UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
AT BOWLING GREEN

UNITED STATES OF AMERICA **PLAINTIFF**

v. **CRIMINAL NO.** 1:22-CR-4-GNS-1

MANDY ELLEN BAUER **DEFENDANT**

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the United States of America, by Michael A. Bennett, United States Attorney for the Western District of Kentucky, and defendant, MANDY ELLEN BAUER, and her attorney, William Butler, have agreed upon the following:

1. Defendant agrees to waive Indictment by the grand jury and to plead guilty to a felony Information which will be filed against defendant by the United States Attorney for the Western District of Kentucky. That information will charge defendant with violations of Title 18, United States Code, Section 1343.

2. Defendant has read the charges against her contained in the Information, and those charges have been fully explained to her by her attorney. Defendant fully understands the nature and elements of the crimes with which she has been charged.

3. Defendant will enter a voluntary plea of guilty to Counts 1 through 9 in this case. Defendant will plead guilty because she is in fact guilty of the charges. The parties agree to the following factual basis for this plea:

All events occurred in Green County in the Western District of Kentucky.

Mandy Bauer had a business called Family Personal Sales (FPS). In 2020 FPS did not have any employees or wage expenses. FPS did not file any Forms 941 or W-2s in 2019 or 2020, and has never made any tax deposits.

On April 2, 2020, Bauer filed an application (3301428208) for a Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) for FPS. Bauer falsely claimed that FPS had six employees, $29,500 in gross revenue, and $1,800 in lost rents due to the disaster. The potential loan amount was $1,800. Bauer sent an interstate wire communication in furtherance of her fraudulent EIDL application.

On April 5, 2020, Bauer filed an application (3302541838) for a SBA EIDL for FPS. Bauer falsely claimed that FPS had six employees, $52,300 in gross revenue, and $9,000 in lost rents due to the disaster. The potential loan amount was $9,000. Bauer sent an interstate wire communication in furtherance of her fraudulent EIDL application.

On April 7, 2020, Bauer submitted a SBA Form 2483, *Paycheck Protection Program Borrower Application Form,* to ReadyCap Lending. Bauer falsely claimed that FPS had average monthly payroll of $11,100 and six employees. The potential loan amount was $30,800. In furtherance of her fraudulent PPP loan application, Bauer sent an interstate wire communication.

On April 8, 2020, Bauer submitted a SBA Form 2483 to ReadyCap Lending. Bauer falsely claimed that FPS had average monthly payroll of $11,000 and six employees. The potential loan amount was $27,700. In furtherance of her fraudulent PPP loan application, Bauer sent an interstate wire communication.

On April 13, 2020, Bauer filed an application (330697682) for a SBA EIDL for FPS. Bauer falsely claimed that FPS had six employees, $28,000 in gross revenue, and $15,000 in cost of goods sold. The potential loan amount was $6,500. Bauer sent an interstate wire communication in furtherance of her fraudulent EIDL application.

On April 29, 2020, Bauer submitted a SBA Form 2483 to ReadyCap Lending. Bauer falsely claimed that FPS had average monthly payroll of $13,496 and six employees. The potential loan amount was $33,700. In furtherance of her fraudulent PPP loan application, Bauer sent an interstate wire communication.

On May 29, 2020, Bauer faxed a Form 7200, *Advance Payment of Employer Credits Due to COVID-19*, to the Internal Revenue Service (IRS). Bauer falsely claimed that FPS had 10 employees and $37,000 in quarterly wages, when in fact FPS did not have any employees or wage expenses. Bauer requested a $70,000 advance payment. Bauer sent an interstate wire communication in furtherance of her false application.

On June 29, 2020, Bauer filed an application (33073299618) for a SBA EIDL for FPS. Bauer falsely claimed that FPS had 10 employees, $43,900 in gross revenue, and $26,000 in cost of goods sold. The potential loan amount was $8,950. In furtherance of her fraudulent EIDL application, Bauer sent an interstate wire communication.

On July 1, 2020, Bauer faxed another Form 7200. Bauer falsely claimed that FPS had six employees and $37,350 in quarterly wages, when in fact FPS did not have any employees or wage expenses. Bauer requested a $43,064.55 advance payment. Bauer sent an interstate wire communication in furtherance of her false application.

4. Defendant understands that the charges to which she will plead guilty carry a combined maximum term of imprisonment of 180 years, a combined maximum fine of $2,250,000, and a maximum 3 year term of supervised release. Defendant understands that an

additional term of imprisonment may be ordered if the terms of the supervised release are violated, as explained in 18 U.S.C. § 3583.

