UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT GREENEVILLE

UNITED STATES OF AMERICA	)	
	)	No. 2:18-cr-25
v.	)	
	)	JUDGE REEVES
LESLIE DANIELLE BETHEA	)	

PLEA AGREEMENT

The United States of America, by the United States Attorney for the Eastern District of Tennessee, and the defendant, Leslie Danielle Bethea, and the defendant's attorney, Nikki Pierce have agreed upon the following:

1. The defendant will plead guilty to the following counts in the indictment:

a) Count One. Conspiracy to commit Wire fraud in violation of 18 U.S.C. § 1349.

The punishment for this offense is as follows. A maximum of twenty years in prison, a fine of $250,000, three years on supervised release, $100 special assessment, restitution as ordered by the court, and forfeiture of the fruits and instrumentalities of the offense.

b) Count Six. Wire Fraud in violation of 18 U.S.C. § 1343.

The punishment for this offense is as follows. A maximum of twenty years in prison, a fine of $250,000, three years on supervised release, $100 special assessment, restitution as ordered by the court, and forfeiture of the fruits and instrumentalities of the offense.

2. In consideration of the defendant's guilty pleas, the United States agrees to move the Court at the time of sentencing to dismiss the remaining counts against the defendant in this indictment.

3. The defendant has read the indictment, discussed the charges and possible defenses with defense counsel, and understands the crimes charged. Specifically, the elements of the offenses are as follows.

a. As to Count One (Conspiracy to commit wire fraud), the elements of the offense are as follows: 1) Two or more persons, in some way or manner, agreed to try to accomplish a common and unlawful plan to commit wire fraud, as charged in the indictment; 2) The defendant knew of the unlawful purpose of the plan and willfully joined in it.

b. As to Count Six (wire fraud), the elements of the offense are as follows: 1) the defendant devised a scheme to defraud or to obtain money or property by materially false or fraudulent pretenses, representations or promises or willfully participated in such a scheme with knowledge of its fraudulent nature; 2) the defendant acted with intent to defraud; and 3) in advancing, furthering, or carrying out the scheme to defraud, the defendant transmitted any writing, signal, or sound by means of a wire, radio, or television communication in interstate commerce or caused such transmissions to occur.

4. In support of the defendant's guilty plea, the defendant agrees and stipulates to the following facts, which satisfy the offense elements. These are the facts submitted for purposes of the defendant's guilty plea. They do not necessarily constitute all of the facts in the case. Other facts may be relevant to sentencing. Both the defendant and the United States retain the right to present additional facts to the Court to ensure a fair and appropriate sentence in this case.

a. From on or about January 1, 2016, and continuing through January 31, 2018, the defendant received and used internet service provided by Charter Communications and Verizon Wireless. Charter Communications is an American telecommunications company headquartered in Stamford, Connecticut, which provides, among other services, internet service

to consumer and commercial customers. Verizon Wireless is an American telecommunications company headquartered in Basking Ridge, New Jersey, which provides, among other services, internet service to consumer and commercial customers.

b. From on or about January 1, 2016, and continuing through January 31, 2018, the defendant received and used mobile telephone service provided by T-Mobile, a wireless network operator headquartered in Bellevue, Washington and by AT&T Corporation (and its subsidiaries), a wireless network operator headquartered in Bedminster, New Jersey.

c. The internet and wireless mobile telephone service are means of interstate commerce and communications.

d. American Airlines is an American corporation headquartered in Dallas, Texas which provides commercial air travel services. JP Morgan Chase Bank, N.A. doing business as Chase Bank is a national, federally-chartered bank which constitutes the consumer and commercial banking subsidiary of the American multinational banking and financial services holding company, JP Morgan Chase & Co, headquartered in Chicago, Illinois.

e. The Internal Revenue Service is an agency of the United States Department of the Treasury responsible for enforcing and administering the tax laws of the United States, and collecting taxes owed to the United States.

