FILED CLERK, U.S. DISTRICT COURT EASTERN DISTRICT OF CALIFORNIA

McGREGOR W. SCOTT United States Attorney SHELLEY D. WEGER Assistant United States Attorney 501 I Street, Suite 10-100 Sacramento, CA 95814 Telephone: (916) 554-2700

Attorneys for Plaintiff United States of America

> IN THE UNITED STATES DISTRICT COURT EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

CASE NO. 2:18-CR-00235 TLN

PLEA AGREEMENT

KAO XIONG,

Defendant.

I. INTRODUCTION

A. Scope of Agreement.

ν.

The information in this case charges the defendant with violation(s) of 18 U.S.C. 844(e) — Conveying False Information Concerning Use of an Explosive (Counts One through Three). This document contains the complete plea agreement between the United States Attorney's Office for the Eastern District of California (the "government") and the defendant regarding this case. This plea agreement is limited to the United States Attorney's Office for the Eastern District of California and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities.

B. Court Not a Party.

The Court is not a party to this plea agreement. Sentencing is a matter solely within the discretion of the Court, and the Court may take into consideration any and all facts and circumstances concerning the criminal activities of defendant, including activities which may not have been charged in

PLEA AGREEMENT UNITED STATES V. KAO XIONG

PLEA AGREEMENT
UNITED STATES V. KAO XIONG

the information. The Court is under no obligation to accept any recommendations made by the government, and the Court may in its discretion impose any sentence it deems appropriate up to and including the statutory maximum stated in this plea agreement.

If the Court should impose any sentence up to the maximum established by the statute, the defendant cannot, for that reason alone, withdraw his guilty plea, and he will remain bound to fulfill all of the obligations under this plea agreement. The defendant understands that neither the prosecutor, defense counsel, nor the Court can make a binding prediction or promise regarding the sentence he will receive.

II. <u>DEFENDANT'S OBLIGATIONS</u>

A. Guilty Plea.

The defendant will plead guilty to Count Two of the Information charging him with Conveying False Information Concerning Use of an Explosive in violation of 18 U.S.C. § 844(e). The defendant agrees that he is in fact guilty of this charge and that the facts set forth in the Factual Basis for Plea attached hereto as Exhibit A are accurate.

The defendant agrees that this plea agreement will be filed with the Court and become a part of the record of the case. The defendant understands and agrees that he will not be allowed to withdraw his plea should the Court not follow the government's sentencing recommendations.

The defendant agrees that the statements made by him in signing this Agreement, including the factual admissions set forth in the factual basis, shall be admissible and useable against the defendant by the United States in any subsequent criminal or civil proceedings, even if the defendant fails to enter a guilty plea pursuant to this Agreement. The defendant waives any rights under Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410, to the extent that these rules are inconsistent with this paragraph or with this Agreement generally.

1. Waiver of Indictment:

The defendant acknowledges that under the United States Constitution he is entitled to be indicted by a grand jury on the charges to which he is pleading guilty and that pursuant to Fed. R. Crim. P. 7(b) he agrees to waive any and all rights he has to being prosecuted by way of indictment to the charges set forth in the information. The defendant agrees that at a time set by the Court, he will sign a

5

6

7 8

9

10 11

12

13 14

15 16

17

18 19

20

22

21

23 24

25

26 27 28 written waiver of prosecution by Indictment and consent to proceed by Information rather than by Indictment.

Restitution. В.

The Mandatory Victim Restitution Act requires the Court to order restitution to the victims of certain offenses.

Defendant agrees that his conduct is governed by the Mandatory Restitution Act pursuant to 18 U.S.C. § 3663A(c)(1)(A)(ii) and 3663A(c)(1)(B) and agrees to pay the full amount of restitution to all victims affected by this offense, including, but not limited to, the victims covered in the factual basis, victims covered in those counts to be dismissed as part of the plea agreement pursuant to 18 U.S.C. § 3663A(a)(3), and other victims as a result of the defendant's conduct for the offenses charged and all relevant conduct occurring from January through December 2017. The amount of restitution is estimated to be between 0 and 500,000 dollars, but could be higher.