5. Defendant recognizes that pleading guilty may have consequences with respect to his immigration status if he is not a citizen of the United States. Under federal law, a broad range of crimes are removable offenses, which may include the offense to which Defendant is pleading guilty. In addition, if he is a naturalized citizen, Defendant acknowledges that certain convictions, which may include Defendant's conviction, may expose him to denaturalization under federal law. Because removal, denaturalization, and other immigration consequences are handled in separate proceedings, Defendant understands that no one, including his attorney or the U.S. District Court, can predict with certainty how his conviction may affect his immigration, naturalization, or citizenship status. Defendant agrees to plead guilty with a full understanding that this guilty plea may lead to adverse immigration consequences, including denaturalization and possible automatic removal from the United States.

6. Defendant understands that if a term of imprisonment of more than one year is imposed, the Sentencing Guidelines require a term of supervised release and that she will then be subject to certain conditions of release. §§5D1.1, 5D1.2, 5D1.3.

7. Defendant understands that by pleading guilty, she surrenders certain rights set forth below. Defendant's attorney has explained those rights to her and the consequences of her waiver of those rights, including the following:

A. If defendant persists in a plea of not guilty to the charges against her, she has the right to a public and speedy trial. The trial could either be a jury trial or a trial by the judge sitting without a jury. If there is a jury trial, the jury would have to agree unanimously before it could return a verdict of either guilty or not guilty. The jury would be instructed that defendant is presumed innocent and that it could not convict her unless, after hearing all the evidence, it was persuaded of defendant's guilt beyond a reasonable doubt.

B. At a trial, whether by a jury or a judge, the United States would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and her attorney would be able to cross-examine them. In turn, defendant could present witnesses and other evidence in her own behalf. If the witnesses for defendant would not appear voluntarily, she could require their attendance through the subpoena power of the Court.

C. At a trial, defendant would have a privilege against self-incrimination and she could decline to testify, without any inference of guilt being drawn from her refusal to testify. If defendant desired to do so, she could testify in her own behalf.

8. Defendant understands that the United States Attorney's Office has an obligation to fully apprise the District Court and the United States Probation Office of all facts pertinent to the sentencing process, and to respond to all legal or factual inquiries that might arise either before, during, or after sentencing. Defendant admits all acts and essential elements of the Information counts to which she pleads guilty.

9. Defendant acknowledges liability for the special assessment mandated by 18 U.S.C. § 3013 and will pay the assessment in the amount of $900.00 to the United States District Court Clerk's Office by the date of sentencing.

10. At the time of sentencing, the United States will

-recommend a sentence of imprisonment at the lowest end of the applicable Guideline Range, but not less than any mandatory minimum term of imprisonment required by law. The defendant reserves the right to request a non-Guideline sentence.

-recommend a fine of $7,500.00, to be due and payable on the date of sentencing.[1]

-recommend a reduction of 3 levels below the otherwise applicable Guideline for "acceptance of responsibility" as provided by §3E1.1(a) and (b), provided the defendant does not engage in future conduct which violates any federal or state law, violates a condition of bond, constitutes obstruction of justice, or otherwise demonstrates a lack of acceptance of responsibility. Should such conduct occur and the United States, therefore, opposes the reduction for acceptance, this plea agreement remains binding and the defendant will not be allowed to withdraw her plea.

-stipulate that the amount of intended loss involved in this case is $231.514.55, and the amount of actual loss is $0.00.

11. Both parties have independently reviewed the Sentencing Guidelines applicable in this case, and in their best judgment and belief, conclude as follows:

A. The Applicable Offense Level should be determined as follows:

2B1.1(a)(1) (base offense level)		7
2B1.1(b)(1)(F) (intended loss over $150,000)	+	10
3E1.1(a) & (b) (acceptance of responsibility)	-	3
FINAL OFFENSE LEVEL		14

B. The Criminal History of defendant shall be determined upon completion of the presentence investigation, pursuant to Fed. R. Crim. P. 32(c). Both parties reserve the right to object to the USSG §4A1.1 calculation of

[1] The defendant acknowledges that she has read the Notice and Penalty Pages attached to the Information, and that she understands the interest and penalty provisions applicable to the fine imposed and included in the Judgment entered by the Court, said Notice and Penalty Pages are incorporated herein by reference.

defendant's criminal history. The parties agree to not seek a departure from the Criminal History Category pursuant to §4A1.3.

