

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

MILTON RUSSELL CRANFORD,

Defendant.

Case No. 18-03020-01-CR-S-BCW

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the parties described below have entered into the following plea agreement:

1. **The Parties.** The parties to this agreement are the United States Attorney's Office for the Western District of Missouri, represented by United States Attorney Timothy A. Garrison and Assistant United States Attorney Steven M. Mohlhenrich, and the Public Integrity Section of the U.S. Department of Justice, Criminal Division, represented by Acting Chief AnnaLou Tirol and Trial Attorneys Marco A. Palmieri and Sean F. Mulryne (otherwise referred to as "the Government" or "the United States"), and the defendant, Milton Russell Cranford ("the defendant"), represented by Nathan F. Garrett, Esq. and Kathleen A. Fisher, Esq. The defendant understands and agrees that this plea agreement does not bind any other federal, state or local prosecution authority or any other government agency, unless otherwise specified in this agreement or any addendum thereto.

2. **Defendant's Guilty Plea.** The defendant agrees to and hereby does plead guilty to the single-count Information, charging him with a violation of **18 U.S.C. § 666(a)(2)**, that is, **Federal Program Bribery**. The defendant also agrees to forfeit to the United States the property described in the **Forfeiture Allegation** of the Information. By entering into this plea agreement,

the defendant admits that he knowingly committed these offenses, and is, in fact, guilty of these offenses.

3. **Factual Basis for Guilty Plea.** The parties agree that the facts constituting the offenses to which the defendant is pleading guilty are as follows:

A. The Defendant and Arkansas Legislature

The defendant, MILTON RUSSELL CRANFORD, also known as Rusty Cranford (“CRANFORD”), a resident of Rogers, Arkansas, is a lobbyist registered with the Arkansas Secretary of State. CRANFORD was an employee of the Charity known as Preferred Family Healthcare, Inc., after April 30, 2015, and Alternative Opportunities, Inc., prior to May 1, 2015 (collectively, the "Charity"), serving as its executive overseeing company operations in the state of Arkansas. CRANFORD operated three lobbying firms: The Cranford Coalition, The Capitol Hill Coalition, and Outcomes of Arkansas. (“CRANFORD Lobbying Firms.”). In 2013 and 2014, the CRANFORD Lobbying Firms represented and were paid by a number of clients, including but not limited to the Charity, to advance their interests in the legislature (“CRANFORD Clients”).

The Arkansas House of Representatives (“House”) and Arkansas Senate (“Senate”) were political subdivisions within the State of Arkansas. In fiscal years 2010-2017, the State of Arkansas received more than \$10,000 per year in funds from the United States Government in the form of grants, contracts, subsidies, loans, guarantees, insurance, and other forms of federal assistance. The General Improvement Fund (“GIF”) was a fund established by the Arkansas General Assembly consisting of what was commonly referred to as “surplus” state revenues, which consisted of special revenues from various sources as specified by the General Assembly.

B. Defendant and Others Bribed Public Officials for Legislative Action

Beginning at least as early as 2010 and continuing to in or about 2017, CRANFORD, together with Person #1, Person #2, Person #3, other Charity executives, and others known and unknown to the United States, paid bribes in the form of money and other things of value to Arkansas State Senator Jonathan Woods (“Woods”), Arkansas State legislator Henry Wilkins IV (“Wilkins”), Arkansas Senator A, and others, to provide favorable legislative action for CRANFORD and the Charity, including, but not limited to, steering Arkansas GIF grant money to the Charity; holding up agency budgets; initiating legislative audits; and sponsoring, filing and voting for legislative bills. CRANFORD transmitted money and other things of value by different manners and means, including, but not limited to: providing cash to Woods, facilitating employment to individuals close to Woods, providing cash and checks to a church where Wilkins was a pastor, and providing cash and job referrals to Arkansas Senator A.

By paying bribes to Woods, Wilkins, Arkansas Senator A, and others known and unknown to the United States, CRANFORD, Person #1, Person #2, Person #3, other members of the

Resource Team and others known and unknown to the United States, enriched themselves, the Charity, CRANFORD Clients, and others by: (1) having Woods, Wilkins, Arkansas Senator A, and others provide favorable legislative action for CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States; (2) maintaining political influence in the Arkansas legislature and with Arkansas State agencies to the benefit of CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States; and (3) sending additional income, in the form of GIF grants, to the Charity that CRANFORD, Person #1, Person #2, Person #3, other members of the Resource Team and others known and unknown to the United States, then embezzled, stole, obtained by fraud, and without authority knowingly converted to their own use property worth at least \$5,000 that was under the care, custody, and control of the Charity.