Defendant further agrees that he will not seek to discharge any restitution obligation or any part of such obligation in any bankruptcy proceeding.

Payment of restitution shall be by cashier's or certified check made payable to the Clerk of the Court.

C. Fine.

The defendant reserves the right to argue to Probation and at sentencing that he is unable to pay a fine, and that no fine should be imposed. The defendant understands that it is his burden to affirmatively prove that he is unable to pay a fine, and agrees to provide a financial statement under penalty of perjury to the Probation Officer and the government in advance of the issuance of the draft Presentence Investigation Report, along with supporting documentation. The government retains the right to oppose the waiver of a fine. If the Court imposes a fine, the defendant agrees to pay such fine if and as ordered by the Court, up to the statutory maximum fine for the defendant's offense.

D. Special Assessment.

The defendant agrees to pay a special assessment of \$100 at the time of sentencing by delivering a check or money order payable to the United States District Court to the United States Probation Office immediately before the sentencing hearing. The defendant understands that this plea agreement is

voidable at the option of the government if he fails to pay the assessment prior to that hearing.

E. Violation of Plea Agreement by Defendant/Withdrawal of Plea(s).

If the defendant violates this plea agreement in any way, withdraws his plea, or tries to withdraw his plea, this plea agreement is voidable at the option of the government. If the government elects to void the agreement based on the defendant's violation, the government will no longer be bound by its representations to the defendant concerning the limits on criminal prosecution and sentencing as set forth herein. A defendant violates the plea agreement by committing any crime or providing or procuring any statement or testimony which is knowingly false, misleading, or materially incomplete in any litigation or sentencing process in this case, or engages in any post-plea conduct constituting obstruction of justice. Varying from stipulated Guidelines application or agreements regarding arguments as to 18 United States Code section 3553, as set forth in this agreement, personally or through counsel, also constitutes a violation of the plea agreement. The government also shall have the right (1) to prosecute the defendant on any of the counts to which he pleaded guilty; (2) to reinstate any counts that may be dismissed pursuant to this plea agreement; and (3) to file any new charges that would otherwise be barred by this plea agreement. The defendant shall thereafter be subject to prosecution for any federal criminal violation of which the government has knowledge. The decision to pursue any or all of these options is solely in the discretion of the United States Attorney's Office.

By signing this plea agreement, the defendant agrees to waive any objections, motions, and defenses that the defendant might have to the government's decision. Any prosecutions that are not time-barred by the applicable statute of limitations as of the date of this plea agreement may be commenced in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this plea agreement and the commencement of any such prosecutions. The defendant agrees not to raise any objections based on the passage of time with respect to such counts including, but not limited to, any statutes of limitation or any objections based on the Speedy Trial Act or the Speedy Trial Clause of the Sixth Amendment to any counts that were not time-barred as of the date of this plea agreement. The determination of whether the defendant has violated the plea agreement will be under a probable cause standard.

In addition, (1) all statements made by the defendant to the government or other designated law

enforcement agents, or any testimony given by the defendant before a grand jury or other tribunal, whether before or after this plea agreement, shall be admissible in evidence in any criminal, civil, or administrative proceedings hereafter brought against the defendant; and (2) the defendant shall assert no claim 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 statements made by the defendant before or after this plea agreement, or any leads derived therefrom, should be suppressed. By signing this plea agreement, the defendant waives any and all rights in the foregoing respects.

F. Asset Disclosure.

The defendant agrees to make a full and complete disclosure of his assets and financial condition, and will complete the United States Attorney's Office's "Authorization to Release Information" and "Financial Affidavit" within five (5) weeks from the entry of the defendant's change of plea, including supporting documentation. The defendant also agrees to have the Court enter an order to that effect. The defendant understands that if he fails to complete truthfully and provide the described documentation to the United States Attorney's office within the allotted time, he will be considered in violation of the agreement, and the government shall be entitled to the remedies set forth in section II.E above, above.

