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MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

Plaintiff,

v.

WILLIAM J. BRANDT

Defendant.

09 CR 278

1:09 CR _____

Violations: 18 U.S.C. §§ 371, 1343 & 1346

JUDGE SHADUR

MAGISTRATE JUDGE MASON

PLEA AGREEMENT

The United States of America and William J. Brandt ("Defendant") enter into the following Plea Agreement pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure ("Fed. R. Crim. P."):

RIGHTS OF DEFENDANT

1. Defendant understands his rights:

(a) to be represented by an attorney;

(b) to be charged by Indictment;

(c) to plead not guilty to any criminal charge brought against him;

(d) to have a trial by jury, at which he would be presumed not guilty of the charges and the United States would have to prove every essential element of the charged offenses beyond a reasonable doubt for him to be found guilty;

(e) to confront and cross-examine witnesses against him and to subpoena witnesses in his defense at trial;

(f) not to be compelled to incriminate himself;

(g) to appeal his conviction, if he is found guilty; and

(h) to appeal the imposition of sentence against him.

AGREEMENT TO PLEAD GUILTY AND WAIVE CERTAIN RIGHTS

2. Defendant knowingly and voluntarily waives the rights set out in Paragraph 1(b)-(g) above. Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial. Defendant is aware that Title 18 U.S.C. § 3742 affords a defendant the right to appeal his conviction and sentence imposed. Acknowledging this, defendant knowingly waives the right to appeal his conviction and any part of the sentence, including any term of imprisonment and fine within the maximums provided by law, and including any order of restitution or forfeiture (or the manner in which that sentence was determined), in exchange for the concessions made by the United States in this Plea Agreement. ~~In addition, Defendant also waives his right to challenge his conviction and sentence, or the manner in which the sentence was determined, in any collateral attack or future challenge, including but not limited to a motion brought under Title 28 U.S.C. § 2255.~~ ~~The waiver in this paragraph does not apply to a claim of involuntariness, or ineffective assistance of counsel~~. The Defendant agrees that there is currently no known evidence of ineffective assistance of counsel or prosecutorial misconduct. This agreement does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b). Pursuant to Fed. R. Crim. P. 7(b), Defendant will waive Indictment and plead guilty at arraignment to Counts 1 and 2 of an Information to be filed in the United States District Court for the Northern District of Illinois, Eastern Division.

3. Count 1 of the Information will charge Defendant WILLIAM J. BRANDT, ESPERANZA A. BRANDT, and PRONTO STAFFING, INC. with conspiring to commit an offense

against the United States (wire fraud) in violation of 18 U.S.C. § 371. Count 2 of the Information will charge Defendant with wire fraud as part of a scheme that, from on or about May 2000 through at least April 2007, deprived the government and the Department of Veterans Affairs of money, property, and the intangible right to Defendant's honest services as the Associate Director of the Hines, Illinois, Consolidated Mail Outpatient Pharmacy ("Hines CMOP") in violation of 18 U.S.C. §§ 1343 & 1346. The parties agree that the counts involve related conduct, requiring a single or concurrent sentencing.

POSSIBLE MAXIMUM SENTENCE

4. Defendant understands that the statutory maximum penalty which may be imposed against him upon conviction for a violation of 18 U.S.C. § 371 to commit an offense against the United States is:

(a) Maximum term of imprisonment: 5 years
(18 U.S.C. § 371);

(b) Maximum term of supervised release: 3 years, to follow any term of imprisonment (18 U.S.C. §§ 3559(a)(4) and 3583(b)(2); see also United States Sentencing Guidelines ("U.S.S.G.," "Sentencing Guidelines," or "Guidelines") § 5D1.2(a)(2)). If Defendant violates any condition of supervised release, the Defendant may be imprisoned for up to two years without credit for pre-release supervision or time previously served on post-release supervision
(18 U.S.C. § 3583(b)(3) and (e)(3));

(c) Maximum fine: $250,000 or twice the gross pecuniary gain derived from the crime, or twice the gross pecuniary loss
(18 U.S.C. § 3571(b)(3) and (d));

(d) Restitution: As determined by the Court pursuant to statute
(18 U.S.C. §§ 3663 and 3663A); and

(e) Special Assessment: $100.00
(18 U.S.C. § 3013(a)(2)(A)).

