UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA v. FRANCESCO DISTEFANO	No. 24CR424-1 Judge Jeremy C. Daniel

PLEA AGREEMENT

This Plea Agreement between the United States Attorney for the Northern District of Illinois, ANDREW S. BOUTROS, and defendant FRANCESCO DISTEFANO, and his attorney, ROBERT A. FISHER, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure and is governed in part by Rule 11(c)(1)(A), as more fully set forth below. The parties to this Agreement have agreed upon the following:

Charges in This Case

1. The second superseding indictment in this case charges defendant with wire fraud, in violation of Title 18, United States Code, Section 1343 (Counts 1-11); making a false statement to a financial institution in violation of Title 18, United States Code, Section 1014 (Count 12); and money laundering, in violation of Title 18, United States Code, Section 1957(a) (Counts 13-17).

2. Defendant has read the charges against him contained in the superseding indictment, and those charges have been fully explained to him by his attorney.

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3. Defendant fully understands the nature and elements of the crimes with which he has been charged.

Charge to Which Defendant Is Pleading Guilty

4. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to Count One of the second superseding indictment. In addition, as further provided below, defendant agrees to the entry of a forfeiture judgment.

Factual Basis

5. Defendant will plead guilty because he is in fact guilty of the charge contained in Count One of the second superseding indictment. In pleading guilty, defendant admits the following facts and that those facts establish his guilt beyond a reasonable doubt, and establish a basis for forfeiture of the property described elsewhere in this Plea Agreement:

The Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program provided economic relief to businesses experiencing a loss of revenue as a result of the COVID-19 pandemic. DISTEFANO was familiar with these programs and knew that, in order to obtain a PPP loan, a business was required to provide information about, among other things, the number of individuals it employed and its average monthly payroll and, in order to obtain a loan as part of the EIDL program, a business applicant was required to provide truthful information about the number of employees as well as the business' gross revenues and cost of goods sold, among other things. DISTEFANO also knew that the information in the

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PPP and EIDL applications about the business' employees, payroll, and revenues was material to the approval and funding of these loans.

Beginning in March 2020, and continuing through February 2021, in the Northern District of Illinois, Eastern Division, and elsewhere, DISTEFANO, together with co-defendant Sargis Urumieh, knowingly devised, intended to devise, and participated in a scheme to defraud and to obtain money and property, in connection with applications for loans and advances under the PPP and the EIDL program on behalf of businesses which Urumieh owned and controlled, namely, West Cost POS, Inc. (West Coast) and National POS Inc. (National). These applications contained materially false statements and misrepresentations concerning, among other things, the purported entities' number of employees, gross revenues, and payroll. And, on or about March 31, 2020, DISTEFANO, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an internet transmission of an EIDL application on behalf of West Coast to the U.S. Small Business Administration (SBA).

The West Coast EIDL and EIDL Advance

Following the onset of the pandemic, DISTEFANO and Urumieh discussed obtaining an EIDL on behalf of Urumieh's company, West Coast. Following that discussion, on or about March 31, 2020, DISTEFANO prepared and filed an EIDL application on behalf of West Coast through the SBA online portal with Urumieh's

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knowledge and consent. DISTEFANO acknowledges that the transmission of this application over the Internet involved an interstate wire communication.

In completing this application, DISTEFANO falsely represented that West Coast had 12 employees as of January 31, 2020, gross revenues of $5,000,000, and cost of goods sold of $4,500,000, even though DISTEFANO knew that West Coast did not have that many employees or that amount of cost of goods sold. As a result of these false representations, on May 22, 2020, the SBA disbursed EIDL funds of $149,900 into an account J.P. Morgan Chase Bank, in the name of West Coast, for which Urumieh was the sole signatory ("Account 6250"). The SBA also disbursed a $10,000 advance grant into Account 6250 on or about April 20, 2020, based upon DISTEFANO's request.

The West Coast PPP Loan and Second Round Application

On approximately July 17, 2020, DISTEFANO prepared and provided to Urumieh, and Urumieh thereafter signed and submitted to Arkansas Capital Corporation (Arkansas Capital), an application for a PPP loan for West Coast in the amount of $1,090,890. Arkansas Capital was a community development finance company that originated PPP loans in partnership Encore Bank. In connection with the loan application, DISTEFANO and Urumieh falsely represented that West Coast had 67 employees (after reporting 14 employees on the initial application form) and an average monthly payroll of $436,356, even though West Coast did not have that number of employees or an average payroll in that amount.

