UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

- - - - - - - - - - - - - - X

UNITED STATES OF AMERICA,	:	21-CR-00477 (FB)
-against-	:	United States Courthouse Brooklyn, New York
	:	November 17, 2022 3:30 p.m.
CHARLENE WINT, Defendant.	:	

- - - - - - - - - - - - - - X

TRANSCRIPT OF CRIMINAL CAUSE FOR SENTENCING
BEFORE THE HONORABLE FREDERIC BLOCK
UNITED STATES SENIOR DISTRICT JUDGE

A P P E A R A N C E S:

For the Government: BREON PEACE, ESQ.
Acting United States Attorney
Eastern District of New York
271 Cadman Plaza East
Brooklyn, New York 11201

BY: CHAND WARREN EDWARDS-BALFOUR, ESQ.
JENNIFER BILINKAS, ESQ.
Assistant United States Attorneys

For the Defendant: LAW OFFICES OF LONNIE HART JR.
26 Court Street, Suite 714
Brooklyn, NY 11242

BY: LONNIE HART, JR., ESQ.

Court Reporter: DENISE PARISI, RPR, CRR
225 Cadman Plaza East
Brooklyn, New York 11201
Telephone: (718) 613-2605
E-mail: DeniseParisi72@gmail.com

Proceedings recorded by computerized stenography. Transcript produced by Computer-aided Transcription.

(In open court.)

THE COURTROOM DEPUTY: Criminal cause for sentencing, United States of America versus Wint.

I ask the parties if you can please state your appearances.

MS. BILINKAS: Jennifer Bilinkas. Also present, Chand Edwards-Balfour for the United States.

MR. HART: And for Ms. Wint, Lonnie Hart, L-O-N-N-I-E H-A-R-T. Good afternoon, everyone.

THE COURT: Good afternoon Mr. Hart.

Ms. Bilinkas, is that how you pronounce your name?

MS. BILINKAS: Yes, Your Honor.

THE COURT: It's not Greek, is it?

MS. BILINKAS: Lithuanian.

THE COURT: Lithuanian. All right.

So, let me ask, Mr. Hart, is your client prepared to be sentenced? You obviously were listening to the prior sentence.

MR. HART: Intently.

THE COURT: All right. And you know a lot of the thoughts I have in my mind. I have a lot of concerns. You know what I'm going to do? ^ ASK CH ABOUT PARENTHETICAL?? I'm going to incorporate, in this sentencing proceeding, the record that we just concluded in the prior proceeding as part and parcel of this sentencing proceeding; in particular, the nature of the interaction between the bank, the SBA, and everything we spoke about instead of repeating it now -- it's the same dynamic that we're concerned about here -- and I will incorporate all of the prior comments I made, including the sentence, because we sort of have to deal with people who are co-conspirators and treat them similarly, so we got to talk about that too, here.

Initially, my reaction is that arguably, Ms. Wint is more culpable than Mr. Campbell. I'm troubled by the fact that she is the one that initiated the customers that were sent, then, to people like Mr. Campbell to do the necessary fraudulent paperwork. So, initially, that troubles me a little bit, because if not for her finding the candidates to send to the folks who are then going to engage in the fraudulent paperwork, they would not have had the opportunity to do that apparently.

So think about that, that concerns me, because I think that she may be somewhat more culpable because of that, so you can address that, Mr. Hart, when your opportunity comes to speak.

And why don't we just go through what I have in the file, make the calculations and move on to the difficult things.

I notice that the order of forfeiture here is not $100,000 as it was for Mr. Campbell, but it's 25,000, and does that reflect the amount of monies that she gained from this operation compared to the commissions that were earned by Mr. Campbell? Am I reading that correctly?

MS. BILINKAS: Yes, Your Honor.

THE COURT: So she didn't make as much money as Mr. Campbell?

MS. BILINKAS: That's correct.

THE COURT: Okay. So I'm going to sign the forfeiture order. I take it, Mr. Hart, you have no objection to doing that.

MR. HART: Correct.

THE COURT: All right. Let me do that now. Is it still November 17th?

MR. HART: Yes.

THE COURT: So on the one hand she's arguably more culpable. On the other hand, she may have less culpability than Mr. Campbell.

Then, I have the sentencing recommendation. The guideline calculation apparently is the same. The recommendation by Probation is the same -- 33 months -- and I will note that, yes, she's going to be excused from the mandatory drug testing provisions. I think that's appropriate here. There's a $100 special assessment that we'll obviously have to attach. Probation doesn't recommend any fine here. I don't think she has the capacity to pay a fine. She's older than Mr. Campbell; she's a 54-year old woman and they recommend, also, two years of supervised release, so you have the Probation Department's comments.

