UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
STATESBORO DIVISION

UNITED STATES OF AMERICA	)	
	)	
v.	)	**CR: 621-13**
	)	
JAMES STAFFORD	)	

PLEA AGREEMENT

Defendant James Stafford, represented by his counsel Howard Jarrett Weintraub, and the United States of America, represented by Department of Justice Trial Attorney David Zisserson, have reached a plea agreement in this case. The terms and conditions of that agreement are as follows.

1. Guilty Plea

Defendant, having been advised of the right to be charged by Indictment, agrees to waive that right and enter a plea of guilty to Count One of the Information, which charges a violation of 26 U.S.C. § 7201 (tax evasion).

In exchange for the Defendant's guilty plea, the United States agrees not to bring further criminal charges against the Defendant related to the charge to which he is pleading guilty.

2. Elements and Factual Basis

The elements necessary to prove the offense charged in Count One are that: (1) Defendant committed an affirmative act constituting an attempt to evade or defeat a tax, (2) an additional tax is due and owing, and (3) the Defendant acted willfully.

Defendant agrees that he is guilty of this offense. He agrees to the accuracy of the allegations in the Information and the following facts, which satisfy each of the offense's required elements: That from in or around January 1, 2014, through in or around January 30, 2016, the Defendant willfully attempted to evade and defeat income tax due and owing to the United States of America by him and others, for the calendar year 2014, by committing the following affirmative acts, among others:

a. The Defendant provided false information to Accountant A for the preparation of Chrysha, Inc.'s 2014 Form 1120S, regarding that he was the corporation's sole owner. He also materially understated the company's gross receipts and omitted the cash distributions Individual A made to the corporation's partners.

b. The Defendant did not provide to Accountant A the full amount of income he received from Individual A as distributions of his share of Chrysha, Inc.'s profits.

c. The Defendant provided false information to Accountant A for the preparation of BGRG, Inc.'s 2014 Form 1120S, regarding that he was the corporation's sole owner. He also materially understated the company's gross receipts.

d. By making material misrepresentations to Accountant A, the Defendant caused to be prepared and signed a false and fraudulent Form 1120S for Chrysha, Inc. for tax year 2014, which was filed with the IRS on or about January 30, 2016. On Line 1a of that tax return, the Defendant reported

and caused to be reported that Chrysha, Inc. earned gross receipts or sales of $239,884. In fact, as the Defendant well knew, the business's gross receipts or sales were materially greater than that amount.

e. In addition, the Defendant reported on a form attached to that tax return that he owned 100% of Chrysha, Inc. In fact, as the Defendant well knew, his actual ownership interest was between 10% to 15%.

f. Similarly, by making material misrepresentations to Accountant A, the Defendant caused to be prepared and signed a false and fraudulent Form 1120S for BGRG, Inc. for tax year 2014, which was filed with the IRS on or about January 30, 2016. On Line 1a of that tax return, the Defendant reported and caused to be reported that BGRG, Inc. earned gross receipts or sales of $516,093. In fact, as Defendant well knew, the business's gross receipts or sales were materially greater than that amount.

g. In addition, Defendant reported on a form attached to that tax return that he owned 100% of BGRG, Inc. In fact, as Defendant well knew, he did not actually own any interest in the corporation.

h. By underreporting the gross receipts or sales of Chrysha, Inc. and BGRG, Inc. on those companies' Forms 1120S, the Defendant caused to be prepared and Defendant signed his own false and fraudulent Form 1040 for 2014, which was filed with the IRS on or about February 12, 2016. That Form 1040 reported on Line 17 that the Defendant's income

from "Rental real estate, royalties, partnerships, S corporations, trusts, etc." was $2,632. In fact, as the Defendant well knew, his income in that category was materially higher.

As a result of the Defendant's failure to accurately report his income on his Form 1040, there was a material tax due and owing to the United States. The defendant further knew full well that, by filing Forms 1120S that falsely reported his ownership interests in Chrysha, Inc. and BGRG, Inc., he enabled the true partners of those corporations to evade their respective substantial individual income tax liabilities.

3. Possible Sentence

Defendant's guilty plea will subject him to the following maximum possible sentence: 5 years' imprisonment, 3 years' supervised release, a $250,000 fine, and such restitution as may be ordered by the Court, which amount the parties agree to be $53,577.20. The Court additionally must impose a $100 special assessment per count of conviction.

