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October 23, 2017

Matthew Schindler, Attorney
501 Fourth Street #324
Lake Oswego, OR 97034

Re: *United States vs. Laurie Brady, 16-CR-00146*
Plea Agreement Letter

Dear Counsel:

- Parties/Scope:** This plea agreement is between this United States Attorney's Office (USAO) 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. **This plea agreement is contingent on co-defendant Karl Brady accepting his separate offer. This agreement is void if Karl Brady fails to enter a guilty plea consistent with his separate offer.**
- Charges:** Defendant agrees to plead guilty to Count 6 of the Indictment in which defendant is charged with tax evasion in violation of 26 U.S.C. § 7201.
- Penalties:** The maximum sentence for Count 6 is 5 years of imprisonment, a fine of \$250,000 or twice the gross gain or gross loss, 3 years of supervised release, the costs of prosecution, and a \$100 fee assessment. Defendant agrees to pay the fee assessment by the entry of a guilty plea or to explain to the Court why this cannot be done.
- Dismissal/No Prosecution:** The USAO will move at the time of sentencing to dismiss the additional counts against defendant. The USAO further agrees not to bring additional charges against defendant in the District of Oregon arising out of this investigation, known to the USAO at the time of this agreement.
- 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.

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6. **Elements:** In order for defendant to be found guilty of Count 6, tax evasion, in violation of 26 U.S.C. § 7201, the government must prove the following elements beyond a reasonable doubt:

- First, defendant owed federal income tax for the calendar year 2013;
- Second, defendant knew that federal income tax was owed;
- Third, defendant made an affirmative attempt to evade or defeat such tax; and
- Fourth, in attempting to evade or defeat such additional tax, defendant acted willfully.

7. **Conduct:** The parties agree that the following facts are true, can be proved beyond a reasonable doubt, and are sufficient to support defendant's guilty plea to Count 6 of the Indictment in the above-captioned case:

- First, defendant received taxable income in 2013 and owed income tax on that income;
- Second, defendant, knowing that she owed federal income tax on that income, willfully failed to file an income tax return on or before April 15, 2014, as required by law, to any proper officer of the Internal Revenue Service (IRS) and to pay the IRS the income tax; and
- Third, from on or about April 16, 2012, through April 2016, defendant and others, in the District of Oregon and elsewhere, willfully attempted to evade and defeat the federal income tax defendant owed for 2013 by committing the following affirmative acts of evasion:
 - Creating nominees, including entities and trusts, and associated financial accounts to receive income and to hold legal title to real and personal property;
 - Using nominees, including entities and trusts, and associated financial accounts to conceal and to attempt to conceal income and assets from the IRS;
 - Using Northwest Behavioral Healthcare Services (NBHS) and other nominees, including entities and trusts, and associated financial accounts to pay personal expenses;
 - Causing false tax returns to be filed on behalf of NBHS;
 - Causing NBHS to pay defendant's husband's salary and other compensation to nominees, including entities and trusts, to conceal and to attempt to conceal them from the IRS; and

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- Otherwise concealing and attempting to conceal from all proper officers of the United States of America their true and correct income.
- All in violation of 26 U.S.C. § 7201.

8. **Relevant Conduct and Advisory Sentencing Guidelines Calculation:** The parties agree that the tax loss caused by defendant's illegal conduct for tax years 2008 - 2015, including relevant conduct pursuant to U.S.S.G. §§ 1B1.3 and 2T1.1, is \$1,416,992 as follows:

<i>Tax Year</i>	<i>Tax Due and Owing</i>
2008	\$ 53,323.00
2009	\$156,549.00
2010	\$165,554.00
2011	\$209,965.00
2012	\$246,849.00
2013	\$249,718.00
2014	\$193,271.00
2015	\$144,703.00
Total	\$1,416,992.00

The parties agree that pursuant to U.S.S.G. §§ 1B1.3, 2T1.1, and 2T4.1(H) the base offense level is twenty (20) because the loss exceeds \$550,000 but is less than \$1,500,000. The parties also agree that a decrease of two (2) levels under U.S.S.G. § 3B1.2(b) applies because defendant was a minor participant in the criminal activity. Defendant's criminal history category will be determined after the preparation of a Pre-Sentence Report. The parties make no agreements about the defendant's criminal history category.

9. **Restitution:** Pursuant to 18 U.S.C. § 3663, defendant agrees to pay the IRS restitution in the amount of \$1,416,992. Defendant agrees that the total amount of restitution reflected in this agreement results from defendant's unlawful conduct. Defendant agrees to pay restitution according to the payment schedule ordered by the court in any restitution order entered pursuant to this plea agreement.

