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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

-----x

3 UNITED STATES OF AMERICA,

4 v.

15 CR 706 (VSB)

5 FRANCIS LORENZO,

6 Defendant.

7 -----x

8 New York, N.Y.

9 March 16, 2016

12:00 noon

10 Before:

11 HON. VERNON S. BRODERICK,

12 District Judge

13 APPEARANCES

14 PREET BHARARA

15 United States Attorney for the

16 Southern District of New York

17 JANIS ECHENBERG

DANIEL C. RICHENTAL

Assistant United States Attorney

18 HIRSCHHORN & BIEBER, P.A.

19 Attorneys for Defendant Lorenzo

BRIAN H. BIEBER

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(In open court; case called)

THE DEPUTY CLERK: Counsel, please state your appearances for the record.

MS. ECHENBERG: Good afternoon, your Honor. Janis Echenberg for the government. With me at counsel table is my colleague Daniel Richenthal, as well as Jason Alberts from the FBI and Sheldon Tang from the IRS.

MR. BIEBER: Good afternoon, your Honor. Brian Bieber on behalf of Francis Lorenzo, who is present.

THE COURT: Good afternoon.

Good afternoon, Mr. Lorenzo.

Mr. Lorenzo, I understand that or I have been informed that you wish to plead guilty to a six-count superseding information; is that correct?

THE DEFENDANT: That's correct.

THE COURT: Ms. Williams, if you could, show Mr. Lorenzo a copy of the waiver of indictment form. You can mark it as Court Exhibit 1.

Mr. Lorenzo, my deputy clerk just handed you a copy of the waiver of indictment form. Is that your signature on that form?

THE DEFENDANT: Yes, it is.

THE COURT: Before you signed it, did you discuss it with Mr. Bieber?

THE DEFENDANT: Yes, I did.

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1 THE COURT: Did he explain it to you?

2 THE DEFENDANT: Yes, my Honor.

3 THE COURT: Ms. Williams, if you could take that back
4 and take care of getting it filed.

5 Mr. Lorenzo, do you understand that you are under no
6 obligation to waive indictment?

7 THE DEFENDANT: Yes, my Honor.

8 THE COURT: Do you understand that if you were not to
9 waive indictment and the government wants to prosecute you, it
10 would have to present the case to a grand jury, which may or
11 may not indict you?

12 THE DEFENDANT: Yes, my Honor.

13 THE COURT: Do you understand that by waiving
14 indictment, you are giving up your right to have your case
15 presented to a grand jury?

16 THE DEFENDANT: Yes, my Honor.

17 THE COURT: Do you understand what a grand jury is?

18 THE DEFENDANT: Yes, my Honor.

19 THE COURT: Does either counsel know of any reason
20 that I should not find Mr. Lorenzo has knowingly and
21 voluntarily waived his right to be indicted by a grand jury?

22 MS. ECHENBERG: No, your Honor.

23 MR. BIEBER: No, your Honor.

24 THE COURT: I find that Mr. Lorenzo has knowingly and
25 voluntarily waived his right to be indicted by a grand jury,

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1 and I authorize the filing of the superseding information.

2 Now, Mr. Lorenzo, before I accept your guilty plea, I
3 am going to ask you certain questions so that I may establish
4 to my satisfaction that you wish to plead guilty because you
5 are guilty and not for some other reason, and also to establish
6 that you know what you will be giving up by pleading guilty.
7 If you don't understand any of my questions, just stop me and
8 either I will explain or your lawyer will explain it to you
9 more fully.

10 Okay?

11 THE DEFENDANT: Yes, my Honor.

12 THE COURT: We will take as much time as we need.

13 Ms. Williams, if you could please swear in
14 Mr. Lorenzo.

15 THE DEPUTY CLERK: Mr. Lorenzo, will you raise your
16 right hand.

17 (Defendant sworn)

18 THE COURT: Mr. Lorenzo, you are now under oath, which
19 means that if you answer any of my questions falsely, you may
20 be prosecuted for the separate crime of perjury.

21 Do you understand that?

22 THE DEFENDANT: I do, my Honor.

23 THE COURT: What is your full name?

24 THE DEFENDANT: Francis Lorenzo.

25 THE COURT: How old are you?

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1 THE DEFENDANT: 48.

2 THE COURT: How far did you go in school?

3 THE DEFENDANT: College.

4 THE COURT: Have you ever been treated or hospitalized
5 for any mental illness?

6 THE DEFENDANT: No.

7 THE COURT: Are you now or have you recently been
8 under the care of a doctor or psychiatrist?

9 THE DEFENDANT: No.

10 THE COURT: Have you ever been treated or hospitalized
11 for any type of addiction, including drug or alcohol addiction?

