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Attorneys for Plaintiff
13 UNITED STATES OF AMERICA

14 UNITED STATES DISTRICT COURT

15 FOR THE CENTRAL DISTRICT OF CALIFORNIA

16 UNITED STATES OF AMERICA,

17 Plaintiff,

18 v.

19 MASUD SARSHAR,

20 Defendant.

No. CR 16-

CR 16 00527

PLEA AGREEMENT FOR DEFENDANT
MASUD SARSHAR

21
22 1. This plea agreement is subject to approval of the United
23 States Department of Justice, Tax Division. This constitutes the plea
24 agreement between MASUD SARSHAR ("defendant") and the United States
25 Attorney's Office for the Central District of California and the
26 United States Department of Justice, Tax Division (together, "the
27 USAO") in the above-captioned case. This agreement is limited to the
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2016 AUG -1 AM 11:16
CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

FILED

1 USAO and cannot bind any other federal, state, local, or foreign
2 prosecuting, enforcement, administrative, or regulatory authorities.

3 RULE 11(c)(1)(C) AGREEMENT

4 2. Defendant understands that this agreement is entered into
5 pursuant to Federal Rule of Criminal Procedure 11(c)(1)(C).
6 Accordingly, defendant understands that, if the Court determines that
7 it will not accept this agreement, absent a breach of this agreement
8 by defendant prior to that determination and whether or not defendant
9 elects to withdraw any guilty plea entered pursuant to this
10 agreement, this agreement will, with the exception of paragraph 29
11 below, be rendered null and void and both defendant and the USAO will
12 be relieved of their obligations under this agreement. Defendant
13 agrees, however, that if defendant breaches this agreement prior to
14 the Court's determination whether or not to accept this agreement,
15 the breach provisions of this agreement, paragraphs 31 and 32 below,
16 will control, with the result that defendant will not be able to
17 withdraw any guilty plea entered pursuant to this agreement, the USAO
18 will be relieved of all of its obligations under this agreement, and
19 the Court's failure to follow any recommendation or request regarding
20 sentence set forth in this agreement will not provide a basis for
21 defendant to withdraw defendant's guilty plea.

22 DEFENDANT'S OBLIGATIONS

23 3. Defendant agrees to:

24 a. Give up the right to indictment by a grand jury, and
25 at the earliest opportunity requested by the USAO and provided by the
26 Court, to appear and plead guilty to a two-count Information charging
27 a violation of 18 U.S.C. § 371 and a violation of 26 U.S.C. § 7212(a)
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1 in the form attached to this agreement or a substantially similar
2 form.

3 b. Not contest facts agreed to in this agreement.

4 c. Abide by all agreements regarding sentencing contained
5 in this agreement.

6 d. Appear for all court appearances, surrender as ordered
7 for service of sentence, obey all conditions of any bond, and obey
8 any other ongoing court order in this matter.

9 e. Not commit any crime; however, offenses that would be
10 excluded for sentencing purposes under United States Sentencing
11 Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not
12 within the scope of this agreement.

13 f. Be truthful at all times with Pretrial Services, the
14 United States Probation Office, and the Court.

15 g. Pay the applicable special assessment at or before the
16 time of sentencing unless defendant lacks the ability to pay and
17 prior to sentencing submits a completed financial statement on a form
18 to be provided by the USAO.

19 4. Defendant further agrees to cooperate fully with the USAO,
20 the Internal Revenue Service, and, as directed by the USAO, any other
21 federal, state, local, or foreign prosecuting, enforcement,
22 administrative, or regulatory authority. This cooperation requires
23 defendant to:

24 a. Respond truthfully and completely to all questions
25 that may be put to defendant, whether in interviews, before a grand
26 jury, or at any trial or other court proceeding.

1 Service receiving materials or information obtained during the
2 criminal investigation of this matter, including materials and
3 information obtained through grand jury subpoenas.

4 d. That if requested by the IRS, Defendant will sign
5 closing agreements with the Internal Revenue Service
6 contemporaneously with the signing of this plea agreement, permitting
7 the Internal Revenue Service to assess and collect his tax
8 liabilities for tax years 2006 through 2009, 2011, and 2012, as well
9 as assess and collect the civil fraud penalty for each year and
10 statutory interest, on the tax liabilities, as provided by law.

11 e. To repatriate any funds or assets held in any foreign
12 country or outside the United States.