CRANFORD Offered and Gave Money and Other Things of Value to Woods, Wilkins and Arkansas Senator A in Exchange for Favorable Legislative Action

Between the dates alleged in the Information, CRANFORD provided more than five thousand dollars (\$5,000) in cash to Woods, and assisted Woods in obtaining employment of Person #14 by the Charity, in exchange for Woods sponsoring and voting to approve legislation that provided GIF monies to DHS-DBHS and influencing a \$1,000,000 grant of GIF money to the Charity and a \$400,000 grant to Entity G. "Entity G" was a non-profit corporation, with an address in the Western District of Arkansas, which purportedly sought to create manufacturing jobs in northwest Arkansas.

Between the dates alleged in the Information, CRANFORD paid Wilkins in cash and directed approximately \$88,000 in checks to Wilkins in the form of checks from CRANFORD Lobbying Firms, CRANFORD Clients, and the Charity, including one \$30,000 check from the Charity, that were deposited into the St. James United Methodist Church ("SJUMC") Discretionary account controlled by Wilkins, who was a pastor at SJUMC. In exchange, Wilkins agreed to perform, and did perform, legislative acts that were favorable to CRANFORD, the Charity, CRANFORD Clients, and others, including, but not limited to, steering \$122,564.93 to the Charity and another \$61,218.06 to another Cranford Client, Entity F, from GIF funds available to Wilkins from Act 818 of 2013. CRANFORD varied the check amounts, and continued to make payments to SJUMC after Wilkins left the legislature, to conceal the scheme.

Between the dates alleged in the Information, CRANFORD also, directly and indirectly, gave Arkansas Senator A cash; checks; wire transfers; tickets to sporting events, including luxury box seats and tickets to the 2013 World Series; retainers; attorney's fees; and referrals to provide services to CRANFORD, the Charity, CRANFORD Lobbying Firms, CRANFORD Clients, and others. In or about April 2013, CRANFORD facilitated the hiring of Arkansas Senator A by the Charity. Arkansas Senator A was paid \$7,500 a month, which increased to \$9,000 a month in or about May 2014, until in or about 2017. From in or about 2012, to in or about 2017, Arkansas Senator A received over \$500,000 in cash; checks; wire transfers; retainers; and attorney's fees generated from CRANFORD, the Charity, CRANFORD Lobbying Firms, and CRANFORD Clients who CRANFORD referred to Arkansas Senator A. In exchange, Arkansas Senator A

performed legislative acts that were favorable to CRANFORD, the Charity, CRANFORD Clients, and others, including, but not limited to, holding up agency budgets; initiating legislative audits; sponsoring, filing and voting for legislative bills, and influencing the award of GIF funds to the Charity and CRANFORD clients.

Woods, Wilkins, and Arkansas Senator A Performed Favorable Legislative Acts

In exchange for the money and other things of value described above that were offered and given by CRANFORD, Woods, Wilkins, Arkansas Senator A, and others known and unknown to the United States performed multiple legislative acts that were favorable to CRANFORD, the Charity, CRANFORD Lobbying Firms, and CRANFORD Clients, including, but not limited to, the following examples.

Beginning in 2012 and then continuing through 2013, behavioral health service providers were rated by state regulators on their ability to adhere to certain regulations. Many behavioral health providers across the state of Arkansas, including the Charity, wanted to end this “rating system.” Arkansas Senator A and Wilkins advanced the goal of ending this rating system by performing legislative acts. In 2012, and at CRANFORD’s request, Arkansas Senator A used his position on a legislative audit committee to initiate an audit of the company that administered the rating system (“Rating Company”). On or about March 11, 2013, Wilkins filed HB 2209, a “shell bill” designed to be backfilled with content should it need to be moved forward in the legislative session and if later passed, would have been detrimental to the interests of the Rating Company. HB 2209 passed the Arkansas House of Representatives on or about April 4, 2013, with Wilkins voting in favor. During the legislative session, CRANFORD arranged a meeting between representatives of the Rating Company and CRANFORD, Arkansas Senator A and Wilkins. CRANFORD told the Rating Company that they needed to work with CRANFORD because Wilkins sat on the House Budget Committee and that a refusal to work with CRANFORD regarding their complaints might affect their ability to renew their contract as Wilkins would be involved. Later, an agreement was reached regarding the implementation of the rating system that was favorable to CRANFORD, the Charity, and other CRANFORD Clients. HB 2209 died in the Arkansas Senate Committee on Public Health, Welfare and Labor.

Also, in 2013, and at CRANFORD’s request, Woods sponsored, and then Woods, Wilkins, and Arkansas Senator A later voted in favor of, legislation that became Acts 791 and 818, which appropriated Arkansas funds for GIF spending. Woods, Wilkins and Arkansas Senator A then took additional official action, including writing letters of support and influencing government officials, to steer the Act 791 and Act 818 GIF funds to the Charity and Entity F - an Arkansas non-profit corporation and CRANFORD Client.

