

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN

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UNITED STATES OF AMERICA,

Plaintiff,

**FILED: October 22, 2004**

v.

Case No. 04-CR-56

QASIM BOKHARI,  
a/k/a SYED QASIM ALI BOKHARI,  
and a/k/a KASIM BOKHARI,

**REDACTED VERSION**

Defendant.

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**PLEA AGREEMENT**

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1. The United States of America, by its attorneys, Steven M. Biskupic, United States Attorney for the Eastern District of Wisconsin, and R. Hewitt Pate, Assistant Attorney General for the Antitrust Division, and the defendant, Qasim Bokhari, a/k/a Syed Qasim Ali Bokhari and a/k/a Kasim Bokhari, individually and by his attorney Michael J. Steinle, pursuant to Rule 11 of the Federal Rules of Criminal Procedure, enter into the following plea agreement:

**CHARGES**

2. The defendant has been charged in six counts of an eight-count superseding indictment which alleges violations of Title 18, United States Code, Sections 2, 371, 1341, 1956(h), and 1956(a).

3. The defendant has read and fully understands the charges contained in the superseding indictment and fully understands the nature and elements of the crimes with which he has been charged. In addition, the charges and the terms and conditions of the plea agreement have been fully explained to him by his attorney.

4. The defendant voluntarily agrees to plead guilty to counts one through six of the superseding indictment which include one count of conspiracy to commit mail fraud in violation of Title 18, United States Code, Section 371 (count one); three counts of mail fraud in violation of Title 18, United States Code, Section 1341 (counts two through four); one count of conspiracy to commit money laundering in violation of Title 18, United States Code, Section 1956(h) (count five); and one count of money laundering in violation of Title 18, United States Code, Section 1956(a) (count six). A copy of the superseding indictment is attached hereto as Exhibit A.

5. The defendant acknowledges, understands, and agrees that he is, in fact, guilty of the offenses described in paragraph 4 and set forth in Exhibit A. The parties acknowledge and understand that if this case were to proceed to trial, the government would be able to prove the following facts beyond a reasonable doubt. The defendant admits to these facts and that these facts establish his guilt beyond a reasonable doubt:

- a. At all times relevant to the superseding indictment, Qasim Bokhari was the owner and president of a Virginia limited liability computer consulting company (hereinafter “the consulting company”) operated by him, Raza Bokhari, a/k/a Syed Raza Ali Bokhari, and Haider Bokhari a/k/a Syed Haider Ali Bokhari. Raza Bokhari and Haider Bokhari are the brothers of Qasim Bokhari. At all times relevant to the superseding indictment, Raza Bokhari, Haider Bokhari, and Qasim Bokhari acted as agents of the consulting company. The consulting company was used by defendants for the purpose of defrauding the E-Rate Program. The only activity conducted by the consulting company was the application for, receipt, and subsequent laundering of the fraudulently obtained funds from the E-Rate Program, as described in the superseding indictment. All actions undertaken by the consulting company were at the direction of Raza Bokhari, Haider Bokhari, and Qasim Bokhari.
- b. With respect to count one of the superseding indictment, between approximately Fall of 2000 and April 2002, in the State and Eastern District of Wisconsin, and elsewhere, Qasim Bokhari conspired with Raza Bokhari and Haider Bokhari to commit a series of offenses against the United States, namely to defraud and obtain money from the Universal Service Administrative Company (“USAC”) and from a subdivision of USAC called the Schools and Libraries Division (“SLD”), through materially false representations and the concealment of material

facts relating to the E-Rate Program, by depositing and causing to be deposited matters and things to be sent to SLD by private and commercial interstate carrier, namely the FedEx Corporation, in violation of Title 18, United States Code, Section 1341.

- c. The objects of the conspiracy were to: (1) violate the rules of the E-Rate Program to induce schools to select the consulting company as the schools' service provider under the E-Rate Program; (2) cause those schools to enter into unnecessarily large contracts for infrastructure enhancements under the E-Rate Program; (3) submit materially false and fraudulent invoices and other documents to SLD and USAC which claimed that the schools had been billed for their Undiscounted Share; (4) submit materially false and fraudulent invoices and other documents to SLD and USAC which claimed that certain work had been performed and goods supplied to the schools; and (5) receive payment from SLD and USAC for goods and services that Raza Bokhari, Haider Bokhari, and Qasim Bokhari fraudulently claimed the consulting company had provided to the schools.
- d. Between approximately Fall of 2000 and April 2002, Raza Bokhari and Haider Bokhari promised school officials that their schools would not have to pay the schools' Undiscounted Share if the schools chose the consulting company as the schools' E-Rate Program service provider. Raza Bokhari and Haider Bokhari also promised school officials that they would provide free computers to certain schools if the schools chose the consulting company as the schools' E-Rate Program service provider.
- e. Between approximately Fall of 2000 and April 2002, Raza Bokhari and Haider Bokhari concealed the itemization pages of contracts between the consulting company and certain schools for the provision of goods and services through the E-Rate Program by removing these pages from the contracts that Raza Bokhari and Haider Bokhari provided to the school officials for their signature. Raza Bokhari and Haider Bokhari thereby deceived the school officials regarding the nature and extent of the contracts that they entered into with the consulting company on behalf of their schools.
- f. Raza Bokhari, Haider Bokhari, and Qasim Bokhari submitted fraudulent invoices and other documents to SLD and USAC which falsely claimed that the applicant schools had been billed for the schools' Undiscounted Share and that all of the other rules of the E-Rate Program had been followed.
- g. Raza Bokhari, Haider Bokhari, and Qasim Bokhari submitted fraudulent invoices and other documents to SLD and USAC which falsely claimed that certain work had been performed and goods supplied by the consulting company to schools in Milwaukee, Wisconsin and Chicago, Illinois. In fact, the work and goods for which Raza Bokhari, Haider Bokhari, and Qasim Bokhari sought payment was

