

1 E. MARTIN ESTRADA
 United States Attorney
 2 MACK E. JENKINS
 Assistant United States Attorney
 3 Chief, Criminal Division
 4 VALERIE L. MAKAREWICZ (Cal. Bar No. 229637)
 SARAH S. LEE (Cal. Bar No. 311480)
 5 Assistant United States Attorneys
 Major Frauds Section
 6 1100 United States Courthouse
 7 312 North Spring Street
 Los Angeles, California 90012
 8 Telephone: (213) 894-0756/7407
 Facsimile: (213) 894-6265
 9 E-mail: Valerie.Makarewicz@usdoj.gov
 Sarah.Lee@usdoj.gov
 10

11 Attorneys for Plaintiff
 UNITED STATES OF AMERICA
 12

13 UNITED STATES DISTRICT COURT

14 FOR THE CENTRAL DISTRICT OF CALIFORNIA

15 UNITED STATES OF AMERICA,
 16 Plaintiff,
 17 v.
 18 MILTON C. GRIMES,
 19 Defendant.
 20

Case No. 2:24-CR-190-SB

PLEA AGREEMENT FOR DEFENDANT
 MILTON C. GRIMES

Trial Date: November 12, 2024
 Trial Time: 8:00 a.m.
 Location: Courtroom of the Hon.
 Stanley Blumenfeld Jr.

21 1. This constitutes the plea agreement between MILTON C. GRIMES
 22 (“defendant”) and the United States Attorney’s Office for the Central District of
 23 California (the “USAO”) in the above-captioned case. This agreement is limited to the
 24 USAO and cannot bind any other federal, state, local, or foreign prosecuting,
 25 enforcement, administrative, or regulatory authorities.

26 DEFENDANT’S OBLIGATIONS

27 2. Defendant agrees to:
 28

1 a. At the earliest opportunity requested by the USAO and provided by
2 the Court, appear and plead guilty to count 1 of the indictment in United States v.
3 Milton C. Grimes, 2:24-CR-190-SB, which charges defendant with tax evasion of
4 payment related to the year 2014, in violation of 26 U.S.C. § 7201.

5 b. Not contest facts agreed to in this agreement.

6 c. Abide by all agreements regarding sentencing contained in this
7 agreement.

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

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

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

16 g. Pay the applicable special assessment at or before the time of
17 sentencing unless defendant has demonstrated a lack of ability to pay such
18 assessments.

19 h. Defendant agrees to pay restitution to the Internal Revenue Service
20 for his federal individual income taxes in an amount to be determined by the court,
21 pursuant to 18 U.S.C. § 3663(a)(3).

22 i. Defendant agrees that any and all criminal debt ordered by the
23 Court will be due in full and immediately. The government is not precluded from
24 pursuing, in excess of any payment schedule set by the Court, any and all available
25 remedies by which to satisfy defendant’s payment of the full financial obligation,
26 including referral to the Treasury Offset Program.

27 j. Complete the Financial Disclosure Statement on a form provided by
28 the USAO and, within 30 days of defendant’s entry of a guilty plea, deliver the signed

1 and dated statement, along with all of the documents requested therein, to the USAO
2 by either email at usacac.FinLit@usdoj.gov (preferred) or mail to the USAO Financial
3 Litigation Section at 300 North Los Angeles Street, Suite 7516, Los Angeles, CA
4 90012. Defendant agrees that defendant's ability to pay criminal debt shall be assessed
5 based on the completed Financial Disclosure Statement and all required supporting
6 documents, as well as other relevant information relating to ability to pay.

7 k. Authorize the USAO to obtain a credit report upon returning a
8 signed copy of this plea agreement.

9 l. Consent to the USAO inspecting and copying all of defendant's
10 financial documents and financial information held by the United States Probation and
11 Pretrial Services Office.

12 THE USAO'S OBLIGATIONS

13 3. The USAO agrees to:

14 a. Not contest facts agreed to in this agreement.

15 b. Abide by all agreements regarding sentencing contained in this
16 agreement.

17 c. At the time of sentencing, move to dismiss the remaining counts of
18 the indictment. Defendant agrees, however, that at the time of sentencing the Court
19 may consider any dismissed charges in determining the applicable Sentencing
20 Guidelines range, the propriety and extent of any departure from that range, and the
21 sentence to be imposed.

