

1 DAVID G. TORRES-SIEGRIST State Bar No. 220187

2 **TORRES-SIEGRIST**

225 S. Lake Avenue

Suite 300

Pasadena, CA 91101

Phone: (626) 432-5460

5 Facsimile: (626) 446-8927

6 *dgts@icloud.com*

7  
8 **Attorneys for Plaintiffs, DJCBP CORPORATION DBA**  
9 **TIER ONE CONSULTING, a California Corporation and**  
10 **David Ju, an individual**

11 **UNITED STATES DISTRICT COURT**

12 **CENTRAL DISTRICT**

13  
14  
15 DJCBP CORPORATION DBA TIER  
16 ONE CONSULTING, a California  
17 Corporation and David Ju, an  
18 individual

17 Plaintiffs,

18  
19 vs.

20 CITY OF BALDWIN PARK, a  
21 municipality; ROBERT  
22 NACIONALES-TAFOYA, an  
23 individual; ANTHONY  
24 WILLOUGHBY, II, an individual;  
25 RICARDO PACHECO, an individual;  
26 ISAAC GALVAN, an individual;  
27 MANUEL LOZANO, an individual;  
28 LOURDES MORALES, an individual  
and Does 1-50

Defendants.

**Case No.:**

**COMPLAINT FOR DAMAGES**

1. VIOLATIONS OF  
RACKETEER INFLUENCED  
CORRUPT  
ORGANIZATIONS ACT  
[RICO VIOLATIONS BASED  
ON BRIBERY, KICKBACKS,  
FRAUD AND CONSPIRACY];
2. INVERSE  
CONDEMNATION/ TAKING  
(U.S. CONST. 5<sup>TH</sup> AMEND.);
3. VIOLATIONS OF CIVIL  
RIGHTS [42 U.S.C. § 1983];
4. NEGLIGENCE;
5. FRAUD;
6. DECLARATORY RELIEF

**DEMAND FOR JURY TRIAL**

**INTRODUCTORY STATEMENT**

1. The following lawsuit involves a conspiracy amongst greedy and corrupt City Officials and Politicians from the Cities of Baldwin Park and Compton to utilize the Commercial Cannabis Industry as a vehicle to perform racketeering activities involving bribery, fraud, embezzlement, and abuse of public office.
2. These individuals acted in concert to orchestrate a swindle on an elderly man dying of cancer who poured his lifesavings into a venture that was destined for failure from the get-go and nothing more than a collusive scheme marred by bribery and corruption.
3. At one point, the City of Baldwin Park's own deputy Clerk committed notary fraud by attesting in her official capacity that Plaintiff DAVID JU amongst others, including the City Attorney and Councilmembers, appeared before her to execute a purchased Amended Development Agreement.
4. Unfortunately for the City Clerk, Plaintiff David Ju was not even in the San Gabriel Valley on the day she claims plaintiff executed the agreement in her presence.
5. Ultimately, through the U.S. Attorney's Office's unsealed pleas on October 7, 2022, including the plea of disgraced former Baldwin Park City Councilman Ricardo Pacheco, plaintiffs realized that were sold nothing more than an endless cycle of debt collusively "negotiated" between a current City Attorney and a soon-to-be City Attorney which was destined for failure from the get-go.

**PARTIES**

6. At all times Plaintiff DJCBP CORPORATION DBA TIER ONE CONSULTING, (hereinafter "Plaintiff TIER ONE") is and was a licensed and registered Corporation qualified to do business in the State of California.
7. At all times mentioned herein, Plaintiff DAVID JU, is and was an individual residing in the County of Los Angeles.





8. Defendant CITY OF BALDWIN PARK, (hereinafter “CITY”) is and was at all times pertinent hereto, a municipal corporation and political subdivision existing under the laws of the State of California.
9. At all times mentioned herein, Defendant ROBERT NACIONALES-TAFOYA, (herein after “TAFOYA”) is and was an individual residing in the County of Los Angeles and was employed in the capacity of CITY ATTORNEY OF BALDWIN PARK during the events and circumstances giving rise to this lawsuit. Defendant is sued in his official capacity, as well as his individual capacity.
10. At all times mentioned herein, Defendant ANTHONY WILLOUGHBY, II, (herein after “WILLOUGHBY, II,”) is and was an individual residing in the County of Los Angeles and following the license he sold to Plaintiffs was employed as DEPUTY CITY ATTORNEY OF BALDWIN PARK. Defendant is sued in his official capacity, as well as his individual capacity.
11. At all times mentioned herein, Defendant RICARDO PACHECO (herein after “PACHECO”) is and was an individual residing in the County of Los Angeles. PACHECO was a member of the Baldwin Park City Council during the times alleged herein. Defendant is sued in his official capacity, as well as his individual capacity.
12. At all times mentioned herein, Defendant ISAAC GALVAN (herein after “GALVAN”) is and was an individual residing in the County of Los Angeles. During the times alleged herein GALVAN was the Mayor of the City of Compton. Defendant is sued in his official capacity, as well as his individual capacity.
13. At all times mentioned herein, Defendant LOURDES MORALES (herein after “MORALES”) is and was an individual residing in the County of Los Angeles and was the Deputy City Clerk during the events that give rise to

1 this lawsuit. Defendant is sued in her official capacity, as well as his  
2 individual capacity.

3 14. At all times mentioned herein, Defendant MANUEL LOZANO (herein after  
4 “LOZANO”) is and was an individual residing in the County of Los Angeles.  
5 LOZANO was the Mayor of Baldwin Park during the timeframe alleged  
6 herein. Defendant is sued in his official capacity, as well as his individual  
7 capacity

8 15. Defendant CITY is liable for the nonfeasance and malfeasance of Defendants  
9 TAFOYA, WILLOUGHBY II, PACHECO, LOZANO and MORALES and  
10 DOES 1-30 as to Plaintiffs’ state law claims pursuant to Cal. Govt. Code §  
11 815.2 (a). (“A public entity is liable for injury proximately caused by an act or  
12 omission of any employee of the public entity within the scope of his  
13 employment if the act or omission would, apart from this section, have given  
14 rise to a cause of action against the employee or his personal representative.”  
15 See also Cal. Govt. Code § 815.6.

16 16. Plaintiffs are ignorant of the true names and capacities of Defendants sued  
17 herein as Does 1-50, inclusive, and therefore sue said Defendants by such  
18 fictitious names. Plaintiff will amend its Complaint to allege their true  
19 names and capacities when ascertained. Plaintiff is informed and believes,  
20 and based thereon alleges, that each of these fictitiously named Defendants  
21 participated or acted in concert with Defendants and is/are responsible in  
22 some manner for the acts, occurrences and/or omissions alleged herein and  
23 has thereby proximately caused damages to Plaintiff and is liable by reason  
24 of the facts alleged herein.

25 17. That at all times herein mentioned, each and every defendant herein was the  
26 agent, servant, employee, partner or joint venturer of the other defendants  
27 herein; that at all said times, each of said defendants was acting within the  
28





1 course and scope of said agency, service, employment, partnership and joint  
2 venture.

### 3 **JURISDICTION AND VENUE**

4 18. This civil action is brought to redress alleged deprivations of the Plaintiff's  
5 federal constitutional rights protected by 42 U.S.C. §§ 1983 and 1988, the  
6 Fifth and Fourteenth Amendments of the United States Constitution,  
7 California common law, the California Constitution, and the Unruh Act.

8 19. Jurisdiction is founded on 28 U.S.C. §§ 1331, 1343, and 1367.

9 20. Venue is proper in this Court under 28 U.S.C. § 1391(b), because Defendants  
10 reside in, and all incidents, events, and occurrences giving rise to this action  
11 occurred in Los Angeles County, California.

### 12 **TORT CLAIMS COMPLIANCE**

13 21. Plaintiffs have complied with the Government Tort Claims Act as required  
14 by law with respect to all causes of action brought herein pursuant to state  
15 law.

### 16 **FACTS COMMON TO ALL CLAIMS**

17 22. On July 18, 2018, WILLOUGHBY, II as the "sole owner" of Tier One  
18 Consulting was extended a Development Agreement (hereinafter "DA")  
19 ratified and approved by the Baldwin Park City Council. This DA was  
20 identified as DA 18-20 as well as Ordinance 1427.

21 23. Furthermore, the CITY codified the WILLOUGHBY II agreement by  
22 enacting Ordinance 1427.

23 24. The subject Development Agreement was entered into by and between the  
24 City and TIER ONE CONSULTING<sup>1</sup> with the premises located at 14726  
25 Arrow Highway (APN: 8414-005-002).

26  
27 <sup>1</sup> It is unclear why or how the City entered into a Development Agreement with an informal entity not  
28 registered with the State of California as an LLC, Corp or any other type of business entity.





1 25. On October 25, 2018, WILLOUGHBY, II entered into a purchase agreement  
2 with Plaintiff JU to “sell” his development agreement/cannabis license.

3 26. The sale was brokered by GALVAN, the then Mayor of Compton to which  
4 City Attorney TAFOYA had close ties: i.e. Mr. Tafoya’s wife worked as an  
5 administrative assistant to Mr. Galvan.

6 27. Not by coincidence, TAFOYA’s house and Office were raided  
7 simultaneously by the FBI on the same day Federal Agents executed a search  
8 warrant on GALVAN’S on November 3, 2020.

9 **28. ILLEGALITY OF SALE OR CHANGE OF PROPERTY ADDRESS-** At  
10 the time of the sale of this cannabis license by Deputy City Attorney  
11 Willoughby II to David Ju, Ordinance 1408 constituted the Baldwin Park  
12 Commercial Cannabis Ordinance. This ordinance had been ratified and  
13 approved by the City Council on April 4, 2018.

