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UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

GEORGE ESPARZA,

Defendant.

No. CR 2:20-cr-00208-SVW

COOPERATION PLEA AGREEMENT FOR  
DEFENDANT GEORGE ESPARZA

1. This constitutes the plea agreement between GEORGE ESPARZA ("defendant") and the United States Attorney's Office for the Central District of California ("the USAO") in the above-captioned case. This agreement is limited to the USAO and cannot bind any other federal, state, local, or foreign prosecuting, enforcement, administrative, or regulatory authorities.

DEFENDANT'S OBLIGATIONS

2. Defendant agrees to:

1           a. Give up the right to indictment by a grand jury and,  
2 at the earliest opportunity requested by the USAO and provided by the  
3 Court, appear and plead guilty to a one-count information in the form  
4 attached to this agreement as Exhibit 1 or a substantially similar  
5 form, which charges defendant with Racketeer Influenced and Corrupt  
6 Organization ("RICO") Conspiracy, in violation of 18 U.S.C.  
7 § 1962(d).

8           b. Not contest the Factual Basis agreed to in this  
9 agreement.

10          c. Abide by all agreements regarding sentencing contained  
11 in this agreement.

12          d. Appear for all court appearances, surrender as ordered  
13 for service of sentence, obey all conditions of any bond, and obey  
14 any other ongoing court order in this matter.

15          e. Not commit any crime; however, offenses that would be  
16 excluded for sentencing purposes under United States Sentencing  
17 Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not  
18 within the scope of this agreement.

19          f. Be truthful at all times with the United States  
20 Probation and Pretrial Services Office and the Court.

21          g. Pay the applicable special assessment at or before the  
22 time of sentencing unless defendant has demonstrated a lack of  
23 ability to pay such assessment.

24          3. Defendant further agrees to cooperate fully with the USAO,  
25 the Federal Bureau of Investigation ("FBI"), and, as directed by the  
26 USAO, any other federal, state, local, or foreign prosecuting,  
27 enforcement, administrative, or regulatory authority. This  
28 cooperation requires defendant to:

1           a. Respond truthfully and completely to all questions  
2 that may be put to defendant, whether in interviews, before a grand  
3 jury, or at any trial or other court proceeding.

4           b. Attend all meetings, grand jury sessions, trials or  
5 other proceedings at which defendant's presence is requested by the  
6 USAO or compelled by subpoena or court order.

7           c. Produce voluntarily all documents, records, or other  
8 tangible evidence relating to matters about which the USAO, or its  
9 designee, inquires.

10          4. For purposes of this agreement: (1) "Cooperation  
11 Information" shall mean any statements made, or documents, records,  
12 tangible evidence, or other information provided, by defendant  
13 pursuant to defendant's cooperation under this agreement; and  
14 (2) "Plea Information" shall mean any statements made by defendant,  
15 under oath, at the guilty plea hearing and the agreed to factual  
16 basis statement in this agreement.

17                                   THE USAO'S OBLIGATIONS

18          5. The USAO agrees to:

19           a. Not contest the Factual Basis agreed to in this  
20 agreement.

21           b. Abide by all agreements regarding sentencing contained  
22 in this agreement.

23           c. At the time of sentencing, provided that defendant  
24 demonstrates an acceptance of responsibility for the offenses up to  
25 and including the time of sentencing, recommend a two-level reduction  
26 in the applicable Sentencing Guidelines offense level, pursuant to  
27 U.S.S.G. § 3E1.1, and recommend and, if necessary, move for an  
28 additional one-level reduction if available under that section.

1           6.     The USAO further agrees:

2                 a.     Not to offer as evidence in its case-in-chief in the  
3 above-captioned case or any other criminal prosecution that may be  
4 brought against defendant by the USAO, or in connection with any  
5 sentencing proceeding in any criminal case that may be brought  
6 against defendant by the USAO, any Cooperation Information.  
7 Defendant agrees, however, that the USAO may use both Cooperation  
8 Information and Plea Information: (1) to obtain and pursue leads to  
9 other evidence, which evidence may be used for any purpose, including  
10 any criminal prosecution of defendant; (2) to cross-examine defendant  
11 should defendant testify, or to rebut any evidence offered, or  
12 argument or representation made, by defendant, defendant's counsel,  
13 or a witness called by defendant in any trial, sentencing hearing, or  
14 other court proceeding; and (3) in any criminal prosecution of  
15 defendant for false statement, obstruction of justice, or perjury.

16                 b.     Not to use Cooperation Information against defendant  
17 at sentencing for the purpose of determining the applicable guideline  
18 range, including the appropriateness of an upward departure, or the  
19 sentence to be imposed, and to recommend to the Court that  
20 Cooperation Information not be used in determining the applicable  
21 guideline range or the sentence to be imposed. Defendant  
22 understands, however, that Cooperation Information will be disclosed  
23 to the United States Probation and Pretrial Services Office and the  
24 Court, and that the Court may use Cooperation Information for the  
25 purposes set forth in U.S.S.G § 1B1.8(b) and for determining the  
26 sentence to be imposed.

1 c. In connection with defendant's sentencing, to bring to  
2 the Court's attention the nature and extent of defendant's  
3 cooperation.

4 d. If the USAO determines, in its exclusive judgment,  
5 that defendant has both complied with defendant's obligations under  
6 paragraphs 2 and 3 above and provided substantial assistance to law  
7 enforcement in the prosecution or investigation of another  
8 ("substantial assistance"), to move the Court pursuant to U.S.S.G.  
9 § 5K1.1 to fix an offense level and corresponding guideline range  
10 below that otherwise dictated by the sentencing guidelines, and to  
11 recommend a term of imprisonment within this reduced range.

12 DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

13 7. Defendant understands the following:

14 a. Any knowingly false or misleading statement by  
15 defendant will subject defendant to prosecution for false statement,  
16 obstruction of justice, and perjury and will constitute a breach by  
17 defendant of this agreement.

18 b. Nothing in this agreement requires the USAO or any  
19 other prosecuting, enforcement, administrative, or regulatory  
20 authority to accept any cooperation or assistance that defendant may  
21 offer, or to use it in any particular way.

22 c. Defendant cannot withdraw defendant's guilty plea if  
23 the USAO does not make a motion pursuant to U.S.S.G. § 5K1.1 for a  
24 reduced guideline range or if the USAO makes such a motion and the  
25 Court does not grant it or if the Court grants such a USAO motion but  
26 elects to sentence above the reduced range.

27 d. At this time the USAO makes no agreement or  
28 representation as to whether any cooperation that defendant has

1 provided or intends to provide constitutes or will constitute  
2 substantial assistance. The decision whether defendant has provided  
3 substantial assistance will rest solely within the exclusive judgment  
4 of the USAO.

5 e. The USAO's determination whether defendant has  
6 provided substantial assistance will not depend in any way on whether  
7 the government prevails at any trial or court hearing in which  
8 defendant testifies or in which the government otherwise presents  
9 information resulting from defendant's cooperation. That is, whether  
10 any other person, after trial, is found guilty or not guilty of any  
11 offense will have no effect on the government's sentencing  
12 recommendation for defendant.

13 NATURE OF THE OFFENSES

14 8. Defendant understands that for defendant to be guilty of  
15 the crime charged in count one, that is, RICO Conspiracy, in  
16 violation of 18 U.S.C. § 1962(d), the following must be true:

17 a. First, there was an agreement between two or more  
18 persons that: (i) an enterprise, namely, the CD-A Enterprise would  
19 exist, as alleged in the Information; and (ii) a member of the  
20 agreement associated with the CD-A Enterprise would conduct or  
21 participate, directly or indirectly, in the conduct of the CD-A  
22 Enterprise affairs through a pattern of racketeering activity, as  
23 described in the Information;

24 b. Second, defendant became a member of the agreement  
25 knowing of its purpose and agreeing to further or facilitate it; and

26 c. Third, the CD-A Enterprise would or did engage in, or  
27 its activities would or did affect, interstate or foreign commerce.  
28 An "enterprise" includes a group of people associated together for a

1 common purpose of engaging in a course of conduct over a period of  
2 time. "Racketeering activity" refers to the commission of multiple  
3 acts chargeable under provisions of federal and state law listed in  
4 the RICO Act, including Giving or Offering a Bribe, in violation of  
5 California Penal Code § 67, Requesting or Taking a Bribe, in  
6 violation of California Penal Code § 68, Honest Services Fraud  
7 through Mail and Wire Fraud, in violation of 18 U.S.C. §§ 1346, 1341,  
8 and 1343, Money Laundering, in violation of 18 U.S.C. §§ 1956, 1957,  
9 and Obstruction of Justice and Witness Tampering, in violation of 18  
10 U.S.C. § 1512. A "pattern of racketeering activity" is at least two  
11 racketeering acts, the last of which occurred within ten years of the  
12 commission of a prior act of racketeering, that have a relationship  
13 to each other and pose a threat of continuity. Conduct forms a  
14 pattern if it consists of criminal acts that have the same or similar  
15 purposes, results, participants, victims, or methods of commission,  
16 or otherwise are interrelated by distinguishing characteristics and  
17 are not isolated. Defendant admits that defendant is, in fact,  
18 guilty of this offense as described in count one of the Information.

#### 19 PENALTIES

20 9. Defendant understands that the statutory maximum sentence  
21 that the Court can impose for a violation of 18 U.S.C. § 1962(d) is:  
22 20 years' imprisonment; a 3-year period of supervised release; a fine  
23 of \$250,000 or twice the gross gain or gross loss resulting from the  
24 offense, whichever is greatest; and a mandatory special assessment of  
25 \$100.

26 10. Defendant understands that supervised release is a period  
27 of time following imprisonment during which defendant will be subject  
28 to various restrictions and requirements. Defendant understands that

1 if defendant violates one or more of the conditions of any supervised  
2 release imposed, defendant may be returned to prison for all or part  
3 of the term of supervised release authorized by statute for the  
4 offense that resulted in the term of supervised release, which could  
5 result in defendant serving a total term of imprisonment greater than  
6 the statutory maximum stated above.

7 11. Defendant understands that, by pleading guilty, defendant  
8 may be giving up valuable government benefits and valuable civic  
9 rights, such as the right to vote, the right to possess a firearm,  
10 the right to hold office, and the right to serve on a jury.  
11 Defendant understands that he is pleading guilty to a felony and that  
12 it is a federal crime for a convicted felon to possess a firearm or  
13 ammunition. Defendant understands that the conviction in this case  
14 may also subject defendant to various other collateral consequences,  
15 including but not limited to revocation of probation, parole, or  
16 supervised release in another case and suspension or revocation of a  
17 professional license. Defendant understands that unanticipated  
18 collateral consequences will not serve as grounds to withdraw  
19 defendant's guilty plea.

20 FACTUAL BASIS

21 12. Defendant admits that defendant is, in fact, guilty of the  
22 offense to which defendant is agreeing to plead guilty. Defendant  
23 and the USAO agree to the statement of facts attached hereto as  
24 Attachment A and agree that this statement of facts is sufficient to  
25 support a plea of guilty to the charge described in this agreement  
26 and to establish the Sentencing Guidelines factors set forth in  
27 paragraph 14 below but is not meant to be a complete recitation of  
28



all facts relevant to the underlying criminal conduct or all facts known to either party that relate to that conduct.

### SENTENCING FACTORS

13. Defendant understands that in determining defendant's sentence the Court is required to calculate the applicable Sentencing Guidelines range and to consider that range, possible departures under the Sentencing Guidelines, and the other sentencing factors set forth in 18 U.S.C. § 3553(a). Defendant understands that the Sentencing Guidelines are advisory only, that defendant cannot have any expectation of receiving a sentence within the calculated Sentencing Guidelines range, and that after considering the Sentencing Guidelines and the other § 3553(a) factors, the Court will be free to exercise its discretion to impose any sentence it finds appropriate up to the maximum set by statute for the crime of conviction.

14. Defendant and the USAO agree to the following applicable Sentencing Guidelines factors:

|                         |     |  |
|-------------------------|-----|--|
| Base Offense Level:     | 12  | U.S.S.G. §§ 2E1.1(a)(2);<br>2C1.1(a)(1)    |
| More than 1 Bribe:      | +2  | U.S.S.G. § 2C1.1(b)(1)                     |
| Bribe Value >\$550,000: | +14 | U.S.S.G. §§ 2C1.1(b)(2);<br>2B1.1(b)(1)(H) |
| Elected Official:       | +4  | U.S.S.G. § 2C1.1(b)(3)                     |

Defendant and the USAO reserve the right to argue that additional specific offense characteristics, adjustments, and departures under the Sentencing Guidelines are appropriate.

15. Defendant understands that there is no agreement as to defendant's criminal history or criminal history category.

1           16. Defendant and the USAO reserve the right to argue for a  
2 sentence outside the sentencing range established by the Sentencing  
3 Guidelines based on the factors set forth in 18 U.S.C. § 3553(a)(1),  
4 (a)(2), (a)(3), (a)(6), and (a)(7).

5                           WAIVER OF CONSTITUTIONAL RIGHTS

6           17. Defendant understands that by pleading guilty, defendant  
7 gives up the following rights:

8                   a. The right to persist in a plea of not guilty.

9                   b. The right to a speedy and public trial by jury.

10                  c. The right to be represented by counsel - and if  
11 necessary have the Court appoint counsel - at trial. Defendant  
12 understands, however, that, defendant retains the right to be  
13 represented by counsel - and if necessary have the Court appoint  
14 counsel - at every other stage of the proceeding.

15                  d. The right to be presumed innocent and to have the  
16 burden of proof placed on the government to prove defendant guilty  
17 beyond a reasonable doubt.

18                  e. The right to confront and cross-examine witnesses  
19 against defendant.

20                  f. The right to testify and to present evidence in  
21 opposition to the charges, including the right to compel the  
22 attendance of witnesses to testify.

23                  g. The right not to be compelled to testify, and, if  
24 defendant chose not to testify or present evidence, to have that  
25 choice not be used against defendant.

26                  h. Any and all rights to pursue any affirmative defenses,  
27 Fourth Amendment or Fifth Amendment claims, and other pretrial  
28 motions that have been filed or could be filed.

1                                    WAIVER OF APPEAL OF CONVICTION

2            18. Defendant understands that, with the exception of an appeal  
3 based on a claim that defendant's guilty plea was involuntary, by  
4 pleading guilty defendant is waiving and giving up any right to  
5 appeal defendant's conviction on the offense to which defendant is  
6 pleading guilty. Defendant understands that this waiver includes,  
7 but is not limited to, arguments that the statute to which defendant  
8 is pleading guilty is unconstitutional, and any and all claims that  
9 the statement of facts provided herein is insufficient to support  
10 defendant's plea of guilty.

11                                    LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

12            19. Defendant agrees that, provided the Court imposes a total  
13 term of imprisonment of no more than 87 months, defendant gives up  
14 the right to appeal all of the following: (a) the procedures and  
15 calculations used to determine and impose any portion of the  
16 sentence; (b) the term of imprisonment imposed by the Court; (c) the  
17 fine imposed by the Court, provided it is within the statutory  
18 maximum; (d) to the extent permitted by law, the constitutionality or  
19 legality of defendant's sentence, provided it is within the statutory  
20 maximum; (e) the term of probation or supervised release imposed by  
21 the Court, provided it is within the statutory maximum; and (g) any  
22 of the following conditions of probation or supervised release  
23 imposed by the Court: the conditions set forth in General Order 20-04  
24 of this Court; the drug testing conditions mandated by 18 U.S.C.  
25 §§ 3563(a)(5) and 3583(d).

26            20. The USAO agrees that, provided all portions of the sentence  
27 are at or below the statutory maximum specified above, the USAO gives  
28 up its right to appeal any portion of the sentence.

1                                    RESULT OF WITHDRAWAL OF GUILTY PLEA

2            21. Defendant agrees that if, after entering a guilty plea  
3 pursuant to this agreement, defendant seeks to withdraw and succeeds  
4 in withdrawing defendant's guilty plea on any basis other than a  
5 claim and finding that entry into this plea agreement was  
6 involuntary, then (a) the USAO will be relieved of all of its  
7 obligations under this agreement, including in particular its  
8 obligations regarding the use of Cooperation Information; (b) in any  
9 investigation, criminal prosecution, or civil, administrative, or  
10 regulatory action, defendant agrees that any Cooperation Information  
11 and any evidence derived from any Cooperation Information shall be  
12 admissible against defendant, and defendant will not assert, and  
13 hereby waives and gives up, any claim under the United States  
14 Constitution, any statute, or any federal rule, that any Cooperation  
15 Information or any evidence derived from any Cooperation Information  
16 should be suppressed or is inadmissible.

17                                    EFFECTIVE DATE OF AGREEMENT

18            22. This agreement is effective upon signature and execution of  
19 all required certifications by defendant, defendant's counsel, and an  
20 Assistant United States Attorney.

21                                    BREACH OF AGREEMENT

22            23. Defendant agrees that if defendant, at any time after the  
23 signature of this agreement and execution of all required  
24 certifications by defendant, defendant's counsel, and an Assistant  
25 United States Attorney, knowingly violates or fails to perform any of  
26 defendant's obligations under this agreement ("a breach"), the USAO  
27 may declare this agreement breached. For example, if defendant  
28 knowingly, in an interview, before a grand jury, or at trial, falsely

1 accuses another person of criminal conduct or falsely minimizes  
2 defendant's own role, or the role of another, in criminal conduct,  
3 defendant will have breached this agreement. All of defendant's  
4 obligations are material, a single breach of this agreement is  
5 sufficient for the USAO to declare a breach, and defendant shall not  
6 be deemed to have cured a breach without the express agreement of the  
7 USAO in writing. If the USAO declares this agreement breached, and  
8 the Court finds such a breach to have occurred, then:

9           a. If defendant has previously entered a guilty plea  
10 pursuant to this agreement, defendant will not be able to withdraw  
11 the guilty plea.

12           b. The USAO will be relieved of all its obligations under  
13 this agreement; in particular, the USAO: (i) will no longer be bound  
14 by any agreements concerning sentencing and will be free to seek any  
15 sentence up to the statutory maximum for the crime to which defendant  
16 has pleaded guilty; and (iii) will no longer be bound by any  
17 agreement regarding the use of Cooperation Information and will be  
18 free to use any Cooperation Information in any way in any  
19 investigation, criminal prosecution, or civil, administrative, or  
20 regulatory action.

21           c. The USAO will be free to criminally prosecute  
22 defendant for false statement, obstruction of justice, and perjury  
23 based on any knowingly false or misleading statement by defendant.

24           d. In any investigation, criminal prosecution, or civil,  
25 administrative, or regulatory action: (i) defendant will not assert,  
26 and hereby waives and gives up, any claim that any Cooperation  
27 Information was obtained in violation of the Fifth Amendment  
28 privilege against compelled self-incrimination; and (ii) defendant

1 agrees that any Cooperation Information and any Plea Information, as  
2 well as any evidence derived from any Cooperation Information or any  
3 Plea Information, shall be admissible against defendant, and  
4 defendant will not assert, and hereby waives and gives up, any claim  
5 under the United States Constitution, any statute, Rule 410 of the  
6 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of  
7 Criminal Procedure, or any other federal rule, that any Cooperation  
8 Information, any Plea Information, or any evidence derived from any  
9 Cooperation Information or any Plea Information should be suppressed  
10 or is inadmissible.

11 COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES

12 OFFICE NOT PARTIES

13 24. Defendant understands that the Court and the United States  
14 Probation and Pretrial Services Office are not parties to this  
15 agreement and need not accept any of the USAO's sentencing  
16 recommendations or the parties' agreements to facts or sentencing  
17 factors.

18 25. Defendant understands that both defendant and the USAO are  
19 free to: (a) supplement the facts by supplying relevant information  
20 to the United States Probation and Pretrial Services Office and the  
21 Court, (b) correct any and all factual misstatements relating to the  
22 Court's Sentencing Guidelines calculations and determination of  
23 sentence, and (c) argue on appeal and collateral review that the  
24 Court's Sentencing Guidelines calculations and the sentence it  
25 chooses to impose are not error, although each party agrees to  
26 maintain its view that the calculations in paragraph 14 are  
27 consistent with the facts of this case. This paragraph permits both  
28 the USAO and defendant to submit full and complete factual

1 information to the United States Probation and Pretrial Services  
2 Office and the Court, even if that factual information may be viewed  
3 as inconsistent with the Factual Basis agreed to in this agreement.

4       26. Defendant understands that even if the Court ignores any  
5 sentencing recommendation, finds facts or reaches conclusions  
6 different from those agreed to, and/or imposes any sentence up to the  
7 maximum established by statute, defendant cannot, for that reason,  
8 withdraw defendant's guilty plea, and defendant will remain bound to  
9 fulfill all defendant's obligations under this agreement. Defendant  
10 understands that no one -- not the prosecutor, defendant's attorney,  
11 or the Court -- can make a binding prediction or promise regarding  
12 the sentence defendant will receive, except that it will be within  
13 the statutory maximum.

14                               NO ADDITIONAL AGREEMENTS

15       27. Defendant understands that, except as set forth herein,  
16 there are no promises, understandings, or agreements between the USAO  
17 and defendant or defendant's attorney, and that no additional  
18 promise, understanding, or agreement may be entered into unless in a  
19 writing signed by all parties or on the record in court.

20 //

21 //

22 //

23 //

24 //

25 //

26 //

27 //

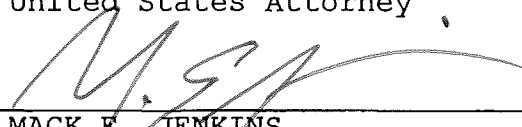
PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

28. The parties agree that this agreement will be considered part of the record of defendant's guilty plea hearing as if the entire agreement had been read into the record of the proceeding.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE  
FOR THE CENTRAL DISTRICT OF  
CALIFORNIA

NICOLA T. HANNA  
United States Attorney

  
MACK E. JENKINS  
VERONICA DRAGALIN  
Assistant United States Attorneys

5/21/20  
Date

  
GEORGE ESPARZA  
Defendant

5/21/20  
Date

  
TERRENCE JONES  
Attorney for Defendant  
GEORGE ESPARZA

MAY 21, 2020  
Date



CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me other than those contained in this agreement. No one has threatened or forced me in any way to enter into this agreement. I am satisfied with the representation of my attorney in this matter, and I am pleading guilty because I am guilty of the charge and wish to take advantage of the promises set forth in this agreement, and not for any other reason.

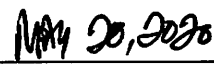
  
\_\_\_\_\_  
GEORGE ESPARZA  
Defendant

5/21/20  
\_\_\_\_\_  
Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am GEORGE ESPARZA's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of his rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of a guilty plea pursuant to this agreement.

  
\_\_\_\_\_  
TERRENCE JONES  
Attorney for Defendant  
GEORGE ESPARZA

  
\_\_\_\_\_  
Date

**ATTACHMENT A**

**FACTUAL BASIS**

**A. The CD-A Enterprise**

1. Throughout the period described in the attached Information, the Council District A Enterprise ("CD-A Enterprise"), located in the City of Los Angeles ("the City"), is and was a criminal enterprise composed of a group of individuals associated for a common purpose of engaging in a course of conduct, which course includes bribery, extortion, honest services fraud, money laundering, structuring, and obstruction of justice, to achieve the goals of the enterprise. The goals of the CD-A Enterprise included, but were not limited to:

a. enriching the members and associates of the CD-A Enterprise;

b. advancing the political goals and maintaining the control and authority of the CD-A Enterprise by elevating members and associates of the CD-A Enterprise to, and maintaining those individuals' placement in, prominent political positions;

c. concealing the financial activities of the CD-A Enterprise through money laundering and structuring; and

d. protecting the CD-A Enterprise by obstructing justice.

2. The CD-A Enterprise was led by Councilmember A, Councilmember for CD-A, who had jurisdiction over a large number of development projects undergoing the application and approval process in the City. Members and associates of the CD-A Enterprise conspired with one another to facilitate bribery schemes that would provide Councilmember A and other City officials financial benefits and keep

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1 Councilmember A in power and maintain the CD-A Enterprise's political  
2 stronghold in the City.

3 3. In exchange, Councilmember A and members and associates of  
4 the CD-A Enterprise would take official action to ensure certain  
5 development projects and CD-A Enterprise associates received favored  
6 treatment from the City and thereby secure their bribe-financed  
7 influence. In addition, members and associates of the CD-A  
8 Enterprise sought political contributions from developers and their  
9 proxies (e.g., lobbyists, consultants, etc.) to benefit Councilmember  
10 A and allies in exchange for official acts to benefit those  
11 developers and their proxies.

12 4. In order to protect and hide the financial payments that  
13 flowed from the developers and their proxies to the public officials,  
14 members and associates of the CD-A Enterprise engaged in money  
15 laundering and other illegal activities to conceal monetary  
16 transactions and bribe payments.

17 5. In order to protect the CD-A Enterprise and avoid law  
18 enforcement detection, members and associates of the CD-A Enterprise  
19 engaged in the following types of obstructive conduct: (1) lying to  
20 law enforcement in an effort to impede the investigation into  
21 criminal conduct of the CD-A Enterprise; and (2) attempting to  
22 corruptly influence the statements of others to law enforcement.

23 6. As a result of its bribery, extortion, honest services  
24 fraud, money laundering, and structuring conduct, throughout the  
25 period described in the attached Information, and as known to  
26 defendant ESPARZA, CD-A Enterprise members and associates engaged in,  
27 and their activities in some way affected, commerce between one state  
28 and another state.

1 **B. Defendant's Role in the CD-A Enterprise**

2 7. Beginning no later than February 2013, and continuing at  
3 least until November 2018, defendant ESPARZA was a member of the CD-A  
4 Enterprise. In that capacity, defendant ESPARZA conspired and agreed  
5 with other CD-A Enterprise members that a conspirator would commit at  
6 least two racketeering acts, in the form of conspiracy to commit  
7 bribery, honest services fraud, and structuring, which acts had a  
8 relationship to one another and the CD-A Enterprise, and posed a  
9 threat of continued criminal activity. Defendant ESPARZA became a  
10 member of this conspiracy knowing of this object, knowing it was  
11 illegal, and intending to help accomplish it.

12 8. Defendant ESPARZA was Councilmember A's Special Assistant  
13 and an employee of the City from September 2009 until December 31,  
14 2017.

15 9. Defendant ESPARZA, along with other members and associates  
16 of the CD-A Enterprise, operated and helped to operate a pay-to-play  
17 scheme within the City, wherein public officials solicited and  
18 demanded direct and indirect financial benefits from developers and  
19 their proxies in exchange for official acts. In exchange for such  
20 financial benefits from developers and their proxies, defendant  
21 ESPARZA and Councilmember A agreed to perform and performed the  
22 following types of official acts, among others: (1) filing motions  
23 and voting on projects in various City committees, including City  
24 Council; (2) taking, or not taking, action on the Planning and Land  
25 Use Management ("PLUM") Committee to influence the approval process  
26 and project costs; (3) negotiating with and exerting pressure on  
27 labor unions and other City entities to resolve issues on projects;  
28 (4) exerting pressure on developers with projects pending before the

1 City to affect their business practices; and (5) taking official  
2 action to enhance the professional reputation and marketability of  
3 businesspersons in the City.

4 10. Also in furtherance of the racketeering conspiracy,  
5 defendant ESPARZA facilitated and participated in at least the  
6 following schemes:

7 1. Project E Bribery Scheme

8 11. In or around February 2013, Individual 1, then the Interim  
9 General Manager of the Los Angeles Department of Building and Safety  
10 ("LADBS"), introduced defendant ESPARZA and Councilmember A to  
11 Chairman E at a dinner in Los Angeles, California. Chairman E, a  
12 Chinese national and billionaire, owned Company E, one of China's  
13 leading real estate development companies. Chairman E also owned  
14 Property E, located in CD-A, and another property, located in another  
15 Council District in the City.

16 12. Between March 2013 and November 2018, Chairman E, aided and  
17 abetted by Individual 1 and others, provided financial benefits  
18 directly and indirectly to defendant ESPARZA and Councilmember A, in  
19 exchange for defendant ESPARZA's and Councilmember A's assistance to  
20 Chairman E and Company E in Councilmember A's official capacity as a  
21 City Councilmember on an ongoing and as-needed basis and related to  
22 specific matters. Defendant ESPARZA, Councilmember A, Chairman E,  
23 Individual 1, and others established a mutually beneficial agreement  
24 to exchange a stream of benefits for official acts and to further the  
25 CD-A Enterprise's goals. Specifically, Chairman E provided defendant  
26 ESPARZA and Councilmember A financial benefits in over a dozen trips  
27 to casinos in Las Vegas and Australia. Between June 2014 and January  
28 2018, defendant ESPARZA personally accepted at least approximately

1 \$32,000 in gambling chips, plus flights on private jets and  
2 commercial airlines, stays at luxurious hotels, expensive meals and  
3 alcohol, spa services, event tickets, and escort services from  
4 Chairman E.

5 13. For example, on January 1, 2016, defendant ESPARZA,  
6 Councilmember A, Chairman E, and Executive Director E, Chairman E's  
7 right hand man, traveled to Australia (the "January 2016 Australia  
8 trip"), where defendant ESPARZA and Councilmember A accepted  
9 financial benefits from Chairman E, including private jet flights for  
10 defendant ESPARZA, a \$10,980 commercial airline ticket for  
11 Councilmember A, hotels, meals, alcohol, and other expenses. In  
12 addition, Chairman E provided defendant ESPARZA and Councilmember A  
13 casino chips, which defendant ESPARZA and Councilmember A cashed out  
14 in Australian dollars.

15 14. After the January 2016 Australia trip, defendant ESPARZA  
16 and Councilmember A discussed evading bank reporting requirements in  
17 converting Australian dollars to American dollars in an effort to  
18 conceal their financial relationship with Chairman E, to avoid law  
19 enforcement detection, and to protect the CD-A Enterprise.  
20 Specifically, on February 8, 2016 and February 9, 2016, defendant  
21 ESPARZA and Councilmember A had a conversation via text message  
22 regarding evading bank reporting requirements when converting  
23 Australian dollars they received from Chairman E. Defendant ESPARZA  
24 told Councilmember A about the exchange rate, adding: "They are  
25 asking me for my drivers license and social security for IRS record.  
26 Do you think it's fine to leave my info?" Councilmember A responded:  
27 "No. Maybe we can change a little at a time...under 10 k in future."  
28 Councilmember A also wrote: "Don't exchange if they are asking u for

1 all that info." Councilmember A later instructed defendant ESPARZA  
2 by text message: "Go to the other place tomorrow and take 9 k. See if  
3 they change 9 k without getting your social security number."  
4 Councilmember A added: "Even if they take your social security, it  
5 doesn't mean that they will report to irs. They probably will just  
6 keep it for their records but not do anything with tax reporting."  
7 Defendant ESPARZA responded: "Ok cool. I'll go tomorrow." Defendant  
8 ESPARZA later wrote: "I exchanged 10k today. Will do another  
9 tomorrow. If it's under 10k, they will not report."

10 15. Between approximately July 2014 and September 2014,  
11 Chairman E, at Individual 1's urging and with defendant ESPARZA's  
12 knowledge, facilitated the payment of \$600,000 to help Councilmember  
13 A privately and confidentially resolve a sexual harassment lawsuit  
14 filed against Councilmember A during the time Councilmember A was  
15 facing re-election. Specifically, on June 7, 2013, a sexual  
16 harassment lawsuit was filed against Councilmember A by a former CD-A  
17 employee. Thereafter, Councilmember A, Chairman E, and Individual 1  
18 orchestrated an arrangement whereby Chairman E secured \$600,000 in  
19 collateral for Councilmember A to obtain a personal loan from a bank  
20 for \$570,000 to privately pay the sexual harassment settlement and  
21 legal fees and resolve it without publicly disclosing details.  
22 Defendant ESPARZA and Executive Director E, on behalf of Chairman E,  
23 facilitated the arrangement. Councilmember A expressed to defendant  
24 ESPARZA the need to conceal this arrangement, including concealing  
25 the fact that Chairman E was the source of the \$600,000 collateral.

26 16. In exchange for the \$600,000 collateral for Councilmember  
27 A's personal loan, Chairman E asked for a series of benefits from  
28 defendant ESPARZA and Councilmember A during the time Chairman E was  
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1 also supplying financial benefits to defendant ESPARZA and  
2 Councilmember A.

3 17. For example, in 2014, to benefit Chairman E's reputation in  
4 the City's business community, Councilmember A introduced and signed  
5 a resolution before the City Council recognizing Chairman E for  
6 Chairman E's achievements and contributions to the economy of CD-A,  
7 which the City Council signed and adopted.

8 18. Most significantly, Chairman E provided bribes to defendant  
9 ESPARZA and Councilmember A because, as the Chair of the PLUM  
10 Committee and CD-A Councilmember, Councilmember A was poised to  
11 significantly benefit Chairman E's desire and plans to redevelop  
12 Property E and transform it into a 77-story skyscraper, making it the  
13 tallest building west of the Mississippi River ("Project E").  
14 Project E would require official acts from Councilmember A at various  
15 stages of the City approval process.

16 19. On August 4, 2016, Councilmember A, Individual 1, senior  
17 officials from the Planning Department, and senior CD-A staff members  
18 met with Chairman E and his team to discuss Project E, including  
19 Chairman E's interest in pursuing Transient Occupancy Tax ("TOT")  
20 rebates, Transfer of Floor Area Rights ("TFAR"), and other incentives  
21 from the City.

22 20. In or around August 2016, on a private jet flight back from  
23 Las Vegas, Chairman E requested Councilmember A's assistance in  
24 hiring a consultant on Project E. Thereafter, on August 15, 2016,  
25 defendant ESPARZA texted Councilmember A regarding Project E:  
26 "Reminder boss to decide what land use expeditors you want to  
27 recommend to the Chairman [E]."  
28

1           21. On December 16, 2016, defendant ESPARZA forwarded an e-mail  
2 to Councilmember A from City Staffer A-2, a CD-A staff member,  
3 listing a number of consultants, writing: "Hi Boss, Here is the list  
4 of land use consultants per [City Staffer A-2]'s past  
5 recommendations. Chairman [E] would like us to schedule interviews  
6 on Monday."

7           22. On April 27, 2017, in a telephone call between defendant  
8 ESPARZA and Executive Director E, the two discussed a proposed  
9 consultant for Project E. Defendant ESPARZA stated: "So, remember,  
10 the Chairman [E] was gonna hire [a specific consultant]? ...  
11 [Councilmember A] wanted me to tell the Chairman [E] not to hire him  
12 anymore." When Executive Director E asked why, defendant ESPARZA  
13 responded: "Because, ah, [Councilmember A] can't trust him ... he's  
14 too loyal to another elected official.... So [Councilmember A]  
15 doesn't think it's a good idea, it's not a good idea to, to put him  
16 on the project."

17           23. Chairman E brought up Project E on numerous occasions in  
18 the presence of defendant ESPARZA and Councilmember A. Chairman E,  
19 through translation provided by Executive Director E, expressed to  
20 Councilmember A that Chairman E wanted to build the tallest tower  
21 west of the Mississippi. In response, Councilmember A expressed  
22 support of the project.

23           24. On May 9, 2017, in a telephone call, defendant ESPARZA and  
24 Executive Director E discussed the relationship between Chairman E  
25 and Councilmember A. Executive Director E stated that Chairman E  
26 expected to lay everything in front of Councilmember A at an upcoming  
27 trip to Cabo San Lucas, which defendant ESPARZA understood to refer  
28 to the assistance Chairman E expected from Councilmember A on Project  
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1 E. Executive Director E added that Chairman E was "going to make  
2 [Councilmember A] think that, make it, otherwise Chairman [E] ask him  
3 to, uh, pay back that \$600,000 already. Last night." When defendant  
4 ESPARZA stated that "[Councilmember A]'s not going to do that  
5 either," Executive Director E responded: "Chairman [E] will push  
6 him." According to Executive Director E, Chairman E raised this  
7 issue with Councilmember A the previous evening at the same time that  
8 Chairman E told Councilmember A that Chairman E heard from multiple  
9 sources that the FBI was looking into Councilmember A.

10 25. On May 9, 2017, in a telephone call between defendant  
11 ESPARZA and another CD-A staffer, defendant ESPARZA stated: "Chairman  
12 [E] should have all the leverage in the world [be]cause of what  
13 [Councilmember A] owes [Chairman E]." Defendant ESPARZA meant that  
14 Chairman E expected Councilmember A's assistance on Project E, or any  
15 other requested assistance, from Councilmember A because of the  
16 financial benefits Chairman E had provided to Councilmember A.

17 2. Project C Bribery Scheme

18 26. In the summer of 2016, Labor Organization A filed an appeal  
19 requesting to suspend all activity to implement one of Developer C's  
20 development projects, Project C, that required City approval until  
21 Project C was brought into compliance with the requirements of the  
22 California Environmental Quality Act ("CEQA") by correcting certain  
23 deficiencies (the "appeal"). The appeal prevented Project C from  
24 progressing through the rest of the City approval processes,  
25 including approvals by the PLUM Committee and City Council.

26 27. Between August 2016 and July 2017, Developer C agreed to  
27 fund a \$500,000 cash bribe designed to benefit Councilmember A,  
28 through defendant ESPARZA and Justin Kim ("Kim"), in exchange for

1 Councilmember A's assistance on Project C. Developer C, through Kim,  
2 initially provided \$400,000 in cash that Developer C intended for  
3 Councilmember A between February and March 2017. Councilmember A  
4 directed defendant ESPARZA to hold on to \$200,000 of the total bribe  
5 payment for Councilmember A. Defendant ESPARZA and Kim each kept a  
6 portion of the remaining \$200,000 bribe payment for themselves as  
7 kickbacks for facilitating the bribe. In exchange, Developer C,  
8 through Kim and defendant ESPARZA, sought to use Councilmember A's  
9 influence as the Councilmember of CD-A and Chair of the PLUM  
10 Committee to pressure Labor Organization A to withdraw, abandon, or  
11 otherwise lose its appeal opposing Project C, thereby allowing the  
12 project to move forward in its City approval process.

13 28. On September 1, 2016, defendant ESPARZA, Kim, and  
14 Councilmember A had dinner together and then visited a Korean karaoke  
15 establishment in Los Angeles. During the karaoke meeting, Kim asked  
16 Councilmember A for assistance with the appeal on Project C, and  
17 Councilmember A agreed to help. Kim then called Developer C and  
18 asked him to join the group at karaoke, which Developer C did.

19 29. On September 2, 2016, defendant ESPARZA and Kim met for  
20 lunch in Los Angeles. At Councilmember A's direction, defendant  
21 ESPARZA expressed to Kim that Councilmember A would not help Project  
22 C for free and that Councilmember A's help would require a financial  
23 benefit in exchange for help ensuring Project C moved forward through  
24 the City approval process.

25 30. On January 17, 2017, defendant ESPARZA, Councilmember A,  
26 Kim, and Developer C's business associates met at Councilmember A's  
27 City Hall office to discuss, among other things, Project C. During a  
28 private meeting that included only defendant ESPARZA, Councilmember

1 A, and Kim, Kim again asked Councilmember A for assistance with the  
2 appeal, and Councilmember A responded that he could help.

3 31. In or around January 2017, at the direction of  
4 Councilmember A, defendant ESPARZA learned that resolving the appeal  
5 on Project C would save Developer C an estimated \$30 million on  
6 development costs.

7 32. In or around January 2017, based on conversations with  
8 Councilmember A and Lobbyist C, defendant ESPARZA told Kim that it  
9 would cost approximately \$1.2 million to \$1.4 million to get  
10 Councilmember A to resolve the appeal and allow Project C to move  
11 forward in the City approval process.

12 33. Between February 2, 2017 and February 10, 2017, defendant  
13 ESPARZA had individual text message conversations with Councilmember  
14 A and Kim, discussing the negotiation of the bribe payment and the  
15 amount of the bribe payment from Developer C to Councilmember A.

16 34. In approximately February 2017, defendant ESPARZA and Kim  
17 had discussions regarding the negotiation of the bribe amount. Kim  
18 conveyed a counteroffer of \$500,000 cash from Developer C for  
19 Councilmember A. Defendant ESPARZA then conveyed this counteroffer  
20 to Councilmember A.

21 35. In approximately February 2017, defendant ESPARZA and Kim  
22 met at a restaurant in Los Angeles to discuss the bribe amount.  
23 Defendant ESPARZA and Kim discussed that Developer C agreed to pay  
24 \$500,000 in cash in exchange for Councilmember A's assistance in  
25 resolving the appeal so that Project C could move forward in the City  
26 approval process, including approvals by the PLUM Committee and City  
27 Council. Thereafter, defendant ESPARZA conveyed this agreed-upon  
28 bribe payment amount to Councilmember A, stating specifically that

1 Councilmember A would get \$300,000 total and Kim would get \$200,000  
2 total for facilitating the bribery scheme.

3 36. In approximately February and March 2017, defendant ESPARZA  
4 and Councilmember A discussed the appeal. Councilmember A instructed  
5 defendant ESPARZA to speak to Lobbyist C, a close associate of the  
6 Executive Director of Labor Organization A. Subsequently,  
7 Councilmember A told defendant ESPARZA that Councilmember A discussed  
8 the appeal with Lobbyist C. Councilmember A conveyed to Lobbyist C  
9 that Councilmember A would oppose the appeal in the PLUM committee.  
10 Lobbyist C agreed to discuss the issue with the Executive Director of  
11 Labor Organization A.

12 37. On February 14, 2017, defendant ESPARZA had a text message  
13 conversation with Lobbyist C about setting up a private meeting  
14 between Lobbyist C and Councilmember A. Specifically, defendant  
15 ESPARZA wrote: "My boss [Councilmember A] asked if you guys can have  
16 a one on one on Tuesday at 830am?... Just you and the Councilman."

17 38. On February 22, 2017, defendant ESPARZA had a text message  
18 conversation with Lobbyist C about another private meeting at  
19 Councilmember A's request. Specifically, defendant ESPARZA wrote:  
20 "Hi [Lobbyist C], free tomorrow to meet? Councilman asked me to meet  
21 with you." Lobbyist C responded: "Yea." Defendant ESPARZA then  
22 replied: "I still need to talk to you one on one per my bosses  
23 [Councilmember A] request." Lobbyist C responded: "No problem."

24 39. On March 1, 2017, defendant ESPARZA had a text message  
25 conversation with Lobbyist C regarding the appeal. Specifically,  
26 defendant ESPARZA asked: "Everything good?" Lobbyist C then replied:  
27 "Think so, You?" Defendant ESPARZA responded: "Yes sir.. just  
28 checking in."

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1        40. On March 3, 2017, Lobbyist C sent defendant ESPARZA a text  
2 message regarding the appeal on Project C, writing: "Appeal dropped  
3 today." Defendant ESPARZA then informed Kim that Councilmember A had  
4 held up Councilmember A's end of the bargain and helped resolve the  
5 appeal.

6        41. On March 14, 2017, defendant ESPARZA and Councilmember A  
7 met at Councilmember A's residence. Defendant ESPARZA told  
8 Councilmember A that Developer C had provided \$400,000 in cash to  
9 date, and that Developer C would provide the remaining \$100,000  
10 later. Defendant ESPARZA stated that Kim had provided \$200,000 of  
11 that cash to defendant ESPARZA. At the meeting, defendant ESPARZA  
12 showed Councilmember A a liquor box filled with approximately  
13 \$200,000 cash. Councilmember A told defendant ESPARZA to hold on to  
14 and hide the money at defendant ESPARZA's residence until  
15 Councilmember A asked for it. Defendant ESPARZA understood this was  
16 because Councilmember A wanted to hide the money. Councilmember A  
17 told defendant ESPARZA that defendant ESPARZA could have \$100,000 of  
18 the \$300,000 total amount Councilmember A expected to receive from  
19 Developer C.

20        42. In or around July 2017, defendant ESPARZA asked Executive  
21 Director E to hold on to approximately \$250,000 in cash for defendant  
22 ESPARZA because defendant ESPARZA feared that law enforcement would  
23 search his residence and find the illicit cash. This cash was  
24 comprised of the cash provided by Kim as part of the Project C  
25 bribery scheme for Councilmember A and defendant ESPARZA and  
26 additional cash defendant ESPARZA received from Chairman E and  
27 Businessperson A, as discussed below. Executive Director E agreed to  
28 hide the cash for defendant ESPARZA.



1           43. On December 28, 2017, defendant ESPARZA and Councilmember A  
2 met at City Hall and, in Councilmember A's private bathroom,  
3 discussed various topics, including defendant ESPARZA's interviews  
4 with the FBI, and the cash bribe defendant ESPARZA was holding for  
5 Councilmember A. Specifically, during that conversation,  
6 Councilmember A stated: "And secondly, um, look, uh, I have a lot of  
7 expenses now that with [Relative A-1] running, [Relative A-1]'s not  
8 going to be working anymore. I'm gonna need money. Um, that is  
9 mine, right? That is mine." Defendant ESPARZA understood that  
10 Councilmember A was referring to the \$200,000 cash bribe payment from  
11 Developer C via Kim that Councilmember A had asked defendant ESPARZA  
12 to hide at defendant ESPARZA's residence. Defendant ESPARZA affirmed  
13 the bribe money was for Councilmember A. Defendant ESPARZA and  
14 Councilmember A agreed to wait until April 1, 2018, for defendant  
15 ESPARZA to provide the \$200,000 cash owed to Councilmember A, to  
16 allow some cooling off period after defendant ESPARZA's interviews  
17 with the FBI in hopes that it would decrease the likelihood of law  
18 enforcement discovering the cash. However, defendant ESPARZA never  
19 gave Councilmember A the outstanding \$200,000 cash because defendant  
20 ESPARZA was concerned about the FBI corruption investigation, so  
21 instead defendant ESPARZA gave the money to Executive Director E to  
22 hide.