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

27 e. Recommend that defendant be sentenced to a term of imprisonment
28 of no more than 22 months.

1 NATURE OF THE OFFENSE

2 4. Defendant understands that for defendant to be guilty of the crime charged
3 in count one, that is, tax evasion of payment, in violation of Title 26, United States
4 Code, Section 7201, the following must be true:

5 a. Defendant owed more federal income tax for 2014 than he paid to
6 the Internal Revenue Service;

7 b. Defendant made an affirmative attempt to evade or defeat the
8 payment of such tax; and

9 c. In attempting to evade or defeat the payment of such tax, the
10 defendant acted willfully, that is, that defendant knew federal tax law imposed a duty
11 on him and he intentionally and voluntarily violated that duty.

12 PENALTIES AND RESTITUTION

13 5. Defendant understands that the statutory maximum sentence that the
14 Court can impose for a violation of Title 26, United States Code, Section 7201, is: 5
15 years' imprisonment; a 3-year period of supervised release; a fine of \$250,000 or twice
16 the gross gain or gross loss resulting from the offense, whichever is greatest; and a
17 mandatory special assessment of \$100.

18 6. Defendant understands and agrees that the Court: (a) may order defendant
19 to pay restitution in the form of any additional taxes, interest, and penalties that
20 defendant owes to the United States based upon the count of conviction and any
21 relevant conduct, including defendant's individual income taxes for 2004 through
22 2023; and (b) must order defendant to pay the costs of prosecution, which may be in
23 addition to the statutory maximum fine stated above.

24 7. Defendant agrees to make full restitution to the victim(s) of the offense to
25 which defendant is pleading guilty. Defendant agrees that, in return for the USAO's
26 compliance with its obligations under this agreement, the Court may order restitution
27 to persons other than the victim(s) of the offense to which defendant is pleading guilty
28 and in amounts greater than those alleged in the count to which defendant is pleading

1 guilty. In particular, defendant agrees that the Court may order restitution to any
2 victim of any of the following for any losses suffered by that victim as a result: (a) any
3 relevant conduct, as defined in U.S.S.G. § 1B1.3, in connection with the offense to
4 which defendant is pleading guilty; and (b) any counts dismissed pursuant to this
5 agreement as well as all relevant conduct, as defined in U.S.S.G. § 1B1.3, in
6 connection with those counts. The parties currently believe that the applicable amount
7 of restitution is no more than \$9.5 million but recognize and agree that this amount
8 could change based on facts that come to the attention of the parties prior to
9 sentencing.

10 8. Defendant understands that supervised release is a period of time
11 following imprisonment during which defendant will be subject to various restrictions
12 and requirements. Defendant understands that if defendant violates one or more of the
13 conditions of any supervised release imposed, defendant may be returned to prison for
14 all or part of the term of supervised release authorized by statute for the offense that
15 resulted in the term of supervised release, which could result in defendant serving a
16 total term of imprisonment greater than the statutory maximum stated above.

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

27 10. Defendant and his counsel have discussed the fact that, and defendant
28 understands that, if defendant is not a United States citizen, the conviction in this case

1 makes it practically inevitable and a virtual certainty that defendant will be removed or
2 deported from the United States. Defendant may also be denied United States
3 citizenship and admission to the United States in the future. Defendant understands
4 that while there may be arguments that defendant can raise in immigration proceedings
5 to avoid or delay removal, removal is presumptively mandatory and a virtual certainty
6 in this case. Defendant further understands that removal and immigration
7 consequences are the subject of a separate proceeding and that no one, including his
8 attorney or the Court, can predict to an absolute certainty the effect of his conviction
9 on his immigration status. Defendant nevertheless affirms that he wants to plead guilty
10 regardless of any immigration consequences that his plea may entail, even if the
11 consequence is automatic removal from the United States.

