UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 23-CR-80154-MIDDLEBROOKS

UNITED STATES OF AMERICA

vs.

GREGORY SCOTT KEOUGH,

Defendant.
______________________________________/

RESPONSE IN PARTIAL OPPOSITION TO DEFENDANT'S MOTION TO MODIFY CONDITIONS OF SUPERVISED RELEASE

The United States of America, through the undersigned Assistant United States Attorney, hereby responds in partial opposition to defendant Gregory Scott Keough's (Keough) Motion to Modify Conditions of Supervised Release (DE 70). Keough's sentence included a total term of supervised release of three years. DE 60. Keough, who has not yet started his term of supervised release, seeks to modify his supervision in two ways: (1) to become non-reporting so that he can relocate to El Salvador and (2) to remove the drug testing condition. For the reasons that follow, the United States respectfully requests that the motion be denied in part, in that the Court deny Keough's request for his supervision to be non-reporting. The United States does not object to the removal of Keough's drug testing condition.

I. BACKGROUND

A. Offense Conduct

From March 2020 through August 2020, Keough and his co-conspirator, Derek Acree, conspired to submit one fraudulent Economic Injury Disaster Loan (EIDL) application and three fraudulent Payment Protection Program (PPP) loan applications on behalf of companies they controlled together. Presentence Investigation Report (PSI) ¶¶ 5, 47. Keough also individually applied for and received two additional loans for companies he controlled and applied for at least one other loan that was denied. *Id.* at ¶ 47. In all, Keough was responsible for an intended loss amount of $2,049,105 and an actual loss of $1,922,355. *Id.* ¶ 47.

B. Relevant Procedural History

On November 13, 2023, Keough pled guilty to two counts of wire fraud, in violation of 18 U.S.C. § 1343, and one count of money laundering, in violation of 18 U.S.C. § 1957. PSI ¶ 1. In anticipation of sentencing, the United States Probation office calculated Keough's guideline imprisonment range. DE 53. Based on his offenses of conviction, and a loss amount of $2,049,105, his adjusted offense level was determined to be 24. PSI ¶¶ 58-63. After receiving reductions for being a zero-point offender and acceptance of responsibility, his total offense level was calculated to be 19. *Id*. at ¶¶ 64-67. With zero criminal history points, his criminal history category was I. *Id*. at ¶ 70. Accordingly, Keough's guideline imprisonment range was 30-37 months. *Id*. at ¶ 111.

On February 8, 2024, Keough was sentenced to 30 months imprisonment and three years of supervised release. DE 60. He was also ordered to pay $1,922,355 in restitution, which was paid in full by the time of sentencing, and a $300 special assessment. *Id*. Keough was ordered to surrender for service of his sentence approximately six weeks later, on March 25, 2024. *Id*.

Among other conditions, Keough's terms of supervised release included mandatory conditions that he not commit another federal, state, or local crime, and that he submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter. *Id.* His terms of supervised release also included several standard conditions related to reporting to a United States probation officer to enable the officer to supervise his conduct and condition. *Id*.

According to Supervising United States Probation Officer Scott Kirsche, Keough was released to a halfway house on or about May 20, 2025, approximately 14 months after surrendering for his sentence, and is currently serving the remainder of his sentence on home confinement in Wellington, Florida. Keough's anticipated release date from Bureau of Prison custody is currently September 29, 2025. *See* https://www.bop.gov/inmateloc/ (last visited July 17, 2025).

C. The Instant Motion

On July 1, 2025, Keough filed the instant motion to modify his conditions of supervised release in two ways: (1) to become non-reporting so that he can relocate to El Salvador and (2) to remove the drug testing condition. DE 70. In support of his request for supervision to be non-reporting, Keough cites future sentencing guideline amendments that, in part, underscore the rehabilitative purposes of supervised release. DE 70-1 at 5-8. He argues the reporting conditions of supervised release serve no purpose other than punishment because his wife and children live in El Salvador, he has employment opportunities there, and he purportedly has limited remaining ties to the United States. *Id*. at 8-11. In support of his request for removal of the drug testing condition, Keough argues that he does not have substance abuse issues and that he has nevertheless satisfied the drug testing condition based on his successful passing of three drug tests since his release to a halfway house. *Id*. at 11.

II. ARGUMENT

a. Keough's request to modify his conditions of supervised release to be non-reporting and to permit relocation to El Salvador should be denied.

This Court should deny Keough's request to modify his conditions of supervised release to be non-reporting and to allow relocation to El Salvador. As an initial matter, Keough's request to modify his term of supervision to be non-reporting is in effect asking the Court to terminate his term of supervised release before it begins. Pursuant to 18 U.S.C. § 3583(e)(1), a Court may terminate a term of supervised release early for a defendant who has served at least one year of his supervised release, where "such action is warranted by the conduct of the defendant released and the interest of justice." Keough, who has not yet started his term of supervised release, is not eligible under Section 3583(e)(1) for his term of supervision to be terminated. And, even if he had satisfied the one-year requirement for termination of supervised release, termination of his supervised release would not be warranted by his conduct and the interests of justice. Indeed, early termination is only occasionally justified, as Section 3583 does not provide for early termination based solely on a defendant's compliance with the terms of his supervision. *See United States v. Reisner*, No. 4:06-CR-077-SPM, 2008 WL 3896010, at *1 (N.D. Fla. Aug. 20, 2008) (denying motion for early termination in view of the defendant's failure to "demonstrate exceptionally good behavior or other extraordinary circumstances sufficient to warrant early termination"); *see also Karacsonyi v. United States*, 152 F.3d 918, *1 (2d Cir. 1998). Because Keough's request for non-reporting supervised release is in effect requesting that this Court terminate his term of supervision before it even begins, and Keough is not yet eligible for termination of his term of supervised release, this Court should deny his request.

