



**HOU 1778 HAWAIIANS**

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**OFFICE OF THE CHIEF**

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To: Bureau of Indian Affairs, United States Department of the Interior: Elizabeth K. Appel, Director, Office of Regulatory Affairs & Collaborative Action – via email and postal service mail to: U.S. Department of the Interior, 1849 C St. NW, Mail Stop 3642-MIB, Washington, DC 20240

Certified No\_\_\_\_\_

Re: Hou 1778 Hawaiians Band of native Hawaiians of the Blood, Comments – DOI/BIA ANPRM: Traders with Indians, Regulations (25 CFR Part 140)

1 - Introduction. The Hou's comments include: Commenting on criminal trader activity resulting from state control of "regulating" Indian trader commerce on native Hawaiian lands; BIA and DoJ negligence following Hou's 1980 legal action seeking to control state corruption of federal self determination policy involving Indian commerce and trader commerce on native Hawaiian trust lands; Hou recommendations as to how to ensure the right rules and regulations are connected to the Hou and the rest of the native Hawaiians, rather than wasting resources on working at forcing the state to administer rules regulating Indian trade on native Hawaiian lands, collective and individual native Hawaiian lands,

when the state's policy, Assimilation, is incompatible with any state federal compound administration of any and all native Hawaiian lands used for mercantilism, including via traders so licensed; A brief summary of the Hou's experience in the partial absence of inherent federal protection of its own Indian trading activity; Hou's direct comments to the ANPRM's 1-7 inquiries.

**2 – Hawaii's criminal trader activity.** With respect to who trades on Indian land and how the regulations can better promote tribal self determination regulating trade on Indian lands, the Hou has direct experience that informs the Hou's comments. The Hou also can relay to the BIA how the state's side of a state federal compound control (with the federal component dysfunctional), instead of a tribe federal control of regulating administering our trust lands, is an open invitation to criminal activity. The Hou is a federally recognized band (tribe) not on the List, formally, based on a mistake in applying rules, as already briefed to the BIA. Not normalizing the Hou and all native Hawaiians of the blood compounds past mistakes.

3 - As noted in these comments and detailed elsewhere, absolute control of mercantile activity by the state of Hawaii, including trader activity of the Hou tribal band of native Hawaiian's land use for commerce pursuant to Hou Indian trader land use authorized by Indian 638 grants to the Hou, has a criminal dimension. Hawaii is in commercial conflict with the shared interests of the Hou and the BIA in the well being of native Hawaiians of the blood, as standard federal Indian land use policy. The point being that as Hawaii controls Hou land use so it is never productive of revenue, so does the state control all native Hawaiian land use so it is never productive of revenue benefiting any native Hawaiian directly despite it was the intent of Congress in 1920. This is due to absolute control of land use by Hawaii in administering trust lands according to the outdated policies of Assimilation and Termination. This renders self determination as a threat to Hawaii's absolute control. Heretofore, the BIA has been fooled or intimidated by Hawaii and guided to the wrong track when it comes to fixing the situation properly.

4 – A proper fix is when the BIA fixes this by protecting Hou land use from takings, land use by native Hawaiians overall, not just the Hou. This supports economic equilibrium because the Hou has a Business Plan that fixes the economic marginalization that results from Hawaii's takings pursuant to Hawaii's replacement of federal self determination policy with its own assimilation policy, with, of course, that policy's concomitant preference for land use by the state's majority population of settlers descended from indentured laborers arriving during the Colonial period from Asia.

5 - And along with that state control comes insider corrupt practices that end up being subject to federal correction through law enforcement after the fact. Correction after the fact, rather than in a way that mostly precludes the state's template in which insiders pull strings to milk native Hawaiian land use for self enrichment, ending this should result from adjusting the regulations involved in this ANPRM.

6 - Any and all trader revenue, even when it is not a corrupt endeavor, inures to the financial benefit of the state and never directly to the financial benefit of any native Hawaiian, except should the native Hawaiian participate as a citizen of Hawaii. Or, said another way, as an assimilated native Hawaiian – a white Native Hawaiian, a Chinese Native Hawaiian, a Japanese Native Hawaiian (note the capital "N"). Of course, these are silly definitions, especially when there is in fact a native Hawaiian native Hawaiian, such as found in those enrolled in the Hou 1778 Hawaiians tribal band, led by its hereditary Chief, Maui Loa.

7 - This leads to abject poverty and political powerlessness for the nearest kinship group, native Hawaiians, actual original owners of the very land that produces wealth for those doing the obstructing. Actual owners when viewed through standard federal Indian land policy and law of even the lands owned in royal patent composing the so-called royal trust lands, that was taken by a made up King using gunpowder supplied by British soldiers of fortune. The same group of settlers trying to restore their absolute power, being temporarily held for them by the state, by using a made up new constitution that "restores" that kingdom

using federal tribal recognition process said to be under the control of the BIA, as Part 83 OFA regulations. Nonsense.

**8 – BIA and DOJ Negligence.** It is a reasonable inference to make that the BIA has been exposed, at least since 1980, to contributory negligence insofar as, having the power to prevent taking, by local government, of native Hawaiian land so used, it arbitrarily chooses not to exercise that power in a meaningful lawful way.

8 - To illustrate this point, a recent federal indictment and conviction of Hawaii's version of an Indian Trader (Al Hee, Sandwich Islands Communications, Encl. 1,2,3,4) for criminal activity involving native Hawaiian trust land illustrates what is in fact a universal contempt for the standard Native American franchise on the part of Hawaii state government insiders.

9 - This leads to the inescapable conclusion that the BIA possesses inherent power to assert direct federal jurisdiction with respect to Hou land use for Indian trader commerce (and thus all self determined native Hawaiian land use for commerce), wherein the native Hawaiian is not assimilated into the Hawaii citizenry, but knuckles under to politically motivated excuses to only halfheartedly express it effectively. This has to change without further legal action initiated by the Hou as there is no sufficient reason for it not to change, unless the BIA can show a sufficient reason, which it cannot.

10 - The BIA's passivity in relation to the DOI's response (Rule 50) to Hawaii's overall attitude in relation to Title 25 protection in application to land use in general, in effect marginalizes the BIA's existing obligation to administer federal programs for native Hawaiians, which includes Hou land use protection by the BIA/DOI against takings when used for Indian trading by the Hou and by others the Hou rents or leases commercial space to.

**11 – Hou Recommendations.** It is impossible to solidify a deeply and permanently fragmented community except through new revenue shared amongst the factions as the unifying thread. The only viable method to generate new revenue is found in fixing the very failure of the BIA to appropriately use its

existing inherent power in a state where hostility to it has been so deeply embedded for so long that it is now an entrenched substitute system.

