PORTLAND MAIN OFFICE
1000 SW Third Avenue, Suite 600
Portland, Oregon 97204
(503) 727-1000
www.usdoj.gov/usao/or

EUGENE BRANCH
405 E 8th Avenue, Suite 2400
Eugene, Oregon 97401
(541) 465-6771

Meredith D.M. Bateman
Assistant U.S. Attorney
Meredith.bateman@usdoj.gov
(503) 727-1000
Reply to Portland Office

U.S. DEPARTMENT OF JUSTICE
United States Attorney's Office
District of Oregon
Natalie K. Wight
United States Attorney

MEDFORD BRANCH
310 West Sixth Street
Medford, Oregon 97501
(541) 776-3564

October 9, 2024

VIA EMAIL ONLY
Serguel Mawuko Akiti
Katryna Spearman
sakiti@lowtherwalker.com
kspearman@lowtherwalker.com
LOWTHER | WALKER LLC
101 Marietta Street, NW, Suite 3650, Atlanta, GA 30303

Re: *United States v. Jamie McGowen*, Case No. 3:22-cr-00360-~~MO~~ AN
Plea Agreement Letter

Dear Counsel:

1. **Parties/Scope**: This plea agreement is between this United States Attorney's Office (USAO) and defendant, and thus does not bind any other federal, state, or local prosecuting, administrative, or regulatory authority. This agreement does not apply to any charges other than those specifically mentioned herein.

2. **Charges**: Defendant agrees to plead guilty to Count 1 of the Indictment, which charges wire fraud in violation of Title 18, United States Code, Section 1343, Count 5 of the Indictment, which charges bank fraud in violation of Title 18, United States Code, Section, 1344, and Counts 3 and 7 of the Indictment, which charge money laundering in violation of Title 18, United States Code, Section 1957. Defendant also admits the forfeiture allegations.

3. **Penalties**: The maximum sentence for wire fraud is 20 years' imprisonment, a fine of $250,000 (or twice the gross pecuniary gains or losses resulting from the offense if such amount exceeds $250,000), 3 years of supervised release, and a $100 fee assessment. The maximum sentence for bank fraud is 30 years' imprisonment, a fine of $1,000,000, 5 years of supervised release, and a $100 fee assessment. The maximum sentence for money laundering is 10 years' imprisonment, a fine of $250,000 (or twice the gross pecuniary gains or losses resulting from the offense if such amount exceeds $250,000), 3 years of supervised release, and a $100 fee assessment.

Defendant agrees to pay the fee assessments by the time of entry of guilty plea or explain to the Court why this cannot be done.

4. **Dismissal/No Prosecution**: The USAO will move at the time of sentencing to dismiss any remaining counts against defendant. The USAO further agrees not to bring additional charges against defendant in the District of Oregon arising out of this investigation, known to the USAO at the time of this agreement.

5. **Elements**: In order for defendant to be found guilty of Count 1 of the Indictment (wire fraud), the government must prove the following elements beyond a reasonable doubt:

A. First, defendant knowingly devised or intended to devise a material scheme or artifice to defraud, or to obtain money by means of false or fraudulent pretenses, representations or promises, or omissions of fact;

B. Second, the statements made or facts omitted as part of the scheme were material; that is, they had a natural tendency to influence, or were capable of influencing, a person to part with money or property;

C. Third, defendant acted with the intent to defraud; that is, the intent to deceive and cheat; and

D. Fourth, defendant used, or caused the use of interstate wires to carry out or attempt to carry out an essential part of the scheme.

In order for defendant to be found guilty of Count 5 of the Indictment (bank fraud), the government must prove the following elements beyond a reasonable doubt:

A. First, defendant knowingly carried out a scheme or plan to obtain money or property from a financial institution by making false statements or promises;

B. Second, defendant knew that the statements or promises were false;

C. Third, the statements or promises were material; that is, they had a natural tendency to influence, or were capable of influencing, a financial institution to part with money or property;

D. Fourth, the defendant acted with the intent to defraud; that is, the intent to deceive or cheat; and

E. Fifth, Bank of America, N.A., was insured by the Federal Deposit Insurance Corporation (or otherwise covered by 18 U.S.C. § 20).

