

Martin Kao
Honolulu, Hawaii

February 07, 2025

Honorable Leslie E. Kobayashi
United States District Judge
Prince Kuhio Federal Building
District of Hawaii 300 Ala Moana Blvd Honolulu, HI, 96850

Dear Judge Kobayashi:

Thank you for taking time to consider this letter and personal reflection. Each time my sentencing date has been rescheduled, I revisit this letter, and each time I do I feel compelled to substantively change it. Perhaps that is because I am changing. As my faith and my appetite for knowledge have grown, Your Honor has blessed me with the experience to have been able to study justice, ethics, moral conduct, and mindfulness the past months. I humbly thank you for allowing me that opportunity to travel to Cambridge, Massachusetts to learn from some of the best instructors in the world.

As you can imagine, my world and life imploded after my arrest. Yet, I find no sympathetic sorrow or self-pity in my own suffering and trials. I write to you with a sense of hope and optimism for the future because of my faith in God, and because of the influence and support of the strongest person in my life...my wife. Any despondency and despair I feel centers on the innocent lives have destroyed. My wife, two young boys, elderly parents, and in-laws have had their lives turned upside down because of me. I have also, during their time of need, harmed the community that gave me the opportunity as an immigrant to succeed and provide will for myself and my family.

Although I was not incarcerated after being released from FDC, I was also by no means free. I was on house arrest. wearing an ankle monitor for three years and being on home detention and supervision. Maybe it was the prison of my own mind and provisional existence, but I felt I was helpless and could not support my family in any way being in this physically and mentally debilitating state. Despite already being the full-time and primary caregiver to her mother who has acute frontal tempura dementia, my wife now had to do everything for me, our kids, and even my parents. My elderly father with Parkinson's disease and legally blind had to surreptitiously drive to Times SuperMarket in the middle of the night when there were little or no other cars on the road, just so he and my mother could get groceries. I can say that the loss of any physical freedom can never compare to the prison of despair and anguish my family has to suffer because of me. The ignominious shame and stress from my actions and the media coverage forced my wife to pull our two boys from public school.

EXHIBIT "A"

Perhaps it needed to take such a level of crushing for me to go from incipency and apathy to epiphany and contrition. However, my family has done nothing wrong, and I am deeply sorry for the irreparable harm I have caused them. Through their undeserved grace and love for me, I now understand the difference between regret and true repentance. To come to terms with who I really am and what I desire to leave as my legacy.

It was my wife that saved my life, when she moved heaven and earth to find a way and posted my bail. It was my wife that gave me the strength and courage to pick myself up and begin my journey from President and CEO to a dishwasher and cook. She helped to inspire my renewed faith in Christ and her innocence has inspired and allowed me to recognize that true reform and repentance is a complete change of mind, coming from the heart, in going forward with honesty and acceptance of responsibility that comes with the humbling and very public sting of embarrassment and shame in facing public humiliation for the sake of transparency and truth.

Background

I was born in Taipei City, Taiwan, as the second of two siblings. After the Communist regime came to power in 1949 and murdered my paternal great grandparents, my father's family fled to Taiwan—with nothing but the shirts on their backs. My maternal grandfather served in the first Republic of China government in Taiwan. Both my parents overcame many obstacles to earning their college degree in Taiwan where they worked as a math and history public school teacher.

We followed my father's elder sister, our family matriarch, to San Francisco, even though none of us, including my parents, could speak or read English. My family lived above a liquor store in San Francisco's Chinatown, where my mom and dad worked. We then relocated to Sacramento where we shared a small house with eighteen other family members. My parents had a difficult time finding a job in America. My mom got a part time job working in a mailroom (and much later working her way up and retiring with the Department of Justice in the criminal division) and my dad worked as a janitor. We lived a penurious existence like so many immigrants. My most vivid childhood memories include being hospitalized for malnutrition, sleeping on the floor in a small bedroom with my entire family, being tossed into commercial dumpsters as a child to collect cans, and being ridiculed for being different. Different because of my race, my culture, and our abject poverty. I was once deeply embarrassed by my childhood and past, not fitting in as an immigrant and my family's poverty.