12 THE DEFENDANT: No.

13 THE COURT: Have you taken any drugs, medicine or
14 pills or drunk any alcoholic beverages in the past two days?

15 THE DEFENDANT: No.

16 THE COURT: Is your mind clear today?

17 THE DEFENDANT: Yes.

18 THE COURT: Do you understand what is happening today?

19 THE DEFENDANT: Yes.

20 THE COURT: Mr. Bieber, have you discussed this matter
21 with your client?

22 MR. BIEBER: Yes, Judge.

23 THE COURT: Does he understand the rights he will be
24 waiving by pleading guilty?

25 MR. BIEBER: Yes, he does.

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1 THE COURT: Is he capable of understanding the nature
2 of these proceeding?

3 MR. BIEBER: Yes.

4 Do you prefer I stand?

5 THE COURT: No. That is okay. You can remain seated.

6 Do either counsel know or have any doubt as to Mr.
7 Lorenzo's competence to plead guilty at this time?

8 MS. ECHENBERG: No, your Honor.

9 MR. BIEBER: No, your Honor.

10 THE COURT: On the basis of Mr. Lorenzo's responses to
11 my questions, my observations of his demeanor here in court and
12 the representations of counsel, I find that he is fully
13 competent to enter an informed plea of guilty at this time.

14 Mr. Lorenzo, have you received a copy of the
15 superseding information?

16 THE DEFENDANT: Yes, I have.

17 THE COURT: Did you read it?

18 THE DEFENDANT: Yes.

19 THE COURT: Do you waive its public reading at this
20 time?

21 THE DEFENDANT: Yes, my Honor.

22 THE COURT: Have you had enough of a chance to discuss
23 with your lawyer the charges to which you intend to plead
24 guilty?

25 THE DEFENDANT: Yes.

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1 THE COURT: Does that include any possible defenses to
2 those charges?

3 THE DEFENDANT: Yes.

4 THE COURT: Has your lawyer explained to you the
5 consequences of entering a guilty plea?

6 THE DEFENDANT: Yes.

7 THE COURT: Are you satisfied with Mr. Bieber's
8 representation?

9 THE DEFENDANT: Yes.

10 THE COURT: Now I am going to explain to you certain
11 constitutional rights that you have. These are rights that you
12 are going to be giving up by pleading guilty. Again, listen
13 carefully to everything I am about to say. If you don't
14 understand something, we'll just stop the proceedings and
15 either I or your lawyer will explain it to you.

16 Okay?

17 THE DEFENDANT: Yes.

18 THE COURT: Now, under the Constitution and laws of
19 the United States, you have a right to plead not guilty to the
20 charges contained in the superseding information.

21 Do you understand that?

22 THE DEFENDANT: I do.

23 THE COURT: If you do plead not guilty, you would be
24 entitled to a speedy and public trial by a jury on the charges
25 contained in the superseding indictment.

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1 Do you understand that?

2 THE DEFENDANT: Yes.

3 THE COURT: At such a trial, you would be presumed
4 innocent and the government would be required to prove you
5 guilty by competent evidence beyond a reasonable doubt before
6 you could be found guilty.

7 Do you understand that?

8 THE DEFENDANT: Yes, I do.

9 THE COURT: A jury of 12 people would have to agree
10 unanimously that you were guilty and you would not have to
11 prove that you were innocent if you were to go to trial.

12 Do you understand that?

13 THE DEFENDANT: Yes.

14 THE COURT: At a trial and every stage of the
15 proceeding and every stage of this case, you would be entitled
16 to be represented by a lawyer if you could not afford one. You
17 would be entitled to be represented by a lawyer and if you
18 could not afford one, one would be appointed at public expense,
19 in other words, free of cost to represent you.

20 Do you understand that?

21 THE DEFENDANT: Yes.

22 THE COURT: During a trial the witnesses for the
23 government would have to come here to court and testify in your
24 presence. Your lawyer could cross-examine the witnesses for
25 the government, object to evidence offered by the government,

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1 and offer evidence in your own defense if you desired. You
2 would also have the right to have subpoenas issued or other
3 process to compel witnesses to testify on your behalf.

4 Do you understand that?

5 THE DEFENDANT: Yes.

6 THE COURT: At a trial, although you would have the
7 right to testify if you chose to do so, you also would have the
8 right not to testify. And if you decided not to testify, no
9 one, not even the jury, could draw any inference or suggestion
10 of your guilt from the fact that you did not testify.

