

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA	)	
	)	Criminal No. 3:05-cr-00178-PG
v.	)	
	)	Filed: 05/19/2005
ALBITH COLÓN,	)	
	)	Violation: 18 U.S.C. § 371
Defendant.	)	
_____	)	

**PLEA AGREEMENT**

The United States of America and Albith Colón (“defendant”) hereby 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. The 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 charge and the United States would have to prove every essential element of the charged offense 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 at trial; and
- (h) to appeal the imposition of sentence against him.

**AGREEMENT TO PLEAD GUILTY**  
**AND WAIVE CERTAIN RIGHTS**

2. The defendant knowingly and voluntarily waives the rights set out in Paragraph 1(b)-(h) above. The defendant also knows that he has, and voluntarily waives, the right to file any appeal, any collateral attack, or any other writ or motion, including but not limited to an appeal under 18 U.S.C. § 3742 or a motion under 28 U.S.C. § 2241 or 2255, that challenges the sentence imposed by the Court if that sentence is consistent with or below the recommended sentence in Paragraph 8 of this Plea Agreement, regardless of how the sentence is determined by the Court. 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), the defendant will waive indictment and plead guilty at arraignment to a one-count Information to be filed in the United States District Court for the District of Puerto Rico. The Information will charge the defendant with participating in a conspiracy to: (a) defraud Tricon Restaurants International (“Tricon”) of Puerto Rico; (b) make kickback payments to one of his co-conspirators, an employee of Tricon; and (c) deprive Tricon of its right to the honest services of its employee, which scheme and artifice to defraud was executed by and through the use of the United States mail, beginning at least as early as October 17, 2000, and continuing until at least March

2004, in violation of Title 18, United States Code, Section 371, to commit offenses against the United States, to wit, to violate Title 18, United States Code, Sections 1341 and 1346.

3. The defendant, pursuant to the terms of this Plea Agreement, will plead guilty to the criminal charge described in Paragraph 2 above and will make a factual admission of guilt to the Court in accordance with Fed. R. Crim. P. 11, as set forth in Paragraph 4 below. The United States agrees that, at the arraignment, it will stipulate to the release of the defendant on his personal recognizance, pursuant to 18 U.S.C. § 3142, pending the sentencing hearing in this case.

**FACTUAL BASIS FOR OFFENSE CHARGED**

4. Had this case gone to trial, the United States would have presented evidence sufficient to prove the following facts:

(a) For purposes of this Plea Agreement, the “relevant period” is that period beginning at least as early as October 17, 2000, and continuing thereafter until at least March 2004, the exact dates being unknown to the United States. During the relevant period, the defendant was the president of Gate Engineering Corporation (“Gate”), an electrical contractor organized and existing under the laws of Puerto Rico, with its principal place of business in Bayamon, Puerto Rico. Further, Co-Conspirator Number One (“CC-1”) was a technical services supervisor of Tricon, which is located in Guaynabo, Puerto Rico;

(b) During the relevant period, in the District of Puerto Rico and elsewhere, the defendant, CC-1, and another co-conspirator did unlawfully, willfully, and knowingly conspire, combine, confederate, and agree in violation of Title 18, United States Code, Section 371, to commit offenses against the United States, to wit, to violate Title 18, United States Code, Sections 1341 and 1346;

(c) It was a part and object of said conspiracy that the defendant, CC-1, and another co-conspirator, having devised and intending to devise a scheme and artifice to (a) defraud Tricon; (b) make kickback payments to CC-1; and (c) deprive Tricon of its right to the honest services of its employee, executed the scheme and artifice by and through the use of the United States mail;

(d) Tricon relied on CC-1 to conduct his work on the company's behalf in an honest fashion so as to benefit his employer, including his work in soliciting bids and awarding electrical contracts for his company. However, as a result of the scheme and artifice to defraud, the defendant made kickback payments totaling \$31,480 to CC-1 in return for the defendant receiving more than \$1 million worth of electrical contracts from CC-1 on behalf of Tricon;

(e) For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendant, CC-1, and another co-conspirator

made and caused to be made the mailings of documents by means of the United States mail; and

(f) Acts in furtherance of this conspiracy were carried out within the District of Puerto Rico within five years preceding this Plea Agreement.

