

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA

v.

LEON F. TEJADA,

Defendant.

FILED
2015 NOV -9

Criminal Case No.

U.S. DISTRICT COURT
DISTRICT OF RHODE ISLAND

CR 15

1105

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(A) and (B) of the Federal Rules of Criminal Procedure, the United States and Defendant, LEON F. TEJADA, have reached the following agreement:

1. Defendant's Obligations.

a. Defendant will waive Indictment and presentment to a Grand Jury and plead guilty to an Information which charges the Defendant with Filing False Tax Returns in violation of 26 U.S.C. § 7206(2) (Count 1), and Wire Fraud in violation of 18 U.S.C. § 1343 (Counts 2-5). Defendant further agrees that the time between the filing of this plea agreement and the scheduled date for the change of plea is excludable under the Speedy Trial Act, 18 U.S.C. § 3161.

b. Defendant further agrees, upon execution of this agreement, to cooperate with the United States as follows:

(i) The Defendant agrees to the entry of a Restitution Order for \$54,440, the full amount of the total tax loss incurred by the United States as a result of the Defendant's filing of false tax returns on behalf of his clients for the tax years 2009 through 2012, and a Restitution Order for \$ 24,987, which the defendant obtained as a result of his wire fraud scheme from his individual victims, for a total restitution amount of

\$79,427.00. Defendant agrees that, pursuant to 18 U.S.C. §§ 3663 and 3663A and §§ 3563(b)(2) and 3583(d), the Court may order restitution of the full amount of the actual, total loss caused by the offense conduct. The defendant consents to restitution being made a condition of supervised release or probation. Defendant understands and agrees that the terms of the plea agreement in no way resolve any civil tax liability he may have, including any penalties and interest. Defendant further understands and agrees that this plea agreement in no way restricts the Internal Revenue Service from pursuing any administrative or civil actions against Defendant. Defendant agrees to cooperate with employees of the IRS, the Civil Division of the U.S. Attorney's Office, and law enforcement agents working with attorneys in the Civil Division of the U.S. Attorney's Office, in assessing and collecting his civil liabilities. Defendant specifically authorizes release by the IRS to the aforementioned agencies and their representatives of information for purposes of making that assessment. Defendant further agrees to assent to the filing and allowance of a motion under Rule 6(e) of the Federal Rules of Criminal Procedure, to permit the disclosure of matters occurring before the grand jury for this purpose.

2. Government's Obligations.

a. If Defendant pleads guilty pursuant to this Agreement and cooperates with the government as set forth in Paragraph 1(b) above, at sentencing the government will recommend a term of imprisonment at the lowest end of the applicable guideline range as computed by the Court pursuant to the United States Sentencing Guidelines ("U.S.S.G."). If Defendant does not cooperate with the government as set forth above, or

is found by the Court to have knowingly and intentionally provided false statements, information, or testimony, the government will be free to recommend any term of imprisonment up to the statutory maximum term of imprisonment.

b. The government agrees not to bring any potential charges relating to the Defendant's aggravated identity theft pursuant to 18 U.S.C. § 1028A, provided, however, that the Defendant complies with each provision of this Plea Agreement.

c. For purposes of determining the offense level, the government agrees to recommend a two-level reduction in the offense level for acceptance of responsibility under § 3E1.1(a) of the guidelines if Defendant continues to demonstrate acceptance of responsibility through sentencing.

d. As of the date of this agreement, Defendant has timely notified authorities of an intention to enter a plea of guilty. If the offense level is 16 or greater and Defendant enters a plea of guilty pursuant to this agreement, the government will move the sentencing Court for an additional decrease of one level, pursuant to U.S.S.G. § 3E1.1(b)(2), unless Defendant indicates an intention not to enter a plea of guilty, thereby requiring the government to prepare for trial.

e. The government is free to recommend any combination of supervised release, fines, and restitution which it deems appropriate.

3. Defendant understands that the guidelines are not binding on the Court, and that, although the Court must consult the guidelines in fashioning any sentence in

this case, the guidelines are only advisory, and the Court may impose any reasonable sentence in this matter up to the statutory maximum penalties after taking into account the factors enumerated in 18 U.S.C. § 3553(a).

4. The United States and Defendant stipulate and agree that the amount of loss in this case for the purposes of U.S.S.G. § 2T4.1 is greater than \$80,000 but less than \$200,000. The parties further stipulate and agree that the defendant “abused a position of trust” pursuant to U.S.S.G. § 3B1.3 and used “sophisticated means” to execute his schemes pursuant to U.S.S.G. § 2T4.1(b)(2).

a. The parties also stipulate and agree to the following facts:

Leon F. Tejada is a former Providence City Councilman and former member of the State General Assembly. For several years he operated a tax preparation service on Cranston Street in Providence, Rhode Island called El Centro Multiservicios, LLC (“ElCentro”). Mr. Tejada executed two schemes that are the subject of this plea agreement.

The first scheme involved the preparation of false 1040 income tax returns on behalf of El Centro clients for the tax years 2009, 2010, 2011 and 2012. Mr. Tejada accomplished this by creating and falsifying his clients’ dependents, exemptions, tax credits, deductions, and expenses, and by inflating and/or completely fabricating items on his clients’ tax returns with and without their knowledge. The tax loss to the government from these false returns is \$54,440.00.

The second scheme, a wire fraud scheme, involved the filing of accurate federal tax returns on behalf of clients but not before presenting the clients with falsified returns to make it appear that the client would be getting a smaller refund than they were entitled to. Mr. Tejada would have an unauthorized fee deducted from the client’s return. Mr. Tejada would then use Refund Anticipation Loans (“RAL”) drawn on and through Santa Barbara Tax Products Group, LLC to divert the difference between the two refunds into his bank

account without his client's knowledge or consent. Mr. Tejada perpetuated his scheme during tax years 2009, 2010, 2011 and 2012. Tejada obtained at least \$24,987 from this scheme.