Defendant understands and agrees that the total amount of any monetary judgment that the court orders defendant to pay will be due and payable immediately. Defendant further understands and agrees that pursuant to 18 U.S.C. § 3614, defendant may be resentenced to any sentence which might have originally been imposed if the Court determines that defendant has knowingly and willfully refused to pay a fine or restitution as ordered or has failed to make sufficient bona fide efforts to pay a fine or restitution. Additionally, defendant understands and agrees that the government may enforce collection of any fine or restitution imposed in this case pursuant to 18 U.S.C. §§ 3572, 3613 and 3664(m), notwithstanding any initial or subsequently modified payment schedule set by the court. Defendant understands that any monetary debt defendant owes related to this matter may be included in the Treasury Offset Program (TOP) to potentially offset defendant's federal retirement benefits, tax refunds, and other federal benefits.

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Pursuant to 18 U.S.C. § 3612(b)(F) defendant understands and agrees that until a fine or restitution order is paid in full, defendant must notify the United States Attorney's Office of any change in the mailing address or residence address within 30 days of the change. Further, pursuant to 18 U.S.C. § 3664(k), defendant shall notify the court and the U.S. Attorney's Office immediately of any material change in defendant's economic circumstances that might affect defendant's ability to pay restitution, including, but not limited to, new or changed employment, increases in income, inheritances, monetary gifts, or any other acquisition of assets or money.

The parties understand that defendant will receive proper credit for the payments made pursuant to this agreement. Except as set forth in the previous sentence, nothing in this agreement shall limit the IRS in its lawful examination, determination, assessment, or collection of any taxes, penalties or interest due from defendant for the time periods covered by this agreement or any other time period. Defendant further agrees:

a. to meet with the IRS to determine her legal obligation to file tax returns and pay taxes and to sign any IRS forms deemed necessary by the IRS to enable the IRS to make an immediate assessment of that portion of the tax and interest that she agrees to pay as restitution, including IRS Form 8821, "Tax Information Authorization;"

b. to not file any claim for refund of taxes or interest represented by any amount of restitution paid pursuant to this agreement;

c. that this agreement, or any judgment, order, release, or satisfaction issued in connection with this agreement, will not satisfy, settle, or compromise the defendant's obligation to pay the balance of any remaining civil liabilities, including tax, additional tax, additions to tax, interest, and penalties, owed to the IRS for the time periods covered by this agreement or any other time period;

d. that, unless the Director of the Administrative Office of the United States Courts directs defendant otherwise, all payments made pursuant to the court's restitution order are to be sent only to the Clerk of the Court at the following address: United States District Court, District of Oregon, 1000 SW Third Avenue, Suite 740, Portland, Oregon, 97204;

e. to provide with each payment to the Clerk of the Court made pursuant to the District Court's restitution order:

- (1) defendant's name and Social Security number;
- (2) the District Court docket number assigned to this case;
- (3) the periods for which restitution has been ordered;
- (4) and a statement that the payment is being submitted pursuant to the District Court's restitution order;

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f. to include a request that the Clerk of the Court send the information, along with defendant's payments, to the appropriate IRS office.

g. to send a notice of any payments made pursuant to this agreement, including the information listed in the previous paragraph, to the IRS at the following address: IRS - RACS Attn.: Mail Stop 6261, Restitution, 333 W. Pershing Ave, Kansas City, MO 64108

h. that defendant is not entitled to credit with the IRS for any payment sent to an incorrect address or accompanied by incomplete or inaccurate information, unless and until any payment is actually received by the IRS and identified by it as pertaining to her particular liability.

10. **Tax Compliance:** Defendant agrees to a special condition of probation or supervised release, requiring her to file tax returns, as required, and to pay all taxes due and owing.

11. **Acceptance of Responsibility:** Defendant must demonstrate to the Court that defendant fully admits and accepts responsibility under U.S.S.G. § 3E1.1 for defendant's 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.

12. **Low End Range:** The USAO will recommend no more than the low end of the applicable guideline range as long as defendant demonstrates an acceptance of responsibility as explained above.

13. **Departures, Adjustments, or Variances:** The USAO agrees not to seek any upward departures, adjustments, or variances to the advisory sentencing guidelines range, or to seek a sentence in excess of that range, except as specified in this agreement. Pursuant to the factors listed in 18 U.S.C. § 3553 and to avoid unwarranted sentencing disparities based, in part, on the sentences the court imposed in a companion case with more culpable codefendants, Case No. 15-CR-419-JO, the USAO agrees to recommend a 7-level downward variance.

