



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

October 20, 2017

Benjamin Brafman, Esq.
Marc Agnifilo, Esq.
Josh Kirschner, Esq.
Brafman & Associates, P.C.
767 Third Avenue
New York, NY 10017
(212) 750-7800

Re: **United States v. Reza Zarrab, a/k/a "Riza Sarraf,"**
S5 15 Cr. 867 (RMB)

Dear Counsel:

On the understandings specified below, the Office of the United States Attorney for the Southern District of New York ("this Office") will accept a guilty plea from Reza Zarrab, a/k/a "Riza Sarraf" (the "defendant") to a seven-count superseding criminal information (the "Information").

Count One of the Information charges the defendant with conspiring to impair, impede, and obstruct the lawful and legitimate governmental functions and operations of the U.S. Department of the Treasury in the enforcement of economic sanctions laws and regulations administered by that agency between in or about 2010 and in or about March 2016, in violation of Title 18, United States Code, Section 371. Count One carries a maximum sentence of five years' imprisonment; a maximum term of supervised release of three years; a maximum fine, pursuant to Title 18, United States Code, Section 3571, of the greatest of \$250,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to a person other than the defendant as a result of the offense; and a mandatory \$100 special assessment.

Count Two of the Information charges the defendant with conspiring to violate the International Emergency Economic Powers Act (the "IEEPA") between in or about 2010 and in or about March 2016, in violation of Title 50, United States Code, Section 1705. Count Two carries a maximum sentence of 20 years' imprisonment; a maximum term of supervised release of three years; a maximum fine of \$1,000,000; and a mandatory \$100 special assessment.

Count Three of the Information charges the defendant with committing bank fraud between in or about 2010 and in or about March 2016, in violation of Title 18, United States Code, Section 1344. Count Three carries a maximum sentence of 30 years' imprisonment; a maximum term of supervised release of five years; pursuant to Title 18, United States Code, Sections 3571 and 1344, of the greatest of \$1,000,000, twice the gross pecuniary gain derived from the offense, or twice the

gross pecuniary loss to a person other than the defendant as a result of the offense; and a mandatory \$100 special assessment.

Count Four of the Information charges the defendant with conspiring to commit bank fraud between in or about 2010 and in or about March 2016, in violation of Title 18, United States Code, Section 1349. Count Four carries a maximum sentence of 30 years' imprisonment; a maximum term of supervised release of five years; pursuant to Title 18, United States Code, Sections 3571 and 1344, of the greatest of \$1,000,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to a person other than the defendant as a result of the offense; and a mandatory \$100 special assessment.

Count Five of the Information charges the defendant with committing money laundering between in or about 2010 and in or about March 2016, in violation of Title 18, United States Code, Section 1956. Count Five carries a maximum sentence of 20 years' imprisonment; a maximum term of supervised release of three years; a maximum fine, pursuant to Title 18, United States Code, Sections 3571 and 1956(a)(1), of the greatest of \$500,000, twice the value of the monetary instrument or funds involved in the transportation, transmission, or transfer, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to a person other than the defendant as a result of the offense; and a mandatory \$100 special assessment.

Count Six of the Information charges the defendant with conspiring to commit money laundering between in or about 2010 and in or about March 2016, in violation of Title 18, United States Code, Section 1956. Count Six carries a maximum sentence of 20 years' imprisonment; a maximum term of supervised release of three years; a maximum fine, pursuant to Title 18, United States Code, Sections 3571 and 1956(a)(1), of the greatest of \$500,000, twice the value of the monetary instrument or funds involved in the transportation, transmission, or transfer, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to a person other than the defendant as a result of the offense; and a mandatory \$100 special assessment.

Count Seven of the Information charges the defendant with conspiring to bribe a U.S. public official and possessing contraband in a federal detention center between in or about 2016 and in or about June 2017, in violation of Title 18, United States Code, Section 371. Count Seven carries a maximum sentence of five years' imprisonment; a maximum term of supervised release of three years; a maximum fine, pursuant to Title 18, United States Code, Section 3571, of the greatest of \$250,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to a person other than the defendant as a result of the offense; and a mandatory \$100 special assessment.

