

1 DAVID D. LESHNER
Attorney for the United States
2 Acting under Title 28, U.S.C. Section 515
EMILY W. ALLEN, CASB 234961
3 W. MARK CONOVER, CASB 236090
PHILLIP L.B. HALPERN, CASB 133370
4 Assistant U.S. Attorneys
880 Front Street, Room 6293
5 San Diego, CA 92101
Tel: (619) 546-6964
6 Email: Phillip.Halpern@usdoj.gov

7 Attorneys for United States of America

8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10 UNITED STATES OF AMERICA,

Case No. 18CR3677-W

11 Plaintiff,

12 v.

PLEA AGREEMENT

13 MARGARET E. HUNTER (2),

14 Defendant.
15
16

17 IT IS HEREBY AGREED between the UNITED STATES OF AMERICA, through
18 its counsel, David D. Leshner, Attorney for the United States Acting Under Authority
19 Conferred by 28 U.S.C. § 515, and Emily W. Allen, W. Mark Conover, and Phillip L.B.
20 Halpern, Assistant United States Attorneys, and Defendant Margaret E. Hunter
21 (“Defendant”), with the advice and consent of Thomas W. McNamara and Logan D. Smith,
22 counsel for Defendant, as follows:

23 **I**

24 **AGREEMENT OF THE PARTIES**

25 Defendant agrees to plead guilty to Count One of the Indictment charging her with
26 conspiring with co-defendant Duncan D. Hunter (“Hunter”) to knowingly and willfully
27 convert Duncan D. Hunter for Congress Campaign Committee (the “Campaign”) funds to
28 personal use by using them to fulfill personal commitments, obligations, and expenses that

1 would have existed irrespective of Hunter’s election campaign and duties as a federal
2 officeholder, in amounts of \$25,000 and more in a calendar year, in violation of Title 18,
3 United States Code, Section 371.

4 As part of this Plea Agreement (“Agreement”), at the time of sentencing the United
5 States will move to dismiss the remaining counts against Defendant contained in the
6 Indictment in this case (18CR3766-W). The United States agrees not to prosecute her on
7 any of the dismissed charges, unless she breaches this Agreement or it is set aside for any
8 reason. Defendant expressly waives all defenses, including the statute of limitations and the
9 Double Jeopardy Clause, to the reinstatement of any charges dismissed pursuant to this
10 Agreement.

11 Defendant also agrees to give up all rights to appeal and to collaterally attack every
12 aspect of the conviction and sentence. Defendant acknowledges that she has discussed the
13 rights she is giving up in this Agreement and that she is knowingly, intelligently, and
14 voluntarily giving up those rights to appeal and to collaterally attack each and every aspect
15 of the conviction and sentence.

16 **II**

17 **NATURE OF THE OFFENSE**

18 **A. ELEMENTS EXPLAINED**

19 The conspiracy to which Defendant is pleading guilty has the following elements:

- 20 1. Beginning no later than 2010, and continuing up to and including at least 2016,
21 there was an agreement between Defendant and Hunter to knowingly and
22 willfully convert Campaign funds to personal use by using them to fulfill
23 personal commitments, obligations, and expenses that would have existed
24 irrespective of Hunter’s election campaign and duties as a federal officeholder,
25 in amounts of \$25,000 and more in a single calendar year, in violation of Title
26 52, United States Code, Section 30109(d) and 30114(b);
27 2. Defendant became a member of the conspiracy knowing of at least one of its
28 objects and intending to help accomplish it; and

1 3. One of the members of the conspiracy performed at least one overt act for the
2 purpose of carrying out the conspiracy.

3 B. ELEMENTS UNDERSTOOD AND ADMITTED—FACTUAL BASIS

4 Defendant has fully discussed the facts of this case with defense counsel. Defendant
5 has committed each element of the crime and admits that there is a factual basis for this
6 guilty plea. Defendant admits that each of the following facts are true and undisputed:

7 1. Beginning no later than 2010, and continuing up to and including at least 2016,
8 Defendant and Hunter (together, “the Hunters”) agreed to knowingly and willfully convert
9 Campaign funds to personal use by using them to fulfill personal commitments, obligations,
10 and expenses that would have existed irrespective of Hunter’s election campaign and duties
11 as a federal officeholder, in amounts of \$25,000 and more in a single calendar year, in
12 violation of Title 52, United States Code, Section 30109(d) and 30114(b).

13 2. The object of the conspiracy was for the Hunters to convert Campaign funds
14 for their own personal benefit and enjoyment, and for the personal benefit of others with
15 whom they had personal relationships.

16 3. Defendant became a member of the conspiracy knowing of its object and
17 intending to help accomplish it.

18 4. Throughout the relevant period, the Hunters spent substantially more than they
19 earned. Among other things, they overdrew their bank account more than 1,100 times in a
20 seven-year period resulting in approximately \$37,761 in “overdraft” and “insufficient
21 funds” bank fees. Their credit cards were frequently charged to the credit limit, often with
22 five-figure balances, resulting in approximately \$24,600 in finance charges, interest, and
23 other fees related to late, over the limit, and returned payments.

