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IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

11	UNITED STATES OF AMERICA,)	No. CRF-03-5325 OWW
12)	
13	Plaintiff,)	MEMORANDUM OF PLEA AGREEMENT
14	v.)	PURSUANT TO RULE 11(c)(1)(B)
15)	OF THE FEDERAL RULES OF
16)	<u>CRIMINAL PROCEDURE</u>
17)	
18	DUANE MAYNARD,)	Date:
19)	Time:
20	Defendant.)	Dept:
21)	
22	_____)	

23 Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal
24 Procedure, the United States of America, by and through its
25 attorneys Matthew D. Segal and Richard B. Cohen, and the
26 defendant, DUANE MAYNARD, and his attorney KENNETH REED, have
27 agreed as follows:¹

28 1. Charges.

The defendant acknowledges that he has been charged by

¹The defendant acknowledges that this plea agreement is with the Antitrust Division of the United States Department of Justice and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities.

1 Information with bid rigging, in violation of Title 15, United
2 States Code, Section 1.

3 2. Agreements by the Defendant.

4 (a) The defendant agrees to waive Indictment in this matter
5 and proceed by way of Information.

6 (b) The defendant agrees that this plea agreement shall be
7 filed with the Court and become a part of the record in the case.

8 (c) The defendant agrees to enter a plea of guilty to the
9 Information, charging him with bid rigging, in violation of Title
10 15, United States Code, Section 1. The defendant agrees that he
11 is in fact guilty of this charge and that the facts set forth in
12 the factual basis of this Plea Agreement are true and accurate.

13 (d) The defendant understands and agrees that the Court is
14 not a party to this agreement, that sentencing is a matter solely
15 within the discretion of the Court, the Court is under no
16 obligation to accept any recommendations made by the government,
17 and the Court may in its discretion impose any sentence it deems
18 appropriate up to and including the statutory maximum stated in
19 this Plea Agreement. If the Court should impose any sentence up
20 to the maximum established by the statute, the defendant cannot,
21 for that reason alone, withdraw his guilty plea, and he will
22 remain bound to fulfill all of the obligations under this
23 Agreement. The defendant understands that neither the prosecutor,
24 defense counsel, nor the Court can make a binding prediction or
25 promise regarding the sentence he will receive.

26 (e) The defendant acknowledges that, should the Court fail to
27 follow any or all of the Government's or defendant's sentencing
28 recommendations, the defendant will not be allowed to withdraw his

1 plea.

2 (f) The defendant agrees to pay a special assessment of
3 \$100.00 at the time of sentencing by delivering a check or money
4 order payable to the United States District Court to the United
5 States Probation Office immediately before the sentencing hearing.

6 (g) In addition to entering a plea of guilty as set forth
7 above, the defendant will cooperate with representatives of the
8 federal government in the investigation and prosecution of various
9 individuals and companies involved in bid rigging and fraud
10 related to the E-Rate program. This cooperation will include, but
11 not be limited to: subjecting himself to interviews by
12 representatives of the government, providing to the government at
13 the government's request any document in the defendant's
14 possession, custody, or control, testifying truthfully before a
15 federal grand jury and in any and all court proceedings when
16 called by the government. Should the defendant breach his
17 agreement with the government by (1) refusing to testify at any
18 court or grand jury proceeding when called by the government, (2)
19 knowingly giving false testimony or information, or (3) knowingly
20 withholding information, the government will be released from all
21 of its promises, but the defendant will not be released from his
22 guilty plea. Further, any statements made by the defendant after
23 the execution of this agreement may be used against him in any
24 subsequent proceeding.

25 (h) The defendant understands that it is within the sole
26 discretion of the government to determine whether he has complied
27 with paragraph 2(g) pursuant to Section 5K1.1 of the Sentencing
28 Guidelines or Rule 35(b) of the Federal Rules of Criminal

1 Procedure. He also understands that this agreement confers no
2 right upon the defendant to challenge a government determination
3 that he has not complied with the terms of paragraph 2(g). He
4 further understands that a motion pursuant to Section 5K1.1 or
5 Rule 35(b) is only a recommendation, and is not binding on the
6 Court.

