



U.S. Department of Justice

S. Amanda Marshall

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July 27, 2012

Patrick Ehlers
Deputy Federal Public Defender
101 SW Main, Suite 1700
Portland, OR 97204

Re: *United States v. Wanda Coleman*
Plea Agreement Letter

3:12-cr-00482-SI

Dear Counsel:

1. **Parties/Scope:** This plea agreement is between the United States Attorney's Offices (USAO) for the District of Oregon and the Central District of California, and defendant, and thus, does not bind any other federal, state, or local prosecuting, administrative, or regulatory authority. This agreement does not apply to any charges other than those specifically mentioned herein.

2. **Rule 20 Transfer:** Pursuant to Rule 20, Fed. R. Crim. P., defendant agrees to waive trial in the Central District of California where an Indictment in *United States v. Wanda Coleman, et. al.*, SA CR 11-252-JVS (Central District of California, Southern Division) is currently pending against her, and have the case transferred to the District of Oregon for guilty plea and sentencing. The defendant agrees to execute a written consent to transfer the case and file it with the Court. The United States Attorneys for the Central District of California and the District of Oregon agree to file their written approval of the transfer with the Court.

3. **Charges:** Defendant agrees to plead guilty to Count 2 of the Indictment in *United States v. Wanda Coleman, et. al.*, SA CR 11-252-JVS (Central District of California, Southern Division), which charges Mail Fraud, in violation of 18 U.S.C. § 1341.

4. **Penalties:** The maximum sentence for Count 2 of the Indictment, Mail Fraud, in violation of 18 U.S.C. § 1341, is 20 years imprisonment, a fine of \$250,000, and a \$100 fee assessment. This offense is a Class C felony, as provided by 18 U.S.C. § 3559. Consequently, pursuant to advisory U.S.S.G. § 5D1.2, the court must impose a period of supervised release of at least two years, but not more than three years in addition to any prison term.

Defendant agrees to pay the \$100 fee assessment by the time of entry of guilty plea or explain to the Court why this cannot be done.

5. **Dismissal/No Prosecution:** The USAO will move at the time of sentencing to dismiss

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any remaining counts against defendant. The USAO further agrees not to bring additional charges against defendant in the District of Oregon or the Central District of California arising out of this investigation, known to the USAO at the time of this agreement.

6. **Sentencing Factors**: The parties agree that the Court must first determine the applicable advisory guideline range, then determine a reasonable sentence considering that range and the factors listed in 18 U.S.C. § 3553(a). Where the parties agree that sentencing factors apply, such agreement constitutes sufficient proof to satisfy the applicable evidentiary standard.

7. **Elements**: In order for the defendant to be found guilty of Count 2 of the Indictment, Mail Fraud, in violation of 18 U.S.C. § 1341, the government must prove the following elements beyond a reasonable doubt: (1) defendant made up a scheme or plan for obtaining money or property by making false promises, representations or statements; (2) defendant knew that the promises, representations or statements were false or fraudulent; (3) the promises, representations or statements were material, that is, they would reasonably influence a person to part with money or property; (4) defendant acted with the intent to defraud; (5) defendant used, or caused to be used, the U.S. mails to carry out or attempt to carry out an essential part of the scheme; and (6) some part of the scheme took place within the Central District of California.

8. **Admissions**: As part of the plea agreement, defendant admits that the following is an accurate, though non-exhaustive, statement of the offense conduct with respect to Count 2 of the Indictment, Mail Fraud, in violation of 18 U.S.C. § 1341:

A. From at least in or about 2003 to at least in or about August 2009, in Orange, Riverside, and San Bernardino Counties, within the Central District of California, and elsewhere, defendant, Ronald Sarmiento, Ariel Huipe, Susan Robison, Rebecca Hitchcock, Kim Hansen, and others knowingly devised and executed a scheme under which defendant and the other scheme participants, each acting with intent to defraud, would defraud mortgage lenders, and obtain money from such lenders, by making false and fraudulent representations and concealing material information from those lenders regarding loan applications submitted to the lenders by various other participants in the scheme, and would use or cause to be used the mails to carry out essential parts of the scheme.

B. In accordance with this scheme, defendant, Sarmiento, and others identified persons wishing to sell their homes (the “sellers”), and recruited other persons to pose as buyers borrowing money to purchase the homes (the “straw borrowers”). Defendant and Coleman offered to pay the sellers more than their asking price for the homes, in return for the sellers’ agreement to pay a portion of the sale proceeds to Coleman and/or companies that she controlled, including Digital Mechanics, Millenium Productions, and Fastlane Films.