14 29. Section 127.08 of the Ordinance specifically prohibited the Transfer or Change  
15 in Ownership or Location of any commercial cannabis license within the City.

16 30. Section 127.01 subdivision (v) awkwardly defines “medical cannabis business”  
17 as “any person engaged in Commercial Cannabis Activities.”

18 31. However, in direct contravention to 127.08, purportedly on April 3, 2019, the  
19 City of Baldwin Park, by and through Defendant LOZANO, **with absolutely**  
20 **no ratification or input from council**, entered into this sham “Amended”  
21 Development Agreement with Plaintiffs.

22 32. Compounding the collusion to swindle Plaintiffs, Deputy City Clerk  
23 Defendant MORALES, “notarized” the execution proclaiming that on April 3,  
24 2019 “Manuel Lozano, Jean M. Ayala, Robert N. Tafoya and David Ju  
25 appeared before her and signed the DA.

26 33. Unfortunately for Defendant MORALES, not only did Plaintiff JU actually  
27 receive and execute the DA for the first time in May of 2019, on the date of the  
28

1 alleged notarization- April 3, 2019- Plaintiff JU was not even in the San  
2 Gabriel Valley.

3 34. Coincidentally, when the notary fraud was brought to light by Plaintiffs'  
4 Government Tort Claim, after many years employed by the CITY Defendant  
5 MORALES abruptly resigned from her position.

6 35. Adding fuel to this fire is the fact that WILLOUGHBY, II in cahoots with his  
7 soon to be law partner, City Attorney TAFOYA forced plaintiffs to make  
8 payments on the License even before the sale of the license was ever fully  
9 consummated.

10 36. Plaintiff JU who had already been locked into escrow on the property the  
11 license was to be transferred to, was told by Defendant TAFOYA that if a  
12 \$50,000.00 mitigation payment was not made, the license would be  
13 "canceled."

14 37. In fact, when reviewing Defendant WILLOUGHBY II's actual payments  
15 towards the license/DA, City records reveal that he only was out of pocket less  
16 than \$4,000.00 at the time he sold the license to plaintiffs for hundreds of  
17 thousands of dollars and in fact simultaneously pawned off his debt to plaintiffs  
18 under the mitigation fee scheme.

19 38. Following are the only out-of-pocket transactions paid by Anthony Willoughby  
20 before he sold his license to Mr. Ju for hundreds of thousands of dollars.

21 39. It is important to note that WILLOUGHBY II appears to have also been acting  
22 as GALVAN's personal attorney as well as in his stead as a Compton City  
23 Council Member during the relevant time periods involving the subject  
24 transaction as reflected in recent Fair Political Practices Commission  
25 Investigation into GALVAN's nefarious political woes which recently  
26 culminated into the levying of a \$245,000.00 fine.



40. Furthermore, Defendant TAFOYA's connection to Defendant GALVAN and the City of Compton also ran deep. TAFOYA personally donated thousands of dollars to GALVAN'S political campaigns going back to 2015.

41. Furthering the connection to GALVAN and the City of Compton is that TAFOYA's wife was employed by the City of Compton since at least 2017.

42. On **October 7, 2022**, a plea agreement was unsealed in USA v. Gabriel Chavez, bearing U.S.D.C. Criminal Case No. 2:22-cr-00462-MWF. (See Exhibit A which is incorporated into the Complaint by reference as though fully set forth herein)

43. The following relevant allegations compromise the integrity of the commercial cannabis agreements which apparently were "negotiated" by TAFOYA (aka person no. 1) and consultants, such as Felon Gabriel Chavez.

44. The plea agreement's factual basis commences on page 9.

20 Ricardo Pacheco ("Pacheco") was elected to the City Council for  
21 the City of Baldwin Park (the "City") in 1997 and held that position  
22 until in or around June 2020. He also served as the City's Mayor Pro  
23 Tempore from in or around December 2017 to December 2018. In both  
24 roles, he was as an agent of the City.

45. On page 10, the following portion of the plea identifies Defendant TAFOYA as person no. 1:

1 Person 1<sup>1</sup> has served as the Baldwin Park City Attorney since in  
2 or around December 2013.

///

///



46. On page 11, the plea provides that TAFOYA actually provided to PACHECO “a template for a sham consulting agreement.” This portion of the plea also establishes that PACHECO accepted bribes in return for his votes for commercial cannabis development agreements.

Defendant was asked by Pacheco to act as an intermediary to funnel bribes to Pacheco, and defendant agreed. To help conceal the bribery scheme, defendant obtained a template for a sham consulting agreement from Person 1, which defendant thereafter used to facilitate and disguise the scheme. Defendant used his company, Market Share Media Agency, to funnel bribe payments to Pacheco from two companies, Marijuana Company 3 and Marijuana Company 4. Both companies hired defendant to help them obtain marijuana permits, but rather than perform legitimate consulting services, defendant primarily funneled bribe payments to Pacheco in order to ensure that Pacheco and the City Council voted in favor of both companies' marijuana permits. Defendant used the template for the sham consulting agreement provided by Person 1 for the contracts with Marijuana Company 3 and Consulting Company 3, which represented Marijuana Company 4.

47. The collusion between GALVAN (Person No. 10) and TAFOYA (No. 1) was made crystal clear on Page 13 of the plea.

In Fall 2017, Marijuana Company 3 appeared on a draft agenda of the regular City Council meeting, but when the final agenda posted, Marijuana Company 3 was no longer listed on it. Around this same time, defendant learned from Marijuana Company 3's representatives that Person 10, then a Compton City Councilmember, had a friend who was upset that Marijuana Company 3 had not hired the friend to represent Marijuana Company 3 in its pursuit of a marijuana permit in Baldwin Park. Defendant knew that Person 10 and Person 1 had a relationship and believed Person 1 removed Marijuana Company 3 from the regular City Council agenda at Person 10's request. Based on his belief that Person 1 served the agenda's gatekeeper, defendant demanded through Pacheco to speak with Person 1. After the City Council meeting, defendant met with Pacheco and Person 1 and told them that Marijuana Company 3 felt extorted. Neither Pacheco nor Person 1 pushed back at this accusation. Instead, Person 1 acted with indifference and intimated that it came with came with the



THE LAW OFFICES OF  
**TORRES + SIEGRIST**





1 48. Most importantly, on **October 7, 2022**, a plea agreement was also unsealed  
 2 in USA v. Ricardo Pacheco, bearing U.S.D.C. Criminal Case No. 2:20-cr-  
 3 00165-ODW (See Exhibit B which is incorporated into the Complaint by  
 4 reference as though fully setforth herein)

5 49. The disgraced former City Councilmember's plea further solidified the  
 6 collusion between TAFOYA (Person No. 1), GALVAN (Person No. 10) and  
 7 now convicted felon PACHECO.

8 50. On Page 11 of the factual basis, the PACHECO plea describes:

9 During the scheme, Person 1, Person 10, and defendant met on  
 10 approximately five occasions at downtown Los Angeles  
 11 restaurants, typically a month before the City Council voted on  
 12 Cultivation Development Agreements. During these meetings,  
 13 defendant and Person 10 would discuss in front of Person 1 the  
 14 payments Person 10 made to defendant for his vote, and Person 1  
 15 and defendant would update Person 10 on the status of other  
 16 Cultivation Development Agreement applications.

17 51. Most egregiously, the Pacheco plea establishes that both TAFOYA and  
 18 GALVAN were in "business together" at the time they defrauded plaintiffs.

19 As discussed above, on December 13, 2018, FBI special agents  
 20 executed a federal search warrant on defendant's residence and  
 21 vehicle. After the FBI had completed its search and left the  
 22 premises, defendant contacted Person 1. At the time, defendant  
 23 knew that Person 1 was close to Person 10 and believed that  
 24 Person 1 and Person 10 had an agreement with respect to  
 25 marijuana licensing in the City. Person 1 also told defendant  
 26 that he was in business with Person 10, and Person 1 and Person  
 27 10 were seeking a marijuana license in Commerce, California.

28 52. In fact, the Pacheco plea describes Tafoya being the architect of a collusive  
 fraudulent cannabis scheme by the use of "consultants" who would deliver  
 "development agreements" to their clients....not negotiated "arms length" as



THE LAW OFFICES OF  
**TORRES + SIEGRIST**



1 has been represented numerous times by TAFOYA, WILLOUGHBY II, and  
2 employees of the CITY.

3 53. To no one's surprise, within days of the aforementioned pleas being made  
4 public Person No. 1 aka Defendant TAFOYA resigned as City Attorney of  
5 Baldwin Park after 14 years in that position.

6 **THE CITY'S FAILURE TO COMPLY WITH THE MITIGATION FEE ACT**

7 54. Putting aside that the Development Agreement was born of fraud and a product  
8 of corruption, a fundamental flaw with the CITY's unlawful pursuit of  
9 mitigation fees as to Plaintiff is the lack of compliance by the CITY with the  
10 Mitigation Fee Act.

11 55. The Mitigation Fee Act contained in the California Government Code  
12 beginning with Section 66001 et seq, requires a local agency, such as the City  
13 of Baldwin Park, to identify the purpose of the mitigation fee and the use to  
14 which the fee will be put. (§66001, subd. (a) (1) and (2).) The CITY must also  
15 determine that both 'the fee's use ' and 'the need for the public facility ' are  
16 reasonably related to the type of development project on which the fee is  
17 imposed. (§66001, subd. (a) (3) and (4).) In addition, the CITY must 'determine  
18 how there is a reasonable relationship between the amount of the fee and the  
19 cost of the public facility or portion of the public facility attributable to the  
20 development on which the fee is imposed.' (§66001, subd . (b) .)

