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UNITED STATES OF AMERICA

11 UNITED STATES DISTRICT COURT
12 FOR THE CENTRAL DISTRICT OF CALIFORNIA

13 UNITED STATES OF AMERICA,

14 Plaintiff,

15 v.

16 PAUL O. PARADIS,

17 Defendant.

No. CR 21-540-SB

GOVERNMENT'S SENTENCING
MEMORANDUM; EXHIBIT A

[PUBLIC VERSION]

Hearing Date: June 27, 2023
Hearing Time: 8:00 a.m.
Location: Courtroom of the Hon.
Stanlev Blumenfeld Jr.

19
20 Plaintiff United States of America, by and through its counsel of record, the
21 United States Attorney for the Central District of California and Assistant United States
22 Attorneys J. Jamari Buxton and Susan S. Har, hereby files its sentencing memorandum
23 for defendant Paul O. Paradis.
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1 This sentencing memorandum is based upon the attached memorandum of points
2 and authorities, supporting exhibit, the files and records in this case, and such further
3 evidence and argument as the Court may permit.

4 Dated: June 13, 2023

Respectfully submitted,

5 E. MARTIN ESTRADA
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7 Assistant United States Attorney
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8
9 /s/
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 The City of Los Angeles’ (the “City”) hiring of defendant Paul Paradis as Special
4 Counsel in late 2014 spawned a tidal wave of criminal acts, corruption, and unethical
5 conduct that infected not only the City Attorney’s Office, which appointed defendant to
6 represent the City in litigation related to a botched billing system, but also the Los
7 Angeles Department of Water and Power (“LADWP”), the largest public utility in the
8 country, whose customers were wildly overbilled by the faulty system, and its powerful
9 Board of Commissioners. Soon after joining the City, defendant – with the knowledge
10 and imprimatur of top City Attorney’s Office personnel – helped orchestrate a massive
11 public fraud under which the City, through defendant’s behind-the-scenes legal work and
12 maneuvering, effectively sued itself in a class action lawsuit known as Jones v. City.
13 Defendant was the key figure in the City’s so-called “white knight” strategy, the goal of
14 which was to consolidate and quickly settle a slew of costly, embarrassing, and
15 politically damaging lawsuits on terms the City wanted. Without defendant, the
16 collusive litigation would never have occurred. Defendant was the one who drafted the
17 Jones v. City complaint using confidential information he got from the City; he
18 handpicked a City-friendly plaintiff’s attorney from Ohio (“Ohio Attorney”) to serve as a
19 straw-lawyer for the Jones v. City class; he crafted Ohio Attorney’s settlement demand
20 so that a resolution on terms favorable to the City was a fait accompli; he engaged in a
21 series of sham mediations designed to give the appearance of an adversarial posture
22 between the City and the class; and he helped withhold documents that would reveal the
23 collusive litigation scheme to the court and the public. Why did defendant, a reputable,
24 long-time attorney, so eagerly and proactively take these wrongful actions? Pure greed.
25 In yet another layer to his scheme, defendant secretly demanded and obtained an illegal
26 \$2,175,000 kickback from the friendly lawyer he selected, representing twenty percent
27 of Ohio Attorney’s fees from the Jones v. City case.

28

1 The collusive litigation (and over \$2 million criminal kickback to secretly line
2 defendant's pockets) was just the start of the staggering scope and nature of defendant's
3 criminal activities and greed. Far from being satisfied, defendant plotted to get even
4 more money through more crimes and deception. This included landing a lucrative
5 three-year, \$30 million contract to remediate LADWP's billing system for a company he
6 created called Aventador Utility Solutions, LLC ("Aventador"). To secure the colossal
7 "no-bid" contract that sidestepped the standard, competitive request for proposal (RFP)
8 procurement process, defendant bribed LADWP's then-General Manager, David Wright,
9 with a future job as Aventador's CEO, a \$1 million annual salary, and a Mercedes in
10 exchange for his support of the contract, which involved persuading LADWP's Board to
11 approve the deal. Again, defendant secretly worked behind the scenes, ghost-writing
12 ostensibly "independent" reports to the Jones v. City court embellishing the need for and
13 urgency of the proposed Aventador contract, and partnering with Wright to form and
14 refine the narrative that LADWP's leader would use to lobby decisionmakers.
15 LADWP's Board unanimously approved the Aventador contract, unaware that Wright
16 sang its praises predominantly because defendant had bribed him. Leaving nothing to
17 chance, defendant secured further support for the Aventador contract – and for future
18 contracts for defendant – by providing benefits to a member of the LADWP Board in the
19 form of [REDACTED], constituting yet another bribe. For
20 defendant, paying such bribes along the way was a pittance, given the millions of dollars
21 he was poised to make through Aventador.