12 - Rule 50 is perceived subjectively by Hawaii's system as a method to federalize the substitute system. This is ridiculous on its face.

13 - As to adjustment by a court, it exceeds the limitations of a federal court to amend Hawaii's substitute system by correcting it according to the full federal Native American template, using Constitutional adjustments resulting from further review of the system in terms of Constitutional law.

14 - A Supreme Court is hesitant to employ the Constitution as a remedy to such deeply embedded unconstitutional systems when such a system is a state's very system itself, as a substitute system for the federal Indian land use system template. The Supreme Court would be reduced to an advisory capacity. There is another viable way to address the situation productively without the factions continuing to fight it out. The Hou's plan is that solution. The only solution outside of another lengthy breach of trust litigation. Hawaii and Hawaii's Hawaiians or Native Hawaiians, are not going to sue the United States for breach of trust but the situation is such that surely the Hou as leader will sue the United States for breach of trust, again, this time leading a class action, should the BIA not adjust the situation to address its own negligence directly causing the lingering abject landlessness and poverty of the Hou and the rest of the singled out native Hawaiians of the Blood.

15 - Suggesting otherwise perpetuates the existing assimilation scheme's structure by promising, or pretending to promise, to convert it to a federal structure, which would then presumably morph into a constitutional scheme. There is no evidence to suggest this is a reasonable therefore viable assumption to make.

16 - The BIA has an existing obligation to administer federal programs for native Hawaiians. That the state is deemed to also have an obligation to administer federal programs for native Hawaiians is not a barrier to the BIA properly administering native Hawaiian land use so it is not taken by local government

because of that usage by imposing taxes as fines based on that use being deemed illegal by the state.

17 - It would seem apparent that the Hou proved the BIA is directly responsible for administering federal programs in Hawaii no matter what the state may or may not do in administering native Hawaiian programs also, when the Hou previously sued the United States DoJ in 1980 and an agreement resulting from that action as articulated by Secretary of the Interior Cecil Andrus stated the BIA is so responsible.

18 - The BIA defers to the state in this respect even though the state permits criminal activity by traders despite there is no actual reason for this arrangement to take precedence, especially because it has damaged and is continuing to damage those the BIA has a pre-existing relationship with by favoring those it might eventually have a relationship with, according to the state's view of Rule 50. This is identical on a federal level to the faulty reasoning of the state when local government says in taking the Hou's land "your chances for an Indian land use defense would be better had the Akaka bill passed". Going around in circles is not the solution. Neither is a solution incipient in a Supreme Court ruling, pursuant to the Indian Commerce Clause and Equal Protection that would reverse Congress giving title of native Hawaiian tribal land and royal Hawaiian lands to the state, when there are other applications of these Constitutional rights that float all canoes to the same effect, in terms of production of new revenues and distribution of it, derived from the same tribal native Hawaiian lands and royal Hawaiian lands, through the BIA's involvement in producing new revenues via Indian Trader usage leases as applied by native Hawaiians and as supported by the BIA, directly, without any other involvement by the state in administration, or maladministration, more properly stated.

19 - There is no good explanation as to why the BIA fails to protect the Hou's land use (and all similar native Hawaiian land use) from taking by Hawaii based on the Hou's land use connected to Indian 638 grants. Giving an Indian grant but failing to protect the land use that flows from it from local government taking is a

flawed, halfhearted expression of inherent BIA power. A DC federal court might view it as negligent despite that the takers, local government, view the land as unprotected least such protection interfere with its own assimilation scheme. Nothing could shed more light on the dispute between state power and federal power than this disconnect. The value of the Hou's role in it has been to shine a light on it so it can be viewed clearly, without being fogged by confusing rhetoric generated by opportunists advancing agendas of their own. It is hard to believe a federal agency as experienced as the BIA might be so gullible as to act as though Hawaii has any kind of credibility in this dispute.

20 - Ironically, land use by the Hou as an Indian trading post, funded partially by federal grants given only to Indians, as authorized and intended by congress, is cited as the reason for taking by Hawaii. At the same time, Indian trader activity that is permitted and encouraged by the state is criminal.

21 - In reality, given past performance and politics, the chances of the BIA putting a stop to criminal activity, abuse and fraud by the state's royal Hawaiian insiders is zero. Likewise, chances for a complete overhaul of the institutionalized substitute system Hawaii has fabricated over the decades is zero.

22 - The path of least resistance to address the matter is to start a new, parallel land use initiative for commerce by native traders and licensed traders that runs on a track alongside the existing corrupt state insider system and feeds a share of revenue to it from new revenue. New revenue the new, federally protected parallel Indian trader system generates with direct federal jurisdiction protecting the lands used to produce the new revenue. The only way this new system will escape control by Hawaii's omnipresent system is through the BIA adjusting its activity to conform with the recommendations in these comments of the Hou.

These adjustments and the Hou's Business Plan go hand in hand.

23 - Before commenting on inquiries 1 through 7 of the ANPRM, a brief history of how this came into being:

24 - **Brief Summary of Hou's Experience.** In 1959, Congress appeared to use language open to interpretation through Verbalism, that has been interpreted as

authority for Hawaii to assimilate native Hawaiians socially but not economically into the broader citizenry of the state of Hawaii. Assimilation is not the current Indian policy of the federal government of the United States. Indian Self Determination is the prevailing, contemporary, lawful Indian policy of the United States. Hawaii is an opportunity to bypass damages produced by lingering fragments of the Dawes Policy just as Akiachak overrode in Alaska similar lingering fragments of that outdated policy.

25 - When Congress gave title to the island chain's public lands to Hawaii state government, that is, control of occupation and usage of lands owned by native Hawaiians in 1778, it did so with the condition that whereas Hawaii might wrongly administer these lands, suit would be brought for breach of trust by the United States. An empty threat and essentially, a useless threat.

26 - Instead of bringing a vacuous legal action, the best course of action is to simply make an end run around maladministration by the state through applying federal power so it is in the hands in far away Hawaii of those who have no interest in misusing it, as Indians of the lands becoming the lands of the territories and states of the United States. The empty threat that Royal Hawaiians, on their part, might secede from the United States and "restore" the kingdom that the federal government's agents allegedly "overthrew" is part of the state's scheme to prevent normalization of native Hawaiian land use from actually happening because the state enjoys the rewards of fully controlling native Hawaiian land while assimilating the native Hawaiian at the same time – a perfect world from their Asian settler point of view.