21 56. The "reasonable relationship" standard in the Mitigation Fee Act adopts U.S.  
22 Supreme Court takings jurisprudence establishing that governmental exactions  
23 and fees imposed in permits must have an "essential nexus" between a  
24 legitimate government end and the fee, and that the amount of any fee must be  
25 "roughly proportional" to the impact created. (Ehrlich, supra at 866 [discussing  
26  
27  
28





1 Dolan v. City of Tigard (1994) 512 U.S. 374 and Nolan v. Cal. Coastal Com.  
 2 (1987) 483 U.S. 825].)

3 57.The CITY cannot legally justify the imposition of any mitigation fees under the  
 4 development agreement scheme authored by a corrupt city attorney and self-  
 5 dealing crooked politicians.

6 **THE CITY FAILED TO RETAIN THE MITIGATION FEES IN**  
 7 **COMPLIANCE WITH THE MITIGATION FEE ACT.**

8 58.The CITY must deposit the mitigation fees in a separate capital facilities  
 9 account or fund in a manner to avoid any commingling of the fees with other  
 10 revenues and funds. The CITY may expend the mitigation fees solely for the  
 11 purpose for which they were collected. Any interest income earned must also  
 12 be deposited in that account or fund and must be expended only for the purpose  
 13 for which the fee was originally collected. §66001(a).

14 59.To date, the mitigation fees have simply been placed in the General Fund in  
 15 direct contravention to Government Code §66001(e) which provides:“The  
 16 Legislature finds and declares that untimely or improper allocation of  
 17 development fees hinders economic growth and is, therefore, a matter of  
 18 statewide interest and concern.”

19 60.Finance Director Rose Tam was deposed on May 20, 2021.

20 61.Under oath, Ms. Tam specifically provided that the cannabis “mitigation fees”  
 21 collected were being deposited into the City’s “General Checking Account” at  
 22 the Bank of the West.

23 **MITIGATION FEES HAVE BEEN UNLAWFULLY UTILIZED BY THE**  
 24 **CITY IN DIRECT CONTRAVENTION TO THE GOVERNMENT CODE.**

25 62.Government Code § 66008, in pertinent part specifically states: “The fee shall  
 26 not be levied, collected, or imposed for **GENERAL REVENUE**  
 27 **PURPOSES.”** [Emphasis Added].



63. However, to date, the CITY has utilized the mitigation fees collected from owner/operators for just that: “general revenue purposes.” Mitigation fees collected have not been utilized to mitigate any specific cannabis related impacts. Ms. Tam in her sworn deposition testimony confirmed that cannabis mitigation fees are still being unlawfully used by the CITY for “general revenue” purposes:

64. Furthermore, §66006 (b) expressly requires that the CITY on a yearly basis generate a public report identifying:

(A) The identity of the account in which the mitigation fees are being deposited:

(B) The amount of the mitigation fee charged;

(C) The beginning and ending balance of the account;

(D) The amount of the fees collected and the interest accrued;

(E) An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the mitigation fees.

65. No reports containing the statutorily required information for 2017, 2018, 2019, 2020, 2021, 2022 were ever authored, let alone published.

66. The CITY has never specifically identified exactly what the mitigation fees are being used for.

### FIRST CLAIM

**RICO BROUGHT AS TO Defendants TAFOYA, WILLOUGHBY II, PACHECO, GALVAN, LOZANO, and MORALES AND DOES 1-50**

67. Plaintiff re-alleges and incorporate by reference each and every allegation as set forth in each paragraph above as though fully set forth herein.





1 68.Plaintiffs constitute a "person" who has sustained injury to their business or  
2 property by reason of Defendants' conduct, within the meaning of 18 U.S.C. §  
3 1964(c).

4 69.Plaintiffs alleges that Defendants TAFOYA, WILLOUGHBY II, PACHECO,  
5 GALVAN, LOZANO, and MORALES are all "culpable persons" within the  
6 meaning of 18 U.S.C. §§ 1962(c) and 1962(d).

7 70.Plaintiff alleges that Defendants TAFOYA, WILLOUGHBY II, PACHECO,  
8 GALVAN, LOZANO, and MORALES and DOES 1-50 have been engaged in  
9 ongoing criminal activity for the past four years in violation of 18 U.S.C. §  
10 1961 et seq.

11 71.Plaintiffs allege, that the pattern has been one of racketeering activity  
12 involving multiple criminal acts, including but not limited to, bribery,  
13 kickbacks and other improper relationships throughout the application and  
14 granting process, as well as defrauding individuals such as plaintiffs through  
15 the use and abuse of their positions within the CITY.

16 72.Defendants received income derived from the pattern of racketeering activity  
17 violation of 18 U.S.C. section 1962 (a).

18 73.Defendants have unlawfully conspired to violate subsections (a), (b), and (c)  
19 of 18 U.S.C. section 1961 et seq. (the RICO Act) in violation of 18 U.S.C.  
20 section 1962(d).

21  
22 **SECOND CLAIM**

23 **(Inverse Condemnation)**

24 **BROUGHT AS TO ALL DEFENDANTS**

25 74.Plaintiff re-alleges and incorporate by reference each and every allegation as  
26 set forth in each paragraph above as though fully set forth herein.

27 75.At all relevant times, Plaintiff is and has been the Property owner for the  
28

1 subject property.

2 76. Defendant CITY's conduct, by and through its employees, including the  
3 individual named defendants, resulted in substantial interference with the use  
4 and enjoyment of Plaintiffs' Property which amounts to a taking and  
5 damaging of the Property for which Plaintiffs have not been compensated by  
6 and amounts to inverse condemnation, a Fifth Amendment violation pursuant  
7 to the U.S. Constitution.

8 77. In addition to the damages set forth above, Plaintiff has incurred and will  
9 incur fees for attorneys, and experts as a result of this proceeding in amounts  
10 that cannot be ascertained. Said fees are recoverable in this action under the  
11 provision of the Code of Civil Procedure section 1036.

### 12 13 **THIRD CLAIM**

14 **(Damages for Violations of Civil Rights Per 42 U.S.C. Section 1983)**

15 **BROUGHT AS TO ALL DEFENDANTS**

16 **(Municipal liability brought per Monell and its progeny)**

17 78. Plaintiff re-alleges and incorporate by reference each and every allegation as  
18 set forth in each paragraph above as though fully set forth herein.

19 79. The CITY by and through its employees, including but not limited to  
20 Defendants TAFOYA, WILLOUGHBY II, PACHECO, LOZANO, and  
21 MORALES, committed a taking of Plaintiff's Property without just  
22 compensation in violation of the Fifth Amendment to the U.S. Constitution  
23 as applicable to the states and their political subdivisions pursuant to the  
24 Fourteenth Amendment to the U.S. Constitution, and Article I, Section 19 of  
25 the California Constitution.

26 80. In addition, the City deprived Plaintiffs of property without due process of  
27 law and deprived Plaintiff of the equal protection of law, both in violation of  
28





1 the Fourteenth Amendment to the U.S. Constitution, and Article I, Section  
2 7(a) of the California Constitution.

3 81. The actions and omissions of Defendants were undertaken under the color of  
4 law by and through its employees, including but not limited to Defendants  
5 TAFOYA, WILLOUGHBY II, PACHECO, LOZANO, and MORALES,

6 82. Imposition of liability is brought pursuant to 42 USC Section 1983.

7 83. Defendants TAFOYA, WILLOUGHBY II, PACHECO, LOZANO, and  
8 MORALES, at all times complained herein acted under color of law and  
9 violated the Fifth Amendment Rights of Plaintiff under the Takings Clause.

10 84. The violation by Defendants TAFOYA, WILLOUGHBY II, PACHECO,  
11 LOZANO, and MORALES, caused plaintiffs financial damages as  
12 previously described.

13 85. Imposition of Municipal Liability upon the CITY is pursued in the instant  
14 case via Monell and its applicable subsets.

15 86. Upon information and belief, a final policymaker, including the City  
16 Manager and the City Council itself, acting under color of law, who had final  
17 policymaking authority concerning the acts of the individual CITY  
18 employees including Defendants TAFOYA, WILLOUGHBY II, PACHECO,  
19 LOZANO, and MORALES, ratified the acts of the defendants' and the basis  
20 for them and did absolutely nothing to prevent the constitutional violations.

21 87. These final policymakers knew of and specifically approved and/or ratified  
22 the individual defendants' acts.

23 88. The final policy makers determined that the acts of the individual defendants  
24 were "within policy" and continued to allow Defendants TAFOYA,  
25 WILLOUGHBY II, PACHECO, LOZANO, and MORALES, among others  
26 to continue to deprive individuals, such as plaintiffs, of their property in  
27 violation of the Fifth and Fourteenth Amendments of the U.S. Constitution.

28



1 89. Defendants TAFOYA, WILLOUGHBY II, PACHECO, LOZANO, and  
2 MORALES, and DOES 1-50, together with various other officials, whether  
3 named or unnamed, had either actual or constructive knowledge of the  
4 deficient policies, practices and customs alleged in the paragraphs above.  
5 Despite having knowledge as stated above, these defendants condoned,  
6 tolerated and through actions and inactions thereby ratified such policies.

7 90. Said defendants also acted with deliberate indifference to the foreseeable  
8 effects and consequences of these policies with respect to the constitutional  
9 rights of Plaintiffs, and other individuals similarly situated.

10 91. By ratifying, perpetrating, sanctioning, and tolerating the outrageous conduct  
11 and other wrongful acts, the CITY Council, CITY Manager and DOES 1-50  
12 acted with intentional and reckless indifference to Plaintiff's constitutional  
13 rights.

