

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

**DOCKETED**  
AUG 26 2004

UNITED STATES OF AMERICA )

vs. )

No. 03 CR 50054-01

Judge Philip G. Reinhard

JAN ROZYCKA, )

also known as "Jan Rozycki," )

also known as "John Hanus," )

also known as "Jarek," )

also known as "John Krzinski" )

**PLEA AGREEMENT**

This Plea Agreement between the United States Attorney for the Northern District of Illinois, PATRICK J. FITZGERALD, and the defendant, JAN ROZYCKA, also known as "Jan Rozycki," also known as "John Hanus," also known as "Jarek," also known as "John Krzinski," and his attorney, TERRENCE P. LeFEVOUR, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure, and is governed in part by Rules 11(c)(1)(A) & (C), as more fully set forth in Paragraphs 19 and 27 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.

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By this Plea Agreement, PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, and the defendant, JAN ROZYCKA, also known as "Jan Rozycki," also known as "John Hanus," also known as "Jarek," also known as "John Krzinski," and his attorney, TERRENCE P. LeFEVOUR, have agreed upon the following:

1. Defendant acknowledges that he has been charged in the superseding indictment in this case with nine counts of wire fraud, in violation of Title 18, United States Code, Section 1343, three counts of mail fraud, in violation of Title 18, United States Code, Section 1341, and one count of money laundering, in violation of Title 18, United States Code, Section 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 charges contained in Counts Eighteen and Nineteen of the superseding indictment in this case.

5. Defendant will plead guilty because he is in fact guilty of the charged contained in Counts Eighteen and Nineteen to which he is pleading guilty. In pleading guilty, defendant admits the following facts and that those facts establish his guilt and relevant sentencing facts beyond a reasonable doubt. These facts are not all the facts known to defendant, but are set forth solely to provide a factual foundation for this guilty plea:

(a) Generally, as to Count Eighteen, defendant admits that on September 23, 2003, at Crystal Lake, in the Northern District of Illinois, Western Division, and elsewhere, he knowingly engaged in a scheme to defraud financial institutions and other lenders, and to obtain money, funds,

credit, and property belonging to these lenders by means of false and fraudulent pretenses, representations, and promises, as described in Count One of the superseding indictment, and, for the purpose of executing the this scheme to defraud, he knowingly caused to be transmitted by means of a wire communication in interstate commerce from California, to Northbrook, in the Northern District of Illinois, certain signals, namely a confirmation that a bank transfer in the amount of \$180,035.66, had been deposited into Chicago Title Insurance Company's account at Bank of America.

(b) Specifically, as to Count Eighteen, defendant admits that during the time period of least July 2002, through September 23, 2003, he knowingly devised and executed a scheme to defraud financial institutions and other lenders. As part of this scheme, defendant and the other leaders of the scheme solicited individuals to falsely pose as buyers and sellers of real estate (hereinafter "straw sellers" and "straw buyers"). The straw sellers and straw buyers had no actual interest in buying or selling the real estate involved in the transactions. Defendant and the other leaders of the scheme often obtained false identification documents, such as Illinois driver's licenses and Illinois Identification cards, for the straw sellers and straw buyers. These false identification documents contained the actual pictures of the straw sellers and straw buyers, but bore false names.

Defendant further admits that he solicited mortgage brokers to arrange for financial institutions and other lenders to provide financing for the straw buyers to purchase the real estate involved in the scheme. Often, the mortgage brokers were aware that they were arranging financing for straw purchases.

Defendant further admits that he caused numerous real estate closings to be held at the offices of the title companies listed in the superseding indictment. At these real estate closings, the straw

sellers and straw buyers falsely represented that they were selling and buying the real estate involved in the scheme. Defendant appeared at many of these closings and supervised the actions of the straw sellers and straw buyers. At some of these fraudulent closings, defendant falsely represented that he was an employee of the mortgage broker. At other closings, defendant falsely represented that he was an attorney named "John Hanus." Another leader of the scheme, defendant Michael Skatulski, also appeared at several of the closings and supervised the actions of the straw sellers and the straw buyers.