In order for defendant to be found guilty of Counts 3 and 7 of the Indictment (money laundering), the government must prove the following elements beyond a reasonable doubt:

A. First, defendant knowingly engaged or attempted to engage in a monetary transaction;

B. Second, defendant knew the transaction involved criminally derived property;

C. Third, the property had a value greater than $10,000;

D. Fourth, the property was, in fact, derived from the wire fraud and bank fraud alleged in Counts 1 and 5; and

E. Fifth, the transaction occurred in the United States.

Defendant stipulates that uncontested and admissible evidence of her relevant conduct as summarized in paragraph 6, *infra*, establishes each of the foregoing elements as to each count of the Indictment beyond any reasonable doubt.

6. **Factual Basis**: Defendant has fully discussed the facts of this case and any potential defenses with defense counsel. Defendant has committed each of the elements of the crime(s) to which defendant is pleading guilty and admits there is a factual basis for defendant's guilty plea(s). The following facts are true and undisputed:

A. Defendant is owner of Salem Outsourcing, Inc. ("SOI"). Defendant is also the owner of Reality RV and Trailers Inc ("Reality RV"), owner of Valley Investment Company d/b/a Casey's Restaurant Inc. ("Valley Investment"), and a owner of Reality Auto.

B. Between August 2016 and December 2018, defendant, through SOI, was responsible for the payroll, income withholding, and employment taxes for Al's Trailer Sales of Salem Inc. ("Al's Trailer").

C. Defendant paid Al's Trailer's employees either via checks from SOI bank accounts in Oregon or via direct deposit transfers from SOI bank accounts in Oregon through Intuit Payroll's bank account in Texas.

D. Defendant admits she knowingly caused interstate wire transfers from SOI bank accounts in Oregon to Intuit Payroll's bank account in Texas.

E. On November 2, 2017, defendant caused an interstate wire transfer of $55,303.34 from SOI's bank account in Oregon to Intuit Payroll's account in Texas for direct

deposit to Al's Trailer's employees from which she withheld income and payroll taxes as part of her scheme.

F. Between August 2016 and December 2018, while defendant withheld income and payroll taxes from Al's Trailer's employers, she did not pay over any federal income withholding or payroll taxes to the Internal Revenue Service ("IRS"). Instead, defendant used those funds for personal expenditures, including purchasing ownership interest Al's Trailers for $200,000 and an RV for $79,000.

G. On August 7, 2018, defendant used $79,000 money derived from her scheme to purchase an RV.

H. In total, defendant improperly retained the following amounts of federal income withholding and payroll taxes from Al's Trailer in the following years: 2016 ($92,028), 2017 ($328,739), and 2018 ($284,846) for a total of $705,613.

I. Following the enactment of the CARES Act in March 2020 and the American Rescue Plan Act in March 2021, defendant recognized an opportunity to procure COVID-relief funds from the United States Small Business Administration ("SBA") by submitting fraudulent applications for Paycheck Protection Program ("PPP") loans, an Economic Injury Disaster Loan ("EIDL") and advance, and a Restaurant Revitalization Fund ("RRF") grant.

J. Beginning no later than April 3, 2020, and continuing at least through December 30, 2021, defendant applied for fifteen COVID-relief loans and grants by submitting false and fraudulent applications to the SBA and participating lenders.

K. Defendant admits she submitted the following false and fraudulent applications:

Date	**Applicant Entity**	**Program and Application Number**	**Amount Funded**
April 3, 2020	Al's Trailer	PPP #15988848	$454,532
April 14, 2020	Klamath Falls Parts and Service Inc	PPP #13500934	$50,100
April 14, 2020	Klamath Falls RV Inc.	PPP #13526200	$52,800
April 30, 2020	Reality RV	PPP #21723838	$293,180
May 6, 2020	Valley Business & Tax Services Inc.	PPP #17338786	$45,317
May 19, 2020	Sutherlin RV Inc.	PPP #18135895	$106,983
June 27, 2020	Reality Auto	EIDL #3307022210	$3,000
October 2, 2020	Klamath RV Inc.	EIDL #3314832770	declined

October 2, 2020	Klamath Falls Parts and Services	EIDL #3314832648	declined
January 19, 2021	Klamath Falls Parts and Service Inc.	PPP #24533528	$50,175
January 19, 2021	Klamath Falls RV Inc.	PPP #25078524	$52,885
February 10, 2021	Valley Business & Tax Services Inc.	PPP #25292714	$45,317
May 11, 2021	Valley Investment Company/Casey's	RRF #31232251	$143,675
December 14, 2021	Valley Accounting	EIDL #3325694678	declined
December 30, 2021	Valley Accounting and Tax	EIDL #3326083997	declined