14 92. As a proximate result of the City's actions and omissions as described herein,  
15 Plaintiff has suffered injury and damages, and is continuing to suffer injury  
16 and damages, including but not limited to that which has been described  
17 above, which are compensable pursuant to 42 U.S.C. § 1983 and Civil Code  
18 § 52.1(b), in an amount which cannot now be ascertained but which is within  
19 the jurisdiction of this Court and shall be determined according to proof at  
20 trial.

21 93. As a further proximate result of the CITY'S actions and omissions, Plaintiff  
22 has incurred and will incur fees and costs for attorneys and experts, said fees  
23 and costs being legally compensable pursuant to 42 U.S.C. § 1988(b) and (c),  
24 and California law, in the course of enforcing Plaintiff's rights under 42  
25 U.S.C. § 1983 and Civil Code § 52.1(b), and the abovementioned provisions  
26 of the California and U.S. constitutions.

27 94. Good cause exists for an award of exemplary and punitive damages against  
28

1 Defendants TAFOYA, WILLOUGHBY II, PACHECO, LOZANO, and  
 2 MORALES for constitutional deprivations.

3 95. In addition, Plaintiff seeks an award of compensatory damages as well as  
 4 attorney's fees against Defendants CITY, TAFOYA, WILLOUGHBY II,  
 5 PACHECO, LOZANO, and MORALES, and Does 1-50.  
 6

## 7 **FOURTH CAUSE OF ACTION**

### 8 **NEGLIGENCE**

### 9 **BROUGHT AS TO ALL DEFENDANTS**

10 96. Plaintiff re-alleges and incorporate by reference each and every allegation as  
 11 set forth in each paragraph above as though fully set forth herein.

12 97. Pursuant to California Government Code § 815.2(a), Defendant CITY as a  
 13 public entity, is vicariously liable for any injuries or damages as alleged  
 14 herein which were proximately caused by an act or omission of any  
 15 employee of Defendant CITY within the course and scope of said employee's  
 16 employment with Defendant CITY.

17 98. At all times herein the CITY was negligent in hiring and/or supervising  
 18 Defendants TAFOYA, WILLOUGHBY II, PACHECO, LOZANO,  
 19 GALVAN and MORALES who utilized their positions as public  
 20 officials/public employees to defraud plaintiffs.

21 99. Due to the CITY's negligence in supervision and/or hiring of Defendants  
 22 TAFOYA, WILLOUGHBY II, PACHECO, LOZANO, GALVAN and  
 23 MORALES plaintiffs were damaged financially in a sum according to proof  
 24 at trial.  
 25

26 //

27 ///



THE LAW OFFICES OF  
**TORRES + SIEGRIST**





**FIFTH CAUSE OF ACTION**

**FRAUD**

**BROUGHT AS TO ALL DEFENDANTS**

100. Plaintiff re-alleges and incorporate by reference each and every allegation as set forth in each paragraph above as though fully set forth herein.

101. Pursuant to California Government Code § 815.2(a), Defendant CITY as a public entity, is vicariously liable for any injuries or damages as alleged herein which were proximately caused by an act or omission of any employee of Defendant CITY within the course and scope of said employee's employment with Defendant CITY.

102. Defendants TAFOYA, WILLOUGHBY II, PACHECO, LOZANO, GALVAN and MORALES knowingly engaged in fraudulent acts and omissions and/or otherwise made material misrepresentations with the intent to deceive and defraud the Plaintiffs.

103. Defendants TAFOYA, WILLOUGHBY II, PACHECO, LOZANO, GALVAN and MORALES were motivated by corruption and/or actual malice, i.e., a conscious intent to deceive, vex, annoy, or harm plaintiffs.

104. The CITY continues to maintain a fraudulent position even in the midst of unsealed plea deals which unequivocally established that the commercial cannabis development agreements had been compromised by the corruption and unlawful conduct of City Attorney TAFOYA, former councilman PACHECO and soon to be identified co-conspirators.

105. The fraud perpetrated by defendants caused plaintiffs to suffer financial damages according to proof at trial.

///



**SIXTH CLAIM**  
**DECLARATORY RELIEF**

106. Plaintiff re-alleges and incorporate by reference each and every allegation as set forth in each paragraph above as though fully set forth herein.

107. An actual controversy has arisen and now exists between Plaintiffs and Defendant CITY relating to their respective rights and duties in that Defendants are attempting to impose an unlawful mitigation fee on Plaintiffs which is invalid and unenforceable as construed by Defendants and as applied by Defendants in that:

- a. The Development agreement is a product of corruption and collusion orchestrated by a former CITY attorney and crooked politicians.
- b. The CITY's failure to comply with the Mitigation Fee Act renders collection unenforceable:
  - i. No reasonable relationship exists between the exaction/fee and the cost to the public attributable to commercial cannabis activities;
  - ii. No impact studies were ever performed by the CITY justifying the exaction/fee;
  - iii. Mitigation Fees collected were commingled within the CITY'S General Account;
  - iv. No yearly reports required by the Government Code were ever generated by the CITY with respect to any commercial cannabis fees collected;
  - v. The CITY unlawfully used commercial cannabis mitigation fees collected for "general revenue" purposes in contravention to the express provisions of the Government Code.



c. Defendants' actions in thwarting Plaintiff's sale as described above constitutes an unlawful taking per the Fifth Amendment of the U.S. Constitution as well as the California Constitution.

108. Plaintiffs desire a declaration of its rights with respect to the application or non-application of the Development Agreement as well as the application or non-application of any mitigation fees due to CITY's violation of the mitigation fee act.

109. In the event the Court finds that the Development Agreement is unenforceable and/or the Mitigation Fee Act has been violated on one or more of the grounds articulated above, Plaintiff requests that this Court issue a permanent injunction prohibiting Defendants from applying, enforcing and/or imposing any commercial cannabis mitigation fees.

110. Furthermore, pursuant to Walker v. City of San Clemente (2015) 239 Cal.App. 4th 1350, and its progeny, Plaintiffs request a refund of ALL mitigation fees paid to date from the CITY.

**WHEREFORE, PLAINTIFF PRAYS AS FOLLOWS:**

**AS TO ALL CAUSES OF ACTION**

1. For special damages;
2. For general damages;
3. For costs of suit herein;
4. For Statutory Damages;
5. For attorney's fees, including litigation expenses, based on all causes of action affording statutory attorney's fees: 42 U.S.C. § 1988
6. For punitive/exemplary damages as to the individual defendants according to proof at trial;
7. For treble damages per RICO Statute;



1 and

2 8. For such other and further relief as the Court deems just and proper.

3  
4 **Date: January 8, 2023**

**TORRES + SIEGRIST**

5  
6  
7 By:   
8 **DAVID G. TORRES-SIEGRIST**  
9 **Attorneys for Plaintiffs**

10  
11 **DEMAND FOR JURY TRIAL**

12 Additionally, Plaintiffs respectfully demands a jury trial of the present case  
13 pursuant to the U.S. Constitution, the California Constitution and applicable  
14 California State and Federal Law.

**TORRES + SIEGRIST**

15 **Date: January 8, 2023**

16  
17   
18 By:   
19 **DAVID G. TORRES-SIEGRIST**  
20 **Attorneys for Plaintiffs**



## EXHIBIT A



STEPHANIE S. CHRISTENSEN  
Acting United States Attorney  
SCOTT M. GARRINGER  
Assistant United States Attorney  
Chief, Criminal Division  
THOMAS F. RYBARCZYK (Cal. Bar No. 316124)  
LINDSEY GREER DOTSON (Cal. Bar No. 266973)  
Assistant United States Attorneys  
Public Corruption & Civil Rights Section  
1500 United States Courthouse  
312 North Spring Street  
Los Angeles, California 90012  
Telephone: (213) 894-8452/4443  
Facsimile: (213) 894-0141  
E-mail: thomas.rybarczyk@usdoj.gov  
lindsey.dotson@usdoj.gov

Attorneys for Plaintiff  
UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

GABRIEL CHAVEZ,

Defendant.

No. CR 2:22-cr-00462-MWF

PLEA AGREEMENT FOR DEFENDANT  
GABRIEL CHAVEZ

1. This constitutes the plea agreement between GABRIEL CHAVEZ ("defendant") and the United States Attorney's Office for the Central District of California ("the USAO") in connection with an investigation of the matter described herein. This agreement is limited to the USAO and cannot bind any other federal, state, local, or foreign prosecuting, enforcement, administrative, or regulatory authorities.

///

///

///



DEFENDANT'S OBLIGATIONS

2. Defendant agrees to:

a. Give up the right to indictment by a grand jury and, at the earliest opportunity requested by the USAO and provided by the Court, appear and plead guilty to a single-count information in the form attached to this agreement as Exhibit A or a substantially similar form, which charges defendant with aiding and abetting Federal Program Bribery, in violation of 18 U.S.C. §§ 666(a)(2), (2)(a).

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

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

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

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

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

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

3. Defendant further agrees to cooperate fully with the USAO, the Federal Bureau of Investigation, Internal Revenue Service - Criminal Investigation, and, as directed by the USAO, any other



1 federal, state, local, or foreign prosecuting, enforcement,  
2 administrative, or regulatory authority. This cooperation requires  
3 defendant to:

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

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

10 c. Produce voluntarily all documents, records, or other  
11 tangible evidence relating to matters about which the USAO, or its  
12 designee, inquires.