13 f. That nothing in this agreement shall preclude or bar
14 the IRS from the assessment and/or collection of any additional tax
15 liability, including interest and penalties, determined to be due and
16 owing from defendant by the IRS for 2006, 2007, 2008, 2009, 2011 and
17 2012.

18 g. That, in order to resolve defendant's civil liability
19 for failing to report all foreign financial accounts on Reports of
20 Foreign Bank and Financial Accounts, TD F 90-22.1 (now FinCEN Forms
21 114), and other foreign information reporting obligations under the
22 United States law, for tax years 2009 through 2012, defendant will
23 pay a fifty percent penalty with respect to the funds held in his
24 undeclared foreign financial accounts for the one year with the
25 highest aggregate balance in all of the accounts for calendar years
26 2009 through 2012, and agrees to pay this sum to the United States
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1 Treasury, through the United States Department of Justice, Tax
2 Division.

3 THE USAO'S OBLIGATIONS

4 6. The USAO agrees to:

5 a. Not contest facts agreed to in this agreement.

6 b. Abide by all agreements regarding sentencing contained
7 in this agreement and affirmatively recommend to the court that it
8 impose sentence in accordance with paragraph 24 of this agreement.

9 c. Not to further criminally prosecute defendant for any
10 additional violations known to the USAO at the time of the plea,
11 arising out of the information provided by the defendant, and
12 defendant's conduct (i) described in the Information or (ii)
13 described in the statement of facts provided in Attachment A.

14 Defendant understands that the USAO is free to criminally prosecute
15 defendant for any other unlawful past conduct or any unlawful conduct
16 that occurs after the date of this agreement.

17 7. The USAO further agrees:

18 a. Not to offer as evidence in its case-in-chief in the
19 above-captioned case or any other criminal prosecution that may be
20 brought against defendant by the USAO, or in connection with any
21 sentencing proceeding in any criminal case that may be brought
22 against defendant by the USAO, any Cooperation Information.

23 Defendant agrees, however, that the USAO may use both Cooperation
24 Information and Plea Information: (1) to obtain and pursue leads to
25 other evidence, which evidence may be used for any purpose, including
26 any criminal prosecution of defendant; (2) to cross-examine defendant
27 should defendant testify, or to rebut any evidence offered, or

1 argument or representation made, by defendant, defendant's counsel,
2 or a witness called by defendant in any trial, sentencing hearing, or
3 other court proceeding; and (3) in any criminal prosecution of
4 defendant for false statement, obstruction of justice, or perjury.

5 b. Not to use Cooperation Information, including the
6 information disclosed in Paragraphs 15 and 22 of the Statement of
7 Facts, against defendant at sentencing for the purpose of determining
8 the applicable guideline range, including the appropriateness of an
9 upward departure, or the sentence to be imposed, and to recommend to
10 the Court that Cooperation Information not be used in determining the
11 applicable guideline range or the sentence to be imposed. Defendant
12 understands, however, that Cooperation Information will be disclosed
13 to the probation office and the Court, and that the Court may use
14 Cooperation Information for the purposes set forth in U.S.S.G
15 § 1B1.8(b) and for determining the sentence to be imposed.

16 c. For purposes of this agreement: (1) "Cooperation
17 Information" shall mean any statements made, or documents, records,
18 tangible evidence, or other information provided, by defendant
19 pursuant to defendant's cooperation under this agreement; and
20 (2) "Plea Information" shall mean any statements made by defendant,
21 under oath, at the guilty plea hearing and the agreed to factual
22 basis statement in this agreement.

23 DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

24 8. Defendant understands the following:

25 a. Any knowingly false or misleading statement by
26 defendant will subject defendant to prosecution for false statement,
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1 Title 26, United States Code, Section 7212(a), the following must be
2 true:

- 3 a. Defendant corruptly;
- 4 b. Endeavored to;
- 5 c. Obstruct or impede the due administration of the
6 Internal Revenue Laws.

7 11. Defendant admits that defendant is, in fact, guilty of the
8 offenses as described in count one and count two of the Information.

9 PENALTIES AND RESTITUTION

10 12. Defendant understands that the statutory maximum sentence
11 that the Court can impose for a violation of Title 18, United States
12 Code, Section 371, is: five years' imprisonment; a three-year period
13 of supervised release; a fine of \$250,000 or twice the gross gain or
14 gross loss resulting from the offense, whichever is greatest; and a
15 mandatory special assessment of \$100.

