

Government's Agreement Concerning Other Charges:

The Government agrees not to further criminally prosecute the Defendant for the conduct giving rise to the charge in the Information in this case based on the facts set forth in this agreement. The nonprosecution terms of this paragraph do not apply to (a) any acts of perjury or subornation of perjury (18 U.S.C. §§ 1621-22), making a false statement or declaration (18 U.S.C. §§ 1001, 1623), obstruction of justice (18 U.S.C. §§ 1503 et seq.), contempt (18 U.S.C. §§ 401-402), or conspiracy to commit such offenses; (b) civil matters of any kind; or (c) any crime of violence.

The Defendant understands that, upon sentencing, the Antitrust Division will report his conviction to the Department of Justice's Bureau of Justice Assistance pursuant to 10 U.S.C. § 2408 for inclusion in the Defense Procurement Fraud Debarment Clearinghouse database and the System for Award Management. The Defendant understands that 10 U.S.C. § 2408 provides for a mandatory term of debarment of at least five years, which term may only be waived if the Secretary of Defense determines a waiver is in the interest of national security. The Defendant understands that he may be subject to additional suspension or debarment actions by state or federal agencies other than the Antitrust Division, based upon the conviction resulting from this Plea Agreement and upon grounds other than 10 U.S.C. § 2408, and that this Plea Agreement in no way controls what additional action, if any, other agencies may take. However, the Antitrust Division agrees that, if requested, it will advise the appropriate officials of any governmental agency considering such additional action of the fact, manner, and extent of the cooperation of the Defendant as a matter for that agency to consider before determining what action, if any, to take.

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The Defendant nevertheless affirms that he wants to plead guilty regardless of the suspension or debarment consequences of his plea.

Penalty:

The offense to which Defendant is pleading guilty carries the following penalties:

Count 1: 18 U.S.C. § 371

Maximum possible prison term:	Five (5) years (18 U.S.C. § 371)
Mandatory minimum prison term:	N/A
Maximum term of supervised release:	Three (3) years following any term of imprisonment. If the Defendant violates any condition of supervised release, the Defendant could be required to serve up to two (2) years in prison (18 U.S.C. § 3559(a)(3); 18 U.S.C. § 3583(b)(2) and (e)(3); and U.S.S.G. § 5D1.2(a)(2))
Mandatory minimum term supervised release:	N/A
Maximum fine:	The greatest of (1) \$250,000, (2) twice the gross pecuniary gain the conspirators derived from the crime, or (3) twice the gross pecuniary loss caused to the victims of the crime by the conspirators (18 U.S.C. § 3571(b) and (d))
Mandatory monetary assessment:	Pursuant to 18 U.S.C. § 3013(a)(2)(A), the Court is required to order the defendant to pay a \$100.00 special assessment upon conviction for the charged crime
Amount of Restitution:	Pursuant to 18 U.S.C. § 3663A(c)(1)(A)(ii), the Court is required to order the Defendant to pay restitution to the victims of the offense
Forfeiture	No

Any term of imprisonment imposed does not provide for parole. The Defendant acknowledges that the Defendant has discussed this statutory range of punishment with the Defendant's attorney, and knowing this, the Defendant still wants to plead guilty in this case.

Defendant's Initials

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The Defendant understands that in determining the Defendant's sentence, the Court will consider the United States Sentencing Guidelines and accompanying policy statements, which the courts have determined to be advisory in nature. In determining Defendant's sentence, the Court will consider the factors set forth in 18 U.S.C § 3553(a). Because the Sentencing Guidelines are advisory only, the Defendant's sentence may lie within, below, or above the Sentencing Guideline range after the Court has considered the § 3553(a) factors. Any estimate of the advisory sentencing range or probable sentence from any source, including the Defendant's attorney, the attorneys for the Government, or the Probation Officer, is a prediction and not a promise.

The Defendant stipulates that no person has specifically promised what sentence the Defendant will receive. The Defendant is aware the Court has jurisdiction and authority to impose any sentence within the maximum statutory penalty. The Defendant acknowledges and understands that the Defendant will not be permitted to withdraw the plea of guilty if the Court imposes a sentence greater than the Defendant expected.