13 4. For purposes of this agreement: (1) "Cooperation  
14 Information" shall mean any statements made, or documents, records,  
15 tangible evidence, or other information provided, by defendant  
16 pursuant to defendant's cooperation under this agreement or pursuant  
17 to the letter agreements previously entered into by the parties dated  
18 November 11, 2020 and June 14, 2021 (the "Letter Agreements") and in  
19 his meetings with the government on November 11, 2020 and June 14,  
20 2021; and (2) "Plea Information" shall mean any statements made by  
21 defendant, under oath, at the guilty plea hearing and the agreed to  
22 Factual Basis in this agreement.

23 THE USAO'S OBLIGATIONS

24 5. The USAO agrees to:

25 a. Not contest the Factual Basis agreed to in this  
26 agreement.

27 b. Abide by all agreements regarding sentencing contained  
28 in this agreement.



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

7 d. Recommend that defendant be sentenced to a term of  
8 imprisonment no higher than the low end of the applicable Sentencing  
9 Guidelines range.

10 6. The USAO further agrees:

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

25 b. Not to use Cooperation Information against defendant  
26 at sentencing for the purpose of determining the applicable  
27 Sentencing Guidelines range, including the appropriateness of an  
28 upward departure, or the sentence to be imposed, and to recommend to



1 the Court that Cooperation Information not be used in determining the  
2 applicable Sentencing Guidelines range or the sentence to be imposed.  
3 Defendant understands, however, that Cooperation Information will be  
4 disclosed to the United States Probation and Pretrial Services Office  
5 and the Court, and that the Court may use Cooperation Information for  
6 the purposes set forth in U.S.S.G § 1B1.8(b) and for determining the  
7 sentence to be imposed.

8 c. In connection with defendant's sentencing, to bring to  
9 the Court's attention the nature and extent of defendant's  
10 cooperation.

11 d. If the USAO determines, in its exclusive judgment,  
12 that defendant has both complied with defendant's obligations under  
13 paragraphs 2 and 3 above and provided substantial assistance to law  
14 enforcement in the prosecution or investigation of another  
15 ("substantial assistance"), to move the Court pursuant to U.S.S.G.  
16 § 5K1.1 to fix an offense level and corresponding Sentencing  
17 Guidelines range below that otherwise dictated by the Sentencing  
18 Guidelines, and to recommend a term of imprisonment within this  
19 reduced range.

20 DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

21 7. Defendant understands the following:

22 a. Any knowingly false or misleading statement by  
23 defendant will subject defendant to prosecution for false statement,  
24 obstruction of justice, and perjury and will constitute a breach by  
25 defendant of this agreement.

26 b. Nothing in this agreement requires the USAO or any  
27 other prosecuting, enforcement, administrative, or regulatory  
28



1 authority to accept any cooperation or assistance that defendant may  
2 offer, or to use it in any particular way.

3 c. Defendant cannot withdraw defendant's guilty plea if  
4 the USAO does not make a motion pursuant to U.S.S.G. § 5K1.1 for a  
5 reduced Sentencing Guidelines range or if the USAO makes such a  
6 motion and the Court does not grant it or if the Court grants such a  
7 USAO motion but elects to sentence above the reduced range.

8 d. At this time the USAO makes no agreement or  
9 representation as to whether any cooperation that defendant has  
10 provided or intends to provide constitutes or will constitute  
11 substantial assistance. The decision whether defendant has provided  
12 substantial assistance will rest solely within the exclusive judgment  
13 of the USAO.

14 e. The USAO's determination whether defendant has  
15 provided substantial assistance will not depend in any way on whether  
16 the government prevails at any trial or court hearing in which  
17 defendant testifies or in which the government otherwise presents  
18 information resulting from defendant's cooperation.

19 NATURE OF THE OFFENSE

20 8. Defendant understands that for defendant to be guilty of  
21 the crime charged in the single-count information, that is, Federal  
22 Program Bribery in violation of 18 U.S.C. § 666(a)(2), he must have  
23 committed the crime of Federal Program Bribery and/or aided and  
24 abetted in its commission.

25 9. For defendant to have committed the crime of Federal  
26 Program Bribery in violation of 18 U.S.C. § 666(a)(2), the following  
27 must be true:  
28



1 a. Defendant corruptly gave, offered, or agreed to give  
2 something of value to a person;

3 b. Defendant intended to influence or reward an agent of  
4 a local government -- here, the City of Baldwin Park -- in connection  
5 with any business, transaction, or series of transactions of that  
6 local government involving anything of value of \$5,000 or more; and

7 c. The City of Baldwin Park received, in any one-year  
8 period, benefits in excess of \$10,000 under a Federal program  
9 involving a grant, contract, subsidy, loan, guarantee, insurance, or  
10 other form of Federal assistance.

11 10. For defendant to have aided and abetted in the commission  
12 of Federal Program Bribery in violation of 18 U.S.C. § 666(a)(2), the  
13 following must be true:

14 a. Someone else committed Federal Program Bribery;

15 b. Defendant aided, counseled, commanded, induced, or  
16 procured that person with respect to at least one element of Federal  
17 Program Bribery;

18 c. Defendant acted with the intent to facilitate Federal  
19 Program Bribery; and

20 d. Defendant acted before the crime was completed.

21 PENALTIES

22 11. Defendant understands that the statutory maximum sentence  
23 that the Court can impose for a violation of 18 U.S.C. § 666(a)(2)  
24 is: 10 years' imprisonment; a three-year period of supervised  
25 release; a fine of \$250,000 or twice the gross gain or gross loss  
26 resulting from the offense, whichever is greatest; and a mandatory  
27 special assessment of \$100.



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

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

23       14. Defendant understands that, if defendant is not a United  
24 States citizen, the felony conviction in this case may subject  
25 defendant to: removal, also known as deportation, which may, under  
26 some circumstances, be mandatory; denial of citizenship; and denial  
27 of admission to the United States in the future. The Court cannot,  
28 and defendant's attorney also may not be able to, advise defendant



1 fully regarding the immigration consequences of the felony conviction  
2 in this case. Defendant understands that unexpected immigration  
3 consequences will not serve as grounds to withdraw defendant's guilty  
4 plea.

5 FACTUAL BASIS

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

15 **A. Background**

16 The City of Baldwin Park, California (the "City") is a local  
17 government within the County of Los Angeles. The City received in  
18 excess of \$10,000 under a Federal program for each of the calendar  
19 years 2017 and 2018.

20 Ricardo Pacheco ("Pacheco") was elected to the City Council for  
21 the City of Baldwin Park (the "City") in 1997 and held that position  
22 until in or around June 2020. He also served as the City's Mayor Pro  
23 Tempore from in or around December 2017 to December 2018. In both  
24 roles, he was as an agent of the City.

25 Defendant founded Market Share Media Agency, an internet  
26 marketing company, in 2012.



1 Person 1<sup>1</sup> has served as the Baldwin Park City Attorney since in  
2 or around December 2013.

3 Person 14 has been the City Manager for the City of Commerce  
4 since in or around November 2017. Prior to that, he was the City  
5 Manager for Huntington Park and a Member of the Montebello Unified  
6 School District Board. He is the Chief Executive Officer of  
7 Consulting Company 3.

8 **B. The Marijuana Company 3 and Marijuana Company 4 Bribery**  
9 **Schemes**

10 1. Overview of the Schemes

11 In or around June 2017, the City started the process of  
12 permitting the sale, cultivation, and manufacture of marijuana within  
13 the City's limits. Around that same time, Pacheco decided to  
14 corruptly solicit bribe payments from companies seeking marijuana  
15 development agreements and related permits ("marijuana permits") in  
16 the City. In exchange for the payments, Pacheco would agree to  
17 assist and assist the companies, using his official City position,  
18 with obtaining marijuana permits.

19 Pacheco elected to use an intermediary to funnel the bribe  
20 payments to himself in an effort to disguise the true nature of the  
21 payments. The scheme would operate as follows: a company seeking a  
22 marijuana permit would pay the intermediary for supposed "consulting"  
23 services, the intermediary would then split a portion of the money  
24 with Pacheco, and Pacheco would then vote in favor of the company's  
25 desired marijuana permit in exchange for the payment. Pacheco would  
26 also agree to use his influence as a City Council member to ensure  
27

---

28 <sup>1</sup> A legend detailing the names of the masked persons and  
companies is attached hereto as Exhibit B.



1 that other members of the City Council voted in favor of the  
2 marijuana permit as well.

3 Defendant was asked by Pacheco to act as an intermediary to  
4 funnel bribes to Pacheco, and defendant agreed. To help conceal the  
5 bribery scheme, defendant obtained a template for a sham consulting  
6 agreement from Person 1, which defendant thereafter used to  
7 facilitate and disguise the scheme. Defendant used his company,  
8 Market Share Media Agency, to funnel bribe payments to Pacheco from  
9 two companies, Marijuana Company 3 and Marijuana Company 4. Both  
10 companies hired defendant to help them obtain marijuana permits, but  
11 rather than perform legitimate consulting services, defendant  
12 primarily funneled bribe payments to Pacheco in order to ensure that  
13 Pacheco and the City Council voted in favor of both companies'  
14 marijuana permits. Defendant used the template for the sham  
15 consulting agreement provided by Person 1 for the contracts with  
16 Marijuana Company 3 and Consulting Company 3, which represented  
17 Marijuana Company 4.