16 13. Defendant understands that the statutory maximum sentence
17 that the Court can impose for a violation of Title 26, United States
18 Code, Section 7212(a), is: three years' imprisonment; a one-year
19 period of supervised release; a fine of not more than \$250,000; and a
20 mandatory special assessment of \$100.

21 14. Defendant understands, therefore, that the total maximum
22 sentence for all offenses to which defendant is pleading guilty is:
23 eight years' imprisonment; a three-year period of supervised release;
24 a fine of \$500,000 or twice the gross gain or gross loss resulting
25 from the offenses, whichever is greatest; and a mandatory special
26 assessment of \$200. Defendant agrees to pay the special assessment
27 at or before the time of sentencing.

1 15. Defendant understands and agrees that the Court: (a) may
2 order defendant to, pay any additional fines that defendant owes to
3 the United States; and (b) must order defendant to pay the costs of
4 prosecution, which may be in addition to the statutory maximum fine
5 stated above.

6 16. Defendant understands and agrees that the Court: (a) may
7 order defendant to pay restitution in the form of any additional
8 taxes, interest, and penalties that defendant owes to the United
9 States based upon the count of conviction and any relevant conduct;
10 and (b) must order defendant to pay the costs of prosecution, which
11 may be in addition to the statutory maximum fine stated above. The
12 parties agree that defendant will pay restitution of \$8,374,234 to
13 the IRS for tax years 2006 through 2012, as set forth in paragraph
14 5a.

15 17. The parties further agree that the tax loss determined for
16 criminal purposes is not binding for civil purposes and is exclusive
17 of civil penalties and interest.

18 18. Defendant understands that supervised release is a period
19 of time following imprisonment during which defendant will be subject
20 to various restrictions and requirements. Defendant understands that
21 if defendant violates one or more of the conditions of any supervised
22 release imposed, defendant may be returned to prison for all or part
23 of the term of supervised release authorized by statute for the
24 offense that resulted in the term of supervised release, which could
25 result in defendant serving a total term of imprisonment greater than
26 the statutory maximum stated above.

1 facts sufficient to support a plea of guilty to the charges described
2 in this plea agreement. It is not meant to be a complete recitation
3 of all facts relevant to the underlying criminal conduct or all facts
4 known to defendant that relate to that conduct. The parties stipulate
5 that the conduct of defendant referred to in Attachment A hereto
6 violated 18 U.S.C. § 317 and 26 U.S.C. § 7212(a) as charged in Count
7 One and Count Two of the Information.

8 AGREED-UPON SENTENCE

9 22. Defendant and the USAO agree to the following applicable
10 Sentencing Guidelines factors:

11 Base Offense Level:	24	U.S.S.G. §§ 2T1.1 and 2T4.1(j)
12 Specific Offense 13 Characteristics:		
14 Sophisticated Means	2	U.S.S.G. § 2T1.1(b)(2)
15 Acceptance of Responsibility:	-3	U.S.S.G. §§ 3E1.1 and 3E1.1(b)
16 Total Offense Level:	23	

17 23. Defendant and USAO agree that assuming defendant's
18 cooperation continues through sentencing, the USAO will file a motion
19 pursuant to U.S.S.G. § 5K1.1, requesting a 6 level departure from
20 defendant's Total Offense Level of 23, to Total Offense Level 17.

21 24. Defendant and the USAO agree that, taking into account the
22 factors listed in 18 U.S.C. § 3553(a)(1)-(7), the relevant sentencing
23 guideline factors set forth above, and defendant's cooperation
24 pursuant to §5K1.1 of the Sentencing Guidelines, an appropriate
25 disposition of this case is that the Court impose a sentence of: 24
26 months' imprisonment (the low end of level 17); 3 years' supervised
27 release with conditions to be fixed by the Court; \$200 special
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1 assessment; and \$8,374,234 restitution to the IRS. The parties agree
2 that restitution is to be paid prior to sentencing, or if unable to
3 do so, defendant will enter into a payment plan with the IRS. The
4 parties also agree that no prior imprisonment (other than credits
5 that the Bureau of Prisons may allow under 18 U.S.C. § 3585(b)) may
6 be credited against this stipulated sentence, including credit under
7 Sentencing Guideline § 5G1.3.