12 FACTUAL BASIS

13 11. Defendant admits that defendant is, in fact, guilty of the offense to which
14 defendant is agreeing to plead guilty. Defendant and the USAO agree to the statement
15 of facts provided in Attachment A and agree that this statement of facts is sufficient to
16 support a plea of guilty to the charge described in this agreement and to establish the
17 Sentencing Guidelines factors set forth in paragraph 13 below but is not meant to be a
18 complete recitation of all facts relevant to the underlying criminal conduct or all facts
19 known to either party that relate to that conduct.

20 SENTENCING FACTORS

21 12. Defendant understands that in determining defendant's sentence the Court
22 is required to calculate the applicable Sentencing Guidelines range and to consider that
23 range, possible departures under the Sentencing Guidelines, and the other sentencing
24 factors set forth in 18 U.S.C. § 3553(a). Defendant understands that the Sentencing
25 Guidelines are advisory only, that defendant cannot have any expectation of receiving
26 a sentence within the calculated Sentencing Guidelines range, and that after
27 considering the Sentencing Guidelines and the other § 3553(a) factors, the Court will
28

1 be free to exercise its discretion to impose any sentence it finds appropriate up to the
2 maximum set by statute for the crime of conviction.

3 13. Defendant and the USAO agree to the following applicable Sentencing
4 Guidelines factors:

5 Base Offense Level:	24	[U.S.S.G. §§ 2T1.1, 4.1(J)]
6 Tax Loss no less than \$3.5 million 7 and no more than \$9.5 million		
8 Acceptance of Responsibility	-3	[U.S.S.G. § 3E1.1]

9 The parties agree not to argue that any other specific offense characteristics,
10 adjustments, or departures be imposed, with the exception that the USAO reserves the
11 right to argue that the specific offense characteristic that the offense involved
12 sophisticated means under U.S.S.G. § 2T1.1(b)(2) applies to this case, and defendant
13 reserves the right to oppose the applicability of that sentencing enhancement.

14 14. Defendant understands that there is no agreement as to defendant's
15 criminal history or criminal history category. The parties agree that if defendant meets
16 the criteria for the zero-point offender adjustment of two levels under U.S.S.G. §
17 4C1.1, he is entitled to that downward departure.

18 15. Subject to the limitation in paragraph 3(e), above, defendant and the
19 USAO reserve the right to argue for a sentence outside the sentencing range
20 established by the Sentencing Guidelines based on the factors set forth in 18 U.S.C.
21 § 3553(a)(1), (a)(2), (a)(3), (a)(6), and (a)(7).

22 WAIVER OF CONSTITUTIONAL RIGHTS

23 16. Defendant understands that by pleading guilty, defendant gives up the
24 following rights:

- 25 a. The right to persist in a plea of not guilty.
- 26 b. The right to a speedy and public trial by jury.
- 27 c. The right to be represented by counsel — and if necessary have the
28 Court appoint counsel -- at trial. Defendant understands, however, that, defendant

1 retains the right to be represented by counsel — and if necessary have the Court
2 appoint counsel — at every other stage of the proceeding.

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

5 e. The right to confront and cross-examine witnesses against
6 defendant.

7 f. The right to testify and to present evidence in opposition to the
8 charges, including the right to compel the attendance of witnesses to testify.

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

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

14 WAIVER OF APPEAL OF CONVICTION

15 17. Defendant understands that, with the exception of an appeal based on a
16 claim that defendant's guilty plea was involuntary, by pleading guilty defendant is
17 waiving and giving up any right to appeal defendant's conviction on the offense to
18 which defendant is pleading guilty. Defendant understands that this waiver includes,
19 but is not limited to, arguments that the statute to which defendant is pleading guilty is
20 unconstitutional, and any and all claims that the statement of facts provided herein is
21 insufficient to support defendant's plea of guilty.

22 WAIVER OF APPEAL AND COLLATERAL ATTACK

23 18. Defendant gives up the right to appeal all of the following: (a) the
24 procedures and calculations used to determine and impose any portion of the sentence;
25 (b) the term of imprisonment imposed by the Court, including, to the extent permitted
26 by law, the constitutionality or legality of defendant's sentence, provided it is within
27 the statutory maximum; (c) the fine imposed by the Court, provided it is within the
28 statutory maximum; (d) the amount and terms of any restitution order, provided it

1 requires payment of no more than \$9,499,999; (e) the term of probation or supervised
2 release imposed by the Court, provided it is within the statutory maximum; and (f) any
3 of the following conditions of probation or supervised release imposed by the Court:
4 the conditions set forth in Second Amended General Order 20-04 of this Court; the
5 drug testing conditions mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the
6 alcohol and drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

7 19. Defendant also gives up any right to bring a post-conviction collateral
8 attack on the conviction or sentence, including any order of restitution, except a post-
9 conviction collateral attack based on a claim of ineffective assistance of counsel, a
10 claim of newly discovered evidence, or an explicitly retroactive change in the
11 applicable Sentencing Guidelines, sentencing statutes, or statutes of conviction.
12 Defendant understands that this waiver includes, but is not limited to, arguments that
13 the statute to which defendant is pleading guilty is unconstitutional, and any and all
14 claims that the statement of facts provided herein is insufficient to support defendant's
15 plea of guilty.

16 20. Defendant also gives up any right to bring a post-conviction collateral
17 attack on the conviction or sentence, including any order of restitution, except a post-
18 conviction collateral attack based on a claim of ineffective assistance of counsel, a
19 claim of newly discovered evidence, or an explicitly retroactive change in the
20 applicable Sentencing Guidelines, sentencing statutes, or statutes of conviction.
21 Defendant understands that this waiver includes, but is not limited to, arguments that
22 the statute to which defendant is pleading guilty is unconstitutional, and any and all
23 claims that the statement of facts provided herein is insufficient to support defendant's
24 plea of guilty.

25 21. The USAO agrees that, provided all portions of the sentence are at or
26 below the statutory maximum specified above, the USAO gives up its right to appeal
27 any portion of the sentence with the exception that the USAO reserves the right to
28 appeal the amount of restitution ordered.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESULT OF WITHDRAWAL OF GUILTY PLEA

22. Defendant agrees that if, after entering a guilty plea pursuant to this agreement, defendant seeks to withdraw and succeeds in withdrawing defendant's guilty plea on any basis other than a claim and finding that entry into this plea agreement was involuntary, then (a) the USAO will be relieved of all of its obligations under this agreement; and (b) should the USAO choose to pursue any charge that was either dismissed or not filed as a result of this agreement, then (i) any applicable statute of limitations will be tolled between the date of defendant's signing of this agreement and the filing commencing any such action; and (ii) defendant waives and gives up all defenses based on the statute of limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to any such action, except to the extent that such defenses existed as of the date of defendant's signing this agreement.

RESULT OF VACATUR, REVERSAL OR SET-ASIDE

23. Defendant agrees that if any count of conviction is vacated, reversed, or set aside, the USAO may: (a) ask the Court to resentence defendant on any remaining count of conviction, with both the USAO and defendant being released from any stipulations regarding sentencing contained in this agreement, (b) ask the Court to void the entire plea agreement and vacate defendant's guilty plea on any remaining count of conviction, with both the USAO and defendant being released from all their obligations under this agreement, or (c) leave defendant's remaining conviction, sentence, and plea agreement intact. Defendant agrees that the choice among these three options rests in the exclusive discretion of the USAO.

EFFECTIVE DATE OF AGREEMENT

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

//

1 BREACH OF AGREEMENT

2 25. Defendant agrees that if defendant, at any time after the effective date of
3 this agreement, knowingly violates or fails to perform any of defendant's obligations
4 under this agreement ("a breach"), the USAO may declare this agreement breached.
5 All of defendant's obligations are material, a single breach of this agreement is
6 sufficient for the USAO to declare a breach, and defendant shall not be deemed to have
7 cured a breach without the express agreement of the USAO in writing. If the USAO
8 declares this agreement breached, and the Court finds such a breach to have occurred,
9 then: (a) if defendant has previously entered a guilty plea pursuant to this agreement,
10 defendant will not be able to withdraw the guilty plea, and (b) the USAO will be
11 relieved of all its obligations under this agreement.

12 26. Following the Court's finding of a knowing breach of this agreement by
13 defendant, should the USAO choose to pursue any charge that was either dismissed or
14 not filed as a result of this agreement, then:

15 a. Defendant agrees that any applicable statute of limitations is tolled
16 between the date of defendant's signing of this agreement and the filing commencing
17 any such action.

