.

PMRF, the Pacific Missile Range Facility at Nohili, Kaua'i. It is one of the main military installations for missile defense tests and network centric warfare exercises, and a site of protest by Native Hawaiians and environmentalists over the desecration of Hawaiian burial sites and harm to the environment.

Project Kai e'e, the name of an aborted RCUH proposal responsive to NAVAIR solicitation N00421-01-R-0176 for a \$50 million sensor integration and network technology program. This project was intended to evolve into a UARC. The word "kai e'e" means tsunami or tidal wave in Hawaiian.

Raytheon is one of the largest defense contractors, specializing in defense and government electronics, space, information technology, technical services, and business aviation and special mission aircraft. Raytheon has a contract to develop the CEC system for the Navy. In order to prevent competition from a team of Solipsys and Lockheed Martin, Raytheon bought Solipsys in 2003.

RCUH, The Research Corporation of the University of Hawai'i is a State agency, established by the Legislature in 1965 and attached to the University of Hawaii for administrative purposes. According to the RCUH website <http://rcuh01.rcuh.com/000168d/rcuh1.nsf/Home> "The fundamental mission of RCUH is to support the research and training programs of the University of Hawaii and to enhance research, development, and training generally in Hawaii... It hires personnel and procures goods and services on behalf of its clients, which include the University of Hawaii as its major client, other state agencies, and private research and training organizations. Because of its exemption from state statutes such as those relating to procurement and personnel, RCUH has the flexibility to function more like a business. Accordingly, RCUH has its own personnel, payroll, accounting, and disbursing systems, independent of the state and University systems."

RFP means Request for Proposals, a type of competitive solicitation.

Schultz, Paul S., retired Rear Admiral and former Commander Amphibious Group ONE. Schultz is the president of Hawaiya Technologies. It was rumored that he had an affair with Mun Wong Fenton while he was in the Navy. His service transcript shows that he retired as a Captain.

SOEST, School of Ocean and Earth Science and Technology at UH.

Solipsys, a technology company started by ex-CEC engineers at the Johns Hopkins University UARC. Solipsys developed an alternative solution to the CEC called Tactical Component Network (TCN). Solipsys was acquired by Raytheon in 2003.

Stamm, James, an electrical engineer who worked on the HEATx program. Stamm was an associate of Mun Won Fenton. Stamm and his company North Star Scientific Corporation sued RCUH for breach of contract related to his work on HEATx.

Swisher, Robert, a former UH College of Engineering student who was employed by RCUH as an electrical engineer. Swisher worked on the UESA and HEATx program and is now an officer with North Star Scientific Corporation.

Syrmos, Vassilis, is an Associate Dean of the UH College of Engineering and the Senior Advisor to the Vice Chancellor for Research and Graduate Education. Syrmos was formerly Director of Science and Technology at RCUH under Harold Masumoto. Syrmos headed up a number of research projects under investigation, helped to prepare the Project Kai e'e proposal and was the main author of the UARC proposal. Syrmos also heads a program called the Hawaii Engineering Design Center (HEDC) that received nearly half-a-million dollars in Defense Appropriations.

TCN stands for Tactical Component Network, a network system developed by the Solipsys corporation that utilizes a “collaborative tracking system”. It is considered to be an improvement on the Cooperative Engagement Capability (CEC) system that is currently in development at the Johns Hopkins University Applied Physics Laboratory (UARC) and Raytheon corporation.

UARC stands for University Affiliated Research Center, a type of government sponsored research facility that is associated with a university and is considered to be a “trusted agent” of the government.

UESA refers to Ultra High Frequency Electronically Scanned Array radar, a type of advanced radar used on E2C Hawkeye surveillance aircraft.

James Wingo Former Facilities Security Officer for UH and RCUH. Wingo notified authorities of alleged abuse and mismanagement of classified information related to several Navy-sponsored research projects at UH and RCUH. He left UH in 2005.

