

**DOCKETED**  
JUN 10 2004

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

UNITED STATES OF AMERICA	)	
	)	
vs.	)	No. <u>03 CR 50054-02</u>
	)	Judge Philip G. Reinhard
IGNACY KONDRAD,	)	
also known as "Piotr Poltorak,"	)	
also known as "Jan Jestal"	)	

**PLEA AGREEMENT**

This Plea Agreement between the United States Attorney for the Northern District of Illinois, PATRICK J. FITZGERALD, and the defendant, IGNACY KONDRAD, also known as "Piotr Poltorak," also known as "Jan Jestal," and his attorney, KEITH A. SPIELFOGEL, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure, and is governed in part by Rule 11(c)(1)(A), as more fully set forth in Paragraph 26 below.

This Plea Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in the present case.

This Plea Agreement concerns criminal liability only, and nothing herein shall limit or in any way waive or release any administrative or judicial civil claim, demand or cause of action, whatsoever, of the United States or its agencies. Moreover, this Agreement is 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.

By this Plea Agreement, PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, and the defendant, IGNACY KONDRAD, also known as "Piotr

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Poltorak," also known as "Jan Jestal," and his attorney, KEITH A. SPIELFOGEL, have agreed upon the following:

1. Defendant acknowledges that he has been charged in the superseding indictment in this case with one count of wire fraud, in violation of Title 18, United States Code, Section 1343, and eight counts of money laundering, in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i).

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

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

4. Defendant will enter a voluntary plea of guilty to the charge contained in Count Thirty One of the superseding indictment in this case.

5. Defendant will plead guilty because he is in fact guilty of the charge contained in Count Thirty One to which he is pleading guilty. In pleading guilty, defendant admits the following facts and that those facts establish his guilt beyond a reasonable doubt:

(a) In general, defendant admits that on September 6, 2003, at Chicago, in the Northern District of Illinois, he knowingly conducted and caused to be conducted a financial transaction affecting interstate commerce, namely a deposit of a \$395,220.32 Stewart Title check payable to Tomasz Wozny, into account number 56-162951-8 at Liberty Bank for Savings, in Chicago, Illinois, which financial transaction involved the proceeds of a specified unlawful activity, namely the fraud scheme described in Count One of the superseding indictment. Defendant further admits that, at the time he conducted this financial transaction, he knew that the \$395,200.32 Stewart Title check

represented proceeds from illegal activity and that the financial transaction was designed to conceal the location, source, and ownership of proceeds of the fraud scheme described in Count One.

(b) Specifically, defendant admits that he knowingly participated in the fraud scheme described in Count One of the superseding indictment. In order to further this fraud scheme, defendant opened four bank accounts on the following dates: (1) July 5, 2002 – account number 1110031449522 at Bank One, N.A., (“Bank One”) in Chicago, Illinois; (2) October 3, 2002 – account number 010548550 at First Security Federal Savings Bank (“First Security”) in Chicago, Illinois; (3) May 5, 2003 – account number 8552303105 at Charter One Bank (“Charter One”) in Chicago, Illinois; and (4) September 6, 2003 – account number 56-162951-8 at Liberty Bank for Savings (“Liberty Bank”) in Chicago, Illinois. Defendant opened the Bank One, First Security, and Liberty Bank accounts under the alias name of “Jan Jestal.” In opening these accounts, defendant provided to the banks various identification documents in the name of “Jan Jestal,” including a Polish passport, an Illinois identification card, and a social security card. Defendant opened the Charter One account under the name of Ignacy Kondrad. In opening that account, defendant provided to Charter One an Illinois driver’s license in the name of Ignacy Kondrad.

After these four accounts were opened, defendant deposited into these accounts numerous checks issued by the five title companies referenced in Count One of the superseding indictment. Many of these checks were made payable to “Jan Jestal” or Ignacy Kondrad. Many other checks were made payable to third parties and endorsed over to either “Jan Jestal” or Ignacy Kondrad. One of these checks was the \$395,220.32 Stewart Title check, payable to Tomasz Wozny, that defendant deposited into the Liberty Bank account on September 6, 2003. Defendant admits that, at the time he deposited these checks into his four accounts, he knew that the checks represented proceeds of

illegal activity. Defendant also admits that the reason he deposited these title company checks into his four accounts was to conceal the location, source, and ownership of the proceeds of the fraud scheme described in Count One of the superseding indictment.