11 Do you understand that?

12 THE DEFENDANT: Yes.

13 THE COURT: Have you had a full opportunity to discuss
14 with your lawyer whether there is any basis to seek suppression
15 of some or all of the evidence against you on the ground that
16 your constitutional rights were violated? Have you had an
17 opportunity to discuss with your lawyer that?

18 THE DEFENDANT: Yes.

19 THE COURT: Do you understand by pleading guilty, you
20 are giving up your right to seek suppression of any evidence
21 against you?

22 THE DEFENDANT: Yes.

23 THE COURT: Now, if you are convicted at trial, you
24 would have the right to appeal that verdict.

25 Do you understand that?

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1 THE DEFENDANT: Yes.

2 THE COURT: Now, even now as you sit here and even now
3 as you are entering your guilty plea, you have the right to
4 change your mind and go to trial on the charges contained in
5 the superseding information.

6 Do you understand that?

7 THE DEFENDANT: Yes.

8 THE COURT: Now, if you plead guilty and I accept your
9 plea, you will give up your right to the trial and the other
10 rights that I have just explained to you, other than the right
11 to a lawyer, which you have regardless of whether or not you
12 plead guilty; but there will be no trial and I will enter a
13 judgment of guilty and sentence on the basis of your plea after
14 I have considered a presentence report and whatever submissions
15 I get from the government and from your lawyer. There will be
16 no appeal with respect to whether the government could or could
17 not have used the evidence it has against you or with respect
18 to whether you did or did not commit the crimes that are
19 charged in the superseding information.

20 Do you understand that?

21 THE DEFENDANT: Yes.

22 THE COURT: Now, if you plead guilty, you will also
23 give up your right not to incriminate yourself because I am
24 going to ask you in a moment questions about what you did in
25 order to satisfy myself that you are in fact guilty as charged,

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1 and you will have to admit and acknowledge your guilt.

2 Do you understand that?

3 THE DEFENDANT: Yes.

4 THE COURT: Do you understand each and every one of
5 the rights I have just explained to you?

6 THE DEFENDANT: Yes.

7 THE COURT: Mr. Lorenzo, are you willing to give up
8 your right to trial and the other rights I have just discussed
9 with you?

10 THE DEFENDANT: Yes.

11 THE COURT: Now, with regard to the charges that are
12 in the superseding information, do you understand that the
13 superseding information charges you with conspiracy to commit
14 bribery, bribery, conspiracy to commit money laundering, money
15 laundering, subscribing to false and fraudulent Individual
16 Income Tax Returns and the willful failure to file reports of
17 foreign bank and financial records?

18 THE DEFENDANT: Yes.

19 THE COURT: Ms. Echenberg, if could you, please recite
20 each of the elements for the six counts in the superseding
21 information.

22 MS. ECHENBERG: Yes, your Honor. With respect to
23 Count One the elements are as follows: First, the existence of
24 the conspiracy charged, that is, an agreement or understanding
25 to commit bribery; second, that the defendant knowingly and

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1 willfully became a member of that conspiracy; and third, that
2 any one of the co-conspirators, not necessarily the defendant,
3 but any member of the conspiracy knowingly committed at least
4 one overt act in furtherance of the conspiracy during the life
5 of the conspiracy.

6 The object or the goal of the conspiracy charged in
7 Count One is bribery and that offense has five elements, which
8 are also the elements of Count Two, and I will go through those
9 now:

10 First, at the time alleged in the superseding
11 information, the person being bribed was an agent of an
12 organization or organizations; second, that in a one-year
13 period that organization or organizations received federal
14 benefits in excess of \$10,000; third, that the defendant gave
15 or agreed to give or offered to give something of value to the
16 person being bribed; fourth, that the defendant acted corruptly
17 with the intent to influence with respect to a business or
18 transaction of the organization at issue; fifth, that the value
19 of the business or transaction to which the payment or payments
20 related was at least \$5,000.

21 Count Three charges the defendant with conspiracy to
22 commit money laundering from in or about the spring of 2012 up
23 and including in or about September 2015. The elements of that
24 charge are the conspiracy as I provided with respect to Count
25 One, except no overt act is required.

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1 For clarification, for Count One the time period is
2 spring 2011 up to and including in or about September 2015.

3 Going back to Count Three. The object or the goal of
4 the charged conspiracy of Count Three is money laundering,
5 which has three elements and those are also the elements of
6 Count Four, which I will recite now. First, the defendant
7 transmitted monetary funds; second, the defendant's
8 transmissions of the funds were either from a place in the
9 United States to or through a place outside the United States
10 or to a place in the United States from or through a place
11 outside the United States; third, the defendant's transmission
12 of monetary funds was done with the intent to promote the
13 carrying on of a specific unlawful activity, which includes
14 bribery of a United Nations official and bribery of a foreign
15 official.