III. THE GOVERNMENT'S OBLIGATIONS

A. Dismissals/Other Charges.

The government agrees to move, at the time of sentencing, to dismiss without prejudice the remaining counts in the pending information. The government also agrees not to reinstate any dismissed count except if this agreement is voided as set forth herein, or as provided in paragraphs II.E (Violation of Plea Agreement by Defendant/Withdrawal of Plea(s)), VI.B (Stipulations Affecting Guideline Calculation), and VII.B (Waiver of Appeal and Collateral Attack) herein.

B. Recommendations.

1. Incarceration Range.

The government will recommend that the defendant be sentenced to a sentence no higher than the low end of the applicable guideline range as determined by the Court, and the statutory maximum term of supervised release. The government will further recommend that the defendant be sentenced to

a split sentence as permitted by U.S.S.G. § 5C1.1(c)(2) or (d)(2), as long as the applicable guideline range as determined by the Court is in Zone B or Zone C of the sentencing table.

2. Acceptance of Responsibility.

The government will recommend a two-level reduction (if the offense level is less than 16) or a three-level reduction (if the offense level reaches 16) in the computation of his offense level if the defendant clearly demonstrates acceptance of responsibility for his conduct as defined in U.S.S.G. § 3E1.1. This includes the defendant meeting with and assisting the probation officer in the preparation of the pre-sentence report, being truthful and candid with the probation officer, and not otherwise engaging in conduct that constitutes obstruction of justice within the meaning of U.S.S.G § 3C1.1, either in the preparation of the pre-sentence report or during the sentencing proceeding.

C. Use of Information for Sentencing.

The government is free to provide full and accurate information to the Court and Probation, including answering any inquiries made by the Court and/or Probation and rebutting any inaccurate statements or arguments by the defendant, his attorney, Probation, or the Court. The defendant also understands and agrees that nothing in this Plea Agreement bars the government from defending on appeal or collateral review any sentence that the Court may impose.

IV. ELEMENTS OF THE OFFENSE

At a trial, the government would have to prove beyond a reasonable doubt the following elements of the offense to which the defendant is pleading guilty, maliciously conveying false information via the mail in violation of 18 U.S.C. § 844(e):

- 1. The defendant, through the use of mail, telephone, telegraph, or other instrument of interstate or foreign commerce
- 2. Maliciously conveyed false information
- 3. Knowing the information to be false
- 4. Concerning an attempt or alleged attempt being made, or to be made to
 - a. Kill, injure, or intimidate any individual; or
 - b. Unlawfully damage or destroy any building, vehicle, or other real or personal property

5. By means of fire or an explosive.

The defendant fully understands the nature and elements of the crimes charged in the information to which he is pleading guilty, together with the possible defenses thereto, and has discussed them with his attorney.

V. MAXIMUM SENTENCE

A. Maximum Penalty.

The maximum sentence that the Court can impose is 10 years of incarceration, a fine of \$250,000, a 3 year period of supervised release and a special assessment of \$100. By signing this plea agreement, the defendant also agrees that the Court can order the payment of restitution for the full loss caused by the defendant's wrongful conduct. The defendant agrees that the restitution order is not restricted to the amounts alleged in the specific count to which he is pleading guilty. The defendant further agrees, as noted above, that he will not attempt to discharge in any present or future bankruptcy proceeding any restitution imposed by the Court.

B. Violations of Supervised Release.

The defendant understands that if he violates a condition of supervised release at any time during the term of supervised release, the Court may revoke the term of supervised release and require the defendant to serve up two additional years imprisonment.

VI. <u>SENTENCING DETERMINATION</u>

A. Statutory Authority.

The defendant understands that the Court must consult the Federal Sentencing Guidelines and must take them into account when determining a final sentence. The defendant understands that the Court will determine a non-binding and advisory guideline sentencing range for this case pursuant to the Sentencing Guidelines and must take them into account when determining a final sentence. The defendant further understands that the Court will consider whether there is a basis for departure from the guideline sentencing range (either above or below the guideline sentencing range) because there exists an aggravating or mitigating circumstance of a kind, or to a degree, not adequately taken into consideration by the Sentencing Commission in formulating the Guidelines. The defendant further understands that the Court, after consultation and consideration of the Sentencing Guidelines, must

impose a sentence that is reasonable in light of the factors set forth in 18 U.S.C. § 3553(a).

