

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

No. 1:16-CR-150

v.

Hon. Paul L. Maloney
United States District Judge

SARAH FRANCES BOLHUIS,

Defendant.
_____ /

PLEA AGREEMENT

This constitutes the plea agreement between Sarah Frances Bolhuis and the United States Attorney's Office for the Western District of Michigan. The terms of the agreement are as follows:

1. Defendant Agrees to Plead Guilty to the Felony Information. Defendant gives up the right to indictment by a Grand Jury and agrees to plead guilty to the Felony Information, which charges Defendant with wire fraud, in violation of Title 18, United States Code, Section 1343, and money laundering, in violation of Title 18, United States Code, Section 1957.

2. Defendant Understands the Crimes.

Count 1: In order for Defendant to be guilty of violating Title 18, United States Code, Section 1343 as charged in the Information, the following must be true: (1) Defendant knowingly devised and participated in a scheme to defraud and to obtain money by means of false or fraudulent pretenses, representations, or promises; (2) The scheme included a material misrepresentation or concealment of a material fact; (3) Defendant had the intent to defraud; and

(4) Defendant used a wire communication, or caused another to use a wire communication, in interstate commerce in furtherance of the scheme.

Count 2: In order for Defendant to be guilty of violating Title 18 United States Code, Section 1957 as charged in the Information, the following must be true: (1) Defendant knowingly engaged in a monetary transaction; (2) The monetary transaction was property derived from specified unlawful activity (here, wire fraud); (3) The property had a value greater than \$10,000; Defendant knew the transaction was in criminally derived property; and (4) The monetary transaction took place within the United States.

Defendant is pleading guilty because she is guilty of the charges described above.

3. Defendant Understands the Penalties.

Count 1: The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 1343 is the following: 20 years in prison; a three-year period of supervised release; a fine of \$250,000 or twice the gross gain or gross loss resulting from the offense, whichever is greater; and a mandatory special assessment of \$100.

Count 2: The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 1957 is the following: 10 years in prison; a three-year period of supervised release; a fine of \$250,000 or twice the amount of the criminally derived property involved in the transaction; and a mandatory special assessment of \$100.

Defendant agrees to pay the special assessments at or before the time of sentencing unless Defendant affirmatively demonstrates to the Court that she lacks the ability to pay.

4. Supervised Release Defined. Supervised release is a period of time following imprisonment during which Defendant will be subject to various restrictions and requirements.

Defendant understands that if she violates one or more of the conditions of any supervised release imposed, she may be returned to prison for all or part of the term of supervised release, which could result in Defendant serving a total term of imprisonment greater than the statutory maximums stated above.

5. Mandatory Restitution. Defendant understands that she will be required to pay full restitution as required by law. The parties currently believe that the applicable amount of restitution is \$5,445,139. Defendant understands and agrees that this amount could change (that is, increase or decrease) based on facts that come to the attention of the parties prior to sentencing, including if additional victims are identified or located. Defendant understands that the Court, not the parties, will determine the amount of restitution she will owe to the victims. Defendant further agrees to make a restitution payment to the Clerk of the Court at or before the time of sentencing in the full amount of the funds held in escrow that have been identified by her attorney as funds available for restitution.

6. Factual Basis of Guilt. Defendant and the U.S. Attorney's Office agree and stipulate to the following facts, which need not be proven at the time of the plea or sentencing:

- a. Defendant has carefully reviewed the allegations contained in Counts 1 and 2 of the Felony Information and agrees that each and every allegation is true and accurate to the best of her knowledge.
- b. Defendant intended to deprive others of money by means of false or fraudulent pretenses, representations, or promises for the purpose of bringing about a financial gain to herself and others.