16 Count Five charges the defendant with subscribing to
17 false and fraudulent United States Tax Returns for the tax
18 years of 2010 to 2013. The elements of that charge are as
19 follows: First, the defendant signed an income tax return that
20 contained a written declaration that was made under penalty
21 perjury; second, that the return falsely stated the defendant's
22 gross income amount; third, that the defendant purposely made
23 the statement and knew it was false.

24 Count Six charges the defendant with willful failure
25 to file reports of foreign bank and financial records for the

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1 calendar years of 2012 to 2014. The elements of that count are
2 as follows: First, the defendant maintained at least one
3 account overseas that had a value of over \$10,000 in it;
4 second, that the defendant failed to report that account on the
5 FR form filed by June 30th of the following calendar year in
6 which he maintained that account; and third, the defendant did
7 so willfully.

8 The government would prove all of those elements
9 beyond a reasonable doubt and it would also prove venue for
10 each of those counts by a preponderance of the evidence.

11 THE COURT: Thank you.

12 Mr. Lorenzo, do you understand that if you were to go
13 to trial, the government would have to prove all of the
14 elements the prosecutor just mentioned for each of the six
15 counts to which you were pleading guilty beyond a reasonable
16 doubt?

17 THE DEFENDANT: Yes, my Honor.

18 THE COURT: I am going to discuss with you and explain
19 the maximum penalties for these crimes. The maximum means the
20 most that could possibly be imposed. It does not mean that
21 that is what you will necessarily receive; but you need to
22 understand that by pleading guilty, you're subjecting yourself
23 to any combination of punishments up to the maximum that I am
24 about to describe.

25 Do you understand that?

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1 THE DEFENDANT: Yes.

2 THE COURT: First I am going to talk to you about the
3 restrictions on your liberty, in other words, potential jail
4 time and supervised release. The maximum term of imprisonment
5 for the crime charged in Count One of the superseding
6 information is five years' imprisonment and the maximum term of
7 supervised release is three years. Supervised release means
8 that when you are released from prison, you will be under the
9 supervision of the Probation Department and there will be
10 certain rules of supervised release that you will have to
11 follow. If you violate any of those rules, you can be returned
12 to prison without a jury trial to serve additional time with no
13 credit for time-served in prison as a result of your sentence
14 and no credit for any time spent on postrelease supervision.

15 Do you understand that?

16 THE DEFENDANT: Yes.

17 THE COURT: Now, the maximum term of imprisonment on
18 Count Two of the superseding information is 10 years'
19 imprisonment. You also face a maximum supervised release term
20 of three years. The maximum term of imprisonment on Count
21 Three of the superseding information is 20 years. You will
22 also face a term of supervised release of three years on that
23 count. The maximum term of imprisonment on Count Four is 20
24 years' imprisonment and also a three-year term of supervised
25 release. The maximum term of imprisonment on Count Five is

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1 three years of imprisonment and you face a maximum term of
2 supervised release of one year. With regard to Count Six, you
3 face a maximum term of imprisonment of five years and a maximum
4 term of supervised release of three years.

5 Now, you should understand that there is no parole in
6 the federal system and if you are sentenced to prison, you will
7 not be released early on parole. There is a limited
8 opportunity to earn credit for good behavior, but you'll have
9 to serve at least 85 percent of the time that you are sentenced
10 to.

11 Do you understand that?

12 THE DEFENDANT: Yes.

13 THE COURT: Now, the maximum term of incarceration
14 that you face to all of the charges contained in the
15 superseding information is 63 years' imprisonment. Now, in
16 addition to the restrictions on your liberty, the maximum
17 punishment also includes certain financial penalties. The
18 maximum allowable fine with regard to each of Counts One and
19 Two is \$250,000 or twice the gross gain derived from the
20 offense or twice the gross loss to persons other than yourself
21 as a result of the offense.

22 Do you understand that?

23 THE DEFENDANT: Yes.

24 THE COURT: The maximum allowable fine with regard to
25 each of Counts Three and Four is \$500,000 or twice the gross

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1 gain derived from the offense or twice the gross loss to
2 persons other than yourself as a result of the offense.

3 Do you understand that?

4 THE DEFENDANT: Yes.

5 THE COURT: The maximum allowable fine with regard to
6 each of Counts Five and Six is \$250,000 or twice the gross gain
7 derived from the offense or twice the loss to persons, other
8 than yourself, as a result of the offense.

