



U.S. Department of Justice

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Northern Division

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August 10, 2007

Sean P. Vitrano, Esq.
Zuckerman Spaeder LLP
100 East Pratt Street, Suite 2440
Baltimore, MD 21202-1031

Re: United States v. Rachel Donegan
Criminal Case No. JFM-07-

Dear Mr. Vitrano:

This letter confirms the plea agreement which has been offered to the Defendant by the United States Attorney's Office for the District of Maryland ("this Office"). If the Defendant accepts this offer, please have her execute it in the spaces provided below. If this offer has not been accepted by August 17, 2007, it will be deemed withdrawn. The terms of the agreement are as follows:

Offense of Conviction

1. The Defendant agrees to plead guilty to Count 1 of the Information now pending against her, which charges her with Wire Fraud, in violation of 18 U.S.C. § 1343 and 18 U.S.C. § 2. The Defendant admits that she is, in fact, guilty of this offense and will so advise the Court.

Elements of the Offense

2. The elements of the offense to which the Defendant has agreed to plead guilty, and which the Government would prove if the case went to trial are as follows: (1) during the dates alleged in the Information, there was a scheme to defraud; (2) the Defendant used the wires in furtherance of the scheme; and (3) the Defendant acted knowingly and willfully with intent to defraud.

Penalties

3. The maximum sentence provided by statute for the offense to which the Defendant is pleading guilty is as follows: thirty years imprisonment, \$1,000,000 fine, and five years supervised release. In addition, the Defendant must pay \$100 as a special assessment pursuant to 18 U.S.C. § 3013, which will be due and should be paid at or before the time of sentencing. This Court may also order her to make restitution pursuant to 18 U.S.C. §§ 3663, 3663A, and 3664.¹ If a fine or restitution is imposed, it shall be payable immediately, unless, pursuant to 18 U.S.C. § 3572(d), the Court orders otherwise. The Defendant understands that if she serves a term of imprisonment, is released on supervised release, and then violates the conditions of her supervised release, her supervised release could be revoked - even on the last day of the term - and the Defendant could be returned to custody to serve another period of incarceration and a new term of supervised release. The Defendant understands that the Bureau of Prisons has sole discretion in designating the institution at which the Defendant will serve any term of imprisonment imposed.

Waiver of Rights

4. The Defendant understands that by entering into this agreement, she surrenders certain rights as outlined below:

a. If the Defendant had persisted in her plea of not guilty, she would have had the right to a speedy jury trial with the close assistance of competent counsel. That trial could be conducted by a judge, without a jury, if the Defendant, this Office, and the Court all agreed.

b. If the Defendant elected a jury trial, the jury would be composed of twelve individuals selected from the community. You and the Defendant would have the opportunity to challenge prospective jurors who demonstrated bias or who were otherwise unqualified, and you would have the opportunity to strike a certain number of jurors peremptorily. All twelve jurors would have to agree unanimously before the Defendant could be found guilty of any count. The jury would be instructed that the Defendant was presumed to be innocent, and that presumption could be overcome only by proof beyond a reasonable doubt.

c. If the Defendant went to trial, the Government would have the burden of proving the Defendant guilty beyond a reasonable doubt. The Defendant would have the right to confront and cross-examine the Government's witnesses. The Defendant would not have to present any defense witnesses or evidence whatsoever. If the Defendant wanted to call witnesses in her defense, however, she would have the subpoena power of the Court to compel the witnesses to attend.

¹ Pursuant to 18 U.S.C. § 3612, if the Court imposes a fine in excess of \$2,500 that remains unpaid 15 days after it is imposed, the Defendant shall be charged interest on that fine, unless the Court modifies the interest payment in accordance with 18 U.S.C. § 3612(f)(3).

d. The Defendant would have the right to testify in her own defense if she so chose, and she would have the right to refuse to testify. If she chose not to testify, the Court could instruct the jury that they could not draw any adverse inference from her decision not to testify.

e. If the Defendant were found guilty after a trial, she would have the right to appeal the verdict to see if any errors were committed which would require a new trial or dismissal of the charges against her.

f. By pleading guilty, the Defendant will be giving up all of these rights, except the right, under the limited circumstances set forth in the "Waiver of Appeal" paragraph below, to appeal the sentence. By pleading guilty, the Defendant understands that she may have to answer the Court's questions both about the rights she is giving up and about the facts of her case. Any statements the Defendant makes during such a hearing would not be admissible against her during a trial except in a criminal proceeding for perjury or false statement.

g. If the Court accepts the Defendant's plea of guilty, there will be no further trial or proceeding of any kind, and the Court will find her guilty.

h. By pleading guilty, the Defendant will also be giving up certain valuable civil rights and may be subject to deportation or other loss of immigration status.