Count One

f. The defendant and unindicted coconspirators obtained blank plastic credit, debit, and stored value cards with imbedded magnetic stripes. The cards were counterfeit, and fraudulently represented they were issued by legitimate banks, credit card processors, merchants, and financial institutions. The defendant obtained the cards via online internet purchases, which are means of interstate commerce.

g. The defendant and unindicted coconspirators obtained personal identifying information, including names and credit card information for individuals. The defendant and unindicted coconspirators obtained this information by fraudulent and illegitimate means, including purchasing them on the internet. In effect, the defendant and unindicted coconspirators stole those individuals' identities.

h. The unindicted coconspirators used plastic card embossing machines to emboss the front of the cards with the name of individuals whose identities had been stolen. On the reverse of the plastic cards, the defendant and unindicted coconspirators re-encoded the information imbedded on the magnetic stripes to insert legitimate credit card numbers issued to other individuals. This allowed the defendant and unindicted coconspirators to manufacture credit cards with mismatched cardholders and account numbers which were not immediately rejected by merchants.

i. The defendant and other unindicted coconspirators then used the manufactured plastic cards to purchase goods and services and obtain money from American Airlines and JP Morgan Chase Bank, and others.

j. From on or about January 1, 2017, through on or about May 10, 2017, the defendant used counterfeit credit cards she or coconspirators manufactured, to obtain $47,908.56 in travel services provided by American Airlines. These travel services involved over 100 different flight transactions procured for dozens of travelers, including the defendant. The flights were arranged in person at American Airlines at various airports and included extensive interstate travel to and from numerous cities in the United States.

k. As a result of the defendant's use of counterfeit cards to procure travel services described in the preceding paragraph, American Airlines sustained an actual economic loss of $47,908.56.

l. The manufacture of each counterfeit card and the use of each counterfeit card for each of the foregoing transactions was an affirmative act of fraud committed by the defendant and unindicted coconspirators on American Airlines.

m. Each manufactured counterfeit card and each transaction was materially false.

n. Each of the foregoing transactions was an overt act in furtherance of the scheme and a transmission of any writing, signal, or sound by means of a wire, radio, or television communication in interstate commerce.

o. From on or about February 1, 2017 through on or about May 10, 2017, the defendant or unindicted coconspirators unlawfully obtained personal identifiers and account numbers owned by numerous legitimate customers of JP Morgan Chase Bank who lived in California, Connecticut, Delaware, Florida, Idaho, Kentucky, Massachusetts, Minnesota, North Carolina, Ohio, Tennessee, Virginia, and Wisconsin.

p. The defendant or unindicted coconspirators caused to be manufactured counterfeit credit cards using the identities and account numbers of the foregoing legitimate customers of Chase Bank and then used those cards for personal use and benefit to engage in dozens of transactions and obtained goods and services valued at $7,891.82. All of the foregoing transactions involved the transmission of a writing, signal, or sound by means of a wire, radio, or television communication in interstate commerce. Merchants who provided goods and services included hotels (Doubletree Hotels, Holiday Inn Express Hotels, Hilton Hotels), restaurants (Burger King, Chop House, Wendy's, Fazoli's, Pal's, Bojangles, Chick Fil-A, McDonald's,

Wingstop, Sonic Drive-In, Krystal's, Krispy Kreme Doughnuts, Taco Bell, Chili's, Buffalo Wild Wings, Golden Corral, Moto Japanese Restaurant, and Popeye's), wireless communications providers (T-Mobile Communications, Verizon Wireless), department and retail stores (Belk's, Rack Room Shoes, Grand Home Furnishings, Kirkland's, Ashley Home Stores), travel services (American Airlines, Southwest Airlines, United Airlines), miscellaneous personal services (Touche Nails and Spa, GeekSquad), and fuel (Marathon Oil).

q. As a result of the defendant's foregoing use of counterfeit cards using JP Morgan Chase Bank customer identifiers and account numbers, JP Morgan Chase Bank sustained an actual economic loss of $7,891.82. Hilton Albany sustained an actual economic loss of $3,907.72. Grand Home Furnishing sustained an actual economic loss of $2,942.16. Ashley Homestore sustained an actual economic loss of $1,533.00.

r. The manufacture of each counterfeit card and the use of each counterfeit card for each of the foregoing transactions was an affirmative act of fraud committed by the defendant on JP Morgan Chase Bank.

s. Each manufactured counterfeit JP Morgan Chase Bank card and each transaction conducted using counterfeit JP Morgan Chase Bank cards was materially false.

t. Each of the foregoing transactions was an overt act in furtherance of the scheme and a transmission of any writing, signal, or sound by means of a wire, radio, or television communication in interstate commerce.

u. While conducting all of the materially false or fraudulent transactions, the defendant and unindicted coconspirators acted with intent to defraud American Airlines, JP Morgan Chase, and other vendors and credit card processors.