27 - In the Hou's 1980 legal action, the cause of action was the governor of Hawaii was wheeling and dealing in native Hawaiian reservation land in development deals favoring cronies. That is fundamental to the then Secretary of Interior instructing that governor that the BIA is in charge of federal native Hawaiian programs. Ironically, the Japanese economic bubble burst and that governor was exposed in his own share of investments he sold to Japanese banks involving developing those taken native Hawaiian lands.

28 - Hawaii's Japanese American governor, elected via bloc voting by Hawaii's Americans of Japanese Ancestry, did not grow up in the same way Americans of European Ancestry did, absorbing the American Frontier story. In Japanese culture, there are no cowboys and Indians battling over land on the Western frontier of the expanding nation. They depended on Senator Inouye to control any contrary tendency arising back East, in Washington and he did a good job of playing the Washington power game. But now he has walked on.

29 - Hawaii state government insider corruption in managing our trust lands is the standard found, not the federal standard as administered and enforced directly by the BIA for the federal government. State administration is an open invitation to boiler plate Hawaii state government insider corruption. The temptation of free land floating in a perceived legal vacuum produced by federal negligence pumping wealth simply by applying local government power is a temptation too powerful to resist. Administration by local government for the benefit of native Hawaiians is secondary, if even a consideration, as the facts demonstrate.

30 - Only direct federal jurisdiction protecting land use for traders, both native Hawaiian traders and licensed traders, prevents corruption as Hawaii state government insider schemes and corruption are inseparable and not only not productive of useful new revenue.

31 - The Hou would gladly adopt and accept revised Indian Trader regulations provided the Hou is backed up by the BIA with full and direct protection against takings by Hawaii consisting of full and direct federal jurisdiction over Hou land used by traders. To be clear, the Hou is not advocating for what the state in its aberrant administration of trust lands does or might do in relation to revised rules. The Hou is saying that is not relevant.

32 - The Hou is saying only that it expects the BIA to protect the Hou's own land being used by Hou traders and those the Hou selects, using the new rules, to site as traders on native Hawaiian land: Land of the Hou; land of individual enrollees of the Hou; land of any native Hawaiian connected to it through either ancestral

ties dating to 1778 or through its trust status resulting from a process Congress went through in the run up to the 1920 statute that set up federal reservations for us; any public land controlled by the state that formerly was native Hawaiian land, either in 1778 or after 1778 through the British style royal land system ownership process.

33 - Or put another way, any land identifiable as previously native Hawaiian land but now owned by a variety of owners as a result of settlement and colonialism, is redeemable as to productivity of new revenue for the benefit of native Hawaiians composing the nearest kinship group, through direct federal protection of it by the BIA controlling the leasing process for the benefit of the Hou, as the agency of that productivity, through leasing, not through reverting the title back to the original owners.

34 - There are several instruments with which to facilitate such leasing. One of these is found in the Hawaiian Homes Commission Act in providing that trust lands can be leased to the United States for use as federal reservations. The HEARTH Act is another instrument. Revision of Indian Trader regulations is another possible instrument. There is no sufficient reason these methods should not be active in producing new revenues to fill the vacuum left by the United States remaining passive while Hawaii looted the native Hawaiian birthright.

35 - Some of these lands might be leased from the state in the state's role as alleged administrator of the native Hawaiian trust lands and some lands included in the public lands the state owns and administers pursuant to the Hawaii Admission Act might be leased by the Hou for trading purposes. Only wherein such specifically used Hou lands receive unequivocal direct federal jurisdiction, with its protection by the BIA, will such lands be able to escape state taking. Hawaii takes through boiler plate settler plunder and looting or Hawaii takes native Hawaiian land using taxes so it never produces the revenue Congress intended for us.

36 - Takings utilize taxation as the leverage to take through local government making up a story that there is absolutely no federal protection of any type and

so taxes attached as fines into the millions of dollars to Hou land used for Indian trading commerce is takeable based on unpaid taxes. This is a bizarre, distorted iteration of the dual taxation system the ANPRM aspires to adjust according to contemporary reality.

37 - When BIA/DOI agencies granted federal funding to the Hou, this was one half of a two part process. The second half of the grant process, although tardy in being executed, due to obstruction and confusion, may now occur. The BIA and the DOJ and the DOI failed to protect the land use of the Hou connected to these grants, thus contributing to the capacity and ability of local government to take the very lands otherwise producing Indian trader revenues for the Hou in accord with the intent of Congress.

38 - In this way was there contributory negligence. To prevent being sued for this negligence in DC federal district court, the BIA must complete the process by providing the other half of the equation, and that is, direct federal jurisdiction protection unequivocally for Hou land used for Indian trader commerce (and for all native Hawaiian and Hawaiian land leased by native Hawaiians for Indian Trader usage).

39 - The BIA need only utilize an Opinion by the Solicitor of the DOI that deems the law as it exists authorizes the following, or some acceptable version of the following according to the wealth of knowledge gained through experience possessed by the institutional BIA, without limitation:

40 - Deem all native Hawaiians of the Blood, as recognized in the 1920 Hawaiian Homes Commission Act, are members of a federally recognized tribe, as per this act of congress, and as such eligible for contemporary federal Indian policy, which includes Self Determination, and that the Hou 1778 Hawaiians and its traditional leadership and its enrollment, which is restricted to native Hawaiians, is a Band of said tribe; known for historically advocating for the rectification of wrongs imposed on the whole tribe as imposed on the Hou.

41 - Deem that this tribe's omission from the List<sup>1</sup> is a technical bureaucratic

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<sup>1</sup> 43 CFR Part 50, Rule 50: *Procedures for Reestablishing a Formal Government-to-Government*

mistake. That the enrollment is eligible for federal Indian grants, directly, and has been since 1920, even while Hawaii, the state, obtained grants from Congress for itself in the name of some variation in Verbalism of either native Hawaiians, Native Hawaiians or Hawaiians, to cover the state's own assimilation expenses.

42 - Deem there is no regulation or law preventing leasing of original native Hawaiian land now owned by anyone else so that such a lease includes direct federal protection from local government zoning and permitting regulation and alienation by anyone besides the United States, whether by using fines attached as a tax, or any other method. That state involvement in administering native Hawaiian land did not eliminate federal administration, even while state administration reverted to an outdated and superseded Federal Indian land policy, namely Assimilation. That native Hawaiian land receives trust land status as Land in Trust through leasing regardless of title, for the duration of such a lease, which could be a lease purchase type of lease, as appropriate.

43 - Said governmental corruption, fraud and abuse extends to abusing land use by the individual native Hawaiian when using aboriginal land for Indian commerce.

