



IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

Criminal Action No.
5:10-CR-0461 (NAM)

JEANNE MAHER,

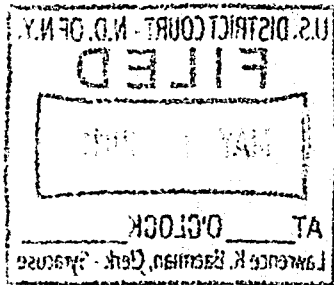
PLEA AGREEMENT

Defendant.

RICHARD S. HARTUNIAN, United States Attorney for the Northern District of New York
(by GWENDOLYN E. CARROLL, appearing) and JEANNE MAHER (with Emil Rossi, Esq.)
hereby enter into the following Plea Agreement under Fed. R. Crim. P. 11(c)(1)(c) regarding the
disposition of certain criminal charges against the Defendant:

1. **Defendant's Promises.** In return for the consideration described below, the
Defendant agrees as follows:

a. Based on the agreement of the parties that the particular sentence specified
below is the appropriate disposition of this case under Fed. R. Crim. P. 11(c)(1)(C), the Defendant
will withdraw her previous plea of "Not Guilty" and enter a plea of "Guilty" to Count 1 of
Indictment 5:10-CR-461 (NAM), charging her with conspiracy to commit wire fraud, in violation
of 18 U.S.C. § 1349.



IN THE UNITED STATES DISTRICT COURT
OF THE NORTHERN DISTRICT OF NEW YORK

Case No. 10-CV-00461-NAM

IN RE: [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

b. The Defendant consents to the entry of an order directing her to pay restitution in full to any person who would qualify as a victim, under 18 U.S.C. § 3663 or § 3663A, of the following offense, whether or not the offense is encompassed in the offense of conviction:

i. Count 1 of Indictment 5:10-CR-461(NAM): Wire Fraud in violation of 18 U.S.C. § 1343.

c. Upon entry of her guilty plea, the Defendant shall, as soon as she is legally entitled, liquidate any savings, checking or investment accounts held in her name individually or jointly with others, and send the proceeds to the United States District Court Clerk, P.O. Box 7367, 100 S. Clinton Street, Syracuse, NY 13261, to be applied toward restitution prior to sentencing. A copy evidencing each transaction shall be delivered to the United States Attorney's Office.

d. The Defendant acknowledges that all losses from the fraud scheme described in the Indictment that may become known before sentencing will be included in the restitution the Defendant must pay pursuant to the Mandatory Victim Restitution Act, 18 U.S.C. § 3663A. Defendant waives any statute of limitations defense or objection to the Court's authority to order restitution.

2. **Potential Penalties.** Although the parties have agreed to a particular sentence under Fed. R. Crim. P. 11(c)(1)(C), the Defendant understands that Count 1 of the Indictment to which she is pleading guilty carries the following potential penalties:

a. **Maximum Term of Imprisonment:** 20 years. 18 U.S.C. §§ 1349, 1343)

b. **Mandatory Minimum Term of Imprisonment:** None.

c. Supervised Release: In addition to imposing any other penalty, the sentencing Court may require the Defendant to serve a term of supervised release of up to 3 years, to begin at the expiration of any term of imprisonment imposed upon her. (18 U.S.C. § 3583) Should the Defendant be placed on a term of supervised release and subsequently violate any of the terms and conditions of that release before the expiration of such term, she may be sentenced to up to 2 years imprisonment in addition to any prison term previously imposed upon her and in addition to the statutory maximum term of imprisonment set forth above. Under some circumstances, the Court may also extend the term of supervised release, and it may modify, reduce, or enlarge the conditions of such release.

d. Maximum Fine: \$250,000. (18 U.S.C. § 3571(3)) In its discretion, the Court may impose an alternative fine of the greater of \$250,000 or twice the pecuniary gain to the Defendant or loss to any victim resulting from the offense of conviction. (18 U.S.C. § 3571(b) & (d))

e. Mandatory Restitution: Pursuant to the Mandatory Victim Restitution Act, the sentencing Court must order that the Defendant pay restitution to any victim as more fully set forth in paragraph 1 above. (18 U.S.C. § 3663A)

f. Special Assessment: The Defendant will be required to pay an assessment of \$100, which is due and payable at the time of sentencing. (18 U.S.C. § 3013) The Defendant agrees to deliver a check or money order to the Clerk of the Court in the amount of \$100, payable to the U.S. District Court at the time of her sentencing.

g. Interest and Penalties: Interest and penalties may accrue, as a matter of law, on any unpaid financial obligation imposed as part of the Defendant's sentence, from as early as the date of sentencing.

h. Collateral Consequences: Conviction of a felony under this Agreement may result in the loss of certain civil rights, including, but not limited to, the right to vote or the right to possess firearms.

