

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) No. 4:19-CR-00312-CDP
)
 STEVEN V. STENGER,)
)
 Defendant.)

GUILTY PLEA AGREEMENT

Come now the parties and hereby agree, as follows:

1. PARTIES:

The parties are the defendant Steven V. Stenger, represented by defense counsel N. Scott Rosenblum, and the United States of America (hereinafter "United States" or "Government"), represented by Assistant United States Attorney Hal Goldsmith and the Office of the United States Attorney for the Eastern District of Missouri. This agreement does not, and is not intended to, bind any governmental office or agency other than the United States Attorney for the Eastern District of Missouri. The Court is neither a party to nor bound by this agreement.

2. GUILTY PLEA:

Pursuant to Rule 11(c)(1)(A), Federal Rules of Criminal Procedure, in exchange for the defendant's voluntary plea of guilty to Counts One through Three of the Indictment, the United States agrees that no further federal prosecution will be brought in this District relative to the defendant's acceptance of campaign contributions in exchange for the award of contracts through St. Louis County and the St. Louis Economic Development Partnership and its affiliated

organizations during the period October 1, 2014 through May 3, 2019, of which the Government is aware at this time and actively investigating.

In addition, the parties agree that the U.S. Sentencing Guidelines Total Offense Level analysis agreed to by the parties herein is the result of negotiation and led, in part, to the guilty plea. The parties further agree that either party may request a sentence above or below the U.S. Sentencing Guidelines range (combination of Total Offense Level and Criminal History Category) ultimately determined by the Court pursuant to any chapter of the Guidelines and Title 18, United States Code, Section 3553(a). The parties further agree that notice of any such request will be given no later than ten days prior to sentencing and that said notice shall specify the legal and factual bases for the request.

3. ELEMENTS:

As to Counts One through Three, the defendant admits to knowingly violating Title 18, United States Code, Sections 1341, 1346, and 2, and admits there is a factual basis for the plea and further fully understands that the elements of the crime are:

1. The defendant voluntarily and intentionally devised and participated in a scheme to defraud the citizens of St. Louis County, Missouri of their right to his honest services through bribery, which scheme to defraud is described as follows: defendant used his official position as St. Louis County Executive to enrich himself through soliciting and accepting campaign contributions from individuals and their companies in exchange for favorable official action, which enriched those individuals and their companies by secretly obtaining favorable action for themselves and their companies, through corrupt means;
2. The defendant did so with the intent to defraud;
3. The scheme to defraud involved fraudulent and false material pretenses, statements, representations, and concealment of fact; and

4. The defendant used, caused to be used, or aided and abetted the use of the mail in furtherance of, or in an attempt to carry out, some essential step in the scheme.

4. FACTS:

The parties agree that the facts in this case are as follows and that the government would prove these facts beyond a reasonable doubt if the case were to go to trial. These facts may be considered as relevant conduct pursuant to Section 1B1.3:

The citizens of St. Louis County had an intangible right to the honest services of their public officials.

The St. Louis Economic Development Partnership's (hereinafter "SLEDP") stated purpose was to function as the economic development agency serving St. Louis County and City. The St. Louis County Port Authority's (hereinafter "Port Authority") stated purpose was to promote general welfare, encourage private capital investment, increase the volume of commerce and promote the establishment of a foreign trade zone within the County port district. The Port Authority was an affiliated organization of SLEDP.

The defendant STEVEN V. STENGER was the elected County Executive for St. Louis County. Defendant STENGER's office vested him with actual and perceived authority and influence over, among other things, the hiring of St. Louis County employees, as well as the hiring of SLEDP and Port Authority employees. Defendant STENGER appointed the majority of the Board of Directors for SLEDP, and all of the Board of Directors for the Port Authority. Defendant STENGER's office also vested him with actual and perceived authority and influence over the awarding of certain contracts and grants by St. Louis County, SLEDP, and the Port Authority. Defendant STENGER's office also vested him with actual and perceived authority over certain other public officials, including but not limited to SLEDP Chief Executive Officer, Sheila

Sweeney, St. Louis County Chief of Staff, William Miller, St. Louis County Chief of Policy, Jeff Wagener, St. Louis County Director of Administration, Pamela Reitz, St. Louis County Director of Operations, Mike Chapman, St. Louis County Senior Policy Advisor Thomas Curran, Special Assistant to the County Executive Thomas Malecek, and St. Louis County Director of Legislative Affairs, Shannon Weber.

