



Judge Thomas S. Zilly

FILED ENTERED
LODGED RECEIVED

JUL 15 2004

CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
BY DEPUTY

04-CR-00229-BCST

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

DANIEL ANDERSEN,

Defendant.

NO. 2:04-CR-00229 RSL

PLEA AGREEMENT

The United States of America, by and through John McKay, United States Attorney for the Western District of Washington, and Larry J. Wszalek and Mark T. Odulio, Department of Justice Tax Division trial attorneys and the defendant, DANIEL ANDERSEN, and his attorney, William A. Cohan, enter into the following Agreement, pursuant to Federal Rule of Criminal Procedure 11(c):

1. The Charge(s). Defendant, having been advised of the right to have this matter tried before a jury, agrees to waive that right and enter a plea of guilty to the following charge^{WALSH} contained in the Indictment. By entering this plea of guilty, Defendant hereby waives all objections to the form of the charging document.

a. Conspiracy to defraud the United States as charged in Count 1, in violation of Title 18, United States Code, Section 371;
Defendant further understands that before entering his/her plea of guilty, Defendant will be placed under oath. Any statement given by Defendant under oath may be used by the

1 government in a prosecution for perjury or false statement.

2
3 2. Elements of the Offense. The elements of the offense of Conspiracy to
4 Defraud the United States as charged in Count 1 of the Indictment, in violation of Title
5 18, United States Code, Section 371, are as follows:

6 First, the conspiracy, agreement, or understanding to defraud the United
7 States by dishonest and deceitful means for the purpose of impeding, impairing,
8 obstructing, and defeating the lawful governmental functions of the U.S. Department of
9 Treasury, Internal Revenue Service, in the ascertainment, computation, and collection of
10 income taxes as described in the indictment, was formed, reached or entered into by two
11 or more persons;

12 Second, at some point during the existence or life of the conspiracy,
13 agreement, or understanding, one of its members knowingly performed one of the overt
14 acts charged in the indictment in order to further or advance the purpose of the
15 agreement; and,

16 *W.D. Cahoon* *W.D. MS*
17 *(alleged in the indictment)* Third, at some time during the existence of the agreement or
18 understanding, defendant DANIEL ANDERSEN knew the purpose of the agreement,
19 and then deliberately joined in the conspiracy, agreement, or understanding.

20 3. The Penalties.

21 a. Defendant understands that the statutory penalties for the offense of
22 Conspiracy to Defraud the United States, as charged in Count 1 of the indictment are as
23 follows:

- 24 1) imprisonment for up to five (5) years;
25 2) a fine of up to two hundred fifty thousand dollars
26 (\$250,000.00);
27 3) a period of supervision following release from prison of not
28 more than three (3) years; and

1 4) a one hundred dollar (\$100.00) penalty assessment which
2 Defendant agrees shall be paid at or before the time of
3 sentencing.

4 ~~Defendant understands that in addition to any term of imprisonment and/or~~
5 ~~fine that is imposed, the Court may order Defendant to pay restitution to any victim of~~
6 ~~the offense, as required by law.~~ Stricken by Court WACohan LWN MTD

7 Defendant agrees that any monetary penalty the Court imposes, including
8 the special assessment, fine, costs or restitution, is due and payable immediately, and
9 further agrees to submit a completed Financial Statement of Debtor form as requested by
10 the Department of Justice Tax Division and/or the United States Attorney's Office.

11 Defendant understands that supervised release is a period of time following
12 imprisonment during which he will be subject to certain restrictions and requirements.
13 Defendant further understands that if supervised release is imposed and he violates one
14 or more of its conditions, he could be returned to prison for all or part of the term of
15 supervised release that was originally imposed. This could result in Defendant serving a
16 total term of imprisonment greater than the statutory maximum stated above.

17
18 4. Rights Waived by Pleading Guilty. Defendant understands that, by
19 pleading guilty, he knowingly and voluntarily waives the following rights:

- 20 a. The right to plead not guilty, and to persist in a plea of not guilty;
- 21 b. The right to a speedy and public trial before a jury of Defendant's
22 peers;
- 23 c. The right to the effective assistance of counsel at trial, including, if
24 Defendant could not afford an attorney, the right to have the Court appoint one for
25 Defendant;
- 26 d. The right to be presumed innocent until guilt has been established at
27 trial, beyond a reasonable doubt;
- 28 e. The right to confront and cross-examine witnesses against

1 Defendant at trial;

2 f. The right to compel or subpoena witnesses to appear on Defendant's
3 behalf at trial;

4 g. The right to testify or to remain silent at trial, at which trial such
5 silence could not be used against Defendant;

6 h. The right to appeal a finding of guilt or any pretrial rulings; and

7 i. The right, to the extent required by law, to have sentencing factors
8 charged in the Indictment or determined by a jury beyond a reasonable doubt.