3. Agreed-Upon Sentence. Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the Government and the Defendant agree that the sentence of 12 months and one day of imprisonment, a term of supervised release of 3 years, a fine of \$1,000, an order of restitution as specified above, and a special assessment of \$100 is the appropriate disposition of this case (hereinafter referred to as "the agreed disposition").

a. The Defendant understands that the sentence to be imposed in a federal criminal case is within the discretion of the sentencing Court, subject to the statutory maximum penalties and the provisions of the Sentencing Reform Act and the United States Sentencing Guidelines promulgated thereunder, as modified by *United States v. Booker*, 543 U.S. 220 (2005). While the Court is not ultimately bound to impose a sentence within the applicable Sentencing Guidelines range, it must take into account the Sentencing Guidelines, along with the other factors set forth in 18 U.S.C. § 3553(a).

b. The United States Attorney's Office and the Defendant agree that, to the extent the agreed disposition in this Plea Agreement departs from the applicable Sentencing Guidelines range, that departure would be made for justifiable reasons under U.S.S.G. § 6B1.2(c)(2). In particular, the specified sentence is reasonable and appropriate under the unique combination of

facts and circumstances relating to the Defendant, the offense of conviction, and related relevant conduct.

c. The Court is neither a party to, nor bound by this Agreement. The Court may accept or reject this Plea Agreement or defer a decision until it has considered the Presentence Investigation Report prepared by the U.S. Probation Office. If the Court is unwilling to impose the agreed disposition and rejects this Plea Agreement, the Court will afford the Defendant an opportunity to withdraw her plea of guilty prior to sentencing, pursuant to Fed. R. Crim. P. 11(c)(5) & (d).

4. **Elements of the Offense.** The Defendant understands the following legal elements of the offense stated in Count 1 of the Indictment, and admits that those elements accurately describe her criminal conduct:

a. First, that two or more persons entered the unlawful agreement to commit wire fraud;

b. Second, that the Defendant knowingly and willfully became a member of the conspiracy.

c. Third, one of the members of the conspiracy performed at least one overt act for the purpose of carrying out the conspiracy.

d. The elements of wire fraud are (1) a scheme to defraud, (2) money or property as the object of the scheme, (3) a material misrepresentation or omission, and (4) use of the wires to further the scheme.

5. **Factual Basis for the Plea.** The Defendant admits the following facts, which establish her guilt with respect to the offense stated in Count 1 of the Indictment:

a. In late 2003 and early 2004, the Defendant learned of an organization known as StudioTraffic, which used the internet to advertise a service in which members of the public were asked to invest, and through which they purportedly could earn a profit of 1% per day.

b. The Defendant agreed with others known and unknown to operate as a conduit for member funds being solicited by StudioTraffic.

c. In 2004, the Defendant opened an office in the name of StudioPay, operating out of her home in Bridgeport, New York.

d. StudioTraffic purported to be part of a larger organization that included StudioPay, StudioRocks, StudioPrograms, StudioShoppers, StudioHolidays, and StudioCares.

e. StudioTraffic described itself as a profitable business in which member/investors could earn 1% of their investment each day, simply by viewing websites on the internet. Specifically, StudioTraffic told members:

i. “StudioTraffic is an advertising program that allows it’s [sic] investors to actually participate. You make money by watching the advertisements in a surf rotation and make a commission from doing so.”

ii. “Every day log in to your StudioTraffic account and click on SurfSTV. Our SurfSTV program will automatically flash websites on your PC, for you to watch. Depending on your account level, you need to surf the required amount of websites to qualify for earnings. Once you have surfed the required amount of sites for your account (membership) level, you will have earned your earnings for the day. . . You Earn 1% of the amount of your account level.

(Membership level) The amount you get every day depends upon your account level, and whether you surfed the required amount of sites.”

iii. “Now let’s assume you deposited \$1,000.00 into your StudioTraffic Account on 1st day of January 2006. You earn 1% or \$10.00 daily by surfing the minimum required using the automated advertising tool. . . After one year, your account level would have reached \$18,420.00 and your profit is \$17,4200! Of course, you may withdraw your profit ANYTIME during the year.”

f. StudioTraffic advised members that StudioPay was “our in-house payment processor” and directed that investments in StudioTraffic could be made through StudioPay.

g. StudioPay members would sign a “User Agreement,” paragraph 2.1 of which indicated that “StudioPay will at all times hold your funds separate from its corporate funds, will not use your funds for its operating expenses or any other corporate purposes, and will not voluntarily make funds available to its creditors in the event of bankruptcy or for any other purpose.”