- c. Defendant made material misrepresentations to the victims of her scheme, and acted with the intent to deceive in order to convince the victims to part with their money.
- d. Defendant made the following material misrepresentations to one or more of her victims concerning the financial services she claimed to provide for which she sought and obtained money from her victims:
 - i. Defendant falsely claimed that her business provided short term funding to adult foster care homes, and to individuals seeking debt refinancing;
 - ii. Defendant falsely claimed that she would invest certain client money in overseas accounts;
 - iii. Defendant falsely represented that certain funds would be invested in silver coins;
 - iv. Defendant falsely promised that she was making payments on a client's home mortgage (including a second mortgage taken out by a client to fund investments with Defendant) using interest and/or fees earned from their investments;
 - v. Defendant promised to pay some of her clients between 3% and 5% interest per month on the principal monies provided to her by her clients. Some clients were promised interest rates of up to 50%.
- e. On or about October 26, 2012, and for the purpose of executing the scheme to defraud, Defendant caused one of her victims, [M.K.], to transmit by wire transfer

\$55,000 from Fifth Third Bank account number XXXXXX465 to JPMorgan Chase Bank, N.A. account number XXXXXX062.

- f. In furtherance of the scheme to defraud, on or about February 22, 2013, Defendant caused one of her victims, [M.K.], to transfer \$200,000 by check from [M.K.'s] account at Fifth Third Bank to Defendant's JPMorgan Chase Bank, N.A. account number XXXXXX939. Thereafter, on or about February 28, 2013, Defendant withdrew \$25,700 from her account at JPMorgan Chase Bank, N.A. by writing a check in that amount to victim [P.C.] Defendant knew that \$25,700 withdrawal transaction involved criminally derived property; that is, Defendant knew those funds consisted of proceeds from the wire fraud offense to which she is pleading guilty.
- g. The total amount of money obtained in the scheme was approximately \$7,559,730, which resulted in approximately \$5,445,139 in actual loss to the victims (including relevant conduct) as a result of the wire fraud offense to which she is pleading guilty.
- h. The \$55,000 wire transfer identified in Count 1 was a wire communication that crossed a state line and therefore affected interstate commerce.
- i. The monetary transaction in Count 2 involved the transfer and withdrawal of money by, through, or to a federally insured financial institution in the United States (J.P. Morgan Chase Bank) and affected interstate commerce.

7. Agreements on Forfeiture and Financial Accountability. Defendant agrees that the proceeds she obtained from the scheme to defraud charged in Count 1 total approximately

\$7,559,730 and that she is liable for a forfeiture money judgment in that amount pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c). Defendant consents to the entry of a forfeiture money judgment at or before the time of sentencing in the amount of \$7,559,730, less the amount of money (if any) Defendant pays as restitution with the Clerk of the Court prior to the time of sentencing. To the extent Defendant deposits a restitution payment with the Clerk of the Court prior to sentencing, the U.S. Attorney's Office will move for a commensurate reduction in the Defendant's forfeiture money judgment, provided Defendant, through her attorney, notifies the U.S. Attorney's Office of the deposit and the U.S. Attorney's Office confirms the same.

Defendant admits that she no longer possesses the criminal proceeds from the scheme to defraud charged in Count 1 and, therefore, consents to the forfeiture of substitute assets pursuant to 21 U.S.C. § 853(p) to apply against her forfeiture money judgment. Defendant admits that due to her own acts and omissions, the proceeds she obtained from the scheme to defraud charged in Count 1 cannot be located upon the exercise of due diligence; have been transferred, sold to, or deposited with a third party; have been substantially diminished in value; and have been comingled with other property which cannot be divided without difficulty.

Defendant further agrees to:

- a. Truthfully answer all inquiries by the Government regarding Defendant's assets, testify truthfully as required, supply all available documentation, and assist in the location of any concealed assets.
- b. Complete a financial affidavit regarding her assets no later than 30 days prior to sentencing in a format supplied by the U.S. Attorney's Office.
- c. Not make any double jeopardy challenge to any administrative or civil forfeiture

actions arising out of the course of conduct that provides the factual basis for the Felony Information. Defendant further agrees not to make any double jeopardy challenge to the charges in the Felony Information or to the imposition of a sentence for the offenses covered by this plea agreement, based upon any administrative or civil forfeiture actions.