24 5. By virtue of these delinquencies – as well as notifications of outstanding debts
25 and overdue payments from their children’s school, their family dentist, and other creditors
26 – Defendant and Hunter were well aware that they were living paycheck to paycheck and
27 that many of their desired purchases could not be paid for with personal funds. Indeed, they
28 both recognized that they would be unable to pay for basic living expenses like gas and

1 groceries without incurring additional overdraft fees.

2 6. Defendant and Hunter communicated with each other and with the Campaign
3 Treasurer about the fact that it was only appropriate for the Hunters to pay expenses with
4 Campaign funds when an outing or event was for a bona fide campaign or political purpose.
5 Moreover, Defendant and Hunter both knew that if a dinner, outing, trip, or event was
6 personal in nature, it could not be paid for with Campaign funds simply because Hunter
7 might be able to meet a potential donor or briefly discuss politics. With this knowledge, the
8 Hunters both recognized that many of their personal outings with family or friends
9 (including trips to Del Mar, dinners or drinks with friends, vacations, or golf outings) should
10 not have been paid for with Campaign funds. Nevertheless, the Hunters continued to
11 improperly use Campaign funds on these occasions.

12 7. Throughout the relevant period, the Hunters frequently communicated about
13 how much money was in their family bank accounts and when the balances were low. The
14 Hunters understood when it was necessary to purchase certain goods and services with
15 Campaign funds and to withdraw cash from Campaign accounts. For example, they
16 communicated about withdrawing “petty cash all the time” with the former Campaign
17 Treasurer, and how “it was great.”

18 8. Throughout the relevant period, the Treasurer implemented rules to track
19 legitimate expenses (such as instructing the Hunters not to purchase gas using Campaign
20 funds, instructing the Hunters that withdrawing cash from ATMs and using “petty cash”
21 required records of how money was spent, and requiring receipts which listed the names of
22 donors and volunteers with whom the Hunters claimed to be spending Campaign funds).
23 The Hunters disregarded these rules.

24 9. At relevant times when Defendant had no official role with the Campaign and
25 received no official salary, Hunter facilitated the improper use of Campaign funds by
26 directing his Treasurer to obtain a Campaign credit card for Defendant recognizing that she
27 would spend Campaign funds for the Hunters’ personal benefit.

28 10. Throughout the relevant period, Hunter facilitated the Hunters’ improper use

1 of Campaign funds by ignoring his Campaign staff's multiple warnings about Defendant's
2 improper use of Campaign funds. For example, Hunter accused the Treasurer of disloyalty
3 by "trying to create some kind of paper trail on me" when he raised concerns about improper
4 spending, and Hunter continually refused to remove Defendant's access to Campaign funds.
5 Even after the Treasurer warned Hunter that Defendant's personal use of the Campaign
6 credit card was a serious problem, Hunter allowed Defendant to continue to use a Campaign
7 credit card to make personal purchases. Hunter also gave Defendant his personal Campaign
8 credit and debit cards (even at times when she did not have her own Campaign credit or
9 debit card), knowing that she would use them to purchase family groceries, household items,
10 and personal items.

11 11. Defendant concealed the personal nature of many of her campaign
12 expenditures by resisting legitimate inquiries by Campaign staff regarding her credit card
13 statements and spending.

14 12. Throughout the relevant period, the Hunters concealed the personal nature of
15 many of their campaign expenditures by either falsely stating the expenses were "campaign
16 related" or by falsely reporting the item or service purchased when providing information
17 to the Treasurer.

18 13. Throughout the relevant period, the Hunters improperly spent tens of
19 thousands of dollars in Campaign funds on planned family vacations unrelated to legitimate
20 congressional business or fundraising activity. To conceal the true personal nature of their
21 vacations, Hunter would attempt to schedule or would schedule pretext meetings or events
22 that were supposedly Campaign-related, even though such meetings or events would take
23 place during only a small portion of their vacations—or not at all. Notwithstanding this,
24 the Hunters paid for certain vacation travel using Campaign funds.

25 14. Throughout the relevant period, the Hunters improperly spent thousands of
26 dollars in Campaign funds to dine at restaurants with close personal friends and family
27 unrelated to any legitimate congressional business or fundraising activity.

28 15. Throughout the relevant period, it was a part of the conspiracy that Defendant

1 and Hunter both were aware that the other spent, and could spend, Campaign funds on
2 personal activities and purchases without having to inform one another about the nature of
3 specific “campaign” expenses. This understanding allowed the Hunters to spend Campaign
4 funds on certain personal matters they wished to conceal from the other. For example,
5 Defendant hid from Hunter certain purchases she made with Campaign funds for items like
6 children’s school lunches. At the same time, Hunter concealed from Defendant his use of
7 Campaign funds to facilitate certain personal relationships with others.