Defendant STEVEN V. STENGER served as the St. Louis County Council Member from the 6th District from 2009 through 2014. Defendant STENGER took office as County Executive in January 2015 and was re-elected in November, 2018. As such, STENGER owed the citizens of St. Louis County his honest services.

Sheila Sweeney was the Chief Executive Officer of SLEDP, having been recommended for that position by defendant STENGER during in or about August, 2015. Sweeney also was the Executive Director of the Port Authority, and she served on the Board of the Land Clearance for Redevelopment Authority for St. Louis County (hereinafter "LCRA"). Sweeney's office vested her with actual authority and influence over, among other things, the hiring of SLEDP employees, as well as the hiring of Port Authority and LCRA employees. Sweeney's office also vested her with actual and perceived authority and influence over the awarding of certain contracts and grants by SLEDP, the Port Authority, and the LCRA. Sweeney's office also vested her with actual and perceived authority over certain other officials, including, but not limited to, SLEDP Vice President and Director of Real Estate, Joseph Bannister, and SLEDP General Counsel, Dustin Allison. In her positions, and because SLEDP, the Port Authority, and LCRA were funded in part by St. Louis County funds, Sweeney owed the citizens of St. Louis County her honest services.

John Rallo had a background in the insurance business, and for a period of time owned and operated several St. Louis area bars and nightclubs. During 2006, Rallo started Cardinal Creative Insurance Group (hereinafter “Cardinal Insurance”), an insurance brokerage company located in Clayton, Missouri. Rallo had no background in marketing or consulting.

John Rallo

On or about October 23, 2014, Rallo was introduced to STENGER by one of Rallo’s closest friends, (“SW”) when the three had dinner at Sam’s Steakhouse in South St. Louis County. At that time, STENGER was campaigning for St. Louis County Executive, and SW introduced Rallo to STENGER in the hope that STENGER, if elected County Executive, could help Rallo get insurance contracts with St. Louis County. SW was a donor to STENGER, and also recruited other individuals to donate to STENGER’s campaign. During the dinner, STENGER accepted a campaign donation of \$5,000 from Rallo, and Rallo understood that STENGER would help Rallo get insurance contracts with St. Louis County if STENGER was elected County Executive. During that dinner, Rallo told STENGER that he was tired of giving money to politicians and not getting anything in return. STENGER made statements to assure Rallo that, if elected County Executive, he would work to help Rallo get St. Louis County contracts. In addition to the \$5,000, Rallo also paid for STENGER’s dinner that evening.

Rallo continued to make political donations to STENGER throughout 2015, 2016, 2017, and into April, 2018, all with the understanding from STENGER that in exchange he would help Rallo and Cardinal Insurance get insurance contracts with St. Louis County and, ultimately, help Rallo get a consulting contract from the Port Authority. STENGER also helped Rallo and a group known as Wellston Holdings, LLC obtain land in Wellston, Missouri for development purposes.

Rallo also held several fundraisers for STENGER where Rallo invited friends and associates who also made political donations to STENGER. During 2015, STENGER requested that Rallo become a member of STENGER's "Trustee" program, a group of individuals who agreed to donate \$2,500 to STENGER each quarter, for a total of \$10,000 per year. Rallo agreed to become a Trustee, and also recruited one other member of Wellston Holdings, LLC to become a Trustee. Together, Rallo and the other member of Wellston Holdings, LLC personally donated approximately \$50,000 to STENGER, and obtained additional political donations for STENGER through several fundraisers.

During November, 2014, following STENGER's election as St. Louis County Executive, STENGER visited Rallo at Cardinal Insurance's Clayton office and requested that Rallo recruit other individuals as political donors to STENGER. Rallo agreed and requested STENGER's help in getting Cardinal Insurance the St. Louis County contract for employee voluntary benefits insurance. STENGER agreed to help Rallo and Cardinal Insurance get that contract which, at the time, was held by another insurance company. Rallo stood to earn approximately \$50,000 annually in commissions on such an insurance contract with St. Louis County. During 2015, STENGER took official actions in order to assist Rallo in obtaining the St. Louis County contract for employee voluntary benefits insurance by directing St. Louis County employees, including the Director of Administration, the Chief of Policy, the Director of Operations, the Special Assistant to the County Executive, and the Director of Legislative Affairs, among others, to take certain steps to insure that Rallo's company, Cardinal Insurance, was awarded the contract. Ultimately, and despite STENGER's actions, Rallo's company was not awarded the insurance contract during 2015.