18 b. Defendant waives and gives up all defenses based on the statute of
19 limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to
20 any such action, except to the extent that such defenses existed as of the date of
21 defendant's signing this agreement.

22 c. Defendant agrees that: (i) any statements made by defendant, under
23 oath, at the guilty plea hearing (if such a hearing occurred prior to the breach); (ii) the
24 agreed to factual basis statement in this agreement; and (iii) any evidence derived from
25 such statements, shall be admissible against defendant in any such action against
26 defendant, and defendant waives and gives up any claim under the United States
27 Constitution, any statute, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the
28

1 Federal Rules of Criminal Procedure, or any other federal rule, that the statements or
2 any evidence derived from the statements should be suppressed or are inadmissible.

3 COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES

4 OFFICE NOT PARTIES

5 27. Defendant understands that the Court and the United States Probation and
6 Pretrial Services Office are not parties to this agreement and need not accept any of the
7 USAO's sentencing recommendations or the parties' agreements to facts or sentencing
8 factors.

9 28. Defendant understands that both defendant and the USAO are free to:
10 (a) supplement the facts by supplying relevant information to the United States
11 Probation and Pretrial Services Office and the Court, (b) correct any and all factual
12 misstatements relating to the Court's Sentencing Guidelines calculations and
13 determination of sentence, and (c) argue on appeal and collateral review that the
14 Court's Sentencing Guidelines calculations and the sentence it chooses to impose are
15 not error, although each party agrees to maintain its view that the calculations in
16 paragraph 13 are consistent with the facts of this case. While this paragraph permits
17 both the USAO and defendant to submit full and complete factual information to the
18 United States Probation and Pretrial Services Office and the Court, even if that factual
19 information may be viewed as inconsistent with the facts agreed to in this agreement,
20 this paragraph does not affect defendant's and the USAO's obligations not to contest
21 the facts agreed to in this agreement.

22 29. Defendant understands that even if the Court ignores any sentencing
23 recommendation, finds facts or reaches conclusions different from those agreed to,
24 and/or imposes any sentence up to the maximum established by statute, defendant
25 cannot, for that reason, withdraw defendant's guilty plea, and defendant will remain
26 bound to fulfill all defendant's obligations under this agreement. Defendant
27 understands that no one — not the prosecutor, defendant's attorney, or the Court — can
28

1 make a binding prediction or promise regarding the sentence defendant will receive,
2 except that it will be within the statutory maximum.

3 NO ADDITIONAL AGREEMENTS

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

8 //

9 //

10 //

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

31. 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

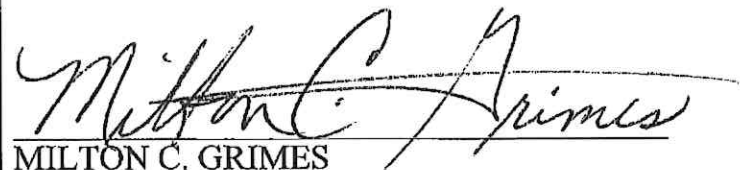
E. MARTIN ESTRADA
United States Attorney



10/17/2024


VALERIE L. MAKAREWICZ
SARAH S. LEE
Assistant United States Attorneys

Date



MILTON C. GRIMES
Defendant

10-17-24
Date



PAUL J. WATFORD
MARILYN E. BEDNARSKI
Attorneys for Defendant MILTON C.
GRIMES

10/17/24
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


1 forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the
2 consequences of entering into this agreement. No promises, inducements, or
3 representations of any kind have been made to me other than those contained in this
4 agreement. No one has threatened or forced me in any way to enter into this
5 agreement. I am satisfied with the representation of my attorney in this matter, and I
6 am pleading guilty because I am guilty of the charge and wish to take advantage of the
7 promises set forth in this agreement, and not for any other reason.

8 
9 MILTON C. GRIMES
Defendant

10-17-24
Date

10
11
12 CERTIFICATION OF DEFENDANT’S ATTORNEY

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

24 
25 PAUL J. WATFORD
26 MARILYN E. BEDNARSKI
Attorney for Defendant MILTON C.
27 GRIMES

10/17/24
Date