8 16. Throughout the relevant period, Defendant and Hunter had an implicit
9 agreement that they would and could illegally use Campaign funds for personal use, both
10 when they were together and when they were apart, and they confirmed their understanding
11 of this agreement by performing numerous overt acts, many of which required their joint
12 coordination and planning.

13 17. Defendant further admits that the following overt acts are true and undisputed,
14 and that the following sets forth only a representative sample of the overt acts Defendant
15 and Hunter took in furtherance of the conspiracy:

16 a. In or around April 2010, the Treasurer asked Defendant and Hunter to
17 meet in order to discuss his concerns that Defendant was making personal charges on
18 her Campaign credit card. Defendant did not attend the meeting, so the Treasurer
19 delivered this message just to Hunter. Nevertheless, Hunter did not take steps to
20 change Defendant’s spending or remove her access to Campaign funds, and the
21 Hunter family therefore continued to benefit from Defendant’s personal use of her
22 Campaign credit card.

23 b. In or around late December 2010, after the Treasurer threatened to quit,
24 Hunter and Defendant decided that she would stop using her Campaign credit card
25 for a period of time, which prevented the Treasurer from cancelling her credit card
26 altogether. After several months, when the tension with the Treasurer diffused,
27 Hunter allowed Defendant to recommence her use of Campaign funds, including for
28 personal expenses to benefit the Hunter family.

1 c. On or about August 6 to 10, 2011, the Hunters together improperly spent
2 \$2,448.27 in Campaign funds on a personal “couples” vacation in Las Vegas,
3 Nevada, with friends, and concealed the personal expenditures by falsely reporting
4 to the Treasurer that the expenses were all “campaign related.”

5 d. On or about August 20 and 21, 2011, knowing that their family bank
6 account had a negative balance, the Hunters improperly used \$113.73 in Campaign
7 funds to pay their half of the bill during another couples’ “date night” out with good
8 friends at Jake’s Del Mar, and another \$156.22 in Campaign funds during a “couples”
9 day at the Del Mar Racetrack the following day.

10 e. On or about August 28, 2011, knowing that they had insufficient
11 personal funds to pay for the outing, the Hunters improperly used \$511.03 in
12 Campaign funds at the Hotel del Coronado to celebrate their child’s birthday, and
13 falsely informed the Treasurer that all the charges were “campaign related.”

14 f. On or about May 6 to 12, 2012, knowing that their family bank account
15 had a negative balance and that they had no personal funds available, the Hunters
16 improperly used Campaign funds to help finance a family vacation in Washington,
17 D.C. for themselves, their three children, and a relative, including a family dinner at
18 Johnny’s Half Shell.

19 g. On or about September 2, 2012, the Hunters improperly used \$371.51
20 in Campaign funds at the Loew’s Resort in Coronado for a family lunch in connection
21 with their child’s Irish Dance competition, and reported to the Treasurer that the
22 charge was a legitimate Campaign expense.

23 h. In or around December 2012, Hunter’s Washington-based Chief of Staff
24 asked Defendant and Hunter to discuss her concerns that Defendant was making
25 improper charges on her Campaign credit card. During those conversations, the
26 Hunters attempted to deflect attention by reassuring the Chief of Staff that they would
27 rein in Defendant’s spending. Nevertheless, to continue allowing the Hunter family
28 to benefit from Defendant’s personal use of her Campaign credit card, Hunter took

1 no steps to change Defendant's spending or remove her access to Campaign funds,
2 and both the Hunters continued using Campaign funds to pay for personal expenses.

3 i. On or about November 16, 2013, knowing that their family bank account
4 had a negative balance and had incurred three separate insufficient funds fees the
5 previous day, the Hunters improperly used \$100.69 in campaign funds at Casa De
6 Pico in La Mesa, California, to take their family and close friends out to dinner before
7 attending a sporting event featuring one of the Hunters' children. Hunter falsely
8 reported it to his Chief-of-Staff as a dinner with "volunteers/contributors."

9 j. On or about March 15 to 17, 2014, the Hunters improperly used
10 Campaign funds to pay for their good friends to share a couple's weekend at the La
11 Quinta Resort in Palm Springs. While a political event was being held that weekend
12 at the resort, the Hunters both understood that a portion of their expenses that
13 weekend were entirely personal and were not Campaign-related. To conceal their
14 improper personal use of Campaign funds, the Hunters used the political event held
15 at the resort as a pretext for spending Campaign funds.

16 k. On or about June 28, 2014, knowing that their family bank account had
17 a negative balance and they had no personal funds available, the Hunters improperly
18 used \$1,489 of Campaign funds to treat their good friends to dinner at the Studio
19 restaurant in the Montage Laguna Beach resort, and for room service, drinks, and
20 meals the next day for the Hunters by themselves. To conceal this personal
21 expenditure, the Hunters falsely described it as part of an unrelated Campaign event
22 to be held later that summer.