During 2015, STENGER also agreed to assist Rallo in obtaining a consulting contract through SLEDP and the Port Authority. Based upon STENGER's representations, Rallo formed Cardinal Creative Consulting, LLC ("Cardinal Consulting") for the specific purpose of obtaining the promised consulting contract. During 2015 and 2016, STENGER took official actions in order to assist Rallo in obtaining a consulting contract through the Port Authority by directing Sheila Sweeney, the CEO of SLEDP and the Executive Director of the Port Authority to award a contract to Rallo's company through the Port Authority. As a result of STENGER's directive, Sweeney took certain actions to assist Rallo and Cardinal Consulting in obtaining the consulting contract. Sweeney also recommended that the Port Authority Board approve the contract in the amount of \$100,000. As a direct result of STENGER and Sweeney's actions, Cardinal Consulting was awarded a consulting contract through the Port Authority during 2016 in the amount of \$130,000. Relative to that consulting contract, Rallo was directed to pay \$30,000 of that consulting contract price to JC, a close associate of a public official who had helped STENGER get out the vote in the November, 2014 County Executive election, and the \$30,000 was payback for that. Sweeney failed to advise the Port Authority Board at the time of the additional \$30,000 on the contract.

During 2016, STENGER again took official actions in an effort to award Rallo and Cardinal Insurance the St. Louis County contract for employee voluntary benefits insurance. Rallo stood to earn approximately \$50,000 annual commissions on such a contract. STENGER directed St. Louis County employees, including the Director of Administration, the Chief of Policy, the Director of Operations, the Special Assistant to the County Executive, and the Director of Legislative Affairs, among others, to take certain steps to insure that Rallo's company, Cardinal

Insurance, was awarded the contract during 2016. Ultimately, and despite STENGER's actions, Rallo's company was not awarded the insurance contract during 2016.

During 2016, in discussions with STENGER, Rallo and two other investors had identified two parcels of vacant property located in Wellston, Missouri which they desired to purchase and develop, "Wellston Industrial" and "Plymouth Industrial." The properties were held by LCRA, and STENGER directed Sheila Sweeney to work with Rallo and his partners to make sure that they could purchase the properties from the LCRA. The LCRA is affiliated with SLEDP, and Sweeney also served on the Board of LCRA. Rallo and his partners, one of whom was also a political donor in STENGER's Trustee program, formed Wellston Holdings, LLC for the sole purpose of purchasing and developing the Wellston properties. St. Louis County had spent several million dollars in clearing, grading, and preparing the two Wellston properties for sale over the years. In carrying out STENGER's direction to make sure Rallo and his group were able to purchase and develop the two Wellston properties, Sweeney directed SLEDP's Director of Real Estate to assist Rallo and his partners in purchasing the Wellston properties; and she directed SLEDP's General Counsel to put together RFPs for the sale of the two properties. Sweeney set the minimum bid on Plymouth Industrial at "must exceed" \$250,000 and the minimum bid on Wellston Industrial at "must exceed" \$255,499, believing that Rallo's group might be the only group to bid on the properties. Throughout this period, 2016 and 2017, Rallo continued to make political donations to STENGER, in exchange for STENGER's help and assistance regarding the Consulting Agreement, and the Wellston property purchases. STENGER continued to solicit the political donations from both Rallo and Rallo's business partner in Wellston Holdings, LLC during this period as well. As a result of STENGER's and Sweeney's actions, Rallo's company, Wellston

Holdings, was awarded options to purchase both properties over other bidders during 2016 and 2017. The total purchase price for the two Wellston properties was approximately \$525,000.

Shortly after the real estate closing of the second Wellston property, on August 8, 2017, a reporter with the St. Louis Post Dispatch submitted a Missouri “Sunshine Law” request to SLEDP for information regarding Wellston Holdings, LLC and the sale of the Wellston properties. The reporter also contacted one of Rallo’s partners in Wellston Holdings, LLC for information. In an effort to conceal the schemes, Sweeney directed Rallo not to speak with the Post Dispatch reporter. Due to an ongoing series of investigative stories in the St. Louis Post Dispatch highlighting the political donor connection between Rallo and STENGER, and the Cardinal Consulting contract, Sweeney, in a further effort to conceal the schemes, directed Rallo to remove his name as Registered Agent for Cardinal Consulting from the Missouri Secretary of State records.

The St. Louis Post Dispatch continued its series of investigative stories into 2018, alleging STENGER had provided St. Louis County and Port Authority contracts to political donors, including Rallo and Wellston Holdings, LLC. In order to further conceal his schemes, STENGER directed Rallo not to talk with the Post Dispatch reporters who were writing the investigative stories.