22 Corruption is contagious, and so too was defendant's unlawful conduct. Most
23 notably, defendant's actions led to multiple extortion plots related to concealing
24 documents that would reveal the collusive litigation scheme. By early 2019, news
25 reports began to surface describing defendant's role in the collusive litigation, prompting
26 him to abruptly resign as Special Counsel on March 6, 2019. Sensing the writing was on
27 the wall, defendant began cooperating with the government days later.

1 Defendant's cooperation for the government was extraordinary from the very
2 outset. Because defendant was the epicenter from which various forms of criminal
3 conduct and other misconduct sprang, he was uniquely qualified to point the government
4 in the direction of wrongdoing so it could investigate its many tentacles. [REDACTED]

5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]

16 This Sentencing Memorandum requires the government to perform the
17 challenging task of weighing (among other things) two powerful yet diametrically-
18 opposed factors: defendant's outrageous/pernicious criminal activity versus his
19 extraordinary/impactful cooperation. Had defendant not cooperated, it is possible that
20 the government could not have brought all the charges in this investigation. By the same
21 token, had defendant not engaged in unlawful and corrupt conduct that spread to others,
22 there likely would have been no need for such prosecutions, and the government would
23 not have had to spend years and countless resources investigating this matter.

24 As explained below, the government moves for a twelve-level downward
25 departure under U.S.S.G. § 5K1.1, based on defendant's cooperation in the federal
26 criminal investigation. The government also recommends an additional four-level
27 variance based on defendant's substantial assistance to the State Bar of California, as
28 well as to account for defendant's mitigating personal history and characteristics. Based

1 on an adjusted total offense level of 15 and resulting Guidelines range of 18-24 months’
2 imprisonment, the government believes a low-end sentence of 18 months’ imprisonment
3 is sufficient but not greater than necessary to achieve the goals of sentencing.

4 Accordingly, the government respectfully recommends the following sentence:

5 **(1) an 18-month term of imprisonment; (2) a three-year term of supervised release;**
6 **and (3) a special assessment of \$100.**

7 **II. STATEMENT OF FACTS OF THE OFFENSE¹**

8 **A. Defendant Helps Orchestrate the Collusive Litigation Scheme and**
9 **Strikes a Deal for a \$2.175 Million Kickback**

10 In 2013, LADWP implemented a new billing system it acquired from
11 PricewaterhouseCoopers (“PwC”), leading to hundreds of thousands of inaccurate bills,
12 including wildly overinflated bills. By late 2014, LADWP was facing multiple class
13 action lawsuits related to the bad bills, embroiling the City in a PR nightmare. That
14 December, the City Attorney’s Office hired two private attorneys – defendant, a New
15 York lawyer, and Paul Kiesel, a Los Angeles lawyer – as Special Counsel to represent
16 LADWP in an affirmative lawsuit against PwC. At the time, the City was aware that
17 defendant also represented a ratepayer, Antwon Jones, on whose behalf defendant
18 proposed to file a lawsuit against PwC.