Defendant further admits that, prior to the fraudulent closings, he and the other leaders of the scheme caused fraudulent mortgage releases to be prepared. These fraudulent mortgage releases falsely represented that the banks and other lenders which held mortgages against the real estate involved in the transactions had released their mortgages against those properties.

Defendant further admits that, at the closings, he, or defendant Michael Skatulski, presented the fraudulent mortgage releases to the title company employees. Based upon these fraudulent mortgage releases, the title company employees were deceived into believing that the loan funds should be disbursed to the straw sellers. Defendant, or defendant Michael Skatulski, usually also presented to the title company employees a written "Letter of Direction" which instructed the title companies to disburse the loan funds in the form of checks to various persons, including third parties who were not present at the closings.

Defendant further admits that, in order to conceal the proceeds obtained through the fraudulent closings, he and the other leaders of the scheme instructed other scheme participants to deposit those checks into their bank accounts. On many occasions the checks had been made payable to these participants. On other occasions, the checks were endorsed over to these

participants. After these participants deposited the title company checks into their accounts, defendant and the other leaders of the scheme instructed the participants to withdraw large amounts of funds from the accounts in cash. Defendant and the other leaders of the scheme then divided this cash among themselves, thereby reaping the profits from their fraud scheme. Defendant and the other leaders of the scheme paid a fee to the scheme participants for laundering the fraud proceeds through their accounts.

Defendant further admits that he also caused mortgage payments to be made from the accounts which held the proceeds of the fraud. These mortgage payments were made to the banks and other lenders that held mortgages against the properties involved in the scheme. Defendant caused these mortgage payments to be made for the purpose of concealing the fraud from the banks and other lenders, thereby allowing the scheme to continue.

Defendant further admits he caused some of the fraud proceeds from earlier fraudulent closings to be used for down-payments at later fraudulent closings. Specifically, after defendant caused fraud proceeds to be deposited into the accounts of various scheme participants, he caused personal checks and official bank checks to be issued from those accounts for down-payments at later fraudulent closings. Defendant did this for the purpose of continuing the scheme.

Defendant further admits that from July 2002 through September 23, 2003, he and the other participants in the scheme conducted and attempted to conduct at least 34 fraudulent real estate closings. The total of the losses which the defendant and the other scheme participants caused and attempted to cause to the lenders was approximately \$10,055,290.81.

Defendant further admits that, as charged in Count Eighteen of the superseding indictment, he directed and participated in a fraudulent real estate closing at Chicago Title Insurance Company

(hereinafter "Chicago Title"), located at 4425 D U.S. Route 14, in Crystal Lake, Illinois. Defendant recruited defendants Waldemar Wilkiewicz and Ioan Corsiuc to conduct this fraudulent closing. At this closing, Waldemar Wilkiewicz falsely represented that his name was "Robert Karolkiewicz" and that he was selling a property, located at 2933 North Harding in Chicago, Illinois, to Ioan Corsiuc. Defendant promised to pay Waldemar Wilkiewicz and Ioan Corsiuc a fee for their participation in this fraudulent transaction.

Prior to the closing at Chicago Title on September 23, 2003, defendant caused a false Illinois identification card to be produced for Waldemar Wilkiewicz in the name of "Robert Karolkiewicz." Also prior to the closing, Jan Rozycka solicited HCP Mortgage Corporation in Rockford, Illinois, to arrange financing for Ioan Corsiuc to purchase 2933 North Harding. HCP arranged for World Savings Bank (hereinafter "World Savings"), to loan Ioan Corsiuc approximately \$180,000 for this purchase. World Savings is a financial institution with its main office located in Oakland, California. The deposits of World Savings were insured by the Federal Deposit Insurance Corporation. On September 23, 2003, for the purpose of funding this real estate sale, World Savings wire transferred \$180,035.66 to Chicago Title's account at Bank of America in California. An electronic confirmation that these funds had been received was then sent Chicago Title's branch bank in Northbrook, Illinois.