not performed or supplied by the consulting company. Through their fraudulent scheme, Raza Bokhari, Haider Bokhari, and Qasim Bokhari derived approximately \$1,288,742 in gross receipts from SLD and USAC relating to the E-Rate Program applications of three schools: Noah's Ark Preparatory School, located in Milwaukee, Wisconsin; St. Anthony Elementary School, located in Milwaukee, Wisconsin; and Nuestra America Charter School, formerly located in Chicago, Illinois.

- h. In approximately January 2001, Qasim Bokhari sent and caused to be sent by commercial interstate carrier, namely the FedEx Corporation, packages from the Eastern District of Wisconsin containing the FCC Form 471s, the Services Ordered and Certification Forms, and accompanying documents relating to the schools' Year 2001 E-Rate Program applications to SLD at 3833 Greenway Drive, Lawrence, Kansas 66046.
- i. In approximately Fall of 2001, Qasim Bokhari sent and caused to be sent by commercial interstate carrier, namely the FedEx Corporation, packages from the Eastern District of Wisconsin containing the FCC Form 486s, the Receipt of Service Confirmation Forms, relating to the schools' Year 2001 E-Rate Program applications to SLD at 3833 Greenway Drive, Lawrence, Kansas 66046.
- j. In approximately Fall of 2001, Raza Bokhari and Haider Bokhari sent and caused to be sent false, fictitious, and fraudulent FCC Form 474s, the Service Provider Invoice Forms, relating to the schools' Year 2001 E-Rate Program applications to SLD.
- k. In approximately November 2001, during a conversation with a school official from Noah's Ark Preparatory School, Haider Bokhari requested that, if the school official was contacted by anyone from USAC or SLD, that the school official falsely state that the consulting company had completed its work under the E-Rate Program for Noah's Ark Preparatory School.
- l. On or about November 15, 2001, Raza Bokhari, Haider Bokhari, and Qasim Bokhari received and caused to be received a check relating to Noah's Ark Preparatory School's Year 2001 E-Rate Program application drawn on the account of USAC at LaSalle Bank in Chicago, Illinois, in the amount of \$234,867.15, made payable to the consulting company and Qasim Bokhari.
- m. On or about April 25, 2002, Raza Bokhari, Haider Bokhari, and Qasim Bokhari received and caused to be received a check relating to St. Anthony Elementary School's Year 2001 E-Rate Program application drawn on the account of USAC at LaSalle Bank in Chicago, Illinois, in the amount of \$837,615.96, made payable to the consulting company and Qasim Bokhari.

- n. On or about April 30, 2002, Raza Bokhari, Haider Bokhari, and Qasim Bokhari received and caused to be received a check relating to Nuestra America Charter School's Year 2001 E-Rate Program application drawn on the account of USAC at LaSalle Bank in Chicago, Illinois, in the amount of \$216,259.65, made payable to the consulting company and Qasim Bokhari.
- o. Accordingly, the actual loss amount resulting from the conspiracy to commit mail fraud described above was at least \$1,288,742.
- p. With respect to the three schools discussed above, the total amount of funding requested in the Form 471s relating to Year 2001 E-Rate Program applications filed by the defendants Raza Bokhari, Haider Bokhari, and Qasim Bokhari was approximately \$3,438,371.42. In addition to the three schools discussed above, defendants Raza Bokhari, Haider Bokhari, and Qasim Bokhari also filed Form 471s relating to eighteen additional schools' Year 2001 E-Rate Program applications. The total amount of funding requested by defendants on behalf of these additional schools was approximately \$12,928,237.53, although no E-Rate Program funding was approved by USAC for these additional schools. The total amount of funding requested by defendants on behalf of all the schools in Year 2001 was \$16,366,608.95.
- q. With respect to count two of the superseding indictment, on or about January 4, 2001, in the State and Eastern District of Wisconsin, having devised and intending to devise a scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, as described above, for the purpose of executing the scheme to defraud, Raza Bokhari, Haider Bokhari, and Qasim Bokhari did knowingly deposit and cause to be deposited in the Eastern District of Wisconsin, a package containing the FCC Form 471, the Services Ordered and Certification Form, and the contract relating to St. Anthony Elementary School's Year 2001 E-Rate Program application, to be sent and delivered by commercial interstate carrier, namely the FedEx Corporation, to the Schools and Libraries Division of the Universal Service Administrative Company, 3833 Greenway Drive, Lawrence, Kansas 66046, from the consulting company and Qasim Bokhari, in violation of Title 18, United States Code, Section 1341.
- r. With respect to count three of the superseding indictment, on or about January 8, 2001, in the State and Eastern District of Wisconsin, having devised and intending to devise a scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, as described above, for the purpose of executing the scheme to defraud, Raza Bokhari, Haider Bokhari, and Qasim Bokhari did knowingly deposit and cause to be deposited in the Eastern District of Wisconsin, a package containing the FCC Form 471, the Services Ordered and Certification Form, and the contract relating to Nuestra America Charter School's Year 2001 E-Rate

