

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA        )  
  )  
  )        No. 12 CR 33  
  )        Judge Gary S. Feinerman  
  )  
  )  
JEFFREY B. TRAVIS                )

**PLEA AGREEMENT**

1.       This Plea Agreement between the Acting United States Attorney for the Northern District of Illinois, GARY S. SHAPIRO, and defendant JEFFREY B. TRAVIS, and his attorneys, STEVEN MESSNER and CARL CLAVELLI, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure and is governed in part by Rule 11(c)(1)(A), as more fully set forth below. The parties to this Agreement have agreed upon the following:

**Charges in This Case**

2.       The indictment in this case charges defendant with bank fraud in violation of Title 18, United States Code, Section 1344 (Counts 1-5), and mail fraud in violation of Title 18, United states Code, Section 1341 (Counts 6-8).

3.       Defendant has read the charges against him contained in the indictment, and those charges have been fully explained to him by his attorney.

4.       Defendant fully understands the nature and elements of the crimes with which he 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 following count of the indictment: Count One, which charges defendant with bank fraud, in violation of Title 18, United States Code, Section 1344.

**Factual Basis**

6. Defendant will plead guilty because he is in fact guilty of the charge contained in Count One of the indictment. In pleading guilty, defendant admits the following facts and that those facts establish his guilt beyond a reasonable doubt and constitute relevant conduct pursuant to Guideline § 1B1.3, and establish a basis for forfeiture of the property described elsewhere in this Plea Agreement:

Beginning no later than in or about May 2002, and continuing until in or about December 2008, at Deerfield and elsewhere in the Northern District of Illinois, Eastern Division, JEFFREY B. TRAVIS (“TRAVIS”) devised and participated in a scheme to defraud U.S. Bank, and to obtain money and funds owned by and under the custody and control of U.S. Bank, by means of materially false and fraudulent pretenses and representations, in violation of Title 18, United States Code, Section 1344. During this period, U. S. Bank was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation (FDIC).

More specifically, between May, 2002, and December, 2008, TRAVIS was a certified public accountant licensed by the State of Illinois and a tax preparer doing business as Gross and Travis, Ltd., and Travis and Associates, Inc., from offices in Deerfield, Illinois.

TRAVIS provided accounting and tax preparation services to small businesses, principally medical and dental firms. As part of these services, TRAVIS prepared tax returns, including payroll tax returns and income tax returns, and monthly financial statements for clients. TRAVIS also advised clients regarding amounts due vendors of the clients, amounts to be periodically set aside and periodically paid for taxes due. TRAVIS was authorized by his clients to make payments to retirement programs and tax authorities for his clients with checks signed by his clients and drawn on clients' accounts.

Between May, 2002, and December, 2008, TRAVIS defrauded U.S. Bank by depositing more than \$1.8 million in checks he misappropriated from Clients A - E into two checking accounts that he controlled at U.S. Bank and then withdrawing money from the accounts for personal use. TRAVIS used several means to do this:

(a) Using a checking account in the name of Med-Tek Services, LLC, ("the Med-Tek account") which he controlled and on which he was a signatory, TRAVIS caused his clients to generate checks for the payment of payroll taxes in amounts greater than the clients owed. TRAVIS fraudulently deposited the checks into the Med-Tek account and then wrote checks on the Med-Tek account for the smaller amount of payroll taxes actually due, keeping the difference for himself. TRAVIS also caused one client to generate checks to be paid into a profit sharing program and then deposited the checks into the Med-Tek account, diverting all of the money to himself.

(b) TRAVIS also fraudulently altered legitimate checks from his clients payable to him for his monthly fee by adding several thousand dollars to the face of the check

without his client's knowledge or consent. By writing over the dollar amounts of checks, he caused legitimate checks for \$500 to be fraudulently increased to \$5500, \$6500, and \$7500 and checks for \$395 to be fraudulently increased to \$3095. TRAVIS caused those fraudulently altered checks to be deposited into his business account, Travis and Associates, Inc. ("the Travis account").

(c) Lastly, without Client D's authorization or knowledge, TRAVIS generated checks drawn on Client D's checking account, made the checks payable to legitimate suppliers of Client D for amounts not owed to the suppliers, and fraudulently deposited the checks into the Med-Tek and Travis accounts at U.S. Bank.

TRAVIS caused all of the checks described above to be fraudulently deposited into the Med-Tek and Travis accounts at U.S. Bank. In order to cause U.S. Bank to accept the checks for negotiation and to create the false appearance that the checks had been properly endorsed by the payees for deposit into the Med-Tek and Travis accounts, TRAVIS caused to be placed on the reverse of each check, in the area reserved for the payee's endorsement, stamped text reading "PAY TO THE ORDER OF FIRSTAR BANK ILLINOIS, CHICAGO, IL 60602 > xxxxxx779 < FOR DEPOSIT ONLY, TRAVIS AND ASSOCIATES, INC., xxxxxx454" and "Pay To The Order Of BANK ONE, NA, For Deposit Only, MED-TEK SERVICES, INC.," respectively. By causing these stamps to be affixed at the place on the reverse side of each check reserved for endorsement, TRAVIS sought to deceive U.S. Bank by creating the appearance that deposit of the checks into his accounts had been authorized by all of the payors and by the payees in (a) and (c) above.

## **Client A**

Client A operated a medical practice as a sole practitioner in Chicago from 1995 until April, 2005. TRAVIS was his accountant during this period. TRAVIS prepared Client A's corporate and personal tax returns, calculated Client A's quarterly payroll taxes, and told Client A the amounts for the checks needed to pay the payroll taxes for Client A's practice.

TRAVIS caused three checks totaling \$90,035.60 to be issued by Client A between December 2004 and July, 2005, drawn on Client A's practice's checking account made payable to Bank One, United States Treasury, and Illinois Department of Revenue, respectively, and bearing information in the memo section on the face of the checks showing that the checks were for various state and federal taxes, including payroll taxes. TRAVIS caused all of the checks to be fraudulently deposited into the Med-Tek account without Client A's knowledge or consent, using the Med-Tek deposit stamp to deceive U.S. Bank by creating the appearance that deposit of the checks into the Med-Tek account had been authorized by the payor and the payees. One check for \$64,655.60 on December 28, 2004, was offset by a subsequent check for \$49,655.60 to the legitimate payee, Bank One, leaving an unauthorized deposit of \$15,000 in the Med-Tek account.

As charged in Count One, paragraph 11, on or about December 28, 2004, at Chicago, TRAVIS, did knowingly execute and attempt to execute the scheme by depositing and causing to be deposited into the Med-Tek account at U.S. Bank, a counterfeit check

purportedly issued by Client A, for payment of taxes and payable to Bank One, in the amount of \$64,655.60.

TRAVIS caused an additional \$73,321 check from Client A's account payable to Bank One to be fraudulently deposited into the Travis account on December 22, 2003, using the Travis account deposit stamp to deceive U.S. Bank by creating the appearance that deposit of the check into the Travis account had been authorized by the payor and the payee. That check was offset by a subsequent check on December 24, 2003, for \$49,321 to the legitimate payee, U.S. Bank, leaving an unauthorized deposit of \$24,000 in the Travis account.

By the above means, TRAVIS caused Client A losses totaling \$66,380 between December 22, 2003, and July 25, 2005.

### **Client B**

Client B was the owner of a family medical center in Melrose Park, Illinois. TRAVIS was her accountant from the time she started her business in 2001. TRAVIS came to her business twice a month to prepare payroll checks for her employees. TRAVIS printed out the payroll checks from a password protected computer client payroll system that TRAVIS set up. TRAVIS also prepared checks to pay the federal and state payroll taxes due. TRAVIS gave all the checks to Client B to sign. TRAVIS took the signed payroll tax deposit checks, telling Client B that he would take them to the bank to pay the taxes.

Monthly bank statements and photocopies of the fronts of the cancelled checks were sent to Client B's office. Client B gave the copies of the statements and cancelled checks to TRAVIS to reconcile and to code for entry into the general ledger.

TRAVIS caused six checks totaling \$90,408.24 to be drawn on the family medical center's account between November 12, 2004 and October 18, 2005. Two of the checks were for payment of payroll taxes. TRAVIS fraudulently inflated the amounts of those checks above the amounts actually due by \$5,000 and \$8,000 respectively. Although the checks were payable to Fifth Third Bank, TRAVIS caused the checks to be endorsed with the Med-Tek deposit stamp and deposited into the Med-Tek account. Within days, TRAVIS caused checks for the correct payroll taxes due to be drawn on the Med-Tek account, keeping the inflated amounts for himself.

The other four checks were made payable to Travis and Associates and deposited into the Travis account. Between May 13, 2005 and July 14, 2005, TRAVIS caused three of the checks which were for \$425 each to be fraudulently increased to \$4,025 by writing over the dollar amounts on the faces of the checks. On August 9 and 10, 2005, TRAVIS reimbursed Client B with two checks drawn on the Travis account in the amounts of \$3,600 and \$7,800. TRAVIS caused the fourth check to be fraudulently created in the amount of \$11,300 not due TRAVIS.

By the above means, TRAVIS caused Client B losses totaling \$23,700.

### **Client C**

Client C was a family practitioner in internal medicine who had been in practice since 1995. TRAVIS had been his accountant for his business and for his personal tax returns since 1998. TRAVIS came to Client C's office approximately twice a year to review the books and prepare the year-end tax returns. TRAVIS advised Client C as to additional salary to take at the end of the year, determined the amount to be deposited into Client C's 401(k), and determined the amount of payroll taxes that needed to be paid. At TRAVIS' suggestion, Client C gave the checks for his 401(k) account to TRAVIS to send in for him.

Between December 27, 2004, and December 26, 2006, TRAVIS caused five checks totaling \$200,973.91 payable to Client C's 401(k) plan and for payroll taxes to be fraudulently deposited into the Med-Tek account without Client C's knowledge or consent. TRAVIS caused the checks to be endorsed with the Med-Tek account deposit stamp, seeking to deceive U.S. Bank by creating the appearance that deposit of the checks into the Med-Tek account had been authorized by the payees.

Included in this amount was a \$51,603.12 deposit into the Med-Tek account from Client C's account on December 27, 2004. Following this deposit, TRAVIS caused an outgoing check from the Med-Tek account to the legitimate payee for \$26,603.12, leaving \$25,000 in unauthorized funds in the Med-Tek account. Similarly, a December 15, 2005, deposit of \$39,104.45 was followed by an outgoing check for \$19,104.45, leaving \$20,000 in unauthorized funds in the Med-Tek account. An additional such transaction on December 26, 2006, left \$15,000 in unauthorized deposits in the Med-Tek account.



TRAVIS caused an additional check from Client C's business account for \$49,344 to be fraudulently deposited into the Travis account on December 26, 2003. An outgoing check to the legitimate payee from the Travis account for \$32,344 left an unauthorized deposit of \$17,000 in the Travis account.

By the above means, TRAVIS caused Client C losses totaling \$130,121 between December 26, 2003, and December 26, 2006.

### **Client D**

Client D was a dentist and the owner of a dental practice in Buffalo Grove, Illinois. TRAVIS was Client D's accountant for his business accounting and his personal tax returns from January, 2000, until July, 2007.

TRAVIS sold Client D bookkeeping software that printed and recorded checks. TRAVIS came to Client D's offices at least once a month to balance Client D's checkbook and make any adjustments necessary. In the beginning, TRAVIS also provided quarterly financial statements, but those statements became more infrequent as the years went on. On TRAVIS' recommendation, cancelled checks were not sent to Client D each month from Client D's bank.

In February, 2007, TRAVIS caused 250 blank checks bearing Client D's business's name and account number to be printed by a commercial check printer and delivered to TRAVIS without Client D's knowledge or authorization. Using those checks, which bore a different numerical sequence from Client D's business's legitimate checks,

TRAVIS caused unauthorized checks to be written on Client D's business's account and deposited those unauthorized checks into the Travis account.

When confronted by Client D in August, 2007, TRAVIS said, "This is my doing, nobody from Client D's office, nobody from my office, or the bank was involved." TRAVIS told Client D that the amount involved was between \$500,000 and \$600,000.

By the above means, between May, 2002, and July, 2007, TRAVIS caused checks totaling \$960,000 to be drawn on Client D's account without Client D's knowledge or consent, to be made payable to Client D's legitimate vendors for amounts Client D did not owe the vendors, to be fraudulently endorsed with deposit stamps for the Med-Tek and Travis accounts to deceive U.S. Bank to believe that the deposits were authorized by the payees, and to be deposited into the Med-Tek and Travis accounts.

### **Client E**

Client E was the owner of a dermatology and skin cancer institute in Chicago. TRAVIS was the accountant for Client E's institute. Client E hired TRAVIS to prepare sales tax returns, income tax returns, payroll tax returns, profit sharing computations, and monthly financial statements.

TRAVIS computed payroll taxes owed by Client E on a monthly basis. TRAVIS told Client E's office manager the amount for which the check for payroll taxes was to be made. TRAVIS entered the amount in Client E's computer system and print out a check payable to U.S. Bank where Client E had its payroll tax account. TRAVIS told Client

E's office manager that he would bring the checks to U.S. Bank because Client E's office manager was always very busy.

Client E had a profit sharing plan at Oppenheimer Funds. TRAVIS told Client E's office manager the amount to put into the plan each quarter. Client E's office manager prepared a check in that amount and gave the check to TRAVIS.

Between December 28, 2005, and December 31, 2008, TRAVIS caused fourteen checks totaling \$1,196,775.55 to be drawn on the account of Client E's institute. TRAVIS caused four checks payable to Oppenheimer Funds for Client E's retirement contributions totaling \$168,131.61 to be deposited into the Med-Tek account without Client E's knowledge or consent, using Med-Tek's deposit stamp to deceive U.S. Bank to believe that the deposits were authorized by the payee. TRAVIS also caused nine checks payable to U.S. Bank totaling \$1,018,801.94, to be deposited into the Med-Tek account, again using the Med-Tek deposit stamp to deceive U.S. Bank to believe that the deposits were authorized. Shortly after four of those checks were deposited, TRAVIS drew on the Med-Tek account payable to Chase Bank checks totaling \$493,250.94 that were smaller in even thousand-dollar amounts of \$50,000 (2), \$29,000, and \$40,000. Without Client E's knowledge or consent, TRAVIS kept the \$525,551 difference for himself. TRAVIS also caused one check payable to the Illinois Department of Revenue for \$9,842 to be deposited into the Med-Tek account, again using the Med-Tek deposit stamp to deceive U.S. Bank to believe that the deposit was authorized.

By the above means, TRAVIS caused Client E losses totaling \$703,524.61.

### **Maximum Statutory Penalties**

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

a. A maximum sentence of 30 years' imprisonment. Pursuant to Title 18, United States Code, Section 3561, defendant may not be sentenced to a term of probation for this offense. This offense also carries a maximum fine of \$1,000,000, or twice the gross gain or gross loss resulting from that offense, whichever is greater. Defendant further understands that the judge also may impose a term of supervised release of not more than five years.

b. Defendant further understands that the Court must order restitution to the victims of the offense in an amount determined by the Court. The Court also may order restitution to any persons as agreed by the parties.

c. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on the charge to which he 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 2011 Guidelines Manual.

b. **Offense Level Calculations.**

i. The base offense level is 7, pursuant to Guideline § 2B1.1(a)(1);

ii. The offense level is increased by 16 levels pursuant to Guideline §2B1.1(b)(1)(I) because the aggregate loss amount arising from the offense of conviction and all relevant conduct is more than \$1 million and less than \$2.5 million;

iii. It is the government's position that the offense level is increased by two levels pursuant to Guideline §2B1.1(b)(11)(C)(i) because the offense involved the unauthorized use of a means of identification to produce and obtain another means of identification. The defendant disagrees that this Guideline is applicable to the facts of this case;

iv. The offense level is increased by two levels pursuant to Guideline §2B1.1(b)(15)(A) because the defendant derived more than \$1 million in gross receipts from a financial institution as a result of the offense;

v. The offense level is increased by two levels pursuant to Guideline §3B1.3 because the defendant abused a position of private trust and used special skill as a certified public accountant in a manner that significantly facilitated the commission and concealment of the offense;

vi. If at the time of sentencing defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct 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 his ability to satisfy any fine or restitution that may be imposed in this case, defendant should receive a two-level reduction in the offense level. At the present time, given that the defendant is disputing the application of certain guidelines, the government reserves its position on the adjustment until the time of sentencing.

vii. In accord with Guideline §3E1.1(b), defendant has timely notified the government of his 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 within the meaning of Guideline §3E1.1(b). Accordingly, at the time of defendant's sentencing, the government will move for an additional one-level reduction in the offense level if the Court determines that defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct within the meaning of Guideline §3E1.1(a) and 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.

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, it is the government's position that the anticipated offense level is 26, which, when combined with the anticipated criminal history category of I, results in an anticipated advisory Sentencing Guidelines range of 63 to 78 months' imprisonment, in addition to any supervised release, fine, and restitution the Court may impose.

e. Defendant and his 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 his plea on the basis of the Court's rejection of these calculations.

f. Both parties expressly acknowledge that this 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 Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw his plea, nor the government the right to vacate this 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 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 his guilty plea.