In addition, Mr. Tejada had his Electronic Filing Identification Number ("EFIN") revoked by the IRS at the end of 2012. Undeterred, Mr. Tejada used the Preparer Tax Identification Numbers ("PTIN's") belonging to at least two other tax preparers, unbeknownst to his clients, to sign their 2012 Form 1040 that Tejada prepared for them.

5. Except as expressly provided in the preceding paragraph, there is no agreement as to which Offense Level and Criminal History Category applies in this case. Both the government and Defendant reserve their rights to argue and present evidence on all matters affecting the guidelines calculation.

6. The maximum statutory penalties for the offenses to which Defendant is pleading guilty are:

Count one: 3 years imprisonment, \$100,000 fine, three years of supervised release, the costs of prosecution, and a mandatory special assessment of \$100; and

Counts two through five: 20 years imprisonment, \$250,000 fine, three years of supervised release, and a mandatory special assessment of \$100.

Were the sentences for all counts imposed consecutively, the maximum statutory penalties would be 83 years imprisonment, a fine of \$1,100,000 plus the cost of prosecution, and a term of supervised release of 15 years. The mandatory special assessments total \$500.

7. Defendant agrees that, after Defendant and Defendant's counsel sign this agreement, counsel will return it to the United States Attorney's Office along with a

money order or certified check, payable to the Clerk, United States District Court, in payment of the special assessments. Failure to do so, unless the Court has made a previous finding of indigence, will relieve the government of its obligation to recommend a reduction in the offense level under the guidelines for acceptance of responsibility.

8. Defendant is advised and understands that:

a. The government has the right, in a prosecution for perjury or making a false statement, to use against Defendant any statement that Defendant gives under oath;

b. Defendant has the right to plead not guilty, or having already so pleaded, to persist in that plea;

c. Defendant has the right to a jury trial;

d. Defendant has the right to be represented by counsel – and if necessary have the Court appoint counsel – at trial and every other stage of the proceeding;

e. Defendant has the right at trial to confront and cross-examine adverse witnesses, to be protected from self-incrimination, to testify and present evidence, and to compel the attendance of witnesses; and

f. Defendant waives these trial rights if the Court accepts a plea of guilty.

9. The government reserves its full right of allocution, including the right to present any information to the Court for its consideration in fashioning an appropriate sentence, the right to correct misstatements, misrepresentations, or omissions by Defendant, and to answer any questions asked by the Court.

10. Except for paragraphs 2 and 4 above, the parties have made no agreement concerning the application of the guidelines in this case.

11. Defendant understands that the Court alone makes all sentencing decisions, including the application of the guidelines and the sentence to be imposed. The Court is not bound by the parties' stipulations of fact, offense level adjustments, or the government's recommendations. The Court is free to impose any sentence it deems appropriate up to and including the statutory maximum. Defendant also understands that even if the Court's guideline determinations and sentence are different than Defendant expects, Defendant will not be allowed to withdraw Defendant's plea of guilty.

12. Defendant hereby waives Defendant's right to appeal the convictions and sentences imposed by the Court, if the sentence imposed by the Court is within the calculated U.S.S.G. range or lower. This agreement does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b), and the government retains its right to appeal any of the Court's sentencing determinations.


13. This agreement is binding on the government only if Defendant pleads guilty, fulfills all Defendant's obligations under the agreement, does not engage in any conduct constituting obstruction of justice under § 3C1.1 of the guidelines, and does not commit any new offenses. Defendant understands that if Defendant violates this agreement in any way, the government shall be released from its obligations under the agreement and will be free to make any recommendations that it deems appropriate. If that occurs, Defendant shall not have the right to withdraw Defendant's guilty plea.

14. This agreement is limited to the District of Rhode Island and does not bind any other federal, state, or local prosecutive authorities.

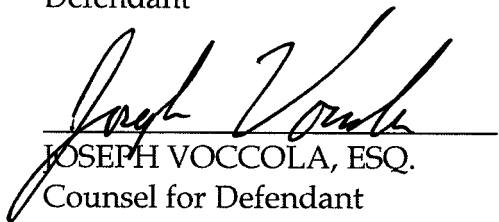
15. This agreement constitutes the entire agreement between the parties. No other promises or inducements have been made concerning the plea in this case. Defendant acknowledges that no person has, directly or indirectly, threatened or coerced Defendant to enter this agreement. Any additions, deletions, or modifications to this agreement must be made in writing and signed by all the parties in order to be effective.

16. Counsel for Defendant states that Counsel has read this agreement, been given a copy of it for Counsel's file, explained it to Defendant, and states that to the best of Counsel's knowledge and belief, Defendant understands the agreement.


17. Defendant states that Defendant has read the agreement or has had it read to Defendant, has discussed it with Defendant's Counsel, understands it, and agrees to its provisions.


LEON F. TEJADA
Defendant

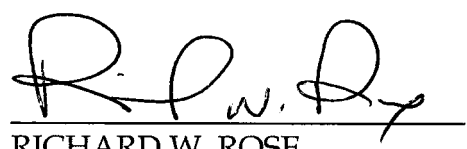
10-20-15
Date


JOSEPH VOCCOLA, ESQ.
Counsel for Defendant

10/20/15
Date


THOMAS F. CONNORS, ESQ.
Counsel for Defendant

10/20/15
Date


RICHARD W. ROSE
Assistant U.S. Attorney

11/9/2015
Date


ADI GOLDSTEIN
Assistant U.S. Attorney,
Criminal Chief

11-9-2015
Date