9
10 5. United States Sentencing Guidelines. Defendant understands and
11 acknowledges that, absent applicable intervening law:

12 a. The United States Sentencing Guidelines, promulgated by the
13 United States Sentencing Commission, are applicable to this case;

14 b. The Court will determine Defendant's applicable Sentencing
15 Guidelines range at the time of sentencing;

16 c. The Court may impose any sentence authorized by law, including a
17 sentence that, under some circumstances, departs from any applicable Sentencing
18 Guidelines range up to the maximum term authorized by law;

19 d. The Court is not bound by any recommendation regarding the
20 sentence to be imposed, or by any calculation or estimation of the Sentencing Guidelines
21 range offered by the parties, or by the United States Probation Department; and

22 e. Defendant may not withdraw a guilty plea solely because of the
23 sentence imposed by the Court.

24
25 6. Ultimate Sentence. Defendant acknowledges that no one has promised or
26 guaranteed what sentence the Court will impose.

27
28 7. Restitution. If restitution is applicable in this case, Defendant shall make

1 restitution in the amount ordered by the Court, with credit for any amounts already paid.
2 Said amount shall be due and payable immediately and shall be paid in accordance with
3 a schedule of payments as set by the United States Probation Office and ordered by the
4 Court.

5
6 8. Statement of Facts. The parties agree on the following facts in support of
7 Defendant's guilty plea and sentencing. Defendant admits he is guilty of the charged
8 offense and expressly waives any right to have these facts determined by a jury beyond a
9 reasonable doubt.

10 a. In or about the Fall 1996 DANIEL ANDERSEN and DAVID
11 STRUCKMAN founded an organization named Global Prosperity which, during its
12 existence through May 2002, was in the business of selling a 12-part audiotape/cd series
13 and seminar tickets to offshore seminars. During that time period, DAVID
14 STRUCKMAN resided in the Western District of Washington and from there conducted
15 the business of Global Prosperity. During that same time period, Global Prosperity
16 received gross receipts in excess of fifty million dollars (\$50,000,000);

17 b. In order to conceal the business affairs and income of Global
18 Prosperity, DANIEL ANDERSEN, DAVID STRUCKMAN, LORENZO LAMANTIA,
19 KULDIP SINGH, and DWAYNE ROBARE used a primary set of purported trusts and
20 related nominee bank accounts to conceal the business operations of Global Prosperity.
21 The purported trusts and related bank accounts were named: Capital Finance Group
22 (CFG); Educational Publishing Systems (EPS); Independent Diversity Entrepreneurs &
23 Associates (IDEA); Alternate Ventures; International Free Enterprise Associates (IFEA);
24 and Pacific Dynamics Foundation (PDF);

25 c. In order to conceal income earned from the sale of Global Prosperity
26 products, DANIEL ANDERSEN deposited gross business receipts into nominee bank
27 accounts he opened and maintained in the names of Capital Finance Group (CFG);
28 Educational Publishing Systems (EPS); and Independent Diversity Entrepreneurs &

1 Associates (IDEA);

2 d. In order to conceal profits earned from Global Prosperity, DANIEL
3 ANDERSEN, DAVID STRUCKMAN, and LORENZO LAMANTIA made profit
4 distributions to each other and the co-defendants by remitting checks from the primary set
5 of purported trust bank accounts to a secondary series of purported trusts and related bank
6 accounts including the following:

7 1). DANIEL ANDERSEN received and deposited profit
8 distributions from Global Prosperity to secondary bank accounts in the names of Dynamic
9 Strategy Foundation (DSF); The Atlas Group; and an offshore bank account identified as
10 PILL #9490. DANIEL ANDERSEN had signature authority over each of these bank
11 accounts;

12 2). DANIEL ANDERSEN made profit distributions to DAVID
13 STRUCKMAN by remitting checks to secondary bank accounts controlled by DAVID
14 STRUCKMAN in the names of Crescent Moon Enterprises and Specktrackular Holdings.

15 3). DANIEL ANDERSEN made profit distributions to
16 LORENZO LAMANTIA and KULDIP SINGH by remitting checks to secondary bank
17 accounts controlled by LORENZO LAMANTIA and KULDIP SINGH in the names of
18 Pacific Dynamics Foundation, The Galt Group, and Kaylo;

19 4). DANIEL ANDERSEN made profit distributions to DWAYNE
20 ROBARE by remitting checks to secondary bank accounts controlled by DWAYNE
21 ROBARE in the names of Strategic Solutions and an offshore bank account identified as
22 PILL #10731;

23 e. DANIEL ANDERSEN, DAVID STRUCKMAN, LORENZO
24 LAMANTIA and KULDIP SINGH did not provide to one another or report to the IRS
25 through Forms W-2, 1099, Schedule K-1, or any other statement or form, income
26 distributions made to each other from the profits of Global Prosperity;