Moving to Hawaii

In the Fall of 1991, I moved to Los Angeles to attend the University of Southern California. I enrolled at the Leventhal School of Accounting with dreams of someday starting my own business. In 1995, I graduated with a Bachelor of Science in Accounting then earned my Masters of Business Taxation in 1996.

I then began a career in public accounting. Starting at a large firm as a tax consulting associate. For the following four years, I moved around between the four major accounting

firms Which ultimately by pure serendipity in 2000, landed me the position of a Tax Manager in the Honolulu office, at the same firm where I had my first accounting job.

Family

I met my soulmate in Hawaii. She was born and raised in Honolulu. I became very close to my wife's family. They were my only family in Hawaii at that time. I became especially close to her maternal grandfather and grandmother because we spent a lot of time with them at their apartment in Makiki and then lived with them during the last years of their life. Masaichi, her grandfather, was a role model and inspiration to me. Instead of going to college he served in the army alongside Daniel Inouye in the 442nd. He then served and retired as a Honolulu police officer. Tiffany's maternal grandmother ran a local Japanese restaurant. I remember him saying that after work he would often help my wife's grandmother sweep the floor at the restaurant while talking to other police officers eating there. And I can say with all sincerity that he was the kindest, humblest, and most positive person I have ever met in my life. He passed away around 8 years ago. My wife's maternal grandmother was also amazing. She came to Hawaii on a boat from Japan by herself as a young child with nothing. She has also since passed away.

I was also close to my mother-in-law who was a local public-school teacher. My father-in-law passed away when my wife was in high school. My mother-in-law is now 79 years old and is completely incapacitated with severe frontal temporal dementia. She is completely incapable of caring for herself in any way.

Tiffany was no doubt a "very" local girl. Born and raised, several generations over in Honolulu. And through her I became a "local" and Hawaii felt like home. In our first few years together, we were young, broke, and naive, but it was the happiest time of my life.

Tiffany and I have been married for over 18 years. Together we have two boys, ages 10 and 11. Our elder son has autism and is hearing impaired. I am blessed that my parents moved to Hawaii 7 years ago. I now have the privilege of living with them and helping care for them as they are not at the age where they cannot fully care for themselves. My father is close to 90 and can no longer take care of himself. He suffers from Parkinson's disease and heart related issues.

Work

My career in public accounting in Hawaii centered on the research and development (R&D) tax credits and benefits under Act 221 for local companies. I became an expert in the highly technical and complex process that helped dozens of Hawaii companies claim and receive millions of dollars in tax refunds. Including Navatek, which received the largest refund from the State. And it was this that endeared me to the CEO and owner of the company. And in 2008, he hired me as the Chief Financial Officer of Navatek.

I was only 33 years old, and I was paid a lot of money to do the bidding of the then CEO. Clearly, I know now...other than a professional athlete...NO person with any ethics or good intentions pays that kind of money to a 33-year-old. I was highly compensated and ambivalent, so I did whatever was asked and did it with passion and vigor. The CEO was despotic and tyrannical and ruled the company with an iron fist. And I became his apprentice. I can now look back and thank God for the wakeup call, for one becomes like the master he serves.

Politics and Government Contracts

It was through working at Navatek that I was introduced to all the pluralities and modalities of government and politics in Washington DC and Hawaii. I have very strong opinions about my experiences and can now look back and clearly recognize the political corruption, abuse of power, and the arcane business of purchasing influence and earmarks. I was fooled and foolish enough to believe that the power elected officials wielded, and actively willing to sell to anyone wealthy enough to pay, was an acceptable means of conduct, behavior and "smart business." I was very wrong and am deeply sorry.

I am deeply ashamed of my conduct surrounding politics, politicians, the legislative process, and its influence in the decisions I made because of my bankrupt morality regarding how my company applied for the PPP loan.

Personal Reflections in Introspections - What's Next?

In July 2022 I started working again. For just over two years, I worked as a dishwasher for \$13.00/hour and a cook earning \$18.50/hour. I enjoyed working as a cook. It seemed to ground me again and helped my mental health. The process of being prosecuted took a heavy toll on my mind. I believed that I was a worthless criminal and scum of the earth. Oddly, I found great comfort in cooking for others. It was in that process that I felt that I was doing something positive again. I was doing something that others appreciated and enjoyed.