18 From approximately August 2017 to at least March 2018, defendant  
19 received at least \$125,000 from Marijuana Company 3 and at least  
20 \$45,000 from Consulting Company 3 on behalf of Marijuana Company 4,  
21 none of which he reported to the Internal Revenue Service as personal  
22 income or as revenue for Market Share Media Agency. Defendant then  
23 paid Pacheco between \$80,000 and \$93,000 in cash, out of the at least  
24 \$170,000 collected from both companies. Per defendant's agreement  
25 with Pacheco, the cash payments were in exchange for Pacheco's votes  
26 on the two companies' marijuana permits and Pacheco's help securing  
27 the necessary votes from other members of the City Council.  
28 Defendant and Pacheco agreed that Pacheco would get 60 percent from



1 the Marijuana Company 3 and Consulting Company 3/Marijuana Company 4  
2 contracts and that defendant could retain the rest as payment  
3 primarily for facilitating the bribes.

4 On multiple occasions, defendant used coded language in text  
5 messages to tell Pacheco that he had cash bribes to pass to Pacheco.  
6 Specifically, defendant used the word "documents" to mean cash. For  
7 example, on January 9, 2018, defendant sent Pacheco a text message  
8 stating "I'm planning to bring all the documents . . ." by which  
9 defendant meant he planned to bring Pacheco cash bribes.

10 To keep track of the cash bribes to Pacheco, defendant used a  
11 draft email with the subject line "Dodge Truck" to keep a running  
12 tally of the cash provided to Pacheco. One draft indicated defendant  
13 had provided Pacheco \$80,080 in cash as of February 27, 2018,  
14 including \$12,000 on or around February 5, 2018 and \$13,000 on or  
15 around February 27, 2018. Defendant provided Pacheco even more cash  
16 than was accounted for on this running email tally.

17 Pacheco performed his end of the bargain, voting in favor of the  
18 Marijuana Company 3 and Marijuana Company 4's marijuana permits.  
19 First, on December 13, 2017, Pacheco voted in favor of conditional  
20 marijuana permits for Marijuana Company 3 and Marijuana Company 4,  
21 and the City Council approved conditional marijuana permits for both  
22 companies. Second, on May 2, 2018, Pacheco voted in favor of both  
23 companies' marijuana permits again, and the City Council approved  
24 their applications by a 3-0 vote.

## 25 2. The Marijuana Company 3 Permit

26 With respect to the Marijuana Company 3 permit, in and around  
27 June 2017, Pacheco arranged a meeting between defendant and Person  
28 15, an attorney assisting Marijuana Company 3 in its pursuit of a



1 marijuana permit. Before doing so, Pacheco had encouraged defendant  
2 -- who had never worked as a consultant -- to assist two companies  
3 seeking marijuana permits in Baldwin Park, one of which was Marijuana  
4 Company 3. After meeting with Person 15 in June 2017, defendant met  
5 with Person 15 and Marijuana Company 3's owners, Person 16 and Person  
6 17. During this meeting, defendant learned that the amount of the  
7 consulting contract was predetermined without his input.

8 As defendant and Marijuana Company 3 entered into a contract  
9 in August 2017 and defendant received a total of \$24,500 Marijuana  
10 Company 3 and Person 17 that month, defendant started passing cash to  
11 Pacheco in exchange for Pacheco's vote and influence in getting  
12 Marijuana Company 3's permit approved.

13 In Fall 2017, Marijuana Company 3 appeared on a draft agenda  
14 of the regular City Council meeting, but when the final agenda  
15 posted, Marijuana Company 3 was no longer listed on it. Around this  
16 same time, defendant learned from Marijuana Company 3's  
17 representatives that Person 10, then a Compton City Councilmember,  
18 had a friend who was upset that Marijuana Company 3 had not hired the  
19 friend to represent Marijuana Company 3 in its pursuit of a marijuana  
20 permit in Baldwin Park. Defendant knew that Person 10 and Person 1  
21 had a relationship and believed Person 1 removed Marijuana Company 3  
22 from the regular City Council agenda at Person 10's request. Based  
23 on his belief that Person 1 served the agenda's gatekeeper, defendant  
24 demanded through Pacheco to speak with Person 1. After the City  
25 Council meeting, defendant met with Pacheco and Person 1 and told  
26 them that Marijuana Company 3 felt extorted. Neither Pacheco nor  
27 Person 1 pushed back at this accusation. Instead, Person 1 acted  
28 with indifference and intimated that it came with came with the



1 territory. Defendant later learned that Person 15 had brokered a  
2 deal between Marijuana Company 3, Person 10, and Person 10's friend,  
3 which prompted the renegotiation of defendant's contract with  
4 Marijuana Company 3 later that month.

5           3.   The Marijuana Company 4 Permit

6           With respect to the Marijuana Company 4 permit, Person 14 and his  
7 company, Consulting Company 3, represented Marijuana Company 4 in its  
8 pursuit of a marijuana permit in Baldwin Park. As a way to  
9 compensate defendant and, in turn, Pacheco for securing the marijuana  
10 permit for Marijuana Company 4, Person 14 through Consulting Company  
11 3 made payments to defendant's Market Share Media Agency of at least  
12 \$45,000 from approximately August 2017 through February 2018 during  
13 which time Marijuana Company 4 sought and received its marijuana  
14 permit. Beyond sending and/or forwarding emails, Market Share Media  
15 Agency and defendant did little work for Consulting Company 3 or  
16 Marijuana Company 4. Defendant and Person 14 both understood that  
17 Person 14 would do most of the work necessary to help Marijuana  
18 Company 4 obtain its marijuana permit in Baldwin Park. As both  
19 defendant and Person 14 knew, the Consulting Company 3 payments to  
20 Market Share Media Agency were bribe payments for Pacheco disguised  
21 to look like legitimate consulting fees, including through the use of  
22 bogus invoices.

23           Defendant's corrupt relationship with Pacheco and Person 14  
24 with respect to Marijuana Company 4's permit began in the summer of  
25 2017 when Pacheco introduced defendant to Person 14. Pacheco wanted  
26 defendant to "represent" a marijuana permit applicant in Baldwin Park  
27 so that Pacheco could receive bribe payments from the applicant  
28 funneled to Pacheco through defendant. At Pacheco's request,



1 defendant went to a meeting at a restaurant in Baldwin Park. There,  
2 defendant first met Person 14, whose company, Consulting Company 3,  
3 represented Marijuana Company 4. Pacheco said that Person 14 was a  
4 school board member and the City Manager of Huntington Park. During  
5 the meeting, Pacheco made clear to Person 14 that defendant  
6 represented Pacheco and that Person 14 should use defendant's  
7 services to secure Marijuana Company 4's marijuana permit.

8       Following the meeting, Person 14 and defendant entered into a  
9 written agreement on or about August 1, 2017. The party signing for  
10 Consulting Company 3 (Person 14's company) was an individual with the  
11 initials F.M. -- a man whom defendant had never met and did not know.  
12 Pursuant to the agreement, defendant's company was to receive  
13 \$250,000 over a series of six payments, the majority of which would  
14 come after Person 14's/Consulting Company 3's client (Marijuana  
15 Company 4) obtained its marijuana permit.

16       When Person 14 complained to defendant about the amount of  
17 money he paid defendant, defendant told him that Pacheco was getting  
18 60 percent of the money Person 14 paid him through Consulting Company  
19 3. Even after that express acknowledgment of Pacheco's role and  
20 receipt of bribe payments, Person 14 continued to pay defendant.

21       Person 14 subsequently renegotiated Consulting Company 3's  
22 contract with Pacheco, not defendant, and included a non-disclosure  
23 condition as an addendum. Person 14 first sent this non-disclosure  
24 condition addendum to defendant on or about August 31, 2017 via email  
25 and wrote "Per our conversation, here's the 2nd addendum with the non  
26 disclosure language . . . discretion is a must for us and most  
27 appreciated." That addendum and along with another contractual  
28 addendum reducing the amount Consulting Company 3 had to pay



1 defendant's company to \$190,000 was signed on or about September 2,  
2 2017 by Person 14, not F.M. Defendant also signed the contract and  
3 addenda. Later, Person 14 and Pacheco again renegotiated defendant's  
4 contract and reduced the cost of the contract to \$185,000, \$170,000  
5 of which was to be paid after Marijuana Company 4 obtained its  
6 marijuana permit. Both Person 14 and defendant signed this agreement  
7 on or about September 26, 2017.

8 In addition, defendant's Market Share Media Agency also  
9 received a no-bid \$14,500 contract from the City of Huntington Park  
10 signed by Person 14 as its City Manager. The no-bid contract  
11 represented, at least in part, further compensation for defendant in  
12 his efforts to secure the marijuana permit for Marijuana Company 4.  
13 In violation of the contract's terms, Market Share Media Agency  
14 received payment from Huntington Park before completing its services.

15 Finally, to further secure the Marijuana Company 4 permit,  
16 Person 14 gave defendant a \$5,000 check made payable to the church  
17 associated with the school attended by Pacheco's child.

#### 18 SENTENCING FACTORS

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



1 appropriate up to the maximum set by statute for the crime of  
2 conviction.

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

5	Base Offense Level:	12	[U.S.S.G. § 2C1.1(a)(2)]
6	More Than One Bribe:	+2	[U.S.S.G. § 2C1.1(b)(1)]
7	Value of Bribe > \$150,000:	+10	[U.S.S.G. §§ 2C1.1(b)(2), 2B1.1(b)(1)(F)]
8	Elected Public Official:	+4	[U.S.S.G. § 2C1.1(b)(3)]

---

10  
11 Defendant and the USAO reserve the right to argue that additional  
12 specific offense characteristics, adjustments, and departures under  
13 the Sentencing Guidelines are appropriate.

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

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

#### 20 WAIVER OF CONSTITUTIONAL RIGHTS

21 20. Defendant understands that by pleading guilty, defendant  
22 gives up the following rights:

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



1 represented by counsel -- and if necessary have the Court appoint  
2 counsel -- at every other stage of the proceeding.