The total maximum sentence of incarceration on the seven counts in the Information is 130 years' imprisonment.

It is further understood that the defendant shall make restitution in an amount to be specified by the Court in accordance with 18 U.S.C. §§ 3663, 3663A, and 3664. This amount shall be paid according to a plan established by the Court.

The defendant furthermore admits the forfeiture allegations with respect to Counts Two, Three, Four, Five, Six, and Seven of the Information and agrees to forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C), and 982, Title 21, United States Code, Section 853, and Title 28, United States Code, Section 2461, a sum of money in U.S. currency (the "Money Judgment") representing the value of any and all property constituting or derived from any proceeds the defendant obtained directly or indirectly as a result of the offenses alleged in Counts Two, Three, Four, and Seven of the Information; and the value of any and all property, real or personal, involved in the money laundering offenses alleged in Counts Five and Six of the Information, and all property traceable to such property. The defendant further agrees to forfeit any specific property constituting or derived from any proceeds the defendant obtained directly or indirectly as a result of the offenses alleged in Counts Two, Three, Four, and Seven of the Information; and any specific property, real or personal, involved in the money laundering offenses alleged in Counts Five and Six of the Information or traceable to such property. It is further understood that any forfeiture of the defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon him in addition to forfeiture.

It is understood that the defendant: (a) shall truthfully and completely disclose all information with respect to the activities of himself and others concerning all matters about which this Office inquires of him, which information can be used for any purpose; (b) shall cooperate fully with this Office, the Federal Bureau of Investigation (the "FBI") and any other law enforcement agency designated by this Office; (c) shall attend all meetings at which this Office requests his presence; (d) shall provide to this Office, upon request, any document, record, or other tangible evidence relating to matters about which this Office or any designated law enforcement agency inquires of him; (e) shall truthfully testify before the grand jury and at any trial and other court proceeding with respect to any matters about which this Office may request his testimony; (f) shall bring to this Office's attention all crimes which he has committed, and all administrative, civil, or criminal proceedings, investigations, or prosecutions in which he has been or is a subject, target, party, or witness; (g) shall commit no further crimes whatsoever; and (h) shall provide notice to this Office prior to discussing the conduct covered by Counts One through Seven of the Information with anyone other than this Office, law enforcement agencies designated by this Office, and the defendant's attorney who are licensed to practice law in the United States. Moreover, any assistance the defendant may provide to federal criminal investigators shall be pursuant to the specific instructions and control of this Office and designated investigators.

It is understood that this Office cannot, and does not, agree not to prosecute the defendant for criminal tax violations, if any. However, if the defendant fully complies with the understandings specified in this Agreement, no testimony or other information given by him (or any other information directly or indirectly derived therefrom) will be used against him in any criminal tax prosecution. Moreover, if the defendant fully complies with the understandings specified in this Agreement, he will not be further prosecuted criminally by this Office for any crimes, except for criminal tax violations, related to his participation in: (1) a conspiracy between in or about 2010 and in or about March 2016 to impair, impede, and obstruct the lawful and legitimate governmental functions and operations of the U.S. Department of the Treasury in the enforcement of economic sanctions laws and regulations administered by that agency by engaging in commercial transactions designed to evade and avoid U.S. primary and secondary sanctions