23 l. In or around July 2014, knowing that they did not have sufficient
24 personal funds to pay for a family vacation, the Hunters together used Campaign
25 funds to take their family on a vacation to Washington, D.C. and a resort in
26 Pennsylvania, which included the improper use of Campaign funds by both
27 Defendant and Hunter to pay for personal items including cigarettes, \$399 for
28 ziplining for Hunter and two of his children, and \$250 in airline travel charges for the

1 family's pet rabbit, Eggburt.

2 m. On or about February 4 to 6, 2015, the Hunters used Campaign funds
3 during a trip to Minnesota, during which they improperly paid for personal family
4 expenses including \$250 in airline travel charges for Eggburt and \$132 in Uber rides
5 to take the Hunter family to the Mall of America.

6 n. On or about March 20, 2015, after a morning golf outing, Hunter told
7 Defendant that he needed money. In response, Defendant counseled Hunter to
8 withdraw "petty cash up to \$100" using his "work card" and reminded him, "we used
9 to do petty cash all the time with [the former Treasurer] it was great." Hunter clarified
10 that he wanted money "to buy my Hawaii shorts" for their upcoming family vacation.
11 Defendant suggested that he "do a small pro shop purchase with your work card" so
12 that the purchase could be disguised as a legitimate Campaign expense. Defendant
13 added, "get some balls for the wounded warriors." Unbeknownst to Defendant at that
14 time, Hunter had already left the golf pro shop, so he did not make the purchase she
15 had suggested.

16 o. On or about March 20, 2015, the Hunters hosted their good friends at
17 the Hunters' home for dinner. Knowing that they did not have sufficient personal
18 funds to pay for the dinner, Hunter gave his Campaign card to Defendant. Defendant
19 used the card to improperly charge \$199.60 in Campaign funds at Albertsons, for \$99
20 worth of family groceries and \$100 cash back. To disguise this illegal use of
21 Campaign funds, the Hunters informed the Treasurer that the groceries went towards
22 an "Open House."

23 p. On or about June 4, 2015, Defendant and Hunter discussed how they
24 "[n]eed to pls be careful with joint acct" as they only had \$250 remaining in their
25 personal bank account. As a result of this discussion, Defendant and Hunter both
26 knew that they had little to no money available for personal purchases using personal
27 funds.

28 q. On or about June 29 to July 6, 2015, knowing that they did not have

1 sufficient personal funds to pay for a family vacation, the Hunters together
2 improperly used thousands of dollars in Campaign funds to finance a portion of a
3 family vacation to Hunter's cousin's wedding in Boise, Idaho with a stopover in Las
4 Vegas on the way there.

5 r. On or about July 3, 2015, during the Hunters' family trip to Boise, the
6 Hunters spent \$205.62 in Campaign funds for personal items at the North Face store,
7 which included a new pair of sunglasses for Hunter and a T-shirt.

8 s. On or about July 7, 2015, after returning home from Boise and Las
9 Vegas, Hunter and Defendant confirmed their mutual understanding that this family
10 getaway was personal in nature. That day, after Hunter informed Defendant that the
11 Campaign card had been declined, Defendant explained to Hunter that the family had
12 "racked up a \$600 minibar...and more charges at Caesars..." Hunter replied,
13 "Believe it." The Hunters specifically identified their \$200 family breakfast, the
14 "kids room service" and pool drinks, and gift shop items among their personal family
15 vacation expenses. Both Hunters understood that they were only able to afford these
16 family vacation purchases by using Campaign funds.

17 t. On or about July 19, 2015, while the Hunter family bank account had a
18 negative balance, Hunter's debit card was used to improperly withdraw \$300 in
19 Campaign funds from an ATM in Alpine, California. Later that day, the Hunters
20 improperly used \$362.06 in Campaign funds for food, drinks, and tickets to the Del
21 Mar horse races during a day at the racetrack with their family and friends.

22 u. On or about September 26, 2015, when the Hunters were together at
23 Disneyland with their children, Defendant improperly used Hunter's Campaign card
24 to spend \$229.44 in Campaign funds at Disneyland's Star Trader shop for gifts for
25 the Hunters' children, including two Minnie Mouse ear headbands, a Star Wars droid
26 knit beanie, and a raglan-sleeve black-and-gray Star Wars girls T-shirt.

27 v. On or about November 19 to 29, 2015, knowing that they did not have
28 sufficient personal funds to pay for a family vacation, the Hunters improperly used

1 more than \$10,000 in Campaign funds on a family vacation to Italy. Defendant
2 charged all of these expenses using her Campaign credit card, so that the Hunters
3 could afford to pay for this trip which they both knew was well outside their budget.
4 In an effort to justify the impermissible use of Campaign funds to pay for this personal
5 family travel, Hunter attempted to set up a one-day tour of a U.S. naval facility in
6 Italy. After Navy officials responded that they could only provide a tour on a
7 particular date, Hunter said he would discuss the proposed date with Defendant and
8 then subsequently told his Chief of Staff, “tell the navy to go f*** themselves” [no
9 alteration in original], and no tour occurred.