Next, we have the underlying Presentence Report dated June 24th, 2022, and Ms. Wint was arrested also at the same time that Mr. Campbell was arrested on September 23rd, 2021, also released on a $50,000 appearance bond. We have no adverse reports from Pretrial Services. Apparently, she's been compliant.

While we're at it, let's just get through with the calculations. It's the same 33 to 41 months, unless anybody takes any serious objection to it, I'm not going to, once again, apply sophisticated means. I'm going to be consistent with what I did before, but we calculate the total offense level of 20 with a Criminal History Category of I. It shakes out to be exactly what Probation has calculated and what I think all of us agree.

Is there any issue with that?

MR. HART: No, Your Honor.

THE COURT: Okay. 33 to 41 months, okay.

So we have taken care of that.

Then, I have a letter from Sullivan & Cromwell again, which calculates the restitution at $3,335,763, and not to forget the $0.81. And you were here listening intently, Mr. Hart, and, you know, I think I sort of want you and the

Government to sit down and try to work on a restitution number within the 90 days that we're going to take to do that. And get something realistic, something that's sensible. See if you can come to some common ground on this. I would like you both to try to do that, all right?

MR. HART: Understood.

THE COURT: The sentencing memorandum from Mr. Hart I've reviewed -- very well done. And, obviously, Mr. Hart would not want his client to be sentenced to jail.

The Government's letter is somewhat similar to the one which the Government sent to me in respect to Mr. Campbell. It's dated November 14th, 2022. Mr. Hart's sentencing memorandum is dated -- I don't see a date on it, but I assume that was done fairly recently right.

MR. HART: November 10th.

THE COURT: November 10th.

The plea agreement, here, I reviewed it and in paragraph 4, it provides that the defendant will not appeal, challenge the conviction or sentence if the term of imprisonment is going to be 57 months or less, which will be the case. And of course, as you know, there's a narrow window of exception. If there's a constitutional right of hers that's been violated, or something very, very fundamental, that she has the opportunity to file a notice of appeal within 14 days to the date judgment will be entered and to be perfected within 30 days thereafter unless she gets an extension of time from the proper authorities.

I did sign an order back on October 13th, as I did with Mr. Campbell, except in the plea that was taken before Magistrate Judge Mann on September 23, 2021. I also separately reviewed the allocution. I'm satisfied with that.

So that contains my take on the so-called technicalities and now we have to get down to the hard part of this case.

Let me hear now from Mr. Edwards-Balfour's distinguished colleague, Ms. Bilinkas, about what you think is appropriate here. You know my concerns. Once again, I think she may be more culpable. On the other hand, she profited less, and how do we sort this all out? You know what I did to her co-defendant. What do I do here?

MS. BILINKAS: Yes, Your Honor, the Government does believe -- the Government does believe that Ms. Wint is more culpable than Mr. Campbell in part. Ms. Wint was an assistant manager at a bank, a bank that has locations all across --

THE COURT: She put this in motion.

MS. BILINKAS: Correct. And in participating in this scheme, as the second most senior person at the bank, taking advantage of being a lender that the SBA agreed to partner with this particular bank, and she was the second most senior person at this bank, similar to Mr. Campbell, but in a greater extent. This was not a spur-of-the-moment lapse in judgment. It was a crime that was planned that had recruitment involved by not only Ms. Wint, but people above her, people below her, working at the bank to recruit people like Mr. Campbell to engage in preparing tax documents --

THE COURT: He made more money out of this, so why is it that she at least did not see to it that she was going to be making a little bit more than $25,000?

MS. BILINKAS: Well, I don't want to speculate on the reason that she didn't collect as much in commissions. But, that being said, Mr. Campbell's scheme only rose -- not only, but rose to about a million dollars in fraudulent loans, whereas Ms. Wint's was 3.5 million because Mr. Campbell was recruited at times to help out with certain applications, whereas being a bank employee, she was consistently --

THE COURT: She had a bigger reach into people who would be able to do these things.

MS. BILINKAS: Yes, Your Honor.

THE COURT: Campbell was a little bit more circumscribed, I guess, by comparison to the others who were doing this as well, right?

MS. BILINKAS: He was naturally not as involved in every single loan that an employee at the bank would be.

THE COURT: Yes. I have no idea what the numerosity is, but obviously she was more involved than Mr. Campbell in terms of initiating all of this.

So what do you say about that, Mr. Hart?

MR. HART: Well, first, Your Honor, I would have to respectfully disagree about her level of involvement as the Government said and I think is born out in that the Probation Report, as the assistant manager she reported to the actual manager of the branch who was the brain, so to speak, of this particular operation. My client was directed by the manager to engage in some of the activities that she did, in fact, engage in. The Probation Report states that some of the loans had to go through the manager, not my client, for approval before they were sent out to be financed --

THE COURT: You're telling me she was duped by the head honcho; that she had no choice but to go along with his or her directions to do this?

MR. HART: I wouldn't say -- I wouldn't use the word "duped"; however, there is an aspect of -- from the manager -- let me say this. Obviously, the PPP loan at the time was something very brand-new. The rules weren't 100 percent clear, but my client was -- maintains she was misled by the manager that this -- these loans could be made above board through tax filings, and that's part of the reason why -- that she engaged in the activity that she engaged in.

Now, in terms of recruitment, some of the people who received the loans were neighborhood businesses that my client already knew. She was aware that there were some hairdressers and some other people. So I wouldn't necessarily call it recruitment. And these people weren't approached to --

THE COURT: She took advantage of her contacts and her relationships with other people. I assume she suggested, I can get some money for you.

MR. HART: Well, I think when these people were approached, she didn't approach them with the mind that we're going to defraud SBA with PPP -- these PPP loans. It was, initially, these people were contacted about legitimately applying as small business owners for PPP loans. And it turns out that those people, perhaps, didn't qualify that's when --

THE COURT: They didn't qualify and that's where the fraud started.

MR. HART: Correct. So the initial contact for the PPP loan was --

THE COURT: Benign. Was benign.

MR. HART: Benign, yes, correct, correct, and it was done legitimately. And, again, as you stated, the fraud came after, once those people were deemed to be not qualified and then with the paperwork -- the fraudulent paperwork ensued thereafter.

THE COURT: The paperwork went through her, she knew they were not qualified, she knew that these were phony applications.

MR. HART: Right. And, again, she was told by her boss who directed -- again, directed much of this activity that these -- some of the discrepancies could be corrected through subsequent years tax filings. You know, again, not making any excuses, just as a matter of trying to come up with an explanation as to why these behaviors happened. I asked the Court to understand that my client, while she was an assistant manager of the bank, there were many, many people in the bank who were involved in this scheme, and she was caught up in this environment.

THE COURT: How many was she involved with? I mean, how many of these was she responsible for sending to other people?

MR. HART: I don't know. Perhaps, the Government has the exact number. Because I wasn't made privy to the exact number.

THE COURT: I don't have a sense of that. Are we talking about hundreds, a handful? I don't know.

MS. BILINKAS: I believe in the PSR, it's dozens amounting to a total of 3.5 million, collectively.

THE COURT: That means that she was involved with thousands of people?

MS. BILINKAS: Dozens of applications.

THE COURT: Dozens.

MS. BILINKAS: Yeah. Totaling 3.5.

THE COURT: Well, it wasn't hundreds. It was 10, 15, 20, I don't know. But, apparently, a lot of these were people, like what Mr. Hart said, the hairdresser, the people who she knew, apparently. It's a mixed combination here, I guess.

MS. BILINKAS: Well, yes, there were some entities that did exist. It's also, I believe, in the PSR, or the information, that there were other companies that were not in existence that the bank --

THE COURT: I don't have a real good sense of it. I can understand reaching out to people she knew saying we can get some PPP money for you, but I don't have a sense that she was out there, you know, actively soliciting everybody to come to the bank to do this. I don't see her that way. I may be wrong.

MR. HART: If I may, Your Honor. I believe some of these entities were already customers of the bank, so they were known people already. So it's not like she went up and down --

THE COURT: That's what I'm saying. I don't think she was actively soliciting business. These were opportunities that she had that she availed herself of by reason of her employment, I guess.

So what are we going to do here, Mr. Hart? You know what I did to Mr. Campbell.

MR. HART: Your Honor, yes, I would like to try to differentiate my client from Mr. Campbell. I do think, again, Mr. Campbell was not directed, necessarily, to engage in the behaviors that he did, and my client was. Although, my client was again the assistant manager of the bank, she was not a manager of this scheme. She did answer to someone higher. Someone else that all of the paperwork went through and was approved, and when my client had any types of concerns about what was going on, she spoke with this manager who attempted to alleviate her concerns about what was going on in the bank.

So she was, you know, very, very low on the scale, so to speak, I think, as opposed to, you know, Mr. Campbell, who, with his educational expertise, was someone who engaged in the fraud in a different manner.

THE COURT: That troubles me. So let me ask you this, Ms. Bilinkas.

Mr. Campbell was licensed to prepare these types of documents. It seems to me that he was more knowledgeable about what was going on. He was more knowledgeable about the fraudulent paperwork that he was engaged in. She was, you know, I don't know -- she had a manager on top of her. She seems to be a person that just had to funnel this material to people like Mr. Campbell and others. How do I see her relative culpability compared to somebody like Mr. Campbell who was knowledgeable, who was well-educated? And she's had a tough time of it. She's unemployed. I read the papers. She had to make an income as a housekeeper for a period of time. She blew a good chance to really have herself a nice, you know, economic opportunity here for a long period of time, but these are these kind of factors that make her situation either up or down, or a little different than Mr. Campbell's. What do you think about all of that?

MS. BILINKAS: Well, Your Honor, I don't want to necessarily, like, agree that Ms. Wint is somehow less knowledgeable about what -- alternatively, being the actual lender in charge of distributing these loan funds, she should actually be expected to be more knowledgeable about the actual loan application, what's required by the SBA, the rules. She's one of many of bank employees, but she is --

THE COURT: Let me ask you this. So, initially, it may well be that in the inception, a number of these referrals, so to speak, to people like Mr. Campbell was relatively benign. She knew people, make an application, maybe you can get a loan, right? And so at that particular point in time, she may not have known that they were going to be fraudulent documents prepared by other people, unless I really don't have a good grasp of this. There came a point in time when she knew that was the case, but I don't think that was the case in the inception.

Mr. Campbell, on the other hand, knew from the inception that he was making up fraudulent papers.

Do I have the right handle on this or not?

MS. BILINKAS: Yes, Your Honor, I do believe that, generally, the bank involved here, the employees, the individual who was above Ms. Wint, wanted to actually exercise the loan program properly and took applicants that could get loans, but the problem was -- is that Ms. Wint, along with her co-conspirators, ultimately, took that level of trust provided by the SBA and turned it into a scheme that just involved greed --

THE COURT: Tell me how she did that, all right. She sent people to apply -- nothing wrong with doing that, right? They may qualify, they may not qualify. I don't think she was that knowledgeable about whether somebody was qualified or not. And, then, she found out afterwards that these people were getting loans that they were not entitled and she sort of blinked at it or she just, passively, maybe, just went along with it, but somebody else had to approve of it, finally; right?

MS. BILINKAS: Well, just with regards to whether she knew there -- the PSR I believe it's paragraph 14 -- that said that she assisted and directed applicants without legitimate businesses to co-conspirators such as Mr. Campbell. So I don't think it was an after the fact, oh, I realized last Friday I approved a loan that was illegitimate. I think, while there were, I'm sure, applicants that she thought had legitimate businesses and sent to some of the co-conspirators, there became a plan and a scheme, within the bank to, then, bring on tax preparers to help out --

THE COURT: Maybe. Yeah, well, kind of a mixed bag type of thing. It's hard to really pin your fingers on this.

What else would you like me to consider from the Government's perspective?

MS. BILINKAS: Also, while she received $25,000, I just do want to follow up on that point of the scheme did involve once the applicants/borrowers received money into their bank accounts at this bank, that's when withdraws were made at the direction of Ms. Wint and other co-conspirators, but in regards to other things to consider, which was considered for Mr. Campbell as well, it was just the general deterrence with regards to these cases.

The PPP and idle programs by the SBA relied upon good faith of these lenders, the integrity of these lenders, and the integrity of the public to be honest and forthcoming in executing this program during a global pandemic, so I do that think it is important for the Court to send a message that there are consequences for defrauding these federal programs.

THE COURT: So, you know, I see some differences here, some more, some less than Mr. Campbell. I want to treat co-conspirators somewhat equally, though there were differences here, yes, but I'm thinking about really imposing the same type of sentence I imposed upon Mr. Campbell, and is there a reason for me not to do that?

MR. HART: Well, Your Honor, I would say that my client is now 55 years old. She is a grandmother. She is basically financially ruined by this -- the guilty plea that she's taking in this case. She -- her career is ruined. Currently, she is doing some childcare out of her home, including her grandchildren -- two of her sons are in the gallery. If they can just raise their hands. Two adult children, so she helps raise their children, as well as some other children in her apartment. You know, for her to be incarcerated for any period of time, I think, would be onerous not only to her, but to her family members, extended family, grandchildren and I ask the Court -- I know the Court is considering that the impact of someone who is 55 years old, who has never been in any trouble before, never spent a day in jail, or even a month in jail, could have a devastating impact on her.