4. No Promised Sentence

No one has promised Defendant that the Court will impose any particular sentence or a sentence within any particular range. The Court is not bound by any estimate of sentence given or recommendations made by Defendant's counsel, the government, the U.S. Probation Office, or anyone else. The Court may impose a sentence up to the statutory maximum. Defendant will not be allowed to withdraw his plea of guilty if he receives a more severe sentence than he expects.

5. Court's Use of Sentencing Guidelines

The Court is obligated to use the United States Sentencing Guidelines to calculate the applicable guideline range for Defendant's offense. The parties agree that U.S.S.G. § 2T1.1 applies to the offense. The Sentencing Guidelines are advisory; the Court is not required to impose a sentence within the range those Guidelines suggest. The Court will consider that range, possible departures under the Sentencing Guidelines, and other sentencing factors under 18 U.S.C. § 3553(a), in determining the Defendant's sentence. The Sentencing Guidelines are based on all of Defendant's relevant conduct, pursuant to U.S.S.G. § 1B1.3, not just the conduct underlying the particular Count or Counts to which Defendant is pleading guilty.

6. Agreements Regarding Sentencing Guidelines

a. Use of Information

Nothing in this agreement precludes the government from providing full and accurate information to the Court and U.S. Probation Office for use in calculating the applicable Sentencing Guidelines range. Any incriminating information provided by the defendant during his cooperation will not be used in determining the applicable Guidelines range, pursuant to Section 1B1.8 of the Sentencing Guidelines.

b. Acceptance of Responsibility

If the Court determines that Defendant qualifies for an adjustment under U.S.S.G. § 3E1.1(a), and the offense level prior to operation of § 3E1.1(a) is 16 or greater, the government will move for an additional one-level reduction in offense

level pursuant to Section 3E1.1(b) based on Defendant's timely notification of his intention to enter a guilty plea.

c. Amount of Loss

The government and Defendant agree that the amount of loss, including relevant conduct, for purposes of U.S.S.G. §§ 2T1.1 and 2T4.1, is $535,772. The parties further agree that U.S.S.G. § 2T1.1(b)(1) does not apply and that the defendant is not precluded from arguing that Section 2T1.1(b)(2) does not apply as well.

d. Low End of Guidelines Range

The government will recommend that Defendant be sentenced to the low end of the advisory Guidelines range determined by the Court at sentencing.

7. Cooperation

a. Complete and Truthful Cooperation Required

Defendant must provide full, complete, candid, and truthful cooperation in the investigation and prosecution of the offense charged in his Information and any related offenses. Defendant shall fully and truthfully disclose his knowledge of those offenses and shall fully and truthfully answer any question put to him by law enforcement officers about those offenses.

This agreement does not require Defendant to "make a case" against any particular person. His benefits under this agreement are conditioned only on his cooperation and truthfulness, not on the outcome of any trial, grand jury, or other proceeding.

b. Motion for Reduction in Sentence Based on Cooperation

The government, in its **sole discretion**, will decide whether Defendant's cooperation qualifies as "substantial assistance" pursuant to U.S.S.G. § 5K1.1 or Fed. R. Crim. P. 35 and thereby warrants the filing of a motion for downward departure or reduction in Defendant's sentence. If such a motion is filed, the Court, in its sole discretion, will decide whether, and to what extent, Defendant's sentence should be reduced. The Court is not required to accept any recommendation by the government that the Defendant's sentence be reduced.

8. Financial Obligations and Agreements

a. Restitution

Defendant agrees to pay restitution to the Internal Revenue Service in the total amount of $53,577.20, pursuant to 18 U.S.C. § 3663(a)(3), consisting of a portion of the additional individual income taxes due of the true owners of Chrysha, Inc. and BGRG, Inc. -- including his own, if any -- for the tax year 2014. The government agrees that the Defendant is not precluded from arguing that, if he is prepared to fully pay that restitution by his sentencing, the Court should take that into account when deciding his sentence. Defendant understands and agrees that this figure does not include interest under 26 U.S.C. § 6601, which may be assessed by the IRS pursuant to Title 26.

Defendant agrees that restitution is due and payable immediately after the judgment is entered and is subject to immediate enforcement, in full, by the United States. If the Court imposes a schedule of payments, Defendant agrees that the

schedule of payments is a schedule of the minimum payment due, and that the payment schedule does not prohibit or limit the methods by which the United States may immediately enforce the judgment in full. If Defendant makes a payment of the restitution agreed to above prior to sentencing, the payment will be applied as a credit against the restitution ordered.