C. At defendant’s request, Sarmiento, Hitchcock, Huipe, Hansen and others prepared loan applications for the straw borrowers, listing false information regarding the straw

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borrowers' employment, income, and intent to occupy the homes as their primary residences, and submitted those loan applications to lenders. To corroborate that false information, defendant instructed certain of the scheme participants, including Huipe, to create forged and altered documents, such as bank account statements, verifications of deposit, and verifications of employment, which the scheme participants provided to the lenders. The verifications of employment listed the straw borrowers as employees of defendant's companies, and defendant instructed Sarmiento, Hitchcock, and others to orally verify the straw borrowers' employment with those companies.

D. The lenders then relied on the information provided by the scheme participants, approved the loans, and disbursed funds to an escrow account. Defendant instructed Susan Robison, an escrow agent who controlled the escrow account, to transfer a portion of the loan proceeds to defendant, defendant's companies, defendant's mother, Huipe, and other scheme participants.

E. None of the scheme participants disclosed to the lenders that defendant and the other scheme participants were controlling both sides of the transaction, or receiving a share of the loan proceeds.

F. In total, over the course of the scheme, defendant and the other scheme participants fraudulently induced at least 14 lenders to extend at least \$23 million in loans to fund purchases of at least 30 residential properties, resulting in losses of at least \$12 million to lenders.

G. In furtherance of this scheme, and as was intended by and reasonably foreseeable to defendant, on July 2, 2007, Robison mailed a letter and check to Hansen.

9. **Sentencing Calculation/Relevant Conduct:**

A. The parties agree that advisory U.S.S.G. § 2B1.1 applies to defendant's conduct, and that pursuant to § 2B1.1(a)(1), the base offense level is 7.

B. The parties agree that the losses for sentencing purposes are more than \$7,000,000, but less than \$20,000,000, and that an upward adjustment of 20 levels under § 2B1.1(b)(1)(K) and § 1B1.3 (Relevant Conduct) is appropriate.

C. The parties agree that the 2 level enhancement for more than 10 victims pursuant to § 2B1.1(b)(2)(A) is appropriate.

D. The parties agree that the 2 level enhancement for derivation of more than \$1,000,000 in gross receipts from a financial institution pursuant to § 2B1.1(b)(15)(A) is appropriate.

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E. The parties agree that, with the possible exception of a downward departure pursuant to the government's motion, no other specific offense characteristics, adjustments, or departures under the Sentencing Guidelines, or variances from the applicable Sentencing Guidelines range, are appropriate.

10. **Acceptance of Responsibility**: Defendant must demonstrate to the Court that she fully admits and accepts responsibility under U.S.S.G. § 3E1.1 for her unlawful conduct in this case. If defendant does so, the USAO will recommend a three-level reduction in defendant's offense level (two levels if defendant's offense level is less than 16). The USAO reserves the right to change this recommendation if defendant, between plea and sentencing, commits any criminal offense, obstructs or attempts to obstruct justice as explained in U.S.S.G. § 3C1.1, or acts inconsistently with acceptance of responsibility as explained in U.S.S.G. § 3E1.1.

11. **Sentencing Recommendation**: The parties will jointly recommend a sentence at the low end of the Sentencing Guidelines range corresponding to an offense level of 28, minus any reduction in levels advocated by the USAO. The parties may offer relevant evidence in support of a such a term of imprisonment. The government will make its recommendation as long as defendant demonstrates an acceptance of responsibility as explained in paragraph 10 of this agreement.

12. **Additional Departures, Adjustments, or Variances**: The USAO agrees not to seek any upward departures, adjustments, or variances to the advisory sentencing guideline range, or to seek a sentence in excess of that range, except as specified in this agreement. Defendant agrees not to seek any downward departures, adjustments, or variances to the advisory sentencing guideline range under the sentencing guidelines provisions, or under 18 U.S.C. § 3553, or to seek a sentence below that range, except as specified in this agreement. Defendant agrees not to contest the amount of any reduction in levels advocated by the USAO.

13. **Restitution**: The defendant understands and agrees that pursuant to 18 U.S.C. § 3663A, the Mandatory Victim Restitution Act, and 18 U.S.C. §3664, the Court must order her to pay restitution to each of the victims in the full amount of each's victim's losses as determined by the Court, without consideration of the economic circumstances of the defendant. Defendant understands and agrees that the Court will order defendant to pay restitution for all losses caused by defendant's conduct, regardless of whether counts of the indictment dealing with such losses will be dismissed as part of this plea agreement, or whether certain conduct was not charged.