Most importantly, were my lessons in compassion. Truth be told, it certainly was not immediate, but in the course of my working at the restaurant, I developed the deepest and highest respect for the people I worked with in the kitchen. I was truly inspired by their sincerity, humility, resilience and acceptance of life however challenging and seemingly unfair. I remain in contact and friends with many of them.

More recently, I started pursuing culinary courses at Kapiolani Community College (Culinary Institute of the Pacific) and a Masters of Business Management at Harvard University. As a life learner, I once again began to crave knowledge and mental stimulation. There have been a lot of chicken and egg moments with this process, given the uncertainty of my fate (e.g., shifting sentencing dates and my ultimate sentence). Yet in the time I have been at KCC and Harvard, I have developed many new relationships and friendships.

What's next? It is difficult for me to look forward with any sense of linearity. I write to you as someone pending incarceration, as someone who has been in quiet despair for almost 5 years, hollow days and the uncertainty that has hung over me almost every day, I wake up each morning to anxious thoughts and nightmares reminding me of my past and past mistakes. For almost two years after my arrest, I lived a "provisional existence" in depression and despair. Life had no meaning—like I was just going through the motions, as though waiting for life to begin again once this was all over with. I had given up on life while still breathing.

But then I found my "why" and my faith. Provisional existence means I was just waiting for "real life" to come and start the day when I was again a free man and left this all behind.

When I was able to find my "why" looking at my wife and two children and find hope in God, I knew that I could not just wait, numb, detached—and let days slip away without truly seeing or understanding the power of my own choices, even within my mental prison. I literally had to save my own mind and life. And it started by becoming a dishwasher. Life doesn't stop just because I was arrested. Life is still unfolding, even in small, seemingly insignificant moments like mopping the floor and scrubbing toilets. Washing one pot, mopping one floor, showing respect and kindness to one person...one step by one step, each choice I make - how I treat another person, how I find meaning in my circumstances, how of trust God—those are the choices that define me, no matter my past or where I go.

I may not have control over my past or even my fate before this Court, but I do have control over one thing: my response. In the depths of my despair, in the cold silence of my mind, I am able to find faith and meaning. Maybe it's in God's grace and the strength he provides in my weakness, even I want to give up. Maybe it's in the moments of true repentance and humility, and the kindness I offer to others. Or my newfound friends at the restaurant and in school, reminding me that I am not alone in this. Perhaps it's in the small, quiet ways I grow—praying, reading, thinking, learning, looking at my wife and my children—things that remind me of my "why" and that I am still human.

I truly believe that when I finally stopped living in a provisional existence—I stopped waiting for life to happen, and begin to live with purpose and intention, even now – facing incarceration—I am free in a way that no sentence can ever imprison.

In my darkest moments of despair and depression over my circumstances, I turn to God and my family. I also often think of my coworkers and friends at the restaurant. And their resilience inspires me. I have many aspirations and ideas towards starting a company focused on providing jobs and opportunities for the disadvantaged and prejudiced in Hawaii and our society.

I experienced firsthand how the food industry and a restaurant can provide opportunities for those that are rejected by society (me included) because of the social and economic prejudices and syllogisms of being a felon, addict, immigrant, uneducated, elderly, homeless, etc. I believe that with technology and compassionate employment policies, the food and food service industry can be revolutionized. Our mission will be the development of human capital, focused on employment and creating jobs, housing, dignity, and hope for anyone that is sincere and needs help.

Maybe needless to say, my plans are all ephemeral in the face of incarceration. However, God has always opened the most impossible of doors for me and maybe this is one more. Each day I learn to lean on God's strength and find contentment in the gift of my life. I have very different goals for my life now. I now strive for a fruitful life of significance and not a life in pursuit of worldly financial or society's ideologies of success.

The most painful part of being incarcerated has far less to do with me than the people who I love. Those that will suffer the most will be my wife, who will not have a husband and companion; my young boys, who will not have a father during their most important years growing up; and my elderly parents, who will not have a son to take care of them in their last years.

Sincerely and respectfully,

Martin Kao

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