v. Under the tax laws of the United States, federal income taxes are withheld from individual earners' income and deposited with the Internal Revenue Service. Individual taxpayers whose earnings exceed a threshold amount are required to file annual returns of income with the Internal Revenue Service and pay federal income tax on those earnings. Others who do not earn the threshold amount which requires the filing of an income tax return may qualify for certain credits which will generate the refund of federal tax dollars. Earners may receive a refund of federal income taxes which are overpaid by filing an annual return of income.

w. Individuals may submit a written or electronic annual tax return to the Internal Revenue Service. The federal income tax returns require that the individual provide Personal Identification Information, including name, Social Security Account Number, address, and Employer information. Individuals may request that refunds are paid by paper check issued by the Department of the Treasury or by electronic transfer made to the earner's designated financial institution account.

x. Individuals submit annual income tax returns under penalties of perjury, affirming that the information provided in the return is accurate and truthful.

y. As part of the scheme, the defendant submitted, or caused to be submitted false, fictitious, and fraudulent federal income tax returns to the Internal Revenue Service by electronic means in interstate commerce, from the time period beginning on January 19, 2016 and ending on February 8, 2017. These tax returns were formal claims for refunds of overpaid income taxes or claims for tax credits. The defendant knowingly submitted these false, fictitious, and fraudulent income tax returns, using the personal identifiers of individuals and claimed $35,700 in false income tax refunds. The federal income tax returns were materially false in several respects:

1) The returns used Personal Identification Information which belonged to individuals who did not authorize or file the tax return (i.e., stolen identities).

2) The returns overstated the filer's earnings and withheld federal income taxes.

3) The returns overstated the filer's legitimate deductions and credits from income tax.

z. As part of the scheme, the defendant, by filing federal income tax returns with the Internal Revenue Service, caused the Internal Revenue Service to issue $35,700 in refunds of income tax by electronic means which were sent in interstate commerce to the defendant's custody and control at different bank accounts or were applied as an offset to the individual's outstanding obligations for student loans, child support, etc. Total restitution due to the IRS by the defendant is $21,151.

aa. As part of the scheme, the defendant diverted funds received from the Internal Revenue Service to her personal use and control.

ab. As part of the scheme, the defendant established multiple bank accounts at different financial institutions and manipulated funds among the bank accounts in order to further the scheme and to conceal and disguise the nature, location, source, ownership, and control of the money obtained through her fraudulent activities.

ac. While conducting all of the materially false or fraudulent transactions with the Internal Revenue Service, the defendant acted with intent to defraud the Internal Revenue Service of the United States Department of the Treasury.

Count Six

ad. On January 17, 2017, the defendant transmitted electronically from the Eastern District of Tennessee a false tax return to the IRS using the actual identity of an individual whose initials are J.S., using that person's actual Social Security number. Defendant admits she knows the claim was false when she submitted the claim and knew the claimed refund was not due or owed. Defendant admits she knowingly defrauded the United States by submitting false claims to the United States.

5. The defendant is pleading guilty because the defendant is in fact guilty. The defendant understands that, by pleading guilty, the defendant is giving up several rights, including:

a) the right to plead not guilty;

b) the right to a speedy and public trial by jury;

c) the right to assistance of counsel at trial;

d) the right to be presumed innocent and to have the burden of proof placed on the United States to prove the defendant guilty beyond a reasonable doubt;

e) the right to confront and cross-examine witnesses against the defendant;

f) the right to testify on one's own behalf, to present evidence in opposition to the charges, and to compel the attendance of witnesses; and

g) the right not to testify and to have that choice not used against the defendant.

6. The parties agree that the appropriate disposition of this case would be the following as to each count:

a) The Court may impose any lawful term of imprisonment, any lawful fine, and any lawful term of supervised release up to the statutory maximum;

b) The Court will impose special assessment fees as required by law; and

c) The Court may order forfeiture as applicable and restitution as appropriate.

No promises have been made by any representative of the United States to the defendant as to what the sentence will be in this case. Any estimates or predictions made to the defendant by defense counsel or any other person regarding any potential sentence in this case are not binding on the Court, and may not be used as a basis to rescind this plea agreement or withdraw the defendant's guilty pleas. The defendant understands that the sentence in this case will be determined by the Court after it receives the presentence investigation report from the United States Probation Office and any information presented by the parties. The defendant acknowledges that the sentencing determination will be based upon the entire scope of the defendant's criminal conduct, the defendant's criminal history, and pursuant to other factors and guidelines as set forth in the Sentencing Guidelines and the factors set forth in 18 U.S.C. § 3553.