Appendix C – Chronology of Project Kai e’e/UARC

DATE	EVENT
1998	UESA programs begin on Kaua’i \$1.4 million [Beverly Creamer, “Navy investigation under UH scrutiny”, Honolulu Advertiser, 3/5/05]
1999	Cochran-Inouye National Missile Defense Act of 1999 passed into law. Calls for the deployment of a national missile defense system “as soon as technologically feasible”.
7/27/00	Sen. Inouye announces appropriations of \$10 million for CEC improvements, \$11.5 million for Theater Missile Defense new sensors, \$10 million for UESA signal processing, \$10 million for Tactical Component Network demonstration.
2/21/01	NAVAIR issues BAA N00421-01-R-0176 “Sensors Integration and Communications Technologies” . Project Kai e’e was submitted in response to this solicitation.
3/1/01	ONR awards grant N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development” to the UH College of Engineering, for \$246,375. Michael DeLisio, Principal Investigator.
3/29/01	ONR grant N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development” signed by Elizabeth Ford.
4/11/01	ONR established a Greater Mid-Pacific Branch Office in Hawai’i [Lt. Mike Flint, ONR Mid Pacific Public Affairs, “Navy Research opens Mid-Pacific branch”, Hawaii Navy News, 4/11/01 www.hnn.navy.mil]
4/16/01	An email from Chip Callan, a port engineer for the USS ESSEX to ENS Wallace, CTF76 N33 under RADM Schultz, stated that “NAVSEA and COMNAVSURFPAC have not granted approval for the installation to occur during the SRA.” [Email from CPEJC to n33@ctf76.navy.mil , “Subject: Re, ESSEX TCN/CEC INSTALLATION ONBOARD”, April 16, 2001.]
4/20/01	An industry day for solicitation N00421-01-R-0176 was held on Kaua’i. Debby Gatioan is a point of contact. This is the solicitation for which Project Kai e’e was responsive.
4/25/01	Fenton recruited John Monacci to “our team”. “John Monacci will be joining our team as the program manager for MCC project, working for Chuck Caposell. He is currently a NAVSEA employee but as soon as he retires, he would like to work for U of H and then become an IPA. However, until he retires, he will assume the PM position so we can leverage him now. Would you mind facilitating John with the University so that we can get the paperwork moving?” [Email from Mun Won Fenton to Rob Swisher, John Monacci, Chuck Caposell, Rich McSheehy and John Stamm, “Subject: John Monacci”, April 25, 2001.]
5/9/01	Fenton wrote to Warren Citrin and John Monacci : <p>“Had a good mtg w/ RADM Cohen. I will need to brief him on whats been happening with the battle. So start off, I will need to put a book together for him to read since it is SOOOOOO much information...</p> <p>I will need to get this to him before Rob Holzer prints the article...If I don’t let him know whats happening but hears about it in the papers, my career at ONR will be over...Also, RADM Schultz will let VADM Metzger and Mullen know what is going on. If he doesn’t before the article shows up, then HE will get fired for sure.</p> <p>So, the second item is, PLEASE HAVE ROB HOLZER hold the article until we had a chance to brief or send an advanced copy to Cohen, McGinn, Metzger, Dyer, and Mullen. We have to give them a heads up or else, again, RADM Schultz and I will be looking for contractor jobs...</p> <p>One good news from this mtg is that RADM Cohen has promised me core funding lines in Missile Defense at ONR (6.1 and 6.2). So this may be a way to come up with funds for Talon Sabre ACTD, eve if it is small. Also, he has agreed to ALL my demands for the job (I was shocked actually) so it looks like I will become an ONR employee afterall...In addition, he has</p>

agreed to John becoming and ONR IPA so that loop is also closed.” [Email from Mun Wong Chang Fenton to Warren Citrin and John Monacci, “Subject: CEC vs. TCN (Hold Close)”, May 9, 2001]

- 5/xx/01 **Fenton briefs RADM Cohen** about “Cooperative Engagement Capability (CEC) and Tactical Component Network (TCN)”. Slide show prepared by Monacci. [Mun-Won Chang-Fenton, “Cooperative Engagement Capability (CEC) and Tactical Component Network (TCN) Briefing to RADM Cohen”, May 2001]
- 6/1/01 **“Pacific Missile Range Facility: RCUH’s assistance is needed by the Navy for a missile program project at PMRF because of the classified nature of the work to be done. The Board had no objections to RCUH’s involvement in this initiative.”** [Minutes, Board of Directors Minutes, RCUH, June 1, 2001.]
- 7/1/01 NAVAIR awards grant **N00421-01-1-0001/0176 “Theater-wide Ballistic Missile Defense: Study of Integration of Optical Sensors for Theater-wide Sensor Networking”** valued at **\$238,000** to UH College of Engineering. **Audra Bullock is the PI.**
- 7/20/01 **John Monacci** hired as “Tactical Combat Control Manager” on N00421-01-1-0001/0176 (Bullock’s grant). Terminated 1/26/02. Monacci works on testing the CEC improvements in the **CTF76** (a fleet under **RADM Paul Schultz’s** command) He is supervised by Fenton and Schultz.
- 7/27/01 **N00421-01-1-0001/0176 “Theater-wide Ballistic Missile Defense: Study of Integration of Optical Sensors for Theater-wide Sensor Networking”** modified, **\$309,862** added to the grant.
- 8/30/01 **Monacci** created a slide presentation **“Pacific Operations Insitute”** for UH and RCUH. The theme was “applying DoD operational expertise to national needs in the pacific arena” through “A partnership of Federal, State, Civil, Industrial and Academia Organizations”. This is the original concept that became Project Kai e’e and later the UARC.
- 8/30/01 **Pacific Operations Institute was changed to “A proposed concept for Pacific Research Laboratory (PRL), Federally Funded Research Laboratory – A Subsidiary of RCUH/University of HI and University of Alaska”.** The proposed organization shows a Director, Retired Flag Officer (MD background), and a Deputy Director (Systems Engineering & MBA background). According to Monacci, this organization chart was inserted by Fenton. He believed that the two positions were “tailor-made” for Schultz and Fenton.
- 9/17/01 **N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development”** was modified and **\$51,000** added to the grant.
- 9/26/01 **Monacci** wrote the 7th draft of a proposal **“Network Centric Warfare Technological Research and Development Proposal”** in response to **BAA N00421-01-R-0176** for \$48 million. This is an early version of Project Kai e’e.
- 9/27/01 **Debby Gatioan** hired as “UESA Administrative Specialist” on N00421-01-1-0001/0176 (Bullock’s grant) until 9/15/02. Paid from Direct Engineering Projects (9/16/02 – 7/15/03) and PICHTR (7/16/03 – 10/16/03)
- 10/4/01 **“Pacific Missile Range Facility (Kauai) – This may become a major project – about \$50 million if funding comes through.** As more of these types of projects become reality, there may be a need for a separate entity to manage them because of their focused objectives. However, RCUH’s services will probably be required, especially in the initial stages.” Minutes, Board of Directors Minutes, RCUH, October 4, 2001.
- 10/29/01 **John Grandfield** hired as “UESA electrical engineer” on N00421-01-1-0001/0176. Paid from Bullock’s grant until 9/15/02, then paid through RCUH direct engineering projects (9/16/02 – 9/30/03), then HEATX Program (10/1/03 – 10/31/05) Grandfield working on Project Kai e’e proposal.
- 11/28/01 **N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development”** grant was amended again and the award increased by **\$415,384**. Grant ends 8/31/03.