8. Sentencing Guidelines. Defendant understands that, although the United States Sentencing Guidelines (the "Guidelines") are not mandatory, the Court must consult the Guidelines and take them into account when sentencing Defendant. Defendant understands that the Court, with the aid of the presentence report, will determine the facts and calculations relevant to sentencing. Defendant understands that Defendant and Defendant's attorney will have the opportunity to review the presentence report and to make objections, suggestions, and recommendations concerning the calculation of the Guideline range and the sentence to be imposed. Defendant further understands that the Court shall make the final determination of the Guideline range that applies in this case, and may impose a sentence within, above, or below the Guideline range, subject to the statutory maximum penalties described elsewhere in this Agreement. Defendant further understands that disagreement with the Guideline range or sentence shall not constitute a basis for withdrawal of the plea.

9. Cooperation in Criminal Investigations. Defendant agrees to fully cooperate with the Federal Bureau of Investigation, the Internal Revenue Service Criminal Investigation, the U.S. Attorney's Office, and any other law enforcement agency in their investigation of the charges contained in the Felony Information as well as the investigation of crimes over which they have actual or apparent jurisdiction. Defendant's cooperation will consist of all steps needed to

uncover and prosecute such crimes, including, but not limited to, providing investigators with a full, complete and truthful statement concerning Defendant's knowledge of any and all criminal activity of which she is aware; truthfully answering investigators' questions; meeting with prosecutors before testifying; truthfully testifying before grand juries and in any court proceedings; and providing all relevant tangible evidence in Defendant's possession or under Defendant's control, including, but not limited to, objects, documents, and photographs. Defendant's obligation to cooperate under this paragraph is an affirmative one and includes the obligation to voluntarily come forward with any and all information which Defendant should reasonably know will assist in the investigation of other criminal activity. Defendant will not commit any criminal offense during the course of her cooperation with the United States. Defendant will submit to polygraph examination(s) upon request. Defendant's obligation under this paragraph is a continuing one, and shall continue after sentencing until all investigations and prosecutions in which Defendant's cooperation is deemed relevant by the U.S. Attorney's Office have been completed.

10. Possibility of Sentence Reduction Motions. The U.S. Attorney's Office will decide whether to file a motion for departure or reduction of sentence pursuant to United States Sentencing Guidelines Section 5K1.1 and/or Rule 35(b) of the Federal Rules of Criminal Procedure. Defendant fully understands that such a motion may be made pursuant to law if, and only if, the Defendant fully cooperates with the Government and materially and substantially assists the Government in the investigation or prosecution of others. The determinations of whether Defendant has provided substantial assistance to the United States, or to designated state or local law enforcement authorities, will be made in the sole discretion of the U.S. Attorney's

Office. Defendant fully understands that this paragraph is not a promise by the Government to file a motion for departure or to reduce a sentence. Additionally, Defendant understands that, even if such a motion were filed, the Court has complete discretion to grant or deny the motion. Furthermore, if the Court were to grant the motion, the Court — not the Government — would decide how much of a sentence reduction Defendant receives based upon the nature and extent of Defendant's assistance. Defendant acknowledges and agrees that Defendant may not appeal the Court's exercise of its discretion in granting or denying a motion for departure or reduction of sentence, if such a motion is made.

11. Acceptance of Responsibility. The U.S. Attorney's Office agrees not to oppose Defendant's request for a two-level reduction of her offense level for acceptance of responsibility under Section 3E1.1(a) of the Sentencing Guidelines. However, the U.S. Attorney's Office reserves the right to object to Defendant's request if it subsequently learns of conduct by Defendant that is inconsistent with the criteria set forth in the Commentary to Section 3E1.1. Should the Court grant a two-level reduction as provided herein, the Government states that Defendant has assisted authorities in the investigation or prosecution of her own misconduct by timely notifying it of her intention to enter a guilty plea, thereby permitting the Government to avoid preparing for trial, and hereby moves the Court to grant an additional one-level reduction if the adjusted offense level is 16 or greater.