governing financial transactions conducted for the benefit of Iranian entities, as charged in Count One of the Information; (2) a conspiracy between in or about 2010 and in or about March 2016 to violate the IEEPA by engaging in commercial transactions designed to evade and avoid U.S. primary and secondary sanctions governing financial transactions conducted for the benefit of Iranian entities, as charged in Count Two of the Information; (3) a scheme to defraud U.S. financial institutions and to obtain by false pretenses money and/or property in the custody of U.S. financial institutions between in or about 2010 and in or about March 2016, as charged in Count Three of the Information; (4) a conspiracy to defraud U.S. financial institutions and to obtain by false pretenses money and/or property in the custody of U.S. financial institutions between in or about 2010 and in or about March 2016, as charged in Count Four of the Information; (5) engaging in financial transactions from the United States to places outside the United States for purposes of promoting the IEEPA conspiracy described in Count Two of the Information, the bank fraud scheme and bank fraud conspiracy described in Counts Three and Four of the Information, and bribery of foreign public officials between in or about 2010 and in or about March 2016, as charged in Count Five of the Information; (6) conspiring to engage in financial transactions from the United States to places outside the United States for purposes of promoting the IEEPA conspiracy described in Count Two of the Information, the bank fraud scheme and bank fraud conspiracy described in Counts Three and Four of the Information, and bribery of foreign public officials between in or about 2010 and March 2016, as charged in Count Six of the Information; (7) conspiring to bribe a corrections officer at the Metropolitan Correctional Center (the "MCC") to smuggle into the MCC contraband, including cellphones and alcohol, between in or about 2016 and in or about June 2017, as charged in Count Seven of the Information; (8) making material misrepresentations to the FBI during a post-arrest interview on or about March 19, 2016; (9) making material misrepresentations during an interview with a pre-trial services officer with the United States District Court for the Southern District of Florida's on March 21, 2016; and (10) smoking synthetic marijuana on one occasion in the MCC in or about 2016, to the extent that he has disclosed such participation to this Office as of the date of this Agreement. In addition, in compliance with the defendant's obligation to disclose to this Office any crimes the defendant has committed, the defendant has fully disclosed the following conduct that cannot be prosecuted by this Office because it lacks jurisdiction: (i) paying bribes to foreign officials and corporate representatives between in or about 2002 and in or about March 2016 in return for, among other things, personal benefits, favorable business dealings, and protection by government officials; (ii) procuring prostitutes for others in or about 2013; (iii) understating his income on Turkish tax filings between in or about 2002 and in or about March 2016; (iv) assaulting another individual in the Republic of Turkey in or about 2014; (v) lying to Turkish law enforcement officers after the defendant was arrested there in or about December 2013. This Agreement does not provide any protection against prosecution for any crimes except as set forth above.

It is understood that all of the conduct set forth in subsections (8) through (10) and (i) through (v) of the preceding paragraph constitutes either relevant conduct, pursuant to United States Sentencing Guidelines ("U.S.S.G.") Section 1B1.3, or other conduct of the defendant, pursuant to U.S.S.G. § 1B1.4, that the Court may consider at the time of sentencing.

It is understood that the defendant's truthful cooperation with this Office is likely to reveal activities of individuals who might use violence, force, and intimidation against the defendant, his family, and loved ones. Should the defendant's cooperation present a significant risk of physical

harm, this Office, upon the written request of the defendant, will take steps that it determines to be reasonable and necessary to attempt to ensure his safety and that of his family and loved ones. These steps may include application to the Witness Security Program of the United States Marshals Service, whereby the defendant, his family, and loved ones, if approved, could be relocated under a new identity. It is understood, however, that the Witness Security Program is under the direction and control of the United States Marshals Service and of the Office of Enforcement Operations of the Department of Justice, not of this Office.

It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than this Office. This Office will, however, bring the cooperation of the defendant to the attention of other prosecuting offices, if requested by him. Nor does this Agreement bind the Bureau of Immigration and Customs Enforcement ("ICE"), although this Office will bring the cooperation of the defendant, as well as any safety concerns with respect to the defendant and his family, to the attention of ICE, if requested by him.

It is understood that the sentence to be imposed upon the defendant is within the sole discretion of the Court. This Office cannot, and does not, make any promise or representation as to what sentence the defendant will receive, and will not recommend any specific sentence to the Court. However, this Office will inform the Probation Office and the Court of: (a) this Agreement; (b) the nature and extent of the defendant's activities with respect to this case and all other activities of the defendant which this Office deems relevant to sentencing; and (c) the nature and extent of the defendant's cooperation with this Office. In so doing, this Office may use any information it deems relevant, including information provided by the defendant both prior to and subsequent to the signing of this Agreement. In addition, if this Office determines that the defendant has provided substantial assistance in an investigation or prosecution, and if he has fully complied with the understandings specified in this Agreement, this Office will file a motion, pursuant to Section 5K1.1 of the Sentencing Guidelines and 18 U.S.C. §3553(e), requesting the Court to sentence the defendant in light of the factors set forth in Section 5K1.1(a)(1)-(5). It is understood that, even if such a motion is filed, the sentence to be imposed on the defendant remains within the sole discretion of the Court. Moreover, nothing in this Agreement limits this Office's right to present any facts and make any arguments relevant to sentencing to the Probation Office and the Court, or to take any position on post-sentencing motions. The defendant hereby consents to such adjournments of his sentence as may be requested by this Office.