10 w. On or about January 31, 2016, Hunter’s Chief of Staff questioned
11 several obviously personal expenses the Hunters had made using Campaign funds.
12 Rather than acknowledge his own improper spending or his role in assisting
13 Defendant’s improper spending, Hunter simply rebuked Defendant for her
14 carelessness.

15 x. On or about January 31, 2016, after Hunter’s Chief of Staff questioned
16 several obviously personal expenses the Hunters had made using Campaign funds,
17 the Hunters falsely insisted to Campaign staff and on public reports that the personal
18 expenses were in fact appropriate Campaign-related charges. Even after Hunter was
19 again alerted to the problem, Defendant and Hunter continued using Campaign funds
20 to secretly make thousands of dollars in improper personal purchases (including
21 family vacations, household goods and groceries, restaurants and bar tabs, a bachelor
22 party, gas, fast food, retail shopping, cash withdrawals, a garage door, and personal
23 Uber rides, among others) which they continued to disguise as Campaign-related
24 expenses.

25 y. On or about March 27, 2016, the Hunters improperly used \$669.07 in
26 Campaign funds at the Hotel del Coronado for a family Easter Sunday brunch in the
27 Crown Room, so that the Hunter family could afford to pay for this expensive meal,
28 which they both knew was well outside their budget.

1 z. Following increased national media attention focused on the Hunters’
2 improper use of Campaign funds, which continued throughout April and later into
3 2016 when Defendant no longer had direct access to Campaign credit cards,
4 Defendant and Hunter continued to improperly use Campaign funds for personal
5 expenses, including, for example, on or about June 5 and 6, 2016, when Hunter spent
6 \$1,254 for room charges, food, drinks, and gifts at the Hotel del Coronado to pay for
7 a family outing with the Hunters’ children – which they falsely justified by
8 referencing a scheduled event held at the hotel around that time.

9 18. In total, throughout the relevant period, the Hunters illegally converted more
10 than \$200,000 in Campaign funds to purchase goods and services for their personal use and
11 enjoyment, and engaged in 30 or more illegal transactions using Campaign funds for
12 personal use.

13 **III**

14 **PENALTIES**

15 The crime of Conspiracy, in violation of Title 18, United States Code, Section 371,
16 carries the following penalties:

- 17 A. a maximum of 5 years in prison;
18 B. a maximum of 5 years of probation;
19 C. a maximum \$250,000 fine;
20 D. a mandatory special assessment of \$100; and
21 E. if a term of imprisonment is imposed, a term of supervised release of up to
22 3 years. Failure to comply with any condition of supervised release may result
23 in revocation of supervised release, requiring Defendant to serve in prison,
24 upon revocation, all or part of the statutory maximum term of supervised
25 release.

26 **IV**

27 **DEFENDANT’S WAIVER OF TRIAL RIGHTS**

28 This guilty plea waives Defendant’s right at trial to:

- 1 A. Continue to plead not guilty and require the Government to prove the elements
- 2 of the crime beyond a reasonable doubt;
- 3 B. A speedy and public trial by jury;
- 4 C. The assistance of counsel at all stages;
- 5 D. Confront and cross-examine adverse witnesses;
- 6 E. Testify and present evidence and to have witnesses testify on behalf of
- 7 Defendant; and
- 8 F. Not testify or have any adverse inferences drawn from the failure to testify.

9 V

10 **DEFENDANT ACKNOWLEDGES NO PRETRIAL RIGHT TO BE PROVIDED**

11 **WITH IMPEACHMENT AND AFFIRMATIVE DEFENSE INFORMATION**

12 Any information establishing the factual innocence of Defendant known to the

13 undersigned prosecutor in this case has been turned over to Defendant. The Government

14 will continue to provide such information establishing the factual innocence of Defendant.

15 If this case proceeded to trial, the Government would be required to provide impeachment

16 information for its witnesses. In addition, if Defendant raised an affirmative defense, the

17 Government would be required to provide information in its possession that supports such

18 a defense. By pleading guilty Defendant will not be provided this information, if any, and

19 Defendant waives any right to this information. Defendant will not attempt to withdraw the

20 guilty plea or to file a collateral attack based on the existence of this information.