5. Defendant understands that the statutory maximum penalty which may be imposed upon him for a conviction for violating 18 U.S.C. §§ 1343 & 1346 is:

(a) Maximum term of imprisonment: 20 years;

(b) Maximum term of supervised release: 3 years, to follow any term of imprisonment (18 U.S.C. §§ 3559(a)(4) and 3583(b)(2); see also Sentencing Guideline § 5D1.2(a)(2)). If Defendant violates any condition of supervised release, the Defendant may be imprisoned for up to two years without credit for pre-release supervision or time previously served on post-release supervision (18 U.S.C. § 3583(b)(3) and (e)(3));

(c) Maximum fine: $250,000 or twice the gross pecuniary gain derived from the crime, or twice the gross pecuniary loss (18 U.S.C. § 3571(b)(3) and (d));

(d) Restitution: As determined by the Court pursuant to statute (18 U.S.C. §§ 3663 and 3663A); and

(e) Special Assessment: $100.00 (18 U.S.C. § 3013(a)(2)(A)).

SENTENCING GUIDELINES

6. Defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in effect on the day of sentencing, along with the other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing sentence. Defendant understands that the Guidelines determinations will be made by the Court by a preponderance of the evidence standard and that the court may consider any reliable evidence, including hearsay, in making such determinations. Defendant understands that although the Court is not ultimately bound to impose a sentence within the applicable Guidelines range, its sentence must be reasonable based upon consideration of all relevant sentencing factors set forth in 18 U.S.C. § 3553(a).

SENTENCING PROVISIONS

7. The parties acknowledge and agree that they have discussed all of the Sentencing Guidelines provisions which they believe to be applicable to the offenses to which Defendant is pleading guilty. Defendant acknowledges and agrees that his attorney, in turn, has discussed the

applicable Sentencing Guidelines provisions with him to Defendant's satisfaction.

8. 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 0, and Defendant's criminal history category is I. The parties acknowledge and understand that prior to sentencing, the United States Probation Office will conduct its own investigation of Defendant's criminal history for purposes of assisting the sentencing court in determining Defendant's criminal history category under the Sentencing Guidelines. The parties further acknowledge and understand that, at the time Defendant enters a guilty plea, the parties may not have full and complete information regarding the Defendant's criminal history. The parties acknowledge, understand, and agree that the Defendant may not move to withdraw the guilty plea solely as a result of the sentencing court's determination of Defendant's criminal history category.

RELEVANT CONDUCT

9. The parties acknowledge, understand, and agree that pursuant to Sentencing Guideline § 1B1.3, the sentencing judge will consider relevant conduct in calculating the Sentencing Guidelines range, even if the relevant conduct is not the subject of the offenses to which Defendant is pleading guilty.

10. The parties acknowledge, understand, and agree that pursuant to Sentencing Guideline §§ 1B1.3 and 2C1.1(b)(2), the sentencing court will consider the total amount of the gain and/or loss resulting from the offenses to which Defendant is pleading guilty, even if not alleged in the offenses of conviction, and will use the total amount in calculating the Sentencing Guidelines range.

11. For purposes of determining Defendant's offense level and fine range under the Sentencing Guidelines, the government intends to establish by a preponderance of the evidence that the

amount of gain combined with the loss resulting from the offenses to which Defendant is pleading guilty exceeds $2,500,000, and therefore a **18** level Guidelines increase would be appropriate under § 2B1.1(J). The Defendant does not agree with the government's calculations.

12. The parties acknowledge, understand, and agree that the Sentencing Guidelines recommendations included in this agreement represent the positions of the parties on the factors to be considered in calculating the appropriate sentence range under the Sentencing Guidelines. Defendant acknowledges and understands that the Sentencing Guidelines recommendations contained in this agreement do not create any right to be sentenced within any particular sentence range. The parties further understand and agree that if Defendant has provided false, incomplete, or inaccurate information that affects the calculation of the appropriate adjusted offense level or fine range, restitution range, or forfeiture amount, the government is not bound to make the recommendations contained in this agreement.