8 WAIVER OF CONSTITUTIONAL RIGHTS

9 25. Defendant understands that by pleading guilty, defendant
10 gives up the following rights:

- 11 a. The right to persist in a plea of not guilty.
- 12 b. The right to a speedy and public trial by jury.
- 13 c. The right to be represented by counsel - and if
14 necessary have the court appoint counsel - at trial. Defendant
15 understands, however, that, defendant retains the right to be
16 represented by counsel - and if necessary have the court appoint
17 counsel - at every other stage of the proceeding.
- 18 d. The right to be presumed innocent and to have the
19 burden of proof placed on the government to prove defendant guilty
20 beyond a reasonable doubt.
- 21 e. The right to confront and cross-examine witnesses
22 against defendant.
- 23 f. The right to testify and to present evidence in
24 opposition to the charges, including the right to compel the
25 attendance of witnesses to testify.
- 26
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1 g. The right not to be compelled to testify, and, if
2 defendant chose not to testify or present evidence, to have that
3 choice not be used against defendant.

4 h. Any and all rights to pursue any affirmative defenses,
5 Fourth Amendment or Fifth Amendment claims, and other pretrial
6 motions that have been filed or could be filed.

7 WAIVER OF APPEAL OF CONVICTION

8 26. Defendant understands that, with the exception of an appeal
9 based on a claim that defendant's guilty pleas were involuntary, by
10 pleading guilty defendant is waiving and giving up any right to
11 appeal defendant's convictions on the offenses to which defendant is
12 pleading guilty.

13 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

14 27. Defendant agrees that, provided the Court imposes the
15 sentence specified in paragraph 24 above, defendant gives up the
16 right to appeal any portion of that sentence.

17 28. The USAO agrees that, provided the Court imposes the
18 sentence specified in paragraph 24 above, the USAO gives up its right
19 to appeal any portion of that sentence.

20 RESULT OF WITHDRAWAL OF GUILTY PLEA

21 29. Defendant agrees that if, after entering guilty pleas
22 pursuant to this agreement, defendant seeks to withdraw and succeeds
23 in withdrawing defendant's guilty pleas on any basis other than a
24 claim and finding that entry into this plea agreement was
25 involuntary, then (a) the USAO will be relieved of all of its
26 obligations under this agreement, including in particular its
27 obligations regarding the use of Cooperation Information; (b) in any
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1 investigation, criminal prosecution, or civil, administrative, or
2 regulatory action, defendant agrees that any Cooperation Information
3 and any evidence derived from any Cooperation Information shall be
4 admissible against defendant, and defendant will not assert, and
5 hereby waives and gives up, any claim under the United States
6 Constitution, any statute, or any federal rule, that any Cooperation
7 Information or any evidence derived from any Cooperation Information
8 should be suppressed or is inadmissible; and (c) should the USAO
9 choose to pursue any charge or any civil, administrative, or
10 regulatory action that was either dismissed or not filed as a result
11 of this agreement, then (i) any applicable statute of limitations
12 will be tolled between the date of defendant's signing of this
13 agreement and the filing commencing any such action; and
14 (ii) defendant waives and gives up all defenses based on the statute
15 of limitations, any claim of pre-indictment delay, or any speedy
16 trial claim with respect to any such action, except to the extent
17 that such defenses existed as of the date of defendant's signing this
18 agreement.

19 EFFECTIVE DATE OF AGREEMENT

20 30. This agreement is effective upon signature and execution of
21 all required certifications by defendant, defendant's counsel, and an
22 Assistant United States Attorney.

23 BREACH OF AGREEMENT

24 31. Defendant agrees that if defendant, at any time after the
25 signature of this agreement and execution of all required
26 certifications by defendant, defendant's counsel, and a prosecutor,
27 knowingly violates or fails to perform any of defendant's obligations
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1 under this agreement ("a breach"), the USAO may declare this
2 agreement breached. For example, if defendant knowingly, in an
3 interview, before a grand jury, or at trial, falsely accuses another
4 person of criminal conduct or falsely minimizes defendant's own role,
5 or the role of another, in criminal conduct, defendant will have
6 breached this agreement. All of defendant's obligations are
7 material, a single breach of this agreement is sufficient for the
8 USAO to declare a breach, and defendant shall not be deemed to have
9 cured a breach without the express agreement of the USAO in writing.
10 If the USAO declares this agreement breached, and the Court finds
11 such a breach to have occurred, then:

12 a. If defendant has previously entered a guilty plea
13 pursuant to this agreement, defendant will not be able to withdraw
14 the guilty plea.