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In support of the application, DISTEFANO also created and provided to Urumieh, and Urumieh electronically submitted to Arkansas Capital, a fictitious ADP "Payroll Run Summary Report" and a fictitious IRS Form 940. Based upon the false statements, on July 22, 2020, Arkansas Capital and Encore Bank funded a PPP loan in the amount of $1,090,890, into an account at Encore Bank in the name of West Coast, that was opened to receive the PPP proceeds.

On approximately July 23, 2020, DISTEFANO opened a payroll account in the name of West Coast at ADP, with himself as the account administrator, for the purpose of removing PPP proceeds from West Coast's account at Encore Bank and making it appear that these proceeds were being used for payroll. Between July of 2020 and December of 2020, approximately $783,012 of the West Coast PPP proceeds were transferred from the West Coast account at Encore Bank to the payroll account at ADP held for the benefit of West Coast. Between July of 2020 and December of 2020, DISTEFANO told ADP to transfer funds it held for West Coast to approximately eight "employee" payees including himself, Urumieh, and three of Urumieh's family members. Specifically, ADP paid $84,600 as "wages" to Urumieh and approximately $169,769 as "wages" to three of Urumieh's family members. ADP also paid DISTEFANO $389,539, which Distefano identified to ADP as non-wage payments.

On February 5, 2021, DISTEFANO electronically submitted a second round PPP application to Arkansas Capital on behalf of West Coast in which he fraudulently

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sought to obtain an additional $1,380,655. In support of this application, DISTEFANO falsely represented that West Coast had 14 employees and monthly payroll of approximately $552,262, knowing that West Coast neither had that many employees or amount of payroll. The loan was not funded.

The National PPP Loan and Second Round Application

Between approximately July 25, 2020, and July 28, 2020, DISTEFANO prepared and provided to Urumieh, and Urumieh then submitted to Arkansas Capital, an application for a PPP loan in the amount of $1,722,645.50 on behalf of National. In the loan application, DISTEFANO and Urumieh falsely represented that that National had 123 employees and an average monthly payroll of $689,058.20, even though, in reality, National was not an operating business and had no employees.

In support of the application, DISTEFANO assisted Urumieh in creating and sending fabricated documents to the lender in support of the loan. These documents included a fictitious ADP "Payroll Run Summary Report" and a fictitious IRS Form 940, both falsely reporting that National paid $8,272,696.45 in wages in 2019 that DISTEFANO created and provided to Urumieh to submit to Arkansas Capital.

On July 28, 2020, DISTEFANO created a fictitious payroll spreadsheet that listed 122 fictitious employees, each with a reported salary of between $98,121 and $98,952. Urumieh sent these false documents to Arkansas Capital in support of the National PPP loan application. Based upon the false statements, on July 29, 2020,

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Encore Bank disbursed a PPP loan in the amount of $1,722,654 into an account at Encore Bank in the name of National that was opened to receive the PPP proceeds.

On approximately July 28, 2020, DISTEFANO opened a payroll account in the name of National at ADP, with himself as the account administrator, in order to make it appear that National had employes and payroll. Nevertheless, the ADP account set up by DISTEFANO identified only six employees rather than the 123 listed in the loan application. Of these six employees, DISTEFANO identified four as W-2 wage earners, with the remaining two – DISTEFANO and his acquaintance – listed as non-employees receiving 1099 compensation.

On February 5, 2021, DISTEFANO electronically submitted a second round PPP application to Arkansas Capital on behalf of National in which he and Urumieh fraudulently sought to obtain an additional $1,994,717. In support of this application, DISTEFANO falsely represented that National had 53 employees and monthly payroll of approximately $797,887, knowing that National did have that number of employees or amount of monthly payroll. This loan was not funded.

Proceeds from the West Coast and National Loans

On July 31, 2020, DISTEFANO caused $388,821 of the National PPP loan proceeds to be transferred into his account at U.S. Bank ("Account 9624") via the National payroll account at ADP. That same day, DISTEFANO caused funds to be drawn from Account 9624 to make payments to American Express totaling $188,368.73 and to purchase three cashier's checks totaling $183,205.33 to purchase

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or complete the purchase of a 2016 Lamborghini Huracan; 2020 Land Rover Range Rover Evoque; and 2017 Maserati Ghibli. On or about August 6, 2020, DISTEFANO used a further approximately $95,000 in National PPP loan proceeds that Urumieh caused to be transferred directly from National's account at Encore Bank to DISTEFANO's Account 9624 to purchase a 2017 Porsche 911 Carrera.

The total amount of funds DISTEFANO received for his personal benefit from the National PPP loan was approximately $814,780. This amount is comprised of transfers into Account 9624 totaling approximately $719,780 from the payroll account at ADP held for the benefit of National between July 2020 and January 2021, and the $95,000 transferred directly from National's account at Encore Bank to Account 9624 on August 6, 2020.