21 VI

22 **DEFENDANT'S REPRESENTATION THAT**

23 **GUILTY PLEA IS KNOWING AND VOLUNTARY**

24 Defendant represents that:

- 25 A. Defendant has had a full opportunity to discuss all the facts and circumstances
- 26 of this case with defense counsel and has a clear understanding of the charge
- 27 and the consequences of this plea. By pleading guilty, Defendant may be
- 28 giving up, and rendered ineligible to receive, valuable government benefits and

1 civic rights, such as the right to vote, the right to possess a firearm, the right to
2 hold office, and the right to serve on a jury. The conviction in this case may
3 subject Defendant to various collateral consequences, including but not limited
4 to revocation of probation, parole, or supervised release in another case;
5 debarment from government contracting; and suspension or revocation of a
6 professional license, none of which can serve as grounds to withdraw
7 Defendant's guilty plea;

8 B. No one has made any promises or offered any rewards in return for this guilty
9 plea, other than those contained in this agreement or otherwise disclosed to the
10 Court;

11 C. No one has threatened Defendant or Defendant's family to induce this guilty
12 plea; and

13 D. Defendant is pleading guilty because Defendant is guilty and for no other
14 reason.

15 **VII**

16 **AGREEMENT LIMITED TO U.S. ATTORNEY'S OFFICE**
17 **SOUTHERN DISTRICT OF CALIFORNIA**

18 This Agreement is limited to the United States Attorney's Office for the Southern
19 District of California, and cannot bind any other authorities in any type of matter, although
20 the Government will bring this agreement to the attention of other authorities if requested
21 by Defendant.

22 **VIII**

23 **APPLICABILITY OF SENTENCING GUIDELINES**

24 The sentence imposed will be based on the factors set forth in 18 U.S.C. § 3553(a).
25 In imposing the sentence, the sentencing judge must consult the United States Sentencing
26 Guidelines (Guidelines) and take them into account. Defendant has discussed the Guidelines
27 with defense counsel and understands that the Guidelines are only advisory, not mandatory.
28 The Court may impose a sentence more severe or less severe than otherwise applicable

1 under the Guidelines, up to the maximum in the statute of conviction. The sentence cannot
2 be determined until a presentence report is prepared by the U.S. Probation Office and
3 defense counsel and the Government have an opportunity to review and challenge the
4 presentence report. Nothing in this agreement limits the Government's duty to provide
5 complete and accurate facts to the district court and the U.S. Probation Office.

6 **IX**

7 **SENTENCE IS WITHIN SOLE DISCRETION OF JUDGE**

8 This Agreement is made pursuant to Federal Rule of Criminal Procedure 11(c)(1)(B).
9 The sentence is within the sole discretion of the sentencing judge who may impose the
10 maximum sentence provided by statute. It is uncertain at this time what Defendant's
11 sentence will be. The Government has not made and will not make any representation about
12 what sentence Defendant will receive. Any estimate of the probable sentence by defense
13 counsel is not a promise and is not binding on the Court. Any recommendation by the
14 Government at sentencing also is not binding on the Court. If the sentencing judge does not
15 follow any of the parties' sentencing recommendations, Defendant will not withdraw from
16 this Agreement.

17 **X**

18 **PARTIES' SENTENCING RECOMMENDATIONS**

19 **A. SENTENCING GUIDELINE CALCULATIONS**

20 Although the parties understand that the Guidelines are only advisory and just one
21 factor the Court will consider under 18 U.S.C. § 3553(a) in imposing a sentence, the United
22 States and Defendant will jointly recommend the following Base Offense Level, Specific
23 Offense Characteristics, Adjustments, and Departures:

24 Base Offense Level [USSG §2X1.1 / §2C1.8] 8
25 Value [USSG §2C1.8(b) / §2B1.1 (>\$150,000 / >\$250,000)] +10/12¹

26 _____
27 ¹ The parties agree that the value of the illegal transactions is not less than \$200,000.
28 The United States may argue that the value of the illegal transactions is more than \$250,000.
If the Court finds that the value of the illegal transactions is more than \$250,000, the

1	More than 30 Transactions [USSG §2C1.8(b)(4)]	+2
2	Abuse of Position of Trust [USSG §3B1.3]	+2
3	Acceptance of Responsibility [USSG §3E1.1]	-3
4	Cooperation [USSG §5K1.0]	-5 ²
5	Departure / Variance [USSG §5K2.0 / 18 USC § 3553(a)]	-3

6 B. FURTHER ADJUSTMENTS AND SENTENCE REDUCTIONS
7 INCLUDING THOSE UNDER 18 U.S.C. § 3553

8 The parties will not request or recommend additional adjustments or departures from
9 the Sentencing Guidelines under 18 U.S.C. § 3553.

10 C. NO AGREEMENT AS TO CRIMINAL HISTORY CATEGORY

11 The parties have no agreement as to Defendant’s Criminal History Category.

12 D. PARTIES’ RECOMMENDATIONS REGARDING CUSTODY

13 The government agrees to recommend that Defendant be sentenced to the low end of
14 a guideline offense level 11.

15 E. “FACTUAL BASIS” AND “RELEVANT CONDUCT” INFORMATION

16 The facts in the “factual basis” paragraph of this agreement are true and may be
17 considered as “relevant conduct” under USSG § 1B1.3 and as the nature and circumstances
18 of the offense under 18 U.S.C. § 3553(a)(1).

19 F. SPECIAL ASSESSMENT/FINE

20 The parties will jointly recommend that Defendant pay a special assessment in the
21 amount of \$100 to be paid forthwith at time of sentencing. Special assessments shall be paid
22 through the office of the Clerk of the District Court by bank or cashier’s check or money
23 order made payable to the “Clerk, United States District Court.”