15 b. The USAO will be relieved of all its obligations under
16 this agreement; in particular, the USAO: (i) will no longer be bound
17 by any agreements concerning sentencing and will be free to seek any
18 sentence up to the statutory maximum for the crimes to which
19 defendant has pleaded guilty; (ii) will no longer be bound by any
20 agreements regarding criminal prosecution, and will be free to
21 criminally prosecute defendant for any crime, including charges that
22 the USAO would otherwise have been obligated not to criminally
23 prosecute pursuant to this agreement; and (iii) will no longer be
24 bound by any agreement regarding the use of Cooperation Information
25 and will be free to use any Cooperation Information in any way in any
26 investigation, criminal prosecution, or civil, administrative, or
27 regulatory action.

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1 c. The USAO will be free to criminally prosecute
2 defendant for false statement, obstruction of justice, and perjury
3 based on any knowingly false or misleading statement by defendant.

4 d. In any investigation, criminal prosecution, or civil,
5 administrative, or regulatory action: (i) defendant will not assert,
6 and hereby waives and gives up, any claim that any Cooperation
7 Information was obtained in violation of the Fifth Amendment
8 privilege against compelled self-incrimination; and (ii) defendant
9 agrees that any Cooperation Information and any Plea Information, as
10 well as any evidence derived from any Cooperation Information or any
11 Plea Information, shall be admissible against defendant, and
12 defendant will not assert, and hereby waives and gives up, any claim
13 under the United States Constitution, any statute, Rule 410 of the
14 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of
15 Criminal Procedure, or any other federal rule, that any Cooperation
16 Information, any Plea Information, or any evidence derived from any
17 Cooperation Information or any Plea Information should be suppressed
18 or is inadmissible.

19 32. Following the Court's finding of a knowing breach of this
20 agreement by defendant, should the USAO choose to pursue any charge
21 or any civil, administrative, or regulatory action that was either
22 dismissed or not filed as a result of this agreement, then:

23 a. Defendant agrees that any applicable statute of
24 limitations is tolled between the date of defendant's signing of this
25 agreement and the filing commencing any such action.

26 b. Defendant waives and gives up all defenses based on
27 the statute of limitations, any claim of pre-indictment delay, or any
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1 speedy trial claim with respect to any such action, except to the
2 extent that such defenses existed as of the date of defendant's
3 signing this agreement.

4 NO ADDITIONAL AGREEMENTS

5 33. Defendant understands that, except as set forth herein,
6 there are no promises, understandings, or agreements between the USAO
7 and defendant or defendant's attorney, and that no additional
8 promise, understanding, or agreement may be entered into unless in a
9 writing signed by all parties or on the record in court.

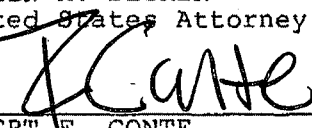
10 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

11 34. The parties agree that this agreement will be considered
12 part of the record of defendant's guilty plea hearing as if the
13 entire agreement had been read into the record of the proceeding.

14 AGREED AND ACCEPTED

15 UNITED STATES ATTORNEY'S OFFICE
16 FOR THE CENTRAL DISTRICT OF
CALIFORNIA

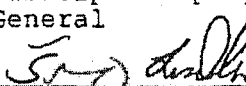
17 EILEEN M. DECKER
18 United States Attorney

19 
20 ROBERT F. CONTE
21 Assistant United States Attorney
Acting Chief, Tax Division

22 
Date

23 UNITED STATES DEPARTMENT OF JUSTICE
TAX DIVISION

24 CAROLINE D. CIRAULO
25 Principal Deputy Assistant Attorney
General


26 
27 TINO M. LISELLA
28 Assistant Chief
TIMOTHY M. RUSSO
Trial Attorney

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Date

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CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind 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. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charges and wish to take advantage of the promises set forth in this agreement, and not for any other reason.