- 12/4/01 **“Office of Naval Research Project – RCUH was asked to submit a proposal and has done so for an ONR project with potential price tag of \$48 million over four years....A Phase 2 proposal may also be submitted. This project is basically in support of the Pacific Missile Range Facility on Kauai.”** [Minutes, Board of Directors Minutes, RCUH, December 4, 2001.]
- 12/10/01 **N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development” grant modification P00003 signed by Julia Gallmon changing the Principal Investigator from DeLisio to Vassillis Syrmos.**
- 12/19/01 **John Iwaniec** hired as “Program Mgr Mine/Undersea Warfare” on Syrmos’ UESA grant N00014-01-1-0562. He is employed until 10/16/03. Monacci had refused Syrmos’ request to hire Iwaniec onto Bullock’s grant.
- 1/26/02 **John Monacci terminated** from N00421-01-1-0001/0176 Bullock’s grant.
- 1/30/02 **Project Kai e’e** proposal submitted by Masumoto to Sue Wainwright, NAVAIR for **“SENCIS Integration Tech Proposal” in response to N00421-01-R-0176. Requested \$48,478,961.35 for 60 month.** Proposal dated 12/31/01.
- 3/02 Schultz reassigned from commander of Amphibious group ONE to Commander, Military Sealift Command (special assistant) [Paul Schultz military service transcript]
- 3/13/02 **“Pacific Research Institute Project:** Executive Director Masumoto reported that we should know within a month or so whether this project will be funded for \$48 million over a five-year period. The project is related to missile defense and is basically in support of the Pacific Missile Range Facility. This is a direct project (not a UH project) in which RCUH is the applicant for the funds. The intent is that RCUH will “incubate” the project and then later there will be a new home base for it. **The long-range objective is to make this a federal research center similar to national labs such as Sandia, etc.** There is great potential in this project.” [Minutes, Board of Directors Minutes, RCUH, March 13, 2002.]
- 5/30/02 NAVAIR issues BAA **N00421-02-R-0013 “Sensors Integration Testbed Technologies”**
- 6/6/02 **“Project Kaiee - We are still awaiting award of this contract. In the meantime, we will receive \$800k of funding to get started (hiring an Executive Director and a Technical Director as well as some other support/technical personnel). The project will be incubated by RCUH. Plans at this time include evolving it into a UARC (University Affiliated Research Center).”** [Minutes, Board of Directors Minutes, RCUH, June 6, 2002.]
- 6/1/02 **Syrmos hired by RCUH as “specialist” paid \$22499** in two installments. 6/1/02 to 8/31/02 and 9/1/02 to 12/31/02.
- 6/25/02 **N00421-01-1-0001/0176 “Theater-wide Ballistic Missile Defense: Study of Integration of Optical Sensors for Theater-wide Sensor Networking” modified again, \$100,000 added to the grant. Deadline extended to May 31, 2003.**
- 7/02 Federal Funding for Technology Research, Development, and Commercialization Conference, Meetings of key players: decision to secure funding for Hawaii tech businesses
- 7/17/02 **N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development” was modified (Modification P00004) to “expand the research”, and \$750,000 was added to the grant. Another \$50,000 in future funding was promised. The deadline was extended from August 31, 2003 to October 31, 2003.**
- 9/12/02 **N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development” Modification P00005:**
- The purpose of this modification is to incorporate Contract Security Classification Specification Form DD254 and to add the following special provision.
- SECURITY
- a. The Grantee agrees to confer and consult with the Grantor prior to publication or other public disclosure of the results of work under this Grant to ensure that no classified, proprietary

information, military critical technology or other controlled information is released. Prior to submitting a manuscript for publication or before any other public disclosure, each party will offer the other party ample opportunity to review such proposed publication or disclosure, to submit objections, and to file applications for letters patent in a timely manner.

b. Controlled Information. The parties understand that information and materials (sic) provided pursuant to or resulting from this Grant may be export controlled, classified, or unclassified sensitive and protected by law, executive order or regulation. The Grantee is responsible for compliance with all applicable laws and regulations. Nothing in this Grant shall be construed to permit any disclosure in violation of those restrictions.

c. A Contract Security Classification Specification Form (DD-254) is incorporated herein by reference and attached. This program shall be provided appropriate protection as required by "Contract Security Classification Specification" (DD Form 254). FAR 52.204-02 – "Security Requirements" and DFARS 252.223-7004 – "Drug-Free Work Force" are incorporated by reference. As appropriate, the term "contract" in the clauses shall be read as "grant," "Contractor" as "Grantee," and the like."