44 - In 1980 in DC Federal District court, at great expense, the Hou sued the US DoJ seeking to force the DOJ to make good on the intent of Congress to sue the state of Hawaii for breach of trust. The cause of action was that Hawaii was taking actions consistent with its unlawful view of the native Hawaiian in taking reserved native Hawaiian lands without due process. Secretary of the Interior Cecil Andrus reached an agreement with Hawaii that supported the Hou's claim against Hawaii involving breach of trust as follows. The agreement was ignored by local government in Hawaii and not adequately enforced by the BIA/DOI subsequently:  
(45)

"The Office of Assistant Secretary, Indian Affairs, will coordinate the

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*Relationship with the Native Hawaiian Community:* Page 4: "It is important to note that a special political and trust relationship may continue to exist without even a formal government-to-government relationship". Page 31, Authority: "...the language of the List Act's definition of the term "Indian tribe" is broad and encompasses the Native Hawaiian community. See 25 U.S.C. 479A(2)".

performance of the administrative responsibilities of the Interior in relation to the program. The principal objectives of the HHCA are to place native Hawaiians on the land, to prevent alienation of the leasehold, to provide adequate amounts of water for all tracts, and to aid native Hawaiians to get farming operations well underway. The HHCA...seeks to provide rehabilitation, initiative and self-sufficiency to native peoples by putting them back on part of the land which they had lost when their traditional landholding systems were replaced by the public land laws. In 1972 the Attorney General of Hawaii held that HHCA lands needed for the purposes of the Act are not subject to county zoning requirements."

46 - Larry Roberts is the latest in a line of DOI/BIA federal government officials to mostly ignore this in favor of the same bias for assimilation and against self determination Hawaii possesses as its primary bias when it comes to the Hou tribal band and the rest of the native Hawaiians singled out as eligible to occupy public lands set aside as federal native Hawaiian Indian tribal reservations and who are entitled to all forms of federal superintendence of their land use.

47 - The alleged legal codification of this bias is found in two laws congress enacted to codify it into law. The Hawaii Admission Act of 1959. Public Law 93-644, the Native American Programs Act. .

48 - *Rice v Cayetano*, US Supreme Court Precedent: The state "administers programs designed for the benefit of two subclasses of the Hawaiian citizenry. The smaller class comprises those designated as "native Hawaiians." defined by statute...as descendants of not less than one-half part of the races inhabiting the Hawaiian Islands prior to 1778. The second, larger class of persons...is "Hawaiians," defined to be...those persons who are descendants of people inhabiting the Hawaiian islands in 1778." The court held that ancestry, that is to say, descendants, can be and is a proxy for race and it is that proxy here.

49 - *Hawaii Admission Act* (HAA) Section 5(f) - "according to the laws and constitution said state may provide" has turned out to be unconstitutional as shown specifically but not exclusively by *Rice v Cayetano* (98-818) 528 U.S. 495 146 F.3d 1075 (2000). Plaintiff suggests Constitutional language is "according to the laws and constitution of the United States".

PL 93-644 (*Native American Programs Act*) – This definition has turned out to be unconstitutional as shown specifically but not exclusively by *Rice v Cayetano* (98-818) 528 U.S. 495 146 F.3d 1075 (2000) “Ancestry can be a proxy for race. It is that proxy here.”: ‘Native Hawaiian’ means any individual any of whose ancestors were natives of the area which consists of the Hawaiian Islands prior to 1778.” (found at: 88 Stat. 2327). Plaintiff suggests use of the 1920 50-100% definition in place of the changed definition is not offensive to the constitution, without further congressional action or executive branch action.

#### **49 - Should the Federal government address trade occurring in Indian Country through an updated 25 CFR Part 140, and why?**

Hou comment: Yes, BIA should address trade occurring in Indian Country through an updated 25 CFR. Why? From our view point, in the absence of BIA regulation, Hawaii permits insider opportunists to exploit the vacuum while using our commerce as an excuse to take our lands through imposing fines as taxes in amounts so astronomical no native could ever pay them, even if he were legally obligated to do so. When we ask for protection from the DOI, we are ignored because the DOI defers to the Hawaii congressional delegation, primarily. When we ask local federal courts to protect us from the state, we are dismissed. Our only success has been in DC federal district court. Alaska and Hawaii were allegedly exempted from the standard BIA control over Indian commerce by two clever but crooked politicians, Senator Inouye and Senator Stevens. Both have walked on. One was indicted the other was long overdue for being indicted. Inouye set the tone for exploitation by crooked insiders in Hawaii by it being well known he was corrupt. Everyone knew who his bag man was.

#### **50 - Are there certain components of the existing rule that should be kept, and if so, why?** The idea of the existing rule is not too different from the idea that our land cannot be alienated by anyone but the federal government. As seen over and over in Hawaii, at least, those who insinuate themselves on to our

land are in position to work schemes to loot our resources. All components of the rule arise in this concept so are arms of it necessary to support it. The definition of "goods" needs revision through updating. In our case, since the vast majority of our schemers are from Asia, prohibiting trading in traditional Chinese medicine's goods needs to be added, specifically. Because traditional Chinese medicine involves animals, traders in endangered wildlife proliferate wherever there are Chinese. Therefore the traditional Chinese wildlife trade must be banned from trading on our lands. The kinds of drugs those who exploit us trade in needs to be upgraded. Containers from Burma packed with meth (batu) being transshipped through Hawaii escaped inspection due to insider political corruption wherein unions otherwise charged with inspection of shipping containers were instructed to not do so by the politicians running Hawaii, another form of looting. The drugs are sold to our people who become addicted. Growing pot is a major enterprise in Hawaii. We are not involved in the production of it but we are used as consumers of it by the gangsters who control it while corrupt law enforcement permits it to flourish.

**51 - How do revisions to the existing rule ensure that persons who conduct trade are reputable and that there are mechanisms in place to address traders who violate Federal or Tribal law?**

In Hawaii, it is local custom to exploit native Hawaiian land so banning the disreputable can only be accomplished by restricting trading to us, the actual native Hawaiian, and ensuring that any license is approved by the BIA with our added approval and consent. We native Hawaiians are far less likely to violate federal law or our own traditional customs than descendants who are empowered by the state to exploit lax enforcement of federal laws. At present it is said there is compound administration of our lands but that is not the way it really is. The state runs the show completely. Changing this so the compound administration is us and the BIA eliminates the state continuing to harm us and embarrass the BIA by making a mockery of federal policy. Clearly and pointedly informing the state it

will not control commerce on Hou land sends the message that even though the state controls trading at present, this is going to eventually change completely, with any and all control of trading by the state reverting to native Hawaiian control, with the Hou's own control being the model through the Chief of the Hou being appointed by the BIA as its delegate in charge in Hawaii of Indian Trader licensing and regulation for the BIA on an interim basis during the change from a compound state federal control to a compound native Hawaiian BIA control. The existing state system of assimilation can continue unchanged as long as a new system is set up that runs along a parallel but independent track that the revised regulations authorize.

