

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA        )  
  )  
  )        No. 11 CR 672  
  )  
  )        Judge Rebecca R. Pallmeyer  
  )  
SUSAN PIROS                                )

**PLEA AGREEMENT**

1.       This Plea Agreement between the United States Attorney for the Northern District of Illinois, PATRICK J. FITZGERALD, and defendant SUSAN PIROS, and her attorney, JOSHUA SABERT LOWTHER, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure. The parties to this Agreement have agreed upon the following:

**Charge in This Case**

2.       The information in this case charges defendant with theft concerning a federally funded program, in violation of Title 18, United States Code, Section 666(a)(1)(A).

3.       Defendant has read the charge against her contained in the information, and that charge has been fully explained to her by her attorney.

4.       Defendant fully understands the nature and elements of the crime with which she has been charged.

**Charge to Which Defendant is Pleading Guilty**

5.       By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the information, which charges defendant with theft concerning a federally funded

program, in violation of Title 18, United States Code, Section 666(a)(1)(A). In addition, as further provided below, defendant agrees to the entry of a forfeiture judgment.

**Factual Basis**

6. Defendant will plead guilty because she is in fact guilty of the charge contained in the information. In pleading guilty, defendant admits the following facts and that those facts establish her guilt beyond a reasonable doubt, and establish a basis for forfeiture of the property described elsewhere in this Plea Agreement:

From at least as early as September 30, 2006, and continuing to at least in or about July 2009, at Chicago, in the Northern District of Illinois, Eastern Division, SUSAN PIROS, being an agent of St. Xavier University, did embezzle, steal, obtain by fraud, and otherwise without authority knowingly convert to the use of a person other than the rightful owner, and intentionally misapply, in excess of \$5000 owned by, and under the care, custody, and control of St. Xavier University, an organization that received in excess of \$10,000 a year from the Department of Education, a department of the United States government with the primary responsibility of administering various educational programs; in violation of Title 18, United States Code, Section 666(a)(1)(A).

Specifically, defendant was the Vice President for Business and Finance at St. Xavier University, which received more than \$10,000 in educational grants from the federal government for each fiscal year during which defendant was employed at St. Xavier University. In that position, defendant was responsible for, among other things, overseeing and administering the financial and business functions of St. Xavier University, and assisting

in various capital improvement projects and operating activities at the University. From at least 1998 and continuing through July 2009, defendant fraudulently sought and obtained at least \$854,493 in reimbursements from St. Xavier University. As defendant knew from her position, St. Xavier University reimbursed employees who incurred expenses on behalf of the school, including expenses incurred using either school-issued credit cards or their personal credit cards. As defendant further knew from her position, any reimbursement for expenses less than \$10,000 required only her approval as Vice President. In order to repeatedly obtain money by fraud, defendant submitted requests for reimbursement, seeking funds to which she was not entitled, as described further below. In order to conceal her fraudulent activity, defendant sought reimbursement in amounts less than \$10,000. Further, defendant concealed her fraudulent activity by not submitting reimbursement requests in July and August, knowing from her position that the school performed its annual audit in those months.

Defendant fraudulently sought and obtained reimbursements to which she was not entitled using two separate methods. First, defendant repeatedly sought reimbursement for fictitious loans that she purportedly provided to the school. On a near monthly basis (except July and August, as mentioned above), defendant sought and obtained checks by submitting reimbursement requests that identified the expense as a “paydown” of the fictitious loans. In order to conceal her fraudulent activity, defendant obtained checks made payable to American Express Optima and Bank One/Chase, which were personal credit cards accounts. At this time, the normal procedure for St. Xavier University was to issue a check made

payable directly to the employee with the expectation that the employee would, in turn, pay the credit card issuer. In so doing, defendant converted school funds to her own benefit. Further, when questioned by investigators for the school, defendant created false documents, namely, spreadsheets containing false information and purporting to document the fictitious loans. From at least 1998 until July 2009, defendant obtained approximately \$828,005.96 through this first method.