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

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

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

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

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

17 WAIVER OF APPEAL OF CONVICTION

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



1                    LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

2            22. Defendant agrees that, provided the Court imposes a term of  
3 imprisonment within or below the range corresponding to an offense  
4 level of 25 and the criminal history category calculated by the  
5 Court, defendant gives up the right to appeal all of the following:

6 (a) the procedures and calculations used to determine and impose any  
7 portion of the sentence; (b) the term of imprisonment imposed by the  
8 Court; (c) the fine imposed by the Court, provided it is within the  
9 statutory maximum; (d) to the extent permitted by law, the  
10 constitutionality or legality of defendant's sentence, provided it is  
11 within the statutory maximum; (e) the term of probation or supervised  
12 release imposed by the Court, provided it is within the statutory  
13 maximum; and (f) any of the following conditions of probation or  
14 supervised release imposed by the Court: the conditions set forth in  
15 General Order 18-10 of this Court; the drug testing conditions  
16 mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the alcohol and  
17 drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

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

21                    RESULT OF WITHDRAWAL OF GUILTY PLEA

22            24. Defendant agrees that if, after entering a guilty plea  
23 pursuant to this agreement, defendant seeks to withdraw and succeeds  
24 in withdrawing defendant's guilty plea on any basis other than a  
25 claim and finding that entry into this plea agreement was  
26 involuntary, then (a) the USAO will be relieved of all of its  
27 obligations under this agreement, including in particular its  
28 obligations regarding the use of Cooperation Information; (b) in any



1 investigation, criminal prosecution, or civil, administrative, or  
2 regulatory action, defendant agrees that any Cooperation Information  
3 and any evidence derived from any Cooperation Information shall be  
4 admissible against defendant, and defendant will not assert, and  
5 hereby waives and gives up, any claim under the United States  
6 Constitution, any statute, or any federal rule, that any Cooperation  
7 Information or any evidence derived from any Cooperation Information  
8 should be suppressed or is inadmissible; and (c) should the USAO  
9 choose to pursue any charge that was either dismissed or not filed as  
10 a result of this agreement, then (i) any applicable statute of  
11 limitations will be tolled between the date of defendant's signing of  
12 this agreement and the filing commencing any such action; and  
13 (ii) defendant waives and gives up all defenses based on the statute  
14 of limitations, any claim of pre-indictment delay, or any speedy  
15 trial claim with respect to any such action, except to the extent  
16 that such defenses existed as of the date of defendant's signing this  
17 agreement.

18 EFFECTIVE DATE OF AGREEMENT

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

22 BREACH OF AGREEMENT

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



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

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

13           b. The USAO will be relieved of all its obligations under  
14 this agreement; in particular, the USAO: (i) will no longer be bound  
15 by any agreements concerning sentencing and will be free to seek any  
16 sentence up to the statutory maximum for the crime to which defendant  
17 has pleaded guilty; (ii) will no longer be bound by any agreements  
18 regarding criminal prosecution, and will be free to criminally  
19 prosecute defendant for any crime, including charges that the USAO  
20 would otherwise have been obligated not to criminally prosecute  
21 pursuant to this agreement; and (iii) will no longer be bound by any  
22 agreement regarding the use of Cooperation Information and will be  
23 free to use any Cooperation Information in any way in any  
24 investigation, criminal prosecution, or civil, administrative, or  
25 regulatory action.

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



1           d. In any investigation, criminal prosecution, or civil,  
2 administrative, or regulatory action: (i) defendant will not assert,  
3 and hereby waives and gives up, any claim that any Cooperation  
4 Information was obtained in violation of the Fifth Amendment  
5 privilege against compelled self-incrimination; and (ii) defendant  
6 agrees that any Cooperation Information and any Plea Information, as  
7 well as any evidence derived from any Cooperation Information or any  
8 Plea Information, shall be admissible against defendant, and  
9 defendant will not assert, and hereby waives and gives up, any claim  
10 under the United States Constitution, any statute, Rule 410 of the  
11 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of  
12 Criminal Procedure, or any other federal rule, that any Cooperation  
13 Information, any Plea Information, or any evidence derived from any  
14 Cooperation Information or any Plea Information should be suppressed  
15 or is inadmissible.

16           27. Following the Court's finding of a knowing breach of this  
17 agreement by defendant, should the USAO choose to pursue any charge  
18 or any civil, administrative, or regulatory action that was either  
19 dismissed or not filed as a result of this agreement, then:

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

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



COURT AND UNITED STATES PROBATION& PRETRIAL SERVICES OFFICE NOT PARTIES

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

29. Defendant understands that both defendant and the USAO are free to: (a) supplement the facts by supplying relevant information to the United States Probation and Pretrial Services Office and the Court; (b) correct any and all factual misstatements relating to the Court's Sentencing Guidelines calculations and determination of sentence; and (c) argue on appeal and collateral review that the Court's Sentencing Guidelines calculations and the sentence it chooses to impose are not error, although each party agrees to maintain its view that the sentencing calculations set forth above are consistent with the facts of this case. This paragraph permits both the USAO and defendant to submit full and complete factual information to the United States Probation and Pretrial Services Office and the Court, even if that factual information may be viewed as inconsistent with the Factual Basis or Sentencing Factors agreed to in this agreement.

30. Defendant understands that even if the Court ignores any sentencing recommendation, finds facts or reaches conclusions different from those agreed to, and/or imposes any sentence up to the maximum established by statute, defendant cannot, for that reason, withdraw defendant's guilty plea, and defendant will remain bound to fulfill all defendant's obligations under this agreement. Defendant

1 understands that no one -- not the prosecutor, defendant's attorney,  
2 or the Court -- can make a binding prediction or promise regarding  
3 the sentence defendant will receive, except that it will be within  
4 the statutory maximum.

5 NO ADDITIONAL AGREEMENTS

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

11 ///

12 ///

13 ///



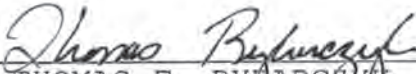
PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

32. 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.

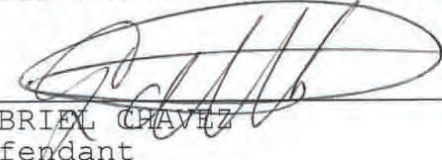
AGREED AND ACCEPTED

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

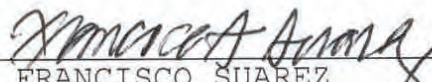
STEPHANIE S. CHRISTENSEN  
Acting United States Attorney

  
THOMAS F. RYBARCZYK  
LINDSEY GREER DOTSON  
Assistant United States Attorneys

October 7, 2022  
Date

  
GABRIEL CHAVEZ  
Defendant


8/30/22  
Date

  
FRANCISCO SUAREZ  
Attorney for Defendant  
GABRIEL CHAVEZ

8/30/22  
Date

CERTIFICATION OF DEFENDANT

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



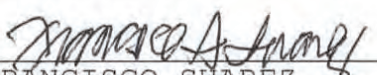
GABRIEL CRAVEZ  
Defendant

8/30/22  
Date



CERTIFICATION OF DEFENDANT'S ATTORNEY

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

  
FRANCISCO SUAREZ  
Attorney for Defendant  
GABRIEL CHAVEZ

01/30/22  
Date

# **EXHIBIT A**

1  
2  
3  
4  
5  
6  
7  
8 UNITED STATES DISTRICT COURT  
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

10 UNITED STATES OF AMERICA,

11 Plaintiff,

12 v.

13 GABRIEL CHAVEZ,

14 Defendant.

CR No.

I N F O R M A T I O N

[18 U.S.C. § 666(a)(2):  
Federal Program Bribery]

15  
16 The Acting United States Attorney charges:

17 [18 U.S.C. §§ 666(a)(2), 2(a)]

18 At times relevant to this Information:

19 A. PERSONS AND ENTITIES

20 1. The City of Baldwin Park, California (the "City") was a  
21 local government located within Los Angeles County in the Central  
22 District of California. The City received in excess of \$10,000 under  
23 federal programs in both 2017 and 2018.

24 2. The City was governed, in part, by its City Council, which  
25 adopted legislation, set policy, adjudicated issues, and established  
26 the budget for the City.  
27  
28



1           3.       The City Council was comprised of four City Council  
2 members and a mayor, all of whom were elected at large by the City's  
3 registered voters.

4           4.       Ricardo Pacheco ("Pacheco") was first elected to the City  
5 Council in 1997 and held that elected position until 2020. He also  
6 previously served as the City's Mayor Pro Tempore. In both roles,  
7 Pacheco was an agent of the City.

8           5.       Defendant GABRIEL CHAVEZ founded Market Share Media Agency,  
9 an internet marketing company, in 2012.

10       B.       THE SCHEME

11           6.       In or around June 2017, the City started the process of  
12 permitting the sale, cultivation, and manufacture of marijuana within  
13 the City's limits. Shortly thereafter, Pacheco decided to corruptly  
14 solicit bribe payments from companies seeking marijuana development  
15 agreements and related permits ("marijuana permits") in the City. In  
16 exchange for the payments, Pacheco would agree to assist and assist  
17 the companies, using his official City position, with obtaining  
18 marijuana permits.

19           7.       Pacheco elected to use an intermediary to funnel the bribe  
20 payments to himself in an effort to disguise the true nature of the  
21 payments. The scheme would operate as follows: a company seeking a  
22 marijuana permit would pay the intermediary for supposed "consulting"  
23 services, the intermediary would then split a portion of the money  
24 with Pacheco, and Pacheco would then vote in favor of the company's  
25 desired marijuana permit in exchange for the payment. Pacheco would  
26 also agree to use his influence as a City Council member to ensure  
27 that other members of the City Council voted in favor of the  
28 marijuana permit as well.