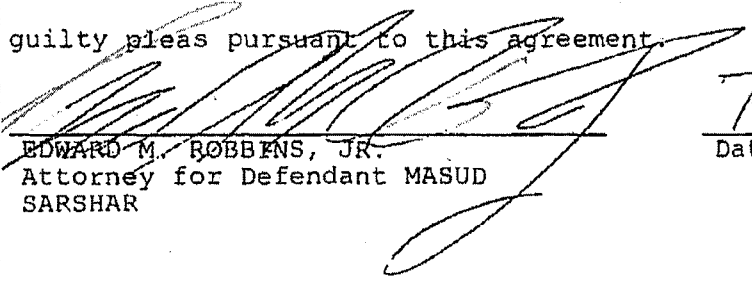

MASUD SARSHAR
Defendant

7-30-16
Date

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CERTIFICATION OF DEFENDANT'S ATTORNEY

I am MASUD SARSHAR's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of his rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of guilty pleas pursuant to this agreement.


EDWARD M. ROBBENS, JR.
Attorney for Defendant MASUD
SARSHAR

7/30/2017
Date

ATTACHMENT A

STATEMENT OF FACTS

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3 1. MASUD SARSHAR ("SARSHAR") was born in Iran and was an
4 Iranian citizen. SARSHAR emigrated to the United States in 1978
5 and became a U.S. citizen in the early 2000s. In the early
6 1990s, he opened Apparel Limited, Inc. ("Apparel Limited"), a
7 California corporation that designed, manufactured, and sold
8 clothing and other apparel.

9
10 2. On or about May 10, 1993, SARSHAR opened an account
11 with Israeli Bank A's Balfour branch. Israeli Bank A had
12 branches worldwide, including in the United States. SARSHAR
13 opened the account using his California state driver's license.
14 Israeli Bank A assigned Relationship Manager 1 ("RM1") to manage
15 SARSHAR's account. RM1 was based in Israel, and between
16 approximately 1993 and 2009, RM1 frequently traveled to the
17 United States to meet with SARSHAR in California.

18
19 3. On or about November 29, 2007, SARSHAR opened three
20 separate accounts at Bank Leumi Le-Israel B.M. ("Bank Leumi")
21 using his United States passport. Bank Leumi also had branches
22 worldwide, including in the United States. Bank Leumi assigned
23 Relationship Manager 2 ("RM2") to manage SARSHAR's accounts. RM2
24 was also based in Israel but frequently traveled to the United
25 States to meet with SARSHAR in California.

26
27 4. Despite working for separate banks, RM1 and RM2
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1 occasionally met together with SARSHAR. During his meetings with
2 RM1 and RM2, they provided SARSHAR with details regarding his
3 account balances and other banking products offered by their
4 respective banks.

5 5. SARSHAR intended that his foreign bank accounts be
6 kept secret and believed that RM1 understood his wishes. For
7 example, RM1 suggested that SARSHAR open the Israeli Bank A
8 account using a code name and recommended that SARSHAR not
9 receive account statements by mail in the United States. To that
10 end, SARSHAR elected to pay a fee to Israeli Bank A for its
11 "hold mail" service and Israeli Bank A did not send SARSHAR
12 account documents by mail. Instead, RM1 brought hard copies of
13 SARSHAR's Israeli Bank A account statements during his visits to
14 the United States and he did not leave copies of those
15 statements with SARSHAR. To further maintain the secrecy of his
16 account, SARSHAR's meetings with RM1 usually occurred in
17 SARSHAR's car.
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20 6. Similarly, SARSHAR believed that RM2 knew of his
21 desire to keep his Bank Leumi accounts secret and RM2 acted
22 accordingly. SARSHAR's Bank Leumi accounts were held by entities
23 that he created, rather than in his own name. RM2 brought
24 electronic copies of SARSHAR's Bank Leumi account statements
25 during her visits to the United States, which she kept hidden on
26 a USB drive contained in a necklace that she wore. In addition,
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1 SARSHAR discussed the secrecy of his Bank Leumi accounts with
2 RM2 and when news broke regarding government enforcement related
3 to United States taxpayers who hid money in offshore accounts,
4 RM2 assured SARSHAR that his accounts would remain secret and
5 secure and that the Bank Leumi would never do anything to
6 "screw" him. Years after SARSHAR closed his Bank Leumi accounts
7 in 2011, he spoke with RM2 by phone and again voiced his
8 concerns about his Bank Leumi accounts being revealed to
9 government authorities. RM2 responded by saying "Masud who?,"
10 indicating to SARSHAR that RM2 would claim ignorance regarding
11 SARSHAR's existence if asked about his Bank Leumi accounts.
12