B. Stipulations Affecting Guideline Calculation.

The government and the defendant agree that there is no material dispute as to the following sentencing guidelines variables and therefore stipulate to the following:

- 1. Base Offense Level: +12 (U.S.S.G. § 2A6.1(a)(1))
- 2. Specific Offense Characteristics:

Two levels are added because the offense involved more than two threats. (U.S.S.G. $\S 2A6.1(b)(2)(A)$)

- 3. Adjusted Offense Level: 14
- 4. Acceptance of Responsibility: See paragraph III.B.2 above
- 5. Criminal History: The defendant's criminal history category will be determined by the Court.
- 6. Departures or Other Enhancements or Reductions:

The parties agree that they will not seek or argue in support of any other specific offense characteristics, Chapter Three adjustments (other than the decrease for "Acceptance of Responsibility"), or cross-references, except that the government may move for a departure or an adjustment based on the defendant's post-plea obstruction of justice (§3C1.1). Both parties agree not to move for, or argue in support of, any departure from the Sentencing Guidelines, or any deviance or variance from the Sentencing Guidelines under <u>United States v. Booker</u>, 543 U.S. 220, 125 S.Ct. 738 (2005).

The defendant is free to recommend a sentence down to 10 months with the sentence to be served as a split sentence with 5 months served in custody and 5 months served on home detention, consistent with U.S.S.G. § 5C1.1(d)(2). The defendant acknowledges that if the defendant requests or suggests in any manner a lower sentence that will be considered a violation of the plea agreement. The government's remedies and remaining obligations in this agreement shall be as outlined in paragraph II.E, above.

7. Term of Supervised Release: Both parties agree that they will jointly recommend the statutory maximum term of supervised release.

VII. WAIVERS

A. Waiver of Constitutional Rights.

The defendant understands that by pleading guilty he is waiving the following constitutional rights: (a) to plead not guilty and to persist in that plea if already made; (b) to be tried by a jury; (c) to be assisted at trial by an attorney, who would be appointed if necessary; (d) to pursue any affirmative defenses, Fourth Amendment or Fifth Amendment claims, constitutional challenges to the statutes of conviction, and other pretrial motions that have been filed or could be filed; (e) to subpoena witnesses to testify on his behalf; (f) to confront and cross-examine witnesses against him; and (g) not to be compelled to incriminate himself.

B. Waiver of Appeal and Collateral Attack.

The defendant understands that the law gives the defendant a right to appeal his guilty plea, conviction, and sentence. The defendant agrees as part of his plea, however, to give up the right to appeal the guilty plea, conviction, and the sentence imposed in this case as long as the sentence does not exceed the statutory maximum for the offense to which he is pleading guilty. The defendant understands that this waiver includes, but is not limited to, any and all constitutional and/or legal challenges to the defendant's conviction and guilty plea, including arguments that the statutes to which defendant is pleading guilty are unconstitutional, and any and all claims that the statement of facts attached to this agreement is insufficient to support the defendant's plea of guilty. The defendant specifically gives up the right to appeal any order of restitution the Court may impose.

Notwithstanding the defendant's waiver of appeal, the defendant will retain the right to appeal if one of the following circumstances occurs: (1) the sentence imposed by the District Court exceeds the statutory maximum; and/or (2) the government appeals the sentence in the case. The defendant understands that these circumstances occur infrequently and that in almost all cases this Agreement constitutes a complete waiver of all appellate rights.

In addition, regardless of the sentence the defendant receives, the defendant also gives up any right to bring a collateral attack, including a motion under 28 U.S.C. § 2255 or § 2241, challenging any aspect of the guilty plea, conviction, or sentence, except for non-waivable claims.

Notwithstanding the government's agreements in paragraph III.A above, if the defendant ever

1 2 3

4

6

5

8 9

10 11

12 13

14 15

> 16 17

18

19

2021

22

23

24

2526

27 28

B plead guilty as set f

attempts to vacate his plea, dismiss the underlying charges, or modify or set aside his sentence on any of the counts to which he is pleading guilty, the government shall have the rights set forth in Section II.E herein.