Program application, to be sent and delivered by commercial interstate carrier, namely the FedEx Corporation, to the Schools and Libraries Division of the Universal Service Administrative Company, 3833 Greenway Drive, Lawrence, Kansas 66046, from the consulting company and Qasim Bokhari, in violation of Title 18, United States Code, Section 1341.

- s. With respect to count four of the superseding indictment, on or about January 9, 2001, in the State and Eastern District of Wisconsin, having devised and intending to devise a scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, as described above, for the purpose of executing the scheme to defraud, Raza Bokhari, Haider Bokhari, and Qasim Bokhari did knowingly deposit and cause to be deposited in the Eastern District of Wisconsin, a package containing the FCC Form 471, the Services Ordered and Certification Form, and the contract relating to Noah's Ark Preparatory School's Year 2001 E-Rate Program application, to be sent and delivered by commercial interstate carrier, namely the FedEx Corporation, to the Schools and Libraries Division of the Universal Service Administrative Company, 3833 Greenway Drive, Lawrence, Kansas 66046, from the consulting company and Qasim Bokhari, in violation of Title 18, United States Code, Section 1341.
- t. With respect to count five of the superseding indictment, from approximately November 2001, and continuing up to approximately March 16, 2004, in the State and Eastern District of Wisconsin, and elsewhere, Qasim Bokhari conspired with Raza Bokhari, and Haider Bokhari to commit money laundering offenses defined in Title 18, United States Code, Section 1956(a)(1)(B)(i), namely to conduct financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activities, namely, mail fraud in violation of Title 18, United States Code, Section 1341, (1) knowing, while conducting and attempting to conduct such financial transactions, that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and (2) knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activities. In order to effectuate this money laundering conspiracy, Qasim Bokhari, Haider Bokhari and Raza Bokhari used the unknowing services of Shahida Bokhari, their mother; and Kelly Bokhari, the wife of Haider Bokhari, to transfer funds.
- u. Raza Bokhari, Haider Bokhari, and Qasim Bokhari did further knowingly conspire among themselves to commit money laundering offenses defined in Title 18, United States Code, Section 1956(a)(2)(B)(i), namely to transport, transmit, and transfer funds, from a place in the United States, namely Kenosha, Wisconsin, to and through a place outside the United States, namely the country of Pakistan, (1) knowing, while conducting and attempting to conduct such transportation, transmissions, and transfers, that the funds involved in such

transportation, transmissions, and transfers represented the proceeds of some form of unlawful activity, and (2) knowing that such transportation, transmissions, and transfers were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341. In order to effectuate this money laundering conspiracy, Raza Bokhari, Haider Bokhari, and Qasim Bokhari used the unknowing services of Shahida Bokhari, their mother; and Kelly Bokhari, the wife of Haider Bokhari, to transfer funds.

- v. The principal object of the conspiracy to commit money laundering was to transfer the proceeds of the specified unlawful activities, namely the mail fraud, from the financial accounts into which the proceeds were originally deposited, namely account **[Redacted Text]**5147 at Johnson Bank in Kenosha, Wisconsin in the name of the consulting company and Qasim Bokhari, to other accounts controlled by the Haider Bokhari, Qasim Bokhari, Raza Bokhari, Shahida Bokhari, and Kelly Bokhari for the purpose of concealing and disguising the nature, location, source, ownership, and control of those criminal proceeds.
- w. As part of the money laundering conspiracy, from at least as early as November 2001, Raza Bokhari, Haider Bokhari, and Qasim Bokhari established multiple financial accounts, including financial accounts owned by Shahida Bokhari and Kelly Bokhari, to receive and distribute the monies received for the purpose of concealing and disguising the nature, location, source, ownership, and control of the proceeds of specified unlawful activities.
- x. From at least as early as November 2001, and continuing up to approximately March 16, 2004, Raza Bokhari, Haider Bokhari, and Qasim Bokhari conducted and attempted to conduct numerous financial transactions among their own financial accounts, the financial accounts of each other, and the financial accounts owned by Shahida Bokhari and Kelly Bokhari, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of unlawful activity, which in fact involved the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341.
- y. From at least as early as February 2002, Raza Bokhari, Haider Bokhari, and Qasim Bokhari knowingly transported, transmitted, and transferred funds, and knowingly attempted to transport, transmit, and transfer funds, from a place in the United States, namely Kenosha, Wisconsin, to and through a place outside the United States, namely Pakistan, knowing that the funds involved in the transportation, transmission, and transfer represented the proceeds of some form of unlawful activity, and knowing that such transportation, transmissions, and

transfers were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341.