The IRS will use the amount of restitution ordered as the basis for a civil assessment to collect that restitution under 26 U.S.C. § 6201(a)(4). Defendant does not have the right to challenge the amount of this restitution-based assessment. *See* 26 U.S.C. § 6201(a)(4)(C). Neither the existence of a restitution payment schedule nor Defendant's timely payment of restitution according to that schedule will preclude the IRS from immediately collecting the full amount of the restitution-based assessment. Interest on the restitution-based assessment will accrue under 26 U.S.C. § 6601 from the last date prescribed for payment of the tax liability that is the subject of the restitution-based assessment to the date that the IRS receives full payment.

Defendant is entitled to receive credit for restitution paid pursuant to this plea agreement against those assessed civil tax liabilities due and owing for the same periods for which restitution was ordered. Defendant understands and agrees that the plea agreement does not resolve the Defendant's civil tax liabilities, that the IRS may seek additional taxes, interest, and penalties from Defendant relating to the conduct covered by this plea agreement and for conduct relating to another time period, and that satisfaction of the restitution debt does not settle, satisfy, or compromise Defendant's obligation to pay any remaining civil tax liability.

Defendant authorizes release of information to the IRS for purposes of making the civil tax and restitution-based assessments.

Defendant understands that he is not entitled to credit with the IRS for any payment until the payment is received by the IRS. If full payment cannot be made immediately, Defendant agrees to make a complete and accurate financial disclosure to the IRS on forms prescribed by the IRS (including, but not limited to, IRS Form 433-A and Form 433-B, as appropriate), and to disclose to the IRS any and all additional financial information and financial statements provided to the probation office.

Defendant agrees to send all payments made pursuant to the court's restitution order to the Clerk of the Court for the Southern District of Georgia, and with each payment to the Clerk of Court, Defendant agrees to provides the following information: Defendant's name and Social Security number; the District Court and the docket number assigned to this case; Tax year or period for which restitution has been ordered; and a statement that the payment is being submitted pursuant to the District Court's restitution order. Defendant also agrees to include a request that the Clerk of Court send the information, along with Defendant's payments, to the IRS address below:

IRS - RACS
Attn: Mail Stop 6261, Restitution
333 W. Pershing Ave.
Kansas City, MO 64108

b. Special Assessment

Defendant agrees to pay a special assessment in the amount of $100, payable to the Clerk of the United States District Court, which shall be due immediately at the time of sentencing.

c. Required Financial Disclosures

By the date that Defendant enters a guilty plea, Defendant shall complete a financial disclosure form listing all his assets and financial interests, whether held directly or indirectly, solely or jointly, in his name or in the name of another. Defendant shall sign the financial disclosure form under penalty of perjury and provide that form to the Financial Litigation Unit of the United States Attorney's Office and to the United States Probation Office. Defendant authorizes the United States to obtain credit reports on Defendant and to share the contents of those reports with the Court and the United States Probation Office. Defendant also authorizes the United States Attorney's Office to inspect and copy all financial documents and information held by the United States Probation Office.

d. Financial Examination

Defendant will submit to an examination under oath on the issue of his financial disclosures and assets if deemed necessary by the United States. Such examination will occur not later than 30 days after the entry of Defendant's guilty plea.

e. No Transfer of Assets

Defendant certifies that he has made no transfer of assets in contemplations of this prosecution for the purpose of evading or defeating financial obligations created by this Agreement or that may be imposed upon him by the Court at sentencing. Defendant promises that he will make no such transfers in the future.

f. Material Change in Circumstances

Defendant agrees to notify the United States of any material change in circumstances, as described in 18 U.S.C. § 3664(k), that occurs prior to sentencing in this case. Such notification will be made within seven days of the event giving rise to the changed circumstances, and in no event later than the date of sentencing.

g. Enforcement

Any payment schedule imposed by the Court is without prejudice to the United States to take all actions and remedies available to it to collect the full amount of the financial obligations imposed by the judgment of the Court in this case. Defendant understands and agrees that the financial obligations imposed by the judgment of the Court in this case will be placed on the Treasury Offset Program so that any federal payment that Defendant receives may be offset and applied to the judgment debt without regard to or affecting any payment schedule imposed by the Court.