13 7. At no time did Defendant SARSHAR report the existence
14 of his foreign bank accounts at Israeli Bank A or Bank Leumi to
15 the United States. In fact, in 2006, 2007, 2009, 2010, and
16 2011, SARSHAR filed false Forms TD F 90-22.1 (FBAR), reporting
17 only his accounts in Mexico.
18

19 8. SARSHAR received significant business income deposits
20 into his Israeli Bank A account on the dates and in the amounts
21 listed below:

22 Deposit Date	23 Deposit Amount
24 September 11, 2006	\$206,469
25 October 23, 2006	\$396,205
26 November 24, 2006	\$308,632

1	January 16, 2007	\$138,422.04
2	February 23, 2007.	\$235,490.06
3	February 23, 2007	\$396,887.24
4	March 28, 2007	\$177,833.72
5	March 28, 2007	\$189,234.15
6	July 19, 2007	\$687,118.88
7	December 11, 2007	\$879,449
8	December 17, 2007	\$832,900
9	December 20, 2007	\$963,000
10	December 21, 2007	\$962,118
11	December 24, 2007	\$969,303
12	December 27, 2007	\$710,477
13	August 21, 2009	\$954,351
14	August 28, 2009	\$873,991
15	Total:	\$9,881,881.09
16		
17		

18 SARSHAR failed to include these amounts on either the tax
19 returns for Apparel Limited or on his individual income tax
20 returns for the corresponding tax years.
21

22 9. SARSHAR also received interest income on the deposits
23 in his Israeli Bank A account in the years and in the amounts
24 listed below:

25	Calendar Year	Interest Amount
26	2007	\$513,003.80
27		

1	2008	\$355,668.90
2	2009	\$468,315
3	2010	\$225,290.70
4	2011	\$66,584.90
5	2012	\$5,753.80
6	Total:	\$1,634,617.10
7		

8 SARSHAR omitted these amounts from his total income when he
9 filed personal income taxes for the corresponding tax years.

10
11 10. SARSHAR also received significant business income
12 deposits into his Bank Leumi accounts on the dates and in the
13 amounts listed below:

14	Deposit Date	Deposit Amount
15	December 6, 2007	\$1,835,091.14
16	October 10, 2008	\$955,351
17	October 15, 2008	\$967,111
18	October 15, 2008	\$905,371
19	July 15, 2009	\$950,480.40
20	July 21, 2009	\$999,451
21	August 12, 2009	\$377,617.91
22	August 26, 2009	\$964,122
23	September 14, 2009	\$919,071.40
24	October 27, 2009	\$895,551.40
25		
26		
27		
28		

1	November 4, 2009	\$896,531.40
2	November 9, 2009	\$852,431.40
3	Total:	\$11,518,181.05

4 SARSHAR failed to include these amounts on either the tax
5 returns for Apparel Limited or on his individual income tax
6 returns for the corresponding tax years.
7

8 11. SARSHAR also received interest income on the deposits
9 in his Bank Leumi account in the years and in the amounts listed
10 below:

11	Calendar Year	Interest Amount
12	2007	\$12,996.55
13	2008	\$366,270.12
14	2009	\$158,192.03
15	2010	\$206,462.35
16	2011	\$173,513.24
17	Total:	\$917,434.29

18
19
20 SARSHAR omitted this interest income when he filed personal
21 income taxes for the corresponding tax years.
22

23 12. SARSHAR also received interest income from Israeli
24 Bank B in the amount of \$4,608.28, for calendar year 2012, which
25 he did not report to the IRS.
26

27 13. A back-to-back loan was a mechanism by which a foreign
28

1 accountholder received a "loan" in the United States, which was
2 collateralized by his undeclared account. This allowed an owner
3 of an undeclared account to enjoy the economic benefits of the
4 funds in his undeclared account without directly repatriating
5 the funds or creating a paper trail that could potentially
6 disclose the existence of the undeclared account to U.S.
7 authorities.

8
9 14. SARSHAR used back-to-back loans from Israeli Bank A
10 and Bank Leumi and guarantees from Israeli Bank A to indirectly
11 repatriate money that SARSHAR held in his Israeli Bank A and
12 Bank Leumi accounts without declaring those accounts to the
13 United States government.

14 15. First, in the 1990's SARSHAR obtained a \$1,000,000
15 back-to-back loan from Israeli Bank A through its branch in Los
16 Angeles, which is now closed. RM1 offered SARSHAR this banking
17 product as a way of accessing his offshore funds without
18 declaring the existence of the Israeli Bank A account to the
19 United States government, and RM1 facilitated the processing of
20 the loan. SARSHAR received the loan, which he secured with
21 funds held in his Israeli Bank A account. SARSHAR never repaid
22 the back-to-back loan.