Defendant further admits that, on September 23, 2003, he accompanied Waldemar Wilkiewicz and Ioan Corsiuc to Chicago Title's office in Crystal Lake. An employee of HCP met them at Chicago Title. At the closing, defendant falsely informed Chicago Title's representative that he was an attorney named "John Hanus." During the closing, Waldemar Wilkiewicz falsely represented that he was selling 2933 North Harding and Ioan Corsiuc falsely represented that he was

buying that property. Defendant presented to Chicago Title's employee a fraudulent "Full Satisfaction and Release of Mortgage" that was purportedly issued by IndyMac Bank. The document falsely represented that "Robert Karolkiewicz" had fully paid off and satisfied the prior mortgage which IndyMac Bank held against 2933 North Harding. Defendant also requested that Chicago Title issue the proceeds of the World Savings' loan in the form of three checks: one to Bozena Sauciuc in the amount of \$98,000, one to "Jan Jestal" in the amount of \$50,000, and one to "Robert Karolkiewicz" for the "balance." Defendant placed these instructions in a hand-written letter of direction. Chicago Title's representative then issued the checks in the manner directed by defendant. After receiving these checks, defendant, Wilkiewicz, Corsiuc, and the HCP employee left Chicago Title's office.

(c) Generally, as to Count Nineteen, defendant admits that on September 23, 2003, at Crystal Lake, in the Northern District of Illinois, Western Division, for the purpose of executing the scheme to defraud described in Count One of the superseding indictment, he knowingly caused to be transmitted by means of a wire communication in interstate commerce from Green Valley, Arizona, to Chicago, in the Northern District of Illinois, certain signals, namely a bank transfer in the amount of \$194,202.10, which was deposited into First American Title Company's account at American National Bank and Trust Company of Chicago/Bank One in Chicago, Illinois.

(d) Specifically, as charged in Count Nineteen, defendant admits that he directed and participated in a fraudulent real estate closing at First American Title Insurance Company (hereinafter "First American"), located at 610 North Route 31, Suite G, in Crystal Lake, Illinois. Defendant recruited defendants Waldemar Wilkiewicz and Ignacy Kondrad to appear at this closing and falsely represent that their names were "Robert Karolkiewicz" and "Piotr Poltorak" respectively.

Defendant instructed Waldemar Wilkiewicz to falsely represent to First American that he was selling a property, located at 6042 West Melrose in Chicago, Illinois, to an individual named "Piotr Poltorak." Jan Rozycka also promised to pay Waldemar Wilkiewicz and Ignacy Kondrad a fee for their assistance.

Prior to the closing at First American on September 23, 2003, defendant caused false Illinois identification cards to be produced for Waldemar Wilkiewicz and Ignacy Kondrad in the names of "Robert Karolkiewicz" and "Piotr Poltorak." Also prior to the closing, Jan Rozycka solicited HCP Mortgage Corporation in Rockford, Illinois, to arrange financing for "Piotr Poltorak" to purchase 6042 West Melrose. HCP arranged for World Savings Bank (hereinafter "World Savings"), to loan "Piotr Poltorak" approximately \$194,000 for this purchase. World Savings is a financial institution with its main office located in Oakland, California. The deposits of World Savings were insured by the Federal Deposit Insurance Corporation. On September 23, 2003, for the purpose of funding this real estate sale, World Savings wire transferred \$194,202.10 to First American's account at American National Bank and Trust Company of Chicago/Bank One in Chicago, Illinois. This wire transfer was routed through Green Valley, Arizona.