Obligations of Defendant

5. The Defendant agrees to cooperate with this Office on the following terms and conditions:

a. The Defendant shall fully and truthfully respond to all questions put to her by federal law enforcement authorities and other designated law enforcement officers. The Defendant shall fully and truthfully disclose to the Government all information with respect to her activities and the activities of others concerning all matters as to which the Government may choose to inquire. The Defendant shall promptly turn over to the Government any documents or other tangible evidence in her possession or under her control that are in any way relevant to any such matters.

b. The Defendant shall cooperate completely with federal law enforcement authorities and any other law enforcement agency designated by this Office in any matter as to which her cooperation may be required. The Defendant shall comply with any and all reasonable instructions from such authorities with respect to the specific assistance that she shall provide.

c. In connection with criminal investigations by federal law enforcement authorities, the Defendant shall act in an undercover capacity to the best of her ability, and allow such authorities to monitor and tape record conversations with persons who are believed to be

engaged in criminal conduct. The Defendant will fully comply with all reasonable instructions and directions of law enforcement authorities in this connection. Any such assistance the Defendant may provide to federal criminal investigators must be pursuant to the specific instructions and control of this Office and designated investigators.

d. The Defendant shall testify fully and truthfully before grand juries and at any trial and other court proceeding with respect to any matters about which this Office may require her testimony.

e. The Defendant shall bring to this Office's attention all crimes which she has committed, and all proceedings, investigations, or prosecutions in which she knows she has been or is a subject, target, party, or witness.

f. The Defendant shall not commit any offense in violation of federal, state or local law between the date of this agreement and her sentencing in this case, and shall not violate any regulation of the institution in which she is detained.

g. The Defendant agrees to waive and relinquish any right or entitlement to all transportation, housing, per diem and witness fees relative to all grand jury and Court appearances which may be required as part of her cooperation.

h. To the extent that counsel is not present during the course of the Defendant's cooperation, the Defendant knowingly and expressly waives her right to have counsel present during communications with federal, state, and local law enforcement authorities.

Advisory Sentencing Guidelines Apply

6. The Defendant understands that a sentencing guidelines range for this case (henceforth the "advisory guidelines range") will be determined by the Court pursuant to the Sentencing Reform Act of 1984 at 18 U.S.C. §§ 3551-3742 (excepting 18 U.S.C. §§ 3553(b)(1) and 3742(e)) and 28 U.S.C. §§ 991-998. The Defendant further understands that the Court will impose a sentence pursuant to the Sentencing Reform Act, as excised, and must take into account the advisory guidelines range.

Factual and Advisory Guidelines Stipulation

7. This Office and the Defendant understand, agree and stipulate to the Factual Stipulation as set forth below, which would be proved beyond a reasonable doubt and to the following applicable sentencing guidelines factors:

FACTUAL STIPULATION

Beginning in or about January 2005, and continuing until in or about December 2006, in the District of Maryland and elsewhere, the Defendant Rachel Donegan did knowingly and willfully cause false mortgage applications and other documents to be submitted via the wires in interstate commerce. It was a part of the scheme and artifice to defraud that the Defendant worked with David Lincoln, Yolanda Crawley, and Shawn Green to submit fraudulent mortgage applications. The mortgage applications contained false representations about the income and employment of applicants Yolanda Crawley and Shawn Green. The fraud scheme allowed Yolanda Crawley to secure loans for property at 10740 Versailles Boulevard, Wellington, Florida (valued at approximately \$1,075,000); 477 Pacific Grove Drive, Unit Three, West Palm Beach, Florida (valued at approximately \$500,000); and 7138 Natures Road, Columbia, Maryland (valued at approximately \$316,000). The fraud scheme allowed Shawn Green to secure loans for property at 2339 Eutaw Place, Baltimore, Maryland (valued at approximately \$300,000).