GROUPING ANALYSIS

13. The parties agree to recommend that, pursuant to U.S.S.G. § 3D1.2, the two counts contained in the Information involve substantially the same harm, and should accordingly be grouped together for sentencing purposes. The parties further understand and agree that the violation of 18 U.S.C. §§ 1343 & 1346 is the most serious offense in this matter, and therefore U.S.S.G. § 2C1.1 should be used to determine Defendant's offense level.

SENTENCING GUIDELINES CALCULATIONS

14. The parties agree that the Defendant's appropriate base offense level is **14** under Sentencing Guideline § 2C1.1(a)(1), because the Defendant was a public official within the meaning set out in Application Note 1 to § 2C1.1. The parties further agree that Guideline

§ 2B1.1 also applies to the Defendant's sentencing calculation, as incorporated by § 2C1.1(b)(2), relating to the value of the benefits obtained.

SPECIFIC OFFENSE CHARACTERISTICS

15. The parties acknowledge and understand that the government will recommend to the sentencing Court that, under Guideline § 2B1.1(b)(1)(J), an additional **18** level increase would apply to the Defendant, pursuant to Application Note 3(F)(ii) to § 2B1.1, because the underlying criminal scheme involved a combined gain and loss of more than $2,500,000 but less than $7,000,000. The Defendant does not agree with the government's calculations. The parties expressly agree and consent to have the sentencing court find the facts pertinent to, and to determine, the applicable amount.

ACCEPTANCE OF RESPONSIBILITY

16. Defendant has demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if Defendant continues to accept responsibility for his actions within the meaning of U.S.S.G. § 3E1.1(a), including by furnishing the Antitrust Division and the Probation Office with all requested financial information relevant to his ability to satisfy any restitution, fine, or forfeiture amount that may be imposed in this case, a **2** level decrease under U.S.S.G. § 3E1.1(a) is appropriate. The parties agree that the Defendant has provided timely notice of his intention to enter a plea of guilty, within the meaning of U.S.S.G. § 3E1.1(b), therefore an additional **1** level decrease in the offense level is appropriate, if the offense level is 16 or greater, and the Court finds that a decrease under Guideline § 3E1.1(b) is appropriate.

SENTENCING RECOMMENDATIONS

17. Pursuant to Fed. R. Crim. P. 11(c)(1)(B), the Defendant understands and acknowledges

that the government will recommend, as the appropriate disposition of this case, that the Court impose a period of incarceration within the range of 70 to 87 months, consistent with an Offense Level of **27** under the Sentencing Guidelines, and reflecting a conditional 2 level downward departure, as described in Paragraph 24. The government calculates this range as follows:

Base Offense Level § 2C1.1	14
Specific Offense Characteristics § 2B1.1(b)(1)(J) representing gain	+18
Acceptance of Responsibility § 3E1.1(a)	-2
Timely Notification § 3E1.1(b)	-1
Substantial Assistance Departure § 5K1.1	-2
Final Offense Level	**27**

Defendant is free to recommend, as an appropriate disposition of the case, a sentence below the applicable Guidelines range based on 18 U.S.C. § 3553(a). The Defendant acknowledges and understands that the United States will oppose Defendant's recommendation.

18. The parties each reserve the right to argue for the fine amount that they believe is appropriate and consistent with the Sentencing Guidelines. Defendant understands and agrees that the government may argue for a fine up to the maximum amount provided by Sentencing Guideline § 5E1.2, consistent with an Offense Level of **27**.

COURT'S DETERMINATIONS AT SENTENCING

19. The parties acknowledge, understand, and agree that neither the sentencing court nor the United States Probation Office is a party to or bound by this agreement. The parties further understand that the United States Probation Office will make its own recommendations to the sentencing court. The sentencing court will make its own determinations regarding any and all issues relating to the application of the Sentencing Guidelines and may impose any sentence authorized by law up to the maximum penalties set forth in Paragraphs 4 and 5. The parties further understand that the sentencing court may, in certain circumstances, depart either upward or downward from the otherwise applicable Guideline range.