9. Waivers

a. Waiver of Appeal

Defendant entirely waives his right to a direct appeal of his conviction and sentence on any ground (including any argument that the statute to which the

defendant is pleading guilty is unconstitutional or that the admitted conduct does not fall within the scope of the statute). The only exceptions are that the Defendant may file a direct appeal of his sentence if (1) the court enters a sentence above the statutory maximum, (2) the court enters a sentence above the advisory Sentencing Guidelines range found to apply by the court at sentencing; or (3) the Government appeals the sentence. Absent those exceptions, Defendant explicitly and irrevocably instructs his attorney not to file an appeal.

b. Waiver of Collateral Attack

Defendant entirely waives his right to collaterally attack his conviction and sentence on any ground and by any method, including but not limited to a 28 U.S.C. § 2255 motion. The only exception is that Defendant may collaterally attack his conviction and sentence based on a claim of ineffective assistance of counsel.

c. FOIA and Privacy Act Waiver

Defendant waives all rights, whether asserted directly or through a representative, to request or receive from any department or agency of the United States any record pertaining to the investigation or prosecution of this case under the authority of the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act of 1974, 5 U.S.C. § 552a, and all subsequent amendments thereto.

d. Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410 Waiver

Rule 11(f) of the Federal Rules of Criminal Procedure and Rule 410 of the Federal Rules of Evidence ordinarily limit the admissibility of statements made by a defendant during the course of plea discussions or plea proceedings. Defendant

knowingly and voluntarily waives the protections of these rules. If Defendant fails to plead guilty, or his plea of guilty is later withdrawn, all of Defendant's statements in connection with this plea, and any leads derived therefrom, shall be admissible for any and all purposes. The position of the parties is that the statements made by the Defendant during any proffer session are distinct from plea discussions and are not subject to the waiver set forth in this paragraph.

10. Defendant's Rights

Defendant has the right to be represented by counsel, and if necessary have the court appoint counsel, at trial and at every other critical stage of the proceeding. Defendant possesses a number of rights which he will waive by pleading guilty, including: the right to plead not guilty, or having already so pleaded, to persist in that plea; the right to a jury trial; and the right at trial to confront and cross-examine adverse witnesses, to be protected from compelled self-incrimination, to testify and present evidence, and to compel the attendance of witnesses.

11. Satisfaction with Counsel

Defendant has had the benefit of legal counsel in negotiating this agreement. Defendant believes that his attorney has represented him faithfully, skillfully, and diligently, and he is completely satisfied with the legal advice given and the work performed by his attorney.

12. Breach of Plea Agreement

If Defendant fails to plead guilty, withdraws or attempts to withdraw his guilty plea, commits any new criminal conduct following the execution of this agreement, or

otherwise breaches this agreement, the government is released from all of its agreements regarding Defendant's sentence, including any agreements regarding the calculation of Defendant's advisory Sentencing Guidelines. In addition, the government may declare the plea agreement null and void, reinstate any counts that may have been dismissed pursuant to the plea agreement, and/or file new charges against Defendant that might otherwise be barred by this plea agreement. Defendant waives any statute-of-limitations or speedy trial defense to prosecutions reinstated or commenced under this paragraph.

13. Entire Agreement

This agreement contains the entire agreement between the government and Defendant.

DAVID H. ESTES
ACTING UNITED STATES ATTORNEY

Karl I. Knoche
Chief, Criminal Division

Chris Howard
Assistant United States Attorney

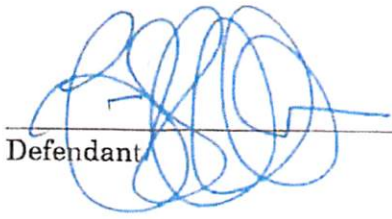
David Zisserson

November 15, 2021
Date

By: _____
DAVID ZISSERSON
Assistant Chief
CASEY S. SMITH
Trial Attorney
Tax Division
U.S. Department of Justice

I have read and carefully reviewed this agreement with my attorney. I understand each provision of this agreement, and I voluntarily agree to it. I hereby stipulate that the factual basis set out therein is true and accurate in every respect.

NOVEMBER 17, 2021
Date



Defendant

I have fully explained to Defendant all of his rights, and I have carefully reviewed each and every part of this agreement with him. I believe that he fully and completely understands it, and that his decision to enter into this agreement is an informed, intelligent, and voluntary one.

December 27, 2021
Date

Howard Jarrett Weintraub
Defendant's Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
STATESBORO DIVISION

UNITED STATES OF AMERICA	)	
	)	
v.	)	CR: 621-013
	)	
JAMES STAFFORD	)	

ORDER

The aforesaid Plea Agreement, having been considered by the Court in conjunction with the interrogation by the Court of the defendant and the defendant's attorney at a hearing on the defendant's motion to change his plea and the Court finding that the plea of guilty is made freely, voluntarily and knowingly, it is thereupon,

ORDERED that the plea of guilty by defendant be, and it is, hereby accepted and the foregoing Plea Agreement be, and it is, hereby ratified and confirmed.

This 8th day of March 2022.

HON. R. RANDAL HALL
JUDGE, UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA