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Attorneys for Plaintiff
UNITED STATES OF AMERICA

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAII

UNITED STATES OF AMERICA,	)	CASE NO. CR 22-00055-JAO
	)	
Plaintiff,	)	UNITED STATES' MOTION FOR
	)	DOWNWARD DEPARTURE AND
vs.	)	SENTENCING RECOMMENDATION;
	)	CERTIFICATE OF SERVICE
ALAN SCOTT RUDO,	)	
	)	<u>SENTENCING</u>
Defendant.	)	Date: April 23, 2026
	)	Time: 1:30 p.m.
	)	Judge: Hon. Jill A. Otake

UNITED STATES' MOTION FOR DOWNWARD
DEPARTURE AND SENTENCING RECOMMENDATION

The United States respectfully moves for a downward departure pursuant to § 5K1.1 of the United States Sentencing Guidelines (U.S.S.G.), based on the substantial assistance that defendant Alan Scott Rudo provided to law enforcement authorities in the investigation and prosecution of others. Rudo is out of custody on conditions of release and is scheduled to be sentenced on April 23, 2026.

I. Background

On July 11, 2022, an Information was filed charging Rudo with conspiracy to commit honest services wire fraud, in violation of 18 U.S.C. § 1349. As part of the charged conspiracy, Rudo agreed to use his official position as Housing Specialist for the Hawaii County Office of Housing and Community Development to obtain the approval of lucrative affordable housing contracts benefiting companies used and controlled by his co-conspirators in exchange for a cut of the profits those contracts generated. On July 18, 2022, Rudo entered a guilty plea to the Information with a plea agreement containing cooperation provisions. ECF No. 10. The charge in the Information carries a maximum term of imprisonment of 20 years.

II. The Nature and Extent of the Defendant's Assistance

A. Rudo Immediately Began Cooperating with Law Enforcement

Rudo's cooperation began in mid-2021, long before he was formally charged and pleaded guilty in this case. On June 4, 2021, the United States seized

approximately \$938,428.16 in fraud proceeds from West View Developments, one of the companies involved in the conspiracy. The funds were derived from the sale of a portion of land known as the Kailua-Kona Property, which West View acquired corruptly through an affordable housing contract. As a result of the seizure, the investigation into the bribery and kickback scheme involving Rudo and his co-conspirators became overt.

Shortly after the seizure, Rudo contacted a criminal defense attorney, Gary Singh, who in turn contacted the United States Attorney's Office for the District of Hawaii to express Rudo's desire to cooperate with the investigation. In July 2021, unlike his co-conspirator, Rajesh P. Budhabhatti, Rudo ceased accepting rental payments in connection with property fraudulently obtained by West View Developments as part of the conspiracy. On August 4, 2021, Rudo signed a proffer letter, thus formalizing his desire to cooperate with the United States.

Between August 10, 2021, and April 2, 2025, the government interviewed Rudo on six occasions. Additionally, in the lead up to the trial of his co-conspirators in May 2025, Rudo temporarily relocated from California to Hawaii to make himself readily available to meet with the United States to prepare for his trial testimony. During this approximately two-week period, Rudo rented his own accommodation and paid his own expenses, including airfare, meals, and incidentals. Only a fraction of these expenditures will be reimbursed by the United

States. Rudo was willing to meet as often as the United States requested. As expected for a complex trial, Rudo's witness preparation was intense and time-consuming. His witness preparation sessions involved the review of literally hundreds of potential exhibits.

At trial, Rudo's testimony spanned three trial days. In addition to lengthy direct and redirect examinations, Rudo was subjected to grueling cross and re-cross examinations by three defense attorneys.

B. Rudo Proactively Cooperated with Law Enforcement to Locate and Recoup Fraud Proceeds

Rudo assisted the FBI to trace proceeds of the bribery and kickback conspiracy to properties he held on the Big Island and in Florida. He then sold those properties in arms-length transactions under the supervision of the FBI and with the consent of the United States Attorney's Office for the District of Hawaii. In total, unlike any of his co-conspirators, Rudo voluntarily turned over \$633,397.67 in illicit proceeds to the United States Marshals Service pending further legal proceedings. Thus, Rudo voluntarily disgorged a significant portion of the profits he derived from the bribery and kickback conspiracy in cooperation with the United States. As part of his plea agreement, Rudo agreed to forfeit those funds and other specific properties, and agreed to a forfeiture money judgment to cover proceeds that the United States was unable to recover. *See* ECF Nos. 17, 58.