- z. For example, on December 20, 2001, after depositing the USAC funds relating to the Year 2001 E-Rate Program application of Noah's Ark Preparatory School, described above in paragraph 5(l), into account **[Redacted Text]**5147 at Johnson Bank in Kenosha, Wisconsin, Qasim Bokhari wrote a check drawn upon these funds in the amount of \$100,000.00 payable to the consulting company. On that same day, Qasim Bokhari opened a new account in the name of the consulting company – this one at TCF Bank, account **[Redacted Text]**2186 – and he deposited the \$100,000.00 check into the new TCF account. Thereafter, on February 6, 2002, Qasim Bokhari withdrew \$95,000.00 from the new TCF Bank account and deposited this sum back into the account at Johnson Bank from which the funds were initially withdrawn. Qasim Bokhari then immediately wired the \$95,000 to a financial account owned by Raza Bokhari in Pakistan.
- aa. On May 9, 2002, after depositing the USAC funds relating to the Year 2001 E-Rate Program applications of St. Anthony Elementary School and Nuestra America Charter School, described above in paragraphs 5(m)-(n), into account **[Redacted Text]**5147 at Johnson Bank in Kenosha, Wisconsin, Qasim Bokhari initiated a wire transfer to Country Wide Home Loan Inc. in the amount of \$287,275.44. This wire transfer paid off in full the mortgage held by Country Wide Home Loan Inc. on the residence owned by Haider Bokhari in Kenosha, Wisconsin.
- bb. After depositing the USAC funds relating to the Year 2001 E-Rate Program applications of St. Anthony Elementary School and Nuestra America Charter School, described above in paragraphs 5(m)-(n), into account **[Redacted Text]**5147 at Johnson Bank in Kenosha, Wisconsin, Qasim Bokhari, on or about May 8, 2002, withdrew \$417,000.00 from that account via Johnson Bank Cashier's Check **[Redacted Text]**6738, payable to his sister-in-law, Kelly Bokhari (this transaction is also detailed in paragraph 5(cc) below). Additionally, on or about May 9, 2002, Qasim Bokhari wrote a check in the amount of \$345,000 drawn on the funds in that account payable to Shahida Bokhari. Kelly Bokhari deposited the \$417,000 into her joint checking account with Haider Bokhari, account **[Redacted Text]**7563 at TCF Bank. On or about May 13, 2002, Haider Bokhari wrote a check drawn on the funds in that account in the amount of \$285,100 payable to Shahida Bokhari. On or about May 16, 2002, Shahida Bokhari opened a money market account **[Redacted Text]**7119 at Johnson Bank and deposited the \$345,000 check and the \$285,100 check into that account. On or about July 30, 2002, at the direction of Raza Bokhari and Qasim Bokhari, Shahida Bokhari wired \$125,000 from funds in that account to a third party in Pakistan. On or about August 29, 2002, at the direction of Raza Bokhari and



Qasim Bokhari, Shahida Bokhari wired \$400,000 from funds in that account to Raza Bokhari in Pakistan. On or about August 30, 2002, Shahida Bokhari withdrew the remaining funds in that account in the amount of \$86,428, via Johnson Bank Cashier's Check [Redacted Text]2080, and closed that account. On or about September 6, 2002, Shahida Bokhari then deposited the \$86,428 in her account [Redacted Text]2329 at TCF Bank. On or about September 7, 2002, Shahida Bokhari wrote a check in the amount of \$30,000 drawn on those funds payable to Kelly Bokhari. On or about September 12, 2002, Shahida Bokhari wrote a check in the amount of \$50,000 drawn on those funds payable to Kelly Bokhari. On or about September 6, 2002, Kelly Bokhari opened account [Redacted Text]0703 at Johnson Bank. On or about September 9, 2002, Kelly Bokhari deposited the \$30,000 check from Shahida Bokhari into that account. On or about September 18, 2002, Kelly Bokhari deposited the \$50,000 check from Shahida Bokhari into that account. Raza Bokhari, Haider Bokhari, and Qasim Bokhari used the unknowing services of Shahida Bokhari and Kelly Bokhari in the money laundering conspiracy; all actions taken by Shahida Bokhari and Kelly Bokhari were at the direction of Raza Bokhari, Haider Bokhari, and Qasim Bokhari.

- cc. With respect to count six of the superseding indictment, on or about May 8, 2002, in the State and Eastern District of Wisconsin, Qasim Bokhari did knowingly conduct and attempt to conduct a financial transaction, as that term is defined in Title 18, United States Code, Sections 1956(c)(3) & (4), which in fact involved the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341, when Qasim Bokhari withdrew \$417,000.00 from account [Redacted Text]5147 at Johnson Bank in Kenosha, Wisconsin via Johnson Bank Cashier's Check [Redacted Text]6738, payable to his sister-in-law, Kelly Bokhari, knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, and knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activities.
- dd. The financial transaction described above in paragraph 5(cc) affected interstate commerce.

This information is provided for the limited purpose of setting forth a factual basis for the plea of guilty. It is not a full recitation of the defendant's knowledge of or participation in these offenses.

