



Sept. 6, 2017

10:00 AM

Regular Meeting

Kapolei Hale, 1000 Uluohia St.

Conference Rooms A, B and C

Kapolei, HI 96707

To: Ron Menor, Chair, Honolulu City Council

From: Keli'i Akina, Ph.D., Grassroot Institute of Hawaii president and CEO

RE: RESOLUTION 17-199 — HONOLULU HIGH-CAPACITY TRANSIT CORRIDOR PROJECT AUDIT. Requesting that the City Auditor conduct a follow-up audit of the Honolulu Authority for Rapid Transportation (HART).

Comments Only

Dear Chair and Committee Members:

We at the Grassroot Institute of Hawaii are happy and grateful that you are considering Councilmember Trevor Ozawa's Resolution 17-199, which supports the initiation of an audit to ensure the proper use of taxpayer funds in the Honolulu High-Capacity Transit Corridor Project.

The city's rail project is long overdue for a deep dive into its financial and management practices to discover why it is so wildly over budget and so far behind schedule, and we appreciate that you are taking this matter seriously, so as to avoid making a bad situation any worse.

What's more, we are pleased that the most recent version of the proposed resolution requests an "independent forensic audit" of HART operations and contract awards, as well as a follow-up audit that addresses concerns about efficiency, expenditures, administrative controls, procedures, and the response to issues raised in previous audits.

An independent forensic audit would go a long way toward addressing citizen concerns about the possibility of fraud, waste, and abuse in the project. It is essential that the resolution clearly states that any forensic audit should look specifically into the possibility of illegal activity, systemic waste and wasteful policies in the rail-construction process.

With so many residents, including many state and city policymakers, having lost confidence in the project, what is needed is a deeper look into why costs have increased so much, to see where the money has been spent.

Not only would a forensic audit help restore public trust, it also would allow future rail policy to be based on trustworthy information.

So far, thousands of individuals have signed the Grassroot Institute of Hawaii petition calling for an audit of the rail, at AuditTheRail.com. That you are considering Councilmember Ozawa's resolution has brightened their spirits, and the spirits of many others on Oahu and elsewhere throughout the state who are worried about how Honolulu's rail project will affect them financially and socially in the future.

Please make sure that any audit you recommend does the job that needs to be done.

Thank you for the opportunity to submit our testimony.

Sincerely,

Keli'i Akina, Ph.D.
President and CEO
Grassroot Institute of Hawaii