20. Defendant understands that, as provided in Fed. R. Crim. P. 11(c)(3)(B), if the Court does not impose a sentence consistent with either party's sentencing recommendation, he nevertheless has no right to withdraw his plea of guilty.

21. To enable the sentencing court to have the benefit of all relevant sentencing information, the United States hereby requests, and Defendant does not oppose, that sentencing be postponed until the Defendant's cooperation is complete as described under Paragraphs 25–26.

22. The United States agrees that at the arraignment it will stipulate to the release of Defendant on a $5,000 personal recognizance bond, with permission to travel outside of this jurisdiction, subject to the conditions that Defendant surrender his passport and not commit a Federal, State, or local crime, pending the final hearing in this case pursuant to 18 U.S.C. § 3143.

DEFENDANT'S COOPERATION

23. Subject to the full and continuing cooperation of Defendant, as described in Paragraphs 25–26 of this Plea Agreement, and prior to sentencing in this case, the United States agrees that it will

make a motion, pursuant to U.S.S.G. § 5K1.1, for a 2 level downward departure from Defendant's otherwise applicable offense level because of Defendant's substantial assistance in the government's continuing prosecutions of violations of federal criminal law relating to the procurement of goods and services at other federal government facilities. Pursuant to Title 18 U.S.C. § 3553(a), Defendant is free to argue for a greater reduction in his sentence.

24. Defendant acknowledges that the decision whether he has provided substantial assistance in any prosecutions and has otherwise complied with the terms of the Plea Agreement is within the sole discretion of the United States. It is understood that, should the United States determine that Defendant has not provided substantial assistance in any investigations or prosecutions, or should the United States determine that Defendant violated any provision of this Plea Agreement, such a determination will release the United States from any obligation to file a motion pursuant to U.S.S.G. § 5K1.1, but will not entitle Defendant to withdraw his guilty plea once it has been entered. Defendant further understands that whether or not the United States files a motion pursuant to U.S.S.G. § 5K1.1, the sentence to be imposed on him remains within the sole discretion of the sentencing Judge.

25. Defendant will cooperate fully and truthfully with the United States in the prosecution of this case; the conduct of the current investigation of violations of federal criminal laws involving the procurement of goods and services at the Department of Veterans Affairs' Hines CMOP, and at other federal government facilities; any other federal investigation resulting therefrom; and any litigation or other proceedings arising or resulting from any such investigation to which the United States is a party ("Federal Proceeding"). The ongoing, full, and truthful cooperation of Defendant shall include, but not be limited to:

(a) producing all non-privileged documents, including claimed personal documents, and

other materials, wherever located, in the possession, custody, or control of Defendant, requested by attorneys and agents of the United States;

(b) making himself available for interviews, not at the expense of the United States, upon the request of attorneys and agents of the United States;

(c) responding fully and truthfully to all inquiries of the United States in connection with any Federal Proceeding, without falsely implicating any person or intentionally withholding any information, subject to the penalties of making false statements (18 U.S.C. § 1001) and obstruction of justice (18 U.S.C. § 1503, *et seq.*);

(d) otherwise voluntarily providing the United States with any non-privileged material or information, not requested in (a) - (c) of this paragraph, that he may have that is related to any Federal Proceeding; and

(e) when called upon to do so by the United States in connection with any Federal Proceeding, testifying in grand jury, trial, and other judicial proceedings, fully, truthfully, and under oath, subject to the penalties of perjury (18 U.S.C. § 1621), making false statements or declarations in grand jury or court proceedings (18 U.S.C. § 1623), contempt (18 U.S.C. §§ 401–402), and obstruction of justice (18 U.S.C. § 1503, *et seq.*).