24 _____
25 government agrees nevertheless to argue for the low end of an adjusted offense level 11, as
26 set forth in Section X.D. below.

27 ² The United States has made a preliminary determination that Defendant’s
28 cooperation will merit a five-level downward departure. This recommendation, however,
is contingent on her continuing to cooperate and provide a truthful and accurate recounting
of all relevant events up to and including the time of her sentencing.

1 The parties have no agreement as to any fine that may be imposed.

2 G. SUPERVISED RELEASE/PROBATION

3 If the Court imposes a term of supervised release, Defendant will not seek to
4 terminate early before completing at least 2/3 of the term. If the Court imposes a term of
5 probation, Defendant will not seek to reduce the term or terminate early.

6 **XI**

7 **DEFENDANT WAIVES APPEAL AND COLLATERAL ATTACK**

8 Defendant waives (gives up) all rights to appeal and to collaterally attack every aspect
9 of the conviction and sentence. The only exception is Defendant preserves a challenge to
10 the voluntariness of this waiver based on ineffective assistance of counsel.

11 **XII**

12 **BREACH OF THE AGREEMENT**

13 Defendant and Defendant's attorney know the terms of this agreement and shall raise,
14 before the sentencing hearing is complete, any claim that the Government has not complied
15 with this agreement. Otherwise, such claims shall be deemed waived (that is, deliberately
16 not raised despite awareness that the claim could be raised), cannot later be made to any
17 court, and if later made to a court, shall constitute a breach of this agreement.

18 Defendant breaches this agreement if Defendant violates or fails to perform any
19 obligation under this agreement. The following are non-exhaustive examples of acts
20 constituting a breach:

- 21 1. Failing to enter into this agreement;
- 22 2. Failing to appear in court;
- 23 3. Attempting to withdraw the agreement;
- 24 4. Failing to abide by any court order related to this case;
- 25 5. Appealing (which occurs if a notice of appeal is filed) or collaterally attacking
26 the conviction or sentence in violation of Section IX of this agreement;
- 27 6. Engaging in additional criminal conduct from the time of arrest until the time
28 of sentencing; or

1 7. Failing to fully cooperate with the investigation and prosecution of others, as
2 established in Section XIII of this agreement.

3 If Defendant breaches this agreement, Defendant will not be able to enforce any
4 provisions, and the Government will be relieved of all its obligations under this agreement.
5 For example, the Government may pursue any charges including those that were dismissed,
6 promised to be dismissed, or not filed as a result of this agreement (Defendant agrees that
7 any statute of limitations relating to such charges is tolled indefinitely as of the date all
8 parties have signed this agreement; Defendant also waives any double jeopardy defense to
9 such charges). In addition, the Government may move to set aside the agreement. Defendant
10 may not withdraw the agreement based on the Government's pursuit of remedies for
11 Defendant's breach.

12 Additionally, if Defendant breaches this agreement, (i) any statements made by
13 Defendant, under oath, at the guilty plea hearing (before either a Magistrate Judge or a
14 District Judge); (ii) the factual basis statement in Section II.B in this agreement; and (iii)
15 any evidence derived from such statements is admissible against Defendant in any
16 prosecution of, or any action against, Defendant. This includes the prosecution of the
17 charge(s) that is the subject of this agreement or any charge(s) that the prosecution agreed
18 to dismiss or not file as part of this agreement, but later pursues because of a breach by the
19 Defendant. Additionally, Defendant knowingly, voluntarily, and intelligently waives any
20 argument that the statements and any evidence derived from the statements should be
21 suppressed, cannot be used by the Government, or are inadmissible under the United States
22 Constitution, any statute, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the
23 Federal Rules of Criminal Procedure, and any other federal rule.

24 **XIII**
25 **COOPERATION**

26 Defendant shall make a good faith effort to provide substantial assistance to the
27 United States in the investigation and prosecution of others. Defendant understands that the
28 only possible opportunity to provide substantial assistance will be pursuant to this

1 agreement and the plea agreement. Defendant accepts the following terms:

- 2 1. Defendant agrees to be interviewed by federal and state law enforcement
3 agents and attorneys and to tell everything Defendant knows about every
4 person involved presently or in the past in conduct outlined in or related to the
5 Factual Basis, the plea agreement, or any other violations of United States law
6 not limited to the instant case. Defendant also agrees to produce all documents
7 and other evidence in Defendant's possession or control related to these
8 violations.
- 9 2. Defendant agrees not to do any undercover work, tape record any
10 conversations, or gather evidence unless instructed by the agent assigned to
11 Defendant.
- 12 3. Defendant agrees to provide statements under penalty of perjury and to testify
13 before any federal or state grand jury, and at any pretrial, trial or post-trial
14 proceedings as deemed necessary by the United States. Defendant will provide
15 complete, truthful and accurate information and testimony. Defendant agrees
16 to submit to a polygraph examination to test the truthfulness of Defendant's
17 statements.
- 18 4. Defendant understands that in any prosecutions against Defendant by the
19 United States Attorney's Office, the United States will not offer in evidence in
20 its case-in-chief, or in connection with any sentencing proceeding for the
21 purpose of determining an appropriate sentence, any statements made by
22 Defendant during the period of cooperation, except as provided in this
23 paragraph and in paragraph (5) below. In the event Defendant provides
24 materially false, incomplete, or misleading testimony or information, or
25 engages in any other behavior deemed by the United States to be a breach of
26 this agreement, the United States may prosecute Defendant in connection with
27 all offenses in the present Indictment as well as for any other federal criminal
28 violation of which it is aware, including false statements, perjury and
obstruction of justice. Further, any such prosecution and sentence may be
based on information provided by Defendant during the period of cooperation.
In addition, the United States will not be bound by the recommendations in this
agreement, and may recommend any lawful sentence. Further, at its option,
the United States may move to set aside the plea.
5. Notwithstanding paragraph (4) above:
 - a) the United States may use information derived directly or indirectly
from Defendant's cooperation for the purpose of obtaining leads to

1 other evidence, which evidence may be used in any prosecution of
2 Defendant by the United States; and

3 b) the United States may use statements made by Defendant during the
4 period of cooperation and all evidence obtained directly or indirectly
5 therefrom for the purpose of cross-examination should Defendant
6 testify in any proceeding, or to rebut any evidence offered by or on
7 behalf of Defendant in connection with any trial and/or sentencing,
8 should any prosecution of Defendant be undertaken.

9 6. Statements made by Defendant pursuant to this cooperation agreement are not
10 statements "made in the course of any proceedings under Rule 11 of the
11 Federal Rules of Criminal Procedure" and are not statements "made in the
12 course of plea discussions."

13 7. If the United States Attorney's Office decides that Defendant has provided
14 substantial assistance, it may, in its sole discretion, file a motion for a
15 downward departure under §5K1.1 of the United States Sentencing Guidelines,
16 as set forth in Section X. Notwithstanding Section X, if, between the date of
17 this agreement and sentencing, Defendant fails to provide substantial
18 assistance or otherwise breaches this agreement in any way, the United States
19 may, in its sole discretion, recommend no downward departure, or recommend
20 a departure less than that set forth in Section X.

21 8. Defendant acknowledges that even if the United States makes a §5K1.1
22 motion, the Court may reject the United States' recommendation and refuse to
23 depart downward.

24 9. If the United States Attorney's Office decides to make a §5K1.1 motion, it will
25 inform the sentencing judge of:

26 a) the plea agreement;

27 b) the nature and extent of Defendant's activities in this case;

28 c) the full nature and extent of Defendant's cooperation with the United
States and the date when such cooperation commenced; and

d) all information in the possession of the United States relevant to
sentencing not precluded by this agreement.

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

XIV

CONTENTS AND MODIFICATION OF AGREEMENT

This agreement embodies the entire agreement between the parties and supersedes any other agreement, written or oral. No modification of this agreement shall be effective unless in writing signed by all parties.

XV

DEFENDANT AND COUNSEL FULLY UNDERSTAND AGREEMENT

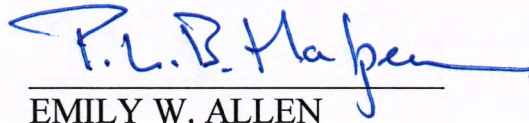
By signing this agreement, Defendant certifies that Defendant has read it. Defendant has discussed the terms of this agreement with defense counsel and fully understands its meaning and effect.

XVI

DEFENDANT SATISFIED WITH COUNSEL

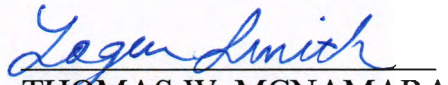
Defendant has consulted with counsel and is satisfied with counsel’s representation. This is Defendant’s independent opinion, and Defendant’s counsel did not advise Defendant about what to say in this regard.

DAVID D. LESHNER
Attorney for the United States
Acting Under Authority Conferred by
28 U.S.C. § 515



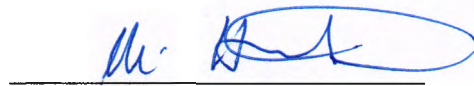
EMILY W. ALLEN
W. MARK CONOVER
PHILLIP L.B. HALPERN
Assistant U.S. Attorneys

DATED: 6/12/19


THOMAS W. MCNAMARA
LOGAN D. SMITH
Defense Counsel

DATED: 6/11/2019

IN ADDITION TO THE FOREGOING PROVISIONS TO WHICH I AGREE, I SWEAR UNDER PENALTY OF PERJURY THAT THE FACTS IN THE “FACTUAL BASIS” SECTION ABOVE ARE TRUE.


MARGARET E. HUNTER
Defendant

DATED: 6/11/2019