**52 - How do Tribes currently regulate trade in Indian Country, and how might revisions to 25 CFR part 140 help trade in Indian Country?**

We do not regulate trade at all. Our own trade on our lands is used as an excuse by Hawaii to take our land using taxes. There are by their own count close to a million descendants who expect to control our trade to their own self inurement based on that the view they have is fostered by BIA neglect of its duties and responsibilities. Meanwhile, when we manage to get a federal grant, local government uses it as an excuse to take the land we are trading on. At the same time, Senator Inouye schemed it so Native American grants go to the state's insider descendants. And when the Supreme Court reviewed that scheme, they simply started to try to convert themselves into a new tribe's government so they could continue to exploit the dysfunctions of regulations and laws, making up a new intent of congress based on the Inouye model of manipulation. Inouye was the great trader. He traded favors in Indian Country for the right to oppress us on our own land without any objection arising in Indian Country, including at the BIA.

**53 - What type of trade should be regulated and what types of traders should be subject to regulation?** See above our pointing out specifically trade in wildlife involved in traditional Chinese medicine and updating trading in drugs.

Sandwich Island Communications involved trading in phone and internet service. The Hawaiian Homes Commission Act lays out many types of commerce congress wanted in 1920 to see flourish on our reserved lands. None of it has happened because the state blocks it all. The Hou made a record in the Courts that documents this. The BIA basically ignored our plight with a couple of exceptions. So there is something systemic in the DOI's and the BIA's neglect of our situation. Adjusting the rules in an opportunity to correct that dysfunction. Naming Maui Loa as interim BIA representative in Hawaii for Indian 638 grants and all trader licensing serves the purpose of filling the void when it comes to BIA presence in the 50<sup>th</sup> state, a void filled by Hawaii's looters, until such time as a more permanent arrangement is implemented. The Office of (Native) Hawaiian Relations is an arm of the state in DC. Another arm of the state in DC is the DC Office of Hawaiian Affairs. In Maui Loa v Ray Soon in Hawaii federal district court, as relief there is a list of recommendations made by the Hou concerning this lopsided situation.

**54 - How might revisions to the regulations promote economic visibility and sustainability in Indian Country?** There is a complete lack of knowledge about the economics of Indian Country apparent in the BIA. Each attempt to effect economic policy really ends up being what any BIA official thinks personally about the situation. There is no real objective knowledge about economic equilibrium and how it manifests through regulation. Hawaii is the opportunity for the BIA to start down the economic equilibrium track for the first time. What is Economic Equilibrium and how does it work? This is knowledge that was not available to congress or the BIA back when the rules were written. It is knowledge that is readily available today. The Hou is ready to demonstrate how this works as the BIA's model for the rest of Indian Country. Having a working relationship with the Hou's economic advisers adds to the BIA's own power to effect this innovation. Marginalizing the Hou and the rest of the native Hawaiian by deferring to insider political hacks in Hawaii to administer our economy

involving traders just continues to doom us to abject poverty. The economic disequilibrium of Hawaii's historically damaged status quo society can reach economic equilibrium through actions of the BIA as described by plaintiff. When this happens, this is the point at which conflicts get resolved. Self management of world economy level commerce involving traders is what the BIA must empower and protect, starting now, with the Hou, as this is the prime opportunity, with Inouye gone and a non politician in the White House who understands trading as an element in economic equilibrium in Indian Country.

**55 - What services do Tribes currently provide to individuals or entities doing business in Indian Country and what role do tax revenues play in providing such services?** Hawaii has come up with a hundred ways to deny the Indian is not taxable and we are not going to play Hawaii's obfuscation game by repeating any of them here. Capitalizing on our abject poverty, caused by being landless and completely under the control of our Colonial masters from Asia, local government taxes our property including adding fines to our property tax bills and uses unpaid taxes to take our land. Meanwhile, they take our driving licenses, adding to our inability to survive and putting us at risk for jailing or even more taxes in the form of fines. There is a clear record of Hawaii's double abuse: abuse of us and abuse of federal Indian policy. The Hou has done the BIA's work for it all these decades. Now it's time, at last, for the BIA to FULLY enforce the protections for us it has neglected to enforce for far too long. So stop making excuses by beginning to separate us from Hawaii. The BIA has no duty or obligation to the state that outweighs the BIA's duties and responsibilities to us, other than being manipulated by Senator Inouye into thinking otherwise, wrongly.

**56 - Conclusion.** Study of the history of civilizations shows that a new element introduced into a status quo society is generally good for it when the element is helpful through being integrated with the economy of the society. When survivors of a destroyed culture integrate the cultural debris they find themselves in and develop something new, they become positive change agents for a static status

quo. The economic disequilibrium of Hawaii's status quo society can reach economic equilibrium through the actions of the BIA described in these comments, and elsewhere. When this happens, this is the point at which conflicts get resolved.

Respectfully Submitted,

MAUI LOA  
Hereditary Chief Hou 1778 Hawaiians

Enclosures

- 1 – Businessman Hee guilty on all counts in tax fraud case
- 2 – Corruption: Al Hee indicted on 13 counts...
- 3 – Politicians benefit from Hee's exorbitant spending
- 4 – Laundered money from drugs that go through Hawaii helps keep Burma's junta in power

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## **Businessman Hee guilty on all counts in tax fraud case**

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A federal jury has found a Honolulu businessman guilty of tax fraud for using his company to pay more than \$2 million in personal expenses.

The verdict against Albert S.N. Hee came back Monday afternoon on the second day of deliberations.

Hee was found guilty of interfering with the Internal Revenue Service and six counts of filing false tax returns.

Assistant U.S. Attorney Lawrence Tong told the jurors Thursday that Hee directed his company to pay his personal expenses and deduct the payments as business expenses by providing false information to company accountants.

Tong said the personal expenses include more than \$1.67 million Hee directed Waimana to pay his wife and children in salaries and benefits even though they did no work for the company; more than \$700,000 in college tuition payments for his three children that Hee continues to declare are legitimate company educational expenses; more than \$146,000 in credit card payments and cash withdrawals that Hee says were for legitimate company travel expenses; and \$96,000 for twice-weekly two-hour massages, which he told company accountants were for health consultant services.

“The defendant used his company as if it was his own checkbook,” Tong said.

The 61-year-old Honolulu businessman is on trial in U.S. District Court on charges that he had his company, Waimana Enterprises, Inc., pay more than \$2 million of his personal expenses between 2002 and 2012, which the company deducted as business expenses, and then filed false tax returns by not claiming the payments as income.