7 (i) If it is determined that the defendant has violated any
8 provision of this Agreement including paragraph 2(g), or if the
9 defendant successfully moves to withdraw his plea: (1) all
10 statements made by the defendant to the government, the Court, or
11 other designated law enforcement agents, shall be admissible in
12 evidence in any criminal, civil, or administrative proceedings
13 hereafter brought against the defendant; and (2) the defendant
14 shall assert no claim under the United States Constitution, any
15 statute, Rule 410 of the Federal Rules of Evidence, or any other
16 federal rule, that statements made by the defendant before or
17 after this Agreement should be suppressed.

18 (j) The defendant understands that there is no agreement with
19 respect to where within the applicable Guideline range the
20 defendant should be sentenced.

21 (k) The defendant agrees that his plea is knowing and
22 voluntary, and that no threats or promises have been made to him,
23 other than those set forth within this Agreement.

24 (l) The defendant agrees not to move for a downward departure
25 of his sentence. The defendant understands and agrees that this
26 Agreement includes, but is not limited to, not moving for a
27 downward departure of his offense level, criminal history category
28 or criminal history points as determined by the United States

1 Sentencing Guidelines and the Probation Office.

2 (m) The defendant agrees that the volume of commerce, for
3 purposes of section 2R1.1 of the Sentencing Guidelines, is between
4 \$2.5 million and \$6.25 million.

5 (n) The defendant agrees to make restitution to the Universal
6 Services Administrative Company under terms and conditions set by
7 the Probation Office.

8 (o) The defendant agrees that his offense level calculation
9 should include a two-level upward adjustment pursuant to section
10 3C1.1 of the Sentencing Guidelines (obstructing or impeding the
11 administration of justice).

12 3. Agreements by the Government.

13 (a) The government will recommend that the defendant receive
14 a two-level reduction in the computation of his offense level due
15 to his acceptance of responsibility if his adjusted offense level
16 is below 16; or a three-level reduction in the computation of his
17 offense level if his adjusted offense level is 16 or greater;
18 provided that the defendant qualifies for such a reduction in his
19 interview with the probation officer, and the defendant
20 demonstrates acceptance of responsibility for his conduct as
21 defined in Section 3E1.1 of the Sentencing Guidelines.

22 (b) If the government determines that the defendant has
23 complied with paragraph 2(g) of this agreement, the government
24 will move, pursuant to Section 5K1.1 of the Sentencing Guidelines,
25 for a reduction based on the defendant's substantial assistance to
26 law enforcement authorities and recommend that the Court reduce
27 his sentence from the sentence that would otherwise be imposed.

28 4. Nature, Elements, Possible Defenses, and Factual Basis.

1 (a) The defendant has read the charges contained in the
2 Information, and those charges have been fully explained to him by
3 his attorney.

4 (b) The defendant fully understands the nature and elements
5 of the crime set forth in the Information with which he has been
6 charged, together with the possible defenses thereto, and has
7 discussed them with his attorney.

8 (c) The elements of the crime of bid rigging, in violation
9 of 15 U.S.C. § 1, are as follows: The elements of a Sherman Act
10 offense, each of which the United States must prove beyond a
11 reasonable doubt, are:

12 First, the conspiracy charged was formed, and it was in
13 existence at or about the time alleged;

14 Second, the defendant knowingly formed or participated in
15 that conspiracy; and

16 Third, the activity that was the object of the conspiracy was
17 within the flow of, or substantially affected, interstate or
18 foreign commerce.

19 (d) The defendant will plead guilty because he is in fact
20 guilty of the crimes set forth in the Information. The defendant
21 also agrees that the following is true:

22 On or about February 18, 1999 the defendant, on behalf of his
23 employer, attended a pre-bid meeting at the West Fresno Elementary
24 School District ("WFESD"), in the Eastern District of California.
25 The pre-bid meeting related to a project to provide, among other
26 things, equipment and services related to telecommunications,
27 Internet access, and internal connections to the WFESD ("the WFESD
E-Rate Project"). Those present at the pre-bid meeting understood
that the project was related to the E-Rate program, in which the
Universal Services Administrative Company ("USAC") subsidizes the
provision of telecommunications, Internet access, and internal
communications to underprivileged schools.

28 Competitive bidding was required for the WFESD E-Rate

1 Project. Nonetheless, the defendant, together with school
2 district representatives, a consultant, and others representing
potential competitors, combined, conspired, and agreed that:

- 3 1) The defendant's employer would be the successful bidder
4 and have general responsibility for the the WFESD E-Rate
Project;
- 5 2) No co-conspirator other than the defendant's employer
6 would submit a general bid for the the WFESD E-Rate
Project;
- 7 3) Other co-conspirator companies would be the defendant's
8 employer's subcontractors for the the WFESD E-Rate
Project; and
- 9 4) any bid competing with the defendant's employer's bid
10 would be stricken as nonresponsive.

