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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA )

vs. )

ROBERT WALSTON )

No. 07 CR 580

Judge Charles P. Kocoras

**FILED**

MAR 23 2009

MAR 23 2009  
JUDGE JAMES B. ZAGEL  
UNITED STATES DISTRICT COURT

**PLEA AGREEMENT**

1. This Plea Agreement between the United States Attorney for the Northern District of Illinois, PATRICK J. FITZGERALD, and defendant ROBERT WALSTON, and his attorney, JOHN T. THEIS, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure and is governed in part by Rule 11(c)(1)(C) and Rule 11(c)(1)(A), as more fully set forth below. The parties to this Agreement have agreed upon the following:

**Charges in This Case**

2. The superseding indictment in this case charges defendant with conspiracy to commit mail fraud and theft from a labor organization (Count One), in violation of Title 18, United States Code, Section 371, three counts of mail fraud (Counts Three through Five), in violation of Title 18, United States Code, Sections 1341, 1346 and 2, and five counts of embezzling, stealing, and unlawfully and willfully abstracting and converting to his own use and to the use of others the property and other assets of a labor organization (Counts Six through Ten), in violation of Title 29, United States Code, Sections 501(c) and 2.

3. Defendant has read the charges against him contained in the superseding indictment in this case and those charges have been fully explained to him by his attorney.

4. Defendant fully understands the nature and elements of the crimes with which he has been charged.

**Charge to Which Defendant is Pleading Guilty**

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to Counts One and Seven of the superseding indictment in this case. Count One of the superseding indictment charges defendant with conspiracy to commit mail fraud and theft from a labor organization, in violation of Title 18, United States Code, Section 371. Count Seven of the superseding indictment charges defendant with embezzling, stealing, and unlawfully and willfully abstracting and converting to his own use and to the use of others the property and other assets of a labor organization, in violation of Title 29, United States Code, Section 501(c) and Title 18, United States Code, Section 2. In addition, as further provided below, defendant agrees to the entry of a forfeiture judgment in this case.

**Factual Basis**

6. Defendant will plead guilty because he is in fact guilty of the charges contained in Counts One and Seven of the superseding indictment in this case. In pleading guilty, defendant admits the following facts and that those facts establish his guilt beyond a reasonable doubt, and establish a basis for forfeiture of the property described elsewhere in this Plea Agreement:

**Background**

Defendant ROBERT WALSTON("WALSTON") acknowledges that Local 743 of the Teamsters is a local union of roughly 12,000 members affiliated with the International Brotherhood of Teamsters ("Teamsters International") located in Chicago, Illinois, and that the Teamsters International and Local 743 are and were labor organizations engaged in an industry affecting commerce within the meaning of the Labor Management Reporting and Disclosure Act ("LMRDA"), Title 29, United States Code, Sections 402(i) and (j). Defendant WALSTON admits that during the

period from at least August 2004 and continuing at least through May 2005, he was elected President of Local 743. Defendant WALSTON further acknowledges that as President of Local 743, he was an officer of the union, as that term is defined in Title 29, United States Code, Section 402(n), and, as such, had a fiduciary responsibility, as do all officers, agents, shop stewards, and other representatives of labor organizations occupying a position of trust, to hold the money and property of the union solely for the benefit of the union and its members.

Defendant WALSTON further acknowledges that Local 743 is and was governed by the Teamsters Constitution and the by-laws of Local 743, and that Section 481 of the LMRDA (29 U.S.C. § 481), among other things, requires local labor organizations to hold secret ballot elections of their officers at least once every three years, in which every member in good standing shall have the right to vote for or otherwise support the candidate or candidates of his choice.

Defendant WALSTON admits that, in October 2004, Local 743 held its triennial secret ballot election of local officers by mail ballot (the "October 2004 election"); that there were two slates of candidates in the October 2004 election: the slate of incumbents, including President ROBERT WALSTON and Recording Secretary Richard Lopez, called the "Unity Slate," and an opposition slate called the "New Leadership Slate"; and that Local 743 adopted election rules that would govern the mail ballot and hired an election officer to supervise the October 2004 election.

Defendant WALSTON acknowledges that Local 743 purchased the official ballot packages to be used in the October 2004 election from an outside printing firm, which consisted of an outer envelope, a ballot, a secret ballot envelope in which a cast ballot is sealed, a return envelope addressed to a post office box rented by Local 743, and instructions to the voting member; and further admits that each official ballot package constituted property of Local 743. On or about

September 22, 2004, these official ballot packages in the October 2004 election were mailed to Local 743 members at the addresses then entered in the Teamster International Terminal Accounting Network ("TITAN") database for Local 743.

On October 16, 2004, the Elections Officer commenced the tallying of the ballots which had been returned by mail to Local 743. At the close of tallying on October 16, the New Leadership candidate for president was leading incumbent president Robert Walston by a margin of 7 votes. Defendant WALSTON acknowledges that thereafter, on October 18, 2004, the Executive Board of Local 743, which consisted of himself and co-defendant Richard Lopez, and the other incumbent officers on the Unity Slate, voted to suspend the tally of the October 2004 election permanently, fire the Elections Officer, and to schedule a second mail ballot election in December 2004 (the "December 2004 election").

Defendant WALSTON acknowledges that Local 743 purchased the same type of official ballot packages to be used in the December 2004 election from an outside printing firm, which consisted of an outer envelope, a ballot, a secret ballot envelope, a return envelope addressed to the offices of the American Arbitration Association in Chicago, Illinois, and instructions. Defendant admits that each official ballot package constituted property of Local 743. On or about November 9, 2004, the official ballot packages in the December 2004 election were mailed to Local 743 members at the addresses then entered in the TITAN database for Local 743.

On or about December 4, 2004, the elections officer for the December 2004 election began tallying the ballots which had been returned by mail to the offices of the American Arbitration Association in Chicago. On this occasion, the Unity Slate won each contested office.