In addition, Keough's request to modify his term of supervised release to be non-reporting and to permit relocation to El Salvador is otherwise unwarranted after consideration of the applicable 18 U.S.C. § 3553(a) factors. *See* 18 U.S.C. § 3583(e). Although it is true that one of the goals of supervised release is rehabilitation of the defendant, the nature and circumstances of the offense and the history and characteristics of the defendant, deterrence, public protection, and uniformity of sentences among defendants committing the same types of crimes are all also considerations related to supervised release. *See United States v. Reagan*, 162 Fed. Appx. 912, 914 (11th Cir. 2006) (citing 18 U.S.C. §§ 3553(a), 3583(e)(1)).

The nature and circumstances of Keough's offense involve him submitting and/or causing the submission of multiple false EIDL and PPP loan applications, resulting in an intended loss of approximately $2,049,105 and an actual loss of $1,922,355. PSI ¶¶ 5-45; 47. It also involves Keough personally benefitting from the proceeds of these false applications and consuming much of the proceeds on himself and his family. PSI ¶¶ 37-38, 46.

Importantly, the history and characteristics of Keough reveal that this financial misconduct was not an isolated incident. In 2021, one of the companies Keough co-owned with his co-conspirator, doing business as DeFi Money Market, was shutdown based on an agreement with the Securities and Exchange Commission (SEC), after the company sold more than $30,000,000 worth of securities in unregistered offerings. PSI ¶ 95. While marketing the company, Keough and his co-conspirator misrepresented how the company was operated, failed to notify the investors of material facts, and falsely claimed the DeFi Money Market had bought car loans that they displayed on the company website when they had not. *Id*. As a result of this misconduct, Keough ultimately agreed to be jointly and severally liable in that case for a debt of more than $7.5 million in disgorgement and prejudgment interest. PSI ¶ 95.

Keough's pattern of improper financial conduct underscores the need for specific deterrence in this case. Modifying Keough's supervised release to be non-reporting and permitting his move to El Salvador, after he served only 14 months incarcerated and four months on home confinement, would not adequately deter him from future criminal conduct. It would also be inadequate to deter others from committing future similar misconduct and would instead encourage white-collar defendants to move abroad after being released from imprisonment to avoid serving their terms of supervised release. The presence of a requirement to report to United States probation provides a strong incentive to a defendant like Keough to avoid committing future crimes.

The reporting requirements also serve to protect the public from further crimes of the defendant. Notably, Keough's motion states that he can return to the work he was doing in El Salvador prior to his plea. DE 70-1 at 10 (citing PSI ¶¶ 92, 101).[1] According to the PSI, Keough was working at an El-Salvador based digital financial technology platform application company doing business as Credimovil, that he co-owned and operated, that provides loans based on the equity in the customer's vehicle.[2] PSI ¶ 94. This business appears at least partially similar to Keough's business that resulted in him owing millions of dollars to the SEC for improper conduct (PSI ¶ 95), in that both businesses involved financial technology and car loans. Given Keough's history of misrepresentations related to financial technology companies, and the fact that Keough's residence in El Salvador would not inhibit his ability to conduct business and misconduct in the United States, Keough's reporting requirements are necessary to protect the public from further crimes of the defendant.

The undersigned has conferred with United States probation and understands they may be amendable to Keough's request to move to El Salvador and to be non-reporting because Keough's remaining conditions of release may not necessitate active monitoring. Instead, Supervising United States Probation Officer Scott Kirsche indicated that even if Keough's conditions remain unchanged, he will likely be assigned to a low-risk probation officer and be required to submit monthly reports to probation without in-person reporting requirements. For the reasons already stated, the United States submits that such a reporting structure, which would require Keough to maintain living in the United States under supervision, is more appropriate than allowing Keough to be non-reporting from El Salvador, given the goals of supervised release.

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[1] Keough cites ¶¶ 92 and 99 of the original PSI (DE 50), which are ¶¶ 92 and 101, respectively, of the final PSI cited in this response (DE 53).

[2] The PSI noted that the company is online based, and that the defendant continued to operate the business while in the United States. PSI ¶ 94.

Although the undersigned sympathizes with the difficulties Keough's wife and family are experiencing in El Salvador, supervised release serves important purposes other than rehabilitation, including deterrence and public protection. For all the reasons stated, an assessment of the applicable 18 U.S.C. § 3553(a) factors shows that modifying Keough's term of supervised release to be non-reporting and permitting him to move to El Salvador would not be appropriate. Accordingly, the United States respectfully requests the Court deny Keough's request.

b. The United States does not object to the removal of Keough's drug testing condition.

Given that Keough's PSI indicated he poses a low risk of future substance abuse (¶ 127), and he has successfully passed three drug tests since being released to the halfway house, the United States does not object to the Court modifying his term of supervised release to remove this condition.

III. CONCLUSION

For the above stated reasons, the United States respectfully requests the Court deny in part Keough's motion to modify his conditions of supervised release by denying his request to move to El Salvador and change his supervision to non-reporting.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on July 18, 2025, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF.

/s/ Katie Sadlo
KATIE SADLO
Assistant United States Attorney