27 f. DANIEL ANDERSEN maintained business offices for Global
28 Prosperity at 19 Brigham Street Unit 8, Marlborough, Massachusetts in the names of EPS

1 and IDEA and hired individuals to perform administrative duties related to the business of
2 Global Prosperity but did not report to the IRS wages paid to EPS and IDEA workers and
3 did not issue annual Forms W-2 and/or 1099 to EPS and IDEA workers;

4
5 g. DANIEL ANDERSEN, DAVID STRUCKMAN, LORENZO
6 LAMANTIA, KULDIP SINGH and DWAYNE ROBARE maintained the anonymity of
7 Global Prosperity and themselves by periodically changing the name of the Global
8 Prosperity organization, using mail drops to conceal its location, conducting financial
9 transactions in cash, and discouraging the use of one's social security number to escape
10 notice from the Internal Revenue Service;

11 h. DANIEL ANDERSEN did not file individual income tax returns;
12 trust returns or trust statements; declarations of a financial interest in, or signature
13 authority over, a foreign bank account; corporate tax returns; partnership returns; or
14 Schedule C (sole proprietorship) filings as otherwise required by law.

15
16 9. Tax Loss Amount.

17 The United States and Defendant agree and stipulate that pursuant to USSG §
18 2T4.1 (2003 Guideline book) the tax loss in this case is more than \$2,500,000 but not
19 more than \$7,000,000, which corresponds to an offense level 24. Defendant agrees that
20 he expressly waives any right to have this stipulated tax loss determined by a jury
21 beyond a reasonable doubt. Defendant understands that this Plea Agreement does not
22 preclude the Internal Revenue Service from assessing and determining any additional
23 civil tax, penalties, and/or interest that may be owed by Defendant. In addition,
24 Defendant understands that he is required to pay costs of prosecution.

25
26 10. Sentencing Factors. The parties agree and stipulate that the facts admitted
27 by Defendant in the Statement of Facts in this Plea Agreement support the application of
28 the following Sentencing Guidelines. Defendant expressly waives his right to have any

1 of these sentencing factors charged in the Indictment or determined by a jury beyond a
2 reasonable doubt.

- 3 a. The United States and Defendant agree and stipulate to a two (2)
4 level upward adjustment to Defendant's base offense level pursuant
5 to USSG § 2T1.1(b)(2) for an offense involving sophisticated
6 means;
- 7 b. an additional four (4) level upward adjustment to Defendant's base
8 offense level pursuant to USSG §3B1.1(a) for Defendant's
9 aggravating role as an organizer, leader, manager, or supervisor.

10

11 11. Non-Prosecution of Additional Offenses. As part of this Plea Agreement,
12 the United States Department of Justice agrees not to prosecute Defendant for any
13 additional offenses known to it as of the time of this Agreement, other than crimes of
14 violence, that are based upon evidence in its possession at this time, or that arise out of
15 the conduct giving rise to this investigation. In addition, the United States Department
16 of Justice agrees not to prosecute Defendant for any other offense based upon
17 information the Defendant provides pursuant to this Agreement to cooperate with the
18 authorities. In this regard, Defendant recognizes that the United States has agreed not to
19 prosecute any other criminal charges that the evidence establishes were committed by
20 Defendant solely because of the promises made by Defendant in this Agreement.
21 Defendant acknowledges and agrees, however, that for purposes of preparing the
22 Presentence Report, the United States Department of Justice Tax Division will provide
23 the United States Probation Office with evidence of all relevant conduct committed by
24 Defendant. Defendant agrees and acknowledges that this prosecution was substantially
25 justified in light of the evidence available to the United States, and was not vexatious,
26 frivolous or taken in bad faith, and does not provide Defendant with a basis for any
27 future claims under the "Hyde Amendment," Pub.L. No. 105-119(1997).

1 12 Acceptance of Responsibility. The United States acknowledges that if
2 Defendant qualifies for an acceptance of responsibility adjustment pursuant to USSG §
3 3E1.1(a) and if the offense level is sixteen (16) or greater, Defendant's total offense
4 level should be decreased by three (3) levels pursuant to USSG §§ 3E1.1(a) and (b),
5 because Defendant has assisted the United States by timely notifying the authorities of
6 his intention to plead guilty, thereby permitting the United States to avoid preparing for
7 trial and permitting the Court to allocate its resources efficiently.

8
9 13. Cooperation.

10 a. Defendant shall cooperate completely and truthfully with law
11 enforcement authorities in the investigation and prosecution of other individuals involved
12 in criminal activity. Such cooperation shall include, but not be limited to, complete and
13 truthful statements to law enforcement officers, as well as complete and truthful
14 testimony, if called as a witness before a grand jury, or at any state or federal trial,
15 retrial, or other judicial proceedings. Defendant acknowledges that this obligation to
16 cooperate shall continue after Defendant has entered a guilty plea and sentence has been
17 imposed, no matter what sentence Defendant receives; Defendant's failure to do so may
18 constitute a breach of this Plea Agreement.