### **POSSIBLE MAXIMUM SENTENCE**

5. The defendant understands that the statutory maximum penalty which may be imposed against him upon conviction for a violation of 18 U.S.C. § 371 is:

(a) a term of imprisonment for five (5) years;

(b) a fine in an amount equal to the greatest of (1) \$250,000, (2) twice the gross pecuniary gain the conspirators derived from the crime, or (3) twice the gross pecuniary loss caused to the victims of the crime by the conspirators (18 U.S.C. § 3571(b) and (d)); and

(c) a term of supervised release of two to three years following any term of imprisonment. If the defendant violates any condition of supervised release, the defendant could be imprisoned for the entire term of supervised release (18 U.S.C. § 3559(a)(4); 18 U.S.C. § 3583(b)(2) and (e)(3); and United States Sentencing Guidelines (“U.S.S.G.,” “Sentencing Guidelines,” or “Guidelines”) § 5D1.2(a)(2)).

6. In addition, the defendant understands that:

(a) pursuant to U.S.S.G. § 5E1.1, the Court may order him to pay restitution to the victims of the offense; and

(b) pursuant to 18 U.S.C. § 3013(a)(2)(A), the Court is required to order the defendant to pay a \$100.00 special assessment upon conviction for the charged crime.

### **SENTENCING GUIDELINES**

7. The 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. The defendant understands that the Guidelines determinations will be made by the Court by a preponderance of the evidence standard. The defendant understands that although the Court is not ultimately bound to impose a sentence within the applicable advisory 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 AGREEMENT**

8. Pursuant to Fed R. Crim. P. 11(c)(1)(B), the United States agrees that it will recommend, as the appropriate disposition of this case, that the Court impose a sentence within the advisory Guidelines range from Offense Level 10, Zone B, and Criminal History Category I, and a criminal fine within the advisory Guidelines range of \$2,000 to \$20,000 (“the recommended sentence”). The parties agree that there exists no aggravating or mitigating circumstances of a kind, or to a degree, not adequately taken into consideration by the U.S. Sentencing Commission in

formulating the Sentencing Guidelines that should result in a sentence outside the advisory Guidelines range. The parties agree not to seek or support any sentence outside of the advisory Guidelines range nor any Guidelines adjustment for any reason that is not set forth in this Plea Agreement. The parties further agree that the recommended sentence set forth in this plea agreement is reasonable.

9. The United States and the defendant agree that the applicable advisory Guidelines fine and incarceration ranges exceed those ranges contained in the recommended sentence set out in Paragraph 8 above. Subject to the full and continuing cooperation of the defendant, as described in Paragraph 12 of this Plea Agreement, and prior to sentencing in the case, the United States agrees that it will make a motion, pursuant to U.S.S.G. § 5K1.1, for a downward departure from the advisory Guidelines fine and incarceration ranges in this case and will request that the Court impose the recommended sentence set out in Paragraph 8 of this Plea Agreement because of the defendant's substantial assistance in the government's investigation and prosecution of violations of federal criminal law involving kickback payments in the award of service contracts by Tricon, the General Services Administration ("GSA"), or the Small Business Administration ("SBA") in Puerto Rico.

10. Subject to the ongoing, full, and truthful cooperation of the defendant described in Paragraph 12 of this Plea Agreement, and before sentencing in the case, the United States will fully advise the Court and the Probation Office of the fact, manner, and extent of the defendant's cooperation and his commitment to

prospective cooperation with the United States' investigation and prosecutions, all material facts relating to the defendant's involvement in the charged offense, and all other relevant conduct. To enable the Court to have the benefit of all relevant sentencing information, the United States may request, and the defendant will not oppose, that sentencing be postponed until his cooperation is complete.

