

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA

v.

Case No.: 22-CR-131-WMC

OLIVIA SPELLMAN,

Defendant.

PLEA AGREEMENT

1. This is the proposed plea agreement between the defendant and the United States in the above-captioned case.

2. **PLEA AND PENALTIES:** The defendant agrees to plead guilty to Count 5 of the indictment. This count charges a violation of Title 18, United States Code, Section 1341, which carries maximum penalties of 20 years in prison and a \$250,000 fine, a three-year period of supervised release, a \$100 special assessment, and the entry of an appropriate restitution order. In addition to these maximum penalties, any violation of a supervised release term could lead to an additional imprisonment term pursuant to 18 U.S.C. § 3583. The defendant agrees to pay the special assessment at or before sentencing and understands that the Court will enter an order requiring the immediate special assessment payment under 18 U.S.C. § 3013. In an appropriate case, the defendant could be held in contempt of court and receive an additional sentence for failing to pay the special assessment.

3. **RIGHTS WAIVED BY PLEADING GUILTY:** The defendant acknowledges by pleading guilty, that she is giving up these rights: (a) to plead not guilty and to persist in that plea; (b) to a jury trial; (c) to be represented by counsel – and if necessary to have the Court appoint counsel – at trial and at every other stage of the trial proceedings; (d) to confront and cross-examine adverse witnesses; (e) to be protected from compelled self-incrimination; (f) to testify and present evidence; and (g) to compel the attendance of witnesses.

4. **IMMIGRATION CONSEQUENCES:** The defendant understands that upon conviction, if she is not a United States citizen, she may be removed from the United States, denied citizenship, and denied future admission to the United States. The defendant nevertheless affirms that she wants to plead guilty regardless of any removal

and immigration consequences that her plea may entail, even if the consequence is automatic removal from the United States.

5. **AGREEMENT ON SENTENCE:** The parties agree that the advisory sentencing guidelines range under USSG § 2B1.1(b)(1) should be calculated based on the actual loss amount of \$506,097, which results in a 12-level increase to the base offense level. The parties also agree that the definition of intended loss in application note 3(A)(ii) does not apply in this case. The parties further agree to jointly recommend to the Court that the defendant receive a prison sentence of 14 months.

6. **FACTUAL BASIS:** The defendant agrees that the following facts are true, correct, and that, if this case were to proceed to trial, the government would be able to prove these facts beyond a reasonable doubt. The defendant acknowledges, understands, and agrees that she is, in fact, guilty of the offense described herein.

a. Spellman worked with a coconspirator to defraud different state agencies of unemployment insurance (UI) benefits during the COVID-19 pandemic in 2020 and 2021.

b. Spellman allowed her home address to be used as the mailing address on all of the false applications for UI benefits. All of the mailings in the names of other people from various UI state agencies came to Spellman's home in Janesville, Wisconsin.

c. The mailings to Spellman's home included debit cards that were loaded with the UI benefits amounts for each applicant. Spellman took these cards, activated them, and pulled cash out of them. She spent some of the proceeds on herself at places like Walmart. The rest of the money she sent to her coconspirator via CashApp, Bitcoin, and Green Dot.

d. Spellman and her coconspirator communicated by WhatsApp. Spellman's iPhone was seized and searched as part of a search warrant executed at her home on 1-28-21. Chats on her phone show the two coconspirators working together to check the mail every day and when Spellman received debit cards she would forward photos of the cards and the PIN number to her coconspirator.

e. During the execution of the search warrant, law enforcement agents also found in Spellman's home, evidence of the fraud scheme, including: numerous letters from UI agencies, numerous debit cards from US Bank, her own credit card statements and bank statements. All of the UI mail was addressed to Spellman's home but had other individual's names on the letters and on the debit cards found in the home.

f. Spellman gave a statement to the agents during the search of her home. She told the agents, among other things:

(1) She has been working with a man named D.K. to get UI benefits in the names of other people. The two of them speak on the phone and text each other. She has never met D.K. He speaks with an accent.

(2) She acknowledged that she received mail at her home in the names of other persons. The mail comes from various state UI agencies. Her job was to get the debit cards in the mail and then cash them out and get the cash to D.K.

(3) She kept a portion of the cash and spent it on herself.

(4) She never filled out any of the UI applications or logged into the accounts. She only took the UI benefits. She deposited the funds into a Green Dot account or other bank account and then sent a portion of the proceeds to D.K. via Bitcoin.

(5) She knew what she was doing was wrong when she was cashing out the debit cards in other people's names. She said that D.K. told her on some occasion that what they were doing might have been illegal.

(6) She reviewed a list of the 83 UI applicants from Texas that listed her apartment as their address. She said she did not know any of the applicants, and did not prepare any of the fake UI applications. She knew there were other applications in this scheme also filed in Colorado, Illinois, Indiana, Pennsylvania, and Massachusetts.

g. The mailing for Count 5 involves a check mailed on 12-30-20 for UI benefits to A.D. for \$480 from the Ohio Department of Job & Family Services, which was mailed to Spellman's home address in Janesville, WI which is located in the Western District of Wisconsin. Spellman took a photo of the \$480 check and texted it to D.K., who then told her how to deposit it for him.

This information is provided to establish a factual basis for the defendant's guilty plea. It is not a full recitation of the defendant's knowledge of, or participation in, this offense.

7. **SCOPE OF RESOLUTION:** The United States agrees that this guilty plea will completely resolve all possible federal criminal violations that have occurred in the Western District of Wisconsin provided that two conditions are met: (a) the criminal conduct relates to the conduct described in the indictment; and (b) the criminal conduct was known to the United States as of the date of this plea agreement. This agreement not to prosecute is limited to those types of cases for which the United States Attorney's Office for the Western District of Wisconsin has exclusive decision-making authority.