Second, defendant fraudulently sought reimbursement for itemized expenses purportedly incurred on behalf of the school, when, in fact, these were personal expenses. From 1998 until July 2009, defendant sought approximately \$700,000 in reimbursement for purchases purportedly made on her school-issued credit cards. Defendant acknowledges that a full audit of these reimbursements has not been performed because of the time and expense that would be required. Defendant acknowledges, however, that at least \$4,095 of that \$700,000 was for personal expenses for which defendant was not entitled to seek reimbursement. Further, from 1998 until July 2009, defendant sought approximately \$284,000 in reimbursement for purchases purportedly made on behalf of the school on her personal credit cards. Defendant acknowledges that a full audit of these reimbursements has not been performed because of the time and expense that would be required. Defendant acknowledges, however, that at least \$26,486 of that \$284,000 was for personal expenses for which defendant was not entitled to seek reimbursement. Knowing that St. Xavier University's normal procedure was to issue a reimbursement check made payable to the employee, defendant sought and obtained checks made payable to Bank One/Chase, LaSalle

Bank/Bank of America, which were personal credit cards accounts, in order to conceal her fraudulent activity.

In total, defendant acknowledges that the loss caused to St. Xavier University by her conduct was at least \$854,493.

### **Maximum Statutory Penalties**

7. Defendant understands that the charge to which she is pleading guilty carries the following statutory penalties:

a. A maximum sentence of 10 years' imprisonment. This offense also carries a maximum fine of \$250,000. Defendant further understands that the judge also may impose a term of supervised release of not more than three years.

b. Defendant further understands that the Court must order restitution to the victims of the offense in an amount determined by the Court.

c. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on the charge to which she has pled guilty, in addition to any other penalty or restitution imposed.

### **Sentencing Guidelines Calculations**

8. Defendant understands that in imposing sentence the Court will be guided by the United States Sentencing Guidelines. Defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in determining a reasonable sentence.

9. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points:

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the November 2010 Guidelines Manual.

b. **Offense Level Calculations.**

i. The base offense level is 6, pursuant to Guideline § 2B1.1(a)(2).

ii. The offense level is increased by 14, pursuant to Guideline § 2B1.1(b)(1)(H) because the loss is more than \$400,000 but less than \$1,000,000

iii. The offense level is increased by 2, pursuant to Guideline § 2B1.1(b)(9)(C) because the offense involved sophisticated means.

iv. The offense level is increased by 2, pursuant to Guideline § 3B1.3 because defendant abused a position of private trust, in a manner that significantly facilitated the commission or concealment of the offense.

v. Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for her criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for her actions within the meaning of Guideline § 3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested

financial information relevant to her ability to satisfy any fine or restitution that may be imposed in this case, a two-level reduction in the offense level is appropriate.

vi. In accord with Guideline § 3E1.1(b), defendant has timely notified the government of her intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently. Therefore, as provided by Guideline § 3E1.1(b), if the Court determines the offense level to be 16 or greater prior to determining that defendant is entitled to a two-level reduction for acceptance of responsibility, the government will move for an additional one-level reduction in the offense level.

c. **Criminal History Category.** With regard to determining defendant's criminal history points and criminal history category, based on the facts now known to the government, defendant's criminal history points equal zero and defendant's criminal history category is I.

d. **Anticipated Advisory Sentencing Guidelines Range.** Therefore, based on the facts now known to the government, the anticipated offense level is 21, which, when combined with the anticipated criminal history category of I, results in an anticipated advisory Sentencing Guidelines range of 37 to 46 months' imprisonment, in addition to any supervised release, fine, and restitution the Court may impose.

e. Defendant and her attorney and the government acknowledge that the above Guideline calculations are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands that further review of the facts

or applicable legal principles may lead the government to conclude that different or additional Guideline provisions apply in this case. Defendant understands that the Probation Office will conduct its own investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final Guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the probation officer's or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw her plea on the basis of the Court's rejection of these calculations.

f. Both parties expressly acknowledge that this plea agreement is not governed by Fed.R.Crim.P. 11(c)(1)(B), and that errors in applying or interpreting any of the Sentencing Guidelines may be corrected by either party prior to sentencing. The parties may correct these errors either by stipulation or by a statement to the Probation Office or the Court, setting forth the disagreement regarding the applicable provisions of the Guidelines. The validity of this Plea Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw her plea, nor the government the right to vacate this Plea Agreement, on the basis of such corrections.

#### **Agreements Relating to Sentencing**

10. Each party is free to recommend whatever sentence it deems appropriate.

11. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Plea Agreement and may impose a sentence up to the maximum penalties as set forth above. Defendant further acknowledges that if the Court does not accept the

sentencing recommendation of the parties, defendant will have no right to withdraw her guilty plea.

12. Regarding restitution, defendant acknowledges that the total amount of restitution owed to Travelers Casualty and Surety Company of America is \$854,493, minus any credit for funds repaid prior to sentencing, and that pursuant to Title 18, United States Code, § 3663A, the Court must order defendant to make full restitution in the amount outstanding at the time of sentencing.