- 9/15/02 Funding for Debby Gatioan and John Grandfield switched from Bullock's grant to RCUH "direct engineering" projects.
- 9/15/02 **Syrmos and Masumoto presentation to Senator Inouye's staff on the UARC concept for UH.** Syrmos gives this document to research faculty at UHM November 2002 and tells them it was from a briefing to Inouye's office. [University Affiliated Research Center (UARC) PowerPoint Slide Show by Vassilis Syrmos and Harold Masumoto, 9/15/02.]
- 9/19/02 **N00014-01-1-0562 "CEC Antenna Miniaturization/UESA Switch Module Development" Modification P00006:**
Paragraph c of Modification P00005 is revised to read as shown:
c. A Contract Security Classification Specification Form (DD-254) is incorporated herein by reference and attached. This program shall be provided appropriate protection as required by "Contract Security Classification Specification" (DD Form 254). FAR 52.204-02 – "Security Requirements", DFARS 252.223-7004 – "Drug-Free Work Force" and DFARS 252.204-7005 -- "Oral Attestation of Security Responsibilities" are incorporated by reference. As appropriate, the term "contract" in the clauses shall be read as "grant," "Contractor" as "Grantee," and the like."
- 9/27/02 **"ONR Project – The proposal for Project Kaiee was withdrawn due to circumstances beyond our control. RCUH will pursue other avenues of funding for these types of projects."** [Minutes, Board of Directors Minutes, RCUH, September 27, 2002.]
- 10/16/02 "The (FY 2003 Department of Defense Appropriations Bill) also contains language that makes several Hawaii-based initiatives eligible to apply and compete for funding... **the Power Scene initiative and the Web Centric Warfare program may compete for University Affiliated Research Center funding.**" [Sen. Inouye press release FY 2002 Department of Defense Appropriations Bill – List of Hawaii-related Initiatives. Passed October 16, 2002.]
- 10/22/02 "Office of Naval Research (ONR) Projects – **We just received a \$1.2 million contract for a radar systems project at the Pacific Missile Range Facility on Kauai, under the direction of Dr. Vassilis Syrmos.**
As we anticipate a substantial increase in ONR and other funding, Executive Director Masumoto reported that he discussed with Chairman Kobayashi his proposal to establish a **temporary position of Director of Science and Technology (on a half-time basis with RCUH of which half of his time will be charged to the above PMRF project and the other half will be charged to the core budget)** to assist RCUH in these initiatives, which requires someone with scientific expertise. Depending on the level of activity, this temporary position may need to become a regular core staff position.
These ONR projects are "direct" projects to RCUH because of their classified nature. But, we are working closely with the University and tapping into their expertise. The majority of the personnel

and the work will be Hawaii-based at the PMRF.

UARC – We are also looking into the establishment of a University Affiliated Research Center and have discussed the matter with President Dobbelle and UHM Chancellor Englert.”

[Minutes, Board of Directors Minutes, RCUH, October 22, 2002.]

- 11/02 Syrmos met with several units of the UH research faculty, including FEL, SOEST faculty, engineering faculty, med school faculty, and IfA faculty in Bachman Hall to discuss participation in the UARC. UH FEL faculty declare their opposition to participation in the UARC.
- 11/16/02 **Source of funding for John Iwaniec switched from UH College of Engineering to RCUH “direct engineering” funds.**
- 12/6/02 “Currently we are working with Ms. Mun Won Fenton at ONR and Mr. David Savillo at NAVSEA to create a preliminary management plan that will serve as the road map of the University’s core competencies. Furthermore, Mr. Harold Masumoto, Executive Director of the Research Corporation of the University of Hawaii, has briefed Mr. John Young, Assistant Secretary of the Navy, on our intention to apply for a UARC at UHM.” [Letter from Chancellor Peter Englert to Admiral Jay Cohen, December 6, 2002.]
- 12/02 UH nominated to become a Navy UARC. “The nomination came to us in I think December of 2002 or January of 2003.” [Bart Abbott interview with Vassilis Syrmos, 2/17/05]
- 12/17/02 **N00421-03-C-0013 “Sensor Integration and Communication Technologies” contract for \$1,163,028 awarded by NAVAIR to RCUH Syrmos is the PI. This is the “Next Generation Radar”**
- 1/1/03 **Symos hired as Interim Director of science and tech for RCUH; Paid \$7500 / month @ 50% FTE for a total of \$37500. Syrmos holds this position until 5/31/03**
- 1/21/03 **Robert Swisher** was hired by RCUH as a “Microwave Technical Design Agent” at a salary of \$5342.40 per month. He is employed until October 16, 2005.
- 2/4/03 Syrmos and Englert presentation at Joint Informational Briefing of Hawai’i Senate Committee on Science, Art & Technology and Economic Development. [Video tape of hearing, notes, Englert’s testimony]
- 3/6/03 **“University Affiliated Research Center (UARC) – The proposal is 99% complete** and the UHM approvals are in place to take it to next step which is for Admiral Cohen (Chief of Naval Research) to send it to NAVSEA to designate UHM as a UARC. It is hoped that the UARC will be in place by this summer. Because a UARC functions as a trusted agent of the government, it operates under sole source, multi-task delivery of contracts to perform work primarily for Navy sponsors. There are currently 11 UARCs; John Hopkins is the largest at \$50 million/annually.
- Executive Director Masumoto said he talked to President Dobbelle last year when it was first being considered. Until UH changes its policy on classified research, such an activity has to be run through an organization like RCUH. Creating a separate 501(c)(3) type organization is another alternative....
- “RCUH may find itself in a potential “conflict of interest” situation** since we are doing R&D work and we also have a contract for “services”. People writing specs for RFPs and reviewing proposals need to be separate from those developing proposals. We currently have “firewalls” in place, but the potential still exists. In the future, the RCUH services contract will be moved from RCUH to PICHTR. RCUH will perform the applied research and development functions.” [Minutes, Report on New Project Initiatives, Board of Directors, Research Corporation of the University of Hawai’i, March 6, 2003.]
- 3/6/03 NAVAIR issues solicitation **N00421-03-R-0058 “Sensor, Communication, Information, and Integration Technologies”** seeking proposals related to AIREP and M2C2 programs and the UESA testbed on Kaua’i.
- 3/17/03 **James Stamm** hired by RCUH as a “Senior Staff Scientist” for RCUH “Special Projects” at a salary of **\$11,874.79** per month. His employment goes from March 17, 2003 to October 31, 2005.