9 Do you understand that?

10 THE DEFENDANT: Yes.

11 THE COURT: Now, as part of the agreement --

12 MS. ECHENBERG: Your Honor, if I could make one
13 clarification with regard to Counts Three or Four. It is
14 possible it was not reflected on the designation sheet. The
15 fine with respect to Counts Three and Four is the greatest of
16 \$500,000, which is what your Honor stated, or it is actually
17 twice the value of the monetary instrument or funds involved in
18 the transportation, transmission or transfer. That is as
19 reflected in the plea agreement on page 2.

20 THE COURT: Okay. My mistake.

21 MS. ECHENBERG: If that needs to be corrected on the
22 designation sheet, we can take care of that.

23 THE COURT: I don't know whether it does.

24 MS. ECHENBERG: That is what I thought, your Honor.

25 THE COURT: So, Mr. Lorenzo, Counts Three and Four as

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1 the prosecutor just mentioned the maximum fine is \$500,000 or
2 twice the value of monetary instrument or funds involved in the
3 transportation, transmission or transfer of the monetary
4 instrument.

5 Do you understand that?

6 THE DEFENDANT: Yes.

7 THE COURT: Now, as part of your agreement with the
8 government that I will discuss with you in more detail in a
9 moment, you have agreed to file accurate, amended United States
10 Individual Tax Returns, Forms 1040, for the years 2010 through
11 2014; is that correct?

12 THE DEFENDANT: That's correct.

13 THE COURT: You have also agreed to pay past taxes due
14 and owing to the Internal Revenue Service including applicable
15 penalties on the terms and conditions that you will work with
16 the IRS to arrange; is that correct?

17 THE DEFENDANT: Yes.

18 THE COURT: You've also agreed not to contest the
19 applicability of any civil fraud penalties; is that correct?

20 THE DEFENDANT: Yes.

21 THE COURT: As part of your plea agreement with the
22 government, you also agreed to pay restitution to the IRS in
23 the full amount of the tax due and owing as a result of the use
24 of the undisclosed foreign bank accounts; is that correct?

25 THE DEFENDANT: Yes.

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1 THE COURT: Now, with regard to your failure to file
2 reports of foreign bank and financial accounts, do you
3 understand that you've agreed to pay a civil penalty to the IRS
4 equal to or greater than \$100,000 or 50 percent of the highest
5 total balance of each of the foreign financial accounts in
6 which you had a financial interest or over which you had
7 signature or other authority during the calendar years 2012,
8 2013 and 2014.

9 Do you understand that?

10 THE DEFENDANT: Yes.

11 THE COURT: I can also order forfeiture of all
12 property derived from the offense or used to facilitate the
13 offense. Again, I note as part of your plea agreement you have
14 agreed to admit to the forfeiture allegation as it relates to
15 Counts One, Two, Three and Four of the superseding information.
16 Specifically, you agree to forfeit to the government any
17 property, real or personal, which constitutes or is deprived
18 from proceeds traceable to the commission of the offenses
19 alleged in Counts One and Two of the superseding information
20 and any property, real or personal, involved in the offenses
21 charged in Counts Three and Four and any property traceable to
22 such property; is that correct?

23 THE DEFENDANT: Yes.

24 THE COURT: Finally I must order a mandatory special
25 assessment of \$100 on each count for a total of \$600. The

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1 special assessment will be due immediately upon sentencing.

2 Do you understand that?

3 THE DEFENDANT: Yes.

4 THE COURT: Mr. Lorenzo, I understand you are a
5 citizen of the United States?

6 THE DEFENDANT: Yes.

7 THE COURT: Do you understand that as a result of your
8 guilty plea, you may lose certain valuable civil rights to the
9 extent that you have them now or to the extent that you can
10 otherwise obtain them such as the right to vote, the right to
11 hold public office, the right to serve on a jury and the right
12 to possess any kind of firearm?

13 THE DEFENDANT: Yes.

14 THE COURT: Mr. Lorenzo, are you now serving any
15 sentence, state or federal, or being prosecuted by the state
16 for any crime?

17 THE DEFENDANT: No.

18 THE COURT: Are you currently on parole?

19 THE DEFENDANT: No.

20 THE COURT: Do you understand that if your lawyer or
21 anyone else has attempted to predict for you what your sentence
22 will be that their prediction could be wrong?