From July 2020 through January 2021, approximately $329,815 of the West Coast PPP loan proceeds were transferred to Account 9624 for DISTEFANO's personal benefit.

Defendant acknowledges that the actual loss attributable to the scheme is approximately $2,973,444 and that the total of actual loss and intended loss for that scheme is approximately $6,348,816.

Urumieh's Purchase of Property in Glendale California

After obtaining funds from the EIDL and PPP first-round loan applications filed for West Coast and National, Urumieh entered into a contract to purchase a home located at 29XX E. Chevy Chase Dr. in Glendale, California (the "Glendale

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Property"). DISTEFANO's understanding was that Urumieh used funds obtained from the West Coast and National PPP loans for the down payment to purchase the Glendale Property. Thereafter, DISTEFANO and Urumieh caused fraudulent mortgage loan applications to be filed to enable Urumieh to complete the purchase.

Between approximately September 9, 2020, and October 19, 2020, DISTEFANO assisted Urumieh in submitting to Better Mortgage an application for a residential real estate loan in the amount of approximately $746,555 to purchase the Glendale Property, knowing that such application contained false and fraudulent representations regarding: (a) monthly income; and (b) the truthfulness and accuracy of the application and supporting documents.

The Uniform Residential Loan Application that DISTEFANO submitted online to Better Mortgage on behalf of Urumieh represented that Urumieh had monthly income of $233,333. In support of the application, DISTEFANO created two fraudulent individual income tax returns (IRS Forms 1040-X) falsely representing that Urumieh had adjusted gross income of $8,908,233.43 in 2019 and adjusted gross income of $7,659,188.50 in 2018, and a fraudulent letter from "ER TAX SERVICES" explaining the IRS Forms 1040-X, and caused the documents to be submitted to Better Mortgage. Additionally, DISTEFANO and Urumieh submitted to Better Mortgage a fraudulent "Large Deposit Explanation" that falsely attributed a $450,000 deposit of proceeds from the National first draw PPP loan into an account

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that Urumieh controlled at Chase Bank ending in 6250, as proceeds of a liquidation of Urumieh's "stock options on TastyTrade."

On or about October 19, 2020, Urumieh, after he was informed by Better Mortgage that his loan application had been rejected by underwriting because of "discrepancies in income in the amount of millions of dollars from what was reported to the IRS when your taxes were filed as opposed to the tax returns that [Better Mortgage] received," sent an email to DISTEFANO and Individual A stating "[t]hats what I was concerned about" and asking "[w]hat now?" DISTEFANO responded to this email with a false narrative for Urumieh to provide to Better Mortgage.

After Urumieh's mortgage loan application was rejected by Better Mortgage, between approximately October 30, 2020 and December 4, 2020, DISTEFANO, Urumieh, and Individual A caused to be submitted to Planet Home an application on behalf of Urumieh for a residential real estate loan in the amount of approximately $765,600 to purchase the Glendale Property, knowing that the application contained false and fraudulent representations regarding: (a) monthly income; and (b) the truthfulness and accuracy of the application and supporting documents.

The Uniform Residential Loan Application to Planet Home falsely represented that Urumieh was employed by National and West Coast, both of Addison, Illinois, with a total monthly income of $30,833. To corroborate false representations made in the application, DISTEFANO, Urumieh, and Individual A, created and submitted to Planet Home, a fraudulent Sales Purchase Agreement that was backdated to August

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1, 2020. More specifically, the document was built from a template Individual A and DISTEFANO received from a then-relative of DISTEFANO. After the document was modified to reflect a fictional business sale transaction, the document was docusigned by DISTEFANO from his house in Addison, Illinois, and by Urumieh from his house in Glendale, California, on November 27, 2020. The docusign receipt page was then altered so that it appeared that the document had been docusigned on August 1, 2020. The document was then submitted to Planet Home and falsely recounted that West Coast was sold by Urumieh to DISTEFANO's company, Distefano Enterprises LLC, for $2,000,000 payable in installments, and that Urumieh was to enter into a 10-year employment agreement with Distefano Enterprises at an annual salary of $365,000.

6. Defendant also acknowledges that, for the purpose of computing his sentence under the Sentencing Guidelines, the following conduct constitutes relevant conduct under Guideline § 1B1.3:

EIDL and EIDL Advance Obtained by Distefano Enterprises

Simultaneous to his scheme with Urumieh, DISTEFANO was engaged in his own scheme to obtain EIDL and PPP funds through fraudulent applications filed for his own company, Distefano Enterprises LLC. On March 31, 2020, DISTEFANO applied for an EIDL on behalf of Distefano Enterprises through the SBA online portal. In this application, he falsely represented that Distefano Enterprises had 12 employees as of January 31, 2020, gross revenues of $2,500,000, and cost of goods sold of $2,120,000. At the time of the application, DISTEFANO knew that these

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representations were false. As a result of these representations, on June 10, 2020, the SBA disbursed EIDL funds totaling $149,900 into DISTEFANO's Account 9624. On June 18, 2020, the SBA disbursed a $10,000 EIDL advance grant into Account 9624.