19 In early 2015, the City approved a plan by which defendant and Kiesel would
20 represent both Jones and the City in parallel lawsuits against PwC— i.e., Jones v. PwC
21 and City v. PwC. Soon after, the City abandoned the plan and pivoted to a new, even
22 more problematic strategy. Under the new plan, top City Attorney’s Office personnel
23 directed defendant to find a malleable lawyer for his client, Jones, to sue the City in a
24 “white knight” lawsuit that would allow the City to quickly resolve all existing claims
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28 ¹ Unless otherwise indicated, all facts herein are drawn from the stipulated factual
basis in defendant’s plea agreement. (See Dkt. No. 6.)

1 against it on terms desired by the City. Defendant and Kiesel, meanwhile, continued to
2 pursue the City v. PwC lawsuit in their roles as Special Counsel.²

3 In furtherance of the white knight strategy, defendant in late February 2015
4 contacted Ohio Attorney, who is now deceased, and offered the Jones v. City case to
5 him. Defendant explained the scheme to Ohio Attorney and said that defendant would
6 do all or most of the work in shepherding this “pre-settled” case to its preordained
7 conclusion.³ In exchange, defendant demanded a kickback of twenty percent of Ohio
8 Attorney’s fees. Ohio Attorney agreed, after which defendant introduced Jones to Ohio
9 Attorney and led him to believe that Ohio Attorney was a new lawyer working on Jones’
10 case. At no point did defendant or Ohio Attorney ever disclose to Jones that defendant
11 had been hired to represent the City, whom Jones was suing, in a related matter.

12 Consistent with the sham arrangement, defendant drafted the Jones v. City
13 complaint using nonpublic information supplied by the City, which Ohio Attorney filed
14 in Los Angeles Superior Court on April 1, 2015.⁴ Soon after, Ohio Attorney sent the
15 City a settlement demand that defendant had likewise drafted. In those and all other
16 instances, Ohio Attorney passed off defendant’s work product as his own, concealing the
17 collusive nature of the litigation from the court and the public. As planned, the City
18 quickly decided to settle the Jones v. City case with Ohio Attorney. To give the
19 appearance of legitimacy, however, defendant – representing the City, despite not being
20 counsel of record in Jones v. City – and Ohio Attorney engaged in a series of bogus
21 mediations between 2015 and 2016, wherein the two sides pretended to be adversaries,
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25 ² The City filed the City v. PwC case on March 6, 2015. The suit generally
26 alleged that PwC was responsible for LAWDP’s billing problems. Defendant and Kiesel
represented the City in that action for approximately four years before resigning as
Special Counsel in early March 2019.

27 ³ Because the goal was to resolve the litigation quickly on terms favorable to the
28 City, defendant and Ohio Attorney agreed that Ohio Attorney would not demand any
discovery or file any adversarial motions against the City.

⁴ Attorney Michael Libman served as local counsel for the Jones v. City class.

1 even though the City was secretly pulling the strings and even though the key terms of
2 the settlement had already been agreed upon.

3 In July 2017, the court granted final approval of the parties' requested settlement,
4 which contained terms awarding approximately \$19 million in plaintiff attorneys' fees,
5 of which approximately \$10.3 million were awarded to Ohio Attorney.⁵ To consummate
6 the agreed-upon kickback, defendant and Ohio Attorney each formed shell companies
7 that would effectuate and conceal the illegal transfer, after which Ohio Attorney gave
8 defendant \$2.175 million, representing twenty percent of his fees, disguising the
9 payment as a real estate investment.

10 **B. Defendant Obtains a \$30 Million No-Bid Contract for His Company by**
11 **Bribing LADWP's General Manager with Future Benefits**

12 The Settlement Agreement in the Jones v. City matter, among other obligations,
13 required LADWP to remediate its billing system and meet various benchmarks over a
14 specific period of time. In December 2015, the court appointed an independent monitor
15 to oversee LADWP's performance under the Settlement Agreement. Around the same
16 time, LADWP's Board awarded defendant's law firm a one-year, \$1.3 million no-bid
17 contract to manage the billing system remediation project. In mid-2016, the Board
18 extended the contract for another year and awarded defendant's law firm an additional
19 \$4.7 million.