- 3/17/03 – 8/31/03, Stamm was paid out of RCUH “Direct Engineering Projects”. 9/1/03 – 10/31/05 he has paid by HEATx program.
- 4/16/03 **Englert submits the UARC management plan to Admiral Cohen, CNR.** [Letter from Englert and UARC Management plan, 4/16/03]
- 5/13/03 **“University Affiliated Research Center (UARC) – Plans for a UARC are progressing.** UH Manoa will be part of a small, elite group of institutions that hold this designation (Johns Hopkins, Penn State, Georgia Tech, etc.)...
- Security Issue** – We have a situation where a project started as an unclassified project, but the Navy has now decided to classify it. Issue is safeguarding the appropriate data and allowing access to cleared employees only in a secure facility.” [Minutes, Executive Director’s Report, Board of Directors, Research Corporation of the University of Hawai’i, May 13, 2003.]
- 5/27/03 Admiral Cohen recommends a UARC at UH. **Fenton named as “point of contact” for the UARC.** [Letter from Cohen, 5/27/03]
- 5/31/03 Syrmos and Fenton allegedly have a falling out because he will not meet her requests. Syrmos terminated from RCUH.
- 6/1/03 Rear Admiral Schultz retires from military at the reduced rank of Captain. [Paul Schultz military service transcript]
- 7/1/03 **Harold Masumoto signs contract with RCUH for services** including to “coordinate and follow up on University of Hawaii efforts to be designated as a University Affiliated Research Center (UARC). Advise and participate in setting up the infrastructure within UH/RCUH for operating a UARC.” Compensation not to exceed **\$60,000**, at a rate of \$5000 per month. [Agreement for Services between RCUH and Harold Masumoto.]
- 7/15/03 **Gatiaoan and Iwaniec switch their payroll from RCUH “direct engineering projects” to PICHTR**
- 7/22/03 **Masumoto resigns as RCUH Executive Director**, becomes the CEO of PICHTR
- 7/24/03 **Wingo took concerns about mishandling of classified information to Defense Security Service, Ann Marie Smith.** But DSS said that they had no jurisdiction if the violation involved government official. [Wingo letter to DODIG 10/20/03]
- 8/03 TechEnterprise 2003 – Hawaii Business Transformation Wargame
- 8/18/03 **N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development” Modification P00007:** “The purpose of this modification is to revise the Contract Security Classification Specification Form (DD-254) to read as attached” [No attachment was provided]
- Mun Won Fenton was also replaced as the Technical Representative by Gerard G. Walles.**
- 8/21/03 **Wingo contacted DoD IG to file a complaint against Mun Won Fenton re: N00421-01-1-0001/0176, N00014-01-1-0562, N00421-03-C-0013. “1) abuse of authority, 2) significant mismanagement of classified contracts, and 3) potential leaks of classified information, classified information lost, compromised, and unauthorized disclosure.”** [Wingo letter to DODIG 10/20/03]
- 8/25/03 “Related to project management, Mrs. Kane inquired about the recent **“Conflict of Interest Policy Statement” (Section 1.001) implemented by RCUH** and the revision to the “Direct Projects” (Section 1.230) procedures. Interim Executive Director Oshima responded that these changes were implemented to demonstrate that RCUH has the necessary “firewalls” in place to avoid organizational conflicts (or potential conflicts) of interest relating to federal contracts and future activities. Mrs. Kane felt that the policy inhibits RCUH from being an active player in seeking federal contracts.
- Former Executive Director Masumoto explained that the policy was put in place because of the Department of Defense (DoD) projects RCUH was involved in. RCUH had both a “services” contract (providing people for specific jobs) as well as an R&D (research and development) contract (providing a specific product). Additionally **while he was Executive Director, he was also serving**

as President & CEO of PICHTR and because PICHTR’s subsidiary company, PTAC, submitted a proposal to the Office of Naval Research in response to an RFP for a “services” contract, there may have been a perceived conflict of interest with his involvement in the RCUH R&D contract and the PICHTR services contract. Accordingly, the policy/procedure was developed to address any perception of conflict of interest. It was not developed for his personal gain in any way. **Because the nature of the DoD projects are classified, this adds another dimension of caution that must be exercised to avoid conflicts of interest.**

Mr. Masumoto added that his position has been that RCUH should not compete with the private sector for federal dollars. Therefore, he has suggested that future projects be joint ventures between RCUH and private companies (Direct Projects Section 1.230). After a year or two, the project can be novated to the private company. RCUH’s role is to assist in incubating these activities. He added that **if the University revises its policy on classified research, these types of problems will disappear.”**

[Minutes, Report of Interim Executive Director, Board of Directors, Research Corporation of the University of Hawai‘i, August 25, 2003.]

