

## Press Release

### **GIAA'S NEW LEADERSHIP HAS THE CHANCE TO CORRECT THE PREVIOUS ADMINISTRATION'S WRONGFUL CONDUCT**

**Barrigada and Tamuning, Guam – May 18, 2019.** On May 14, 2019, the Superior Court of Guam issued an order finding that the A.B. Won Pat International Airport Authority, Guam (GIAA), who is represented by the law firm of Calvo Fisher & Jacob LLP (CFJ), made a “material misrepresentation” when it inaccurately reported to the Court that it was in compliance with Guam’s Open Government Law (OGL). In reality, GIAA, as the Court held, was not in compliance with the OGL because it had refused to produce to DFS the transcript of the April 26, 2018 executive session of GIAA’s Board of Directors. The Court noted that GIAA “chose to file a misleading compliance report” and its “lack of candor is concerning.” The Court found that “GIAA’s lack of due diligence and candor was a deliberate strategy to avoid compliance with the OGL” and that “[t]he Court will not allow GIAA to act in bad faith and yet achieve its goal of keeping the transcript sealed.”

The OGL was enacted to protect the public’s right to open government and to provide transparency concerning government decision-making. In furtherance of that purpose, DFS requested that GIAA produce the transcript of the April 26, 2018 executive session where GIAA’s Board of Directors discussed in secret GIAA’s agreement with Lotte Duty Free Guam, LLC (Lotte), which resulted in an unnecessary giveaway of several million dollars to Lotte to the substantial detriment of the people of Guam. Continuing its years’ long disregard for the rule of law, GIAA’s previous administration refused to produce that transcript and then falsely represented to the Court that it was in compliance with the OGL.

With new leadership, GIAA has the opportunity to do what is right and correct the mistakes and irresponsible conduct that plagued the last administration. GIAA’s old leadership was intent on protecting the disclosure of its own misconduct. The people of

Guam deserve better and GIAA's new leadership should restore the public trust by acting in the public's interest in a transparent and open manner.

DFS now calls on GIAA's new Management and Board of Directors to produce the April 26, 2018 transcript as required by law—especially following the Court's recent order—and not continue to follow on GIAA's previous unlawful conduct and incur even more attorneys' fees.

Similarly, in the other matter involving the decision-making of GIAA's new Management and Board, DFS calls on GIAA to pay the more than \$2.9 million Judgment, \$650,000 of which is accrued interest, entered against GIAA for GIAA's improper seizing of DFS's money. On May 6, 2016, arbitrators jointly picked by GIAA and DFS determined that GIAA breached one of the contracts governing DFS's duty-free operations at the airport when GIAA seized DFS's funds posted as a bond. The arbitrators ordered GIAA to return the \$1.8 million plus pay DFS's legal fees and 6% annual interest. On December 26, 2018, the Superior Court upheld the arbitration award and on April 3, 2019, it entered a Judgment against GIAA and in favor of DFS. For many years, GIAA has refused to pay DFS what it is owed, which increases by hundreds of dollars per day in interest. GIAA's new leadership has a chance now to respect the Judgment and pay DFS.

Attorney Maurice M. Suh acting for DFS stated: "We are pleased with the Superior Court's decision to hold GIAA and its counsel accountable for its misrepresentation to the Court. DFS believes that the GIAA's new Board of Directors and Management have an opportunity to bring back good and honest government to the people of Guam, and abide by lawful court orders."