26. Defendant agrees to truthfully and completely execute a Financial Statement, and to turn over to the government all relevant supporting documentation prior to sentencing. Defendant further agrees to both provide and consent to the release of his jointly-filed tax returns for the previous four years. It is understood by both parties that such financial information will be shared among the Court, Probation Office, and the government regarding all the details of his, his spouse's, and her company's financial circumstances. Defendant understands that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of any motion asking for a downward departure pursuant to U.S.S.G. § 5K1.1, or a reduction for acceptance of responsibility pursuant to U.S.S.G. § 3E1.1, or as a basis for enhancement of his sentence for obstruction of justice under U.S.S.G. § 3C1.1, and may be prosecuted as a violation of 18 U.S.C. § 1001, or as contempt of the Court.

GOVERNMENT'S AGREEMENT

27. Subject to the full, truthful, and continuing cooperation of Defendant, as described above in Paragraphs 25–26 of this Plea Agreement, and upon the Court's acceptance of the guilty plea called for by this Plea Agreement and the imposition of sentence, and upon the express conditions described in Paragraph 40 being met, the United States will not bring further criminal charges against Defendant for any act or offense which relates to obtaining or performing government contracts for temporary staffing services, or any act or other offense by Defendant in his capacity as Associate Director of the Hines CMOP, committed before the date of this Plea Agreement, so long as the Defendant has described such acts or offenses fully and truthfully in his proffers provided to the United States prior to the date of entry of his plea agreement. However, nothing in this Plea Agreement will limit the United States in prosecution of Defendant for crimes not disclosed in proffer statements prior to the entry of this Plea Agreement. Further, nothing in this Plea Agreement limits the government in any way from prosecution of Defendant for any criminal activity by Defendant occurring after the date this Plea Agreement is entered before the Court.

28. It is understood and agreed to by both parties that 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 related person or entity. The obligations of this Plea Agreement are limited solely to the Antitrust Division, and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, unless expressly set forth in this Plea Agreement.

SPECIAL ASSESSMENT AND RESTITUTION

29. Defendant agrees to pay the combined special assessment of $200.00 by check payable to the Clerk of the United States District Court at or before sentencing. 18 U.S.C. § 3013(a)(2)(A); Sentencing Guidelines § 5E1.3.

30. Defendant agrees to pay restitution in the amount of $300,000, by certified check, payable to the Clerk of the United States District Court, at the time of the acceptance of his plea of guilty. Defendant agrees to pay an additional $100,000 by certified check, payable to the Clerk of the United States District Court, on the date he is sentenced. Defendant understands that the Court may order Defendant to pay an additional fine, forfeiture, or restitution. Should, however, the Court order Defendant to pay a fine, additional forfeiture, or restitution, he will not be permitted on that basis to withdraw his guilty plea.

FACTUAL BASIS FOR OFFENSES CHARGED

31. Defendant will plead guilty because he agrees that he is in fact guilty of the charges set forth in the Information. In pleading guilty, Defendant admits the following facts described below relating to the charges, and Defendant agrees that those facts are true, and that they establish his guilt beyond a reasonable doubt as to the charges. Defendant also admits that the additional facts set forth herein constitute relevant conduct under Section 1B1.3 of the Sentencing Guidelines. The parties agree that this factual basis does not include all relevant conduct that may be considered by the Court for sentencing purposes.

32. William J. Brandt's statement is as follows:

(a) I was the Associate Director of the Hines VA CMOP from 1996 through April 2007.

While Associate Director, I and others participated in an on-going scheme whereby I initially recommended that Company A be chosen to supply temporary pharmacist services to the CMOP starting in or about May 2000. At the time I made this recommendation, I knew, as did my direct supervisor, that Company A would subcontract this work to a new company, PRONTO STAFFING, Inc. ("PRONTO") that I and my spouse had incorporated, and which I placed under my wife's sole ownership to avoid the appearance of a conflict of interest. Based in part on my recommendation, Company A was awarded a purchase order to supply temporary pharmacists to the Hines CMOP on or about June 9, 2000. The Hines CMOP entered into several successive purchase orders with Company A for temporary pharmacists. In several instances I personally recommended that either the total hours awarded, or the pay rates, be increased for these temporary pharmacist services. Estimating the need for temporary pharmacists, as well as advising my supervisor of appropriate rates of pay for such pharmacists, were part of my official duties as the Associate Director of the Hines CMOP. In every instance, Company A, per our prior agreement, subcontracted the work back to PRONTO up through the date that the grand jury's investigation became known to myself and others on April 17, 2007. The gross dollar amount of purchase orders awarded to Company A to provide temporary pharmacists to the CMOP was approximately $8 million.