- 9/17/03 NAVAIR Contracting Officer Security Representative (COSR) directed Wingo to destroy safeguarded information held at RCUH within 10 working days. [Wingo letter to DODIG 10/20/03]
- 9/23/03 **N00421-03-C-0018 HawkEye Alternate Transmitter project (HEATx) two year contract awarded to RCUH by NAVAIR for \$7,462,180.** The contract was **later raised to \$8,442,180** and was **awarded pursuant to N00421-02-R-0013**, the NAVAIR solicitation described above.
- 9/25/03 Congress approves **Defense Appropriation Bill FY 2004**, which contains **\$6.8 million for High Technology Development Center** and **\$500,000 for RCUH Engineering and Design Center.**
- 9/26/03 Tom Neuberger, NAVSEA UARC coordinator, sends an email to John Madey stating that NAVSEA was approached by Syrmos, Englert and Cohen to create a UARC.
- 9/03 **Syrmos removed from the UESA grant due to security restrictions with one month left on the grant.** Jim Gaines puts Bullock on to finish the report.
- 9/30/03 Grandfield switches his payroll from RCUH “direct engineering projects” to HEATX
- 10/9/03 NAVAIR COSR tells Wingo “Immediately and without further delay, within 1 business day, ship the entire contents of the RCUH classified container to ONR, ATTN: Ms. Mun-Won Chang-Fenton”. [Wingo letter to DODIG 10/20/03]
- 10/10/03 DSS advises Wingo to follow directions indicated on DD254 and ship to ONR, Ms. Fenton. [Wingo letter to DODIG 10/20/03]
- 10/13/03 SAUSA office notified Wingo that the information may be evidentiary. [Wingo letter to DODIG 10/20/03]
- 10/14/03 **N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development” Modification P00008:** “The purpose of this modification is to revise the Contract Security Classification Specification Form (DD-254) to read as attached” [No attachment was provided]
- 10/14/03 Honolulu SAUSA Harry Yee notified Wingo requesting cooperate with their office and NOT ship info to Fenton. [Wingo letter to DODIG 10/20/03]
- 10/14/03 NAVAIR IG Edward Lopez notified Wingo that NAVAIR was placing a law-enforcement hold on information in question, and not to send the info anywhere without guidance from his office. [Wingo letter to DODIG 10/20/03]
- 10/14/03 DSS Honolulu office advised Wingo that SAUSA has no authority in this matter in accordance with NISPOM and that this is a legal matter between RCUH and GCA. [Wingo letter to DODIG 10/20/03]
- 10/15/03 ONR IG notified Wingo that Navy IG has passed a number of issues to their office related to Fenton’s involvement in Navy contracts. [Wingo letter to DODIG 10/20/03]