23 THE DEFENDANT: Yes.

24 THE COURT: Now, no one -- not your lawyer, not the
25 government's lawyer -- no one can give you any assurance of

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1 what your sentence will be because I am going to decide your
2 sentence and I am not going to do that today. As I mentioned I
3 am going to wait until I receive a presentence report prepared
4 by the Probation Department. I will do my own independent
5 calculation of the sentencing guideline range. I will consider
6 it and any possible departures from it. I will consider any
7 submissions made by Mr. Bieber and the government's attorneys.
8 Also, I will determine in the end what a reasonable sentence is
9 for you based upon the sentencing factors contained in Title
10 18, United States Code, Section 3553(a).

11 Do you understand that?

12 THE DEFENDANT: Yes.

13 THE COURT: Have you discussed these issues with your
14 attorney?

15 THE DEFENDANT: Yes.

16 THE COURT: Now, even if your sentence is different
17 from what your lawyer or anyone else has predicted it might be,
18 even if it is different from what you expect or if it is
19 different from anything that might be contained in your plea
20 agreement or any discussions you may have had with the
21 government, you will still be bound by your guilty plea and I
22 will not allow you to withdraw your guilty plea.

23 Do you understand that?

24 THE DEFENDANT: Yes.

25 THE COURT: Now, as I mentioned this is a written plea

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1 agreement in this case. It is dated March 15th, 2016. I have
2 the original in my hand. I am going to hand it to my deputy
3 clerk and ask that she show it to Mr. Lorenzo.

4 Mr. Lorenzo, my deputy clerk has just handed you the
5 original of the plea agreement. If you take a look at the last
6 page, is that your signature?

7 THE DEFENDANT: Yes.

8 THE COURT: Did you sign the agreement earlier today
9 in the presence of your lawyer Mr. Bieber?

10 THE DEFENDANT: Yes.

11 THE COURT: Did you also initial each of the pages of
12 that agreement?

13 THE DEFENDANT: Yes.

14 THE COURT: Did you discuss it with Mr. Bieber before
15 you signed it?

16 THE DEFENDANT: Yes.

17 THE COURT: Did you fully understand it before you
18 signed it?

19 THE DEFENDANT: Yes.

20 THE COURT: If you could give that back to my deputy
21 clerk.

22 Ms. Williams, you can give it to the government and
23 they can hold on to the original.

24 That agreement is binding on you and it is binding on
25 your attorney and it is binding on the government but it not

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1 binding on me. As I mentioned I have my own obligation to
2 determine the correct guideline range and what the appropriate
3 sentence is in your case.

4 Do you understand that your plea agreement is not
5 binding on me?

6 THE DEFENDANT: Yes.

7 THE COURT: Do you understand that as part of your
8 plea agreement, you have agreed to do certain things? Now,
9 this is just a summary. You have agreed that you will
10 truthfully and completely disclose information with respect to
11 your activities and the activities of others concerning matters
12 about which you are asked by the government; that you will
13 cooperate with the government, the Federal Bureau of
14 Investigation and the IRS; you will attend meetings as
15 requested by the government; you'll also provide the government
16 any document or record or tangible evidence relating to matters
17 about which the government asks you.

18 Do you understand that these are some of the
19 obligations that you are signing onto by agreeing to your plea
20 agreement?

21 THE DEFENDANT: Yes.

22 THE COURT: Have you discussed the nature of the
23 cooperation to which you have agreed with your attorney?

24 THE DEFENDANT: Yes.

25 THE COURT: Now, do you understand that if you comply

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1 with all the terms of the agreement, including by providing
2 substantial assistance, the government will make a motion on
3 your behalf pursuant to 5K1.1 of the sentencing guidelines and
4 Title 18, United States Code, Section 3553(e) requesting that I
5 sentence you in light of the factors set forth in Section 5k1.1
6 of the sentencing guidelines?

7 THE DEFENDANT: Yes.

8 THE COURT: Do you understand that if the government
9 determines in its sole discretion that you have not complied
10 with the terms of your agreement, that it is relieved from
11 making a motion on your half but you cannot withdraw your
12 guilty plea?

13 THE DEFENDANT: Yes.

14 THE COURT: Do you understand that even if such a
15 motion is filed by the government, the sentence that you
16 receive remains in my sole discretion? In other words, I will
17 determine your sentence, no one else.

18 Do you understand that?

19 THE DEFENDANT: Yes.

20 THE COURT: Now, does the written agreement dated
21 March 15th of this year constitute your complete and total
22 understanding of the entire agreement you have with the
23 government?

24 THE DEFENDANT: Yes.

25 THE COURT: Has anything been left out?

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1 THE DEFENDANT: No.

2 THE COURT: Now, other than what is written in the
3 agreement, has anyone made any promise or offered you any
4 inducement -- in other words, some encouragement or
5 incentive -- to plead guilty or to sign the agreement?

