The Honorable John C. Coughenour

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA, Plaintiff, v. ERIC SHIBLEY, Defendant.	NO. CR20-174-JCC UNITED STATES' RESPONSE IN OPPOSITION TO DEFENDANT'S MOTION FOR EARLY TERMINATION OF SUPERVISED RELEASE

In March 2022, this Court sentenced Defendant Eric Shibley to 48 months of custody with three years of supervised release for wire fraud, bank fraud and money laundering and ordered restitution. Dkt. #152. Shibley began supervision on May 29, 2024. Dkt. #189. Shibley has completed approximately 22 months of his 36-month term of supervised release. Shibley's term of supervision runs for another fifteen months, until May 29, 2027. Shibley moves the Court for early termination of his supervised release. Dkt. #196.

Shibley's underlying offense was significant and, at the time he committed the offense, Shibley was on probation. Dkt. #31. In fact, to effectuate his fraud scheme, Shibley repeatedly falsely certified that he was not on probation. *Id.* For these reasons, supervised release continues to serve a public safety, rehabilitative and correctional

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function. Therefore, the United States joins the Probation Office in opposing early termination and asks that the Court continue Shibley on his existing term of supervised release.

I. BACKGROUND

On October 15, 2020, Shibley was indicted by a grand jury for 15 counts of wire fraud, bank fraud, and money laundering related to a scheme to submit false and fraudulent applications for Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loans (EIDL). Dkt. #31. During the early months of the COVID-19 pandemic, Congress established the PPP to provide emergency loan assistance to businesses. *Id.* The Small Business Association ("SBA") also issued loans through the EIDL program. *Id.*

Shibley submitted numerous fraudulent loan applications to these programs. *Id.*; *see also* Dkt. #148. Shibley's scheme involved submitting false and fraudulent information and documentation about entities that he controlled to participating lenders and the SBA, including false statements about employees and payroll. Dkt. #148. In his applications, Shibley falsely affirmed that he was not on probation, when in fact he was on probation for violating a no-contact order from Skagit County. *Id.* Indeed, at the same time he was applying for COVID-19 relief loans certifying that he was not on probation, Shibley was attending a weekly required 52-week domestic violence perpetrators' program. *See* Dkt. #102.

On November 18, 2021, a jury convicted Shibley of seven counts of wire fraud, three counts of bank fraud, and five counts of money laundering. Dkt. #127. This Court sentenced Shibley to 48 months of custody with three years of supervised release and ordered restitution. Dkt. #152. Shibley was released to supervision on May 29, 2024. Shibley's three-year term of supervision runs for another fifteen months, until May 29, 2027.

The Probation Office opposes early termination. For the reasons discussed below, the United States joins the Probation Office in opposing early termination.

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II. LEGAL STANDARD

Title 18, United States Code, Section 3583(e)(1) provides that a court may "terminate a term of supervised release and discharge the defendant released at any time after the expiration of one year of supervised release, pursuant to the provisions of the Federal Rules of Criminal Procedure relating to the modification of probation, if it is satisfied that such action is warranted by the conduct of the defendant released and the interest of justice." 18 U.S.C. § 3583(e)(1). "The language of § 3583(e) gives district courts broad discretion in determining whether to grant a motion to terminate supervised release." *United States v. Emmett*, 749 F.3d 817, 819 (9th Cir. 2014).

A motion for early termination of probation is reviewed with reference to the sentencing factors set forth in 18 U.S.C. § 3553(a) [1], "to the extent they are applicable." 18 U.S.C. § 3564(c). After considering these factors, the Court "may . . . terminate a term of probation . . . if it is satisfied that such action is warranted by the conduct of the defendant and the interest of justice.[2] *Id.; see also U.S. SENT'G COMM'N, GUIDELINES MANUAL §* 5D1.4 (Nov. 2025) ("[a]ny time after the expiration of one year of supervised release and after an individualized assessment of the need for ongoing supervision, the court may terminate the remaining term of supervision and discharge the defendant if the court determines, following consultation with the government and the probation officer, that the termination is warranted by the conduct of the defendant and in the interest of justice."[3]

The Court enjoys substantial discretion in determining whether these factors are satisfied but must explain its decision with reference to the statutory factors and legal

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[1] These factors include the nature and circumstances of the offense, the history and characteristics of the defendant, the need to afford adequate deterrence, protection of the public, and providing the defendant with needed educational or vocational training or other correctional treatment. *See* 18 U.S.C. § 3553(a)(1), (a)(2)(B), (a)(2)(C), (a)(2)(D).

[2] 18 U.S.C. § 3564(c) also requires a defendant serve at least one year of probation before early termination. That condition is satisfied here.