#### **PENALTIES**

6. The parties understand and agree that the offenses to which the defendant will enter a guilty plea carry the following maximum terms of imprisonment and fines: count one, five years' imprisonment and a \$250,000 fine or twice the gross gain to the defendant or twice the gross loss to the victim; counts two through four, 5 years' imprisonment and a fine of \$250,000 or twice the gross gain to the defendant or twice the gross loss to the victim; counts five and six, 20 years' imprisonment and a fine of \$500,000 or twice the value of the property involved in the money laundering transactions, whichever is greater. Each count also carries a mandatory special assessment of \$100.00 and a maximum of three years of supervised release. The parties acknowledge that the forfeiture of assets is part of the sentence that shall be imposed by the court. The parties further recognize that a restitution order shall be entered by the court. The parties' acknowledgments, understandings, and agreements with regard to restitution are set forth in paragraph 35 of this plea agreement.

7. The defendant acknowledges, understands, and agrees that he has discussed the relevant statutes as well as the applicable sentencing guidelines with his attorney.

#### **ELEMENTS**

8. The parties understand and agree that in order to sustain the charge of conspiracy to commit mail fraud, as set forth in count one of the superseding indictment, the government must prove each of the following propositions beyond a reasonable doubt:

First, that the conspiracy as charged in count one existed;

Second, the defendant knowingly became a member of the conspiracy with an intention to further the conspiracy; and

Third, that an overt act was committed by at least one conspirator in furtherance of the conspiracy.

9. The parties understand and agree that in order to sustain the charges of mail fraud, as set forth in counts two through four of the superseding indictment, the government must prove each of the following propositions beyond a reasonable doubt:

First, that the defendant knowingly devised or participated in the scheme to defraud or to obtain money or property by means of materially false pretenses, representations, or promises;

Second, that the defendant did so knowingly and with the intent to defraud; and

Third, for the purpose of carrying out the scheme or attempting to do so, the defendant used or caused the use of the United States mails or private or commercial carrier in the manner charged.

10. The parties understand and agree that in order to sustain the charge of conspiracy to commit money laundering, as set forth in count five of the superseding indictment, the government must prove each of the following propositions beyond a reasonable doubt:

First, that the conspiracy to commit money laundering as charged in count five existed; and

Second, that the defendant knowingly became a member of the conspiracy with an intention to further the conspiracy.

11. The parties understand and agree that in order to sustain the charge of money laundering, as set forth in count six of the superseding indictment, the government must prove each of the following propositions beyond a reasonable doubt:

First, that the defendant knowingly conducted a financial transaction;

Second, that the property involved in the financial transaction in fact involved the proceeds of a specified unlawful activity;

Third, that the defendant knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

Fourth, that the defendant knew that the financial transaction was designed to conceal or disguise the proceeds of the unlawful activity; and

Fifth, that the financial transaction affected interstate commerce.

### **SENTENCING PROVISIONS**

12. The parties agree to waive the time limits in Fed. R. Crim. P. 32 relating to the presentence report, including that the presentence report be disclosed not less than 35 days before the sentencing hearing, in favor of a schedule for disclosure, and the filing of any objections, to be established by the court at the change of plea hearing.

13. The defendant agrees to have his sentence determined under the United States Sentencing Guidelines (“U.S.S.G.”) and waives all constitutional challenges to the validity of the U.S.S.G. The defendant waives any right he may have to have facts that determine his statutory maximum sentence or Guidelines fine and imprisonment ranges under the U.S.S.G. (including any facts used to determine his offense level, the actual and intended loss or gain, the value of funds laundered, any specific offense characteristic or other enhancement or adjustment, or any upward departure under the U.S.S.G.) alleged in an indictment and found by a jury beyond a reasonable doubt. The defendant agrees that facts that determine his statutory maximum sentence or Guidelines fine and imprisonment ranges will be found by the court at sentencing by a preponderance of the evidence and that the court may consider any reliable evidence, including hearsay, in making such determinations.

14. 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 the defendant is pleading guilty. The defendant acknowledges and agrees that his attorney, in turn, has discussed the applicable sentencing guidelines provisions with him to the defendant’s satisfaction.

15. The parties acknowledge and understand that prior to sentencing, the United States Probation Office will conduct its own investigation of the defendant’s criminal history for

purposes of assisting the sentencing court in determining the defendant's criminal history category under the sentencing guidelines. The parties further acknowledge and understand that, at the time the 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**

16. The parties acknowledge, understand, and agree that pursuant to Sentencing Guidelines Manual § 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 offense to which defendant is pleading guilty.

17. The parties acknowledge, understand, and agree that pursuant to Sentencing Guidelines Manual § 1B1.3, the sentencing court will consider the total amount of the loss incurred by the victim as a result of the mail fraud charges as well as the total amount of loss intended by the defendant (counts one through four) and the total amount of the money laundered (counts five and six), even if not alleged in the offenses of conviction, and will use the total amount in calculating the sentencing guidelines range.

18. For purposes of determining the defendant's offense level and fine range under the sentencing guidelines, the parties agree to recommend to the sentencing court that, based on evidence available to the government and admissible against the defendant, the government is able to establish by a preponderance of the evidence that the amount of actual loss stemming from the mail fraud charges (counts one through four) is at least \$1,288,742, and the amount of money subsequently laundered (counts five and six), is approximately \$1,288,742. The government will

recommend to the sentencing court that the amount of intended loss is greater than \$7,000,000 but less than \$20,000,000. The parties acknowledge and understand that the agreed amount of loss and amount of money subsequently laundered may differ from the amount of any restitution ordered by the sentencing court. The parties' acknowledgments, understandings, and agreements with regard to restitution are set forth in paragraph 35 of this plea agreement.