Factual Basis for Plea:

The Defendant further states that the Defendant's attorney has explained to the Defendant all of the elements of the offense(s) to which the Defendant is entering a plea of guilty, and it is the Defendant's understanding that if the Defendant pleads not guilty, the United States would be required to prove each and every one of the elements to the unanimous satisfaction of a jury beyond a reasonable doubt. By signing the Plea Agreement, the Defendant admits that the facts set out in the factual basis below as alleged by the Government are true and correct:

(a) For purposes of this Plea Agreement, the "relevant period" is that period from on or about no later than January 1, 2008, and continuing thereafter until on or about at least

Defendant's Initials


November 22, 2017. During the relevant period, the Defendant was the majority or sole owner of Company BH, an entity organized and existing under the laws of Texas, and which claimed Service-Disabled Veteran-Owned Small Business ("SDVOSB") status to obtain federal government SDVOSB set-aside contracts;

(b) During the relevant period, the Defendant participated in a conspiracy with Co-Conspirator-1, Co-Conspirator-2, and other persons engaged in the sale of construction services, the primary purpose of which was to defraud the United States, and agencies thereof, to wit, the Small Business Administration, ("SBA"), and other U.S. government agencies, by (a) interfering with the lawful function of the SBA and other agencies of the United States in obtaining government contracts set aside for small businesses; and (b) cheating the government out of money or property;

(c) The Defendant knew that the purpose of the agreement was to defraud the government and joined in it willfully, that is, with the intent to defraud;

(d) At least one of the conspirators during the existence of the conspiracy knowingly committed at least one overt act in order to accomplish some object or purpose of the conspiracy;

(e) In furtherance of this conspiracy, the Defendant fraudulently secured valuable government contracts set aside for small businesses from government agencies, when Defendant and his business, Company BH, were not eligible to obtain those contracts;

(f) It was further a part of the conspiracy that the Defendant and others held out Company BH to federal government agencies as qualified for set-aside contracts, when in truth and in fact it was not, due to its control by Co-Conspirator-1 and Co-Conspirator-2, and its affiliation with Company M and Company F;

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(g) It was further part of the conspiracy that, in order to conceal the fact that Company BH was not eligible for set-aside contracts, the Defendant caused Company BH to submit false statements and representations to the Small Business Administration, including SBA Form 355, in which Defendant falsely stated that he had never worked for Company M, and that Co-Conspirator 1 and Co-Conspirator 2 did not provide financial backing to Company BH in the form of indemnification and credit guarantees;

(h) It was further part of the conspiracy that, as a result of the false statements and representations that the Defendant caused Company BH to submit to the Small Business Administration, that Company BH was permitted to continue to bid on, win, and perform set-aside contracts, and received payments on those contracts, including a final payment of approximately \$74,431.72 on one such set-aside contract on or about November 22, 2017;

(i) The government's investigation revealed that, on government contracts valued at over \$250 million, the Defendant did not receive the profits expected as a majority or sole owner of Company BH, as Defendant was paid only approximately \$260,749 from Company BH's bank accounts. By contrast, over \$8 million was paid from Company BH's bank accounts to Co-Conspirator 1, Co-Conspirator 2, and other companies controlled by Co-Conspirator 1 and Co-Conspirator 2;

(j) Acts in furtherance of this conspiracy were carried out within the Western District of Texas ("the District"), the Defendant's primary place of residence and activities were in the District, Company BH was headquartered in the District, and the Defendant and co-conspirators obtained set-aside contracts that were the subject of this conspiracy in the District and elsewhere;

(k) The Defendant admits that on the dates in the information, in the Western District

Defendant/s Initials


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of Texas and elsewhere, he and at least one other person made an agreement to defraud the government or one of its agencies by (a) interfering with the lawful function of the SBA and other agencies of the United States in obtaining government contracts; and (b) cheating the government out of money or property. The Defendant further admits that he knew that the purpose of the agreement was to defraud the government and joined in it willfully, that is, with the intent to defraud, and that at least one of the coconspirators during the existence of the conspiracy knowingly committed at least one overt act in order to accomplish some object or purpose of the conspiracy.

Defendant's Waiver of Statutory and Constitutional Rights:

The Defendant further understands and acknowledges that by pleading guilty, the Defendant is waiving the following constitutional and statutory rights: The Defendant is waiving the right to be charged by Indictment; the right to make any pretrial motion that has or could have been filed; the right to plead not guilty; and the right to be tried by a jury or before a judge. The Defendant also understands that, if tried, the Defendant would be presumed innocent and the burden of proof would be on the government to prove the Defendant's guilt beyond a reasonable doubt; the Defendant would have the right to confront and cross-examine witnesses, to testify and present witnesses on the Defendant's behalf. If the Defendant were to choose not to testify, that fact could not be used against the Defendant, and a jury would be so instructed. If the Defendant were found guilty after a trial, the Defendant would have the right to appeal that verdict and the imposition of the sentence against him. By pleading guilty, the Defendant understands that the Defendant is giving up all of these rights.