(b) My spouse and I agreed with the vice-president and president of Company A ("Individuals A and B") that for the Hines CMOP business, profits would be split 50% — 50% between Company A and PRONTO.

(c) Starting in or about 2002, these profits were paid out to my wife in the form of bi-annual bonus amounts, and then later quarterly adjustment amounts that represented the difference between

Hines CMOP pharmacist-related billing totals, minus expenses, salaries, and taxes. I know this because I reviewed these financial numbers on an on-going basis with Individual B and another key employee within Company A. From time to time, myself and Individual B agreed to increase my wife's salary or to otherwise adjust the timing and amounts of certain additional payments made to her. Between 2002 and 2007, my wife received remuneration in the hundreds of thousands of dollars based on the business relationship we had with Company A. Additional profits, discussed below, from business obtained in the name of my wife's company, PRONTO, by Company A outside of the Hines CMOP, were transferred into our joint banking account, or other accounts held in my wife's or PRONTO's name. As a result of the scheme described above PRONTO, myself, and my wife received proceeds in excess of $1,000,000.

(d) During this time, I was the person who interviewed and hired the pharmacists that were employed by PRONTO and who worked at the Hines CMOP. My wife did not oversee these employees while they worked at the CMOP, nor did she deal with the majority of employment decisions that affected these workers on a day-to-day basis. My involvement with, and control over, the Hines temporary pharmacists was well known to Individuals A and B and other employees at Company A. One example of my involvement with the Hines CMOP business took place in 2004. I suggested to the Individuals A and B and C (an operations manager at Company A) that the billing rate that their company charged the VA for certain pharmacists who were subcontracted to PRONTO should be increased. I later conspired with Individual B to submit a false and misleading request that appeared as if I, acting on behalf of the Hines CMOP in my official capacity, were seeking a price quote for a new pharmacist position — the "pharmacist specialists" — when, in fact, as I then well

knew the work performed by the pharmacists in this new position would be no different from the work that they had been performing. Prior to sending this false request, I had agreed in private with Individual B that his company should charge the VA a rate of $69/hour instead of the $57/hour that it had previously been charging. This discussion, and the mutual decision to seek an increase in the billing rate to the VA, took place between myself, Individuals A and B and C. This billing increase did not apply to all pharmacists.

(e) Shortly after the first purchase order for temporary pharmacists at the Hines CMOP was awarded to Company A, Individual A suggested to myself and my spouse that we obtain certain Small Business Administration ("SBA") certifications for PRONTO. Individual A explained that certain government agency contracts were designated as "set-aside" contracts where competition was limited or non-existent and, therefore, obtaining SBA certifications would be a great advantage in bidding on and obtaining these government agency contracts outside of the Hines CMOP. Additionally, Individual A assured me that he could prepare these bids and that Company A could do most of the work once my wife obtained the necessary SBA certifications for PRONTO.

(f) In or about September 2000, I began to prepare a Small Disadvantaged Business ("SDB") application which was signed by my spouse, ESPERANZA A. BRANDT, and then submitted to the SBA and approved on or about December 20, 2000. Individuals A and B subsequently explained that obtaining SBA Section 8(a) Program certification would confer an even greater bidding advantage upon PRONTO than simply having the SBA's SDB certification. I prepared, and my wife reviewed and signed, a Section 8(a) Program application for PRONTO that was submitted to the SBA and subsequently approved by the SBA on or about October 10, 2002. Certain statements and

representations made in that Section 8(a) Program application were false; their purpose was to exaggerate my wife's involvement and control over PRONTO so as to convince the SBA that Section 8(a) Program certification was appropriate for PRONTO.

(g) It was understood and agreed upon between myself, my wife, and Individuals A and B, that employees from Company A would search for government, SBA set-aside, contracts and, if the opportunity looked promising, Company A would submit a bid in the name of my wife's company, PRONTO. Oftentimes, bids were submitted and won without our immediate knowledge. I did not review the bids prior to their submission. Likewise, I was not involved with the pricing, margin, or the decision to bid or not bid upon these government contracts. I knew, however, that Company A was actively looking at set-aside bid opportunities even though Company A was itself neither minority-owned, nor woman-owned, nor a Small Disadvantaged Business by this point in time. For these bids outside of the Hines CMOP, Company A performed substantially all of the work.

(h) In or about November 2001, Individuals A and B suggested that for any bid won in the name of my wife's company, PRONTO, but which was bid on and managed by Company A, the profits should be split as follows: 40% to Company A; 40% to an individual who was hired by Company A to find lucrative set-aside bids; and 20% to PRONTO. This profit split was apart from that in effect for the Hines CMOP temporary pharmacists.

(i) Despite my involvement with, and oversight of, the PRONTO temporary pharmacists at the Hines CMOP, I represented to the SBA on or about March 26, 2001, that I had no involvement with my wife's company. This statement was false and I knowingly made it for the purpose of enabling PRONTO to achieve Section 8(a) Program certification. Likewise, at a later point in time, in

or about September 2002, I drafted a communication to the VA's legal counsel which purposely concealed my role within the business affairs of PRONTO as pertained to the Hines CMOP. I made those misrepresentations in order to mislead the VA's counsel and to alleviate any conflict of interest concerns on the VA's part so that I and my wife could continue to profit from the temporary pharmacists working at the Hines CMOP.

(j) Beginning in or about November 2001 and continuing through 2003, Individuals A and B encouraged my wife to seek approval on behalf of PRONTO from the SBA to enter into what was known as a Mentor-Protege agreement with Company A. Individuals A and B had explained that this step was necessary and would help PRONTO's overall business opportunities. Individual A sent a prepared Mentor-Protege agreement to me, and my wife signed it and sent the paperwork to the SBA. I did not write the Mentor-Protege agreement. The SBA approved the Mentor-Protege agreement between PRONTO and Company A in or about October 2003. This agreement represented that Company A would train my wife in several aspects concerning how to run PRONTO as a successful business. I know, however, that Company A did not train my wife, and Individuals A and B, and other employees at their company did not transfer the skills listed in their Mentor-Protege agreement that the SBA eventually approved, nor did they ever attempt to do so.

(k) I realized later that this Mentor-Protege agreement was an "umbrella" or a cover which could be used by Company A if government contracting agents and personnel ever questioned the legality of Company A obtaining and managing large contracts in the name of PRONTO, while my wife — who was nominally the sole owner, president, secretary, and treasurer of PRONTO — had little to no involvement with these important business decisions.

(l) From the inception of the pharmacist subcontracting scheme in early 2000 and continuing through all of the SBA certifications up through at least April 2007, I used and caused others to use interstate wire transmissions in furtherance of these schemes. Specifically, my primary means of communicating with Individuals A and B and C, and their employees, were inter-state e-mail messages, phone calls, and fax transmissions. I sent and received interstate wire transmissions which related to aspects of my wife's business, PRONTO, which was based in Illinois, to Individuals A and B and C, whose business headquarters were located in Monroe, Georgia. Typically, I would e-mail, fax, or call Individuals A and B and C from my home in Evergreen Park, Illinois, or from the Hines CMOP.

(m) Additionally, I knew that the proceeds from this on-going scheme were wired from either Company A's bank accounts, or another closely-related entity's bank accounts, which was also located in Georgia, to various banking accounts in Chicago, Illinois, that were held by wife, PRONTO, or jointly owned by myself and my wife.