20 By early 2017, defendant had cultivated a close personal relationship with
21 LADWP General Manager David Wright. The two traveled together, attended concerts
22 and other events, and dined in expensive restaurants, usually on defendant's dime. In
23 February 2017, Wright and defendant met privately in Riverside and discussed
24 defendant's plans to form a new company, Aventador, to seek additional billing system
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27 ⁵ As a further fraud on the court and the public, and to ensure that defendant's
28 illegal twenty-percent kickback would be as high as possible, defendant directed Ohio
Attorney to submit false billing records artificially inflating the attorney's fees award.
Accordingly, Ohio Attorney falsely attested to work he purportedly performed on the
case that either was actually secretly done by defendant or never done at all.

1 remediation and cybersecurity work from LADWP.⁶ They eventually spoke about ways
2 Wright could benefit financially from Aventador, and Wright told defendant that he
3 would support a massive \$30,000,000 no-bid remediation contract for Aventador if
4 defendant guaranteed him a job as CEO of Aventador upon his retirement from
5 LADWP, an annual salary of \$1,000,000, and a Mercedes. Defendant agreed.

6 Throughout the spring, defendant and Wright worked to line up support for the
7 Aventador contract. Among other tactics, defendant cozied up to the court-appointed
8 independent monitor in the Jones v. City case, who was required to file periodic reports
9 describing LADWP's progress in meeting its remediation obligations under the
10 Settlement Agreement. Defendant took the independent monitor out to sporting events
11 and meals and routinely drafted his reports to the court. In May 2017, defendant drafted
12 one such report with the specific goal of providing Wright with talking points to
13 persuade the LADWP Board to approve the Aventador contract. The report claimed that
14 LADWP had no choice but to procure remediation services from an outside vendor
15 because LADWP was woefully understaffed in the IT area, lacked competent IT project
16 managers, and could not successfully manage large-scale IT implementation projects.
17 Paradis and Wright discussed this strategy, and Wright reviewed and authorized the
18 language that Paradis included in the report for the court.

19 Defendant and Wright infused this narrative into a myriad of items, including a
20 letter to the LADWP Board explaining why alternatives to awarding the Aventador
21 contract on a no-bid basis were unworkable. They also crafted Wright's oral and written
22 presentation to the LADWP Board touting the Aventador contract, strategized about
23 removing impediments to the contract, and took various steps to obscure and/or hide
24 defendant's relationship to Aventador.

25 The LADWP Board met to consider the Aventador contract and other items on
26 June 6, 2017. In his presentation to the Board before the vote, Wright – consistent with
27

28 ⁶ Defendant determined that State Bar rules prohibited his law firm from providing non-legal services, such as remediation and cybersecurity work, to the City.

1 his plan with defendant – cited the May 2017 periodic report secretly drafted by
2 defendant and warned that LADWP could not meet its obligations under the Jones v.
3 City Settlement Agreement unless it contracted with Aventador, repeatedly conveying a
4 sense of urgency to the Board.

5 Following Wright’s comments, the LADWP Board voted unanimously to approve
6 the \$30 million no-bid contract. Over the next several years, through February 2019,
7 defendant and Wright continued to strategize and position Aventador for other business
8 opportunities, both inside and outside LADWP.

9 **C. Defendant Bribes a LADWP Board Member**

10 To ensure that defendant would secure the LADWP Board’s approval of the
11 Aventador contract, defendant also bribed a Board member. In the weeks before the
12 vote on the Aventador contract, a member of the LADWP Board (“Board Member”)
13 conveyed to various people, including Wright and defendant, that [REDACTED] had concerns about
14 the Aventador contract. About a week before the vote, Board Member [REDACTED] began
15 asking defendant for [REDACTED]

16 [REDACTED]
17 [REDACTED] Intending to
18 influence Board Member’s vote on the Aventador contract, defendant provided the
19 [REDACTED] to Board Member.