23
24 16. In addition, on or about August 5, 2008, SARSHAR
25 obtained a back-to-back loan from Bank Leumi USA in the amount
26 of \$10 million, which was collateralized by SARSHAR's undeclared
27
28

1 accounts at Bank Leumi. RM2 facilitated the processing of this
2 back-to-back loan.

3 17. On or about February 6, 2009, Executive 1 at Israeli
4 Bank A approved a guarantee to Bank Leumi in the amount of \$10
5 million at the request of defendant SARSHAR. The guarantee
6 issued by Israeli Bank A was fully collateralized by defendant
7 SARSHAR's undeclared account at Israeli Bank A.

8
9 18. On or about August 4, 2009, SARSHAR renewed his \$10
10 million back-to-back loan with Bank Leumi USA, which was still
11 collateralized by his undeclared accounts at Bank Leumi. In
12 addition, SARSHAR obtained an additional \$9 million back-to-back
13 loan with Bank Leumi USA, which was also collateralized by his
14 undeclared accounts at Bank Leumi.

15
16 19. On or about January 25, 2010, in an effort to prevent
17 Defendant SARSHAR from moving funds from Israeli Bank A to Bank
18 Leumi, Executive 1 approved an increase to the guarantee that
19 Israeli Bank A previously issued to Bank Leumi from \$10 million
20 to \$14.8 million, which was fully collateralized by defendant
21 SARSHAR's undeclared account at Israeli Bank A.

22
23 20. In or around early 2010, RM1 and RM2 advised SARSHAR,
24 in order to conceal his undeclared accounts from the United
25 States, to obtain Iranian and Israeli passports to avoid being
26 "flagged" as an American by their respective banks' compliance
27 departments for reporting purposes. Accordingly, on or about
28

1 December 15, 2010, SARSHAR acquired an Iranian passport. Then,
2 on or about May 2, 2011, SARSHAR acquired an Israeli passport.
3 When SARSHAR presented these passports to RM1 and RM2, they told
4 him that it was too late, as he had already been identified as a
5 United States citizen by their respective banks.

6 21. Still wishing to avoid disclosure of his Israeli Bank
7 A and Bank Leumi accounts to the United States government, at
8 the direction of RM1 and RM2 and with the assistance of RM1, on
9 or about December 5, 2011, SARSHAR transferred the remaining
10 funds from his undeclared account at Israeli Bank A to an
11 undeclared account that he created at Israeli Bank B.

12 22. Finally, on or about June 10, 2011, SARSHAR wired the
13 remaining \$5.8 million from his Bank Leumi account to an account
14 held by Individual 1 or by a company controlled by Individual 1
15 at Hong Kong Bank A. Individual 1 then wired those funds to an
16 account controlled by SARSHAR in the United States to make the
17 funds appear as a loan to Apparel Limited from Individual 1's
18 company.
19
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I have read this Attachment A to the Plea Agreement and carefully discussed every part of this Attachment to the Plea Agreement with my attorney. I agree and stipulate to the facts as stated above.

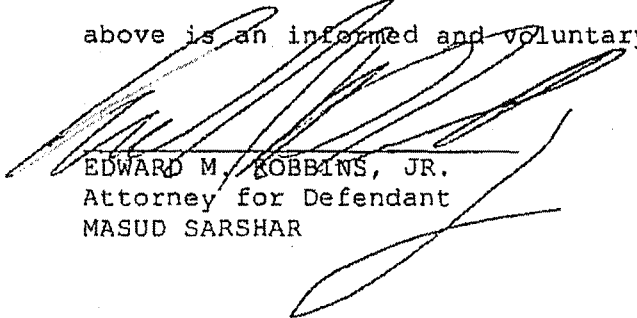


MASUD SARSHAR

7-30-16

DATE

I am MASUD SARSHAR'S attorney. I have read Attachment A to the Plea Agreement and carefully discussed every part of this Attachment to the Plea Agreement with my client. To my knowledge, my client's decision to agree to the facts as stated above is an informed and voluntary one.



EDWARD M. ROBBINS, JR.
Attorney for Defendant
MASUD SARSHAR

7/30/2016

DATE