The defendant also understands that the United States will make its full discovery file available to the Probation Office for its use in preparing the presentence report.

8. **DISMISSING REMAINING CHARGES:** The United States agrees to move to dismiss the remaining counts of the indictment at sentencing.

9. **ACCEPTANCE OF RESPONSIBILITY:** The United States agrees to recommend that the Court, in computing the advisory Sentencing Guideline range, and in sentencing the defendant, gives the defendant the maximum available reduction for acceptance of responsibility. This recommendation is based upon facts currently known to the United States and is contingent upon the defendant accepting responsibility according to the factors set forth in USSG § 3E1.1. Further, the United States' agreement to recommend a reduction for acceptance of responsibility is also based on the defendant providing a full and truthful accounting in the required financial statement and, if applicable, the defendant's efforts to make immediate restitution payments. The United States is free to withdraw this recommendation if the defendant has previously engaged in any conduct that is unknown to the United States and is inconsistent with acceptance of responsibility, or if she engages in any conduct between the date of this plea agreement and the sentencing hearing, which is inconsistent with acceptance of responsibility. This recommendation is consistent with the defendant signing this plea agreement on or before April 26, 2023.

10. **RESTITUTION:** The defendant agrees to pay restitution for all losses relating to the offense of conviction and all losses covered by the same course of conduct or common scheme or plan as the offense of conviction. The parties will agree upon the exact restitution figure before sentencing, or, if the parties cannot agree upon a specific figure, the Court will determine restitution at sentencing. The defendant further agrees that the full amount of restitution is due and payable immediately. Defendant acknowledges that immediate payment means payment in good faith from the liquidation of all non-exempt assets beginning immediately.

11. **FINANCIAL STATEMENT:** The defendant agrees to complete the attached financial statement and return it to this office within one week of the guilty plea hearing. The defendant agrees that this financial statement will be a full and truthful accounting, including all available supporting documentation. The defendant authorizes the United States Attorney's Office to run the defendant's credit report. The defendant also agrees that the probation office may disclose to the United States all financial statements to be completed by the defendant in connection with the preparation of the presentence report, together with all supporting documents.

12. **SENTENCING DISCUSSIONS:** Other than agreements specifically set forth in this plea agreement, the defendant understands that sentencing discussions are not part of the plea agreement. The defendant should not rely upon the possibility of a

particular sentence based upon any sentencing discussions between defense counsel and the United States, other than those memorialized in this plea agreement.

13. **SENTENCING RECOMMENDATIONS:** The defendant acknowledges her understanding that the United States has made no promises or guarantees regarding the actual sentence that will be imposed. The defendant also acknowledges her understanding that the Court may not accept the recommendations, which may be made by the United States, and that the Court can impose any sentence up to and including the maximum penalties set out above.

14. **VOLUNTARINESS OF PLEA:** The defendant acknowledges that no threats, promises, representations, or agreements exist, other than those set forth in this agreement, to cause the defendant to plead guilty. Defendant acknowledges that she has read this agreement, has carefully reviewed it with her attorney and understands and voluntarily accepts all its terms.

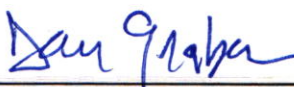
15. **THIS IS THE ONLY PLEA AGREEMENT:** By our signatures below, the defendant and defense counsel acknowledge that this is the only plea agreement in this case.

16. **PLEA APPROVAL:** All plea agreements must be approved by the United States Attorney or designee. This plea proposal has not yet been approved. Consequently, I have not signed this proposed plea agreement and the final acceptance is conditioned upon supervisory approval.

TIMOTHY M. O'SHEA
United States Attorney

5-9-23

Date

By: 

DANIEL J. GRABER
Assistant United States Attorney

4/18/2023

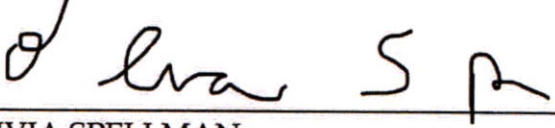
Date



KELLY WELSH
Attorney for the Defendant

4-17-23

Date



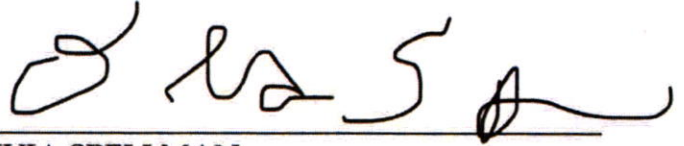
OLIVIA SPELLMAN
Defendant

ACKNOWLEDGEMENTS

I, OLIVIA SPELLMAN, am entering into this plea agreement freely and voluntarily. I am not now on or under the influence of any drug, medication, alcohol, or other intoxicant or depressant, whether or not prescribed by a physician, which would impair my ability to understand the terms and conditions of this agreement. My attorney has reviewed the entire agreement with me and has advised me of the implications of the sentencing guidelines. I have discussed all aspects of this case with my attorney, including the charges against me, the elements of those charges, and possible defenses. I am satisfied that my attorney has provided effective assistance of counsel.

4-17-23

Date

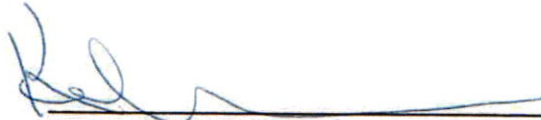


OLIVIA SPELLMAN
Defendant

I am the defendant's attorney. I have reviewed this agreement carefully with the defendant. To my knowledge, my client's decision to enter into this agreement is an informed and voluntary one.

4/18/2023

Date



KELLY WELSH
Attorney for Defendant