Defendant further admits that after he deposited the title company checks, he withdrew substantial amounts of cash from his four accounts. Defendant provided this cash to the leaders of the fraud scheme described in Count One of the superseding indictment, including Jan Rozycka.

Defendant further admits that he used some of the proceeds from the fraud scheme described in Count One of the superseding indictment to promote the carrying on of that fraud scheme. Specifically, defendant made numerous payments on the mortgages for the various properties that were repeatedly bought and sold during the course of the scheme. Defendant made these mortgage payments with checks that were written on his Bank One, First Security, Charter One, and Liberty Bank accounts. These mortgage payments were intended to promote the carrying on of the fraud scheme. Specifically, these mortgage payments were designed to prevent the banks and other lenders who held mortgages against the properties from discovering the fraud scheme.

Defendant further admits that he used other proceeds from the fraud scheme described in Count One of the superseding indictment to provide down-payments for additional fraudulent real estate closings. Specifically, defendant purchased numerous official bank checks that were payable to the title companies. Defendant purchased these official bank checks with the funds from prior fraudulent closings that had been deposited into his Bank One, First Security, Charter One, and Liberty Bank accounts. These official bank checks were then used as down-payments at subsequent fraudulent real estate closings that were conducted by other members of the scheme. These official

bank checks were intended to promote the carrying on of the fraud scheme by enabling subsequent fraudulent closings to go forward.

6. For purposes of applying the guidelines promulgated by the United States Sentencing Commission, pursuant to Title 28, United States Code, Section 994, the parties agree on the following points:

(a) Pursuant to Guideline 1B1.1(b)(1), the Sentencing Guidelines Manual in effect as of November 1, 2002, is the appropriate Guidelines Manual to use in this case;

(b) Pursuant to Guidelines 2S1.1(a)(2) & 2B1.1(b)(1)(J), defendant's base offense level is 26, because the amount of the funds laundered through defendant's accounts exceeded \$2,500,000;

(c) Pursuant to Guideline 2S1.1(b)(2)(B), the offense level must be increased by 2 levels, because the defendant was convicted under 18 U.S.C. § 1956;

(d) 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 the defendant continues to accept responsibility for his actions, within the meaning of Guideline 3E1.1, a two-level reduction in the offense level, is appropriate. Defendant acknowledges that if he falsely denies or frivolously contests any of the facts underlying this offense or any relevant conduct that the court determines to be true, such a denial would be inconsistent with acceptance of responsibility, and the government's position as to acceptance of responsibility may change;

(e) 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, within the meaning of Guideline 3E1.1(b). An additional one-point reduction in the offense level is therefore appropriate, provided the court determines the offense level to be 16 or greater prior to the operation of Guideline 3E1.1(a);

(f) Defendant represents that he has no criminal convictions which result in criminal history points under the Sentencing Guidelines. Based upon defendant's representation, the parties agree that defendant's criminal history points will equal 0 and the defendant's criminal history category will be I;

(g) If the court accepts the parties' Guidelines calculations set forth above, defendant's adjusted offense level will be 25, his criminal history category will be I, and the guideline range from the sentencing table will be 57 - 71 months of imprisonment; and

(h) Defendant and his attorney and the government acknowledge that the above calculations are preliminary in nature and based on facts known to the government as of the time of this Plea Agreement. Defendant understands that the United States 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 Sentencing Guidelines calculation. Accordingly, the validity of this Plea Agreement is not contingent upon the United States Probation Officer's or the Court's concurrence with the above calculations. Defendant understands that the Court is required to consider the applicable Sentencing Guidelines but may depart from those Guidelines under some circumstances.

7. Errors in calculations or interpretation of any of the guidelines may be corrected by either party prior to sentencing. The parties may correct these errors or misinterpretations either by stipulation or by a statement to the United States Probation Office and/or Court setting forth the

disagreement as to the correct guidelines and their application. The validity of this Agreement will not be affected by such supplements or corrections, and the defendant shall not have a right to withdraw her plea on the basis of such corrections.

8. Defendant understands that the charge to which he will plead guilty carries a maximum penalty of 20 years of imprisonment, a maximum fine of \$500,000, and any restitution ordered by the court. The defendant also understands that the charge to which he will plead guilty carries a term of supervised release of at least 2 years and not more than 3 years.

9. The defendant understands that in accord with federal law, Title 18, United States Code, Section 3013, upon entry of judgment of conviction, the defendant will be assessed \$100 on the count to which he has pled guilty, in addition to any other penalty imposed. The defendant agrees to pay the special assessment of \$100 at the time of sentencing with a cashier's check or money order made payable to the Clerk of the United States District Court.