Defendant's Initials



Waiver of Additional Discovery:

The Defendant waives the right to any additional discovery, including those rights conferred by Rule 16(a), the Federal Rules of Criminal Procedure, and the Court's Standing Discovery Order.

Defendant's Waiver of Right to Appeal or Challenge Sentence:

The Defendant is aware that the Court may impose a sentence up to the maximum allowed by statute for the offense to which the Defendant enters a plea of guilty. The Defendant is also aware that the sentence to be imposed does not provide for parole. By entering into this agreement, and as a term and condition of this agreement, the Defendant knowingly and voluntarily waives and gives up the Defendant's right to appeal the Defendant's conviction or sentence on any ground, including but not limited to any challenges to the constitutionality of the statute of conviction, any claim that the Defendant's conduct did not fall within the scope of the statute of conviction, any challenge to the determination of any period of confinement, monetary penalty, or obligation, term of supervision and conditions thereof, and any appeal right conferred by Title 18 U.S.C. §§ 3742 or 1291. Moreover, the Defendant waives the right to challenge the sentence imposed, knowing that the Defendant's sentence has not yet been determined by the Court. In sum, the Defendant understands that the Defendant cannot challenge his conviction on any ground not explicitly reserved herein or the sentence imposed by the Court even if it differs from any sentencing range or estimate made by the Defendant's attorney, the attorneys for the Government, or the Probation Officer. Realizing the uncertainty in estimating what sentence the Defendant will ultimately receive, the Defendant knowingly and voluntarily waives the right to appeal the sentence or, as set forth below, to challenge it in any post-conviction proceeding, in exchange for the concessions

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made by the Government in this Agreement, except as otherwise explicitly provided herein.

The Defendant further agrees to waive and give up the right to challenge the Defendant's conviction or sentence in a post-conviction collateral challenge on any ground, including but not limited to a proceeding pursuant to 28 U.S.C. §§ 2241 and 2255; except that, consistent with the principles of professional responsibility imposed on the Defendant's counsel and counsel for the Government, the Defendant does not waive the right to challenge the Defendant's sentence or conviction based on ineffective assistance of counsel or prosecutorial misconduct of constitutional dimension. The Defendant agrees that there is currently no known evidence of ineffective assistance of counsel or prosecutorial misconduct. If the Defendant makes a claim of ineffective assistance of counsel, the Defendant is affirmatively waiving any claim of attorney/client privilege arising from counsel's representation.

The Defendant waives the right to challenge the sentence imposed, knowing that the sentence has not yet been determined by the Court. The Defendant is aware that any estimate of the sentencing range received from defense counsel, the Government or the Probation Office, is not a promise, did not induce the guilty plea or this waiver, and does not bind the Government, the Probation Office, or the Court. In other words, the Defendant understands that the Defendant cannot challenge the sentence imposed by the District Court, even if it differs substantially from any sentencing range estimated by the Defendant's attorney, the attorneys for the Government, or the Probation Officer. Realizing the uncertainty in estimating what sentence the Defendant will ultimately receive, the Defendant knowingly and voluntarily waives the right to appeal the sentence or to contest it in any post-conviction proceeding in exchange for the concessions made by the Government in this Agreement, except as otherwise provided herein.

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result from the guilty plea and even if those consequences include the Defendant's removal from the United States or denaturalization. The Defendant acknowledges having been closely assisted by counsel and advised by counsel about the potential immigration or naturalization consequences that may arise from a guilty plea in this case.

Sentencing Agreement Rule 11(c)(1)(B):


In exchange for the Defendant's agreement to plead guilty as set forth above, the United States agrees to the following:

A. Acceptance of Responsibility

If the Defendant complies with all the terms of this Plea Agreement and clearly and continuously demonstrates acceptance of responsibility from the time the Defendant enters the plea of guilty pursuant to this Agreement, through the sentencing hearing and otherwise qualifies for a downward adjustment under U.S.S.G. § 3E1.1(a), and the offense level determined prior to the operation of § 3E1.1(a) is 16 or greater, the United States will not oppose the award of a two level adjustment for acceptance of responsibility under U.S.S.G. § 3E1.1(a) and will move for an additional one level decrease pursuant to § 3E1.1(b).