#### **Sentencing Guidelines Calculations**

19. 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. The 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 the defendant has provided false, incomplete, or inaccurate information that affects the calculation of the appropriate adjusted offense level or fine range, the government is not bound to make the recommendations contained in this agreement.

#### **Grouping Analysis**

20. The parties agree to recommend that, pursuant to Sentencing Guidelines Manual § 3D1.2, counts one through six group because they involve substantially the same harm. The parties make this recommendation in part because counts one through four embody conduct that is treated as a specific offense characteristic in the principal guideline section applicable to counts five and six, Sentencing Guidelines Manual § 2S1.1. Accordingly, the parties focus their sentencing recommendations on § 2S1.1 and the other guidelines sections applicable to counts five and six.

### **Base Offense Level**

21. The parties agree that the offense level for the underlying offense is at least twenty-two (22). The base offense level under § 2S1.1, which is applicable to money laundering violations, is the offense level for the underlying offense from which the laundered funds were derived. Subject to paragraph 22 below, the parties agree that the offense level for the defendant's fraud is calculated as follows: a base offense level under Sentencing Guidelines Manual § 2B1.1(a) of six (6), *plus* a sixteen-level increase under Sentencing Guidelines Manual § 2B1.1(b)(1)(I) because the underlying offense involved an actual loss amount of between \$1,000,000 and \$2,500,000. Accordingly, the parties agree that the defendant's base offense level is at least twenty-two (22).

22. The parties acknowledge and understand that the government will recommend to the sentencing court that, under Sentencing Guidelines Manual § 2B1.1(b)(1)(K), an additional four level increase applies to the calculation of the defendant's base offense level because the underlying offenses involved an intended loss amount of between \$7,000,000 and \$20,000,000. Consequently, the defendant acknowledges that the government will recommend to the court that the defendant's base offense level is twenty-six (26). The parties further acknowledge and understand that the defendant will not join in this recommendation. The parties expressly agree and consent to have the sentencing court find the facts pertinent to, and to determine, the actual and intended loss amounts.

### **Specific Offense Characteristics**

23. The parties acknowledge and understand that the government will recommend to the sentencing court that, under Sentencing Guidelines Manual § 2S1.1(b)(2)(B), a two-level increase applies to the offense level for the offense charged in counts five and six because the

defendant was convicted under 18 U.S.C. § 1956. The parties further acknowledge and understand that the defendant will not join in this recommendation. The parties expressly agree and consent to have the sentencing court find the facts pertinent to, and to determine the applicability of, this enhancement.

24. The parties acknowledge and understand that the government will recommend to the sentencing court that, under Sentencing Guidelines Manual § 2S1.1(b)(3), a further two-level increase applies to the offense level for the offenses charged in counts five and six because the offense involved sophisticated laundering in that it involved: the laundering of funds through a shell corporation; multiple levels of transactions, transportation, transfers, and transmissions of criminally derived funds undertaken in part to make those funds appear legitimate; and transfers to offshore financial accounts. The parties further acknowledge and understand that the defendant will not join in this recommendation. The parties expressly agree and consent to have the sentencing court find the facts pertinent to, and to determine the applicability of, this enhancement.

#### **Role in the Offense**

25. The parties acknowledge and understand that the government will recommend to the sentencing court that, pursuant to Sentencing Guidelines Manual § 3B1.1, a two-level increase be given for an aggravating role in the offense because the defendant was an organizer, leader, manager, or supervisor in the criminal activity set forth in the superseding indictment. The parties further acknowledge and understand that the defendant will not join in this



recommendation. The parties expressly agree and consent to have the sentencing court find the facts pertinent to, and to determine the applicability of, this enhancement.

### **Acceptance of Responsibility**

26. The government agrees to recommend a two-level decrease for acceptance of responsibility as authorized by Sentencing Guidelines Manual § 3E1.1(a), if the defendant exhibits conduct consistent with the acceptance of responsibility. The defendant acknowledges, understands, and agrees that conduct consistent with the acceptance of responsibility includes but is not limited to the defendant's voluntary identification and disclosure to the government of any and all actual or potential victims of the offense prior to sentencing. In addition, if the court determines at the time of sentencing that the defendant is entitled to the two-level reduction under § 3E1.1(a), the government agrees to make a motion recommending an additional one-level decrease as authorized by Sentencing Guidelines Manual § 3E1.1(b), because the defendant timely notified authorities of his intention to enter a plea of guilty.

### **Sentencing Recommendations**

27. Both parties reserve the right to advise the district court and the probation office of any and all information which might be pertinent to the sentencing process, including but not limited to any and all conduct related to the offense as well as any and all matters which might constitute aggravating or mitigating sentencing factors.

28. Both parties reserve the right to make any recommendation regarding any other matters not specifically addressed by this agreement.

29. The government agrees to recommend that a sentence be imposed within the applicable fine and incarceration sentencing guideline ranges, as determined by the court.

### **Court's Determinations at Sentencing**

30. 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 paragraph 6 above. The parties further understand that the sentencing court may, in certain circumstances, depart either upward or downward from the otherwise applicable guideline range.