Count of Conviction (Count One - Conspiracy)

With respect to Count One of the superseding indictment, defendant WALSTON admits that beginning at least as early as August 2004 and continuing at least through May 2005, in Chicago, and elsewhere in the Northern District of Illinois, he, together with co-defendants Richard Lopez, Cassandra Mosley, David Rodriguez, and Thaddeus Bania, along with Mark Jones, and other persons, knowingly conspired and agreed with each other and with other persons to commit offenses against the United States, that is: (a) to devise and participate in a scheme to defraud and to obtain from Local 743 money and property, including official ballot packages in the October and December 2004 Local 743 officer elections and the authorized salaries, benefits, and expenses for all of its duly-elected officers for the period January 1, 2005 until December 31, 2007, and from Local 743 and its membership the intangible right of the honest services of defendant WALSTON and co-defendant Richard Lopez, including the honest services they owed to Local 743 and its members, by means of materially false and fraudulent pretenses, representations, and promises, and material omissions, and in furtherance of that scheme, to use or cause the use of the United States mails, in violation of Title 18, United States Code, Sections 1341, 1346 and 2; and (b) to embezzle, steal and unlawfully and willfully abstract and convert to their own use and to the use of others property and other assets of Local 743, in violation of Title 29, United States Code, Section 501(c) and Title 18, United States Code, Sections 2, all in violation of Title 18, United States Code, Sections 371 and 2.

Specifically, defendant WALSTON admits that during the time period of the conspiracy, he, together with Local 743 Recording Secretary Richard Lopez, Local 743 Business Agent Cassandra Mosley (then Cassandra Davis), Local 743 Comptroller Thaddeus Bania, Local 743 Organizer David Rodriguez and other individuals, including Local 743 Director of Organizing Mark Jones, aligned

with the incumbent Unity Slate, devised and executed a scheme to fraudulently obtain official ballot packages belonging to Local 743 in several ways in order to cast them for the Unity Slate in such a way that the ballots would appear to be cast by eligible Local 743 members, and would be tallied without being detected as fraudulent ballots. Defendant WALSTON further admits that, as a result of this scheme, he and co-defendants Lopez, Mosley, Bania, Rodriguez, and others aligned with the Unity Slate intended to insure that the candidates of the incumbent Unity Slate would be declared the winners in the election and take the constitutional offices, and would receive the authorized salaries, benefits, and expenses, for all of Local 743's duly-elected officers for the period January 1, 2005 until December 31, 2007, whether or not they received a plurality of legitimate votes cast. Defendant WALSTON acknowledges that the authorized salaries, benefits, and expenses, for all of Local 743's duly-elected officers for the period January 1, 2005 until December 31, 2007 exceeded approximately \$2.2 million.

Defendant WALSTON admits that in approximately late August 2004, he and Bania met with co-defendant Mosley, and possibly others at an IHOP restaurant on Cicero Avenue in Chicago where they discussed how they would go about fraudulently obtaining official ballot packages belonging to Local 743. Defendant WALSTON eventually learned that co-defendant Bania would secretly change the addresses of Local 743 members in the Local 743 TITAN database, just prior to the mailing of ballots in the October 2004 election, to the mailing addresses of friends, family, and other confidantes of Local 743 officers and employees who WALSTON, Bania, Mosley, and others thought could be trusted to collect the misdirected mail-ballots so that they could be voted in favor of the incumbent Unity Slate. Bania had compiled a list of Local 743 members who voted in the 2001 election. Bania's list included each member's name and employer. From this list, Bania could

tell which employers had Local 743 members who were less likely to vote. It was those members at those employers that Bania determined he could target in making address changes.

WALSTON admits that it was determined that they would need to obtain approximately 200 ballots to ensure a victory for the incumbent Unity Slate in the October 2004 election. After discussing various options of individuals who they thought could be trusted to help execute this scheme, WALSTON, Bania, and Mosley agreed that they would use addresses supplied by Mosley and David Rodriguez and that the ballots that were to be collected as part of this scheme should be brought back to Bania. WALSTON recalls that co-defendant Lopez was ill and spent a great deal of time away from work during the October 2004 election cycle. Defendant WALSTON admits that he was the one who ultimately approved of the role that Rodriguez and Mosley were to play in supplying the necessary addresses and collecting the ballots to carry out this scheme. Defendant WALSTON further admits that he knew that multiple ballots in the names of Local 743 members who did not live at those addresses were going to be sent to each of the addresses supplied by Mosley and Rodriguez as part of the scheme.

WALSTON admits that sometime shortly thereafter, he called Rodriguez into his office and asked Rodriguez for help in fraudulently obtaining ballots in the October 2004 election. After Rodriguez agreed to help with this scheme, WALSTON told Rodriguez to work with Bania regarding the addresses Rodriguez was going to supply and that he (Rodriguez) should provide the ballots that he was able to collect from those addresses to Bania.

Prior to the mailing of ballots in the October 2004 election, Bania told defendant WALSTON that more addresses were needed for the scheme. WALSTON admits that he then asked Jones for a list of addresses of people who Jones could trust. At that point, however, WALSTON did not tell

Jones about how those addresses were going to be used. When Jones later returned to WALSTON's office with the list of addresses, WALSTON instructed Jones to give the list of addresses to Bania. Several days later, Jones asked WALSTON if ballot packages were going to be sent to the addresses of his friends and family members he (Jones) had provided. WALSTON admits that he told Jones that ballots were going to be mailed to the addresses Jones supplied and that Jones should collect the ballots delivered to each of those addresses.

Defendant WALSTON further admits that at another point in time prior to the mailing of the ballots in the October 2004 election, co-defendant Bania came to WALSTON's office and showed WALSTON a key to the Post Office Box that the union had rented for the return of undeliverable official ballot packages for the October 2004 election. Bania told WALSTON that the key had been obtained and delivered to Bania just as Bania had planned. Bania explained to WALSTON that he (Bania) had a friend who was going to make a copy of the key so that Bania could use it to gain entry to the Post Office Box containing the undeliverable mail-ballot packages without anyone knowing. Bania told WALSTON that he (Bania) would be able to return the original key to the Post Office before the ballots were mailed as a way of providing cover in the event that anyone found out that a key had been issued in the first place. WALSTON admits that he gave Bania permission to continue with Bania's plan to illegally copy the Post Office Box key, illegally gain access to the Post Office Box, and steal undeliverable ballot packages returned there by the U.S. Postal Service, so those ballots could be voted for the incumbent Unity Slate in the October 2004 Local 743 officers elections.