Defendant further admits that, on September 23, 2003, defendant accompanied Waldemar Wilkiewicz and Ignacy Kondrad to First American's office in Crystal Lake. An employee of HCP met them at First American. At the closing, defendant falsely informed First American's representative that he was an attorney named "John Hanus." As the closing proceeded, Waldemar Wilkiewicz posed as "Robert Karolkiewicz" and Ignacy Kondrad posed as "Piotr Poltorak." During the closing, defendant presented to First American's employee a fraudulent "Satisfaction of Mortgage" that was purportedly issued by Washington Mutual Bank. The document falsely

represented that "Robert Karolkiewicz" had fully paid off and satisfied the prior mortgage which Washington Mutual held against 6042 West Melrose. Defendant also requested that First American issue the proceeds of World Savings' loan in the form of two checks: one to "Jan Jestal" in the amount of \$180,000 and one to "Robert Karolkiewicz" in the amount of \$18,949.40. Defendant placed these instructions in a hand-written letter of direction. First American's representative then issued the checks in the manner directed by defendant. After receiving these checks, defendant, Wilkiewicz, Kondrad, and the HCP employee left First American's office.

6. Defendant also acknowledges that for the purpose of computing his sentence under the United States Sentencing Guidelines, the following conduct, to which he stipulates, constitutes relevant conduct under Section 1B1.3 of the Guidelines. The following is only a summary of facts and is not intended to be a detailed account of everything that defendant knows about the individuals and events described below:

From at least 1997 through at least 2000, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant, together with Co-Schemer A, Co-Schemer B, Co-Schemer C, and others, devised, intended to devise, and participated in a scheme to defraud and to obtain money, more specifically, mortgage loan proceeds, from various banks and mortgage lending institutions, including Life Bank and Washington Mutual Bank, among others (hereinafter referred to collectively as "lenders"), by means of materially false and fraudulent pretenses, representations, and promises, as described below.

During the scheme, defendant and Co-Schemer A purchased a number of apartment buildings in Chicago with the intention of converting the individual apartment units to condominiums and then reselling the units at inflated prices to individuals who did not intend to reside in the condominiums

or pay the mortgages thereon ("straw buyers"). At times, Co-Schemer A attempted to conceal his ownership interest in the buildings which he had purchased by placing title in a trust or in the name of an entity that he controlled, such as Residential Realty Development, Inc. Defendant purchased buildings under a false name, "Jarek Kozla," or under the name of JFK Builders, a construction company that he operated, using funds provided by Co-Schemer A to pay for the buildings.

After an apartment building was acquired, Co-Schemer A would convert the individual apartment units to condominiums. Defendant and Co-Schemer A would then recruit straw buyers for the condominiums. Defendant and Co-Schemer A enticed potential buyers by offering to pay them thousands of dollars in cash for each condominium unit that they agreed to buy. Defendant and Co-Schemer A represented to the straw buyers that they would not have to reside in the condominiums and that they would not have to make any down payments, mortgages payments, or pay property taxes. Defendant and Co-Schemer A further represented to the straw buyers that their names would be associated with the condominiums only temporarily, that is, until such time as the condominiums could be resold to other buyers. Based on those promises and representations, defendant and Co-Schemer A persuaded a number of individuals to participate in the scheme and to falsely represent to lenders that they were purchasing the condominiums for themselves, when in fact, they had no intention of actually owning the condominiums for themselves or paying the mortgages thereon. In fact, these straw buyers were not financially qualified or able to pay the mortgages for the condominiums that they were purportedly purchasing.

Co-Schemer A was further assisted in the scheme by Co-Schemer B. At mortgage brokerage companies owned and operated by Co-Schemer A, including First American Mortgage Corporation and Liberty Financial, located in the Northern District of Illinois, Co-Schemer A and Co-Schemer

B prepared, or caused others to prepare, fraudulent mortgage loan application packages on behalf of the straw buyers, which packages included fraudulent loan applications and false verifications of deposit, among other documents. The mortgage loan applications were fraudulent in that they contained a variety of false statements designed to induce lenders to issue mortgage loans to straw buyers who would not otherwise qualify for such loans. In particular, the loan applications contained false statements regarding the straw buyers' employment, income, assets, and liabilities. The loan applications inflated the amounts of the straw buyers' gross monthly income and/or the amounts of cash that they had on deposit in their bank accounts. False verifications of deposit were created in order to falsely verify the amounts on deposit in the straw buyers' bank accounts. With regard to the straw buyers' employment information, some of the fraudulent loan applications misrepresented the buyers' actual job titles and/or places of employment. For example, some of the loan applications falsely represented that the straw buyers were "partners" or long-time employees of JFK Builders, defendant's company, when in fact they had never been employed by, or associated with, JFK Builders. At least some of the loan applications also falsely stated that the straw buyers intended to use the condominiums as their "primary residence," when in fact they did not intend to do so. With regard to the straw buyers' liabilities, the loan applications at times failed to disclose that certain straw buyers had already purchased other condominium units and obtained mortgages on those units from other lenders.