Distefano Enterprises PPP Loan and Second Round Application

On or around April 27, 2020, DISTEFANO submitted to U.S. Bank an application requesting a PPP loan in the amount of $237,500, on behalf of Distefano Enterprises. In the initial loan application, DISTEFANO falsely stated that Distefano Enterprises had 14 employees and an average monthly payroll of $95,000. DISTEFANO supported this loan application with a fraudulent ADP "Payroll Run Report" that he created.

On or about May 13, 2020, DISTEFANO submitted a revised fraudulent PPP loan application to U.S. Bank, in which he falsely represented that Distefano Enterprises had 14 employees with an average monthly payroll of $79,166, once again knowing these presentations were false. Based upon the false statements, on May 13, 2020, U.S. Bank disbursed a PPP loan in the amount of $197,915 into Account 9624.

On October 29, 2020, DISTEFANO electronically submitted to U.S. Bank a PPP Loan Forgiveness Application Form 3508EZ on behalf of Distefano Enterprises. In the application, he falsely reported that during the period of May 13, 2020 to October 27, 2020, the business had payroll costs of $255,478.54. Additionally, DISTEFANO submitted, as supporting documentation, a fictitious ADP report listing

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7 employees and a fictitious IRS Form 941 for the 3rd quarter of 2020. This loan forgiveness application was not granted.

On approximately February 5, 2021, DISTEFANO electronically submitted a second round PPP application to Arkansas Capital Corporation on behalf of Distefano Enterprises in which he fraudulently sought to obtain an additional loan in the amount of $83,921. In support of this application, DISTEFANO falsely represented that Distefano Enterprises had 14 employees and a monthly payroll of approximately $33,568. This loan was not funded.

Defendant acknowledges that the actual loss attributable to the Distefano Scheme is approximately $357,815 and that the total of actual loss and intended loss for that scheme is approximately $441,736.

Unemployment Benefits

Beginning in March 2020 and continuing into February 2021, DISTEFANO applied for and received unemployment benefits by falsely claiming that he was unemployed due to COVID-19 since March 29, 2020. In fact, DISTEFANO was not unemployed and his business continued to operate. Based upon his false statements, the Illinois Department of Employment Security electronically deposited approximately $29,581.50 in unemployment benefits into Account 9624.

Beginning in approximately August of 2020 and continuing into September of 2021, DISTEFANO applied for and received unemployment benefits in the name of his father, claiming that his father was a self-employed driver/sales worker who

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became unemployed due to COVID-19. In reality, DISTEFANO's father was retired. Based upon DISTEFANO's false statements, the Illinois Department of Employment Security disbursed $8,059.50 in unemployment benefits on account of the claim, and DISTEFANO received the funds.

Defendant's Fraudulent Petition Filed with FBI

On February 17, 2021, four motor vehicles and $677,932.25 on deposit in Account 9624 were seized pursuant to seizure warrants. On April 28, 2021, a Notice of Seizure of Property and Initiation of Administrative Forfeiture Proceedings was issued and served on the defendant.

On May 3, 2022, defendant filed his Petition for Remission/Mitigation seeking the return of the $677,932.25 seized from Account 9624. In this application, defendant represented that the funds transferred to him by West Coast and National were "for actual work done." Defendant falsely represented in the application that he "was a bona fide purchaser or seller of the forfeited property for value, AND [he] did not know and was without cause to believe that the property was subject to forfeiture at the time [he] acquired [his] interest in the property." In support of his petition, defendant submitted four counterfeit invoices, purporting to bill four different customers a total of $1,010,000 care of Urumieh and West Coast. These invoices did not evidence real obligations, and were submitted to deceive the government as to why defendant had received funds from the West Coast and National loans. The

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Petition for Remission/Mitigation was electronically signed by defendant under penalty of perjury.

7. The foregoing facts are set forth solely to assist the Court in determining whether a factual basis exists for defendant's plea of guilty and criminal forfeiture, and are not intended to be a complete or comprehensive statement of all the facts within defendant's personal knowledge regarding the charged crimes and related conduct.