31. The parties acknowledge, understand, and agree that the defendant may not move to withdraw the guilty plea solely as a result of the sentence imposed by the court.

### **FINANCIAL MATTERS**

32. The defendant acknowledges and understands that any and all financial obligations imposed by the sentencing court are due and payable upon entry of the judgment of conviction. The defendant agrees not to request any delay or stay in payment of any and all financial obligations.

### **Fine**

33. The defendant acknowledges and understands that the government will recommend to the sentencing court that a fine be imposed against the defendant.

### **Special Assessment**

34. The defendant agrees to pay the special assessment in the amount of \$100.00 for each count of conviction prior to or at the time of sentencing.

### **Restitution**

35. The defendant has paid restitution in the amount of \$400,000 to the Universal Service Administrative Fund, 135 South LaSalle Street, Department 1259, Chicago, IL 60674-1259 (re: Funding Request Numbers 508486, 502291, and 501051). The government will recommend to the sentencing court that the amount of restitution should be at least \$1,288,742. The government further agrees to recommend that the defendant's restitution obligation be made joint and several with that of any of the defendant's co-conspirators who are convicted in this, or any related, criminal case in this judicial district, to the extent that such joint-and-several liability is appropriate under governing law. The defendant understands that because restitution for the offenses is mandatory, the amount of restitution shall be imposed by the court regardless of the defendant's financial resources. The defendant agrees to cooperate in efforts to collect the restitution obligation. The defendant understands that imposition or payment of restitution will not restrict or preclude the filing of any civil suit or administrative action.

#### **DEFENDANT'S COOPERATION**

36. The defendant, by entering into this agreement, further agrees to fully and completely cooperate with the government in the prosecution of this case, the current federal investigation of fraud and money laundering involving the E-Rate Program, any resulting federal investigation, and any litigation or other proceedings arising or resulting from any such investigation to which the United States is a party. The government agrees to advise the sentencing judge of the nature and extent of the defendant's cooperation. The parties acknowledge, understand, and agree that if the defendant provides substantial assistance to the government in the investigation or prosecution of others, only the government, in its discretion, may move for and recommend a downward departure from the applicable sentencing guidelines range and any applicable statutory mandatory minimum. The defendant acknowledges and

understands that the court will make its own determination with regard to the appropriateness and extent of a downward departure.

37. The ongoing, full, and truthful cooperation of the defendant shall include, but not be limited to:

- a. producing in the United States and at other mutually agreed-upon locations all documents, including claimed personal documents, and other materials, wherever located, in the possession, custody, or control of the defendant, requested by attorneys and agents of the United States;
- b. making himself available for interviews in the United States and at other mutually agreed-upon locations, 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);
- d. otherwise voluntarily providing the United States with any 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 or other proceeding initiated by the United States government, testifying in grand jury, trial, and any other judicial proceedings, fully, truthfully, and under oath, including but not limited to providing written statements, 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).

#### **DEFENDANT'S WAIVER OF RIGHTS**

38. In entering this agreement, the defendant acknowledges and understands that in so doing he surrenders any claims he may have raised in any pretrial motion, as well as certain rights which include the following:

- a. If the defendant persisted in a plea of not guilty to the charges against him, he would be entitled to a speedy and public trial by a court or jury. The defendant has a right to a jury trial. However, in order that the trial be conducted by the judge sitting without a jury, the defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.
- b. If the trial is a jury trial, the jury would be composed of twelve citizens selected at random. The defendant and his attorney would have a say in who the jurors would be by removing prospective jurors for cause where actual bias or other disqualification is shown, or without cause by exercising peremptory challenges. The jury would have to agree unanimously before it could return a verdict of guilty. The court would instruct the jury that the defendant is presumed innocent until such time, if ever, as the government establishes guilt by competent evidence to the satisfaction of the jury beyond a reasonable doubt.
- c. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all of the evidence, whether or not he was persuaded of defendant's guilt beyond a reasonable doubt.
- d. At such trial, whether by a judge or a jury, the government would be required to present witnesses and other evidence against the defendant. The defendant would be able to confront witnesses upon whose testimony the government is relying to obtain a conviction and he would have the right to cross-examine those witnesses. In turn the defendant could, but is not obligated to, present witnesses and other evidence on his own behalf. The defendant would be entitled to compulsory process to call witnesses.
- e. At such trial, defendant would have a privilege against self-incrimination so that he could decline to testify and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify on his own behalf.

39. The defendant acknowledges and understands that by pleading guilty he is waiving all the rights set forth above. The defendant further acknowledges the fact that his attorney has explained these rights to him and the consequences of his waiver of these rights. The defendant further acknowledges that as a part of the guilty plea hearing, the court may question the defendant under oath, on the record, and in the presence of counsel about the offenses to which

the defendant intends to plead guilty. The defendant further understands that the defendant's answers may later be used against the defendant in a prosecution for perjury or false statement.

40. The defendant acknowledges and understands that he will be adjudicated guilty of the offenses to which he will plead guilty and thereby may be deprived of certain rights, including but not limited to the right to vote, to hold public office, to serve on a jury, to possess firearms, and to be employed by a federally insured financial institution.