The defendant and the government agree that the amount of restitution is \$10 million.

14. **Fine and Conditions of Supervised Release**: The defendant agrees to pay any fines that may be ordered by the Court, regardless of the amount. The defendant also agrees to any standard or special conditions of release that may be imposed by the Court.

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15. **Court Bound Under Fed.R.Crim. P. 11(c)(1)(C):**

(a) This agreement is entered into pursuant to Fed.R.Crim.P. Rule 11(c)(1)(C). The defendant understands the Court may accept this agreement or reject it. If the Court accepts this agreement, the Court will be bound by the terms of this agreement, and bound to impose a sentence in accordance with all the terms set forth in paragraphs 9 through 14 of this agreement.

(b) The defendant understands and agrees she can not withdraw her guilty plea to Count 2 of the Indictment if the Court accepts this agreement and imposes a sentence in accordance with the terms of paragraphs 9 through 14 of this agreement.

(c) If the Court rejects this agreement, the defendant will have the right to withdraw her guilty plea to Count 2 of the Indictment, and the defendant and the government will be free to proceed as if this agreement did not exist. Should the Court reject this agreement, the defendant and the government agree that the case will be transferred back to the Central District of California for prosecution. The parties agree to execute any and all paperwork necessary to transfer the case back to the Central District of California.

16. **Additional Financial Conditions:** The defendant also agrees to the following:

A. **Financial Statement.** Defendant agrees to truthfully complete a financial statement form provided by the United States Attorney's Office, Financial Litigation Unit. Defendant shall date said form and sign it under penalty of perjury, thereby acknowledging that defendant's financial statement fully and completely discloses defendant's financial condition, and fully and completely discloses all assets owned or held directly or indirectly, individually or jointly by defendant, or in which defendant has any legal interest, regardless of title, including any interest held or owned under any other name including trusts, partnerships or corporations, as of the date the financial statement is signed.

Defendant shall update the financial statement with any material changes to defendant's financial condition. Defendant shall provide her signed and dated financial statement 14 days prior to the entry of her guilty plea, any updates within 7 days of the event changing defendant's financial condition.

Defendant understands and agrees that defendant's financial statement will be used for the collection of any fine or restitution ordered by the Court, and for the identification of property subject to forfeiture. The parties agree that defendant's failure to timely and accurately complete and sign a financial statement, and any update thereto may, in addition to any other penalty or remedy authorized by law, constitute defendant's failure to accept responsibility under U.S.S.G. §3E1.1.

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B. **Transfer of Assets.** Financial disclosures by defendant shall also identify all assets held individually or jointly, directly or indirectly, valued at more than \$500.00 which have been transferred to third parties since the date which is 60 days prior to the date of indictment or information, including the location of the assets and the identity of the third parties holding such assets, including third party trusts, partnerships and/or corporations. For transfers in excess of \$50,000, defendant agrees to identify all such transfers of assets held individually or jointly, directly or indirectly, which have occurred since the date which is one year prior to the date of indictment or information.

Defendant agrees that she will notify the Financial Litigation Unit of the United States Attorney's Office before she transfers any interest in property with a value exceeding \$1,000 owned directly or indirectly, individually or jointly, by defendant, including any interest held or owned under any other name, including trusts, partnerships and/or corporations.

C. **Restitution Delineated.** Defendant understands that the Court must, as provided by 18 U.S.C. §§ 3663A and 3664, order restitution to each victim in the full amount of each victim's losses as determined by the Court, and without consideration of the economic circumstances of defendant. The full amount of each victim's losses may not be ascertainable until after completion of the pre-sentence report and/or sentencing hearing. Defendant understands and agrees that the Court will order defendant to pay restitution for all losses caused by defendant's conduct, regardless of whether counts of the indictment or information dealing with such losses will be dismissed as part of this plea agreement, or whether certain conduct was not charged.

D. **Examination and Credit Reports.** Defendant expressly authorizes the Financial Litigation Unit of the U.S. Attorney's Office to obtain credit reports on defendant, as the Unit in its discretion deems necessary, to verify the validity to the financial information provided. Such authorization shall be effective on the date this agreement is signed by defendant. Additionally, defendant agrees to submit to examination under oath, and/or a polygraph examination by an examiner selected by the U.S. Attorney's Office, on the issue of the defendant's financial disclosures and assets.