19 b. Defendant understands that the United States will tolerate no
20 deception from him. If, in the estimation of the United States Department of Justice Tax
21 Division, information or testimony provided from the date of the Plea Agreement,
22 proves to be intentionally untruthful or incomplete in any way, regardless of whether the
23 untruthfulness helps or hurts the United States' case, the United States Department of
24 Justice Tax Division may consider that Defendant has breached this Plea Agreement.

25 c. Defendant agrees to cooperate fully with the Internal Revenue
26 Service in the ascertainment, computation and payment of his correct federal and state
27 income tax liability for the years 1996 to the present. To that end, the defendant will:

28 (1) Cooperate with the Internal Revenue Service by providing all

1 financial information necessary to ascertain and assess Defendant's
2 back taxes, interest, and penalties;

3 (2) Provide to the Internal Revenue Service all financial information
4 necessary to determine Defendant's ability to pay;

5 (3) Make a good faith effort to pay all delinquent and/or additional
6 taxes, interest and penalties, including, paying the liability
7 stemming from the offense conduct in a lump sum should the
8 Internal Revenue Service determine he is able to so pay, or entering
9 an installment agreement to pay the liability in total during the
10 period of supervised release or probation; and

11 (4) Timely file his federal income tax returns during the term of
12 supervised release and refrain from incurring new credit charges or
13 opening additional lines of credit without the approval of his
14 probation officer unless he is in compliance with any installment
15 payment schedule.

16 d. The parties agree that information provided by Defendant in
17 connection with this Plea Agreement shall not be used to determine Defendant's
18 sentence, except to the extent permitted by USSG § 1B1.8.

19 e. If the Defendant provides substantial assistance, the United States
20 Department of Justice Tax Division agrees to file a motion pursuant to USSG § 5K1.1
21 and/or Rule 35, Federal Rules of Criminal Procedure. The determination of whether
22 the Defendant has provided substantial assistance rests entirely within the discretion of
23 the United States Department of Justice Tax Division.

24 f. Defendant agrees that his sentencing date may be delayed based on
25 the United States' need for his continued cooperation, and agrees not to object to any
26 continuances of his sentencing date sought by the United States.

27
28 14. Voluntariness of Plea. Defendant acknowledges that he has entered into

1 this Plea Agreement freely and voluntarily, and that no threats or promises, other than
2 the promises contained in this Plea Agreement, were made to induce Defendant to enter
3 this plea of guilty.

4
5 15. Statute of Limitations. In the event that this Agreement is not accepted by
6 the Court for any reason, or Defendant has breached any of the terms of this Plea
7 Agreement, the statute of limitations shall be deemed to have been tolled from the date
8 of the Plea Agreement to: (1) 30 days following the date of non-acceptance of the Plea
9 Agreement by the Court; or (2) 30 days following the date on which a breach of the Plea
10 Agreement by Defendant is discovered by the United States Attorney's Office.

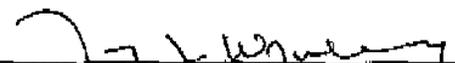
11
12 16. Post-Plea Conduct. Defendant understands that the terms of this Plea
13 Agreement apply only to conduct that occurred prior to the execution of this Agreement.
14 If, after the date of this Agreement, Defendant should engage in illegal conduct, or
15 conduct that is in violation of his conditions of release (examples of which include, but
16 are not limited to: obstruction of justice, failure to appear for a court proceeding,
17 criminal conduct while pending sentencing, and false statements to law enforcement
18 agents, the Pretrial Services Officer, Probation Officer or Court), the United States is
19 free under this Agreement to seek a sentence that takes such conduct into consideration.
20 Such a sentence could include, to the extent the United States Sentencing Guidelines are
21 applicable, a sentencing enhancement or upward departure.

22
23 17. Completeness of Agreement. The United States and Defendant
24 acknowledge that these terms constitute the entire Plea Agreement between the parties.
25 This Agreement binds the United States Department of Justice, including all other
26
27
28

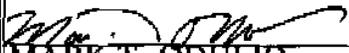
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

United States Attorney's Offices and all other offices or agencies of the United States
Department of Justice.

Dated this 15th day of July, 2004.


LARRY J. WSZALEK
Department of Justice Tax Division
Trial Attorney


DANIEL ANDERSEN
Defendant


MARK T. ODULIO
Department of Justice Tax Division
Trial Attorney


WILLIAM A. COHAN
Attorney for Defendant


FLOYD G. SHORT
Assistant United States Attorney