The parties agree that the Defendant will not qualify for a decrease of the offense level under U.S.S.G. § 3E1.1(a) or (b) if the Defendant: (1) engages in any conduct which may support an upward adjustment under U.S.S.G. § 3C1.1, Obstruction of Justice; (2) violates any terms or conditions of pretrial release or of any cooperation agreement with law enforcement; (3) provides false or misleading statements to the Court, the Probation Office, the Pretrial Services Office, the U.S. Attorney's Office, the U.S. Department of Justice Antitrust Division, or any law enforcement entity; and/or (4) does not voluntarily assist the United States in the recovery of the fruits and

Defendant's Initials

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instrumentalities of the offense(s), and/or the identification of and recovery of assets to pay restitution as contemplated by the terms of this Plea Agreement.

B. Additional Sentencing Agreements

The United States and the Defendant agree that the appropriate measurement of loss attributable to the Defendant under U.S.S.G. § 2B1.1(b)(1) is \$260,749, the gain to the Defendant that resulted from the offense. The United States agrees to recommend, and the Defendant agrees not to present evidence or arguments in opposition to the following Sentencing Guidelines calculations:

Base Offense Level, U.S.S.G. § 2B1.1(a)	+6
Loss Amount > \$250,000, U.S.S.G. § 2B1.1(b)(1)H	+12

The government will not oppose the Defendant's request for an adjustment for a minimal or minor role in the offense, but reserves the right to provide factual information to the Court concerning the Defendant's role in the charged offense. Pursuant to U.S.S.G. § 1B1.8, the United States agrees that self-incriminating information that the Defendant provides to the United States pursuant to this Plea Agreement will not be used in determining the Defendant's applicable Guidelines range, except to the extent provided in U.S.S.G. § 1B1.8(b). The parties agree that there exists no aggravating or mitigating circumstance of a kind, or to a degree, not adequately taken into consideration by the U.S. Sentencing Commission in formulating the Sentencing Guidelines justifying a departure pursuant to U.S.S.G. § 5K2.0. The United States agrees that it will recommend, as the appropriate disposition of this case, that the Court impose a sentence within the applicable Guidelines range, including a term of incarceration, a fine, supervised release, and an order of restitution pursuant to 18 U.S.C. §3663A.

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The United States will not object to the Defendant's request that the Court make a recommendation to the Bureau of Prisons that the Bureau of Prisons designate that the Defendant be assigned to a Federal Minimum Security Camp to serve his sentence and that the Defendant be released following the imposition of sentence to allow him to self-surrender to the assigned prison facility.

The Defendant understands that the Court will determine and assess punishment to be imposed on the Defendant. The Defendant's sentence has not yet been determined by the Court. Any estimate of the probable sentence or advisory sentencing range provided to Defendant is not a promise, whether provided by counsel, the government, or the United States Probation Officer, and is not binding on the Court, and the Defendant will not be permitted to withdraw the Defendant's plea of guilty or to withdraw from this agreement if the Court declines to follow any sentencing recommendations made by any party to this agreement or if the Court imposes a sentence greater than the Defendant expected. Moreover, the Government reserves the right to advocate in support of the Court's judgment should this case be presented to an appellate court.

Collection of Financial Obligations:

In order to facilitate the collection of financial obligations to be imposed in connection with this prosecution:

A. The Defendant agrees to truthfully complete a financial statement form provided by the United States Attorney's Office or U.S. Department of Justice, Antitrust Division. The Defendant shall date and sign the form under penalty of perjury to certify that the Defendant's financial statement fully and completely discloses the Defendant's financial condition, including all assets owned or held directly or indirectly, individually or jointly, or in which the Defendant

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demand the Defendant's financial statement, including by sworn deposition in the United States Attorney's Office and/or by polygraph examination conducted by a qualified law enforcement examiner selected by the United States Attorney's Office or U.S. Department of Justice, Antitrust Division, concerning the accuracy of the financial disclosures made.

G. The Defendant certifies that the Defendant has made no transfer of assets in contemplation of this prosecution for the purpose of evading or defeating financial obligations that are created by the Agreement and/or that may be imposed upon the Defendant by the Court. In addition, the Defendant promises that the Defendant will make no such transfers in the future.


Defendant's Agreement to Pay Restitution:

The Defendant agrees that restitution shall be imposed pursuant to Title 18 U.S.C. Sections 3663 and 3664. In this regard, the Defendant agrees that the Defendant will make full restitution in this case, jointly and severally, with the other Defendants ordered to pay restitution. The Defendant agrees and understands that the total sum of restitution involving the charged crime and relevant conduct shall be determined by the Government and/or the United States Probation Office prior to sentencing. The Defendant agrees to provide full restitution for all charges contained in the information.