E. **Treasury Offset Program.** Defendant understands and agrees that, upon sentencing, the United States may place defendant into the Treasury Offset Program, which entitles the United States to offset the restitution to be ordered in this case with funds otherwise payable to defendant from federal agencies, such as the Social Security Administration and the Department of the Treasury. Defendant agrees that she shall remain in the Treasury Offset Program so long as she has an outstanding financial obligation arising from the conviction on these pending charges. With regard to Social Security Benefits only, no more than 15% of defendant's Social Security Benefits will be withheld for payment of restitution.

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F. **Waivers and Releases.** Upon filing of this plea agreement, defendant agrees to provide to the U.S. Attorney's Office signed privacy waivers, consents and releases allowing the Financial Litigation Unit of the U.S. Attorney's Office access to any and all records to include but not limited to income tax returns and tax records, bank accounts, credit cards, insurance and all investment or retirement accounts.

G. **Probation and Pretrial Services Information.** By this agreement, defendant authorizes the U.S. Attorney's Office to inspect and copy all financial documents and information provided by defendant to the U.S. Probation Office, and U.S. Pretrial Services, including any financial affidavit or financial statement completed by defendant.

H. **Life of Agreement.** Defendant understands and agrees that the financial reporting obligation agreed to herein will be in effect through any period of probation or supervised release, and shall continue until such time as any fine or restitution ordered by the Court is paid in full.

I. **No Limitation on Collections.** Defendant agrees that if the Court imposes a schedule of payments, defendant understands that the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment.

17. **Agreement to Cease and Desist Engaging In Certain Business:** As part of the plea agreement, defendant agrees to cease and desist from operating, owning or managing any business engaged in the purchase, sale, or financing of real estate within the states of Washington, Oregon or California.

18. **Full Disclosure/Reservation of Rights:** The USAO will fully inform the PSR writer and the Court of the facts and law related to defendant's case. Except as set forth in this agreement, the parties reserve all other rights to make sentencing recommendations and to respond to motions and arguments by the opposition.

19. **Waiver of Appeal/Post-Conviction Relief:** Defendant knowingly and voluntarily waives the right to appeal from any aspect of the conviction and sentence, including the term of imprisonment, the amount of any reduction in levels advocated by the USAO, the mandatory restitution order, any fine, and any standard and special terms and conditions of supervised release on any grounds, except for a claim that: (1) the sentence imposed exceeds the statutory maximum, or (2) the Court arrives at an advisory sentencing guideline range by applying an upward departure under the provisions of Guidelines Chapters 4 or 5, or (3) the Court exercised its discretion under 18 U.S.C. § 3553(a) to impose a sentence which exceeds the advisory guideline sentencing range, or (4) the Court did not follow the provisions of paragraph 15 of this agreement and impose a sentence in accordance with the terms of paragraphs 9 through 14 of this agreement, and did not permit the defendant to withdraw her guilty plea. Should defendant

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seek an appeal despite this waiver, the USAO may take any position on any issue on appeal. Defendant also waives the right to file any collateral attack, including a motion under 28 U.S.C. § 2255, challenging any aspect of the conviction or sentence on any grounds, except on grounds of ineffective assistance of counsel, and except as provided in Fed. R. Crim. P. 33 and 18 U.S.C. § 3582(c)(2).

20. **Breach of Plea Agreement**: If defendant breaches the terms of this agreement, or commits any new criminal offenses between signing this agreement and sentencing, the USAO is relieved of its obligations under this agreement, but defendant may not withdraw any guilty plea.

21. **Memorialization of Agreement**: No promises, agreements or conditions other than those set forth in this agreement will be effective unless memorialized in writing and signed by all parties listed below or confirmed on the record before the Court. If defendant accepts this offer, please sign and attach the original of this letter to the Petition to Enter Plea.

22. **Deadline**: This plea offer expires if not accepted by **July 30, 2012 at 5:00 p.m.**

Sincerely yours,

S. AMANDA MARSHALL
United States Attorney
District of Oregon

CLAIRE M. FAY
Assistant United States Attorney
Chief, Fraud Unit

JOSHUA ROBBINS
Assistant United States Attorney
Central District of California

I have carefully reviewed every part of this agreement with my attorney. I understand and voluntarily agree to its terms. I expressly waive my rights to appeal as outlined in this agreement. I wish to plead guilty because, in fact, I am guilty.

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8/23/12
Date

x Wanda Coleman
Wanda Coleman
Defendant

I represent the defendant as legal counsel. I have carefully reviewed every part of this agreement with defendant. To my knowledge, defendant's decisions to make this agreement and to plead guilty are informed and voluntary ones.

8/23/12
Date

Patrick Ehlers
Patrick Ehlers, Esq.
Attorney for Defendant