12. Regarding restitution, pursuant to Title 18, United States Code, §§ 3663(a)(3) and 3664, the parties agree that the defendant will pay restitution for the losses sustained from the relevant conduct described in ¶6 above. The parties agree that the defendant will pay restitution in the total amounts stated in ¶6 above for Clients A, C, and E. The parties agree that Client B has been repaid in the full amount of the loss stated in ¶6 above. As to Client D, defendant has previously entered into a settlement agreement pursuant to the resolution of civil litigation brought in the Circuit Court of Cook County in cases 08 L 6716 and 09 L 8585. Defendant agrees to fully comply with the settlement agreement and the parties agree that compliance shall constitute complete restitution of the losses sustained by Client D in ¶6 above.



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), he is required to notify the Court and the United States Attorney's Office of any material change in economic circumstances that might affect his 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.

16. After sentence has been imposed on the count to which defendant pleads guilty as agreed herein, the government will move to dismiss the remaining counts of the indictment, as well as the forfeiture allegation as to defendant.

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

#### **Nature of Agreement**

17. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 12 CR 33.

18. This 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.

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

### **Waiver of Rights**

20. Defendant understands that by pleading guilty he surrenders certain rights, including the following:

a. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charges against him, and if he does, he 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 his 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 him unless, after hearing all the evidence, it was persuaded of his guilt beyond a reasonable doubt and that it was to consider each count of the indictment separately. The jury would have to agree unanimously as to each count before it could return a verdict of guilty or not guilty as to that count.

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, and considering each count separately, 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 his attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in his own behalf. If the witnesses for defendant would not appear voluntarily, he 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 he could decline to testify, and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify in his own behalf.

viii. With respect to forfeiture, defendant understands that if the case were tried before a jury, he 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.

b. **Appellate rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial, and may only appeal the validity of this plea of guilty and the sentence imposed. Defendant understands that any appeal must be filed within 14 calendar days of the entry of the judgment of conviction.

c. Defendant understands that by pleading guilty he is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights specifically preserved above. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights.

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

21. 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 charges against him, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

22. 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 his financial circumstances, including his 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 his 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.

23. For the purpose of monitoring defendant's compliance with his obligations to pay a fine and restitution during any term of supervised release 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 to which defendant is sentenced. Defendant also agrees that a certified copy of this 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

24. 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.

25. Defendant agrees to cooperate with the Internal Revenue Service in any tax examination or audit of defendant and his 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 Agreement, by transmitting to the IRS original records or copies thereof, and any additional books and records which the IRS may request.

26. 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 his spouse or

defendant's partnerships or corporations. Nothing in this paragraph or the preceding paragraph precludes defendant and his 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.

27. Defendant understands that pursuant to Title 12, United States Code, Sections 1785(d) and 1829, his conviction in this case will prohibit him from directly or indirectly participating in the affairs of any financial institution insured by the National Credit Union Share Insurance Fund or the Federal Deposit Insurance Corporation, except with the prior written consent of the National Credit Union Administration Board or the FDIC and, during the ten years following his conviction, the additional approval of this Court. Defendant further understands that if he knowingly violates this prohibition, he may be punished by imprisonment for up to five years, and a fine of up to \$1,000,000 for each day the prohibition is violated.

28. Defendant understands that pursuant to Title 29, United States Code, Sections 504 and 1111, his conviction in this case will prohibit him from serving or being permitted to serve in certain offices, positions, and capacities relating to labor organizations, employee benefit plans, and other entities, as described in Title 29, United States Code, Sections 504 and 1111, for the period of thirteen years after conviction or after the end of any incarceration, whichever is later, unless the Court, pursuant to the Sentencing Guidelines and policy statements under Title 28, United States Code, Section 994(a), determines that defendant's direct or indirect service with or to a labor organization or employee benefit plan

would not be contrary to the purposes of Title 29, United States Code, Sections 504 and 1111. Defendant further understands that if he violates this prohibition, he may be punished by imprisonment for up to five years and a fine of up to \$250,000.

### **Conclusion**

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

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

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



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

33. Defendant acknowledges that he has read this Agreement and carefully reviewed each provision with his attorney. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

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

\_\_\_\_\_  
GARY S. SHAPIRO  
Acting United States Attorney

\_\_\_\_\_  
JEFFREY B. TRAVIS  
Defendant

\_\_\_\_\_  
JOHN F. PODLIKA  
Assistant U.S. Attorney

\_\_\_\_\_  
STEVEN MESSNER  
Attorney for Defendant

\_\_\_\_\_  
CARL CLAVELLI  
Attorney for Defendant