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

(a) If defendant persisted in a plea of not guilty to the charges against him, he would have the right to a public and speedy trial. The trial could be either a jury trial or a trial by the judge sitting without a jury. The defendant has a right to a jury trial. However, in order that the trial be conducted by the judge sitting without a jury, the defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

(b) If the trial is a jury trial, the jury would be composed of twelve laypersons selected at random. Defendant and his attorney would have a say in who the jurors would be by removing prospective jurors for cause where actual bias or other disqualification is shown, or without cause

by exercising so-called peremptory challenges. The jury would have to agree unanimously before it could return a verdict of either guilty or not guilty. The jury would be instructed that defendant is presumed innocent, and that it could not convict him unless, after hearing all the evidence, it was persuaded of defendant's guilt beyond a reasonable doubt, and that it was to consider each count separately.

(c) 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 of defendant's guilt beyond a reasonable doubt.

(d) 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. In turn, 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.

(e) 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.

11. Defendant understands that by pleading guilty he is waiving all the rights set forth in the prior paragraph. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights. Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial. Defendant also is aware that 18 U.S.C. § 3742 affords a defendant the right to appeal the sentence imposed. Acknowledging this, defendant knowingly waives the right to appeal or contest, under 18 U.S.C. § 3742 or 28 U.S.C. §

2255, or otherwise, his conviction and the resulting sentence, in exchange for the concessions made by the United States in this Plea Agreement. The waiver in this paragraph does not apply to claims of involuntariness, or ineffective assistance of counsel, which relates directly to this waiver or its negotiation.

12. Defendant understands that the government has the right to seek defendant's truthful testimony before a grand jury or a district court.

13. Nothing in this Agreement shall limit the Internal Revenue Service in its collection of any taxes, interest or penalties from the defendant.

14. Defendant understands that the information and this Plea Agreement are matters of public record and may be disclosed to any party.

15. Defendant understands that the United States Attorney reserves the right to notify any local government, state, or federal agency, including any local government, state, or federal agency by whom defendant is licensed or with whom defendant does business, of defendant's conviction.

16. Defendant understands that the United States Attorney's Office will fully apprise the District Court and the United States Probation Office of the nature, scope and extent of defendant's conduct regarding the charges against him, and related matters, including all matters in aggravation and mitigation relevant to the issue of sentencing.

17. At the time of sentencing, the government the government shall recommend a sentence of imprisonment at the low end of the applicable Guidelines range. The parties agree that there exist no aggravating or mitigating circumstances of a kind, or to a degree, not adequately taken into consideration by the Sentencing Commission in formulating the Guidelines that should result

in a sentence different from the range determined by the court. Accordingly, the parties agree not to seek or support any departure from or sentence outside of the applicable guideline range.

18. If defendant's sentence includes a period of supervised release, the government will request that a special condition be imposed, pursuant to 18 U.S.C. § 3583(d), requiring defendant to surrender to a duly authorized immigration official for deportation in accordance with the established procedure provided by the Immigration and Naturalization Act, 8 U.S.C. § 1101, *et seq.*

19. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Plea Agreement and, subject to the limitations of the sentencing guidelines, may impose the maximum penalties as set forth in paragraph 8 above. The defendant further acknowledges that if the Court does not accept the sentencing recommendation of the parties, the defendant will have no right to withdraw his guilty plea.

20. Regarding restitution, the United States will argue that the amount of restitution which the defendant must be ordered to pay to the victims of his crime is \$4,518,145.79. The defendant understands that Title 18, United States Code, Sections 3663, 3663A, and 3664, and the Sentencing Guidelines Sections 5E1.1 and 5E1.2, set forth the factors to be used in setting a fine and imposing any additional restitution in this case. The defendant agrees to provide full and truthful information to the court and United States Probation Officer regarding all details of his economic circumstances in order to determine the proper restitution which the defendant shall be ordered to pay. Defendant understands that providing false or incomplete information may be prosecuted as a violation of Title 18, United States Code, Section 1001, or as a contempt of the court.