C. Waiver of Attorneys' Fees and Costs.

The defendant agrees to waive all rights under the "Hyde Amendment," Section 617, P.L. 105-119 (Nov. 26, 1997), to recover attorneys' fees or other litigation expenses in connection with the investigation and prosecution of all charges in the above-captioned matter and of any related allegations (including without limitation any charges to be dismissed pursuant to this plea agreement and any charges previously dismissed).

D. Impact of Plea on Defendant's Immigration Status.

Defendant recognizes that pleading guilty may have consequences with respect to his immigration status if he is not a citizen of the United States. Under federal law, a broad range of crimes are removable offenses, including offense(s) to which the defendant is pleading guilty. Removal and other immigration consequences are the subject of a separate proceeding, however, and defendant understands that no one, including his attorney or the district court, can predict to a certainty the effect of his conviction on his immigration status. Defendant nevertheless affirms that he wants to plead guilty regardless of any immigration consequences that his plea may entail, even if the consequence is his automatic removal from the United States.

VIII. ENTIRE PLEA AGREEMENT

Other than this plea agreement, no agreement, understanding, promise, or condition between the government and the defendant exists, nor will such agreement, understanding, promise, or condition exist unless it is committed to writing and signed by the defendant, counsel for the defendant, and counsel for the United States.

IX. <u>APPROVALS AND SIGNATURES</u>

A. Defense Counsel.

I have read this plea agreement and have discussed it fully with my client. The plea agreement accurately and completely sets forth the entirety of the agreement. I concur in my client's decision to plead guilty as set forth in this plea agreement.

counsel for the United States.

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

IX. APPROVALS AND SIGNATURES

Defense Counsel. A.

I have read this plea agreement and have discussed it fully with my client. The plea agreement accurately and completely sets forth the entirety of the agreement. I concur in my client's decision to plead guilty as set forth in this plea agreement.

Dated: 11 13/18

Attorney for Defendant

В. Defendant:

I have read this plea agreement and carefully reviewed every part of it with my attorney. I understand it, and I voluntarily agree to it. Further, I have consulted with my attorney and fully understand my rights with respect to the provisions of the Sentencing Guidelines that may apply to my case. No other promises or inducements have been made to me, other than those contained in this plea agreement. In addition, no one has threatened or forced me in any way to enter into this plea agreement. Finally, I am satisfied with the representation of my attorney in this case.

11 /13/18 Dated:

Attorney for United States:

INTERPRETER

I accept and agree to this plea agreement on behalf of the government.

Dated: 1/3/19

McGREGOR W. SCOTT United States Attorney

Assistant United States Attorney

EXHIBIT "A"

Factual Basis for Plea(s)

In approximately August 2017, Kao Xiong placed a letter in the United States Mail addressed to Company 1's headquarters in Sunnyvale, California, that maliciously conveyed false information about a bomb threat. The envelope was postmarked August 2, 2017, "Sacramento CA 957." The letter stated, "I am one of the UNSTOPPLABE FORCE... I am just informing you that we are going to bomb this location. The reason is that they had my family hold as hosted..." The letter included two addresses located in the state of Minnesota and headshot photographs of four individuals. The letter concluded by stating, "Donald Trump has more infor[,]" and included the letters "KKS." Xiong knew at the time he created and mailed the letter that the information about bombing Company 1's headquarters was false, and Xiong had no legal justification for making the false statement. A bomb is a type of "explosive" as defined in 18 U.S.C. § 844(j).

Upon receipt of the letter, an employee of Company 1 contacted the Sunnyvale Police

Department to report a bomb threat. The Sunnyvale Police Department responded to the scene,

processed the letter for latent prints and potential DNA evidence, and reported the letter to the Federal

Bureau of Investigations ("FBI").