20 Days before the vote, Board Member changed [REDACTED] tune and informed others [REDACTED]
21 would vote in favor of the contract. On the day of the vote, defendant ran into Board
22 Member in the hallway, and [REDACTED] signaled to defendant that [REDACTED] would support the
23 Aventador contract if defendant continued to provide [REDACTED] to
24 Board Member, saying words to the effect of, “You take care of me, I take care of you.”
25 Hours after the Board approved the \$30 million Aventador contract, Board Member sent
26 defendant a colleague’s email address, and defendant emailed that person [REDACTED]

27 [REDACTED]
28 [REDACTED] Over the next several months, defendant and his law partner continued to

1 [REDACTED] for Board Member based on defendant’s understanding that
 2 he was doing so in exchange for Board Member’s support of the Aventador contract, as
 3 well as future contracts defendant might seek. In total, [REDACTED]

4 [REDACTED]
 5 [REDACTED]
 6 **III. THE GUIDELINES RANGE**

7 **A. USPO’s Calculations and Recommendation**

8 On June 7, 2022, the United States Probation Office (“USPO”) issued the
 9 presentence investigation report (Dkt. No. 26 [“PSR”]), along with a disclosed
 10 recommendation letter (Dkt. No. 25). The PSR found that the following sentencing
 11 Guidelines factors applied:

12	Base Offense Level:	14	[U.S.S.G. § 2C1.1(a)(1)]
13	Value of bribe between \$1,500,000-\$3,500,000	+16	[U.S.S.G. § 2B1.1(b)(1)(I)]
14	Offense involved more than one bribe	+2	[U.S.S.G. § 2C1.1(b)(1)]
15	Offense involved high- level/sensitive position	+4	[U.S.S.G. § 2C1.1(b)(3)]
16	Acceptance of responsibility	<u>- 3</u>	[U.S.S.G. § 3E1.1]
17	Total Offense Level	33	

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 21 (PSR ¶¶ 77-94.) The PSR indicated that defendant had no criminal history points,
 22 yielding a score of zero and a criminal history category of I. (Id. ¶¶ 98-99.) Based on a
 23 total offense level of 33 and a criminal history category of I, the resulting advisory
 24 Guidelines range is 135-168 months; however, because the statutory maximum sentence
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1 for the offense is ten years, the USPO calculated defendant’s advisory Guidelines range
2 as 120 months. (Id. ¶ 138.)⁷

3 The USPO’s letter, which does not address defendant’s cooperation with the
4 government or the State Bar, recommended a sentence of 12 months’ imprisonment (i.e.,
5 the statutory maximum). (Dkt. No. 25 at 1.) The letter notes several mitigating factors,
6 namely, that defendant experienced a challenging upbringing including a violent father
7 and a mother who struggled to provide for the family. (Id. at 6.) The letter also
8 identifies several aggravating factors, including that the “offense involved numerous and
9 repeated criminal acts over a period of years,” and that defendant “had the means and
10 abilities to earn an honest living, and instead engaged in the instant offense.” (Id.)

11 **B. The Government’s Calculation**

12 The government concurs with the PSR’s initial calculation of the Guidelines prior
13 to any consideration of a departure or variance for defendant’s substantial assistance
14 with the government and the State Bar. After the government’s recommended collective
15 16-level departure and variance, the adjusted **total offense level is 15, resulting in a**
16 **Guidelines range of 18-24 months.** As explained below, the government recommends
17 a sentence at the low-end of that adjusted range; that is, **18 months’** imprisonment.

18 **IV. MOTION FOR DOWNWARD DEPARTURE FOR SUBSTANTIAL**
19 **ASSISTANCE**

20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

24 _____
25 ⁷ See U.S.S.G. § 5G1.1(a) (“Where the statutorily authorized maximum sentence
26 is less than the minimum of the applicable guideline range, the statutorily authorized
27 maximum sentence shall be the guideline sentence.”) Defendant’s offense level, and the
28 starting point from which the Court departs, would therefore become 31, i.e., the highest
offense level (assuming a CHC of I) that incorporates a sentence of 120 months. See
United States v. Coleman, 98 F.3d 1339 (5th Cir. 1996) (unpublished) (“the departure is
subtracted from the statutory maximum, not from the guideline range as otherwise
calculated.”).

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Based on the foregoing, the government believes a 12-level departure under U.S.S.G. § 5K1.1 is warranted and appropriate, and hereby moves for such a departure.¹⁰

¹⁰ Defendant's cooperation with the State Bar, which the government believes is an appropriate basis for a variance, is separately addressed and described in more detail below. (See *infra*, Section V.C.)

1 **V. THE GOVERNMENT’S SENTENCING RECOMMENDATION**

2 The government’s recommended sentence of 18 months’ imprisonment is
3 sufficient, but no greater than necessary, to achieve the goals of sentencing. An 18-
4 month term of imprisonment is a meaningful custodial sentence that accounts for the
5 seriousness of defendant’s crimes, furthers the need for deterrence, promotes respect for
6 the law, and provides just punishment. At the same time, the recommended sentence,
7 which reflects a collective 16-level departure and variance from the otherwise applicable
8 Guidelines, appropriately acknowledges and rewards defendant’s substantial cooperation
9 with the government and the State Bar, and accounts for mitigation in his personal
10 history and characteristics.

11 **A. The Nature and Circumstances of the Offense**

12 Defendant’s criminal conduct was outrageous, longstanding, proactive, conniving,
13 and damaging to the citizens of Los Angeles and beyond. Almost immediately after
14 joining the City as Special Counsel, defendant abused his special position of power by
15 effectuating the collusive litigation scheme. By enabling the City to sue itself to quickly
16 resolve the billing system lawsuits on terms it wanted, simultaneously alleviating the
17 City’s ongoing PR nightmare, defendant betrayed not only his client (Jones), but also the
18 court, City ratepayers, and the public at large. Motivated by greed, defendant profited
19 handsomely from the fraud by demanding and receiving a \$2.175 million kickback from
20 the straw-attorney he hand-selected as part of the white knight strategy. Hungry for even
21 more money, defendant proceeded to engage in two other bribery schemes. In one,
22 defendant got his company, Aventador, a massive \$30 million no-bid contract¹¹ by
23 promising benefits to LADWP’s General Manager, Wright. In the other, defendant
24 secured further support for the Aventador contact, as well as future contracts, by buying
25  a LADWP Board Member.

26 _____
27 ¹¹ 
28

1 Each scheme was entrenched with layers of defendant’s manipulation, deception,
2 and fraud. To enable the collusive litigation, defendant fraudulently drafted the Jones
3 documents, engaged in sham mediation sessions, and directed fraudulent billing records
4 to be provided to the court. To collect his illegal kickback, defendant set up a shell
5 company and lied about the purpose of the company and the transaction. Likewise, to
6 enable the Aventador contract, defendant drafted the independent monitor’s reports,
7 struck a secret deal with a Board Member [REDACTED], and directed his
8 bribery partner-in-crime, Wright, from behind the scenes with various scare tactics to
9 rush the LADWP Board into approving the multi-million-dollar no-bid contract.

10 Defendant’s misconduct was doubly pernicious. As with all corruption, it further
11 eroded the public’s trust in its own institutions. It also inspired other misconduct,
12 including multiple extortion schemes, further harming the City and its citizens. These
13 facts are aggravating and demanding of a custodial sentence.

14 **B. History and Characteristics of Defendant**

15 Despite a tumultuous early childhood, in which defendant’s father, who suffered
16 from bipolar disorder and PTSD, was often violent (PSR ¶ 105), defendant managed to
17 thrive both personally and professionally. After graduating high school, defendant went
18 on to receive a Bachelor of Science degree from Bentley College, a law degree from
19 New York Law School, and he became a member of the New York State bar. (Id.
20 ¶¶ 120-121).¹² More recently, defendant has been working toward a master’s degree in
21 cybertechnology from the University of Maryland. (Id. ¶ 120.) Defendant was also
22 married for nearly thirty years,¹³ and he has two adult children that he raised and with
23 whom he remains very close. (Id. ¶¶ 110-111).

24 A successful attorney, defendant was co-lead counsel in the Enron matter, one of
25 the biggest cases in American history, wherein he managed 150 lawyers across multiple
26 states, deposed high-level accountants and IT employees, and helped secure a whopping

27
28 ¹² Defendant was disbarred in 2022.

¹³ Defendant and his ex-wife divorced in 2015.

1 \$2.4 billion settlement. (Id. ¶ 122.) In 2007, defendant founded his own firm, Paradis
2 Law Group, PLLC, in New York, where he served as its managing partner. (Id. ¶ 127.)
3 Defendant was again successful, earning upwards of \$400,000 in some years. (Id.)
4 Later, after becoming Special Counsel for the City, defendant secured a series of
5 lucrative remediation contracts for his companies valued at \$1.3 million (2015), \$4.7
6 million (2016), and \$30 million (the bribery-fueled Aventador contract in 2017). (Id.
7 ¶¶ 44-45, 59). Even after he resigned from the City in disgrace in 2019, defendant went
8 on to secure jobs in Arizona negotiating contracts for a bank, earning the equivalent of
9 \$100,000 per year, and as the COO of a consulting company, where his salary was
10 \$300,000 per year. (Id. ¶ 124.)

11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]

23 **C. Extensive Cooperation with the California State Bar**

24 [REDACTED]
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
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11 [REDACTED] Based on defendant’s cooperation
12 with the State Bar’s significant investigation, as well as mitigating aspects of defendant’s
13 history and characteristics, the government recommends a **4-level downward variance**
14 **under 18 U.S.C. § 3553(a).**

15 **D. General and Specific Deterrence**

16 The strong need for general deterrence in this case supports the government’s
17 recommended sentence. Public corruption cases such as this one demand strong general
18 deterrence. As one court noted:

19 *Unlike some criminal justice issues, the crime of public corruption can be*
20 *deterred by significant penalties that hold all offenders properly*
21 *accountable.* The only way to protect the public from the ongoing problem
22 of public corruption and to promote respect for the rule of law is to impose
23 strict penalties on all defendants who engage in such conduct, many of
24 whom have specialized legal training or experiences. Public corruption
demoralizes and unfairly stigmatizes the dedicated work of honest public
servants. *It undermines the essential confidence in our democracy and*
must be deterred if our country and district is ever to achieve the point
where the rule of law applies to all — not only to the average citizen, but to
all elected and appointed officials.

25 United States v. Spano, 411 F. Supp. 2d 923, 940 (N.D. Ill. 2006), *affirmed*, 477 F.3d
26 517 (7th Cir. 2006) (emphasis added). General deterrence is a particularly effective tool
27 in corruption and other white-collar cases, as white-collar criminals often premeditate
28 their crimes and engage in a cost-benefit analysis. *See, e.g., United States v. Martin*, 455

1 F.3d 1227, 1240 (11th Cir. 2006) (“Because economic and fraud based crimes are more
2 rational, cool, and calculated than sudden crimes of passion or opportunity, these crimes
3 are prime candidates for general deterrence.”). That was certainly the case here, where
4 defendant engaged in three different bribery schemes (the \$2.175 million kickback from
5 Ohio Attorney, the \$30 million Aventador contract, and providing ██████████ to
6 win Board Member’s favor) and helped orchestrate a massive fraud on the Jones v. City
7 court and the public through the collusive litigation scheme.