The Defendant, along with David Lincoln, Yolanda Crawley, and Shawn Green, assisted in the preparation of loan applications dated June 20, 2005 for 10740 Versailles Boulevard, Wellington, Florida. The loan applications listed Crawley's income as \$25,000 per month or \$300,000 per year. The Defendant and other participants knew this information was false and unreasonable. The applications also listed Crawley's employer as VL Brooks of Miami, Florida. Crawley never worked for this employer. The loan application was faxed from Maryland to financial institutions in other states.

In addition, the Defendant, along with David Lincoln, Yolanda Crawley, and Shawn Green, assisted in the preparation of loan applications dated the same day August 23, 2005 and August 23, 2005 for 477 Pacific Grove Drive, Unit Three, West Palm Beach, Florida. The applications listed applicant Yolanda Crawley's income as \$20,000 per month or \$240,000 per year on one application and \$15,000 per month or \$180,000 per year on another application. The Defendant and other participants knew this income information was false and unreasonable. The loan applications were faxed from Maryland to financial institutions in other states.

On or about June 20, 2005, in the District of Maryland, and elsewhere, the Defendant and others, for the purpose of executing the scheme and artifice to defraud, did knowingly and willfully cause loan applications containing false information to be submitted by means of wire in interstate commerce from 1st Metropolitan Mortgage, Owings Mills, Maryland to Luxury Mortgage Corporation, Stamford, Connecticut to secure the purchase of real property at 10740 Versailles Boulevard, Wellington, Florida, in violation of 18 U.S.C. § 1343 and 18 U.S.C. § 2.

The parties agree that the total loss amount in this case for sentencing and restitution purposes is less than \$200,000.

GUIDELINE STIPULATION

This Office and the Defendant agree that the Defendant has a base offense level of 7 pursuant to U.S.S.G. § 2B1.1. The offense level is increased by 10 levels based on the agreed loss amount of more than \$120,000 but less than \$200,000. The parties agree to a 2 level reduction for minor role pursuant to U.S.S.G. § 3B1.2(b). The total offense level is therefore 15.

This Office does not oppose a two-level reduction in the Defendant's adjusted offense level, based upon the Defendant's apparent prompt recognition and affirmative acceptance of personal responsibility for her criminal conduct. The Defendant is not eligible for a third level reduction pursuant to U.S.S.G. § 3E1.1(b). With the two-levels for acceptance of responsibility, the adjusted offense level is 13.

8. The Defendant understands that there is no agreement as to her criminal history or criminal history category, and that her criminal history could alter her offense level if she is a career offender or if the instant offense was a part of a pattern of criminal conduct from which she derived a substantial portion of her income.

9. This Office and the Defendant agree that, with respect to the calculation of the advisory guidelines range, no other offense characteristics, sentencing guidelines factors, potential departures or adjustments set forth in Chapters 2, 3 or 4 of the United States Sentencing Guidelines will be raised or are in dispute.

Immunity

10. In order to permit the Defendant to make disclosures to the Government under this agreement, any information and documents that she fully and truthfully discloses to the Government during the course of her cooperation pursuant to this agreement will not be used against her, directly or indirectly, by this Office in any federal criminal case, except as set forth below.

Obligations of the United States Attorney's Office

11. If the Defendant fully complies with all of the terms of this agreement, then in connection with the Defendant's sentencing, this Office will inform the Probation Office and the Court of (i) the nature and extent of the Defendant's cooperation with this Office; and (ii) all other information with respect to the Defendant's background, character, and conduct which this Office deems relevant to sentencing, including the conduct that is the subject of any counts of the Indictment that this Office has agreed to dismiss at sentencing.

12. If this Office determines that the Defendant has provided substantial assistance in an investigation or prosecution of others, and if she has fully complied with all of her obligations under this agreement, this Office will make a motion, pursuant to U.S.S.G. § 5K1.1, requesting the Court to sentence the Defendant in light of the advisory factors set forth in §

5K1.1(a)(1)-(5) and requesting a downward departure of up to four levels. This Office shall have sole discretion in determining whether the Defendant has provided such substantial assistance and, therefore, whether any motion pursuant to § 5K1.1 should be made. This Office's determination of whether the Defendant has provided substantial assistance will not depend in any way on the outcome of any trial or other proceeding at which the Defendant testifies. If this Office makes such a motion, the Defendant is not bound by the departure level recommended by this Office. It is understood that should this Office determine that the Defendant has not provided substantial assistance in an investigation or prosecution, such a determination will release this Office from any obligation to make a motion pursuant to § 5K1.1, but will not entitle the Defendant to withdraw her guilty plea once it has been entered. It is understood that, even if such a motion is made, the sentence to be imposed on the Defendant remains within the sole discretion of the Court.