C. Information Provided by Rudo Substantially Assisted In the Investigation and Prosecution of His Three Co-conspirators

As this Court is aware, information provided by Rudo resulted in the successful investigation and prosecution of Budhabhatti, Paul Sulla, Jr., and Gary Zamber, each of whom proceeded to jury trial in May 2025. *See* Case No. CR 22-00058 JAO-KJM. At trial, Rudo's testimony substantially assisted the United States' case. Rudo's central role as the public official receiving bribery and kickback payments from these defendants provided a holistic picture of the conspiracy that would have been otherwise lacking. Rudo was able to explain the context and meaning of email communications among the conspirators. He also explained how the conspiracy operated. Rudo further explained the nuances of Hawaii County's affordable housing policy and how the scheme succeeded in deceiving the County and the public. In addition, Rudo provided crucial details regarding in-person meetings among the conspirators, as well as other events that transpired outside the emails and transaction records that underlay the FBI's investigation. Most importantly, Rudo provided powerful direct evidence of the *quid pro quo* between himself and his co-conspirators. By offering his first-hand account of events, Rudo was able to illustrate to the jury in vivid detail the nature of the bargain between himself and the co-conspirators—Rudo's official acts in exchange for a cut of the profits from affordable housing contracts that Rudo helped to secure from the County. Absent Rudo's testimony, evidence of the *quid*

pro quo was largely circumstantial. Simply put, the jury might not have convicted Budhabhatti, Sulla, and Zamber without Rudo's information.

Rudo also revealed the existence of a fourth affordable housing contract of which the FBI had been unaware prior to interviewing Rudo. As it turned out, that contract involving ERH1 was the genesis for the entire bribery and kickback conspiracy.

III. Truthfulness

Apart from his first proffer interview, in which Rudo appeared to rationalize or minimize his misconduct in the bribery and kickback conspiracy, the government believes that Rudo provided complete and truthful information related to the offense. Rudo provided the United States with evidence of which it had previously been unaware and located and disgorged assets that the United States may not otherwise have recovered. Documentary and other evidence also corroborate Rudo's information. Moreover, in the trial of his three coconspirators, the jury convicted all the defendants on all counts—an indication that they too found Rudo's testimony credible. Accordingly, the United States is satisfied that Rudo's information was truthful and reliable. Likewise, Rudo has never violated the conditions of his pre-trial release nor acted in a manner inconsistent with acceptance of responsibility.

IV. Danger or Risk of Injury

Although the United States is not aware of any existing danger or risk of injury to Rudo, it cannot discount the possibility that there is some risk to him in a prison setting because of his cooperation. This Court can and should account for this potential risk in evaluating his cooperation.

V. The Defendant's Pending Sentencing Range

Consistent with the plea agreement, the United States submits that the total offense level is 31 with a criminal history category I, resulting in a guideline imprisonment range of 108 to 135 months. *See* ECF No. 66.

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VI. Recommended Departure and Sentence

In recognition of Rudo's substantial assistance, the United States, under U.S.S.G. § 5K1.1, recommends a downward departure of 10 offense levels from the Guideline range. The United States recommends a sentence of 37 months to be followed by three years of supervised release.

DATED: April 9, 2026, at Honolulu, Hawaii.

KENNETH M. SORENSON
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By /s/ Mohammad Khatib
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EDWARD P. SULLIVAN
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By /s/ William Gullotta
WILLIAM GULLOTTA
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CERTIFICATE OF SERVICE

I hereby certify that, on the date noted below, a true and correct copy of the foregoing was served on the following via electronic mail:

Gary Gurmail Singh, Esq.
Attorney for Defendant Grant Earl Hatcher
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Sara Nieling
United States Probation Officer
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DATED: April 9, 2026, at Honolulu, Hawaii.

/s/ Mohammad Khatib
MOHAMMAD KHATIB
Assistant U.S. Attorney