Co-Schemer C, a licensed real estate appraiser, participated in the scheme by preparing fraudulent appraisal reports to be used to deceive lenders about the true values of the condominiums that were being sold to straw buyers. Most, if not all, of the condominium buildings were run-down and in need of substantial repairs and rehabilitation. Co-Schemer C appraised the condominiums

as if they had already been fully rehabbed and did not need any further rehabilitation or improvements, when in fact the condominiums were in need of substantial rehabilitation and improvements in order to achieve the appraised values given by Co-Schemer C. Co-Schemer C intentionally overvalued the subject condominiums in his appraisal reports so that the defendant, Co-Schemer A, and Co-Schemer B could sell the condominiums at prices that were substantially greater than their actual values. As defendant, Co-Schemer A, Co-Schemer B, and Co-Schemer C well knew, lenders would rely on the false appraisal reports in issuing mortgage loans in amounts greater than the true values of the condominiums.

Co-Schemer A and Co-Schemer B sought out and located lenders to finance the straw buyers' purchases of condominiums at the inflated prices at which they were seeking to sell the condominiums. Various lenders were deceived into financing mortgages by false documents submitted, or caused to be submitted, by Co-Schemer A and Co-Schemer B. In particular, Co-Schemer A and Co-Schemer B caused loan application packages to be submitted to the lenders containing, among other things, the false documents referred to above – namely, the false loan applications, the false verifications of deposit, and the inflated appraisal reports. The false statements contained in those documents were material to the lenders' decisions to issue mortgage loans to the straw buyers, and were made for the purpose of inducing the lenders to issue loans in amounts greater than the true values of the condominiums and to individuals who were not qualified for the loans. As defendant, Co-Schemer A, Co-Schemer B, and Co-Schemer C well knew, lenders would rely on the false statements contained in the loan application packages which they had submitted and caused to be submitted to the lenders.

At the closings, defendant or another individual, such as Co-Schemer B, occasionally posed as the sellers of the condominium units, when in fact Co-Schemer A was the true owner and seller of the condominium units.

Co-Schemer A received the proceeds of the condominium sales, and paid defendant a portion of the proceeds for his role in helping Co-Schemer A recruit straw buyers and deceive lenders into issuing mortgage loans to straw buyers.

As a result of the fraudulent acts of defendant, Co-Schemer A, Co-Schemer B, Co-Schemer C, and others, various lenders issued mortgage loans to individuals who were not qualified for the loans; could not afford to make payments on the loans; and had no intention of repaying the loans. As a further result of the fraudulent acts of defendant and his co-schemers, the loans went into default, requiring the lenders to foreclose on the condominiums, some of which were virtually worthless, and to incur losses in an amount totaling approximately \$6,824,567.

7. 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 1B1.11(b)(1), the Sentencing Guidelines Manual in effect as of April 30, 2003, is the appropriate Guidelines Manual to use in this case;
- (b) Pursuant to Guideline 3D1.2(d), Counts Eighteen and Nineteen must be grouped;
- (c) Pursuant to Guideline 2B1.1(a), the base offense level is 6;
- (d) Pursuant to Guideline 2B1.1(b)(1)(K), the offense level must be increased by 20 levels to 26, because the loss caused and intended by defendant's fraud and relevant conduct was more than \$7,000,000;

(e) Pursuant to Guideline 2B1.1(b)(2)(A)(i), the offense level must be increased by 2 levels to 28, because the offense involved 10 or more victims;