It is understood that, should this Office determine either that the defendant has not provided substantial assistance in an investigation or prosecution, or that the defendant has violated any provision of this Agreement, such a determination will release this Office from any obligation to file a motion pursuant to Section 5K1.1 of the Sentencing Guidelines and/or 18 U.S.C. §3553(e), but will not entitle the defendant to withdraw his guilty plea once it has been entered.

It is understood that, should this Office determine, subsequent to the filing of a motion pursuant to Section 5K1.1 of the Sentencing Guidelines and 18 U.S.C. §3553(e), that the defendant has violated any provision of this Agreement, this Office shall have the right to withdraw such motion.

It is understood that, should the defendant commit any further crimes or should it be determined that he has given false, incomplete, or misleading testimony or information, or should he otherwise violate any provision of this Agreement, the defendant shall thereafter be subject to prosecution for any federal criminal violation of which this Office has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the defendant, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed.

It is understood that in the event that it is determined that the defendant has committed any further crimes, given false, incomplete, or misleading testimony or information, or otherwise violated any provision of this Agreement, (a) all statements made by the defendant to this Office or other designated law enforcement agents, and any testimony given by the defendant before a grand jury or other tribunal, whether prior to or subsequent to the signing of this Agreement, and any leads from such statements or testimony shall be admissible in evidence in any criminal proceeding brought against the defendant; and (b) the defendant shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. It is the intent of this Agreement to waive all rights in the foregoing respects.

The defendant hereby acknowledges that he has accepted this Agreement and decided to plead guilty because he is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw his plea or to attack his conviction, either on direct appeal or collaterally, on the ground that the Government has failed to produce any discovery material, *Jencks* Act material, exculpatory material pursuant to *Brady v. Maryland*, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, or impeachment material pursuant to *Giglio v. United States*, 405 U.S. 150 (1972), that has not already been produced as of the date of the signing of this Agreement.

The defendant recognizes that, if he is not a citizen of the United States, his guilty plea and conviction make it very likely that his deportation from the United States is presumptively mandatory and that, at a minimum, he is at risk of being deported or suffering other adverse immigration consequences. The defendant acknowledges that he has discussed the possible immigration consequences (including deportation) of his guilty plea and conviction with defense counsel. The defendant affirms that he wants to plead guilty regardless of any immigration consequences that may result from the guilty plea and conviction, even if those consequences include deportation from the United States. Because the defendant's cooperation may present a significant risk of physical harm to him and his family, this office will take steps to bring any known safety concerns to the attention of the appropriate authorities, including ICE. It is agreed that the defendant will have no right to withdraw his guilty plea based on any actual or perceived adverse immigration consequences (including deportation) resulting from the guilty plea and conviction. It is further agreed that the defendant will not challenge his conviction or sentence on direct appeal, or through litigation under Title 28, United States Code, Section 2255 and/or Section

2241, on the basis of any actual or perceived adverse immigration consequences (including deportation) resulting from his guilty plea and conviction.

This Agreement supersedes any prior understandings, promises, or conditions between this Office and the defendant. No additional understandings, promises, or conditions have been entered into other than those set forth in this Agreement, and none will be entered into unless in writing and signed by all parties.

Very truly yours,

JOON H. KIM
Acting United States Attorney

By: _____

Michael D. Lockard
Sidhardha Kamaraju
David W. Denton, Jr.
Assistant United States Attorneys
Dean C. Sovolos
Special Assistant United States Attorney
(212) 637-2193/6523/2744/2213

APPROVED:

LISA R. ZORNBERG
Chief, Criminal Division

AGREED AND CONSENTED TO:

Reza Zarrab

DATE

10-26-17

APPROVED:

Attorneys for Reza Zarrab

DATE

10-26-17