13. Restitution shall be due immediately, and paid pursuant to a schedule to be set by the Court at sentencing. Defendant acknowledges that pursuant to Title 18, United States Code, Section 3664(k), she is required to notify the Court and the United States Attorney's Office of any material change in economic circumstances that might affect her ability to pay restitution.

14. Defendant agrees to pay the special assessment of \$100 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

15. Defendant agrees that the United States may enforce collection of any fine or restitution imposed in this case pursuant to Title 18, United States Code, Sections 3572, 3613, and 3664(m), notwithstanding any payment schedule set by the Court.

### **Forfeiture**

16. The information charges that defendant is liable to the United States for approximately \$854,493, which funds are subject to forfeiture because those funds constitute

proceeds of the violation alleged in the information. By entry of a guilty plea to the information, defendant acknowledges that the property identified above is subject to forfeiture.

17. Defendant agrees to the entry of a forfeiture money judgment in the amount of \$854,493 in that this property is subject to forfeiture. Prior to sentencing, defendant agrees to the entry of a preliminary order of forfeiture relinquishing any right of ownership she has in the above-described funds and further agrees to the seizure of these funds so that these funds may be disposed of according to law.

18. Defendant understands that the government may satisfy this forfeiture judgment with substitute assets pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c). Except as set forth below, any attempt on the part of defendant to transfer, convey or otherwise conceal any other property prior to the satisfaction of this judgment shall be deemed to violate this plea agreement and potentially subject her to further criminal prosecution. If such conveyances are discovered prior to the imposition of sentence, the defendant understands that the government will oppose any reduction in defendant's guideline range for acceptance of responsibility. The one exception is defendant's property at 7270 Virginia Court, Frankfort, Illinois (Permanent Index Number 09-24-476-027-0000), which is owned by defendant and her spouse. Defendant and her spouse may sell this property. Defendant agrees that, before any such sale occurs, she shall tender to the government all relevant records relating to the

sale, and that the government shall have authority to veto any proposed sale. Defendant agrees that half of any net proceeds from the sale shall be tendered to the Court as restitution.

19. Defendant understands that forfeiture of this property shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon defendant in addition to the forfeiture judgment.

### **Acknowledgments and Waivers Regarding Plea of Guilty**

#### **Nature of Plea Agreement**

20. This Plea Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 11 CR 672.

21. This Plea Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver or release by the United States or any of its agencies of any administrative or judicial civil claim, demand or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state or local prosecuting, administrative or regulatory authorities, except as expressly set forth in this Agreement.

22. Defendant understands that nothing in this Plea Agreement shall limit the Internal Revenue Service in its collection of any taxes, interest or penalties from defendant and her spouse or defendant's partnership or corporations.

#### **Waiver of Rights**

23. Defendant understands that by pleading guilty she surrenders certain rights, including the following:

a. Right to be charged by indictment. Defendant understands that she has a right to have the charge prosecuted by an indictment returned by a concurrence of twelve or more members of a grand jury consisting of not less than sixteen and not more than twenty-three members. By signing this Agreement, defendant knowingly waives her right to be prosecuted by indictment and to assert at trial or on appeal any defects or errors arising from the information, the information process, or the fact that she has been prosecuted by way of information.

b. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charge against her, and if she does, she would have the right to a public and speedy trial.

i. The trial could be either a jury trial or a trial by the judge sitting without a jury. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and her attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not convict her unless, after hearing all the evidence, it was persuaded of her guilt beyond a reasonable doubt. The jury would have to agree unanimously before it could return a verdict of guilty or not guilty.

iv. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

v. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and her attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in her own behalf. If the witnesses for defendant would not appear voluntarily, she could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

vii. At a trial, defendant would have a privilege against self-incrimination so that she could decline to testify, and no inference of guilt could be drawn from her refusal to testify. If defendant desired to do so, she could testify in her own behalf.

viii. With respect to forfeiture, defendant understands that if the case were tried before a jury, she would have a right to retain the jury to determine whether the

government had established the requisite nexus between defendant's offense and any specific property alleged to be subject to forfeiture.