(f) Pursuant to Guideline 2B1.1(b)(9)(C)(ii), the offense level must be increased by 2 levels to 30, because the offense involved the possession of 5 or more means of identification that were unlawfully produced;

(g) Pursuant Guideline 2B1.1(b)(12)(a), the offense level must be increased by 2 levels to 32, because defendant derived more than \$1,000,000 in gross receipts from one or more financial institutions as a result of the offense;

(h) Pursuant to Guideline 3B1.1(a), the offense level must be increased by 4 levels to 36, because defendant was an organizer and leader of a criminal activity that involved 5 or more participants and was otherwise extensive;

(i) 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;

(j) 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). In the event that the court

determines that the defendant's offense level is 16 or greater, and the court reduces defendant's offense level by two levels pursuant to Guideline 3E1.1(a), the government agrees to make a motion pursuant to Guideline 3E1.1(b) seeking the further reduction of defendant's offense level by one additional offense level;

(k) On December 26, 2002, in Cook County, Illinois, defendant was convicted of driving under the influence of alcohol and was sentence to 2 years of probation. Pursuant to Guideline 4A1.1(c), defendant receives one criminal history point for this sentence;

(l) On June 9, 2003, in Cook County, Illinois, defendant was convicted of false impersonation and was sentenced to 1 year of conditional discharge. Pursuant to Guidelines 4A1.1(c) and 4A1.2(c)(1), defendant receives one criminal history point for this conviction;

(m) Defendant was under criminal justice sentences for the offense described in paragraphs 7(k) and 7(l) at the time he committed the instant offense as stipulated in paragraph 5 above. Therefore, pursuant to Guideline 4A1.1(d), defendant receives 2 additional criminal history points;

(n) If the court accepts the parties' Guidelines calculations set forth above, defendant's adjusted offense level will be 33, his criminal history category will be III, and the guideline range from the sentencing table will be 168 - 210 months of imprisonment; and

(o) 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.

8. 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.

9. Defendant understands that the counts to which he will plead guilty carry the following maximum penalties:

(a) Count Eighteen carries a maximum penalty of 30 years of imprisonment, a maximum fine of \$1,000,000, and any restitution ordered by the court.

(b) Count Nineteen carries a maximum penalty of 30 years of imprisonment, a maximum fine of \$1,000,000, and any restitution ordered by the court.

(c) Defendant further understands that these counts also require a period of supervised release of at least 3 years and not more than 5 years.

Therefore, the total potential sentence carried by the counts to which the defendant will plead guilty is 60 years of imprisonment, a \$2,000,000 fine, a term of supervised release of at least 3 years and not more than 5 years, and any restitution ordered by the court.

10. 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 each count to which he has pled guilty, in addition to any other penalty imposed. The defendant agrees to pay the special assessment of \$200 at the time of sentencing with a cashier's check or money order made payable to the Clerk of the United States District Court.

11. 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.

12. Defendant understands that he may be entitled to have any disputed sentencing facts which could increase his sentence determined at a jury trial under a proof beyond a reasonable doubt standard. Defendant further understands that by pleading guilty, he agrees:

(a) To have his sentence determined under the Sentencing Guidelines;

(b) To waive having sentencing facts alleged in the indictment and found by the jury beyond a reasonable doubt;

(c) To have the court determine his sentencing facts by a preponderance of the evidence;  
and

(d) To allow the court to consider any reliable evidence, including hearsay, in determining his sentence.

13. Defendant understands that by pleading guilty he is waiving all the rights set forth in the preceding two paragraphs. 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.

14. Defendant agrees that he will fully and truthfully cooperate with the government in any matter in which he is called upon to cooperate that is related to or results from the charges in the present case or in any matters which were discussed at his proffers on May 27, 2004, July 1, 2004, and July 30, 2004. Defendant further agrees to provide complete and truthful information in any investigation and pre-trial preparation, and complete and truthful testimony, if called upon to testify, before any grand jury and United States District Court, and in any related civil or administrative proceeding. Defendant further agrees to postpone his sentencing until after the conclusion of the prosecution of his co-defendants.