In 2015, at CRANFORD’s request, Arkansas Senator A steered GIF funds to another CRANFORD Client, Entity H. Specifically, between January 20, 2015 and March 2, 2015, Arkansas Senator A filed two bills, Senate Bill 62 (“SB 62”) and Senate Bill 655 (“SB 655”), which sought to appropriate up to \$3,000,000 in state GIF funds to Entity H. On March 16, 2015,

Arkansas Senator A voted in favor of SB 62, which later became Act 610 with an effective date of July 1, 2015. Cranford's lobbying contract with Entity H was subsequently renewed.

Also in 2015, Arkansas Senator A advanced legislation which sought to change the definition of the term "independent contractor" for purposes of overtime and other workplace benefits, to the benefit of the Charity and other CRANFORD Clients. Specifically, at the direction of Person #9, who worked at the Charity and was a business partner with Arkansas Senator A and CRANFORD, Arkansas Senator A filed Senate Bill 932 ("SB 932"), which was another shell bill. A later bill, House Bill 1540 ("HB1540"), was filed in or about March 2015, and contained specific statutory language that was emailed to Arkansas Senator A on March 4, 2015, by Person #9, for inclusion in the bill. In or about March 2015, Arkansas Senator A voted in favor of HB 1540.

C. Defendant's and Others' Theft, Embezzlement, and Misapplication of Funds From the Charity

One of the purposes for which the defendant bribed public officials was to send additional income to the Charity to enable CRANFORD, Person #1, Person #2, Person #3, other members of the Resource Team and others known and unknown to the United States, to embezzle; steal; obtain by fraud; and without authority, knowingly convert to their own use property worth at least \$5,000 that was under the care, custody, and control of the Charity. The defendant acknowledges that this underlying embezzlement, theft, and misapplication of Charity funds constitutes "relevant conduct" for sentencing.

In each of the fiscal years 2010 through 2016 (July 1 of the indicated year through June 30 of the following year), the Charity received greater than \$10,000 in funds from the Federal government, more particularly, the Departments of Health and Human Services ("HHS"), Labor ("DOL"), Veterans Affairs ("VA"), Housing and Urban Development ("HUD"), Justice ("DOJ"), Agriculture ("USDA"), and Education ("DoED") under programs involving grants, contracts, loans, guarantees, insurance, and other forms of federal assistance.

CRANFORD, Person #1, Person #2, Person #3, Person #5, and others known and unknown to the United States devised and executed multiple schemes to embezzle, steal, and unjustly enrich themselves at the expense of the Charity, including:

- Causing the Charity to misapply its funds for unlawful contributions to the campaigns of elected public officials, jeopardizing the Charity's tax-exempt status in order to increase the Charity's total receipts so they had more funds available from which to embezzle and steal.
- Causing the Charity to spend substantial amounts of funds on lobbying and political advocacy, which violated both the Charity's tax-exempt status and the restrictions imposed by law on organizations receiving Federal funds from grants and contracts.

- In 2011, CRANFORD, acting in his capacity as an employee of the Charity, advocated to Person #1, Person #2, and Person #3 that the Charity enter into a contract with Donald Andrew Jones, and influenced the Charity in its award of the contract whereby the Charity paid Jones for lobbying and advocacy services. After Person #1, on behalf of the Charity, agreed to enter into a contract with Jones, Jones made payments to CRANFORD and Cooper of a portion of the funds Jones obtained from the Charity in exchange for CRANFORD's influence on Jones's behalf. In order to maintain his contract with the Charity, Jones agreed to pay funds to CRANFORD and Cooper, primarily by checks made payable to CRANFORD, Cooper, The Cranford Coalition, and The Capitol Hill Coalition. Between January 12, 2012, and January 17, 2017, Jones did pay funds to CRANFORD and Cooper totaling \$264,000.
- At least as early as 2013, Person #1, acting in his capacity as an executive of the Charity, caused the Charity enter into a contract with The Cranford Coalition, whereby the Charity paid The Cranford Coalition for lobbying and advocacy services. In exchange for the Charity's award of this contract to The Cranford Coalition, and as a condition for the Charity's bonus payments to The Cranford Coalition, Person #1 demanded CRANFORD pay him approximately half of the bonus payments The Cranford Coalition obtained from the Charity. Doing business as The Cranford Coalition, from 2013 through 2017, CRANFORD solicited the assistance of elected and appointed officials regarding legislative issues that impacted the Charity, in particular matters involving the Charity, and in steering grants and other sources of funding to the Charity. Person #1 influenced Person #2 and Person #3 to cause the Charity to extend and renew its contract with and make bonus payments to The Cranford Coalition. In order to continue to receive bonus payments from the Charity, CRANFORD agreed to and did pay funds to Person #1, by checks made payable to Person #1 and in cash. In June, 2014, because CRANFORD owed large amounts of income taxes resulting from his inability to deduct the kickbacks paid to Person #1, CRANFORD and Person #1 agreed that CRANFORD would make cash payments to Person #1 of thirty percent (30%) of the funds The Cranford Coalition obtained from the Charity. For the years 2013 through 2017, Person #1 caused the Charity to pay The Cranford Coalition \$2,897,889.73, with \$2,174,389.73 paid directly and the remainder paid through Entity A and Entity B. During the same period, CRANFORD paid kickbacks to Person #1, by way of checks totaling \$613,600 and, on numerous additional occasions, in cash.
- Causing the Charity to pay excessive amounts to and use its resources for their for-profit companies, including Charity payments to The Cranford Coalition pursuant to a "consulting agreement" that exceeded the value of the services provided to the Charity under the contract.

- Causing the Charity to make payments for real estate unrelated to the Charity's mission, including the Charity's rental payments to CRANFORD for properties he owned in Florida and Texas.
- Causing the Charity to pay their personal expenses, including by way of their extensive use of corporate credit cards for which the Charity paid the bills.
- Enjoying the use of Charity-provided premium tickets for sporting events for themselves, family members, and their friends.
- Causing the Charity to lend significant funds to themselves and their for-profit companies.

D. Defendant's Plea to the Information

During the one-year period beginning January 1, 2013 and ending on or about December 31, 2013, Arkansas received benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of federal assistance.

CRANFORD admits and acknowledges that from in or around January 2013 to December 2013, in the Western District of Missouri and elsewhere, he, Person #1, Person #2, Person #3, and others known and unknown to the United States, corruptly gave, offered, and agreed to give a thing of value to any person intending to influence and reward an agent of a local government and an agency thereof, in connection with any business, transaction, or series of transactions of such local government and agency involving something of value of \$5,000 or more, namely:

- CRANFORD, and others known and unknown to the United States gave Woods more than five thousand dollars (\$5,000) in cash, and agreed to cause and did cause the Charity to employ Person #14, in exchange for Woods taking favorable legislative action on behalf of CRANFORD and the Charity, including steering GIF funds to the Charity and CRANFORD Clients;
- CRANFORD, and others known and unknown to the United States directed cash and checks from the Charity, CRANFORD Lobbying Firms, and CRANFORD Clients to Wilkins through the SJUMC Discretionary, including a \$30,000 check from the Charity deposited into the SJUMC Discretionary account on December 18, 2013, in exchange for Wilkins taking favorable legislative action on behalf of CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States, including but not limited, to steering GIF funds to the Charity and CRANFORD Clients; and
- CRANFORD, and others known and unknown to the United States, offered and gave, directly and indirectly, money and other things of value to Arkansas Senator A in the form of checks; wire transfers; tickets to sporting events; retainers;

attorney's fees; and referrals to provide services to CRANFORD, the Charity, CRANFORD Lobbying Firms, CRANFORD Clients, and others known and unknown to the United States, in exchange for Arkansas Senator A taking favorable legislative action on behalf of CRANFORD, the Charity, CRANFORD Clients, and others known and unknown to the United States, including but not limited to, holding up agency budgets; initiating legislative audits; sponsoring, filing and voting for legislative bills, and influencing the award of GIF funds to the Charity and CRANFORD clients.

E. Defendant's Admission of the Forfeiture Allegation of the Information

From January 15, 2010, until April 11, 2017, Person #1, Person #2, and Person #3 caused the Charity to disburse funds to The Cranford Coalition, directly and through its related for-profit corporations, into Cranford Coalition's checking accounting at Bancorp South ending in 2316, from the following entities and in the following amounts:

Calendar Year	The Charity	Entity A	Entity B	Total
2010	\$0	\$81,550.00	\$2,000.00	\$83,550.00
2011	\$0	\$213,750.00	\$0	\$213,750.00
2012	\$7,900.00	\$304,500.00	\$0	\$312,400.00
2013	\$795,615.00	\$663,500.00	\$60,000.00	\$1,519,115.00
2014	\$337,024.73	\$0	\$0	\$337,024.73
2015	\$547,750.00	\$0	\$0	\$547,750.00
2016	\$310,000.00	\$0	\$0	\$310,000.00
2017	\$184,000.00	\$0	\$0	\$184,000.00
Total	\$2,182,289.73	\$1,263,300.00	\$62,000.00	\$ 3,507,589.73

Between January 12, 2012, and January 17, 2017, Jones paid CRANFORD a total of \$219,000, by way of checks payable to CRANFORD and The Cranford Coalition.

CRANFORD's bribery scheme during 2013, as charged in the Information, yielded financial benefits for the Charity and other CRANFORD Clients (including but not limited to Entity F, Entity H, and Entity I) beginning in 2013 and continuing through the date of the Information. Specifically, from the ACT 791 and 818 GIF appropriations, \$1,122,564.93 went to the Charity and \$436,970.06 went to Entity F. Additionally, CRANFORD's bribes on behalf of Entity F assisted in preventing DYS from taking action that could have resulted in Entity F's loss of millions of dollars in contracts with the State of Arkansas, from 2013 through the date of the Information.

In admitting the Forfeiture Allegation of the Information, the defendant acknowledges and agrees a money judgment will be entered against him in the stipulated amount of \$3,726,589.73.

4. **Use of Factual Admissions and Relevant Conduct.** The defendant acknowledges, understands and agrees that the admissions contained in paragraph 3 and other portions of this plea agreement will be used for the purpose of determining his guilt and advisory sentencing range under the United States Sentencing Guidelines (“U.S.S.G.”), including the calculation of the defendant’s offense level in accordance with U.S.S.G. § 1B1.3(a)(2). The defendant acknowledges, understands and agrees that the conduct charged in any dismissed counts of the indictment, as well as all other uncharged, related criminal activity, may be considered as “relevant conduct” pursuant to U.S.S.G. § 1B1.3(a)(2) in calculating the offense level for the charges to which he is pleading guilty.

5. **Statutory Penalties.** The defendant understands that, upon his plea of guilty to the single-count Information, charging him with violation of **18 U.S.C. § 666(a)(2)**, that is, **Federal Program Bribery**, the maximum penalties the Court may impose are 10 years’ imprisonment, 3 years’ supervised release, a fine of \$250,000 (or twice the amount of the gross gain or gross loss, whichever is greater), an order of restitution, an order of forfeiture, and a \$100 mandatory special assessment, which must be paid in full at the time of sentencing. The defendant further understands that this offense is a Class C felony.

6. **Sentencing Procedures.** The defendant acknowledges, understands and agrees to the following:

a. In determining the appropriate sentence, the Court will consult and consider the United States Sentencing Guidelines promulgated by the United States Sentencing Commission; these Guidelines, however, are advisory in nature, and the Court may impose a sentence either less than or greater than the defendant’s applicable Guidelines range, unless the sentence imposed is “unreasonable.”

b. The Court will determine the defendant’s applicable Sentencing Guidelines range at the time of sentencing.

c. In addition to a sentence of imprisonment, the Court may impose a term of supervised release of up to three years; the Court must impose a period of supervised release if a sentence of imprisonment of more than one year is imposed.

d. If the defendant violates a condition of his supervised release, the Court may revoke his supervised release and impose an additional period of imprisonment of up to two years without credit for time previously spent on supervised release. In addition to a new term of imprisonment, the Court also may impose a new period of supervised release, the length of which cannot exceed three years, less the term of imprisonment imposed upon revocation of the defendant's first supervised release.

e. The Court may impose any sentence authorized by law, including a sentence that is outside of, or departs from, the applicable Sentencing Guidelines range.

f. Any sentence of imprisonment imposed by the Court will not allow for parole.

g. The Court is not bound by any recommendation regarding the sentence to be imposed or by any calculation or estimation of the Sentencing Guidelines range offered by the parties or the United States Probation Office.

h. The defendant may not withdraw his guilty plea solely because of the nature or length of the sentence imposed by the Court.

i. On the Forfeiture Allegation of the Information, the defendant and the United States stipulate and agree to recommend that the Court order a money judgment in the amount of \$3,726,589.73.

j. The defendant agrees that the United States may institute civil, judicial or administrative forfeiture proceedings against all forfeitable assets in which the defendant has an interest, and that he will not contest any such forfeiture proceedings.

k. The defendant agrees to forfeit all interests he owns or over which he exercises control, directly or indirectly, in any asset that is subject to forfeiture to the United States, either directly or as a substitute for property that was subject to forfeiture but is no longer available for the reasons set forth in 21 U.S.C. § 853(p) (which is applicable to this action pursuant to 28 U.S.C. § 2461(c)). **One such asset is the U.S. currency seized at the time of the defendant's arrest, totaling approximately \$17,989.00.** With respect to any asset which the defendant has agreed to forfeit, the defendant waives any constitutional and statutory challenges

in any manner (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this plea agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment under the Eighth Amendment to the United States Constitution. The forfeited funds will be deposited into the Asset Forfeiture Fund. Forfeiture of the defendant's property shall not be treated as satisfaction of any fine, restitution, cost of imprisonment or any other penalty the Court may impose on the defendant in addition to forfeiture. However, defendant understands that the Monetary Penalties Unit of the United States Attorney's Office for the Western District of Missouri may, in its discretion, submit a restoration request as to the forfeited funds to the Money Laundering and Asset Recovery Section (MLARS), Criminal Division, U.S. Department of Justice, and if granted, these funds would be provided by the Department of Justice to the Clerk of the Court for the payment of restitution in this case. Defendant understands that whether to approve or deny this request, in whole or in part, is entirely within the discretion of the Chief of MLARS.

l. The defendant agrees to fully and truthfully disclose the existence, nature and location of all assets forfeitable to the United States, either directly or as a substitute asset, in which he, his co-defendants and his co-conspirators have or had any direct or indirect financial interest, or exercise or exercised control, directly or indirectly, during the period from 2010 to the present. The defendant also agrees to fully and completely assist the United States in the recovery and forfeiture of all such forfeitable assets.

m. The defendant specifically agrees and authorizes any state or local law enforcement agency having possession of property subject to federal forfeiture to release the property to a federal agency, either prior to or after entry of an order forfeiting the defendant's interest in such property. Further, the defendant agrees to hold harmless any state or local law enforcement agency which releases such property to any federal agency for federal forfeiture proceedings.

n. The defendant agrees to take all necessary steps to comply with the forfeiture matters set forth herein before his sentencing.

7. **Government's Agreements.** Based upon evidence in its possession at this time, the United States, as part of this plea agreement, agrees not to bring any additional charges against the defendant for any federal criminal offenses related to the crimes charged in the Information for which it has venue and which arose out of the defendant's conduct described above. Additionally,

at the time of sentencing, the United States agrees to dismiss the original Indictment returned in this case, in its entirety.

The defendant understands that this plea agreement does not foreclose any prosecution for an act of murder or attempted murder, an act or attempted act of physical or sexual violence against the Person of another, or a conspiracy to commit any such acts of violence or any criminal activity of which the United States has no knowledge.

The defendant recognizes that the United States' agreement to forego prosecution of all of the criminal offenses with which the defendant might be charged is based solely on the promises made by the defendant in this agreement. If the defendant breaches this plea agreement, the United States retains the right to proceed with the original charges and any other criminal violations established by the evidence. The defendant expressly waives his right to challenge the initiation of the dismissed or additional charges against him if he breaches this agreement. The defendant expressly waives his right to assert a statute of limitations defense if the dismissed or additional charges are initiated against him following a breach of this agreement. The defendant further understands and agrees that, if the United States elects to file additional charges against him following his breach of this plea agreement, he will not be allowed to withdraw his guilty plea.

8. **Preparation of Presentence Report.** The defendant understands the United States will provide to the Court and the United States Probation Office a government version of the offense conduct. This may include information concerning the background, character and conduct of the defendant, including the entirety of his criminal activities. The defendant understands these disclosures are not limited to the counts to which he has pleaded guilty. The United States may respond to comments made or positions taken by the defendant or the defendant's counsel, and to

correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject only to any limitations set forth in this plea agreement. The United States and the defendant expressly reserve the right to speak to the Court at the time of sentencing pursuant to Rule 32(i)(4) of the Federal Rules of Criminal Procedure.

9. **Withdrawal of Plea.** Either party reserves the right to withdraw from this plea agreement for any or no reason at any time prior to the entry of the defendant's plea of guilty and its formal acceptance by the Court. In the event of such withdrawal, the parties will be restored to their pre-plea agreement positions to the fullest extent possible. However, after the plea has been formally accepted by the Court, the defendant may withdraw his pleas of guilty only if the Court rejects the plea agreement, or if the defendant can show a fair and just reason for requesting the withdrawal. The defendant understands that, if the Court accepts his pleas of guilty and this plea agreement but subsequently imposes a sentence that is outside the defendant's applicable Sentencing Guidelines range, or imposes a sentence that the defendant does not expect, like or agree with, he will not be permitted to withdraw his pleas of guilty.

10. **Agreed Guidelines Applications.** With respect to the application of the Sentencing Guidelines to this case, the parties stipulate and agree as follows:

a. The Sentencing Guidelines do not bind the Court and are advisory in nature. The Court may impose a sentence that is either above or below the defendant's applicable Guidelines range, provided the sentence imposed is not "unreasonable."

b. The defendant consents to judicial fact-finding by a preponderance of the evidence for all issues pertaining to the determination of the defendant's sentence, including the determination of any mandatory minimum sentence (including the facts that support any specific offense characteristic or other enhancement or adjustment), and any legally authorized increase above the normal

statutory maximum. The defendant waives any right to a jury determination beyond a reasonable doubt of all facts used to determine and enhance the sentence imposed, and waives any right to have those facts alleged in the indictment. The defendant also agrees that the Court, in finding the facts relevant to the imposition of sentence, may consider any reliable information, including hearsay.

c. The defendant understands and agrees that the factual admissions contained in paragraph 3 of this plea agreement, and any admissions that he will make during his plea colloquy, will be used to calculate the defendant's Guidelines range.

11. **Effect of Non-Agreement on Guidelines Applications.** The parties understand, acknowledge and agree that there are no agreements between the parties with respect to any Sentencing Guidelines issues other than those specifically listed in paragraph 10 and its subsections. As to any other Guidelines issues, the parties are free to advocate their respective positions at the sentencing hearing.

12. **Change in Guidelines Prior to Sentencing.** The defendant agrees that, if any applicable provision of the Guidelines changes after the execution of this plea agreement, then any request by the defendant to be sentenced pursuant to the new Guidelines will make this plea agreement voidable by the United States at its option. If the Government exercises its option to void the plea agreement, the United States may charge, reinstate, or otherwise pursue any and all criminal charges that could have been brought but for this plea agreement.