23           3. Businessperson A Retainer Payment Scheme

24           44. Businessperson A was a business owner with businesses  
25 operating in CD-A. Defendant ESPARZA and Councilmember A met  
26 Businessperson A in approximately 2016 or 2017 through Chairman E and  
27 Executive Director E. Businessperson A requested assistance from  
28 defendant ESPARZA and Councilmember A to enhance Businessperson A's



1 financial prospects. Specifically, Businessperson A asked defendant  
2 ESPARZA and Councilmember A to use their official positions to make  
3 introductions to developers and advocate that such developers use  
4 Businessperson A's business.

5 45. In order to facilitate this scheme, Businessperson A  
6 provided defendant ESPARZA retainer payments for his services.  
7 Specifically, from approximately January 2017 to June 2017, defendant  
8 ESPARZA accepted approximately \$8,000 to \$10,000 in cash from  
9 Businessperson A on a monthly basis in exchange for defendant ESPARZA  
10 arranging meetings for Businessperson A with developers in the City.  
11 On several occasions, Businessperson A provided the cash to defendant  
12 ESPARZA in the bathroom during meetings in restaurants.

13 4. Businessperson A Funds June 2017 Las Vegas Trip

14 46. On or around June 1, 2017, defendant ESPARZA traveled to  
15 Las Vegas with, among others, Businessperson A, then CD-12  
16 Councilmember Mitchell Englander, City Staffer B, Lobbyist A, and  
17 Developer A (the "June 2017 Las Vegas trip"). During the June 2017  
18 Las Vegas Trip, defendant ESPARZA, Englander, City Staffer B, and  
19 others each received at least the following benefits directly or  
20 indirectly (via hotel "comps") from Businessperson A: a hotel room at  
21 a Las Vegas Casino and Hotel, transportation to and from the hotel,  
22 casino chips to gamble, dinner and drinks at the hotel restaurant  
23 totaling approximately \$2,481 (for the group), bottle service at a  
24 nightclub for which Businessperson A paid approximately \$25,000 and  
25 Developer A paid an approximately additional \$10,000 (for the group  
26 and others).

27 47. After the group returned to their hotel in the early  
28 morning of June 2, 2017, Businessperson A told defendant ESPARZA and  
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1 Englander that Businessperson A was going to order female escorts to  
2 come to their hotel. When two escorts arrived to the hotel,  
3 Businessperson A paid approximately \$300-400 in cash for the escorts'  
4 services for Businessperson A and defendant ESPARZA and instructed  
5 one of the escorts to go to Englander's hotel room to provide him  
6 escort services.

7 48. On or about June 5, 2017, defendant ESPARZA and  
8 Councilmember A discussed the June 2017 Las Vegas trip in a telephone  
9 call. Specifically, Councilmember A asked about the use of escorts  
10 during the trip, referring to "girls" that defendant ESPARZA and  
11 Businessperson A sent to Englander. Defendant ESPARZA confirmed the  
12 use of escorts during the trip.

13 **C. FBI's Interviews of Defendant ESPARZA**

14 49. On June 20, 2017, the FBI interviewed defendant ESPARZA  
15 regarding a public corruption investigation. At the beginning of  
16 this interview, defendant ESPARZA was advised that lying to the FBI  
17 was a crime. During the interview, defendant ESPARZA falsely stated  
18 that he had no knowledge of any City official helping on a project in  
19 exchange for money, gifts, or campaign contributions. During the  
20 interview, the FBI told defendant ESPARZA there was a Grand Jury  
21 investigation and asked defendant ESPARZA not to reveal the interview  
22 to others because it may negatively impact the federal investigation.  
23 Defendant ESPARZA told the FBI he understood he should not reveal  
24 such information to others.

25 50. Nevertheless, on June 20, 2017, the same day as his first  
26 FBI interview, and in the days shortly thereafter, defendant ESPARZA  
27 disclosed to numerous associates, including Councilmember A, Kim, and  
28 Executive Director E, that he was interviewed by the FBI. For

1 example, on June 20, 2017, defendant ESPARZA told Councilmember A  
2 about his interview with the FBI. Councilmember A was worried that  
3 the FBI would ask questions about Businessperson A and Chairman E.  
4 Councilmember A instructed defendant ESPARZA not to tell anyone that  
5 defendant ESPARZA disclosed information to Councilmember A about the  
6 FBI interview.

7 51. On July 1, 2017, the FBI again interviewed defendant  
8 ESPARZA. At the beginning of this interview, defendant ESPARZA was  
9 advised that lying to the FBI was a crime. During the second FBI  
10 interview, defendant ESPARZA falsely stated that: (1) other than the  
11 June 2017 Las Vegas trip with then-Councilmember Englander, defendant  
12 ESPARZA was not aware of any chip sharing with any other  
13 councilmember in Las Vegas; (2) Councilmember A told defendant  
14 ESPARZA to be cooperative with and not hide information from the FBI;  
15 (3) Executive Director E had no City business with defendant ESPARZA;  
16 (4) Kim did not have City business with defendant ESPARZA; and (5)  
17 defendant ESPARZA did not know of anyone paying money to City  
18 officials.

19 52. On July 12, 2017, defendant ESPARZA and Kim met in person  
20 in a car near defendant ESPARZA's residence, and then drove around in  
21 the car. During this meeting, defendant ESPARZA and Kim discussed  
22 the content of their recent respective FBI interviews, in which both  
23 defendant ESPARZA and Kim lied to the FBI and deliberately failed to  
24 disclose information regarding the Project C bribery scheme. During  
25 this meeting, Kim asked if defendant ESPARZA wanted the remaining  
26 \$100,000 from Developer C. Due to defendant ESPARZA's concern that  
27 the FBI investigation was closing in on him and Councilmember A,  
28

1 defendant ESPARZA declined to take possession of the outstanding  
2 bribery money at that time.

3 **D. Defendant ESPARZA's Concealment of Benefits**

4 53. Defendant ESPARZA did not report any of the financial  
5 benefits from Chairman E, Developer C, Kim, or Businessperson A as  
6 gifts on his applicable Form 700s.