6 THE DEFENDANT: No.

7 THE COURT: Has anyone threatened you or forced you to
8 plead guilty or to sign the plea agreement?

9 THE DEFENDANT: No.

10 THE COURT: Has anyone made any promise to you as to
11 what your sentence will be?

12 THE DEFENDANT: No.

13 THE COURT: Mr. Lorenzo, how do you plead?

14 THE DEFENDANT: Guilty.

15 THE COURT: Mr. Lorenzo, now we've come to the part of
16 the proceeding that I mentioned to you earlier. I am going
17 asking you what it is that you did that makes you believe that
18 you are guilty of the charges contained in the superseding
19 information?

20 THE DEFENDANT: Your Honor, beginning in 2011 and
21 continuing through the 2015, I agreed with others to facilitate
22 the payments of bribes and conduct transactions that violate
23 the law of the United States. My criminal conduct included but
24 was not limited to agreeing to assist in--

25 THE COURT: Take your time.

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1 THE DEFENDANT: -- to assist and causing John Ashe,
2 the Permanent Representative to the United Nation of Antigua
3 to introduce documents at the United Nations in support of the
4 real-estate project to be developed by Ng Lap Seng and to seek
5 influence of other foreign officials for the benefit of Ng Lap
6 Seng.

7 Among other things, on or about June 3rd, 2014, I
8 assisted in and facilitated the payment of about \$200,000 wired
9 to a bank account belonging to John Ashe, the then President of
10 the United Nations General Assembly, was done with the intent
11 to influence John Ashe in his official capacity to act in ways
12 to benefit Ng Lap Seng and others.

13 Moreover, from at least the spring of 2011 through
14 September 2015 I knowingly and intentionally agreed to
15 participate in having funds sent from China to the United
16 States and from the United States to places outside of the
17 United States for the purpose of paying and rewarding John Ashe
18 and foreign officials in Antigua to take official action. Some
19 of the meetings in furtherance of this action I described are
20 here in Manhattan.

21 I also filed false and fraudulent tax returns by
22 omitting income for the tax year 2010-2013 and then only failed
23 to file the reports for foreign bank and financial accounts
24 disclosing that I had financial interests in foreign bank
25 accounts. At least one of those bank accounts had a total

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1 value of more than 10,000. I know that I would have -- should
2 have disclosed the accounts to the IRS.

3 I understood that what I was doing as I just described
4 it was wrong.

5 THE COURT: I am sorry. You understood that with
6 regard to each of the crimes that you just described that what
7 you were doing was wrong?

8 THE DEFENDANT: Yes.

9 THE COURT: Mr. Bieber, do you know of any valid
10 defense that will prevail at trial or do you know of any reason
11 why Mr. Lorenzo should not be permitted to plead guilty at this
12 time?

13 MR. BIEBER: No, Judge.

14 THE COURT: Ms. Echenberg, are there any additional
15 questions that I should ask Mr. Lorenzo?

16 MS. ECHENBERG: No, your Honor. The government would
17 just proffer with respect to venue for the tax counts, the tax
18 filings were prepared in Manhattan and they were filed from the
19 Bronx. They were mailed from the box.

20 THE COURT: Mr. Lorenzo, you just heard what the
21 prosecutor said. Is that an accurate statement?

22 THE DEFENDANT: Yes.

23 MS. ECHENBERG: Your Honor, I would also proffer that
24 the United Nations received more than \$10,000 per year in
25 federal funds in each of the relevant years.

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1 THE COURT: Thank you.

2 Ms. Echenberg, if you could, please summarize what the
3 government's evidence would be had Mr. Lorenzo gone to trial?

4 MS. ECHENBERG: Yes, your Honor. At trial the
5 government would have proven each of the elements of the crime
6 through witness testimony, e-mails, bank records and other
7 evidence.

8 Would you like me to describe --

9 THE COURT: If could you, yes.

10 MS. ECHENBERG: So the evidence would show that during
11 the relevant time frame Mr. Lorenzo in return for payments
12 agreed and did give payments and other things of value to John
13 Ashe, who served as a Permanent Representative to the United
14 Nations in Antigua and Barbuda until December 2014 and served
15 as President of the United Nations General Assembly between
16 2013 and 2014. In exchange and to reward John Ashe for taking
17 official action, among other things, at the request of
18 co-defendants Ng Lap Seng and Jeff C. Yin, Lorenzo arranged for
19 payments to Ashe so that Ashe would take action in his own
20 official capacity and use his position as a diplomatic and
21 United Nations General Assembly President to influence other
22 United Nations and foreign officials in connection with
23 business transactions of Mr. Ng and others worth far more than
24 \$10,000, including with respect to the proposed development of
25 a conference center in Macau, China.