12. Protection for Proffered Statements. The U.S. Attorney's Office agrees that information provided by Defendant through her proffers will not be used by the Government to enhance Defendant's sentence, in accordance with Sentencing Guidelines § 1B1.8 and according to the terms of the written agreement entered into between the parties. It is expressly understood,

however, that such information may be used by the Government at sentencing if Defendant takes a position at sentencing that contradicts information provided by Defendant pursuant to the proffer agreement.

13. Non-Binding Stipulations Regarding Sentencing Guideline Factors. Defendant and the U.S. Attorney’s Office agree to the following applicable Sentencing Guidelines factors (Nov. 2015 edition):

Count 1 Base Offense Level	§ 2B1.1(a)(1)	7
Count 1 Specific Offense Characteristic: Loss Amount	§ 2B1.1(b)(1)(J)	+18
Count 1 Specific Offense Characteristic: Substantial Financial Hardship to Five or More Victims	§ 2B1.1(b)(2)(B)	+4
Count 2 Base Offense Level	§ 2S1.1(a)(1)	29
Count 2 Specific Offense Characteristic: Conviction for 18 U.S.C. § 1957	§ 2S1.1(b)(2)(A)	+1
Adjusted Offense Level (Subtotal)	§ 3D1.2, 3D1.3	<u>30</u>
Acceptance of Responsibility (pursuant to ¶7 above)	§ 3E1.1	-3
Total Offense Level:	27	
Advisory Guideline Range:	70-87 months custody	

Defendant and the U.S. Attorney’s Office further stipulate that the “sophisticated means” enhancement in USSG § 2B1.1(b)(10) does not apply in this case.

Defendant understands that neither the United States Probation Office nor the Court is bound by any stipulation in this agreement, and that the Court, with the aid of the presentence report, will determine the facts and calculations relevant to sentencing. Both Defendant and the U.S. Attorney's Office are free to supplement the facts stipulated to in this agreement by supplying relevant information to the United States Probation Office and the Court, and to correct any and all factual misstatements relating to the calculation of the sentence. Defendant understands that if the Court finds facts or reaches conclusions different from those in any stipulation contained in this agreement, Defendant cannot, for that reason alone, withdraw her guilty plea.

14. Sentencing Recommendation. The U.S. Attorney's Office agrees to recommend that Defendant be sentenced at the low end of the applicable Sentencing Guidelines range provided that the low end of the applicable guideline range as determined by the Court is at least 60 months after any departures or variances. If the low end of the applicable guidelines range as determined by the Court is less than 60 months after any departures or variances, the U.S. Attorney's Office is free to recommend a sentence of imprisonment of 60 months. This agreement is in consideration for Defendant's ongoing cooperation with the investigation of her own criminal conduct, including the voluntary and timely production of documents and other information to the government.

15. Non-Prosecution Agreement. The U.S. Attorney's Office for the Western District of Michigan agrees not to bring additional criminal charges against Defendant in the Western District of Michigan arising out of the scheme to defraud others in the manner alleged in the Felony Information; or (B) Defendant's money laundering activities using the proceeds derived from Defendant's scheme to defraud, provided that the conduct is disclosed to the Government by

Defendant or her attorney prior to the date of this agreement. Defendant shall remain subject to prosecution for any criminal activity she has failed to disclose to the Government prior to the date of the agreement. This promise of non-prosecution shall not include crimes of violence, if any, or criminal tax violations (including conspiracy to commit such violations chargeable under 18 U.S.C. § 371).

16. Waiver of Constitutional Rights. By pleading guilty, Defendant gives up the right to persist in a plea of not guilty and the right to a speedy and public trial by jury or by the Court. As a result of Defendant's guilty plea, there will be no trial. At any trial, whether by jury or by the Court, Defendant would have had the following rights:

- a. The right to the assistance of counsel, including, if Defendant could not afford an attorney, the right to have the Court appoint an attorney to represent Defendant.
- b. The right to be presumed innocent and to have the burden of proof placed on the Government to prove Defendant guilty beyond a reasonable doubt.
- c. The right to confront and cross-examine witnesses against Defendant.
- d. The right, if Defendant wished, to testify on Defendant's own behalf and present evidence in opposition to the charges, including the right to call witnesses and to subpoena those witnesses to testify.
- e. The right not to be compelled to testify, and, if Defendant chose not to testify or present evidence, to have that choice not be used against Defendant.
- f. By pleading guilty, Defendant also gives up any and all rights to pursue in this Court or on appeal any affirmative defenses, Fourth Amendment or Fifth

Amendment claims, and other pretrial motions that have been filed or could be filed.