13. **Government's Reservation of Rights.** The defendant understands that the United States expressly reserves the right in this case to:

- a. oppose or take issue with any position advanced by the defendant at the sentencing hearing which might be inconsistent with the provisions of this plea agreement;
- b. comment on the evidence supporting the charges in the information;

c. oppose any arguments and requests for relief the defendant might advance on an appeal from the sentences imposed, and that the United States remains free on appeal or collateral proceedings to defend the legality and propriety of the sentence actually imposed, even if the Court chooses not to follow any recommendation made by the United States; and

d. oppose any post-conviction motions for reduction of sentence, or other relief.

14. **Waiver of Constitutional Rights.** The defendant, by pleading guilty, acknowledges that he has been advised of, understands, and knowingly and voluntarily waives the following rights:

a. the right to plead not guilty and to persist in a plea of not guilty;

b. the right to be presumed innocent until his guilt has been established beyond a reasonable doubt at trial;

c. the right to a jury trial, and at that trial, the right to the effective assistance of counsel;

d. the right to confront and cross-examine the witnesses who testify against him;

e. the right to compel or subpoena witnesses to appear on his behalf; and

f. the right to remain silent at trial, in which case his silence may not be used against him.

The defendant understands that, by pleading guilty, he waives or gives up those rights and that there will be no trial. The defendant further understands that, if he pleads guilty, the Court may ask him questions about the offenses to which he pleaded guilty, and if the defendant answers those questions under oath and in the presence of counsel, his answers may later be used against him in a prosecution for perjury or making a false statement. The defendant also understands that he has pleaded guilty to felony offenses and, as a result, will lose his right to possess a firearm or

ammunition and might be deprived of other rights, such as the right to vote or register to vote, hold public office, or serve on a jury.

15. **Waiver of Appellate and Post-Conviction Rights.**

a. The defendant acknowledges, understands and agrees that, by pleading guilty pursuant to this plea agreement, he waives his right to appeal or collaterally attack a finding of guilt following the acceptance of this plea agreement, except on grounds of (1) ineffective assistance of counsel; or (2) prosecutorial misconduct; and

b. The defendant expressly waives his right to appeal his sentence, directly or collaterally, on any ground except claims of: (1) ineffective assistance of counsel; (2) prosecutorial misconduct; or (3) a sentence imposed in excess of the statutory maximum. However, if the United States exercises its right to appeal the sentence imposed as authorized by 18 U.S.C. § 3742(b), the defendant is released from this waiver and may, as part of the Government's appeal, cross-appeal his sentence as authorized by 18 U.S.C. § 3742(a) with respect to any issues that have not been stipulated to or agreed upon in this agreement.

16. **Waiver of Venue.** The defendant waives any challenge to venue in the Western District of Missouri.

17. **Discovery Waiver.** The defendant waives the right to any further discovery or disclosures of information not already provided at the time of the entry of the guilty plea, other than information required to be disclosed under Federal Rule of Criminal Procedure 32(i)(2) and exculpatory or impeachment information casting doubt upon sentencing factors.

18. **Financial Obligations.** By entering into this plea agreement, the defendant represents that he understands and agrees to the following financial obligations:

a. The Court must order restitution to the victims of the offense to which the defendant is pleading guilty. The defendant agrees that the Court may order restitution in connection with all other uncharged, related criminal activity.

b. The United States may use the Federal Debt Collection Procedures Act and any other remedies provided by law to enforce any restitution order that may be entered as part of the sentence in this case and to collect any fine.

c. The defendant will fully and truthfully disclose all assets and property in which he has any interest, or over which the defendant exercises control, directly or indirectly, including assets and property held by a spouse, nominee or other third party. The defendant's disclosure obligations are ongoing, and are in force from the execution of this agreement until the defendant has satisfied the restitution order in full.

d. Within ten (10) days of the execution of this plea agreement, at the request of the USAO, the defendant agrees to execute and submit: (1) a Tax Information Authorization form; (2) an Authorization to Release Information; (3) a completed financial disclosure statement; and (4) copies of financial information that the defendant submits to the U.S. Probation Office. The defendant understands that the United States will use the financial information when making its recommendation to the Court regarding the defendant's acceptance of responsibility.

e. At the request of the USAO, the defendant agrees to undergo any polygraph examination the United States might choose to administer concerning the identification and recovery of forfeitable assets and restitution.

f. The defendant hereby authorizes the USAO to obtain a credit report pertaining to him to assist the USAO in evaluating the defendant's ability to satisfy any financial obligations imposed as part of the sentence.

g. The defendant understands that a Special Assessment will be imposed as part of the sentence in this case. The defendant promises to pay the Special Assessment of **\$100** by submitting a satisfactory form of payment to the Clerk of the Court prior to appearing for the sentencing proceeding in this case. The defendant agrees to provide the Clerk's receipt as evidence of his fulfillment of this obligation at the time of sentencing.