Defense lawyer Steven Toscher said in his closing argument Thursday that any erroneous payments and deductions made were the result of mistakes committed by Waimana's accountants. He said Hee never hid anything from the Internal Revenue Service when the agency started auditing Hee's companies in 2006 or from company accountants.

Waimana provides telecommunication services on Hawaiian homesteads through its wholly owned subsidiaries Sandwich Isles Communications Inc. and Clearcom Inc.

Hee's Sandwich Isles Communications provides telecommunication services on Hawaiian homesteads and is paid to do that from a fee of about \$1 or \$2 attached to most phone bills. The fee, known as the federal Universal Service Charge, is 4.26 percent of a Hawaii cell phone bill, according to the Verizon Wireless website. The fee was started, in part, to fund telephone service in hard-to-reach rural areas.

In 2005, Sandwich Isles had the dubious distinction of operating the nation's most expensive rural telephone network. That year the federal government paid Sandwich Isle about \$13,700 a customer, or 100 times the average for rural phone service on the mainland.

## **Monday, July 13, 2015**

Sandwich Isles Communications: Political Connections Pay Off  
By Andrew Walden @ 11:37 PM :: 19417 Views :: [Akaka Bill](#), [Democratic Party](#),

## DHHL, Ethics, OHA, Politicians, Tax Credits

by Andrew Walden

(originally published May, 2005, reprinted in honor of Al Hee being found guilty on all counts....)

In a little-noticed [May 16, 2005 ruling](#), the Federal Communications Commission (FCC) has granted a waiver necessary to allow Sandwich Isles Communications (SIC) to complete construction of its \$500 million project to link 69 Hawaiian Homelands properties with a fiber optic communications network. Sandwich Isles, had completed about \$160 million worth of construction bringing its network to all the islands except the Big Island, when in October, 2004 the FCC suddenly acted on a six-year old complaint from telecom rival Verizon. As a result of the October ruling, Sandwich Isles was forced to reapply for its FCC waiver which allowed SIC to receive \$400 million in federal funds taken from the "Universal Service Fund" (USF) tax on consumers' phone bills.

The USF tax is intended to subsidize telecommunications service to un-served rural areas. Verizon Hawaii, now re-named Hawaii Telecom after being purchased by the Carlyle Group, had argued the DHHL lots Sandwich Isles proposed to serve were not un-served because they were within Verizon territory. With the waiver granted, federal funds can once again flow into SIC's coffers and construction can be completed on the Big Island. In a statement issued by the office of Gilbert Tam, SIC Vice President for government and community relations, SIC said, it "is pleased with the FCC order" which "allows SIC to fulfill its commitment and efforts to provide modern and affordable telecommunications services to residents of Hawaiian Home lands "

At an estimated cost of \$500 million, if SIC were to serve all 20,000 DHHL lots, the cost would be \$25,000 per lot. But DHHL has only about 5400 lots occupied by leaseholders. At current build-out rates it would be about 40 years until all 20,000 lots are filled. \$500 million to wire 5400 lots averages out to about \$93,000 per lot--the construction cost of a small house--just for high speed internet and phone service. Further, there is no reason to believe that all 5400 DHHL leaseholders would want to pay SIC's monthly fees for high speed internet service. Many DHHL homesteaders already have land lines from Verizon. In the US about 33% of households have high speed internet connections. If DHHL leaseholders have the same level of interest in high speed internet connections, SIC would serve about 1800 lots at an average cost to the taxpayers of about \$278,000 per lot. Currently SIC is reported to serve about 1300 customers.

These figures compare unfavorably to the \$600 or less setup cost of many commercially available high-speed satellite internet connections. Internet satellite providers' monthly charges are competitive with those of SIC. With inexpensive, commercially available "VOIP" technology, high quality internet based telephone service can be included. Satellite technology requires no

digging to lay cables, thus minimizing environmental damage and disruption of Hawaiian sites.

Unsurprisingly, Sandwich Isles is led by many politically connected directors and corporate officers. Robert Kihune, retired vice admiral and Vice-Chair of the Kamehameha Schools Board of Trustees, is SIC Chief Executive Officer. Kihune, who is also Chairman of the USS Missouri Memorial Association, was keynote speaker at the Hawai`i County Council inauguration in December, 2004.

Al Hee, brother of former Office of Hawaiian Affairs Chairman (and current Democrat State Senator) Clayton Hee, is SIC President.

Sandwich Isles Vice president, Gilbert Tam is a former Director of P&C Insurance Company, Inc. and the former Administrative Group Director for Kamehameha Schools/Bishop Estate (KSBE). Tam was formerly an officer with Bank of Hawaii, which has substantial financial connections with KSBE.

As explained in a [December 31, 2001 article in the Honolulu Advertiser](#):

"Part of the reason Sandwich Isles Communications has attracted interest in Hawai'i political circles is that the company has ties to a variety of politicians and current or former executives involved with Kamehameha Schools, another politically influential local institution.

"Al Hee said his brother Clayton, (then) chairman of the board of trustees of the Office of Hawaiian Affairs, is not involved in the project. Sandwich Isles did hire Clayton Hee's wife, Lynne Waters, to produce videos for presentations to business leaders, homesteaders and others on the company's operations.

"Among (Sandwich Isles')... 22 employees are former Democratic House Majority Leader Tom Okamura and former state Rep. Devon Nekoba, who both carry the title of agency coordination officer. (Al) Hee said the two advise company executives on government policy matters.

"Ties to Kamehameha Schools, formerly known as the Bishop Estate, include Gil Tam, the company's vice president of government and community relations, formerly director of administration and interim chief executive officer for Bishop Estate; and Robert Kihune, chief executive officer, now a Kamehameha Schools trustee.

"The Hawaiian Homes Commission chairwoman in 1994, when the commission approved Hee's license (to provide communications services), was Hoaliku Drake, the mother of former Bishop Estate trustee Henry Peters.

"Clayton Hee is a friend of Peters and was hired as a cultural affairs researcher for the Royal Hawaiian Shopping Center, a subsidiary of the former Bishop Estate/Kamehameha Schools (KSBE)."

Henry Peters was one of the Bishop Estates Trustees named in the infamous "Broken Trust" case. Gilbert Tam was also a co-investor in KSBE's McKenzie Methane deal at the time he was a KSBE manager.

In addition to "Broken Trust" connections, Sandwich Isles also benefits from a connection with former FCC Chairman Michael Powell, son of former Secretary of State Colin Powell. Hee and the younger Powell were introduced by one of Hee's mid-1970s Annapolis Naval Academy classmates. The FCC's sudden decision to rule on Verizon's complaint corresponds in time closely to Michael Powell's resignation as FCC chair.