h. The Defendant opened bank accounts in the Northern District of New York in the name of StudioPay, in order to accept member/investor funds for StudioTraffic.

i. Specifically, the Defendant opened the following accounts:

Financial Institution	Account Name	Account Number(s)	Date Opened
Oneida Savings Bank	StudioPay LLC	510065****	6/10/04
HSBC	StudioPay LLC	21983****	9/27/04
Solvay Bank	StudioPay LLC	3600****	3/7/05
Solvay Bank	StudioPay LLC	322****	8/3/05
Solvay Bank	StudioPay LLC	3600****	9/30/05
National InterBank	StudioPay LLC	270011****-*	8/3/04

National InterBank ¹	StudioPay LLC	29001****	4/18/05
National InterBank	StudioPay LLC	27001****	4/13/05
National InterBank	StudioPay LLC	27001****	5/26/05

i. Following instructions posted on the internet, members transmitted funds by interstate wire communications into the StudioPay accounts maintained by the Defendant, including the account at Solvay Bank in North Syracuse, NY.

j. As the Defendant well knew, in fact, no money was generated by StudioTraffic from any member's web surfing activity, and no "profit" was ever earned by investors. Rather, member funds were redistributed to other member/investors to provide the appearance that "profit" was being credited to member accounts and were, for a time, distributed to those who asked to withdraw their "profit."

k. The Defendant used the invested funds

i. To pay herself and others;

ii. To distribute to other member/investors to maintain the appearance that profits were being generated by their activity; and

iii. To pay individuals whom she believed were the principals of StudioTraffic.

¹ "InterBank" was an online banking site that allowed customers to create and use an account purely online. The underwriting financial institution was Union Federal Bank located in Indianapolis.

l. Once members were unable to obtain the payment of their “earnings” or return on their investments, the Defendant and others at StudioPay and StudioTraffic sent e-mails to members that falsely lulled them into believing that their accounts were safe, and that repayment was being delayed by purely technical problems.

m. For the purpose of executing such scheme and artifice to defraud the member/investors of StudioPay and StudioTraffic, the Defendant, did use and cause to be transmitted by means of wire communications in interstate and foreign commerce, writings and signals on or about the dates listed below:

Approximate Date	Communication	Sender/Recipient - Location
11/3/2005	\$9000 wire transfer	DB – Missoula, Montana to Solvay Bank
10/27/2005	\$10,250 wire transfer	DF – Plano, Texas to Solvay Bank
10/11/2005	\$17,000	DF – Plano, Texas to Solvay Bank
1/5/2006	\$1,500	JR – Florence, Montana to Solvay Bank

6. **Use of Defendant’s Admissions.** The Defendant agrees that the statements made by her in signing this Agreement, including the factual admissions set forth above in paragraph 5, shall be admissible and useable against the Defendant by the United States in any subsequent criminal or civil proceeding, even if she fails to enter a guilty plea pursuant to this Agreement, or if such a guilty plea is later vacated or withdrawn for any reason other than the Court’s rejection of this Plea Agreement under Fed. R. Crim. P. 11(c)(5) & (d). The Defendant waives any rights under Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410, to the extent these rules are inconsistent with this paragraph or with this Agreement generally.

7. **Collection of Financial Obligations.** In order to facilitate the collection of financial obligations to be imposed in connection with this prosecution, the Defendant agrees fully to disclose all assets in which she has any interest or over which the Defendant exercises control, directly or indirectly, including those held by a spouse, nominee or other third party.

a. The Defendant will promptly submit a completed financial statement to the U.S. Attorney's Office, in a form it provides and as it directs. The Defendant promises that her financial statement and disclosures will be complete, accurate and truthful.

b. The Defendant expressly authorizes the U.S. Attorney's Office to obtain a credit report on her in order to evaluate the Defendant's ability to satisfy any financial obligation imposed by the Court.