13. At the time of sentencing, this Office will make a sentencing recommendation within the low end of the advisory guideline range determined by the Court.

14. The parties reserve the right to bring to the Court's attention at the time of sentencing, and the Court will be entitled to consider, all relevant information concerning the Defendant's background, character and conduct.

Waiver of Appeal

15. The Defendant and this Office knowingly and expressly waive all rights conferred by 18 U.S.C. § 3742 to appeal whatever sentence is imposed, including any fine, term of supervised release, or order of restitution and any issues that relate to the establishment of the advisory guidelines range, as follows: the Defendant waives any right to appeal from any sentence within or below the advisory guidelines range resulting from an adjusted base offense level of 13, and this Office waives any right to appeal from any sentence within or above the advisory guidelines range resulting from an adjusted base offense level of 13. Nothing in this agreement shall be construed to prevent either the Defendant or this Office from invoking the provisions of Federal Rule of Criminal Procedure 35, and appealing from any decision thereunder, should a sentence be imposed that exceeds the statutory maximum allowed under the law or that is less than any applicable statutory mandatory minimum provision. The Defendant waives any and all rights under the Freedom of Information Act relating to the investigation and prosecution of the above-captioned matter and agrees not to file any request for documents from this Office or any investigating agency.

Court Not a Party

16. The Defendant expressly understands that the Court is not a party to this agreement. In the federal system, the sentence to be imposed is within the sole discretion of the Court. In particular, the Defendant understands that neither the United States Probation Office nor the Court is bound by the stipulation set forth above, and that the Court will, with the aid of the Presentence Report, determine the facts relevant to sentencing. The Defendant understands that the Court cannot rely exclusively upon the stipulation in ascertaining the factors relevant to the determination of sentence. Rather, in determining the factual basis for the advisory guidelines range,

the Court will consider the stipulation, together with the results of the presentence investigation, and any other relevant information. The judge may consider any reliable evidence, including hearsay, in fashioning the sentence. The Defendant understands that the Court is under no obligation to accept this Office's recommendations, and the Court has the power to impose a sentence up to and including the statutory maximum stated above. The Defendant understands that if the Court ascertains factors different from those contained in the stipulation set forth above, or if the Court should impose any sentence up to the maximum established by statute, the Defendant cannot, for that reason alone, withdraw her guilty plea, and will remain bound to fulfill all of her obligations under this agreement. The Defendant understands that neither the prosecutor, her counsel, nor the Court can make a binding prediction, promise, or representation as to what guidelines range or sentence the Defendant will receive. The Defendant agrees that no one has made such a binding prediction or promise.

Remedies for Breach

17. It is understood that if the Defendant commits any further crimes, or if it is determined that the Defendant has knowingly withheld information; given false, incomplete, or misleading testimony or information; falsely implicated an innocent person in the commission of a crime, exaggerated the involvement of any person in the commission of a crime in order to appear cooperative, or falsely minimized the involvement of any person or himself in the commission of a crime; engaged in conduct after the date of this agreement which would justify a finding of obstruction of justice under U.S.S.G. § 3C1.1; or failed to accept personal responsibility for her conduct by failing to acknowledge her guilt to the probation officer who prepares the Presentence Report; or if the Defendant otherwise fails in any way to fulfill completely each and every one of her obligations under this agreement, then this Office will be released from its obligations under this agreement and may recommend to the Court any sentence that this Office considers appropriate, up to and including the maximum possible sentence. In addition, the Defendant shall be subject to prosecution by this Office for any federal criminal violation of which this Office has knowledge, including but not limited to perjury, false declaration, false statement and/or obstruction of justice, and the offenses charged in the other counts of the Indictment that would otherwise have been dismissed at sentencing.

a. In any such prosecution, this Office may use as evidence in any criminal proceeding all statements made by the Defendant to this Office or other designated law enforcement agents, any testimony given by the Defendant before a grand jury or other tribunal, and any documents or other tangible evidence provided by the Defendant, whether prior to or subsequent to the signing of this agreement, and any leads therefrom. The Defendant shall assert no claim that such statements or any leads therefrom should be suppressed.

b. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this agreement may be commenced against the Defendant, notwithstanding the expiration of the statute of limitations between the signing of this agreement and the commencement of such prosecution. It is the intent of this agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that

this agreement is signed.