L. On April 3, 2020, defendant submitted PPP application #15988848 on behalf of Al's Trailer to Bank of America, a federally insured financial institution. On that application, defendant knowingly and willfully misrepresented Al's Trailer's average monthly payroll and number of employees. To support her misrepresentations, defendant submitted an IRS Form 1120(U.S. Corporation Income Tax Return), never filed with the IRS, but created for the purposes of securing the PPP Loan. Defendant also knowingly and willfully misrepresented that defendant was not the owner of any other business when defendant, in fact had 100% ownership of 5 other businesses and 50% ownership in two other businesses. Defendant also certified on the application she was not engaged in illegal activities, when in fact she was engaged in the aforementioned payroll tax scheme, and attested and certified all the information on the application and all supporting documentation submitted was true and accurate.

M. Based on defendant's misrepresentations on PPP application #15988848, Bank of America funded a PPP loan of $454,532 to Al's Trailer's Bank of America account that defendant controlled.

N. On May 13, 2020, defendant used $21,000 of the PPP funds to write a check to Lakeside Investment Group for rent.

O. Based on the fraudulent applications noted above, defendant caused a total actual loss of $1,367,247, including interest and SBA paid lender fees.

/ / /

7. **Sentencing Factors**: The parties agree that the Court must first determine the applicable advisory guideline range, then determine a reasonable sentence considering that range and the factors listed in 18 U.S.C. § 3553(a). Where the parties agree that sentencing factors apply, such agreement constitutes sufficient proof to satisfy the applicable evidentiary standard.

8. **Relevant Conduct**: The parties agree that the sentencing guidelines calculation for Counts 1 (wire fraud) and 3 (money laundering) are grouped pursuant to USSG §3D1.2(d) and the following is accurate:

Guideline Section	Offense Level
Base Offense Level – §2B1.1(a)(1), §2S1.1(a)(1)	7
Loss of $705,613 -- §2B1.1(b)(G), §2S1.1(a)(2)	+14
Conviction under 18 U.S.C. §1957 – §2S1.1(a)(1), (b)(2)(A)	+1
Offense Level	**22**
Acceptance of Responsibility – USSG §3E1.1	-3
Adjustment for Zero-Point Offender USSG §4C1.1	-2
Total	**17 (24-30 months at Criminal History Category 1)**

The parties agree that the following sentencing guidelines calculation for Counts 5 (bank fraud) and 7 (money laundering) are grouped pursuant to USSG §3D1.2(d) and the following is accurate:

Guideline Section	Offense Level
Base Offense Level – §2B1.1(a)(1), §2S1.1(a)(1)	7
Loss of $1,367,247 – §2B1.1(b)(H), §2S1.1(a)(2)	+14
Over $1,000,000 in gross receipts from one or more financial institutions – § 2B1.1(b)(17)(A)	+2
Conviction under 18 U.S.C. §1957 – §2S1.1(a)(1), (b)(2)(A)	+1
Offense Level	**24**
Acceptance of Responsibility – USSG §3E1.1	-3
Adjustment for Zero-Point Offender USSG §4C1.1	-2
Total	**19 (30-37 months at Criminal History Category 1))**

The government reserves the right to argue that defendant used sophisticated means to commit bank fraud in relation to Count 5 and should receive a two-level enhancement pursuant to USSG 2B1.1(b)(10)(c). This would result in a total offense level of 21 (37-46 months at Criminal History Category I). Defendant reserves the right to oppose this request.

The parties reserve the right to argue that additional specific characteristics under the Sentencing Guidelines are appropriate. They parties make no agreement as to defendant's criminal history but estimate defendant qualifies for the zero-point offender adjustment.

9. **Acceptance of Responsibility**: Defendant must demonstrate to the Court that defendant fully admits and accepts responsibility under USSG § 3E1.1 for defendant's unlawful conduct in this case. If defendant does so, the USAO will recommend a three-level reduction in defendant's offense level. The USAO reserves the right to change this recommendation if defendant, between plea and sentencing, commits any criminal offense, obstructs or attempts to obstruct justice as explained in USSG § 3C1.1, or acts inconsistently with acceptance of responsibility as explained in USSG § 3E1.1.