This letter was one of over 150 letters containing threats and false information about bombings and assassinations that Xiong deposited into the United States Mail between January and December 2017. Although the United States Postal Service intercepted over half of the letters before they were delivered to their addressees, letters were delivered to locations throughout the United States, including various FBI offices, the White House, the current and former Presidents of the United States, airports, media outlets, and private companies. Some of the letters contained the words "Psion powder" and included a white powder, which was determined by laboratory testing to be non-hazardous. The letters resulted in the FBI, and other local and federal law enforcement agencies expending investigative resources to assess the threat and identify the source of the letters.

The letters were similar in that they were typically postmarked "Sacramento CA 957." All mail sent from Oroville, California, where Xiong resided in 2017, bore this postmark. The letters also

typically referenced "Unstoppable Force," pipe bomb, and/or Xiong's ex-wife or family members, many of whom lived in Minnesota, by name and/or photograph.

During its investigation, law enforcement interviewed Xiong on two separate occasions. In both instances, Xiong denied having any involvement with the letters. During the second interview, on August 18, 2017, Xiong was questioned about "KKS," which appeared in several of the letters as well as in a post Xiong placed on his Facebook page. Xiong admitted that he used the letters "KKS" on his Facebook page to get the attention of his ex-wife's family so that they would pass information along to her. After this interview, Xiong included the name of one of the interviewing agents in several of his letters.

On November 16 and 20, 2017, law enforcement determined Xiong's vehicle was in the vicinity of a public library. One of the library computers available for use by the public showed that documents with files named "UNSTOPPABLE FORCE," "FBI ADDRESS," and the name of an individual identified in Xiong's letters had been created or accessed from a USB port on November 16 and 20, 2017, during the time period that Xiong's vehicle was located near the library.

On November 21, 2017, Xiong was observed on video surveillance entering Company 2 and making a purchase in the Money Services area of the store. Company 2 records show Xiong purchased a money gram and 40 postage stamps. A Company 2 employee stated that the store sold only Christmas-themed stamps on this date. The following day, November 22, 2017, Company 2's video surveillance and a register receipt showed Xiong purchased a black sweatshirt, privacy tint mailing envelopes, and disposable vinyl gloves. On November 23, 2017, law enforcement determined that Xiong's vehicle was in the immediate vicinity of a mail collection box on West Way in Oroville, California. FBI placed a sheet of red paper in the box so that any letters subsequently deposited in the mail collection box would appear on top of the red paper. When the mail was collected, all of the 20 letters below the red sheet of paper had typed addresses and Christmas-themed postage stamps. The letters were addressed to FBI offices, the White House, and other government agencies. Fifteen of the letters were opened and contained one sheet of paper stating "UNSTOPPABLE FORCE, PIPE BOMB, 12/25/17."

Case 2:18-cr-00235-TLN Document 46 Filed 01/03/19 Page 14 of 14

On December 6, 2017, Xiong's vehicle was in the vicinity of a mailbox on Lincoln Street in Oroville, California. Video surveillance from a nearby business showed an individual exiting a black sedan, that appeared to be Xiong's vehicle, walking toward the mail collection box, and then returning to the vehicle. When the mail was picked up the next day, it contained three letters addressed to FBI Sacramento, Donald Trump, and the White House. The letters referenced "Unstoppable Force" and a pipe bomb.

During the execution of a search warrant on December 22, 2017, law enforcement identified items related to the creation of the letters in Xiong's vehicle: two sheets of paper with photographs similar to those included in the letters, glue sticks, scissors, one first-class postage stamp, envelopes, and gloves. On January 2, 2018, during the execution of a search warrant at Xiong's place of employment, law enforcement found a thumb drive that was plugged into a computer that Xiong was known to use. Some of the documents on the thumb drive had the same file names as the documents accessed from the computer at the public library. The contents of the documents included "UNSTOPPABLE FORCE" as included in the letters, as well as photographs of individuals that appeared in the letters, and addresses to various FBI offices and other locations to which the letters were addressed and sent.

I, KAO XIONG, have read and reviewed Exhibit A, Factual Basis for Plea, with my attorney and agree to the truth and accuracy of the facts set forth herein.

Dated: (1/13/18

Defendant Livy

Read to Mr. Xiong in Honory by cernified Interpreter TOU Ja-Vue Yang of St. Paul, MN, on Nov. 13, 2018.

INTEPRETER