11. The United States and the defendant understand that the Court retains complete discretion to accept or reject the recommended sentence provided for in Paragraph 8 of this Plea Agreement. The defendant understands that, as provided in Fed. R. Crim. P. 11(c)(3)(B), if the Court does not impose a sentence consistent with the recommendation contained in this Agreement, he nevertheless has no right to withdraw his plea of guilty.

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

12. The defendant will cooperate fully and truthfully with the United States in the prosecution of this case, the conduct of the current federal investigation of violations of federal antitrust and related criminal laws involving kickback payments in the award of service contracts by Tricon, the GSA, or the SBA in Puerto Rico, 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 the defendant shall include, but not be limited to:



(a) producing all documents, including claimed personal documents, and other materials, in the possession, custody, or control of the 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);

(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, 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).

### **GOVERNMENT'S AGREEMENT**

13. Subject to the full, truthful, and continuing cooperation of the defendant, as described in Paragraph 12 of this Plea Agreement, and upon the Court's acceptance of the guilty plea called for by this Plea Agreement and the imposition of the recommended sentence, the United States will not bring further criminal charges against the defendant for any act or offense committed before the date of this Plea Agreement about which the defendant has informed the United States that was undertaken in furtherance of a conspiracy to defraud Tricon, the GSA, and the SBA in Puerto Rico or undertaken in connection with any investigation of such a conspiracy ("Relevant Offense"). However, it is understood that the defendant may be prosecuted for perjury, willfully misleading or false testimony provided by him during any testimony before any federal grand jury, trial or other proceeding. The non prosecution terms of this paragraph do not apply to civil matters of any kind, to any violation of the federal tax or securities laws, or to any crime of violence.

### **REPRESENTATION BY COUNSEL**

14. The defendant has reviewed all legal and factual aspects of this case with his attorney and is fully satisfied with his attorney's legal representation. The defendant has thoroughly reviewed this Plea Agreement with his attorney and has received satisfactory explanations from his attorney concerning each paragraph of this Plea Agreement and alternatives available to the defendant other than entering into this Plea Agreement. After conferring with his attorney and

considering all available alternatives, the defendant has made a knowing and voluntary decision to enter into this Plea Agreement.

### **VOLUNTARY PLEA**

15. The 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 Plea Agreement. The United States has made no promises or representations to the defendant as to whether the Court will accept or reject the recommendations contained within this Plea Agreement.

### **VIOLATION OF PLEA AGREEMENT**

16. The defendant agrees that, should the United States determine in good faith, during the period that any Federal Proceeding is pending, that the defendant has failed to provide full and truthful cooperation, as described in Paragraph 12 of this Plea Agreement, or has otherwise violated any provision of this Plea Agreement, the United States will notify the 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 the 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. The defendant agrees that, in the event that the United States is released from its obligations under this Plea

Agreement and brings criminal charges against the defendant for any 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 six (6) months after the date the United States gave notice of its intent to void its obligations under this Plea Agreement.

17. The 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 the defendant's violation of the Plea Agreement, any documents, statements, 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, the 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**

18. This Plea Agreement constitutes the entire agreement between the United States and the defendant concerning the disposition of the criminal charge in this case. This Plea Agreement cannot be modified except in writing, signed by the United States and the defendant.

19. 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.

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

DATED: May 19, 2005

Respectfully submitted,

BY: /S/  
ALBITH COLÓN  
Defendant

/S/  
OSVALDO CARLO LINARES, ESQ.  
Counsel for Albith Colón

BY: /S/  
JAMES J. KUROSAD  
Trial Attorney  
Federal Bar No. G00110  
U.S. Department of Justice  
Antitrust Division  
75 Spring St., S.W., Suite 1176  
Atlanta, GA 30303  
Tel: (404) 331-7100  
Fax: (404) 331-7110