Sometime after the ballot packages were mailed in the October 2004 election, Jones came into WALSTON's office and attempted to hand him a stack of unopened mail-ballot packages that



Jones had collected from the addresses Jones had supplied. Defendant WALSTON admits that he told Jones to bring those mail-ballot packages, along with any other packages he collected thereafter, directly to Bania. WALSTON further admits, however, that Jones later delivered more ballot packages to him at his home, which was then being used as the campaign headquarters for the election.

WALSTON further admits that sometime after Bania had been provided with a number of the ballot packages that went to the addresses supplied by Rodriguez, Mosley, and Jones and that he (Bania) had illegally removed from the undeliverable Post Office Box, Walston participated in a conversation with Bania and Mosley where they discussed marking the ballots that Bania then had in his possession. During this conversation, it was agreed that WALSTON, Bania and Mosley would mark those ballots at WALSTON's house. WALSTON further admits that soon thereafter, the three met at WALSTON's house, and marked approximately 200 ballots in favor of the Unity Slate. WALSTON admits that he, Bania, and Mosley each marked, stuffed, and sealed all of the ballots that Bania brought with him. WALSTON recalls that the three wore latex gloves and marked the ballots using a variety of writing instruments so it would look as if they were marked legitimately. After they finished marking the ballots, the three of them discussed a strategy for mailing them and eventually decided that Bania would mail the ballots by dropping them at a variety of post office locations and on different days.

Although defendant WALSTON only recalls participating in the marking of ballots on one occasion in the October 2004 election, WALSTON admits that Bania told him that other ballots collected thereafter by Rodriguez, Mosley, and Jones were being voted in favor of the Unity Slate and mailed to the Election Officer so they would be a part of the election tally.

At some point, WALSTON learned that the Election Officer had decided to challenge ballots submitted in the names of Local 743 members whose mail-ballot packages were suspected by the Elections Officer to have been returned previously as undeliverable to the same Post Office Box to which Bania held an illegal key. WALSTON admits that he contacted Bania immediately to find out if Bania had already mailed any of the undeliverable ballots that Bania had removed from the Post Office Box and which WALSTON, Bania, and Mosley had previously marked. Bania told Walston that he had already mailed a number of those ballots. WALSTON further admits that he told Bania not to mail any more of the ballots that Bania had obtained through the Post Office Box, since those ballots were not going to be tallied as votes in favor of the Unity Slate.

At the point that the October 2004 tally was temporarily suspended by the election officer and WALSTON found that he was losing by seven votes, WALSTON admits that he decided to use the 13<sup>th</sup> pre-election protest that had been recently received by Richard Berg, the challenging candidate for president, in order to avoid losing the October election. WALSTON admits that at the time that he made the decision to advocate that the incumbent executive board vote in favor of Berg's 13<sup>th</sup> pre-election protest, after it had summarily dismissed all previous protests offered by Berg, he knew that he had participated in a scheme to steal and mark ballots and that the decision to cancel the election was not being done so that there would be a fair election. WALSTON sought the advice of his counsel in figuring out whether they could legally turn Berg's complaint against him and prevent WALSTON and likely the rest of the Executive Board from losing if the October 2004 tally were allowed to continue. WALSTON, Lopez, Bania, Mosley, Rodriguez, Jones, and others all understood why Berg was not going to be allowed to win the election.

WALSTON admits that shortly after the new election was scheduled for tally in December 2004, he and Bania decided to continue with the scheme of diverting multiple ballot packages by changing the addresses of Local 743 members within the TITAN system to other addresses where Rodriguez and Mosley could collect them. WALSTON and Bania decided against using the addresses previously supplied by Jones because Jones was not interested in participating again and because of issues related to many of the mail-ballot packages sent to the addresses Jones supplied having been previously returned as undeliverable.

WALSTON admits that during this same time period, WALSTON entered the locked file room in the back of Local 743's offices and found Bania making entries into the TITAN system. Bania told WALSTON that he connected an extra TITAN terminal in the file room in order to make the address changes associated with their misdirected ballot scheme so he would not be seen making the address changes in the system by other Local 743 employees.

WALSTON admits that during the December 2004 balloting period, he and Bania had numerous conversations about the scheme to steal ballots. During one of their conversations, Bania told WALSTON that co-defendant Richard Lopez had provided addresses for some of the members of the Eagle's Club in Melrose Park where Lopez was a member and an officer at the time. Bania told WALSTON that Lopez came to Bania and said that he (Lopez) knew that WALSTON and Bania were involved in some scheme to steal ballots and Lopez wanted in. Bania told WALSTON that he agreed to let Lopez participate in the scheme because Lopez was so insistent. Lopez dealt directly with Bania regarding Lopez's involvement in this scheme to steal ballots. Defendant further admits that in a separate conversation, he learned from Bania that Lopez had successfully collected a number of diverted ballot packages from the addresses Lopez supplied.

As with the October 2004 election, Mosley and Rodriguez dealt more directly with Bania in terms of determining the addresses that were ultimately used in the scheme. However, WALSTON admits that he had numerous conversations with Bania about how well Rodriguez and Mosley were doing in collecting ballots in this scheme. Bania had compiled, and WALSTON saw, a check list that Bania used to track the co-conspirators' progress in collecting, marking, and mailing ballots that had fraudulently been voted for the Unity Slate of incumbent candidates in the December election.