- DODIG wrote: “the Defense Security Service is the appropriate agency to handle security breaches involving a Defense contractor.” [Wingo letter to DODIG 10/20/03]
- 10/16/03 **Gatioan and Iwaniec both end work for PICHTR**
- 10/20/03 NAVAIR IG requested NAVAIR to direct RCUH to ship information to NAVAIR IG, because Honolulu SAUSA has expressed interest in the contents of subject hard drive. [Wingo letter to DODIG 10/20/03]
- 3/9/04 **Hawaii Technology Development Venture Research Announcement. Office of Naval Research announces plans to award a research contract for a HTDV.** [Office of Naval Research Research Announcement RA04-012]
- 5/6/04 **N00014-01-1-0562 “CEC Antenna Miniaturization/UESA Switch Module Development” Modification A00002:**
- The purpose of this modification is to de-obligate excess funds of \$9,547.61. The Total Amount of this Grant is reduced to read \$1,453,211.39.
- All other provisions of this grant remain unchanged.
- 5/21/04 **Recommendation for Establishing a University Affiliated Research Center at the University of Hawaii at Manoa.** Navy Review and Justification completed. Ex Dir. NAVSEA ltr to Dir. Defense Research and Engineering, via Asst Sec. Navy (Research, Development and Engineering).
- 6/5/04 **John Young, Assistant Secretary of the Navy (Research, Development and Acquisition) signs off** on the Recommendation for Establishing a University Affiliated Research Center at the University of Hawaii at Manoa
- 7/04 “The Hawaii Technology Development Venture (HTDV), a project of the Pacific International Center for High Technology Research (PICHTR), is soliciting proposals for concept development and demonstration of technologies and applied sciences.” [REQUEST FOR PROPOSAL HAWAII TECHNOLOGY DEVELOPMENT VENTURE DATE: July 2004]
- 7/8/04 **UH UARC is approved by Ronald Sega, DDRE** [Memorandum for Executive Director, Naval Sea Systems Command]
- 7/23/04 “RCUH will be executing a no-cost extension of Harold Masumoto’s consultant contract to continue to assist with transitional matters and selected project initiatives. The Executive Director will ensure that there is no conflict of interest issues.... Executive Director Hamnett added that **Mr. Masumoto’s assistance is needed for the UARC (University Affiliated Research Center) initiative since he was instrumental in proposing the establishment of such a center at the University.** The Board had no objections to continuing this arrangement with Mr. Masumoto.” [Minutes, Board of Directors, Research Corporation of the University of Hawai’i, June 23, 2004.] The contract was extended until December 31, 2004.
- 8/12/04 ONR issues **Research Announcement for Hawaii Engineering Design Center at the University of Hawaii, Manoa for \$452,000.** [Office of Naval Research Research Announcement RA04-002]
- 9/15/04 UARC presented to Faculty Senate; Kanaka Maoli present oppose the plan. [Chancellor’s Frequently Asked Questions about the Proposed University Affiliated Research Center (UARC) 4/4/05. “UH Seeking contract to do Navy Research”, Dan Nakaso, Honolulu Advertiser, 9/16/04]
- 9/24/04 **NAVSEA issues a Presolicitation Notice for UARC (N002405R6234) “The Naval Sea System Command intends to award a sole source contract for up to 315 work years to establish and further solidify a strategic relationship for essential Engineering, Research, and Development capabilities at the Applied Research Laboratory, University of Hawaii at Manoa (ARL/UHM)”** [Federal Business Opportunities <http://www2.eps.gov/servlet/Documents/R/1010773>]
- 11/18/04 **UH Board of Regents “provisionally approve the establishment of the Applied Research Laboratory at the University of Hawai’i at Manoa** with the stipulation that full consultation is to take place and that the administration shall be required to bring this matter back to the Board for final approval.” [BOR minutes 11/18/04, Honolulu Advertiser 11/19/04]

- 12/7/04 The Save UH / Stop UARC coalition is formed.
- 12/14/04 Masumoto's contract extended again until June 30, 2005.
- 1/19/05 Rally against UARC at Campus Center
- 1/20/05 Protest of the UARC at BOR meeting at Kapiolani Community College.
- 2/2/05 Stop UARC coalition meets with McClain, Callejo and Ishii. McClain said he would consider holding consultations.
- 2/15/05 More UARC protests at a Classified Research Seminar put on by RCUH and Public Policy center
- 2/24/05 Continuing protest of the UARC at the second Classified Research Seminar
- 3/2/05 **Kaleo Newspaper breaks the story about the NCIS investigation of UESA**
- 3/5/05 **Honolulu Advertiser article on the Navy investigation**
- 3/7/05 NAVSEA reps visit UH related to UARC. [Kaleo article 3/4/05]
- 3/29/05 House Committee on Higher Ed hearing on HCR 238. Syrmos testifies that a BAA was done for the UARC. Then changes his story to say that an RFP was completed in September 24, 2004. HCR 238 passes committee, referred to Finance.
- 3/31/05 **Harold Masumoto terminates his contract with RCUH along with his classified clearance three months early.**
- 4/6/05 Chancellor's first UARC Consultation. Englert says there is no connection between the NCIS investigation and the UARC.
- 4/7/05 Second UARC consultation is met with strong opposition. Englert cuts off meeting with many people waiting to speak; protesters block his car from leaving campus.
- 4/28/05 **Save UH /Stop UARC coalition occupies UH president's office to call for an end to the UARC.**
- 5/4/05 Bachman hall occupation ends after delaying the UARC contract and gaining international media attention
- 6/20/05 **Stamm and North Star Scientific Corp. sue RCUH for breach of contract related to HEATx**
- 10/31/05 **Stamm, Swisher and Grandfield end their contracts with RCUH under the HEATX Program**
- 11/16/05 **UH Manoa Faculty Senate Votes Down UARC**
- 12/5/05 **UHM Chancellor Konan rejects UARC for UH Manoa**
- 1/20/06 **UH Board of Regents holds a public hearing on UARC** that goes on for six hours. The overwhelming majority of the testimony is against the UARC.
- 2/16/06 **Despite overwhelming opposition to the UARC, McClain recommends UARC at the system-level;** calls for no classified task orders in first 3 years.
- 2/17/06 **UH Board of Regents recommends McClain to become the permanent president** without a full search.
- 7/13/06 Honolulu Advertiser reports "Navy had problems with UH contract". Negotiations over the UARC contract continue.
- 9/14/07 UH President's office posts the new contract for an Applied Research Laboratory at the University of Hawai'i.
- 9/27/07 UH Board of Regents will vote on the UARC contract.

