

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO

FILED
At Albuquerque NM

MAR 09 2007

MATTHEW J. DYKMAN
CLERK

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
vs.)
)
DOLORES MAE ARREOLA,)
)
Defendant.)
)

Cr. No. 06-2495 WJ

PLEA AGREEMENT

Pursuant to Rule 11, Fed. R. Crim. P., the parties notify the Court of the following agreement between the United States Attorney for the District of New Mexico, the Defendant, DOLORES MAE ARREOLA, and the Defendant's counsel, MICHAEL KEEFE, ESQUIRE:

REPRESENTATION BY COUNSEL

1. The Defendant understands the Defendant's right to be represented by an attorney and is so represented. The Defendant has thoroughly reviewed all aspects of this case with the Defendant's attorney and is fully satisfied with that attorney's legal representation.

RIGHTS OF THE DEFENDANT

2. The Defendant further understands the Defendant's rights:

- a. to plead not guilty, or having already so pleaded, to persist in that plea;
- b. to have a trial by jury; and
- c. at a trial:
 - 1) to confront and cross-examine adverse witnesses,
 - 2) to be protected from compelled self-incrimination,
 - 3) to testify and present evidence on the Defendant's own behalf, and
 - 4) to compel the attendance of witnesses for the defense.

WAIVER OF RIGHTS AND PLEA OF GUILTY

3. The Defendant agrees to waive these rights and to plead guilty to Counts 2, 7 and 9 of Indictment 06-2495 WJ filed in this matter charging the Defendant in Count 2 with False statements or entries in violation of 18 U.S.C. § 1001, in Count 7 with False, fictitious or fraudulent claims in violation of 18 U.S.C. § 287, and in Count 9 with Theft or embezzlement of public money or property in violation of 18 U.S.C. § 641. Pursuant to the Forfeiture allegation in the Indictment, the Defendant further agrees to forfeit to the United States all of her interest in the money (\$20,000.00) and two vehicles described in the Indictment.

SENTENCING

4. The Defendant understands that the maximum penalties the Court can impose for each count of the Indictment are:

- a. upon the Defendant's conviction under Count 2 for making false statements or entries in violation of 18 U.S.C. § 1001, the maximum penalties are:
- 1) a term of imprisonment of not more than 5 (five) years;
 - 2) a fine not to exceed \$250,000.00;
 - 3) a term of supervised release of not more than 3 (three) years that must follow any term of imprisonment. (If the Defendant serves a term of imprisonment, is then released on supervised release, and violates the conditions of supervised release, the Defendant's supervised release could be revoked -- even on the last day of the term -- and the Defendant could then be returned to another period of incarceration and a new term of supervised release.);
 - 4) a mandatory special penalty assessment of \$100.00; and
 - 5) restitution as may be ordered by the Court pursuant to law, 18 U.S.C. § 3663A, and paragraph 7 of this agreement.
- b. upon the Defendant's conviction under Count 7 for making a false, fictitious or fraudulent claim in violation of 18 U.S.C. § 287, the maximum penalties are:
- 1) a term of imprisonment of not more than 5 (five) years;
 - 2) a fine not to exceed \$250,000.00;
 - 3) a term of supervised release of not more than 3 (three) years that must follow any term of imprisonment. (If the Defendant serves a term of imprisonment, is then released on supervised release, and violates the conditions of supervised release, the Defendant's supervised release could be revoked -- even on the last day of the term -- and the Defendant could then be returned to another period of incarceration and a new term of supervised release.);
 - 4) a mandatory special penalty assessment of \$100.00; and

- 5) restitution as may be ordered by the Court pursuant to law, 18 U.S.C. § 3663A, and paragraph 7 of this agreement.
- c. upon the Defendant's conviction under Count 9 for theft or embezzlement of public money or property in violation of 18 U.S.C. § 641, the maximum penalties are:
- 1) a term of imprisonment of not more than 10 (ten) years;
 - 2) a fine not to exceed \$250,000.00;
 - 3) a term of supervised release of not more than 3 (three) years that must follow any term of imprisonment. (If the Defendant serves a term of imprisonment, is then released on supervised release, and violates the conditions of supervised release, the Defendant's supervised release could be revoked -- even on the last day of the term -- and the Defendant could then be returned to another period of incarceration and a new term of supervised release.);
 - 4) a mandatory special penalty assessment of \$100.00; and
 - 5) restitution as may be ordered by the Court pursuant to law, 18 U.S.C. § 3663A, and paragraph 7 of this agreement.

5. The parties recognize that the federal sentencing guidelines are advisory, but that the Court is required to consider them in determining the sentence it imposes.

6. The United States reserves the right to make known to the United States Probation Office, for inclusion in the presentence report to be prepared under Rule 32, Fed. R. Crim. P., any information the United States believes may be helpful to the Court, including but not limited to information about any relevant conduct under U.S.S.G.

§ 1B1.3.

7. The Defendant agrees and acknowledges that the Court is not limited to ordering restitution only to the amount of the particular offenses to which the Defendant is entering a plea of guilty, but may order restitution to include all amounts resulting from all of the Defendant's criminal conduct related to this case.

DEFENDANT'S ADMISSION OF FACTS

8. The Defendant admits to the following facts:

a. By my signature on this plea agreement, I am acknowledging that I am pleading guilty because I am, in fact, guilty of the offenses to which I am pleading guilty. I recognize and accept responsibility for my criminal conduct. Moreover, in pleading guilty, I acknowledge that if I chose to go to trial instead of entering this guilty plea, the United States could prove facts sufficient to establish my guilt to all of the charges to which I am pleading guilty beyond a reasonable doubt. I specifically admit the following facts related to the charges against me, and declare under penalty of perjury that all of these facts are true and correct:

1) I am a former procurement contract specialist, or buyer, for the Los Alamos National Laboratory, which is located in Los Alamos, New Mexico.

2) The United States Government owns the Laboratory grounds, facilities, property and equipment used by Laboratory employees in their work. The United States Department of Energy (hereinafter "DOE") is responsible for the oversight of the Laboratory, but on a day-to-day basis the University of California (hereinafter the

“University”) runs, manages and administers LANL operations on behalf of the United States Government. The United States Government pays for all property purchases that the University incurs for Laboratory operations and equipment. This is done by way of a direct draw-down on DOE appropriated funds from a U.S. Treasury account. The University and its LANL employees are therefore considered the stewards of the United States Government property and equipment used in LANL operations.

3) To meet the Laboratory's ongoing property and equipment needs, the University purchases property, equipment, supplies, materials and services from various approved suppliers, or vendors. As a Laboratory procurement contract specialist, I was responsible for processing purchase requests for materials and services needed by Laboratory personnel to carry out their duties. I was authorized to request the Laboratory to issue checks to pay for such purchases from approved vendors.

4) I began working at the Laboratory in 1984. I was fired from my job at the Laboratory on July 11, 2005, after Laboratory officials discovered that I had processed three fraudulent and fictitious purchase orders at the Laboratory, which resulted in the Laboratory issuing checks that I then deposited into a bank account at the Del Norte Credit Union for which I had signatory authority. The total amount of the three checks was \$55,489.64. I used almost the entire proceeds of the first two checks for my own personal use. The bank put a freeze on the proceeds of the third and last check after I had

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deposited it but before I could withdraw any of the funds because officials discovered what I had been doing.

5) At the time of the events described in the Indictment, I not only was working at the Laboratory, but I was also the President of an organization known as the Santo Domingo de Cundiyo Heirs' Association, or SDHA. The SDHA is a land grant heirs' association organized to try to seek recognition of certain land grant rights in the Cundiyo, New Mexico area. The SDHA also had a bank account at the Del Norte Credit Union for which I had signatory authority as the President of the organization. I used the SDHA bank account at Del Norte Credit Union as the account into which I deposited the three checks from the Laboratory which I had fraudulently obtained.

6) One of the first steps I took to obtain the three checks described above occurred on February 22, 2005, when I entered false data into the Laboratory's computerized "Vendor Desk" system to make it appear as if the SDHA was a legitimate vendor, or supplier, to the Laboratory. After entering the data into the procurement system, I then sent an e-mail to a co-worker, asking for the SDHA to be made an active and authorized vendor in the Laboratory's procurement system database. In my job I was allowed to order goods and services from active vendors listed on the procurement system. It was also part of my normal duties to set up new vendors in the procurement system. As a buyer for the Laboratory, I was allowed to make purchases for goods and services costing up to \$100,000.00 without any supervisory approval.

7) The same day that I had the SDHA activated as a vendor for the Laboratory, I also prepared and submitted a fictitious purchase order for the SDHA to construct and supply the Laboratory with various fictitious items for a total purchase price of \$19,845. More specifically, as set forth in Count 2 of the Indictment, I knowingly and willfully made the false, fraudulent and material misrepresentation on the purchase order that the SDHA had been awarded a Laboratory contract/purchase agreement entitling the SDHA to a cash disbursement from the Laboratory of \$19,845.00 for the SDHA's alleged services in constructing a hexagon tent gamma ray camera house panel, a hexagonal tent protective envelope cutout panel, a hexagonal tent zipper door panel, and a hexagonal tent plain panel. I knew at the time that all of those statements were false. I also authorized advance payment on the order, waived the requirement for receiving a report prior to payment, and requested Accounts Payable to notify me when the check was ready so that I could personally pick it up.

8) On February 24, 2005, I picked up the check. I then deposited it into the SDHA account at Del Norte Credit Union. I then withdrew and spent the proceeds of the check.

9) On May 9, 2005, I processed a legitimate purchase order to acquire high voltage diodes for \$15,644.64 from a company called VMI. That same day, I also knowingly and willfully prepared another fictitious purchase order for the same items and price, but which named the SDHA as the vendor. I again coded the fictitious order for

an advance payment and requested to be notified by Accounts Payable when the check was ready.

10) On May 10, 2005, I picked up the \$15,644.64 check payable to the SDHA. I subsequently deposited the check into the SDHA account at Del Norte Credit Union and endorsed it as "President – Dolores Arreola." I always intended to put these funds to my own use and so later withdrew them from the SDHA account and spent them. As described in Count 9 of the Indictment, I knowingly embezzled, stole, purloined, and converted to my own use all of this money (\$15,644.64) which I knew rightfully belonged to the United States Government.

11) On May 25, 2005, I processed another legitimate Laboratory purchase order for 100 milliliters of "Bulk Reaction Solution - 100" from Genprime Inc. in Spokane, Washington for a price of \$20,000.

12) On June 7, 2005, as described in Count 7 of the Indictment, I again knowingly and willfully prepared and submitted to Laboratory officials for payment by the Department of Energy, a department of the United States Government, a false, fictitious and fraudulent purchase order for SDHA for \$20,000, which was based on the genuine Genprime purchase order. I knew at the time that the claim I had submitted was false, fictitious and fraudulent. I again coded the purchase order for advance payment, and I again personally collected the check from Accounts Payable on June 8, 2005. I then deposited the \$20,000.00 check into the SDHA Del Norte Credit Union account.

13) I spent part of the money that I stole and embezzled from the Laboratory on both the 2000 Ford Mustang and 2000 Toyota Tacoma truck, which are both described in further detail in the Forfeiture Allegation in the Indictment. I agree to forfeit to the United States as part of this agreement all of my rights and interest in any property constituting and derived from my crimes, including the 2000 Ford Mustang, the 2000 Toyota Tacoma truck, and the \$20,000.00 which I deposited into the SDHA account at Del Norte Credit Union in June 2005.

9. By signing this agreement, I admit all the foregoing facts and admit that there is a factual basis for each element of the crimes to which I am pleading guilty. I agree that the Court may rely on any of these facts, as well as any undisputed facts in the presentence report, to determine my sentence, including, but not limited to, the advisory guideline offense level.

STIPULATIONS

10. To assist the Court in determining the advisory sentencing guideline range, the United States and the Defendant stipulate as follows:

a. As of the date of this agreement, the Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for the Defendant's criminal conduct. Consequently, pursuant to U.S.S.G. § 3E1.1, so long as the Defendant continues to accept responsibility for the Defendant's criminal conduct, the Defendant is entitled to a two-level reduction from her base offense level as calculated

under the sentencing guidelines. This reduction depends on the Defendant personally providing to the United States Probation Officer who prepares the presentence report in this case an appropriate written statement in which the Defendant clearly establishes the Defendant's entitlement to this reduction. Further, the United States is free to withdraw this stipulation if the Defendant engages in any conduct that is inconsistent with acceptance of responsibility between the date of this agreement and the sentencing hearing.

b. Pursuant to U.S.S.G. § 2B1.1(a)(1), the parties agree that the Defendant's base offense level is 6, and that there should be a 6 level increase in the Defendant's offense level under U.S.S.G. § 2B1.1(b)(1)(D) because the amount of funds diverted, or loss that the Defendant inflicted upon her victim was more than \$30,000.00.

c. Based upon the Defendant's guilty plea and conduct to date, the United States stipulates and agrees that the Defendant should be sentenced at the lowest end of the Defendant's sentencing guideline range after the Court has reviewed the presentence report and made its final determination as to the Defendant's sentencing offense level. Nothing about this provision shall limit the United States from arguing for or against any particular guideline adjustment.

d. The parties are free to argue either for, or against, the application of any further adjustments to the advisory guideline sentences that are otherwise not addressed by way of stipulation herein.

e. This agreement does not preclude the Defendant from seeking a downward departure or variance from the applicable advisory sentencing guideline range as determined by the Court after resolution of any objections by either party to the presentence report to be prepared in this case. If the Defendant should seek a downward departure or variance, the United States retains its right to oppose such downward departure or variance.

f. In exchange for the United States entering into this agreement, the Defendant agrees that, upon the Defendant's signing of this agreement, the facts set forth in paragraph 8 of this agreement shall be admissible against the Defendant under Fed.R.Evid. 801(d)(2)(A) in any subsequent proceeding, and the Defendant expressly waives the Defendant's rights under Fed.R.Crim.P. 11(f) and Fed.R.Evid. 410 with regard to the facts set forth in paragraph 8 of this agreement.

11. The Defendant understands that the above stipulations are not binding on the Court and that whether the Court accepts these stipulations is a matter solely within the discretion of the Court after it has reviewed the presentence report. Further, the Defendant understands that the Court may choose to deviate from the advisory guideline sentence. The Defendant understands that if the Court does not accept any one or more of the above stipulations and reaches an advisory guideline sentence different than expected by the Defendant, or if the Court deviates from the advisory guideline range, the Defendant will not seek to withdraw the plea of guilty. In other words, regardless of any stipulations the

parties may enter into, insofar as is otherwise permitted by law, the Defendant's final sentence is solely within the discretion of the Court.

DEFENDANT'S ADDITIONAL OBLIGATIONS

12. The Defendant understands the Defendant's obligation to provide the United States Probation Office with truthful, accurate, and complete information. The Defendant represents that the Defendant has complied with and will continue to comply with this obligation.

GOVERNMENT'S AGREEMENT

13. Provided that the Defendant fulfills the Defendant's obligations as set out above, the United States agrees that the United States will not bring additional criminal charges against the Defendant arising out of the Defendant's conduct now known to the United States Attorney's Office for the District of New Mexico. The Defendant understands that this agreement is limited solely to the United States Attorney's Office for the District of New Mexico and does not bind any other federal, state, or local agencies or prosecuting authorities, including the Tax Division of the U.S. Department of Justice.

VOLUNTARY PLEA

14. The Defendant agrees and represents that this plea of guilty is freely and voluntarily made and is not the result of force, threats, or promises (other than the promises set forth in this agreement). There have been no representations or promises from anyone as to what sentence the Court will impose. The Defendant represents that the

Defendant is pleading guilty because the Defendant is in fact guilty, and for no other reason.

VIOLATION OF PLEA AGREEMENT

15. The Defendant agrees that if the Defendant violates any provision of this agreement, the United States may declare this agreement null and void, and the Defendant will thereafter be subject to prosecution for any criminal violation, including but not limited to any crime(s) or offense(s) contained in or related to the charges in this case, as well as perjury, false statement, obstruction of justice, and any other crime committed by the Defendant during this prosecution.

SPECIAL ASSESSMENT

16. At the time of sentencing, the Defendant will tender to the United States District Court, District of New Mexico, 333 Lomas Blvd. NW, Suite 270, Albuquerque, New Mexico 87102, a money order or certified check payable to the order of the United States District Court in the amount of \$300.00 in payment of the special penalty assessment described above.

ENTIRETY OF AGREEMENT

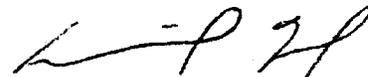
17. This document is a complete statement of the agreement in this case and may not be altered unless done so in writing and signed by all parties.

AGREED TO AND SIGNED this 9th day of March, 2007.

LARRY GOMEZ
Acting United States Attorney

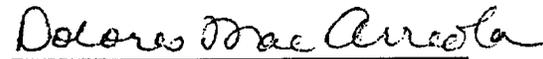


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MICHAEL KEEFE, ESQUIRE
Attorney for Defendant

I have read this agreement and carefully reviewed every part of it with my attorney. I understand the agreement and voluntarily sign it.



DOLORES MAE ARREOLA
Defendant