41. The defendant knowingly and voluntarily waives all claims he may have based upon the statute of limitations, the Speedy Trial Act, and the speedy trial provisions of the Sixth Amendment. The defendant agrees that any delay between the filing of this agreement and the entry of the defendant's guilty plea pursuant to this agreement constitutes excludable time under the Speedy Trial Act.

#### **Further Civil or Administrative Action**

42. The defendant acknowledges, understands, and agrees that the defendant has discussed with his attorney and understands that nothing contained in this agreement is meant to limit the rights and authority of the United States of America or any other state or local government to take further civil, administrative, or regulatory action against the defendant, including but not limited to any listing and debarment proceedings to restrict rights and opportunities of the defendant to contract with or receive assistance, loans, and benefits from United States government agencies.

### **MISCELLANEOUS MATTERS**

43. The defendant agrees not to seek any departure from the applicable sentencing guidelines range on any basis other than prepayment of restitution. The parties acknowledge that the government will oppose the defendant's request for departure. The parties expressly agree and consent to have the sentencing court find the facts pertinent to, and to determine the applicability of, this departure.

### **GENERAL MATTERS**

44. The parties acknowledge, understand, and agree that this agreement does not require the government to take, or not to take, any particular position in any post-conviction motion or appeal.

45. The parties acknowledge, understand, and agree that this plea agreement will be filed and become part of the public record in this case.

46. The parties acknowledge and agree that the United States Attorney's Office and Antitrust Division are free to notify any local, state, or federal agency of the defendant's conviction.

47. The defendant understands that pursuant to the Victim and Witness Protection Act and the regulations promulgated under the Act by the Attorney General of the United States, the victim of a crime may make a statement describing the impact of the offense on the victim and further may make a recommendation regarding the sentence to be imposed. The defendant acknowledges and understands that comments and recommendations by a victim may be different from those of the parties to this agreement.

### **Further Action by Internal Revenue Service**

48. Nothing in this agreement shall be construed so as to limit the Internal Revenue Service in discharging its responsibilities in connection with the collection of any additional tax, interest, and penalties due from the defendant as a result of the defendant's conduct giving rise to the charges alleged in the superseding indictment.

**Further Action by the Bureau of Immigration and Customs Enforcement**

49. Nothing in this agreement shall be construed so as to limit the Bureau of Immigration and Customs Enforcement in discharging its responsibilities in connection with the immigration laws. The defendant acknowledges and understands that the offenses to which he is pleading guilty constitute aggravated felonies under the Immigration and Nationality Act, 8 U.S.C. § 1101(a)(43), and that his conviction of these offenses will serve to absolutely bar the defendant from seeking to cancel any proceedings initiated by the Bureau of Immigration and Customs Enforcement to remove the defendant from the United States following the defendant's service of his term of imprisonment.

**EFFECT OF DEFENDANT'S BREACH OF PLEA AGREEMENT**

50. The defendant acknowledges and understands if he violates any term of this agreement at any time or engages in any further criminal activity prior to sentencing, this agreement shall become null and void at the discretion of the government. If this plea agreement is revoked or if the defendant's conviction ultimately is overturned, then the government retains the right to reinstate any and all dismissed charges and to file any and all charges which were not filed because of this agreement. The defendant hereby knowingly and voluntarily waives any defense based on the applicable statute of limitations for any charges filed against the defendant as a result of his breach of this agreement. The defendant understands, however, that the government may elect to proceed with the guilty plea and sentencing. The defendant further



acknowledges and understands that he continues to be subject to the terms of the proffer letter that he and his attorney signed in connection with this case on July 12, 2004.

**VOLUNTARINESS OF DEFENDANT'S PLEA**

51. The defendant acknowledges, understands, and agrees that he will plead guilty freely and voluntarily because he is in fact guilty. The defendant further acknowledges and agrees that no threats, promises, representations, or other inducements have been made, nor agreements reached, other than those set forth in this agreement, to induce the defendant to plead guilty.

**ACKNOWLEDGMENTS**

I am the defendant. I am entering into this plea agreement freely and voluntarily. I am not now on or under the influence of any drug, medication, alcohol, or other intoxicant or depressant, whether or not prescribed by a physician, which would impair my ability to understand the terms and conditions of this agreement. My attorney has reviewed every part of this agreement with me and has advised me of the implications of the sentencing guidelines and of my waiver of any right to challenge the applicability or constitutionality of the sentencing guidelines. I have discussed all aspects of this case with my attorney, and I am satisfied that my attorney has provided effective assistance of counsel.

Date: 10/2/04

\_\_\_\_\_  
/s/  
QASIM BOKHARI  
Defendant

I am the defendant's attorney. I carefully have reviewed every part of this agreement with the defendant. To my knowledge, my client's decision to enter into this agreement is an informed and voluntary one.

Date: 10/2/04

\_\_\_\_\_  
/s/  
MICHAEL J. STEINLE  
Attorney for Defendant

For the United States of America:

Date: 10/22/04

\_\_\_\_\_  
/s/  
MARVIN N. PRICE, JR.  
Chief

Date: 10/22/04

\_\_\_\_\_  
/s/  
JASON C. TURNER  
CARLA M. STERN  
Trial Attorneys