17. FOIA Requests. Defendant hereby waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act of 1974, 5 U.S.C. § 552a.

18. Hyde Waiver. Defendant acknowledges, by her voluntary admissions of guilt, that the position of the U.S. Attorney's Office in this case is not vexatious, frivolous, or in bad faith, and she hereby disclaims and waives any right to make any claim for attorney fees.

19. The Court is Not a Party to this Agreement. Defendant understands that the Court is not a party to this agreement and is under no obligation to accept any recommendation by the U.S. Attorney's Office or the parties regarding the sentence to be imposed. Defendant further understands that, even if the Court ignores such a recommendation or imposes any sentence up to the maximum established by statute, Defendant cannot, for that reason, withdraw her guilty plea, and she will remain bound to fulfill all her obligations under this agreement. Defendant understands that no one – not the prosecutor, Defendant's attorney, or the Court – can make a binding prediction or promise regarding the sentence Defendant will receive, except that it will be within the statutory maximum.

20. This Agreement is Limited to the Parties. This agreement is limited to the U.S. Attorney's Office for the Western District of Michigan, and cannot bind any other federal, state or local prosecuting, administrative or regulatory authority. This agreement applies only to crimes

committed by Defendant. This agreement does not apply to or preclude any past, present, or future forfeiture or civil actions.

21. Consequences of Breach. If Defendant breaches any provision of this agreement, including any promise of cooperation, whether before or after sentencing, the United States shall have the right to terminate this agreement, or deny any or all benefits to which Defendant would otherwise be entitled under the terms of this agreement. In the event that the United States elects to terminate this agreement, the agreement shall be considered null and void, and the parties shall return to the same position they were in prior to the execution of this agreement, as though no agreement ever existed. In such an event, Defendant shall remain liable for prosecution on all original charges, and the United States shall be free to bring such additional charges as the law and facts warrant. Defendant further agrees to waive and forever give up her right to raise any claim that such a prosecution is time-barred if the prosecution is brought within one (1) year of the breach that gives rise to the termination of this agreement.

22. This is the Complete Agreement. This agreement has been entered into by both sides freely, knowingly, and voluntarily, and it incorporates the complete understanding between the parties. No other promises have been made, nor may any additional agreements, understandings or conditions be entered into unless in a writing signed by all parties or on the record in open court.

23. Deadline for Acceptance. If a copy of this agreement, executed by Defendant and defense counsel, is not returned to the U.S. Attorney's Office by August 8, 2016, this agreement will be withdrawn automatically and will thereafter have no legal effect or force, unless the U.S. Attorney's Office, in its sole discretion, chooses to accept an executed agreement after that date.

PATRICK A. MILES, JR.
United States Attorney

August 10, 2016
Date


CHRISTOPHER M. O'CONNOR
Assistant United States Attorney

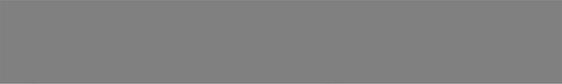
I have read this agreement and carefully discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. My attorney has advised me of my rights, of possible defenses, of the sentencing provisions, and of the consequences of entering into this agreement. No promises or inducements have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. Finally, I am satisfied with the representation of my attorney in this matter.

8-4-16
Date


SARAH FRANCES BOLHUIS
Defendant

I am Sarah Frances Bolhuis's attorney. I have carefully discussed every part of this agreement with my client. Further, I have fully advised my client of her rights, of possible defenses, of the sentencing provisions, and of the consequences of entering into this agreement. To my knowledge, my client's decision to enter into this agreement is an informed and voluntary one.

8/4/16
Date


BRIAN P. LENNON
Attorney for Defendant