11 The defendant, his superiors at his company, and his other
12 co-conspirators did what they agreed to do to carry out the
13 conspiracy. They further acted in concert to provide equipment
14 and services related to the WFESD E-Rate Project and receive from
15 USAC payment therefor. Equipment provided for this project was
shipped across state lines and payments from USAC were made into
the State of California from banks in New Jersey and Illinois.
The last USAC payment for the WFESD E-Rate Project was made from
the LaSalle Bank, in Illinois, on or about January 17, 2002.

16 The defendant held the title of Senior Estimator for his
17 employer during the bidding and subcontracting for the WFESD E-
Rate Project. The defendant's actions in relation to the WFESD E-
Rate Project were on behalf of, and approved by, his employer.

18 On December 13, 2002 the defendant testified before a
19 Northern District of California grand jury investigating, among
20 other things, the WFESD E-Rate Project. At that time the
21 defendant, under oath, willfully gave false, material testimony
when he claimed that he could not recall certain events related to
the WFESD E-Rate Project.

22 5. Potential Sentence.

23 The defendant understands that since the offense to
24 which he is pleading guilty occurred after November 1, 1987, a
25 sentencing guideline range for his case will be determined by the
26 Court pursuant to the Sentencing Reform Act of 1984 (18 U.S.C.
27 §§ 3551-3742 and 28 U.S.C. §§ 991-998). The defendant further
28 understands that the Court will impose a sentence within that

1 guideline range. The following is the maximum potential sentence
2 which the defendant faces:

3 (a) Imprisonment.

4 Maximum: three(3) years

5 (b) Fine.

6 Maximum: The greatest of Three Hundred
7 and Fifty Thousand Dollars (\$350,000.00),
8 twice the gross pecuniary gain the
9 conspirators derived from the crime, or
10 twice the gross pecuniary loss caused to
11 the victims of the crime by the
12 conspirators.

13 (c) Both such fine and imprisonment.

14 (d) Term of Supervised Release.

15 Maximum: One (1) year.

16 Should the defendant violate any of the terms
17 of his supervised release, he can be returned
to prison for one (1) year.

18 (e) Restitution to victims of the offense.

19 (f) Penalty Assessment.

20 Mandatory: One Hundred Dollars

21 (\$100).

22 6. Waiver of Rights.

23 The defendant understands that by pleading guilty he
24 surrenders certain rights, including the following:

25 (a) If the defendant persisted in a plea of not guilty
26 to the charges against him, he would have the right to a public
27 and speedy trial. The trial could be either a jury trial or a
28 trial by a judge sitting without a jury. The defendant has a

1 right to a jury trial. However, in order that the trial be
2 conducted by the judge sitting without a jury, the defendant, the
3 government and the judge all must agree that the trial be
4 conducted by the judge without a jury.

5 (b) At trial, the defendant would have the right to be
6 assisted by an attorney, who would be appointed if necessary.

7 (c) If the trial were a jury trial, the jury would be
8 composed of twelve lay persons selected at random. The defendant
9 and his attorney would have a say in who the jurors would be by
10 removing prospective jurors for cause where actual bias or other
11 disqualification is shown, or without cause by exercising
12 peremptory challenges. The jury would have to agree unanimously
13 before it could return a verdict of either guilty or not guilty.
14 The jury would be instructed that the defendant is presumed
15 innocent and that it could not convict him unless, after hearing
16 all the evidence, it was persuaded of his guilt beyond a
17 reasonable doubt.

18 (d) If the trial were held before a judge without a
19 jury, the judge would find the facts and determine, after hearing
20 all the evidence, whether or not he was persuaded of the
21 defendant's guilt beyond a reasonable doubt.

22 (e) At a trial, whether by a jury or a judge, the
23 government would be required to present its witnesses and other
24 evidence against the defendant. The defendant would be able to
25 confront those government witnesses and his attorney would be able
26 to cross-examine them. In turn, the defendant could present
27 witnesses and other evidence on his own behalf. If the witnesses
28 for the defendant would not appear voluntarily, he could require

1 their attendance through the subpoena power of the Court.