Defendant agrees not to seek any downward departures, adjustments, or variances to the advisory sentencing guideline range under the sentencing guidelines provisions, except as specified in this agreement. Defendant reserves the right to argue for any sentence defendant feels appropriate under the factors set forth in 18 U.S.C. § 3553, and the USAO reserves the right to oppose any sentence defendant argues for under 18 U.S.C. § 3553. Defendant further agrees that defendant will provide the government with notice of: (1) the factual basis for any such sentence; (2) any evidence defendant intends to introduce or rely upon at the sentencing hearing; and (3) any witnesses, including expert witnesses, defendant intends to call or rely upon at the sentencing hearing. Such notice must be provided to the government no later than the Wednesday prior to the week during which the sentencing hearing is scheduled. Defendant agrees that if defendant

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fails to comply with this notice requirement, defendant will not oppose a government motion for a postponement of the sentencing hearing.

14. **Financial Statement:** Defendant agrees fully to disclose all assets in which defendant has any interest or over which defendant exercises control, directly or indirectly, including those held by a spouse, nominee or third party. Defendant agrees to truthfully complete the Financial Disclosure Statement provided herein. 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 provide a signed and dated Financial Disclosure Statement by the earlier of 30 days from defendant's signature on this plea agreement or the date of defendant's entry of a guilty plea. Defendant shall provide it to both the United States Attorney's Office and the United States Probation Office. Defendant agrees to provide updates with any material changes in circumstances, as described in 18 U.S.C. § 3664(k), within seven days of the event giving rise to the changed circumstances. 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 Disclosure 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.

15. **Transfer of Assets:** Defendant agrees to notify the Financial Litigation Unit of the United States Attorney's Office before defendant 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 name, including trusts, partnerships and corporations.

16. **Examination and Credit Reports:** Defendant expressly authorizes the Financial Litigation Unit of the United States Attorney's Office to obtain credit reports on defendant to verify the validity to the financial information provided as the Unit in its discretion deems necessary. Such authorization shall be effective on the date this agreement is signed by defendant. Additionally, the 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.

17. **Waivers and Releases:** Upon filing of this plea agreement, defendant agrees to provide to the United States Attorney's Office signed privacy waivers, consents and releases allowing the Financial Litigation Unit of the United States 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.

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

19. **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.

20. **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.

21. **Waiver of Appeal/Post-Conviction Relief:** So long as the Court does not sentence defendant to a term of incarceration that exceeds the statutory maximum, defendant agrees to waive all rights defendant would otherwise have to appeal defendant's convictions or sentence on any ground whatsoever. Defendant also agrees not to file a habeas petition under 28 U.S.C. § 2255, or any other similar post conviction petition or motion, on any ground, except for ineffective assistance of counsel or retroactive amendments to the Guidelines. Should defendant seek an appeal, despite this waiver, the USAO may take any position on any issue on appeal.

22. **Court Not Bound:** The Court is not bound by the recommendations of the parties or of the presentence report (PSR) writer. Because this agreement is made under Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, defendant may not withdraw any guilty plea or rescind this plea agreement if the Court does not follow the agreements or recommendations of the parties.

23. **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.

24. **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.

25. **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.

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26. **Deadline:** The USAO may revoke this plea offer at any time prior to entry of defendant's guilty plea, and it expires, if not accepted, at 5:00 p.m. on November 3, 2017.

Sincerely,

BILLY J. WILLIAMS
United States Attorney



DONNA BRECKER MADDUX, OSB #023757
Assistant United States Attorney



SCOTT E. BRADFORD, OSB #062824
Assistant United States Attorney

I have carefully reviewed every part of this eight page 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.

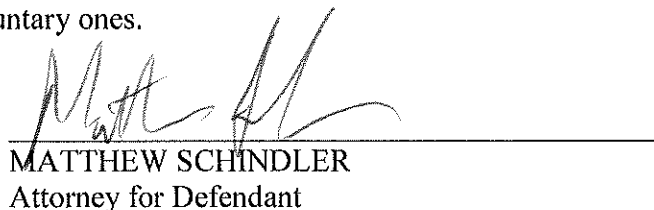
1/10/18
Date



LAURIE G. BRADY
Defendant

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

1/10/18
Date



MATTHEW SCHINDLER
Attorney for Defendant