There is also a correspondence in timing between the purchase of Verizon's Hawai'i assets by the Carlyle Group, a company founded on its many well-known connections to both Democrat and Republican national political leaders and appointees, and the FCC's subsequent ruling in SIC's favor.

SIC's cable-laying contractor is MasTec, named for its founder the late Jorge Mas Canoza, Cuban exile leader. On the MasTec board, is Joseph Kennedy II, whose family connections with Mas Canoza go back to the Bay of Pigs.

Amazingly for a \$500 million fiber-optic communications company, Sandwich Isles does not have a web site. SIC shares offices with Waimana, Inc, Richardson-Luke, and Ku`iwalu. As of this writing, SIC has not released to this writer a complete list of company officers and directors and their total remuneration.

Totally Related: [Broken Trust](#) , [Akaka Bill Reading List](#) , [Ue ka lani, ola ka OHA?](#) , [Forbes: Dreaming and scheming Hawaiian style](#) , HA: [\\$400M Offer for Hawaiian Tel](#)

## Menu

### **Politicians benefited from Hee's exorbitant spending**

2015-09-27 | The Honolulu Star-Advertiser



Sept. 27--Internal Revenue Service auditor Crystal Carey had been poring over boxes of complex, convoluted accounting records for Waimana Enterprises Inc. for months when she asked to see the jewelry.

Waimana, the holding company founded by telecommunications entrepreneur Albert Hee, had acquired \$109,971 in paintings along with jewelry valued at \$505,502. Hee's accountants had been claiming depreciation of those assets for tax purposes, and Carey questioned that practice. She asked to see the items.

Hee obliged by showing Carey one ring valued at \$123,070, and another worth \$16,695. In written responses to IRS inquiries, the company asserted the jewelry purchases qualified as business expenses because Hee's wife, Wendy, and his two daughters wore the items to company functions as representatives of Waimana Enterprises.

The IRS auditor disagreed, concluding the jewelry was evidence Hee used Waimana's company funds to make personal purchases. In a report filed in federal court, Carey suggested that "the fact that only Mr. Hee's family members wore the jewelry, and not other employees, merely demonstrates who the real owner of the jewelry is: Mr. Hee."

Carey's audit of Waimana and a parallel IRS audit of a Waimana subsidiary called Sandwich Isles Communications Inc. eventually ballooned into a criminal prosecution that led to Hee's conviction last summer on seven federal tax charges.

The IRS investigation also exposed some eye-popping spending in a politically connected corner of Hawaii's business community that benefited from hundreds of millions of dollars in federal subsidies and contributed generously to the campaigns and causes of many of the state's leading politicians.

The state Department of Hawaiian Home Lands in 1996 issued an exclusive license to Waimana to provide telecommunications service on Hawaiian homelands, and that license was later transferred in part to Sandwich Isles. The license was critically important because it enabled the companies to tap into rich veins of federal subsidies.

Sandwich Isles went on to borrow \$165 million from the U.S. Department of Agriculture's Rural Utilities Service to construct a telephone and data network to serve Hawaiian homelands, and obtained commitments from USDA for hundreds of millions of dollars in additional loans, according to data provided by Sandwich Isles.

Federal records show Sandwich Isles has also received \$242 million in federal

Universal Service Fund subsidies since 2003 to further support the construction and operations of its telephone and data network, which now serves about 3,600 homelands customers.

Despite those extraordinary federal contributions, the Sandwich Isles network is still only 10 percent complete on Oahu, and 20 percent complete on Hawaii island, according to data provided by Sandwich Isles last week. The system is 60 percent complete on Maui, and is 95 percent complete on Kauai, the company says.

Last month, Hee told members of the Hawaiian Homes Commission that Sandwich Isles never made a profit, and therefore never contributed money to fund a job training and educational program for Hawaiians as stipulated in the license agreement.

But the IRS and FCC questioned the many millions of dollars in payments from Sandwich Isles to Waimana, and the IRS exposed a pattern of generous spending by Waimana from its 27th-floor offices in Pauahi Tower in downtown Honolulu.

In a document headlined "Badges of Fraud for Waimana Enterprises Inc.," auditor Carey observed Hee would use two personal credit cards to pay both personal expenses and company expenses, but did not keep receipts "so there is no way to distinguish between personal and business expenses," according to the report. "However, some expenses are clearly personal in nature such as purchases of purses, tennis shoes and other items of clothing."

When the auditor questioned Hee about a \$6,000 "consulting fee" paid to masseuse Diane Doll that had been deducted as a business expense, Hee replied: "You never know where you are going to get information about the competition from," according to the auditor's report.

Hee later declined to meet in person with auditors, and Carey reported she never got the chance to inspect other jewelry that Waimana had purchased such as "Ming's Carved Ivory Jewelry" that included earrings, a necklace, brooches, cuff links, pendants and bracelets.

The auditor noted the company paid membership fees for officers Gilbert Tam and Randy Ho at Waialae Country Club, and also covered membership costs at another club for former Kamehameha Schools trustee Robert Kihune, according to the auditor's report. Kihune, a retired vice admiral, is now chairman of the board

for Sandwich Isles.

Season tickets were also provided to some employees for University of Hawaii football, women's volleyball and basketball games. The company also provided company cars for its executives to use, according to federal court records.

The auditor's report also noted Waimana failed to file taxes for the years 1997 to 2003 until 2005, which it described as "a significant issue of concern."

Hee, 61, was convicted July 13 in federal court in Honolulu of six counts of filing false income tax returns and one count that he corruptly impeded the IRS from correctly calculating and collecting his taxes, offenses that could carry prison terms of up to three years on each count.

Hee was convicted of concealing from the IRS that Waimana deducted \$2.75 million as business expenses that it had paid to cover Hee's personal expenses. Hee was also convicted of filing false federal tax returns because he failed to list those payments as personal income.

Among the supposed business expenses cited by prosecutors were \$718,559 the company paid for college tuition and living expenses for Hee's three children, \$92,000 in payments for massages for Hee, and \$121,878 in credit card charges made by Hee for personal expenses, according to the federal indictment.

The indictment also listed \$722,550 in payments by Waimana as "false wages" to Hee's children, whom the indictment alleged actually did little or no work for the company. The indictment also alleged Waimana claimed as wages \$590,201 that was paid to Hee's wife, when she allegedly did no work for the company.

The IRS audit and federal campaign spending records also underscore the political aspects of Waimana and Sandwich Isles.