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1 Lorenzo also agreed to, and there would be evidence,
2 that Lorenzo also agreed to and did arrange for payments to one
3 or more foreign officials in return for those officials'
4 agreeing to take official action. At least some of the
5 payments to Lorenzo and at least some of the payments to John
6 Ashe were sent to or through bank accounts in the Southern
7 District of New York or were provided in cash in the Southern
8 District of New York.

9 As I stated, there would be evidence that the United
10 Nations received more than \$10,000 in federal funds during at
11 least the years 2011 through 2015. Further, there would be
12 evidence in the forms described earlier that Mr. Lorenzo
13 knowingly failed to file to the Internal Revenue Service that
14 he had multiple foreign bank accounts and knowingly submitted
15 tax returns. As I mentioned those tax returns were prepared in
16 Manhattan and there would be evidence of that and they were
17 mailed from the Bronx. Those tax returns omitted the full
18 amount of his gross income, which included payments made to him
19 as part of the bribery and money laundering schemes that I have
20 just described.

21 THE COURT: Thank you.

22 Mr. Lorenzo, did you hear what the prosecutor just
23 said?

24 THE DEFENDANT: Yes, I did.

25 THE COURT: By pleading guilty, you will be giving up

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1 your right to challenge all of the evidence that she just
2 mentioned.

3 Do you understand that?

4 THE DEFENDANT: Yes.

5 THE COURT: Did you do the things that the prosecutor
6 just mentioned?

7 THE DEFENDANT: Yes.

8 THE COURT: Do both counsel agree that there is a
9 sufficient factual predicate for a guilty plea?

10 MS. ECHENBERG: Yes, your Honor.

11 MR. BIEBER: Yes, Judge.

12 THE COURT: Does either counsel know of any reason
13 that I should not accept Mr. Lorenzo's guilty plea?

14 MS. ECHENBERG: No, your Honor.

15 MR. BIEBER: No, your Honor.

16 THE COURT: Mr. Lorenzo, because you acknowledge that
17 you are in fact guilty as charged in Counts One, Two, Three,
18 Four, Five and Six of the superseding information, because I am
19 satisfied that you know your rights including your right to go
20 to trial and that you are aware of the consequences of your
21 plea including the sentence which may be imposed and because I
22 find that you are knowingly and voluntarily pleading guilty, I
23 will accept your guilty plea and I will enter a judgment of
24 guilt on Counts One, Two, Three, Four, Five and Six of the
25 superseding information.

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1 Now, Mr. Lorenzo, the Probation Department is going to
2 eventually want to prepare a presentence report and they will
3 want to interview you in connection with that.

4 Mr. Bieber, would you like to be present?

5 MR. BIEBER: Absolutely, yes.

6 THE COURT: Mr. Lorenzo, unless Mr. Bieber is present
7 that interview will not take place. Now, if you decide to
8 speak to the Probation Department, make sure that anything you
9 tell them is truthful and accurate. I am going to read the
10 report they prepare very carefully and it is important to me in
11 deciding what sentence I will impose. You and your attorney,
12 Mr. Bieber, will have every right to comment on that report.
13 So if there are any errors in that, be sure that you mention it
14 to Mr. Bieber so that he can speak to the Probation Department
15 about that.

16 In light of the agreement that you have with the
17 government, we're going to set a control date for sentencing of
18 June 24th. Now, again in light of the agreement, the
19 government's obligation to provide the Probation officer with
20 its factual statement will be held in abeyance until such time
21 as we set an actual sentencing date.

22 MR. BIEBER: Excuse me, Judge.

23 THE COURT: Yes.

24 MR. BIEBER: I am out of the country then. I
25 understand it is just a control date. Can we set it for July

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1 or should we leave that?

2 THE COURT: We can put it in July.

3 Ms. Williams.

4 THE COURT: Off the record for a second.

5 (Discussion off the record)

6 MR. BIEBER: I am actually back the following week,
7 Wednesday or Thursday.

8 THE COURT: We'll make it July 8th.

9 MR. BIEBER: Thank you, Judge.

10 THE COURT: With regard to any sentencing submissions,
11 I direct the parties to my individual rules with regard to
12 that. Typically I require the defense submission two weeks
13 prior to sentencing and the government's one week prior to
14 sentencing.

15 Is there anything else that we need to deal with
16 today?

17 MS. ECHENBERG: Nothing from the government.

18 THE COURT: Mr. Bieber?

19 MR. BIEBER: No, Judge.

20 THE COURT: We stand adjourned.

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