33. The preceding statement is a summary, made for the purpose of providing the Court with a factual basis for my guilty plea. It does not set forth all of the facts known to me concerning the criminal activity in which I, my spouse, and certain former owners and employees of Company A engaged. I make this statement knowingly and voluntarily because I am in fact guilty of the crimes charged.

34. The government has no knowledge, as of this date, that the above-described conduct had an adverse health–related impact or effect.

REPRESENTATION BY COUNSEL

35. Defendant has reviewed all legal and factual aspects of this case with his attorney and is

fully satisfied with his attorney's legal representation. Defendant has reviewed the charges set out in the Information and the terms of this Plea Agreement with his attorney and has received satisfactory explanations from his attorney concerning the nature of each charge, his rights, and each paragraph of this Plea Agreement and alternatives available to Defendant other than entering into this Agreement. After conferring with his attorney and considering all available alternatives, Defendant has made a knowing and voluntary decision to enter into this Agreement.

VOLUNTARY PLEA

36. Defendant's decision to enter into this Plea Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises, or representations other than the representations contained in this Agreement. The United States has made no promises or representations to Defendant as to whether the Court will accept or reject the government's sentencing recommendation as set forth in this Plea Agreement.

37. Preliminary to or in connection with any judicial proceeding, as that term is used in Rule 6(e) of the Federal Rules of Criminal Procedure, Defendant will interpose no objection to the entry of an order under Rule 6(e) authorizing disclosure of those documents, financial information, testimony, and related investigative materials which may arguably constitute grand jury material. Defendant will not object to the government soliciting consent from third parties, who provided information to the grand jury pursuant to grand jury subpoenas, to turn those materials over to the Department of Veterans Affairs, U.S. General Services Administration, the Small Business Administration, or any other appropriate federal or state administrative agencies, or the Internal Revenue Service, for use in civil or administrative proceedings or investigations, rather than returning the documents to such third party for

later summons or subpoena in connection with any civil or administrative proceeding against Defendant.

VIOLATION OF PLEA AGREEMENT

38. Defendant agrees that, should the United States determine in good faith, during the period that any Federal Proceeding is pending, that Defendant has failed to provide full and truthful cooperation, as described in Paragraphs 25–26 of this Plea Agreement, or has otherwise violated any provision of this Plea Agreement, the United States will notify Defendant or his counsel in writing by personal or overnight delivery or facsimile transmission and may also notify his counsel by telephone of its intention to void any of its obligations under this Plea Agreement (except its obligations under this paragraph), and Defendant shall be subject to prosecution for any federal crime of which the United States has knowledge including, but not limited to, the substantive offenses relating to the investigation resulting in this Plea Agreement. Defendant agrees that, in the event that the United States is released from its obligations under this Plea Agreement and brings criminal charges against Defendant for any Relevant Offense, the statute of limitations period for such offense will be tolled for the period between the date of the signing of this Plea Agreement and 6 months after the date the United States gave notice of its intent to void its obligations under this Plea Agreement.

39. Defendant understands and agrees that in any further prosecution of him resulting from the release of the United States from its obligations under this Plea Agreement based on Defendant's violation of the Plea Agreement, any documents, statements, (except for those statements proffered pursuant to and governed by proffer letters dated September 8, 16, 23, 2008; and February 19, 2009), information, testimony, or evidence provided by him to attorneys or agents of the United States, federal

grand juries, or courts, and any leads derived therefrom, may be used against him in any such further prosecution. In addition, Defendant unconditionally waives his right to challenge the use of such evidence in any such further prosecution, notwithstanding the protections of Fed. R. Evid. 410.

ENTIRETY OF AGREEMENT

40. This Plea Agreement constitutes the entire agreement between the United States and Defendant concerning the disposition of the criminal charges in this case. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those referenced in this Plea Agreement to cause Defendant to plead guilty. This Agreement cannot be modified except in writing, signed by the United States and Defendant.

41. 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.

AGREED THIS DATE: 3/23/09

BY: William J. Brandt
WILLIAM J. BRANDT
Defendant

BY:
STEVEN A. GREENBERG
Counsel for William J. Brandt

Respectfully submitted,

BY: Eric Hoffmann /gt
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