7. Pursuant to Fed. R. Crim. P. 11c1C, the parties agree to the following terms for purposes of calculating the defendant's Advisory Guideline Range under the United States Sentencing Guidelines:

a. The base offense level under U.S.S.G. § 2B1.1(a) is 7;

b. The loss amount for purposes of U.S.S.G. § 2B1.1(b)(1) is more than $95,000 and less than $150,000, which yields an increase of 8 offense levels;

c. The offense involved the use of a sophisticated means for purposes of U.S.S.G. § 2B1.1(b)(10), which yields an increase of 2 offense levels;

d. The offense involved the use and possession of five or more means of identification that were unlawfully produced from, or obtained by the use of, another means of identification, the possession or use of any device-making equipment, and the production of counterfeit access devices, for purposes of U.S.S.G. § 2B1.1(b)(11), which yields an increase of 2 offense levels; and

e. The defendant will not be assessed the following sentencing enhancements:

1) Any enhancement under U.S.S.G. § 2B1.1(b)(2) for the number of victims;

2) The vulnerable victim enhancement under U.S.S.G. § 3A1.1(b); and

3) The obstruction of justice enhancement under U.S.S.G. § 3C1.1.

8. If the Court orders the defendant to pay restitution to the IRS, either directly as part of the sentence or as a condition of supervised release, the IRS will use the restitution order as the basis for a civil assessment. *See* 26 U.S.C. § 6201(a)(4). The defendant does not have the right to challenge the amount of this assessment. *See* 26 U.S.C. § 6201(a)(4)(C). Neither the existence of a restitution payment schedule nor the defendant's timely payment of restitution according to that schedule will preclude the IRS from administrative collection of the restitution-based assessment, including levy and distraint under 26 U.S.C. § 6331.

9. Given the defendant's agreement to plead guilty, the United States will not oppose a two-level reduction for acceptance of responsibility under the provisions of Section 3E1.1(a) of the Sentencing Guidelines. Further, if the defendant's offense level is 16 or greater, and the defendant is awarded the two-level reduction pursuant to Section 3E1.1(a), the

United States agrees to move, at or before the time of sentencing, the Court to decrease the offense level by one additional level pursuant to Section 3E1.1(b) of the Sentencing Guidelines. Should the defendant engage in any conduct or make any statements that are inconsistent with accepting responsibility for the defendant's offenses, including violations of conditions of release or the commission of any additional offenses prior to sentencing, the United States will be free to decline to make such motion, to withdraw that motion if already made, and to recommend to the Court that the defendant not receive any reduction for acceptance of responsibility under Section 3E1.1 of the Sentencing Guidelines.

10. The defendant agrees to pay the special assessment in this case prior to sentencing.

11. Unless otherwise limited by an agreed preliminary order of forfeiture, the defendant agrees to forfeit to the United States immediately and voluntarily any and all assets and property, or portions thereof, which are in the possession or control of the defendant or the defendant's nominees that were used and intended to be used in any manner or part to commit and to facilitate the commission of violations of 18 U.S.C. § 1349 and 1343, and/or any and all assets and property, or portions thereof, subject to forfeiture as proceeds of the defendant's criminal activities which are in the possession or control of the defendant or the defendant's nominees. The defendant further agrees to assist the United States fully in the identification, recovery, and return to the United States of any other assets or portions thereof subject to forfeiture. The defendant further agrees to make a full and complete disclosure of all assets over which the defendant exercises control and those which are held or controlled by a nominee. The defendant agrees to forfeit all interests in the properties as described above and to take whatever steps are necessary to pass clear title to the United States. These steps include, but are not

limited to, the surrender of title, the signing of a consent decree of forfeiture, and the signing of any other documents necessary to effectuate such transfers. The defendant agrees not to object to any civil or criminal forfeiture brought against these properties. The defendant agrees to take all such steps to locate such property and to pass title to the United States before the defendant's sentencing.

12. The defendant agrees that the Court shall order restitution, pursuant to any applicable provision of law, for any loss caused to: (1) the victims of any offense charged in this case (including dismissed counts); and (2) the victims of any criminal activity that was part of the same course of conduct or common scheme or plan as the defendant's *charged* offenses.

13. Financial Obligations. The defendant agrees to pay all fines and restitution imposed by the Court to the Clerk of Court. The defendant also agrees that the full fine and/or restitution amounts shall be considered due and payable immediately. If the defendant cannot pay the full amount immediately and is placed in custody or under the supervision of the Probation Office at any time, the defendant agrees that the Bureau of Prisons and the Probation Office will have the authority to establish payment schedules to ensure payment of the fine and/or restitution. The defendant further agrees to cooperate fully in efforts to collect any financial obligation imposed by the Court by set-off of federal payments, execution on non-exempt property, and any other means the United States deems appropriate. The defendant and counsel also agree that the defendant may be contacted post-judgment regarding the collection of any financial obligation imposed by the Court without notifying the defendant's counsel and outside the presence of the defendant's counsel. In order to facilitate the collection of financial obligations to be imposed with this prosecution, the defendant agrees to disclose fully all assets in which the defendant has any interest or over which the defendant exercises control, directly or

indirectly, including those held by a spouse, nominee, or other third party. In furtherance of this agreement, the defendant additionally agrees to the following specific terms and conditions:

a) If so requested by the United States, the defendant will promptly submit a completed financial statement to the U.S. Attorney's Office, in a form it provides and as it directs. The defendant promises that such financial statement and disclosures will be complete, accurate, and truthful.

b) The defendant expressly authorizes the U.S. Attorney's Office to obtain a credit report on the defendant in order to evaluate the defendant's ability to satisfy any financial obligation imposed by the Court.

c) If so requested by the United States, the defendant will promptly execute authorizations on forms provided by the U.S. Attorney's Office to permit the U.S. Attorney's Office to obtain financial and tax records of the defendant.

14. The defendant acknowledges that the principal benefits to the United States of a plea agreement include the conservation of limited government resources and bringing a certain end to the case. Accordingly, in consideration of the concessions made by the United States in this agreement and as a further demonstration of the defendant's acceptance of responsibility for the offenses committed, the defendant voluntarily, knowingly, and intentionally agrees to the following:

a) The defendant will not file a direct appeal of the defendant's convictions or sentence with one exception: The defendant retains the right to appeal a sentence imposed above the sentencing guideline range determined by the Court or above any mandatory minimum sentence deemed applicable by the Court, whichever is greater. The defendant also waives the

right to appeal the Court's determination as to whether the defendant's sentence will be consecutive or partially concurrent to any other sentence.

b) The defendant will not file any motions or pleadings pursuant to 28 U.S.C. § 2255 or otherwise collaterally attack the defendant's convictions or sentence, with two exceptions: The defendant retains the right to file a § 2255 motion as to (i) prosecutorial misconduct and (ii) ineffective assistance of counsel.

c) The defendant will not, whether directly or by a representative, 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. Section 552, or the Privacy Act of 1974, 5 U.S.C. Section 552a.

15. This plea agreement becomes effective once it is signed by the parties and is not contingent on the defendant's entry of a guilty plea. If the United States violates the terms of this plea agreement, the defendant will have the right to withdraw from this agreement. If the defendant violates the terms of this plea agreement in any way (including but not limited to failing to enter guilty pleas as agreed herein, moving to withdraw guilty pleas after entry, or by violating any court order or any local, state or federal law pending the resolution of this case), then the United States will have the right to void any or all parts of the agreement and may also enforce whatever parts of the agreement it chooses. In addition, the United States may prosecute the defendant for any and all federal crimes that the defendant committed related to this case, including any charges that were dismissed and any other charges which the United States agreed not to pursue. The defendant expressly waives any statute of limitations defense and any constitutional or speedy trial or double jeopardy defense to such a prosecution. The defendant

also understands that a violation of this plea agreement by the defendant does not entitle the defendant to withdraw the defendant's guilty pleas in this case.

16. The United States will file a supplement in this case, as required in every case by the Local Rules of the United States District Court for the Eastern District of Tennessee, even though there may or may not be any additional terms. If additional terms are included in the supplement, they are hereby fully incorporated herein.

17. This plea agreement and supplement constitute the full and complete agreement and understanding between the parties concerning the defendant's guilty plea to the above-referenced charges, and there are no other agreements, promises, undertakings, or understandings between the defendant and the United States. The parties understand and agree that the terms of this plea agreement can be modified only in writing signed by all of the parties and that any and all other promises, representations, and statements whether made before, contemporaneous with, or after this agreement, are null and void.

J. DOUGLAS OVERBEY
UNITED STATES ATTORNEY

11-1-18
Date

By: _____
Robert M. Reeves
Assistant United States Attorney

10-31-18
Date

_____
Leslie Danielle Bethea
Defendant

10/31/2018
Date

_____
Nikki Pierce
Attorney for the Defendant