Maximum Statutory Penalties

8. Defendant understands that the charge to which he is pleading guilty carries the following statutory penalties:

a. A maximum sentence of 20 years' imprisonment. This offense also carries a maximum fine of $250,000, or twice the gross gain or gross loss resulting from that offense, whichever is greater. Defendant further understands that the judge also may impose a term of supervised release of not more than three years.

b. Defendant further understands that the Court must order restitution to the victims of the offense in an amount determined by the Court. The Court also may order restitution to any persons as agreed by the parties.

c. Pursuant to Title 18, United States Code, Section 3013, defendant will be assessed $100 on the charge to which he has pled guilty, in addition to any other penalty or restitution imposed.

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Sentencing Guidelines Calculations

9. Defendant understands that, in determining a sentence, the Court is obligated to calculate the applicable Sentencing Guidelines range, and to consider that range, possible departures under the Sentencing Guidelines, and other sentencing factors under 18 U.S.C. § 3553(a), which include: (i) the nature and circumstances of the offense and the history and characteristics of the defendant; (ii) the need for the sentence imposed to reflect the seriousness of the offense, promote respect for the law, provide just punishment for the offense, afford adequate deterrence to criminal conduct, protect the public from further crimes of the defendant, and provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner; (iii) the kinds of sentences available; (iv) the need to avoid unwarranted sentence disparities among defendants with similar records who have been found guilty of similar conduct; and (v) the need to provide restitution to any victim of the offense.

10. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points:

a. **Applicable Guidelines**. The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the 2024 Guidelines Manual.

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b. **Offense Level Calculations.**

i. The base offense level is 7, pursuant to Guideline § 2B1.1(a)(1).

ii. The government's position is that pursuant to Guideline § 2B1.1(b)(1)(J) and Application Note 3(D)(ii), the offense level is increased by 18 levels because the intended loss of approximately $6,827,596 attributable to the offense of conviction and relevant conduct is between $3,500,000 and $9,500,000. Defendant's position is that the offense level is increased by 16, pursuant to Guideline § 2B1.1(b)(1)(I) because the actual loss of $3,368,900 is more than $1,500,000 but less than $3,500,000. The parties acknowledge that the loss amount attributable to the offense may change prior to sentencing depending on collateral recovery and the value of any outstanding collateral, pursuant to Application Note 3(D)(ii) of Guideline § 2B1.1.

iii. Pursuant to Guideline § 2B1.1(b)(17)(A), the offense level is increased by 2 levels because the offense involved obtaining more than $1,000,000 in gross receipts from one or more financial institutions.

iv. Pursuant to Guideline § 3C1.1, the offense level is increased by 2 levels because the defendant willfully attempted to impede and obstruct the investigation by filing his fraudulent Petition for Remission/Mitigation with the FBI.

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v. The government understands that defendant will truthfully admit the conduct comprising the offense(s) of conviction, and truthfully admit or not falsely deny any additional relevant conduct for which the defendant is accountable under Guideline § 1B1.3. Therefore, based upon facts now known to the government, defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for his actions within the meaning of Guideline § 3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested financial information relevant to his ability to satisfy any fine or restitution that may be imposed in this case, a two-level reduction in the offense level is appropriate.

vi. In accord with Guideline § 3E1.1(b), defendant has timely notified the government of his intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently. Therefore, as provided by Guideline § 3E1.1(b), if the Court determines the offense level to be 16 or greater prior to determining that defendant is entitled to a two-level reduction for acceptance of responsibility, the government will move for an additional one-level reduction in the offense level.

c. **Criminal History Category**. With regard to determining defendant's criminal history points and criminal history category, based on the facts

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now known to the government, defendant's criminal history points equal 1 and defendant's criminal history category is I:

i. On or about December 19, 2023, defendant was convicted of Nonconsensual Dissemination of Sexual Images in the Circuit Court of Cook County in case 22CR0622401 and sentenced to 18 months' probation. Pursuant to Guidelines § 4A1.1(c), defendant receives 1 criminal history point.

d. **Anticipated Advisory Sentencing Guidelines Range.** Therefore, based on the facts now known to the government, the government's position is that the anticipated offense level is 26 which, when combined with the anticipated criminal history category of I, results in an anticipated advisory sentencing guidelines range of 63 to 78 months' imprisonment, in addition to any supervised release, fine, and restitution the Court may impose. Defendant's position is that the anticipated offense level is 24, and that the anticipated advisory sentencing guidelines range is 51 to 63 months' imprisonment.

e. Defendant and his attorney and the government acknowledge that the guidelines calculations set forth in this Agreement are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands the above calculations are based on information now known to the government and that further review of the facts or applicable legal principles may lead the government to change its position on the guidelines calculations. Defendant understands that the Probation Office will conduct its own investigation

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and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the defendant's, the probation officer's, or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw his plea on the basis of a change in the government's position on the guideline calculations or the Court's rejection of these calculations.

f. Both parties expressly acknowledge that this Agreement is not governed by Fed. R. Crim. P. 11(c)(1)(B), and that errors in applying or interpreting any of the sentencing guidelines may be corrected by either party prior to sentencing. The parties may correct these errors by a statement to the Probation Office or the Court, setting forth any changes in either parties' position regarding the guidelines calculations. The validity of this Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw his plea, nor the government the right to vacate this Agreement, on the basis of such corrections.