[3] Application Note 1(B) to § 5D1.4 sets forth factors a court "may wish to consider" in determining whether to terminate supervised release early, including: (i) any court-reported violations during supervision; (ii) ability of

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standard. *Emmett*, 749 F.3d at 820 (observing that "[a] district court's duty to explain its sentencing decisions extends to requests for early termination of supervised release"). The defendant bears the burden of demonstrating that early termination is warranted. *United States v. Weber*, 451 F.3d 552, 559 n.9 (9th Cir. 2006) (defendant, as the party receiving benefit of early termination, is required to demonstrate termination is justified). While changed circumstances such as "exceptionally good behavior by the defendant" *may warrant* termination, such circumstances are not required. *United States v. Ponce*, 22 F.4th 1045, 1047 (9th Cir. 2022) (emphasis added).

III. ARGUMENT

The nature and circumstances of the offense, the history and characteristics of the defendant, and the need to protect the public weigh in favor of continuing the existing term of supervised release. 18 U.S.C. § 3553(a).

First, the extensive nature of Shibley's fraud scheme should not be overlooked. As the government described in its Sentencing Memorandum, Shibley did not have a one-time error in judgment; using various entities that he controlled, he submitted 26 PPP applications to various lenders and 13 EIDLs to the SBA. *See* Dkt. #148; Dkt. #31. In his applications, Shibley used false statements supported by fake tax forms and paperwork to obtain over $2.8 million in fraudulent loan funds. *Id.* Even after he was interviewed by law enforcement, Shibley continued to apply for PPP and EIDL money and attempted to take out ill-gotten gains in cash, until he was arrested. Dkt. #148. He also tried to conceal his fraud by providing lenders with fake names and social security numbers and passing fake tax forms to the grand jury investigating his conduct. *Id.*

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defendant to lawfully self-manage; (iii) substantial compliance with all conditions of supervision; (iv) defendant's engagement in appropriate prosocial activities and the existence/lack of prosocial support to remain lawful beyond supervision; (v) demonstrated reduction in risk level over period of supervision; and (vi) whether termination will jeopardize public safety, as evidenced by the nature of the defendant's offense, the defendant's criminal history, the defendant's record while incarcerated, the defendant's efforts to reintegrate into the community and avoid recidivism, any statements or information provided by the victims of the offense, and other factors the court finds relevant.

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Second, Shibley applied for the PPP and EDIL loans while on probation for violation of a protection order. Dkt. #31; Dkt. #148. Yet in his applications, Shibley falsely certified that he was not then currently on probation, which was a requirement to be eligible for the loans. *Id.* In fact, on the applications, Shibley repeatedly (and falsely) certified that the information and documents he provided in support of the application were "true and accurate in all material respects." Dkt. #148. Thus, Shibley knowingly and repeatedly violated his probation when committing the underlying fraud at issue here.

Third, Sibley has a history of arrests and other documented misconduct. His history of domestic violence is clear, not only the no-contact order for which he was on probation at the time he conducted his PPP and EIDL fraud scheme, but also his arrest for domestic violence *while he was released on bond in this case*, such that his bond was revoked. Dkt. #29 (in order revoking bond, noting "Defendant's criminal history appears to show that Defendant violated prior protection orders on at least four different occasions."). Further, due to a finding of substandard care of patients with regard to prescribing controlled substances, in August 2020 Shibley's medical license was suspended; in fact, the Washington Medical Commission determined that Shibley had continued to prescribe controlled substances even after his license had been summarily suspended in January 2020. Dkt. #148.

Given the above, which shows that Shibley has a history of disregard of court orders, pretrial supervision, and probation, the government believes early termination in this case would be premature. Shibley has been on supervised release for less than two years of his three-year term. In addition, Shibley received a custodial sentence of 48 months (dkt. #152), which was well below the applicable sentencing guidelines range of 97 months to 121 months (*see* PSR ¶ 66), so early termination of his supervision is even less warranted. *See, e.g., United States v. Krise*, No. CR21-5181-BHS, 2026 WL 60411, at *1 (W.D. Wash. Jan. 8, 2026) (in denying motion for early termination of supervision, observing that defendant "was sentenced to a custodial term well below the advisory guideline range" and "the consequence of imposing this more lenient sentence was the

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ordered period of supervised release to protect the public and deter future misconduct."); *United States v. Rudy*, No. 20-CR-00111-JD-1, 2025 WL 2799100, at *2 (N.D. Cal. Oct. 1, 2025), *aff'd*, No. 25-4792, 2025 WL 2871860 (9th Cir. Oct. 9, 2025) (in denying motion for early termination of supervision, noting that defendant's original sentence "was arguably on the lighter end of sentencing").

The fact that he committed the underlying fraud while on probation for another crime suggests that Shibley may violate during supervision, even in a later year, which mitigates against allowing Shibley early termination. The government therefore believes Shibley should remain under supervision for a longer period.

IV. CONCLUSION

For the foregoing reasons, the government respectfully requests that the Court deny Shibley's Motion for Early Termination of Supervision.

DATED this 27th day of March, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on March 27, 2026, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system to be served on counsel of record in this matter.

s/ Laura Connelly
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