c. **Waiver of appellate and collateral rights.** Defendant further understands she is waiving all appellate issues that might have been available if she had exercised her right to trial. Defendant is aware that Title 28, United States Code, Section 1291, and Title 18, United States Code, Section 3742, afford a defendant the right to appeal her conviction and the sentence imposed. Acknowledging this, defendant knowingly waives the right to appeal her conviction, any pre-trial rulings by the Court, and any part of the sentence (or the manner in which that sentence was determined), including any term of imprisonment and fine within the maximums provided by law, and including any order of restitution or forfeiture, in exchange for the concessions made by the United States in this Plea Agreement. In addition, defendant also waives her right to challenge her conviction and sentence, and the manner in which the sentence was determined, and (in any case in which the term of imprisonment and fine are within the maximums provided by statute) her attorney's alleged failure or refusal to file a notice of appeal, in any collateral attack or future challenge, including but not limited to a motion brought under Title 28, United States Code, Section 2255. The waiver in this paragraph does not apply to a claim of involuntariness, or ineffective assistance of counsel, which relates directly to this waiver or to its negotiation, nor does it prohibit defendant from seeking a reduction of sentence based directly on a change in the law that is applicable to defendant and that, prior to the filing of defendant's

request for relief, has been expressly made retroactive by an Act of Congress, the Supreme Court, or the United States Sentencing Commission.

d. Defendant understands that by pleading guilty she is waiving all the rights set forth in the prior paragraphs. Defendant's attorney has explained those rights to her, and the consequences of her waiver of those rights.

**Presentence Investigation Report/Post-Sentence Supervision**

24. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall fully apprise the District Court and the Probation Office of the nature, scope and extent of defendant's conduct regarding the charge against her, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

25. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of her financial circumstances, including her recent income tax returns as specified by the probation officer. Defendant understands that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline § 3E1.1 and enhancement of her sentence for obstruction of justice under Guideline § 3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

26. For the purpose of monitoring defendant's compliance with her obligations to pay a fine and restitution during any term of supervised release or probation to which defendant is sentenced, defendant further consents to the disclosure by the IRS to the Probation Office and the United States Attorney's Office of defendant's individual income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release or probation to which defendant is sentenced. Defendant also agrees that a certified copy of this Plea Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

#### **Other Terms**

27. Defendant agrees to cooperate with the United States Attorney's Office in collecting any unpaid fine and restitution for which defendant is liable, including providing financial statements and supporting records as requested by the United States Attorney's Office.

28. Defendant agrees to cooperate with the Internal Revenue Service in any tax examination or audit of defendant and her spouse and defendant's partnerships or corporations which directly or indirectly relates to or arises out of the course of conduct which defendant has acknowledged in this Plea Agreement, by transmitting to the IRS original records or copies thereof, and any additional books and records which the IRS may request.

29. Defendant will not object to a motion brought by the United States Attorney's Office for the entry of an order authorizing disclosure of documents, testimony and related investigative materials which may constitute grand jury material, preliminary to or in connection with any judicial proceeding, pursuant to Fed. R. Crim. P. 6(e)(3)(E)(i). In addition, defendant will not object to the government's solicitation of consent from third parties who provided records or other materials to the grand jury pursuant to grand jury subpoenas, to turn those materials over to the Civil Division of the United States Attorney's Office, or an appropriate federal or state agency (including but not limited to the Internal Revenue Service), for use in civil or administrative proceedings or investigations, rather than returning them to the third parties for later summons or subpoena in connection with a civil or administrative proceeding involving, or investigation of, defendant and her spouse or defendant's partnerships or corporations. Nothing in this paragraph or the preceding paragraph precludes defendant and her spouse or defendant's partnerships or corporations from asserting any legal or factual defense to taxes, interest, and penalties that may be assessed by the IRS.

### **Conclusion**

30. Defendant understands that this Plea Agreement will be filed with the Court, will become a matter of public record and may be disclosed to any person.

31. Defendant understands that her compliance with each part of this Plea Agreement extends throughout the period of her sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the

event she violates this Agreement, the government, at its option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to resentence defendant or require defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecutions.

32. Should the judge refuse to accept defendant's plea of guilty, this Plea Agreement shall become null and void and neither party will be bound thereto.

33. Defendant and her attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Plea Agreement to cause defendant to plead guilty.

34. Defendant acknowledges that she has read this Plea Agreement and carefully reviewed each provision with her attorney. Defendant further acknowledges that she understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: \_\_\_\_\_

\_\_\_\_\_  
PATRICK J. FITZGERALD  
United States Attorney

\_\_\_\_\_  
SUSAN PIROS  
Defendant

\_\_\_\_\_  
MICHELLE NASSER  
Assistant U.S. Attorney

\_\_\_\_\_  
JOSHUA SABERT LOWTHER  
Attorney for Defendant