Cooperation

11. Defendant agrees he will fully and truthfully cooperate in any matter in which he is called upon to cooperate by a representative of the United States Attorney's Office for the Northern District of Illinois. This cooperation shall include providing complete and truthful information in any investigation and pre-trial preparation and complete and truthful testimony in any criminal, civil, or

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administrative proceeding. Defendant agrees to the postponement of his sentencing until after the conclusion of his cooperation.

Agreements Relating to Sentencing

12. At the time of sentencing, the government shall make known to the sentencing judge the extent of defendant's cooperation. If the government determines that defendant has continued to provide full and truthful cooperation as required by this agreement, then the government shall move the court, pursuant to Guideline § 5K1.1, to depart downward from the low end of the applicable guideline range in an amount to be determined by the government at the time of sentencing. Defendant shall be free to recommend any sentence, including a noncustodial sentence. Defendant understands that the decision to depart from the applicable guideline range rests solely with the Court.

13. If the government does not move the Court, pursuant to Guideline § 5K1.1, to depart from the applicable guideline range, as set forth above, the preceding paragraph of this Agreement will be inoperative, both parties shall be free to recommend any sentence, and the Court shall impose a sentence taking into consideration the factors set forth in 18 U.S.C. § 3553(a) as well as the Sentencing Guidelines without any downward departure for cooperation pursuant to § 5K1.1. Defendant may not withdraw his plea of guilty because the government has failed to make a motion pursuant to Guideline § 5K1.1.

14. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Agreement and may impose a sentence up to the maximum penalties as set forth above. Defendant further acknowledges that if the Court does not accept the sentencing recommendation of the parties, defendant will have no right to withdraw his guilty plea.

15. Regarding restitution, defendant acknowledges that pursuant to Title 18, United States Code, Section 3663A, the Court must order defendant, together with any jointly liable co-defendants, to make full restitution to the victims in an amount to be determined by the Court at sentencing, which amount shall reflect credit for any funds repaid prior to sentencing. Defendant also agrees to pay additional restitution, arising from defendant's fraudulent filing of unemployment claims with the Illinois Department of Employment Security in the amount of $37,641, and additional restitution to the SBA arising from defendant's filing of fraudulent PPP and EIDL applications in the amount of $357,815, pursuant to Title 18, United States Code, Sections 3663(a)(3) and 3664.

16. Restitution shall be due immediately, and paid pursuant to a schedule to be set by the Court at sentencing. Defendant acknowledges that pursuant to Title 18, United States Code, Section 3664(k), he is required to notify the Court and the United States Attorney's Office of any material change in economic circumstances that might affect his ability to pay restitution.

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17. Defendant agrees to pay the special assessment of $100 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

18. Defendant agrees that the United States may enforce collection of any fine or restitution imposed in this case pursuant to Title 18, United States Code, Sections 3572, 3613, and 3664(m), and Title 31, United States Code, Sections 3711, 3716, and 3728, notwithstanding any payment schedule set by the Court. In the event of the death or dissolution of, or the government's inability to locate the named recipient(s) of restitution in the Judgment and Commitment Order, the defendant agrees to not oppose efforts by the government to obtain an order substituting as payee a representative of the victim's estate, another family member, or any other person or successor entity appointed as suitable by the court, or the Crime Victims Fund.

19. After sentence has been imposed on the count to which defendant pleads guilty as agreed herein, the government will move to dismiss the remaining counts of the superseding indictment, as well as the indictment as to defendant.

Forfeiture

20. Defendant understands that, by pleading guilty, he will subject to forfeiture to the United States all right, title, and interest that he has in any property constituting or derived from proceeds obtained, directly or indirectly, as a result of the offense.

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21. Defendant agrees to forfeiture of the following specific property to the United States: the 2016 Lamborghini Huracan, VIN: ZHWUC2ZF1GLA04413; the 2017 Porsche 911 Carrera S Coupe, VIN: WP0AB2A9XHS123487; the 2017 Maserati Ghibli S, VIN: ZAM57RTA1H1230190; the 2020 Land Rover Evoque SE, VIN: SALZP2FX7LH006525; and $677,932.25 seized from Account 9624 (collectively, the "Subject Property"). In doing so, defendant admits that the property described above represents proceeds defendant obtained as a result of the offense, as alleged in the superseding indictment. Defendant consents to the immediate entry of a preliminary order of forfeiture as to this specific property, thereby extinguishing any right, title, or interest defendant has in it. If any of the specific property is not yet in the custody of the United States, defendant agrees to seizure of that property so that it may be disposed of according to law.