WALSTON further admits that in addition to getting updates from Bania, he also had numerous conversations directly with Rodriguez and Mosley about how well each was doing in collecting ballots. During one of his conversations with Rodriguez, Rodriguez told WALSTON that he used some addresses that were provided by Rodriguez's cousin Victor Matos. On another occasion, Rodriguez also told WALSTON that he was making phony duplicate ballot requests with another of his cousins. Rodriguez explained to WALSTON that Rodriguez and Rodriguez's cousin were calling into the Election Officer's office at AAA with requests for duplicate ballots pretending to be a Local 743 members. In doing so, Rodriguez would provide the Local 743 member's name, social security number and then an address where Rodriguez would be able to collect the duplicate ballot. Rodriguez told WALSTON that he (Rodriguez) involved his cousin in assisting in making the phony duplicate ballot requests in order to avoid being detected by the person at AAA taking the duplicate ballot requests. Rodriguez also told WALSTON that Rodriguez and Rodriguez's cousin made the calls from Rodriguez's cousin's mother's business premises, who was not in town when the two were making the calls from her business location. WALSTON further admits that he knew at the time that Rodriguez made the phony duplicate ballot requests all the way up to AAA's deadline for accepting requests.

WALSTON acknowledges that he also participated in the illegal marking of ballots in the December 2004 election as well. WALSTON believes that the illegal marking in the December 2004 election also took place at his house and involved the same three people as in October – WALSTON, Bania, and Mosley. WALSTON admits further that all of the illegally obtained ballots were marked in favor of the incumbent Unity Slate and placed in the mail in order for them to be tallied in the December 2004 election. As with the similar effort in October 2004, WALSTON believes the ballot marking took place in the early part of the balloting period.

WALSTON admits that he was told by Bania that many ballots were collected, marked in favor of the Unity Slate, and mailed at various points during the balloting period of the December 2004 election. As with the October 2004 effort, WALSTON further admits that all the co-conspirators participating in the conspiracy knew that they wanted to obtain approximately 200 ballots as part of the overall scheme to steal ballots and ensure that the incumbent Unity Slate of candidates, including WALSTON and co-defendant Lopez, won the December 2004 Local 743 officer elections.

After the December 2004 election was completed, the Department of Labor began investigating matters relating to Local 743's election activity. After this investigation began, WALSTON admits that he lied during a February 2005 deposition in front of representatives of the Department of Labor when he denied knowing if anyone other than the election officer picked up undeliverable mail-ballot packages from the Post Office Box, when, in fact, he knew at the time of his testimony that co-defendant Bania had removed some undeliverable ballot packages using the illegal duplicate key. WALSTON further admits that he lied to avoid exposing the fraudulent scheme that was used in the October 2004 election.

WALSTON also admits that once he learned that it appeared that the Department of Labor probably had discovered the diversion of multiple mail-ballot packages, he instructed his co-conspirators to tell the people whose addresses had been used that they did not have to talk to any investigators who attempted to interview them regarding mail that had been sent to their homes. WALSTON specifically recalls directly delivering that message to Rodriguez and Mosley. WALSTON told Bania to inform Lopez. WALSTON admits that he did this in an effort to conceal what he, Bania, Lopez, Rodriguez, Mosley and Jones had done to steal and vote ballots in the October and December 2004 elections.

WALSTON further admits that shortly after the Department of Labor investigation began, he learned from Bania that Rodriguez provided Bania with the address of the Bathhouse on Division street. WALSTON was upset with Rodriguez for having supplied the address to Bania since it exposed the scheme to detection because it was common knowledge that WALSTON frequented the Bathhouse two or three times a week.

WALSTON admits that he also learned that Rodriguez had supplied Bania with the address of Taqueria Moran on California Avenue when, while dining there, the business owner asked WALSTON when the Teamsters' mailings were going to stop coming to his address. WALSTON admits that, upon returning to the union, WALSTON told Bania to remove the address of Taqueria Moran from the TITAN system since it appeared they were still getting mailings as a result of their address being used during the scheme.

WALSTON admits that he was a party to numerous conversations, many of which took place at the Local 743 offices, involving at various times Bania, Lopez, Rodriguez, Mosley, and Jones, where they discussed the Department of Labor's efforts to interview people whose addresses were

used as part of their scheme to divert ballots. On one occasion, Lopez told those present, including WALSTON, that the Department of Labor attempted to interview the people whose addresses he used in Melrose Park during the previous weekend. WALSTON recalls Lopez being angry because he said one of his people told Lopez that the Department of Labor investigator threatened to deport the person. Lopez stated to the group that despite the efforts of the investigator, "His people didn't talk."

At another point during the Department of Labor investigation, WALSTON had a conversation with Cassandra Mosley just prior to when the officers and employees of Local 743 were subpoenaed to provide fingerprints. WALSTON admits that he asked Mosley if she recalled if they, meaning WALSTON, Bania, and Mosley, wore gloves when they marked the stolen ballots. Mosley told WALSTON that they did wear gloves.

Count of Conviction (Count Seven - Theft from a Labor Organization)

With respect to Count Seven of the superseding indictment, defendant WALSTON admits that on or about November 9, 2004, at Chicago, Illinois, and elsewhere in the Northern District of Illinois, Eastern Division, while an officer of, and employed directly and indirectly by, Local 743, he, together with co-conspirators Cassandra Mosley and Thaddeus Bania, did embezzle, steal and unlawfully and willfully abstract and convert to their own use and to the use of others the property and other assets of said labor organization consisting of at least eighty official ballot packages in the December 2004 Election of officers, owned by Local 743, and each bearing the name of a Local 743 member, contrary to rules and procedures governing the election of such officers, by collecting and causing to be collected the redirected official ballot packages of Local 743 members which had been diverted by mail to co-defendant Mosley's family, friends, and other confidantes, in violation of Title

29, United States Code, Section 501(c) and Title 18, United States Code, Section 2.

7. Defendant, for purposes of computing his sentence under Guideline §1B1.2, stipulates to having committed the following additional offense, as charged in Count One in *United States v. Matos, et al.*, 08 CR 496 (J. St. Eve):

Beginning in or about April 2007, and continuing through at least June 16, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant Robert D. Walston did conspire and agree with co-defendant Victor M. Matos to knowingly and intentionally distribute and possess with intent to distribute a controlled substance, namely, 5 kilograms or more of mixtures and substances containing cocaine, a Schedule II Narcotic Drug Controlled Substance, in violation of Title 21, United States Code, Section 841(a)(1), in violation of Title 21, United States Code, Section 846.