Reservation of Rights:

The Government and the Defendant each reserve the right to: (1) bring its version of the facts of this case to the attention of the probation office in connection with that office's preparation of a pre-sentence report; (2) except as otherwise set forth in this Plea Agreement, dispute sentencing factors or facts material to sentencing in the pre-sentence report; and (3) seek resolution of such factors or facts in conference with opposing counsel and the United States Probation

Defendant's Initials



Office. All parties reserve full rights of allocution as to the appropriate sentence the Defendant should receive, unless otherwise provided above.

Breach of Agreement:

In the event the Defendant violates or breaches any of the terms of the Plea Agreement, the government will be released from its obligations under this agreement and in its sole discretion may:

- (1) Move to set aside the Defendant's guilty plea and proceed on charges previously filed and any additional charges;
- (2) Use against the Defendant any statements or information the Defendant provided during the course of any cooperation, or at the guilty plea, at sentencing or in any prosecution;
- (3) Seek additional charges based on false statements, perjury, obstruction of justice, or any other criminal acts committed by the Defendant before or during any cooperation provided by the Defendant, including offenses disclosed during any such cooperation;
- (4) Seek to revoke or modify conditions of release; and/or
- (5) Decline to file a motion for a reduced sentence.

The Defendant understands and agrees that the Defendant's breach of this Plea Agreement will not entitle the Defendant to withdraw a guilty plea already entered.

The Defendant agrees that, in the event that the United States is released from its obligations under this Plea Agreement and brings criminal charges against the Defendant for any conduct giving rise to the charge in the Information, the statute of limitations period for such offense will be tolled for the period between the date of signature of this Plea Agreement and six (6) months after the date the United States gave notice of its intent to void its obligations under this Plea Agreement.

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Totality of Agreement:

The Defendant further understands that this Agreement is binding only upon the United States Department of Justice, Antitrust Division. The Cooperation Addendum, if any, is incorporated herein by reference. This Plea Agreement sets forth the entirety of the agreement between the United States, the Defendant, and Defendant's counsel. This agreement cannot be modified except in writing and any modification or addendum must be signed by all parties.

The undersigned attorneys for the United States have been authorized by the Attorney General of the United States to enter this Plea Agreement on behalf of the United States.

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Defendant's Initials

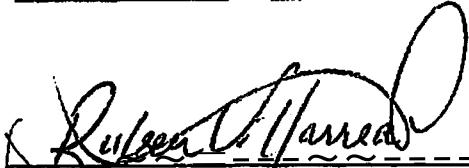



A facsimile or PDF signature will be deemed an original signature for the purpose of executing this Plea Agreement. Multiple signature pages are authorized for the purpose of executing this Plea Agreement.

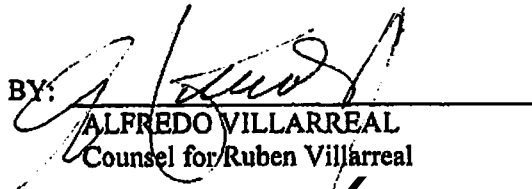
Respectfully submitted,

DATE: 9-29, 2020

DATE: 9-25, 2020

BY: 
RUBEN VILLARREAL
Defendant

BY: 
MATTHEW STEGMAN
D.C. Bar No. 1015677

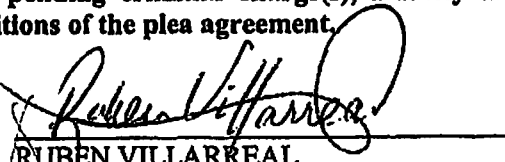
BY: 
ALFREDO VILLARREAL
Counsel for Ruben Villarreal

HEATHER CALL
DANIEL LIPTON

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Washington DC 20530
Tel: (202) 598-8381
matthew.stegman@usdoj.gov

I, Ruben Villarreal, have carefully read and reviewed the entirety of foregoing plea agreement, or it has been read to me (and if necessary, translated for me) and reviewed with me by my attorney. After careful consideration and discussion with my attorney, and fully understanding my rights with respect to the pending criminal charge(s), I freely and voluntarily agree to the specific terms and conditions of the plea agreement.

DATE: 21 Aug, 2020


RUBEN VILLARREAL
Defendant

Defendant's Initials
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