h. The defendant certifies that he has made no transfer of assets or property for the purpose of: (1) evading financial obligations created by this Agreement; (2) evading obligations that may be imposed by the Court; or (3) hindering efforts of the USAO to enforce such financial obligations. Moreover, the defendant promises that he will make no such transfers in the future.

i. In the event the United States learns of any misrepresentation in the financial disclosure statement, or of any asset in which the defendant had an interest at the time of this plea agreement that is not disclosed in the financial disclosure statement, and in the event such misrepresentation or nondisclosure changes the estimated net worth of the defendant by ten thousand dollars (\$10,000.00) or more, the United States may at its option: (1) choose to be relieved of its obligations under

this plea agreement; or (2) let the plea agreement stand, collect the full forfeiture, restitution and fines imposed by any criminal or civil judgment, and also collect 100% (one hundred percent) of the value of any previously undisclosed assets. The defendant agrees not to contest any collection of such assets. In the event the United States opts to be relieved of its obligations under this plea agreement, the defendant's previously entered pleas of guilty shall remain in effect and cannot be withdrawn.

19. **Waiver of FOIA Request.** The defendant waives all of his 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.

20. **Waiver of Claim for Attorney's Fees.** The defendant waives all of his claims under the Hyde Amendment, 18 U.S.C. § 3006A, for attorney's fees and other litigation expenses arising out of the investigation or prosecution of this matter.

21. **Defendant's Breach of Plea Agreement.** If the defendant commits any crimes, violates any conditions of release, or violates any term of this plea agreement between the signing of this plea agreement and the date of sentencing, or fails to appear for sentencing, or if the defendant provides information to the Probation Office or the Court that is intentionally misleading, incomplete or untruthful, or otherwise breaches this plea agreement, the United States will be released from its obligations under this agreement. The defendant, however, will remain bound by the terms of the agreement, and will not be allowed to withdraw his pleas of guilty.

The defendant also understands and agrees that, in the event he violates this plea agreement, all statements made by him to law enforcement agents subsequent to the execution of this plea agreement, any testimony given by him before a grand jury or any tribunal, or any leads from such

statements or testimony, shall be admissible against him in any and all criminal proceedings. The defendant waives any rights that he might assert under the United States Constitution, any statute, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that pertains to the admissibility of any statements made by him subsequent to this plea agreement.

22. **Defendant's Representations.** The defendant acknowledges that he has entered into this plea agreement freely and voluntarily after receiving the effective assistance, advice and approval of counsel. The defendant acknowledges that he is satisfied with the assistance of counsel, and that counsel has fully advised him of his rights and obligations in connection with this plea agreement. The defendant further acknowledges that no threats or promises, other than the promises contained in this plea agreement, have been made by the United States, the Court, his attorneys, or any other party to induce him to enter his pleas of guilty.

23. **No Undisclosed Terms.** The United States and the defendant acknowledge and agree that the above stated terms and conditions, together with any written supplemental agreement that might be presented to the Court in camera, constitute the entire plea agreement between the parties, and that any other terms and conditions not expressly set forth in this agreement or any written supplemental agreement do not constitute any part of the parties' agreement and will not be enforceable against either party.

24. **Standard of Interpretation.** The parties agree that, unless the constitutional implications inherent in plea agreements require otherwise, this plea agreement should be interpreted according to general contract principles and the words employed are to be given their normal and ordinary meanings. The parties further agree that, in interpreting this agreement, any

drafting errors or ambiguities are not to be automatically construed against either party, whether or not that party was involved in drafting or modifying this agreement.

TIMOTHY A. GARRISON
United States Attorney, Western District of Missouri

Dated: 6/7/18

By: /s/Steven M. Mohlhenrich
STEVEN M. MOHLHENRICH
Assistant United States Attorney

ANNA LOU TIROL
Acting Chief, Public Integrity Section

Dated: 6/7/18

By: /s/Marco A. Palmieri
MARCO A. PALMIERI
SEAN F. MULRYNE
Trial Attorneys

I have consulted with my attorneys and fully understand all of my rights with respect to the offense charged in the information. Further, I have consulted with my attorneys and fully understand my rights with respect to the provisions of the Sentencing Guidelines. I have read this plea agreement and carefully reviewed every part of it with my attorneys. I understand this plea agreement and I voluntarily agree to it.

Dated: 6/7/18

/s/ Milton Russell Cranford
MILTON RUSSELL CRANFORD
Defendant

We are defendant Milton Russell Cranford's attorneys. We have fully explained to him his rights with respect to the offense charged in the information. Further, we have reviewed with him the provisions of the Sentencing Guidelines that might apply in this case. We have carefully reviewed every part of this plea agreement with him. To our knowledge, Milton Russell Cranford's decision to enter into this plea agreement is an informed and voluntary one.

Dated: 6/7/18

/s/ Nathan F. Garrett
NATHAN F. GARRETT
KATHLEEN A. FISHER
Attorneys for Defendant