Company One

As publicly stated, Company One is a Missouri state lobbying firm. Company One had been awarded contracts from SLEDP to provide state lobbying work for many years. During November, 2018, Company One’s contract with SLEDP was set to expire, and SLEDP issued an RFP for bids in order to hire a company to perform its state lobbying efforts going forward. In

response to the RFP, SLEDP received two competitive bids; one bid from Company One, and one bid from Company Two.

Company One and its principal owner made political contributions to STEVEN V. STENGER in support of both his November, 2014 election and his November, 2018 re-election as St. Louis County Executive. For example, during September and October, 2014, leading up to STENGER's first election for County Executive, Company One contributed approximately \$17,000 to the Citizens for Steve Stenger campaign committee. Even before STENGER had been sworn in as County Executive in January, 2015, he took steps to direct the SLEDP lobbying contract to Company One.

During 2015 and 2016, Company One contributed an additional approximately \$32,000 to STENGER, through both the Citizens for Steve Stenger campaign committee, and the MACFPD PAC. Through November 20, 2018, Company One and its principal owner contributed a total of approximately \$59,000 to STENGER. Company One's principal owner also recruited additional STENGER donors, and held one or more fundraisers for STENGER.

When STENGER learned that the SLEDP lobbying contract was going out for bids, he took official action and directed his top staff members to contact Sheila Sweeney to insure that Company One was awarded the contract. Chief of Staff William Miller then had conversations with Sweeney where Miller advised Sweeney that STENGER wanted the contract to go to Company One. STENGER ultimately directed his three top staff members, William Miller, Jeff Wagener, and Thomas Curran, to personally meet with Sheila Sweeney about the SLEDP lobbying contract to insure that Company One was awarded the contract. Following STENGER's directive to meet with Sweeney about the lobbying contract, and insure she awarded the SLEDP contract to

Company One, William Miller, Jeff Wagener, and Thomas Curran met with Sheila Sweeney at the Starbucks coffee shop in Clayton, Missouri on November 20, 2018. During the meeting, they discussed the SLEDP lobbying contract, and advised Sweeney that STENGER wanted the contract to go to Company One. Following the Starbucks meeting with Sweeney, the staff members met directly with STENGER, and assured him that they believed Sweeney had received their “message,” and that she would award the SLEDP contract to Company One.

On December 12, 2018, based upon Sheila Sweeney’s recommendation, the SLEDP Board awarded the state lobbying contract to Company One. The contract for the year 2019 was for \$149,000.

Further, defendant, STEVEN V. STENGER, admits, acknowledges as true, and accepts responsibility for all of the acts and conduct set forth in paragraphs One through Thirty-Nine of the Indictment in this case.

On or about the dates listed below, in the Eastern District of Missouri and elsewhere, defendant STEVEN V. STENGER, John Rallo, and others, aiding and abetting one another, for the purpose of executing their scheme and artifice to defraud and deprive as set forth in the Indictment in this case, caused to be used, the mail in furtherance of, or in an attempt to carry out, some essential step in the scheme:

<u>Count</u>	<u>Date</u>	<u>Mailing</u>
1	10/17/2016	\$5,000 check from Cardinal Creative Consulting, LLC to J.C.
2	11/15/2016	\$5,000 check from Cardinal Creative Consulting, LLC to J.C.
3	12/19/2016	\$5,000 check from Cardinal Creative Consulting, LLC to J.C.

5. STATUTORY PENALTIES:

The defendant fully understands that the maximum possible penalty provided by law for each of the crimes to which the defendant is pleading guilty is imprisonment of not more than twenty (20) years, a fine of not more than \$250,000, or both such imprisonment and fine. The Court may also impose a period of supervised release of not more than three (3) years.

6. U.S. SENTENCING GUIDELINES: 2018 MANUAL:

The defendant understands that this offense is affected by the U.S. Sentencing Guidelines and the actual sentencing range is determined by both the Total Offense Level and the Criminal History Category. The parties agree that the following are the applicable U.S. Sentencing Guidelines Total Offense Level provisions.

a. Chapter 2 Offense Conduct:

(1) **Base Offense Level:** The parties agree that the base offense level is 7, as found in Section 2B1.1(a)(1).

(2) **Specific Offense Characteristics:** The parties agree that the following Specific Offense Characteristics apply:

12 levels are added because the loss exceeded \$250,000, pursuant to Section 2B1.1(b)(1)(G).

b. Chapter 3 Adjustments:

3 levels are added because defendant was a manager or supervisor and the criminal activity involved five or more participants or was otherwise extensive, pursuant to Section 3B1.1(b).

2 levels are added because defendant abused a position of public trust in a manner that significantly facilitated the commission or concealment of the offense, pursuant to Section 3B1.3.

Acceptance of Responsibility: The parties agree that 3 levels should be deducted pursuant to Section 3E1.1(a) and (b), because the defendant has clearly demonstrated acceptance of responsibility and timely notified the government of the defendant's intention to plead guilty. The parties agree that the defendant's eligibility for this deduction is based upon information presently known. If subsequent to the taking of the guilty plea the government receives new evidence of statements or conduct by the defendant which it believes are inconsistent with defendant's eligibility for this deduction, the government may present said evidence to the court, and argue that the defendant should not receive all or part of the deduction pursuant to Section 3E1.1, without violating the plea agreement.

Other Adjustments: The parties agree that the following additional adjustments apply:
None.

Estimated Total Offense Level: The parties estimate that the Total Offense Level is 21.

Criminal History: The determination of the defendant's Criminal History Category shall be left to the Court. Either party may challenge, before and at sentencing, the finding of the Presentence Report as to the defendant's criminal history and the applicable category. The defendant's criminal history is known to the defendant and is substantially available in the Pretrial Services Report.

Effect of Parties' U.S. Sentencing Guidelines Analysis: The parties agree that the Court is not bound by the Guidelines analysis agreed to herein. The parties may not have

foreseen all applicable Guidelines. The Court may, in its discretion, apply or not apply any Guideline despite the agreement herein and the parties shall not be permitted to withdraw from the plea agreement.

7. WAIVER OF APPEAL AND POST-CONVICTION RIGHTS:

a. Appeal: The defendant has been fully apprised by defense counsel of the defendant's rights concerning appeal and fully understands the right to appeal the sentence under Title 18, United States Code, Section 3742.

(1) Non-Sentencing Issues: The parties waive all rights to appeal all non-jurisdictional, non-sentencing issues, including, but not limited to, any issues relating to pretrial motions, discovery, the guilty plea, the constitutionality of the statute(s) to which defendant is pleading guilty and whether defendant's conduct falls within the scope of the statute(s).

(2) Sentencing Issues: In the event the Court accepts the plea, accepts the U.S. Sentencing Guidelines Total Offense Level agreed to herein, and, after determining a Sentencing Guidelines range, sentences the defendant within or below that range, then, as part of this agreement, the defendant hereby waives all rights to appeal all sentencing issues other than Criminal History, but only if it affects the Base Offense Level or Criminal History Category. Similarly, the Government hereby waives all rights to appeal all sentencing issues other than Criminal History, provided the Court accepts the plea, the agreed Total Offense Level and sentences the defendant within or above that range.

b. Habeas Corpus: The defendant agrees to waive all rights to contest the conviction or sentence in any post-conviction proceeding, including one pursuant to Title 28, United States

Code, Section 2255, except for claims of prosecutorial misconduct or ineffective assistance of counsel.

c. **Right to Records**: The defendant waives all rights, whether asserted directly or by a representative, to request from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including any records that may be sought under the Freedom of Information Act, Title 5, United States Code, Section 522, or the Privacy Act, Title 5, United States Code, Section 552(a).

8. **OTHER**:

a. **Disclosures Required by the United States Probation Office**: The defendant agrees to truthfully complete and sign forms as required by the United States Probation Office prior to sentencing and consents to the release of these forms and any supporting documentation by the United States Probation Office to the government.

b. **Civil or Administrative Actions not Barred; Effect on Other Governmental Agencies**: Nothing contained herein limits the rights and authority of the United States to take any civil, tax, immigration/deportation or administrative action against the defendant.

c. **Supervised Release**: Pursuant to any supervised release term, the Court will impose standard conditions upon the defendant and may impose special conditions related to the crime defendant committed. These conditions will be restrictions on the defendant to which the defendant will be required to adhere. Violation of the conditions of supervised release resulting in revocation may require the defendant to serve a term of imprisonment equal to the length of the term of supervised release, but not greater than the term set forth in Title 18, United States

Code, Section 3583(e)(3), without credit for the time served after release. The defendant understands that parole has been abolished

d. Mandatory Special Assessment: Pursuant to Title 18, United States Code, Section 3013, the Court is required to impose a mandatory special assessment of \$100 per count for a total of \$300, which the defendant agrees to pay at the time of sentencing. Money paid by the defendant toward any restitution or fine imposed by the Court shall be first used to pay any unpaid mandatory special assessment.