THE COURT: Well, I could impose, you know, a considerable amount of home confinement here, in lieu of any incarceration and it may well be that that's the right thing to do here because her personal situation is different than Mr. Campbell and you just pointed out her family circumstances and her background and I considered all of that, so I'm not going to impose an incarceratory sentence here, but I'm going to impose two years of supervised release, but as a condition of supervised release, she's going to be spending a year in home confinement, and she'll be able to take care of her children, and I think that -- to me, that's significant punishment.

MR. HART: Sorry, she is just asking -- I know the answer, but she's asking about medical appointments.

THE COURT: Of course. Probation supervises these things, and if there's a reason, naturally, to be released to go to a doctor, they do that. And they also will consider -- there are people who have religious needs as well who are accommodated, we do that of course. If somebody is employed, sometimes, we even allow them to do that, but that's not the situation here.

But I think that sitting at home for a year with her children and with her family, whatever, is a significant amount of punishment here, so I think that's what I'm going to do with her. But before I do that, I want to hear from her, because I have to hear from the defendant before I impose sentence, and she may talk me out of this.

You can speak to me. I'm inclined to give you a big break in terms of not putting you in jail. You did something here which is very foolish. You knew about it. I do think you were caught between a rock and a hard place to some extent here. I have a sense of that. It doesn't excuse your behavior. You knew what was going on, but you can speak to me now before sentence is officially imposed if you would like to.

MR. HART: Take your time.

THE COURT: You don't have to, but it's your right.

THE DEFENDANT: I apologize. As I said, I apologize. And as I said, some of the people, those were my personal friends, my hairdresser, and I did recommend them for the loan. I really did. And, understand, my manager is Mr. Sheenford (ph), but what was told to the rest of the employee was not correct, and some of the loans that were done, only the manager knew about it because only she had to override. Only everything went on her desk, but I do apologize, Your Honor. I really do.

THE COURT: I think you're sincere.

So I'm going to impose a sentence of supervised release for two years with the condition being that you will have home confinement for nine months, I think that's sufficient. There's a $100 special assessment, which you have to pay. I'm not going to fine you. You don't have the ability to pay a fine. And you will think about the fact that what you did was wrong and weigh what we call 3553(a) factors and the nature of your crime, which you have spoken about already, against what, otherwise, was a law-abiding life. You've had some tough times in your life. I've considered that.

I've considered your economic circumstances, the fact that there are enormous collateral consequences that are attached here, and you will sit at home for nine months and your children can be there with you to comfort you, and you are going to be punished because of that, but it's not going to be the same as being in jail, but you have to be at home confined, and it's serious, but it's doable, and I think that we will also have these special conditions of supervised release -- well, there are, actually, no special conditions of supervised release here, so I'm not going to impose them, but there are general conditions of supervised release, which your lawyer knows all about, which will be part of the judgment as well.

And I just hope that, you know, that you're able to make a good future for yourself under difficult circumstances. I understand how difficult it's going to be for you, but you've got to really try hard to do that. And do not be tempted because you are going through difficult times to commit any unlawful acts. You don't want to be motivated to doing that. That's just going to be the wrong thing to do.

I think a hundred hours of community service is also indicated here as well. You will have a chance to give back to the community, and the Probation Department will govern that and regulate that and find out exactly how you can best contribute to the community.

And you have your family here, which is supportive of you. I think you will be okay. I feel badly for you, but you have to really realize what you did was terrible, and you will think about that during the nine months that you are going to be in confinement, although at home and not in jail.

Did I inadvertently forget anything? I don't think so. Ms. Bilinkas?

MS. BILINKAS: No, Your Honor. We will work on the restitution aspect.

THE COURT: Work on the restitution thing and come to an agreement on that, okay?

Mr. Hart, thank you for your cooperation.

MR. HART: Thank you, Judge.

THE COURT: That completes the sentence.

THE COURTROOM DEPUTY: Actually, it's time served, right? Time served plus three years of supervised release? Or is it --

THE COURT: It should be technically time served.

THE COURTROOM DEPUTY: And three years.

THE COURT: Yes. Plus two years of supervised release with the condition of nine months of home confinement, okay?

And the same thing with the other one.

MR. HART: Thank you, Judge.

(Matter concluded.)

* * * * *

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

/s/ Denise Parisi November 29, 2022

DENISE PARISI DATE