10. **Sentencing Recommendation**: The USAO will recommend the low end of the applicable guideline ranges for each count as long as defendant demonstrates an acceptance of responsibility as explained above.

11. **Additional Departures, Adjustments, or Variances**:

A. Defendant reserves the right to seek downward departure, adjustment, or variance from the applicable sentencing guideline range determined by the Court and understands that the government reserves its right to oppose such a request. The basis for the departure, adjustment, or variance shall be limited to USSG § 5K2 or 18 U.S.C. § 3553.

B. Defendant agrees that, should defendant seek a downward departure, adjustment, or variance from the applicable guideline range determined by the Court and Probation Office, defendant will provide the government with notice of: (1) the factual basis for such request; (2) any evidence defendant intends to introduce or rely upon at the sentencing hearing; and (3) any witnesses, including expert witnesses, defendant intends to call or rely upon at the sentencing hearing. Such notice must be provided to the government no later than the Wednesday prior to the week during which the sentencing hearing is scheduled. Defendant agrees that if defendant fails to comply with this notice requirement, defendant will not oppose a government motion for a postponement of the sentencing hearing.

12. **Waiver of Appeal/Post-Conviction Relief**: Defendant knowingly and voluntarily waives the right to appeal from any aspect of the conviction and sentence on any grounds, except for a claim that: (1) the sentence imposed exceeds the statutory maximum, or (2) the Court arrives at an advisory sentencing guideline range by applying an upward departure under the provisions of Guidelines Chapters 4 or 5K, or (3) the Court exercises its discretion under 18 U.S.C. § 3553(a) to impose a sentence which exceeds the advisory guideline sentencing range as determined by the Court. Should defendant seek an appeal, despite this waiver, the USAO may take any position on any issue on appeal. Defendant also waives the right to file any collateral

attack, including a motion under 28 U.S.C. § 2255, challenging any aspect of the conviction or sentence on any grounds, except on grounds of ineffective assistance of counsel, and except as provided in Fed. R. Crim. P. 33 and 18 U.S.C. § 3582(c)(2). In the event that [any of] defendant's conviction(s) under this agreement are vacated, the government may reinstate and/or file any other charges, and may take any position at a resentencing hearing, notwithstanding any other provision in this agreement.

13. **Court Not Bound**: The Court is not bound by the recommendations of the parties or of the presentence report (PSR) writer. Because this agreement is made under Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, defendant may not withdraw any guilty plea or rescind this plea agreement if the Court does not follow the agreements or recommendations of the parties.

14. **Full Disclosure/Reservation of Rights**: The USAO will fully inform the PSR writer and the Court of the facts and law related to defendant's case. Except as set forth in this agreement, the parties reserve all other rights to make sentencing recommendations and to respond to motions and arguments by the opposition.

15. **Breach of Plea Agreement**: If defendant breaches the terms of this agreement, or commits any new criminal offenses between signing this agreement and sentencing, the USAO is relieved of its obligations under this agreement, but defendant may not withdraw any guilty plea.

If defendant believes that the government has breached the plea agreement, defendant must raise any such claim before the district court, either prior to or at sentencing. If defendant fails to raise a breach claim in district court, defendant has waived any such claim and is precluded from raising a breach claim for the first time on appeal.

16. **Restitution**: Defendant agrees to an order of full restitution to all victims of the offenses of conviction and her relevant conduct pursuant to 18 U.S.C. §§ 3663 and 3663A. The parties agree that the Court shall impose an order of restitution of $2,072,860, ($705,613 due to the IRS and $1,367,247 due to the SBA), which will be reduced by any amount defendant has already repaid by the time of sentencing.

Defendant agrees fully to disclose all assets in which defendant has any interest or over which defendant exercises control, directly or indirectly, including those held by a spouse, nominee, or third party. Defendant agrees to truthfully complete the Financial Disclosure Statement provided herein by the earlier of fourteen days from defendant's signature on this plea agreement or the date of defendant's entry of a guilty plea, sign it under penalty of perjury, and provide it to both the USAO and the United States Probation Office. Defendant agrees to provide updates with any material changes in circumstances, as described in 18 U.S.C. § 3664(k), within seven days of the event giving rise to the changed circumstances.

Defendant expressly authorizes the USAO to obtain a credit report on defendant. Defendant agrees to provide waivers, consents, or releases requested by the USAO to access records to verify the financial information. Defendant also authorizes the USAO to inspect and copy all financial documents and information held by the U.S. Probation Office.