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

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

17. 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.

18. 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.

19. At the time of sentencing, the government shall make known to the sentencing judge the extent of defendant's cooperation, and, assuming the defendant's full and truthful cooperation, shall move the Court, pursuant to Sentencing Guideline 5K1.1 and 18 U.S.C. § 3553(e), to depart from the applicable sentencing guidelines 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. However, this Plea Agreement is 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 sixty-five percent (65%) of the low-end of the applicable sentencing guidelines 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, the defendant may not withdraw this plea as a matter of right under Federal Rule of Criminal Procedure 11(e)(3) and (5). If, however, the Court refuses to impose the agreed term of incarceration set forth herein, thereby rejecting the Plea Agreement, or otherwise refuses to accept the defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound thereto.

20. 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.*

21. Regarding restitution, the parties agree that the amount of restitution which defendant must be ordered to pay to the victims of his criminal conduct, as set forth in paragraph 5 above, 10,055,290.81. The parties further agree, pursuant to Title 18, United States Code, Section 3663(a)(3), that the amount of restitution which defendant shall be ordered to pay to the victims of the relevant conduct offenses described in paragraph 6 above is approximately \$6,824,567. The parties further agree that this total restitution amount of approximately \$16,879,857.81 shall be reduced by: (1) the amounts of any forfeiture judgments obtained by the United States against the three specific bank accounts listed in the forfeiture allegation of the superseding indictment; (2) the amounts of any bond funds posted by any of the defendants that are forfeited and applied toward restitution; and (3) any other amounts paid to the victims by defendant, or on defendant's behalf, prior to defendant's sentencing hearing. 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. 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.

22. 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)(2), because those funds constitute proceeds of violations of section 1343 (wire fraud affecting financial institutions) and 1341 (mail fraud), as charged superseding indictment, and 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 the superseding indictment. Further, the superseding 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 those funds constitute proceeds of violations of section 1343 (wire fraud affecting financial institutions) and 1341 (mail fraud), and because that property was involved in violations of section 1956 (money laundering). By entry of a guilty plea to Counts Eighteen and Nineteen of the superseding indictment, the defendant understands that the property identified above is subject to forfeiture.

23. Defendant agrees to the entry of a forfeiture judgment in the amount of the restitution amount ordered by this court for the criminal conduct alleged in the superseding indictment. Defendant further agrees to the entry of a forfeiture judgment forfeiting any rights he may have in the following properties: (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." 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 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.

24. The parties agree that the funds posted for bond on defendant's behalf in People v. Rozycka, case number 03 CF 873, in McHenry County, Illinois, shall be forfeited to the United States and applied toward any restitution and/or forfeiture ordered in the present federal case. The parties also agree that the funds posted by defendant's family members on behalf of his co-defendants in People v. Wilkiewicz, case number 03 CF 872, and People v. Kondrad, case number 03 CF 874, both in McHenry County, Illinois, shall be forfeited to the United States and applied toward any restitution and/or forfeiture ordered in the present federal case.

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

26. 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.

27. After sentence has been imposed on Counts Eighteen and Nineteen, 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.

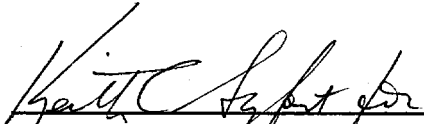
28. Defendant agrees this Plea Agreement shall be filed and become a part of the record in this case.

29. 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.


30. 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

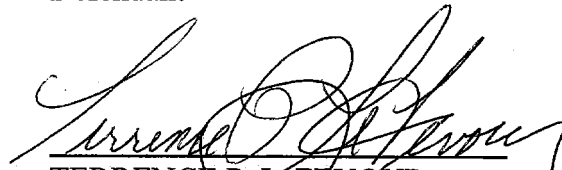
translated for him into Polish. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: 8/25/04

  
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*Read*  
Translated from English into Polish for Defendant by:  
*Agatha A. Fedler 8.25.04.*  
\_\_\_\_\_ on \_\_\_\_\_, 2004