21. The indictment charges that defendant is liable to the United States for approximately \$9,673,359.86, which funds are subject to forfeiture, pursuant to Title 18, United States Code,

Section 982(a)(1), because those funds were involved in violations of section 1956 (money laundering), as charged in Counts 24, 25, 26, 27, 28, 29, 31, and 33, and, pursuant to Title 18, United States Code, Section 982(a)(2), because those funds constitute proceeds of violations of section 1343 (wire fraud) affecting financial institutions, as charged in Counts 1 and 19. Further, the indictment charges that certain personal properties are subject to forfeiture, namely: (1) all funds contained in Account Number 56-162951-8 in the name of "Jan Jestal" at Liberty Bank for Savings, in Chicago, Illinois; (2) all funds contained in Account Number 30-414090-1 in the name of Ioan Corsiuc at Liberty Bank for Savings, in Chicago, Illinois; (3) all funds contained in Account Number 110380437 in the name of Roman Parczewski and Jagoda Kuchrska at Mid-America Bank, in Chicago, Illinois; and (4) a 2002 Bentley Armage 4DSW, VIN: SCBLF34F32CX08596, titled in the state of Illinois in the name of "Jan Rozycki," because that property was involved in violations of section 1956 (money laundering), as charged in Counts 24, 25, 26, 27, 28, 29, 31, and 33, and because those funds constitute proceeds of violations of section 1343 (wire fraud) affecting financial institutions, as charged in Counts 1 and 19. By entry of a guilty plea to Count 31 of the superseding indictment, the defendant understands that the property identified above is subject to forfeiture.

22. Defendant agrees to the entry of a forfeiture judgment in the amount of \$500,000 and against all funds contained in Account Number 56-162951-8 in the name of "Jan Jestal" at Liberty Bank for Savings, in Chicago, Illinois, 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, title, or ownership interest he has in the above property. Defendant further agrees to the seizure of this property or its repatriation so that it may be disposed of according law. Further, Defendant agrees to execute any documents necessary to effectuate the transfer of any real property subject to

forfeiture. Defendant is unaware of any third-party who has an ownership interest 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.

23. Defendant admits that he has no ownership or other property interest in any the following properties which are specifically listed in the forfeiture allegation: (1) all funds contained in Account Number 30-414090-1 in the name of Ioan Corsiuc at Liberty Bank for Savings, in Chicago, Illinois; (2) all funds contained in Account Number 110380437 in the name of Roman Parczewski and Jagoda Kuchrska at Mid-America Bank, in Chicago, Illinois; and (3) a 2002 Bentley Armage 4DSW, VIN: SCBLF34F32CX08596, titled in the state of Illinois in the name of "Jan Rozycki." Defendant further knowingly waives any claim, or right to assert a claim, that he may have relating to the specific property alleged in the forfeiture allegation. Defendant further agrees that he will not contest or challenge any federal or state court motions and orders directing that the funds posted for bond on his behalf in People v. Kondrad, case number 03 CF 874, in McHenry County, Illinois, shall be applied toward any restitution and/or forfeiture ordered for any of the defendants in the present federal case.

24. It is agreed by the parties that any payments made towards the restitution obligation shall be credited to the outstanding forfeiture judgment.

25. Defendant understands that his compliance with each part of this Plea Agreement extends throughout and beyond the period of his sentence, and failure to abide by any term of the Plea Agreement is a violation of the Agreement. He further understands that in the event he violates this Agreement, the government, at its option, may move to vacate the Plea Agreement, rendering

it null and void, and thereafter prosecute the defendant not subject to any of the limits set forth in this Agreement, or to re-sentence the defendant. The defendant understands and agrees that in the event that this Plea Agreement is breached by the defendant, and the Government elects to void the Plea Agreement and prosecute the 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 the 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.

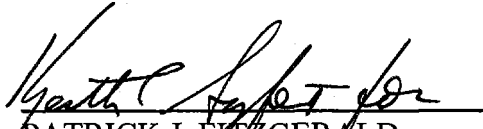
26. After sentence has been imposed on Count Thirty One, to which defendant pleads guilty as agreed herein, the government will move to dismiss the remaining counts of the superseding indictment as to this defendant.

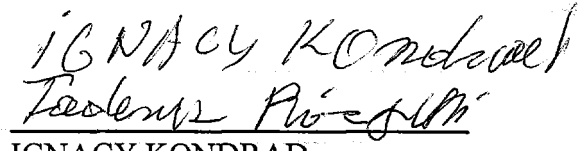
27. Defendant agrees this Plea Agreement shall be filed and become a part of the record in this case.


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


29. Defendant acknowledges that he has read this Agreement and carefully reviewed each provision with his attorneys. Defendant acknowledges that he has also had this Plea Agreement translated for him into Polish. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: 6-8-04

  
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IGNACY KONDRAD  
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Translated from English into Polish for Defendant by:

\_\_\_\_\_ on \_\_\_\_\_, 2004