e. Possibility of Detention: The defendant may be subject to immediate detention pursuant to the provisions of Title 18, United States Code, Section 3143.

f. Fines, Restitution and Costs of Incarceration and Supervision: The Court may impose a fine, restitution (in addition to any penalty authorized by law), costs of incarceration and costs of supervision. The defendant agrees that any fine or restitution imposed by the Court will be due and payable immediately. Pursuant to Title 18, United States Code, Section 3663A, an order of restitution is mandatory for all crimes listed in Section 3663A(c). Regardless of the Count of conviction, the amount of mandatory restitution imposed shall include all amounts allowed by Section 3663A(b) and the amount of loss agreed to by the parties, including all relevant conduct loss. The defendant agrees to provide full restitution to all victims of all charges in the indictment. However, defendant reserves the right to contest the amount of restitution, whether a part of the counts of conviction or relevant conduct.

8. ACKNOWLEDGMENT AND WAIVER OF THE DEFENDANT'S RIGHTS:

In pleading guilty, the defendant acknowledges, fully understands and hereby waives his rights, including but not limited to: the right to plead not guilty to the charges; the right to be

tried by a jury in a public and speedy trial; the right to file pretrial motions, including motions to suppress or exclude evidence; the right at such trial to a presumption of innocence; the right to require the government to prove the elements of the offenses against the defendant beyond a reasonable doubt; the right not to testify; the right not to present any evidence; the right to be protected from compelled self-incrimination; the right at trial to confront and cross-examine adverse witnesses; the right to testify and present evidence and the right to compel the attendance of witnesses. The defendant further understands that by this guilty plea, the defendant expressly waives all the rights set forth in this paragraph.

The defendant fully understands that the defendant has the right to be represented by counsel, and if necessary, to have the Court appoint counsel at trial and at every other stage of the proceeding. The defendant's counsel has explained these rights and the consequences of the waiver of these rights. The defendant fully understands that, as a result of the guilty plea, no trial will, in fact, occur and that the only action remaining to be taken in this case is the imposition of the sentence.

The defendant is fully satisfied with the representation received from defense counsel. The defendant has reviewed the government's evidence and discussed the government's case and all possible defenses and defense witnesses with defense counsel. Defense counsel has completely and satisfactorily explored all areas which the defendant has requested relative to the government's case and any defenses.

The guilty plea could impact defendant's immigration status or result in deportation. In particular, if any crime to which defendant is pleading guilty is an "aggravated felony" as defined by Title 8, United States Code, Section 1101(a)(43), removal or deportation is presumed

mandatory. Defense counsel has advised the defendant of the possible immigration consequences, including deportation, resulting from the plea.

9. VOLUNTARY NATURE OF THE GUILTY PLEA AND PLEA AGREEMENT:

This document constitutes the entire agreement between the defendant and the government, and no other promises or inducements have been made, directly or indirectly, by any agent of the government, including any Department of Justice attorney, concerning any plea to be entered in this case. In addition, the defendant states that no person has, directly or indirectly, threatened or coerced the defendant to do or refrain from doing anything in connection with any aspect of this case, including entering a plea of guilty.

The defendant acknowledges having voluntarily entered into both the plea agreement and the guilty plea. The defendant further acknowledges that this guilty plea is made of the defendant's own free will and that the defendant is, in fact, guilty.

10. CONSEQUENCES OF POST-PLEA MISCONDUCT:

After pleading guilty and before sentencing, if defendant commits any crime, other than minor traffic offenses, violates any condition of release that results in revocation, violates any term of this guilty plea agreement, intentionally provides misleading, incomplete or untruthful information to the U.S. Probation Office or fails to appear for sentencing, the United States, at its option, may be released from its obligations under this agreement. The Government may also, in its discretion, proceed with this agreement and may advocate for any sentencing position

supported by the facts, including but not limited to obstruction of justice and denial of acceptance of responsibility.

11. NO RIGHT TO WITHDRAW GUILTY PLEA:

Pursuant to Rule 11(c) and (d), Federal Rules of Criminal Procedure, the defendant understands that there will be no right to withdraw the plea entered under this agreement, except where the Court rejects those portions of the plea agreement which deal with charges the government agrees to dismiss or not to bring.

Date

HAL GOLDSMITH
Assistant United States Attorney

Date

STEVEN V. STENGER
Defendant

Date

N. SCOTT ROSENBLUM
Attorney for Defendant