In about May 2007, co-defendant Victor M. Matos spoke with defendant Robert D. Walston and asked defendant Walston whether he could provide co-defendant Matos with money that co-defendant Matos could use for the purchase of a quantity of cocaine, and drive with co-defendant Matos to Houston, Texas, to make the purchase. Defendant Walston provided Matos with approximately \$7,000 to 8,000 in cash, and, in May 2007, defendant Walston and co-defendant Matos drove to Houston, Texas, for the purpose of purchasing a quantity of cocaine. Defendant Walston and co-defendant Matos agreed that co-defendant Matos would be responsible for the distribution of any cocaine that was purchased, but that the proceeds and profits would be split between defendant Walston and co-defendant Matos.

In Houston, Texas, co-defendant Victor M. Matos met with an individual who purported to have cocaine for sale. After meeting with this individual, co-defendant Matos told defendant



Walston that co-defendant Matos and defendant Walston had not brought enough money to purchase cocaine, and co-defendant Matos and defendant Walston dove back to Chicago, Illinois. On the way back, co-defendant Matos told defendant Walston that the cocaine was on a commercial ship and could only be delivered in quantities of 100 kilograms, and that co-defendant Matos and defendant Walston needed approximately \$150,000 to complete the deal.

Back in Chicago, Illinois, co-defendant Matos was unable to raise money, and suggested that defendant Walston borrow money against defendant Walston's home residence. Co-defendant Matos introduced defendant Walston to an individual who, on about May 31, 2007, made a loan to defendant Walston of approximately \$70,000, secured by defendant Walston's home residence. This loan was dispersed, in part, by a cashier's check made payable to defendant Walston for \$60,148.59.

Between May 31, 2007, and June 8, 2007, defendant Robert D. Walston engaged in financial transactions designed to convert the cashier's check made payable for \$60,148.59 into cash, and to avoid the filing of a Currency Transaction Report. In particular:

a. On about May 31, 2007, defendant Robert D. Walston endorsed the \$60,148.59 cashier's check, deposited it into his checking account at the Amalgamated Bank, Chicago, Illinois, and withdrew approximately \$9,900 in cash.

b. On about June 1, 2007, defendant Robert D. Walston wrote check number 2159 on his Amalgamated Bank checking account to Individual A for \$9,000, and caused Individual A to cash this check at the Amalgamated Bank on this same day and provide defendant Walston with the cash.

c. On about June 4, 2007, defendant Robert D. Walston wrote check number 2160 on his Amalgamated Bank checking account to "Cash" for \$9,000, and cashed this check at the Amalgamated Bank on this same day.

d. On about June 5, 2007, defendant Robert D. Walston wrote check numbers 2161 and 2162 on his Amalgamated Bank checking account to Individual A, each for \$9,500, and caused Individual A to cash these checks at the Amalgamated Bank on June 6 and 7, 2007, and provide defendant Walston with the cash.

e. On about June 6, 2007, defendant Robert D. Walston wrote check number 2163 on his Amalgamated Bank checking account to "Cash" for \$9,900, and cashed this check at the Amalgamated Bank on this same day.

f. On about June 8, 2007, defendant Robert D. Walston wrote check number 2164 on his Amalgamated Bank checking account to "Cash" for \$3,000, and cashed this check at the Amalgamated Bank on this same day.

After defendant Robert D. Walston raised approximately \$80,000 in cash, he and co-defendant Victor M. Matos drove to Houston, Texas, to obtain in excess of five kilograms of cocaine. Between the two of them, defendant Walston and co-defendant Matos raised a total of approximately \$90,000 in cash, which the two of them took with them to Houston, Texas.

In Houston, Texas, co-defendant Victor M. Matos met with individuals who purported to have large quantities of cocaine for sale. After this meeting, co-defendant Matos told defendant Walston that they needed \$150,000. Defendant Walston made arrangements to borrow \$45,000 from his mother-in-law and flew back to Chicago, Illinois, to obtain the loan. Back in Chicago, defendant Walston obtained two checks (one for approximately 35,000 and one for \$9,900). After causing the

checks to be cashed, Defendant Robert D. Walston flew back to Houston, Texas, with an additional approximately \$45,000 in cash.

After defendant Robert D. Walston returned to Houston, Texas, co-defendant Victor M. Matos met with the individuals who were offering the cocaine for sale, after which co-defendant Matos told defendant Walston that the \$135,000 in cash they now had was not enough. Defendant Walston and co-defendant Matos then decided to drive back to Chicago, Illinois without purchasing cocaine. During their drive back, the car in which defendant Walston and co-defendant Matos were driving was stopped by law enforcement officers, who seized from the car's trunk the \$135,000 in cash that defendant Walston and co-defendant had intended for the purchase of in excess of five kilograms of cocaine. When questioned by law enforcement officers at the scene of the stop and seizure, defendant Robert D. Walston lied to the law enforcement officers, stating that the \$135,000 in cash seized was for the purchase of tractor trailer trucks when, in fact, it was for the purchase of in excess of five kilograms of cocaine.

The defendant further acknowledges that the following conduct to which he stipulates, constitutes relevant conduct under Section 1B1.3 of the Guidelines to the stipulated offense:

On or about March 7, 2008, defendant Robert D. Walston, as the Claimant in *United States of America v. \$135,000 U.S. Currency* (Civil Action No. 4:08- CV-364, S.D.TX.), submitted "Answer to Verified Complaint for Civil Forfeiture *in Rem*" ["Answer"], which he verified was true and correct.

In this "Answer," defendant Robert D. Walston falsely denied that 1) the \$135,000 was intended to be used in exchange for controlled substances; 2) in May and June 2007, defendant Victor M. Matos and defendant Walston met with one or more individuals in Houston, Texas to

negotiate the purchase of a quantity of kilograms of cocaine; and 3) defendant Walston had flown from Houston, Texas to Chicago, Illinois and back in June 2007 to obtain money for the purchase of cocaine, and he had made untruthful statements to ICE Agents when he denied flying back to Houston, Texas, and that his last trip to Houston, Texas had occurred a long time ago when he was a commercial truck driver, rather than in May 2007.

8. The foregoing facts are set forth solely to assist the Court in determining whether a factual basis exists for defendant's plea of guilty and criminal forfeiture, and are not intended to be a complete or comprehensive statement of all the facts within defendant's personal knowledge regarding the charged crimes and related conduct and the stipulated offense and related conduct].

**Maximum Statutory Penalties**

9. Defendant understands that the charges to which he is pleading guilty carry the following statutory penalties:

a. Count One carries a maximum sentence of 5 years' imprisonment. This offense also carries a maximum fine of \$250,000, or twice the gross gain or gross loss resulting from that offense, whichever is greater. Defendant further understands that the judge also may impose a term of supervised release of not more than three years.

b. Count Seven carries a maximum sentence of 5 years' imprisonment. This offense also carries a maximum fine of \$250,000, or twice the gross gain or gross loss resulting from that offense, whichever is greater. Defendant further understands that the judge also may impose a term of supervised release of not more than three years.

c. Defendant further understands that the Court must order restitution to the victim of these offenses in an amount determined by the Court.

d. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$200 on the charges to which he has pled guilty, in addition to any other penalty or restitution imposed.

**Sentencing Guidelines Calculations**

10. Defendant understands that in imposing sentence the Court will be guided by the United States Sentencing Guidelines. Defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in determining a reasonable sentence.

11. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points, except as specified below:

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the November 2008 Guidelines Manual.

b. **Offense Level Calculations.**

**Counts One and Seven (07 cr 580)**

i. Counts One and Seven are grouped pursuant to Guideline §§3D1.1, 3D1.2. The base offense level for the charges in Counts One and Seven of the superseding indictment in 07 CR 580 is level six, pursuant to Guideline §§3D1.1, 3D1.2(d) and 1B1.3; and §§2X1.1(a) and (b)(2), and 2B1.1(a)(2);

ii. Guideline § 2B1.1(b)(1) requires that if the loss exceeds \$5,000, the base offense level of six is increased by certain additional levels based on the calculated "loss"

resulting from the commission of the offense. Defendant understands that it is the position of the United States that the intended loss to Local 743 of the International Brotherhood of Teamsters caused by defendant and his co-conspirators' criminal conduct, as described in Count One and further detailed in the scheme to defraud described in Count Two of the superseding indictment, was the authorized salaries, benefits, and expenses, for all of Local 743's duly-elected officers for the period January 1, 2005 until December 31, 2007, which the government has calculated to be approximately \$2.2 million. Therefore, it is the position of the United States that defendant's offense level should be increased by sixteen levels, pursuant to Guideline § 2B1.1(b)(1)(I), because the amount of intended loss was more than \$1,000,000 but not more than \$2,500,000. Defendant disagrees. Accordingly, the parties agree to disagree on the appropriate increase in defendant's offense level, pursuant to Guideline § 2B1.1(b)(1), because of the amount of the intended loss.

iii. Defendant understands that it is the government's position that defendant's offense level should be increased by two levels, pursuant to Guideline § 2B1.1(b)(9)(C) and Application Note 8(B), since sophisticated means were used in the execution of the scheme to defraud Local 743 of the International Brotherhood of Teamsters and to conceal the nature and extent of the offense of conviction. It is the defendant's position, however, that the particular facts of this case do not legally support a finding under Guideline § 2B1.1(b)(9)(C) and Application Note 8(B), that the offense of conviction otherwise involved sophisticated means.

iv. Pursuant to Guideline § 3B1.1(a), the defendant's offense level is increased by an additional three levels, because the defendant was a manager or supervisor (but not an organizer or leader) and the criminal activity involved five or more participants or was otherwise extensive.

v. Pursuant to Guideline § 3B1.3 and Application Note 5(B), defendant's offense level is increased by two levels, since defendant was an agent or other representative and occupied a position of trust in the union (as set forth in 29 U.S.C. § 501(a)).

vi. Pursuant to Guideline § 3C1.1 and Application Note 4(b), defendant's offense level is increased by two levels, since defendant willfully obstructed or impeded, or attempted to obstruct or impede, the administration of justice by making false statements in a February 2005 deposition during an administrative proceeding by the Department of Labor with respect to conduct that forms the basis of the offense of conviction;

vii. Therefore, based on the facts known to the government, it is the government's position that the anticipated offense level for Counts One and Seven is level 31.

**Stipulated Offense (08 CR 496)**

viii. The amount of cocaine involved in the stipulated offense, and for which defendant is accountable for purposes of sentencing, is at least five kilograms but less than fifteen kilograms. Thus, pursuant to Guideline §§ 2D1.1(a)(3) and 2D1.1(c)(4), the base offense level for Count One (21 U.S.C. §§ 846) is level 32.

ix. The defendant meets the criteria set forth in subdivisions (1)-(5) of Guideline § 5C1.2(a) and Title 18, United States Code, Section 3553(f)(1)-(5). Therefore, a two point reduction in the offense level to level 30 is appropriate, pursuant to Guideline § 2D1.1(b)(11).

x. Therefore, based on the facts known to the government, the anticipated offense level for the Stipulated Offense conduct is level 30.

### **Combined Offense Level**

xi. Pursuant to the application of Guideline §§ 3D1.2 and 3D1.3, the following two groups are created, with the applicable offense levels: Group One - a group consisting of Counts One and Seven in this case, with an adjusted offense level, as calculated by the government, of level 31 and Group Two - a group consisting of the stipulated offense conduct, with an adjusted offense level of level 30.

xii. Based on the application of Guideline § 3D1.4(a) to the offense levels for the two respective groups as calculated by the government, two offense levels are added to the adjusted offense level of Group One since Group Two is from 1 to 4 levels less serious than Group One, resulting in an overall offense level of 33.

xiii. Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for his actions within the meaning of Guideline §3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested financial information relevant to his ability to satisfy any fine or restitution that may be imposed in this case, a two-level reduction in the offense level is appropriate.

xiv. In accord with Guideline §3E1.1(b), defendant has timely notified the government of his intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently. Therefore, as provided by Guideline §3E1.1(b), if the Court determines the offense level to be 16 or greater prior to



determining that defendant is entitled to a two-level reduction for acceptance of responsibility, the government will move for an additional one-level reduction in the offense level.

c. **Criminal History Category.** With regard to determining defendant's criminal history points and criminal history category, based on the facts now known to the government, defendant's criminal history points equal zero and defendant's criminal history category is I.

d. **Anticipated Advisory Sentencing Guideline Range.** Therefore, based on the facts now known to the government, it is the government's position that the anticipated offense level is 30, which combined with an anticipated criminal history category of I, would result in an anticipated sentencing range of 97 to 121 months' imprisonment, in addition to any supervised release, fine, and restitution the Court may impose.

e. Defendant and his attorney and the government acknowledge that the above Guideline calculations are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands that further review of the facts or applicable legal principles may lead the government to conclude that different or additional Guideline provisions apply in this case. Defendant understands that the Probation Office will conduct its own investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final Guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the probation officer's or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw his plea on the basis of the Court's rejection of these calculations.

f. Both parties expressly acknowledge that this plea agreement is not governed by Fed.R.Crim.P. 11(c)(1)(B), and that errors in applying or interpreting any of the Sentencing

Guidelines may be corrected by either party prior to sentencing. The parties may correct these errors either by stipulation or by a statement to the Probation Office or the Court, setting forth the disagreement regarding the applicable provisions of the Guidelines. The validity of this Plea Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw his plea, nor the government the right to vacate this Plea Agreement, on the basis of such corrections.

#### **Cooperation**

12. Defendant agrees he will fully and truthfully cooperate with the United States in any matter in which he is called upon to cooperate by a representative of the United States Attorney's Office for the Northern District of Illinois. This cooperation shall include providing complete and truthful information in any investigation and pre-trial preparation and complete and truthful testimony in any criminal, civil or administrative proceeding. Defendant agrees to the postponement of his sentencing until after the conclusion of his cooperation.

#### **Agreements Relating to Sentencing**

13. At the time of sentencing, the government shall make known to the sentencing judge the extent of defendant's cooperation. If the government determines that defendant has continued to provide full and truthful cooperation as required by this plea agreement, then the government shall move the Court, pursuant to Guideline §5K1.1, to depart from the applicable Guideline range and to impose the specific sentence agreed to by the parties as outlined below. Defendant understands that the decision to depart from the applicable guidelines range rests solely with the Court.

14. If the government moves the Court, pursuant to Sentencing Guideline §5K1.1, to depart from the applicable Guideline range, as set forth in the preceding paragraph, this Agreement will be governed, in part, by Federal Rule of Criminal Procedure 11(c)(1)(C). That is, the parties have

agreed that the sentence imposed by the Court shall include a term of imprisonment in the custody of the Bureau of Prisons of 66 percent of the low end of the applicable guideline range. Other than the agreed term of incarceration, the parties have agreed that the Court remains free to impose the sentence it deems appropriate. If the Court accepts and imposes the agreed term of incarceration set forth, defendant may not withdraw this plea as a matter of right under Federal Rule of Criminal Procedure 11(d) and (e). If, however, the Court refuses to impose the agreed term of incarceration set forth herein, thereby rejecting this plea agreement, or otherwise refuses to accept defendant's plea of guilty, either party has the right to withdraw from this plea agreement.

15. If the government does not move the Court, pursuant to Sentencing Guideline §5K1.1, to depart from the applicable Guideline range, as set forth above, the preceding paragraph of this plea agreement will be inoperative, and the Court shall impose a sentence taking into consideration the factors set forth in 18 U.S.C. § 3553(a) as well as the Sentencing Guidelines without any downward departure for cooperation pursuant to §5K1.1. Defendant may not withdraw his plea of guilty because the government has failed to make a motion pursuant to Sentencing Guideline §5K1.1.

16. Regarding restitution, the parties acknowledge that pursuant to Title 18, United States Code, § 3663A, the Court must order defendant, together with any jointly liable co-defendants, in case no. 07 CR 580, to make full restitution to Local 743 of the International Brotherhood of Teamsters in an amount to be determined by the Court at sentencing, which amount shall reflect credit for any funds repaid prior to sentencing. Restitution shall be due immediately, and paid pursuant to a schedule to be set by the Court at sentencing.

17. Defendant agrees to pay the special assessment of \$200 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

18. After sentence has been imposed on the counts to which defendant pleads guilty as agreed herein, the government will move to dismiss the remaining counts of the superseding indictment as to this defendant, as well as all counts as to this defendant in the initial indictment in case no. 07 CR 580. The government further agrees to move to dismiss the indictment and forfeiture allegation as to this defendant in case no. 08 CR 496 (St. Eve, J.).

#### **Forfeiture**

19. Regarding the Forfeiture Allegation in 07 CR 580, defendant has not agreed to the government's calculations concerning the amount of gain from the scheme to defraud. Defendant, however, acknowledges that the superseding indictment includes forfeiture allegations charging that defendant, together with any jointly liable co-defendants, is liable to the United States for approximately \$2,364,533, which funds are subject to forfeiture because those funds constitute proceeds of the violation alleged in Counts One of the superseding indictment. By entry of a guilty plea to Count One of the superseding indictment, defendant acknowledges that an amount to be determined by the Court is subject to forfeiture.

20. Defendant agrees to the entry of a forfeiture judgment in an amount to be determined by the Court, in that this property is subject to forfeiture. Prior to sentencing, defendant agrees to the entry of a preliminary order of forfeiture relinquishing any right of ownership he has in such funds and further agrees to the seizure of these funds so that these funds may be disposed of according to law, including substitute assets as that term is defined in Title 21, United States Code, Section 853(p).

Defendant is unaware of any third party who has an ownership interest in, or claim to, the property subject to forfeiture and will cooperate with the United States during the ancillary stages of any forfeiture proceedings to defeat the claim of a third-party in the event a third party files a claim.

21. Defendant understands that forfeiture of this property shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon defendant in addition to the forfeiture judgment.

22. With respect to the Stipulated Offense (08 CR 496), defendant acknowledges that on or about November 28, 2007, a civil complaint was filed against certain property, including \$135,000, alleging that this property was subject to forfeiture. (*United States v. \$135,000 U.S. Currency*, Civil Action H-08 C 364, United States District Court for the Southern District of Texas). Thereafter, on or about March 18, 2008, the district court in the Southern District of Texas entered an order transferring this case to the United States District Court for the Northern District of Illinois, Eastern Division. (*United States v. \$135,000 U.S. Currency*, 08 C 1780 (J. Coar). Defendant relinquishes all right, title, and interest he may have in this property and further agrees to the entry of a judgment against him, extinguishing any interest or claim he may have had in the property subject to forfeiture. Defendant is unaware of any third party who has an ownership interest in, or claim to, the property subject to forfeiture and will cooperate with the United States during the ancillary stages of any forfeiture proceedings to defeat the claim of a third-party in the event a third party files a claim.

**Presentence Investigation Report/Post-Sentence Supervision**

23. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall fully apprise the District Court and the Probation Office of the nature, scope and extent of defendant's conduct regarding the charges against her, and related matters. The government will make known all matters in aggravation and mitigation relevant to the issue of sentencing, including the nature and extent of defendant's cooperation.

24. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of his financial circumstances, including his recent income tax returns as specified by the probation officer. Defendant understands that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline §3E1.1 and enhancement of his sentence for obstruction of justice under Guideline §3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

25. For the purpose of monitoring defendant's compliance with his obligations to pay a fine and restitution during any term of supervised release to which defendant is sentenced, defendant further consents to the disclosure by the IRS to the Probation Office and the United States Attorney's Office of defendant's individual income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release to which defendant is sentenced. Defendant also agrees that a certified copy of this Plea Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

**Acknowledgments and Waivers Regarding Plea of Guilty**  
**Nature of Plea Agreement**

26. This Plea Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in cases 07 CR 580 and 08 CR 496.

27. This Plea Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver or release by the United States or any of its agencies of any administrative or judicial civil claim, demand or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state or local prosecuting, administrative or regulatory authorities, except as expressly set forth in this Agreement.

### **Waiver of Rights**

28. Defendant understands that by pleading guilty he surrenders certain rights, including the following:

a. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charges against him, and if he does, he would have the right to a public and speedy trial.

i. The trial could be either a jury trial or a trial by the judge sitting without a jury. Defendant has a right to a jury trial. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and his attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not convict him unless, after hearing all the evidence, it was persuaded of his guilt beyond a reasonable doubt and that it was to consider each count of the superseding indictment separately. The jury would have to agree unanimously as to each count before it could return a verdict of guilty or not guilty as to that count.

iv. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, and considering each count separately, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

v. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and his attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in his own behalf. If the witnesses for defendant would not appear voluntarily, he could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

vii. At a trial, defendant would have a privilege against self-incrimination so that he could decline to testify, and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify in his own behalf.

b. **Appellate rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial, and may only appeal the



validity of this plea of guilty and the sentence imposed. Defendant understands that any appeal must be filed within 10 days of the entry of the judgment of conviction.

c. Defendant understands that by pleading guilty he is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights specifically preserved above. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights.

29. By entering this plea of guilty, defendant also waives any and all rights the defendant may have, pursuant to 18 U.S.C. §3600, to require DNA testing of any physical evidence in the possession of the Government. Defendant fully understands that, as a result of this waiver, any physical evidence in this case will not be preserved by the Government and will therefore not be available for DNA testing in the future.

#### **Other Terms**

30. Defendant agrees to cooperate with the United States Attorney's Office in collecting any unpaid fine and restitution for which defendant is liable, including providing financial statements and supporting records as requested by the United States Attorney's Office.

31. Defendant understands that pursuant to Title 29, United States Code, Sections 504 and 1111, his conviction in this case will prohibit him from directly or indirectly participating in the affairs of any labor organization or employee benefit plan for the period of thirteen years after conviction or after the end of any incarceration, whichever is later, unless the Court, pursuant to the Sentencing Guidelines and policy statements under Title 28, United States Code, Section 994(a), determines that defendant's direct or indirect service with or to a labor organization or employee benefit plan would not be contrary to the purposes of Title 29, United States Code, Sections 504 and

1111. Defendant further understands that if he violates this prohibition, he may be punished by imprisonment for up to five years and a fine of up to \$250,000.

### Conclusion

32. Defendant understands that this Plea Agreement will be filed with the Court, will become a matter of public record and may be disclosed to any person.

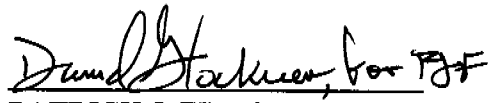
33. Defendant understands that his compliance with each part of this Plea Agreement extends throughout the period of his sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the event he violates this Agreement, the government, at its option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to resentence defendant or require defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecutions.


34. Should the judge refuse to accept defendant's plea of guilty, this Plea Agreement shall become null and void and neither party will be bound thereto.

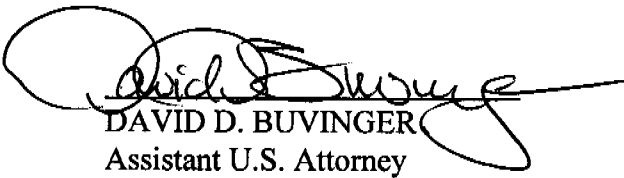
35. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Plea Agreement to cause defendant to plead guilty.

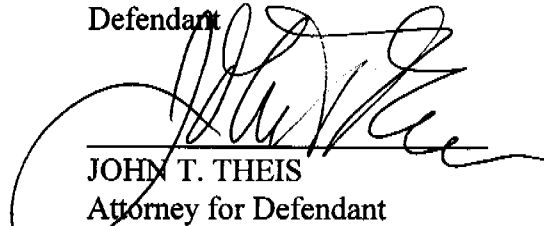
36. Defendant acknowledges that he has read this Plea Agreement and carefully reviewed each provision with his attorney. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: 3-23-09

  
PATRICK J. FITZGERALD  
United States Attorney

  
ROBERT WALSTON  
Defendant

  
DAVID D. BUVINGER  
Assistant U.S. Attorney

  
JOHN T. THEIS  
Attorney for Defendant