22. In addition, defendant agrees to the entry of a personal money judgment in the amount of $1,049,595, which represents the total amount of proceeds traceable to the offense received by defendant. Defendant consents to the immediate entry of a preliminary order of forfeiture setting forth the amount of the personal money judgment he will be ordered to pay.

23. Defendant admits that because the directly forfeitable property, other than the specific property noted above, is no longer available for forfeiture as described in Title 21, United States Code, Section 853(p)(1), the United States is entitled to seek forfeiture of any other property of defendant, up to the value of the

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personal money judgment, as substitute assets pursuant to Title 21, United States Code, Section 853(p)(2).

24. Defendant acknowledges that on or about March 31, 2022, the United States commenced a civil forfeiture action, case no. 22 CV 1684, in the Northern District of Illinois, alleging that the Subject Property set forth above is subject to forfeiture. Defendant acknowledges that he had notice of the proceeding and admits that the property is subject to forfeiture as alleged. Further, by signing this agreement, defendant relinquishes any right, title, and interest he may have had in this property, withdraws any previously filed petitions, claims, and answers, and understands that an order of forfeiture has been entered, or will be entered, thereby extinguishing any claim he may have had in the property.

25. Defendant understands that forfeiture shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon defendant in addition to the forfeiture judgment. In this case, however, the United States Attorney's Office will recommend to the Attorney General that any net proceeds derived from any forfeited assets be remitted or restored to eligible victims of the offense pursuant to Title 18, United States Code, Section 981(e), Title 28, Code of Federal Regulations, Part 9, and other applicable law.

26. Defendant agrees to waive all constitutional, statutory, and equitable challenges in any manner, including but not limited to direct appeal or a motion brought under Title 28, United States Code, Section 2255, to any forfeiture carried

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out in accordance with this agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment. The waiver in this paragraph does not apply to a claim of involuntariness or ineffective assistance of counsel. Defendant further agrees not to challenge or seek review of the civil or administrative forfeiture of any property identified in this agreement subject to forfeiture, and will not assist any third party with regard to such challenge or review.

Acknowledgments and Waivers Regarding Plea of Guilty

Nature of Agreement

27. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 24-CR-424-1.

28. This Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver, or release by the United States or any of its agencies of any administrative or judicial civil claim, demand, or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, except as expressly set forth in this Agreement.

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29. Defendant understands that nothing in this Agreement shall limit the Internal Revenue Service in its collection of any taxes, interest or penalties from defendant or defendant's partnership or corporations.

Waiver of Rights

30. Defendant understands that, by pleading guilty, he surrenders certain rights, including the following:

a. **Trial rights**. Defendant has the right to persist in a plea of not guilty to the charges against him, and if he does, he would have the right to a public and speedy trial.

i. The trial could be either a jury trial or a trial by the judge sitting without a jury. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and his attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not convict him

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unless, after hearing all the evidence, it was persuaded of his guilt beyond a reasonable doubt and that it was to consider each count of the superseding indictment separately. The jury would have to agree unanimously as to each count before it could return a verdict of guilty or not guilty as to that count.

ii. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, and considering each count separately, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

iii. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and his attorney would be able to cross-examine them.

iv. At a trial, defendant could present witnesses and other evidence in his own behalf. If the witnesses for defendant would not appear voluntarily, he could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

v. At a trial, defendant would have a privilege against self-incrimination so that he could decline to testify, and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify in his own behalf.

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iv. With respect to forfeiture, defendant understands that if the case were tried before a jury, he would have a right to retain the jury to determine whether the government had established the requisite nexus between defendant's offense and any specific property alleged to be subject to forfeiture.

b. **Waiver of appellate and collateral rights**. Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial. Defendant is aware that Title 28, United States Code, Section 1291, and Title 18, United States Code, Section 3742, afford a defendant the right to appeal his conviction and the sentence imposed. Acknowledging this, if the government makes a motion at sentencing for a downward departure pursuant to Guideline § 5K1.1, defendant knowingly waives the right to appeal his conviction, any pre-trial rulings by the Court, and any part of the sentence (or the manner in which that sentence was determined), including any term of imprisonment and fine within the maximums provided by law, and including any order of restitution or forfeiture, in exchange for the concessions made by the United States in this Agreement. In addition, if the government makes a motion at sentencing for a downward departure pursuant to Guideline § 5K1.1, defendant also waives his right to challenge his conviction and sentence, and the manner in which the sentence was determined, in any collateral attack or future challenge, including but not limited to a motion brought under Title 28, United States Code, Section 2255. The waiver in this paragraph does not apply to a claim of involuntariness or ineffective assistance

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of counsel, nor does it prohibit defendant from seeking a reduction of sentence based directly on a change in the law that is applicable to defendant and that, prior to the filing of defendant's request for relief, has been expressly made retroactive by an Act of Congress, the Supreme Court, or the United States Sentencing Commission.