8. **Government's Promises and Reservation of Rights.** In exchange for the plea of guilty to Count One of the Indictment by the Defendant and her continuing compliance with all of the terms of this Plea Agreement, the United States Attorney's Office for the Northern District of New York agrees as follows:

a. At the time of the imposition of the agreed-upon sentence specified above, it will move to dismiss the remaining charge against the Defendant in Indictment 5:10-CR-461(NAM).

b. It will bring no further federal criminal charges against the Defendant relating to the conduct in the Northern District of New York, committed before the date of this Agreement, which is described in Counts One and Two of the Indictment and the Defendant's admissions in paragraph 5, above for so long as the guilty plea and sentence on Count One of the Indictment remain in effect.

c. If the guilty plea to Count One of the Indictment is later withdrawn or vacated, the charges dismissed or not prosecuted pursuant to subparagraph(s) 8a and 8b of this Agreement may be filed and prosecuted, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the filing of any such charges. The Defendant waives any defense or objection to the filing and prosecution of any such charges that are not time-barred by the applicable statute of limitations as of the date of this Agreement.

d. The U.S. Attorney's Office reserves the right to advise the sentencing Court and the Probation Office of any information, in aggravation or mitigation of sentencing, whether or not encompassed within Count One of the Indictment, subject only to the limitations imposed by U.S.S.G. § 1B1.8.

9. **Remedies for Breach.** Should the U.S. Attorney's Office determine that the Defendant, after the date of this Plea Agreement, (i) has committed any further crime or violated any condition of release or supervision imposed by the Court (whether or not charged); or (ii) has otherwise breached any condition of this Agreement, the U.S. Attorney's Office will have the right, in its sole discretion, to void this Agreement, in whole or in part. In the event of any such breach, the Defendant will not be permitted to withdraw her guilty plea under this Agreement, but will thereafter be subject to prosecution for any federal criminal violation of which the U.S. Attorney's Office has knowledge, including but not limited to charges that this Office has agreed to dismiss in subparagraphs 8a and 8b of this Agreement.

a. The Defendant waives any defense or objection to the commencement of any such prosecution that is not time-barred by the applicable statute of limitations as of the date of this

Agreement, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of any such prosecution.

b. Moreover, in connection with any such prosecution, any information, statement, or testimony provided by the Defendant, and all leads derived therefrom, may be used against her, without limitation. The Defendant waives any rights under Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410, to the extent these rules are inconsistent with this paragraph or with this Agreement generally.

10. **Limitations on Agreement.** This Agreement is limited to the U.S. Attorney's Office for the Northern District of New York and cannot bind other federal, state or local prosecuting authorities. Furthermore, this Agreement does not prohibit the United States, any agency thereof, or any third party from initiating or prosecuting any civil or administrative proceedings directly or indirectly involving the Defendant, including, but not limited to, proceedings by the Internal Revenue Service relating to potential civil tax liability [or proceedings relating to the forfeiture of assets] [or proceedings by the Department of Homeland Security, Bureau of Citizenship and Immigration Services relating to the immigration status of the Defendant].

11. **Waiver of Defendant's Rights.** The Defendant acknowledges that she has read each of the provisions of the entire Plea Agreement with the assistance of counsel and understands its provisions. The Defendant further acknowledges that her plea is voluntary and did not result from any force, threat, or promises (other than the promises in this Plea Agreement).

12. The Defendant understands her right to assistance of counsel at every stage of the proceeding and has discussed her constitutional and other rights with defense counsel. The Defendant understands that by entering a plea of guilty, she will be giving up her rights (i) to be presumed innocent until proven guilty beyond a reasonable doubt; (ii) to plead not guilty; (iii) to trial by jury; (iv) to confront, cross-examine, and compel the attendance of witnesses at trial; (v) to present evidence in her defense; and (vi) to remain silent and refuse to be a witness against herself by asserting the privilege against self-incrimination.

a. The Defendant has been advised by defense counsel of the nature of the charges to which she is entering a guilty plea and the nature and range of the possible sentence (as explained further in paragraph 3 above).

13. **Waiver of Appeal and Collateral Attack.** The Defendant acknowledges that, after consultation with defense counsel, she fully understands the extent of her rights to appeal, and/or to collaterally attack the conviction and sentence in this case. The Defendant waives any and all rights, including those conferred by 18 U.S.C. § 3742 and/or 28 U.S.C. § 2255, to appeal or collaterally attack her conviction and any sentence incorporating the agreed disposition specified above, including any related issues with respect to the establishment of the advisory Sentencing Guidelines range or the reasonableness of the sentence imposed.

14. **Memorialization of Agreement.** No promises, agreements or conditions other than those set forth in this Agreement will be effective unless memorialized in writing and signed by all

parties or confirmed on the record before the Court. This Agreement, to become effective, must be signed by all of the parties listed below.

RICHARD S. HARTUNIAN
United States Attorney
Northern District of New York

Dated: May 12, 2011

By: G Carroll
Gwendolyn E. Carroll
Assistant U.S. Attorney
Bar Roll No. 515777

Dated: May 12, 2011

Jeanne Maher
Jeanne Maher
Defendant

Dated: May 12, 2011

Emil Rossi
Emil Rossi, Esq.
Attorney for Defendant
Bar Roll No.