C. The foregoing statements of applicability of sections of the Sentencing Guidelines and the statement of facts are not binding upon the Court. The defendant understands the Court will independently calculate the Guidelines at sentencing and defendant may not withdraw the plea of guilty solely because the Court does not agree with either the statement of facts or Sentencing Guideline application.

12. Defendant is aware of her right to appeal her conviction and that 18 U.S.C. § 3742 affords a defendant the right to appeal the sentence imposed. Unless based on claims of ineffective assistance of counsel or prosecutorial misconduct, the Defendant knowingly and voluntarily waives the right (a) to directly appeal her conviction and the resulting sentence pursuant to Fed. R. App. P. 4(b) and 18 U.S.C. § 3742, and (b) to contest or collaterally attack her conviction and the resulting sentence under 28 U.S.C. § 2255 or otherwise. Defendant specifically waives on appeal or in a collateral attack any argument that (1) the statute to which the defendant is pleading guilty is unconstitutional and (2) the admitted conduct does not fall within the scope of the statute.

13. Defendant agrees not to pursue or initiate any civil claims or suits against the United States of America, its agencies or employees, whether or not presently known to defendant, arising out of the investigation or prosecution of the offenses covered by this Agreement.

14. The defendant hereby waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation

any records that may be sought under the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act of 1974, 5 U.S.C. § 552a.

15. Defendant agrees to interpose no objection to the United States transferring evidence or providing information concerning defendant and this offense, to other state and federal agencies or other organizations, including, but not limited to the Internal Revenue Service, other law enforcement agencies, and any licensing and regulatory bodies, or to the entry of an order under Fed. R. Crim. P. 6(e) authorizing transfer to the Examination Division of the Internal Revenue Service of defendant's documents, or documents of third persons, in possession of the Grand Jury, the United States Attorney, or the Criminal Investigation Division of the Internal Revenue Service. Defendant further agrees to the entry of an order under Fed. R. Crim. P. 6(e) authorizing the use of documents in possession of the Grand Jury to be used during the defendant's deposition as contemplated in paragraph 9 of this Agreement.

16. Defendant agrees to forfeit and abandon any right to any and all evidence and property seized during the course of this investigation (including but not limited to any item subject to forfeiture), and waives any right to seek the return of any property pursuant to Fed. R. Crim. P. 41 or otherwise. Defendant understands and agrees that items seized during the course of this investigation will be destroyed or otherwise disposed of by the seizing law enforcement agency.

17. The Defendant understands and agrees that, consistent with the provisions of 18 U.S.C. § 3143, following the change of plea the defendant may be detained pending sentencing.

18. It is understood that pursuant to Fed. R. Crim. P. 11(c)(1)(B), the United States's recommendations are not binding on the Court. In other words, the Court is not bound by the

sentencing recommendation and defendant will have no right to withdraw her guilty plea if the Court decides not to accept the sentencing recommendation set forth in this Agreement.

19. Defendant agrees that the disposition provided for within this Agreement is fair, taking into account all aggravating and mitigating factors. Defendant states that she has informed the United States Attorney's Office and the Probation Officer, either directly or through her attorney, of all mitigating factors. Defendant will not oppose imposition of a sentence incorporating the disposition provided for within this Agreement, nor argue for any other sentence. If Defendant argues for any sentence other than the one to which she has agreed, she is in breach of this Agreement. Defendant agrees that the remedy for this breach is that the United States is relieved of its obligations under this Agreement, but Defendant may not withdraw her guilty plea because of her breach.

20. This document and the supplemental plea agreement state the complete and only Agreement between the United States Attorney for the Western District of Kentucky and defendant in this case, and are binding only on the parties to this Agreement, supersedes all prior understandings, if any, whether written or oral, and cannot be modified other than in writing that are signed by all parties or on the record in Court. No other promises or inducements have been or will be made to defendant in connection with this case, nor have any predictions or threats been made in connection with this plea.

AGREED:

MICHAEL A. BENNETT
United States Attorney

By: David Weiser

David Weiser
Assistant United States Attorney

2/2/22
Date

I have read this Agreement and carefully reviewed every part of it with my attorney. I fully understand it and I voluntarily agree to it.

Mandy Bauer

Mandy Ellen Bauer
Defendant

2/2/22
Date

I am the defendant's counsel. I have carefully reviewed every part of this Agreement with the defendant. To my knowledge my client's decision to enter into this Agreement is an informed and voluntary one.

William Butler
Counsel for Defendant

2/2/22
Date

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