31. Defendant understands that, by pleading guilty, he is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights specifically preserved above. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights.

Presentence Investigation Report/Post-Sentence Supervision

32. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall endeavor to ensure that the relevant facts and sentencing factors, as applied to the facts, are brought to the District Court's attention fully and accurately, including facts related to the defendant's criminal conduct and related conduct, and any relevant information concerning the defendant's background, character, and conduct that the District Court may consider under 18 U.S.C. § 3661 in imposing a sentence.

33. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of his financial circumstances, including his recent income

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tax returns as specified by the probation officer. Defendant understands that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline § 3E1.1 and enhancement of his sentence for obstruction of justice under Guideline § 3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

34. For the purpose of monitoring defendant's compliance with his obligations to pay a fine and restitution during any term of supervised release or probation to which defendant is sentenced, defendant further consents to the disclosure by the IRS to the Probation Office and the United States Attorney's Office of defendant's individual income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release or probation to which defendant is sentenced. Defendant also agrees that a certified copy of this Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

Other Terms

35. Defendant agrees to cooperate with the United States Attorney's Office in collecting any ordered fine and restitution for which defendant is liable, including

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providing financial statements and supporting records as requested by the United States Attorney's Office.

36. Regarding matters relating to the Internal Revenue Service, defendant agrees as follows (nothing in this paragraph, however, precludes defendant or defendant's partnerships or corporations from asserting any legal or factual defense to taxes, interest, and penalties that may be assessed by the IRS):

a. Defendant agrees to cooperate with the Internal Revenue Service in any tax examination or audit of defendant and defendant's partnerships or corporations which directly or indirectly relates to or arises out of the course of conduct that defendant has acknowledged in this Agreement, by transmitting to the IRS original records or copies thereof, and any additional books and records that the IRS may request.

37. Defendant will not object to a motion brought by the United States Attorney's Office for the entry of an order authorizing disclosure of documents, testimony and related investigative materials which may constitute grand jury material, preliminary to or in connection with any judicial proceeding, pursuant to Fed. R. Crim. P. 6(e)(3)(E)(i). In addition, defendant will not object to the government's solicitation of consent from third parties who provided records or other materials to the grand jury pursuant to grand jury subpoenas, to turn those materials over to the Civil Division of the United States Attorney's Office, or an appropriate federal or state agency (including but not limited to the Internal Revenue Service),

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for use in civil or administrative proceedings or investigations, rather than returning them to the third parties for later summons or subpoena in connection with a civil or administrative proceeding involving, or investigation of, defendant or defendant's partnerships or corporations. Nothing in this paragraph or the preceding paragraph precludes defendant or defendant's partnerships or corporations from asserting any legal or factual defense to taxes, interest, and penalties that may be assessed by the IRS.

38. Defendant understands that, pursuant to Title 12, United States Code, Sections 1785(d) and 1829, his conviction in this case will prohibit him from directly or indirectly participating in the affairs of any financial institution insured by the National Credit Union Share Insurance Fund or the Federal Deposit Insurance Corporation, except with the prior written consent of the National Credit Union Administration Board or the FDIC and, during the ten years following his conviction, the additional approval of this Court. Defendant further understands that if he knowingly violates this prohibition, he may be punished by imprisonment for up to five years, and a fine of up to $1,000,000 for each day the prohibition is violated.

39. Defendant understands that, if convicted, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

Conclusion

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40. Defendant understands that this Agreement will be filed with the Court, will become a matter of public record, and may be disclosed to any person.

41. Defendant understands that his compliance with each part of this Agreement extends throughout the period of his sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the event he violates this Agreement, the government, at its option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to resentence defendant or require defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecutions.

42. Should the judge refuse to accept defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound to it.

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43. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement, to cause defendant to plead guilty.

44. Defendant acknowledges that he has read this Agreement and carefully reviewed each provision with his attorney. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: June 25, 2025

for ASB

ANDREW S. BOUTROS
United States Attorney

JEFFREY S. SNELL
Assistant U.S. Attorney

FRANCESCO DISTEFANO
Defendant

ROBERT A. FISHER
Attorney for Defendant

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