8 A custodial sentence will aid in achieving the critical need for general deterrence,
9 while also rejecting the notion of a two-tier system of justice—a more flexible and
10 lenient tier for well-heeled white-collar defendants, and a more rigid, severe, and
11 guidelines-oriented tier for “other” criminals. See United States v. Musgrave, 761 F.3d
12 602, 609 (6th Cir. 2014) (central reason for sentencing guidelines was “to ensure stiffer
13 penalties for white-collar crimes and to eliminate disparities between white-collar
14 sentences and sentences for other crimes.” (citation omitted)). That dichotomy is
15 inconsistent with the Constitution, with fundamental fairness, and with the statutory
16 goals of sentencing, and it has been repeatedly repudiated by the courts. See United
17 States v. Treadwell, 593 F.3d 990, 1012–13 (9th Cir. 2010) (overruled on other grounds)
18 (rejecting the principle that a defendant of means should be afforded a lower prison
19 sentence to enable him to pay restitution to his fraud victims, and noting the critical
20 importance of “the minimization of discrepancies between white- and blue-collar
21 offenses, and limits on the ability of those with money or earning potential to buy their
22 way out of jail” (citation omitted)); United States v. Stefonek, 179 F.3d 1030, 1038 (7th
23 Cir. 1999) (White-collar criminals are “not to be treated more leniently than members of
24 the ‘criminal class’”). A meaningful sentence in this closely-watched public corruption
25 case will thus serve an important public purpose.

26 This case also reflects some need for specific deterrence. As discussed above,
27 defendant has secured multiple high-paying jobs (including an executive role) since
28 leaving his Special Counsel position in March 2019, and it is not hard to imagine

1 defendant once again having significant power and influence within another government
2 agency or a major company. A custodial sentence will send a strong message to this
3 particular defendant that will hopefully discourage him from engaging in future unlawful
4 and/or unethical behavior.

5 **E. Need to Reflect Seriousness of Offense, to Promote Respect for the**
6 **Law, and to Provide Just Punishment for the Offense**

7 A custodial sentence is also necessary to reflect the serious nature of defendant's
8 crime, punish defendant's conduct, promote respect for the law, and restore public faith
9 in the system. As one court has observed: "The judicial response to demonstrated
10 corruption by the political elite and the lapse of duty, honor, and integrity it represents is
11 as important as the corruption itself." United States v. Morgan, 635 F. App'x 423, 447
12 (10th Cir. 2015). Here, the appropriate judicial response to defendant's inexcusable and
13 criminal abuse of the public trust, motivated by his own greed and self-interest, warrants
14 a meaningful custodial sentence like the one the government recommends. To otherwise
15 sentence defendant to a noncustodial sentence, notwithstanding defendant's valuable
16 cooperation, would leave these important goals of sentencing unmet. See Martin, 455
17 F.3d at 1238 ("Martin's cooperation, while commendable and extremely valuable, is not
18 a get-out-of-jail-free card. Martin's cooperation does not wash the slate clean.").

19 **F. Avoidance of Sentencing Disparities**

20 The Court is also to consider the need to avoid unwarranted sentence disparities
21 among defendants with similar records who have been found guilty of similar conduct.
22 18 U.S.C. § 3553(a)(6). The Court has already sentenced three defendants in related
23 matters: David Wright, David Alexander, and Thomas Peters. Defendant is
24 distinguishable from all three of these other defendants. For one thing, defendant's
25 conduct, which involved three instances of bribery and many acts to carry out the
26 collusive litigation scheme, is far more aggravating than that of Wright, Alexander, and
27 Peters combined. Second, and conversely, neither Wright nor Alexander received
28 § 5K1.1 consideration, and the scope, value, and impact of defendant's cooperation was

1 far more extensive than that provided by Peters, as reflected in the government's
2 respective recommended § 5K1.1 departures.¹⁶ Put simply, defendant is in a category of
3 his own. Thus, applying the government's recommended collective 16-level downward
4 departure and variance and then sentencing defendant within the resulting Guidelines
5 range will aid in avoiding unwarranted sentencing disparities.

6 **VI. CONCLUSION**

7 For the foregoing reasons, the government respectfully requests that this Court
8 impose the following sentence: (1) 18 months' imprisonment; (2) a three-year term of
9 supervised release; and (3) a special assessment of \$100.¹⁷

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¹⁶ Of course, as is the constant tension in this case, defendant was able to provide
25 far more cooperation than Peters because he was far more culpable than Peters.

26 ¹⁷ [REDACTED]
27 [REDACTED]
28 [REDACTED]