2 (f) At a trial, the defendant would have a privilege
3 against self-incrimination so that he could decline to testify,
4 and no inference of guilt could be drawn from his refusal to
5 testify. The defendant understands that by pleading guilty he is
6 waiving all of the rights set forth above and the defendant's
7 attorney has explained those rights to him and the consequences of
8 his waiver of those rights.

9 (g) Waiver of Appeal Rights.

10 ***(Rule 11 as amended and in effect December 1, 1999***
11 ***requires the district court to inform the defendant of***
12 ***his rights to appeal on the record in the Rule 11***
13 ***proceeding).***

14 The defendant is aware that Title 18, United States
15 Code, Section 3742 affords a defendant the right to appeal the
16 sentence imposed. Acknowledging this, the defendant knowingly and
17 voluntarily agrees to waive all Constitutional and statutory
18 rights to appeal his conviction and sentence, including, but not
19 limited to an express waiver of appeal of this plea (including
20 venue and statute of limitations) and to attack collaterally his
21 mental competence, and his plea, whether by way of a motion
22 pursuant to 28 U.S.C. §2255, 18 U.S.C. §3742, or otherwise. This
23 waiver includes any appeal of his sentence on the grounds set
24 forth under Title 18, United States Code, Section 3742 or any
25 other ground whatever, including, but not limited to, a motion
26 brought under Title 28, United States Code, Sections 2241 or 2255.

27 If the defendant's conviction on the count to which he is
28 pleading is ever vacated at the defendant's request, or his
sentence is ever reduced at his request, the government shall have

1 the right (1) to prosecute the defendant on any of the counts to
2 which he pleaded guilty; (2) to reinstate any counts that may be
3 dismissed pursuant to this agreement; and (3) to file any new
4 charges that would otherwise be barred by this agreement. The
5 decision to pursue any or all of these options rests solely in the
6 discretion of the Antitrust Division of United States Department
7 of Justice. By signing this agreement, the defendant agrees to
8 waive any objections, motions, and defenses he might have to the
9 government's decision, including Double Jeopardy. In particular,
10 he agrees not to raise any objections based on the passage of time
11 with respect to such counts including, but not limited to, any
12 statutes of limitation or any objections based on the Speedy Trial
13 Act or the Speedy Trial Clause of the Sixth Amendment.

14 7. Questions by Court.

15 The defendant understands that if the court questions
16 him under oath, on the record and in the presence of counsel,
17 about the offenses to which he has pleaded guilty, his answers, if
18 false, may later be used against him in a prosecution for perjury
19 or false statement.

20 8. Entire Agreement.

21 The defendant and his attorney acknowledge that no
22 threats, promises or representations have been made, nor
23 agreements reached, other than those set forth in the Agreement,
24 to induce defendant to plead guilty.

25 9. Court not a Party.

26 It is understood by the parties that the sentencing
27 Court is neither a party to nor bound by this Agreement and the
28 sentencing judge is free to impose the maximum penalties as set

1 forth in paragraph 5 above. Also, should the Court fail to follow
2 any or all of the government's sentencing recommendations, the
3 defendant will not be allowed to withdraw his plea.

4 10. Right to Counsel.

5 The defendant understands that he has a right to counsel
6 throughout his case from his initial appearance through his trial
7 or guilty plea or dismissal of the case against him and through
8 and including any sentencing. Unless waived in the agreement, the
9 defendant also has a right to counsel for a direct appeal in his
10 case. The defendant understands that the right to counsel
11 includes the provision of defense counsel through the Court if the
12 defendant cannot afford to hire counsel.

13 11. Presentence Report.

14 The defendant understands that the United States
15 Probation Office is not a party to this agreement and will conduct
16 an independent investigation of the defendant's activities and his
17 background and prepare a presentence report which it will submit
18 to the Court as its own sentencing recommendation. In addition,
19 the government will fully apprise the Probation Office, as well as
20 the Court, of the full and true nature, scope and extent of the
21 defendant's criminal activities concerning the charge to which the
22 defendant is entering a plea of guilty, including information on

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1 his background, criminal history and activities which may not have
2 been charged in the Information or were the subject of dismissed
3 counts.

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5 DATED: August 26, 2003

_____/s/_____
MATTHEW D. SEGAL
RICHARD B. COHEN
Trial Attorneys

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8 DATED: August 26, 2003

_____/s/_____
KENNETH REED, ESQ.
Attorney for Duane Maynard

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12 DATED: August 26, 2003

_____/s/_____
DUANE MAYNARD
Defendant

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