18. Whether or not the Defendant has violated the terms of this agreement shall be determined by the Court in an appropriate proceeding at which her disclosures and documents shall be admissible and at which this Office shall be required to establish her breach by a preponderance of the evidence. The Defendant understands and agrees that she shall not be relieved of her obligations under this agreement or permitted to withdraw her guilty plea solely because this Office is relieved of any or all of its obligations under this agreement.

No Protection from Perjury Prosecution

19. Nothing in this agreement shall be construed to protect the Defendant in any way from prosecution for perjury, false declaration, or false statement, in violation of 18 U.S.C. §§ 1621, 1623, or 1001; obstruction of justice, in violation of 18 U.S.C. §§ 1503, 1505, 1510, or 1512; any crime of violence, or any other offense committed by her after the date of this agreement. The information and documents that she discloses to the Government pursuant to this agreement may be used against her in any such prosecution.

Sentencing May Be Deferred

20. The Defendant waives and agrees to waive any rights under the Speedy Trial Act, and she understands that her sentencing may be delayed until her cooperation has been completed so that at sentencing the Court will have the benefit of all relevant information. The Defendant hereby consents to such postponements of her sentence as may be requested by this Office.

Obstruction or Other Violations of Law

21. The Defendant agrees that she will not commit any offense in violation of federal, state or local law between the date of this agreement and her sentencing in this case. In the event that the Defendant (i) engages in conduct after the date of this agreement which would justify a finding of obstruction of justice under U.S.S.G. § 3C1.1, or (ii) fails to accept personal responsibility for her conduct by failing to acknowledge her guilt to the probation officer who prepares the Presentence Report, or (iii) commits any offense in violation of federal, state or local law, then this Office will be relieved of its obligations to the Defendant as reflected in this agreement. Specifically, this Office will be free to argue sentencing guidelines factors other than those stipulated in this agreement, and it will also be free to make sentencing recommendations other than those set out in this agreement. As with any alleged breach of this agreement, this Office will bear the burden of convincing the Court of the Defendant's obstructive or unlawful behavior and/or failure to acknowledge personal responsibility by a preponderance of the evidence. The Defendant acknowledges that she may not withdraw her guilty plea because this Office is relieved of its obligations under the agreement pursuant to this paragraph.

Restitution

22. The Defendant agrees that, pursuant to 18 U.S.C. §§ 3663 and 3663A and §§ 3563(b)(2) & 3583(d), she will make restitution in the amount determined by the Court. The parties agree that for purposes of this plea agreement, the restitution amount will be no more than \$200,000. The restitution amount will be the joint and several responsibility of the Defendant, co-defendant David Lincoln, and other defendants convicted in this case. The parties agreed that the final restitution amount will be determined before sentencing. The Defendant further agrees that she will fully disclose to the probation officer and to the Court, subject to the penalty of perjury, all information, including but not limited to copies of all relevant bank and financial records, regarding the current location and prior disposition of all funds obtained as a result of the criminal conduct set forth in the factual stipulation. The Defendant further agrees to take all reasonable steps to retrieve or repatriate any such funds and to make them available for restitution. If the Defendant does not fulfill this provision, it will be considered a material breach of this plea agreement, and this Office may seek to be relieved of its obligations under this agreement.

Entire Agreement

23. This agreement does not bind any federal, state, or local prosecuting authority other than this Office. This agreement constitutes the complete plea agreement in this case. There are no other agreements, promises, undertakings or understandings between the Defendant and this Office other than those set forth in this agreement, and none will be entered into unless in writing and signed by all parties.

If the Defendant fully accepts each and every term and condition of this letter, please sign and have the Defendant sign the original and return it to me promptly.

Very truly yours,

Rod J. Rosenstein
United States Attorney

By: _____
Kwame J. Manley
Assistant United States Attorney

I have read this agreement and carefully reviewed every part of it with my attorney. I understand it, and I voluntarily agree to it. Specifically, I have reviewed the Factual and Advisory

Guidelines Stipulation with my attorney, and I do not wish to change any part of it. I am completely satisfied with the representation of my attorney.

Date

Rachel Donegan

I am Rachel Donegan's attorney. I have carefully reviewed every part of this agreement with her. To my knowledge, her decision to enter into this agreement is an informed and voluntary one.

Date

Sean P. Vitrano, Esq.