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Appendix D – Grants, Contracts and Solicitations Discussed in the Report

Date	Contract/Project Identification Number	Title and description of Project	Type	Sponsor	Recipient	Princ. Invest.	Amount Awarded
2/21/01	N00421-01-R-0176	“Sensors Integration and Communications Technologies” Project Kai e’e was a proposal submitted by RCUH pursuant to this solicitation.	Solicitation	NAVA IR	Unknown if any funds were awarded	John Grandfield? Harold Masumoto?	Unknown, \$48,478,961.35 requested
7/1/01 7/27/01 6/25/02	N00421-01-1-0176 (N00421-01-1-0001)	“Theater-wide Ballistic Missile Defense: Study of Integration of Optical Sensors for Theater-wide Sensor Networking” This grant was modified several times and additional monies were added. Monacci, Grandfield and Gatioan were employed on this grant. The contract number was changed at one point. The grant ended 8/03, but a report was not completed until a year later.	Grant	NAVA IR	UH Electrical Engineering	Bullock	\$238,000 \$309,862 \$100,000
3/23/01	N00014-01-1-0562	“CEC Antenna Miniaturization /UESA Switch Module Development” Delisio was the original PI for the grant, but Symos took over in 12/01. There were at least three modifications to the grant and additional monies added that nearly quintupled the award size. Iwaniec was hired on this grant. The grant ended 10/31/01.	Grant	ONR	UH Electrical Engineering	Delisio/ Symos	\$246,375 (with promise of future funding of \$466,384)
9/17/01	N00014-01-1-0562, P00001	“CEC Antenna Miniaturization /UESA Switch Module Development”	Grant	ONR	UH Electrical Engineering	Delisio/ Symos	\$51,000
11/28/01	N00014-01-1-0562, P00002	“CEC Antenna Miniaturization /UESA Switch Module Development”	Grant	ONR	UH Electrical Engineering	Delisio/ Symos	\$415,384
7/17/02	N00014-01-1-0562, P00004	“CEC Antenna Miniaturization /UESA Switch Module Development”	Grant	ONR	UH Electrical Engineering	Delisio/ Symos	\$750,000 (with promise of future funding of \$50,000)
9/12/02 9/19/02 8/18/03 10/14/03	N00014-01-1-0562, P00005, P00006, P00007, P00008	“CEC Antenna Miniaturization /UESA Switch Module Development”. Classification added to grant, with 3 revisions	Grant	ONR	UH Electrical Engineering	Delisio/ Symos	NA
5/6/04	N00014-01-1-0562, A00002	“CEC Antenna Miniaturization /UESA Switch Module Development”	Grant	ONR	UH Electrical Engineering	Delisio/ Symos	-\$9547.61 (Excess returned and \$50,000 future funding rescinded)
5/30/02	N00421-02-R-0013	“Sensors Integration and Testbed Technologies”	Solicitation	NAVA IR	Unknown		unknown
12/17/02	N00421-03-C-0013	“Sensor Integration and Testbed Technologies”, was renamed “Next Generation Radar: A Unified Approach”	Contract	NAVA IR	RCUH	Symos	\$1,163,028

9/23/03 Mod. Date?	N00421-03-C-0018	“HawkEye Alternate Transmitter Project (HEATx)” This was a type of UESA radar project. The contract was awarded pursuant to solicitation N00421-02-R-0013. The PI of the project sued RCUH for breach of contract and intellectual property violations.	Contract	NAVAIR	RCUH	Symos / Stamm	\$7,462,180 \$980,000
3/6/03	N00421-03-R-0058	“Sensor, Communication, Information, and Integration Technologies” This solicitation sought proposals specific to next generation advanced surveillance radar and electronics tested on Makaha Ridge, Kaua’i, Advanced Integrated Radar, Electronics, and Photonics (AIREP, a successor to UESA), and Mobile Modular Command Center (M2C2, a successor to the Tactical Component Network.	Solicitation	NAVAIR	Multiple small companies		unknown
FY 03 and 04	N00173-01-C-2016	C4ISR	Contract	Naval Research Lab	DCS Corporation, passed through to RCUH		\$616,000
2003	Task Order T-03-03-DSM012, Contract GS09K99BHD0001	Technical services to the Mid-Pacific Branch Office of ONR, was procured via a task order through an existing IDIQ type contract between the GSA and Anteon. The services were procured by NAVAIR and rendered to ONR. Anteon in turn awarded noncompetitive subcontracts to Oceanit, RCUH and PICHTR. This is a “worldwide MA-ID/IQ contract available for use by any federal government agency to acquire contractor services and support for information technology (IT) needs”.	Task Order, MA-IDIQ contract	NAVAIR issued the task order through the General Service Administration contract	Anteon was the primary recipient but subcontracted work to Oceanit (7%), RCUH (5%) and PICHTR (5%)	unknown	unknown
3/13/03	N00014-03-R-0008	“Technical, Management and Administrative Support for the Greater Mid-Pacific Branch Office Technical Division of the Office of Naval Research” This solicitation for technical services follows on the GSA contract mentioned above and appears to have been configured to avoid organizational conflicts of interest.	Solicitation	ONR	unknown		unknown
6/30/04?	N00014-04-2-0004	Hawaii Technology Development Venture	Contract?	ONR	PICHTR		\$6,250,000
3/18/05	N00014-05-2-0004	Hawaii Engineering Design Center	Contract?	ONR	UH engineering		\$452,000
9/24/04	N00024-05-R-6234	Presolicitation Notice of an Award of a Sole Source UARC contract to the University of Hawai’i	Presolicitation Notice	NAVS EA	UH		
2007	N00024-07-D-6239	University of Hawai’i Applied Research Laboratory (UARC)	Under negotiation	NAVS EA	UH		Up to \$50 million