Hee and executives from his companies together made thousands of dollars in contributions over the years to many of Hawaii's leading Democratic politicians, including the late U.S. Sen. Daniel Inouye, former Gov. Neil Abercrombie, former U.S. Rep. Colleen Hanabusa, former U.S. Sen. Daniel Akaka, U.S. Sen. Mazie Hirono, U.S. Sen Brian Schatz and former U.S. Rep. Ed Case.

Waimana executives also gave thousands of dollars to the Hawaii Democratic Party, and Hee personally made contributions to Democratic Party organizations in North Carolina, Ohio, Florida, Wisconsin, Iowa, New Hampshire, Pennsylvania and

Virginia. He donated more than \$60,000 to the Obama Victory Fund in 2011 and 2012.

Hee and his family enjoyed comfortable access to Hawaii's politicians in Washington, D.C., and Hee's daughter, Adrienne, testified during the tax trial that she accompanied her father on trips to visit with the Hawaii delegation.

"On those trips we would go down to visit the FCC, to visit the senators at the time, Inouye and Akaka, in their offices. We'd also meet with different lobbyists and lawyers," she testified.

Waimana was a sponsor of the Hawaii State Society Inaugural Ball in 2009 in Washington, D.C., following President Barack Obama's election, which was an event that Inouye also supported. Wendy Hee testified she made a point of calling on the senator when she attended the event to be sure he knew Waimana was "there to help support" the celebration.

Hee told Forbes in a 2002 interview he was friendly with then-FCC Chairman Michael Powell, and FCC records show Inouye at times would contact the FCC on Hee's behalf.

Hee's political connections also cropped up during the audit. Among the items questioned by the IRS was \$44,644 that Waimana paid in 2005 in connection with the Washington, D.C., funeral for former U.S. Senate Sergeant-at-Arms Henry K. Giugni, who was a longtime aide to Inouye. Among other expenses, Waimana helped to pay for traffic control for the funeral procession for Giugni, according to federal court records.

Hee's tax convictions have now triggered an entirely new audit of Sandwich Isles by the Federal Communications Commission as well as a separate review of Sandwich Isles by the Department of Hawaiian Home Lands.

Hee's tax convictions prompted the FCC to suspend federal subsidy payments to Sandwich Isles that are worth about \$1.36 million per month. In an Aug. 7 letter to Sandwich Isles announcing the suspension of payments, federal officials said they plan to investigate whether Sandwich Isles' transactions from 2002 to 2015 complied with FCC rules.

Janeen-Ann Olds, president and chief executive officer of Sandwich Isles, said last week the company has so far produced an estimated 40,000 pages of accounting

and other records in an effort to satisfy the FCC.

Hee declined to be interviewed for this story.

• ISSUES

## **Laundered money from drugs that go through Hawaii helps keep Burma's junta in power**

**By Robert Weiner and James Lewis**

POSTED: 01:30 a.m. HST, Jan 31, 2011 Honolulu Star-Advertiser Editorial

The world has rejoiced in the Burmese junta's release from incarceration of 1990 national election winner, Aung San Suu Kyi. Last week, the junta allowed Suu Kyi to use the Internet.

How free is Suu Kyi? Is she free to run for office in non-rigged elections and assume the prime minister role she was denied? Free to call for a civilian government, a legal product-based economy, and a halt to the drug trade funding the junta and killing thousands in Burma and around the globe?

Arresting and releasing her is a drama the regime continues to play time and again. She has been under detention in recurring waves for more than 15 years, from July 1989 to July 1995, September 2000 to May 2002, and May 2003 to November 2010, with a combination of house arrest and jail time. She's been played as a puppet on the junta's string. The latest "release" of Suu Kyi occurred days after the junta won an "election" while she was in jail and rules made it impossible for her party to win.

Burma is a tale of drugs, ransom and sanctions, and Hawaii is at the center of it.

Laundered money -- paid with drugs that go through Hawaii -- cements the junta's power. The Congressional Research Service estimates that Burma exports \$1-2 billion in illegal drugs annually. The Pacific Rim countries, which Burma uses to transport its exports, send crystal methamphetamine ("ice") to Hawaii on transpacific cargo containers using Hawaii's 10 harbors on six islands, according to the U.S. Justice Department's 2010 High Intensity Drug Trafficking Area Market Analysis. It's "extremely challenging for U.S. Homeland Security and other law enforcement," says the report. "Hawaii is a transshipment port for ice methamphetamine."

The report goes on to say that 99 percent of Hawaii's imported goods arrive in cargo containers with limited, if any, inspection. Direct flights to and from Asia



from six of Hawaii's eight airports are primary drug sources. Hawaii is a market for Burmese drugs where they can earn twice their mainland street value.

If we want to stop the drug flow to Hawaii and the U.S., we must end the drug-funded junta's control -- and that's not easy. The world has been using a series of clearly ineffective sanctions with a pie-in-the-sky hope that internal rebellious forces will somehow prevail. Suu Kyi has been careful not to verbally challenge the military leadership of Burma. Yet she has said, "Real freedom is freedom from fear."

Suu Kyi could take a page from other historic leaders and go into exile, maybe as Burma's political Dalai Lama. As an exile, her voice would be unrestricted to speak on the plight of the Burmese people. We can see her hosted as a newsmaker at the National Press Club.

In July, the State Department asserted that Burma could see "a lot of opportunities" if Suu Kyi was released. Certainly they did not mean for Suu Kyi simply to become an unwitting pawn to encourage foreign investment and aid while the regime remains repressive and blocks its elected democracy.

With worldwide drug money filling the sanctions gap, the junta leaders live in luxury while the people are impoverished. Drug baron Lo Hsing Han funded the opulent 2006 wedding of dictator Than Shwe's daughter. According to BBC the lucky couple received \$50 million in gifts. Yet during Cyclone Nargis in 2008, they refused any outside assistance for weeks and then did little development with the money -- just keeping it. Cutting the narco lines will dent the regime's checkbook more than sanctions.

As a gesture for the junta's providing Suu Kyi some freedom, the U.S. should respond by filling the empty special envoy post in Burma and providing anti-narcotics targeted and monitored aid, but not providing other assistance. The former U.S. political and economic chief in Rangoon, Leslie Hayden, reported that providing anti-narcotics aid to Burma would pressure the regime into "concrete results" and would slow the flow of drugs. Full commercial sanctions lifting, however, would be an undeserved boon to the junta.

The U.S. can exert pressure to keep Suu Kyi unincarcerated and help keep Burmese methamphetamine and heroin off America's and Europe's streets. The U.S. can support training, crop substitution, and intelligence sharing, including an opium crop survey disbanded since 2005. Knowledge is power.

To achieve real change in Burma, Suu Kyi and other opposition leaders must be allowed to campaign and run for office, and the drugs funding the junta and transiting through Hawaii must be eliminated.