The parties agree that defendant's failure to timely and accurately complete and sign the Financial Disclosure Statement, and any update thereto, may, in addition to any other penalty or remedy, constitute defendant's failure to accept responsibility under USSG § 3E1.1.

Transfer of Assets

Defendant agrees to notify the Financial Litigation Unit of the USAO before defendant transfers any interest in property with a value exceeding $1000 owned directly or indirectly, individually or jointly, by defendant, including any interest held or owned under any name, including trusts, partnerships, and corporations.

Restitution

The Court shall order restitution to each victim in the full amount of each victim's losses as determined by the Court. Defendant agrees to pay restitution for all losses caused by defendant's conduct, regardless of whether counts of the Indictment dealing with such losses will be dismissed as part of this plea agreement.

Defendant understands and agrees that the total amount of any monetary judgment that the Court orders defendant to pay will be due. Defendant further understands and agrees that pursuant to 18 U.S.C. § 3614, defendant may be resentenced to any sentence which might have originally been imposed if the court determines that defendant has knowingly and willfully refused to pay a fine or restitution as ordered or has failed to make sufficient bona fide efforts to pay a fine or restitution. Additionally, defendant understands and agrees that the government may enforce collection of any fine or restitution imposed in this case pursuant to 18 U.S.C. §§ 3572, 3613, and 3664(m), notwithstanding any initial or subsequently modified payment schedule set by the court. Defendant understands that any monetary debt defendant owes related to this matter may be included in the Treasury Offset Program to potentially offset defendant's federal retirement benefits, tax refunds, and other federal benefits.

Pursuant to 18 U.S.C. § 3612(b)(1)(F), defendant understands and agrees that until a fine or restitution order is paid in full, defendant must notify the USAO of any change in the mailing address or residence address within 30 days of the change. Further, pursuant to 18 U.S.C. § 3664(k), defendant shall notify the Court and the USAO of any material change in defendant's economic circumstances that might affect defendant's ability to pay restitution, including, but not limited to, new or changed employment, increases in income, inheritances, monetary gifts, or any other acquisition of assets or money.

17. **Forfeiture Terms**:

A. **Assets and Authority**: By signing this agreement, defendant knowingly and voluntarily forfeits all right, title, and interest in and to $2,003,577 in the form of a money judgment, pursuant to 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. §§ 982(a)(1), 982(a)(2), and 28 U.S.C. § 2461(c), which defendant admits represents proceeds defendant personally obtained, directly or indirectly, as a result of defendant's criminal activity set forth in Counts 1, 3, 5 and 7 of the Indictment.

B. **No Alteration or Satisfaction**: Defendant knowingly and voluntarily waives the right to a jury trial on the forfeiture of assets. Defendant knowingly and voluntarily waives all constitutional, legal, and equitable defenses to the forfeiture of this money judgment, including any claim or defense under the Eighth Amendment to the United States Constitution, and any rights under Rule 32.2 of the Federal Rules of Criminal Procedure. Defendant further agrees forfeiture of defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty this Court may impose upon defendant in addition to forfeiture. Defendant agrees that forfeiture of substitute assets as authorized pursuant to 21 U.S.C. § 853(p) shall not be deemed an alteration of defendant's sentence.

18. **Memorialization of Agreement**: No promises, agreements, or conditions other than those set forth in this agreement will be effective unless memorialized in writing and signed by all parties listed below or confirmed on the record before the Court. If defendant accepts this offer, please sign and attach the original of this letter to the Petition to Enter Plea.

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19. **Deadline**: This plea offer expires if not accepted by October 18, 2024 at 5:00 p.m.

Sincerely,

NATALIE K. WIGHT
United States Attorney

/s/ Meredith D.M. Bateman
MEREDITH D.M. BATEMAN
Assistant United States Attorney

I have carefully reviewed every part of this agreement with my attorney. I understand and voluntarily agree to its terms. I expressly waive my rights to appeal as outlined in this agreement. I wish to plead guilty because, in fact, I am guilty.

October 20, 2024
Date

J. McGowen
Jamie McGowen
Defendant

I represent the defendant as legal counsel. I have carefully reviewed every part of this agreement with defendant. To my knowledge, defendant's decisions to make this agreement and to plead guilty are informed and voluntary ones.

October 20, 2024
Date

Serguel Akiti
Katryna Spearman
Attorneys for Defendant