1           8. Defendant CHAVEZ was asked by Pacheco to act as an  
2 intermediary to funnel bribes to Pacheco, and defendant CHAVEZ  
3 agreed.

4           9. To help conceal the bribery scheme, defendant CHAVEZ  
5 obtained a template for a sham consulting agreement from Person 1,  
6 which defendant CHAVEZ thereafter used to facilitate and disguise the  
7 scheme.

8           10. Defendant CHAVEZ used his company, Market Share Media  
9 Agency, to funnel bribe payments to Pacheco in exchange for Pacheco's  
10 votes and influence over the City's permitting process to secure  
11 marijuana permits for two companies, Marijuana Company 3 and  
12 Marijuana Company 4.

13           11. Defendant CHAVEZ obtained bribe payments to pass to Pacheco  
14 from Person 14, who was helping Marijuana Company 4 obtain its  
15 marijuana permit. To conceal the true nature of the payments, the  
16 bribes defendant CHAVEZ accepted were disguised as consulting  
17 payments from Person 14's consulting company to defendant CHAVEZ's  
18 company, Market Share Media Agency. Defendant CHAVEZ kept the  
19 remainder of the payments not provided to Pacheco in exchange for  
20 defendant CHAVEZ's services as an intermediary for the bribe  
21 payments.

22 ///

23 ///

24 ///



1 C. THE BRIBERY

2 12. Beginning in or around August 2017 and continuing to in or  
3 around March 2018, in Los Angeles County, within the Central District  
4 of California, defendant CHAVEZ, aiding and abetting Pacheco, Person  
5 14, and others, demanded, accepted, and agreed to accept things of  
6 value, namely, at least \$125,000 from Marijuana Company 3 and at  
7 least \$45,000 from Person 14 through Person 14's consulting company,  
8 intending to influence and reward Pacheco, an agent of the City of  
9 Baldwin Park, in connection with a business, transaction, and series  
10 of transactions of the City having a value of \$5,000 or more,  
11 specifically, the City's approval and awarding of marijuana  
12 development agreements and related permits.

13  
14 STEPHANIE S. CHRISTENSEN  
15 Acting United States Attorney  
16

17 SCOTT M. GARRINGER  
18 Assistant United States Attorney  
19 Chief, Criminal Division  
20

21 MACK E. JENKINS  
22 Assistant United States Attorney  
23 Chief, Public Corruption and  
24 Civil Rights Section  
25

26 THOMAS F. RYBARCZYK  
27 Assistant United States Attorney  
28 Public Corruption and Civil  
Rights Section

LINDSEY GREER DOTSON  
Assistant United States Attorney  
Deputy Chief, Public Corruption  
and Civil Rights Section

EXHIBIT B



LUDGIER

2020 MAR 26 PM 2:42

CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

1 NICOLA T. HANNA  
United States Attorney  
2 BRANDON D. FOX  
Assistant United States Attorney  
3 Chief, Criminal Division  
THOMAS F. RYBARCZYK (Cal. Bar No. 316124)  
4 Assistant United States Attorney  
Public Corruption & Civil Rights Section  
5 1500 United States Courthouse  
312 North Spring Street  
6 Los Angeles, California 90012  
Telephone: (213) 894-8452  
7 Facsimile: (213) 894-0141  
E-mail: thomas.rybarczyk@usdoj.gov

8 Attorneys for Plaintiff  
9 UNITED STATES OF AMERICA

10 UNITED STATES DISTRICT COURT

11 FOR THE CENTRAL DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,

13 Plaintiff,

14 v.

15 RICARDO PACHECO,

16 Defendant.

No. CR

20CR00165

PLEA AGREEMENT FOR DEFENDANT  
RICARDO PACHECO

UNDER SEAL

17  
18 1. This constitutes the plea agreement between RICARDO PACHECO  
19 ("defendant") and the United States Attorney's Office for the Central  
20 District of California ("the USAO") in connection with an  
21 investigation of defendant's acceptance of bribes as a Councilmember  
22 for the City of Baldwin Park. This agreement is limited to the USAO  
23 and cannot bind any other federal, state, local, or foreign  
24 prosecuting, enforcement, administrative, or regulatory authorities.

25 DEFENDANT'S OBLIGATIONS

26 2. Defendant agrees to:

27 a. Give up the right to indictment by a grand jury and,  
28 at the earliest opportunity requested by the USAO and provided by the

(20)

1 Court, appear and plead guilty to a single count information in the  
2 form attached to this agreement as Exhibit A or a substantially  
3 similar form, which charges defendant with Bribery Concerning  
4 Programs Receiving Federal Funds, in violation of 18 U.S.C.  
5 § 666(a)(1)(B).

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

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

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

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

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

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

21 h. Agree to waive the protections of the Letter  
22 Agreements defined below in paragraph 4.

23 i. Resign immediately as a City of Baldwin Park  
24 Councilmember and not seek elective or appointive office during the  
25 duration of supervised release.

26 j. Defendant further agrees:

27 1. To forfeit all right, title, and interest in and  
28 to any and all monies, properties, and/or assets of any kind, derived



1 from or acquired as a result of, or used to facilitate the commission  
2 of, or involved in the illegal activity to which defendant is  
3 pleading guilty, including but not limited to the following:

4           A.     \$83,145.00 in U.S. currency, which consists  
5 of \$20,245.00 seized on December 13, 2018 from various locations  
6 throughout defendant's home, including in a safe in defendant's  
7 bedroom, and \$62,900.00 seized on October 4, 2019 from defendant,  
8 which defendant had buried in two different locations in his backyard  
9 (the "Forfeitable Assets").

10           2.     To the Court's entry of an order of forfeiture at  
11 or before sentencing with respect to the Forfeitable Assets and to  
12 the forfeiture of the assets.

13           3.     To take whatever steps are necessary to pass to  
14 the United States clear title to the Forfeitable Assets, including,  
15 without limitation, the execution of a consent decree of forfeiture  
16 and the completing of any other legal documents required for the  
17 transfer of title to the United States.

18           4.     Not to contest any administrative forfeiture  
19 proceedings or civil judicial proceedings commenced against the  
20 Forfeitable Assets. If defendant submitted a claim and/or petition  
21 for remission for all or part of the Forfeitable Assets on behalf of  
22 himself or any other individual or entity, defendant shall and hereby  
23 does withdraw any such claims or petitions, and further agrees to  
24 waive any right he may have to seek remission or mitigation of the  
25 forfeiture of the Forfeitable Assets.

26           5.     Not to assist any other individual in any effort  
27 falsely to contest the forfeiture of the Forfeitable Assets.

28



1           6. Not to claim that reasonable cause to seize the  
2 Forfeitable Assets was lacking.

3           7. To prevent the transfer, sale, destruction, or  
4 loss of the Forfeitable Assets to the extent defendant has the  
5 ability to do so.

6           8. To fill out and deliver to the USAO a completed  
7 financial statement listing defendant's assets on a form provided by  
8 the USAO.

9           9. That forfeiture of Forfeitable Assets shall not  
10 be counted toward satisfaction of any special assessment, fine,  
11 restitution, costs, or other penalty the Court may impose.

12           10. To the entry of, as part of defendant's guilty  
13 plea, a personal money judgment of forfeiture against defendant in  
14 the amount of \$219,755.00, which sum defendant admits was derived  
15 from proceeds traceable to the violations described in the factual  
16 basis of this plea agreement. Defendant understands that the money  
17 judgment of forfeiture is part of defendant's sentence, and is  
18 separate from any fines or restitution that may be imposed by the  
19 Court.

20           11. With respect to any criminal forfeiture ordered  
21 as a result of this plea agreement, defendant waives: (1) the  
22 requirements of Federal Rules of Criminal Procedure 32.2 and 43(a)  
23 regarding notice of the forfeiture in the charging instrument,  
24 announcements of the forfeiture sentencing, and incorporation of the  
25 forfeiture in the judgment; (2) all constitutional and statutory  
26 challenges to the forfeiture (including by direct appeal, habeas  
27 corpus or any other means); and (3) all constitutional, legal, and  
28 equitable defenses to the forfeiture of the Forfeitable Assets and



1 entry of Money Judgment in any proceeding on any grounds including,  
2 without limitation, that the forfeiture constitutes an excessive fine  
3 or punishment. Defendant acknowledges that the forfeiture of the  
4 Forfeitable Assets and entry of the Money Judgment are part of the  
5 sentence that may be imposed in this case and waives any failure by  
6 the Court to advise defendant of this, pursuant to Federal Rule of  
7 Criminal Procedure 11(b)(1)(J), at the time the Court accepts  
8 defendant's guilty plea.

9 3. Defendant further agrees to cooperate fully with the USAO,  
10 the Federal Bureau of Investigation, and, as directed by the USAO,  
11 any other federal, state, local, or foreign prosecuting, enforcement,  
12 administrative, or regulatory authority. This cooperation requires  
13 defendant to:

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

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

20 c. Produce voluntarily all documents, records, or other  
21 tangible evidence relating to matters about which the USAO, or its  
22 designee, inquires.

23 4. For purposes of this agreement: (1) "Cooperation  
24 Information" shall mean any statements made, or documents, records,  
25 tangible evidence, or other information provided, by defendant  
26 pursuant to defendant's cooperation under this agreement or pursuant  
27 to the letter agreements previously entered into by the parties dated  
28 April 29, 2019, May 30, 2019, July 16, 2019, and September 5, 2019

(the "Letter Agreements") and in his meeting with the government on January 27, 2020; and (2) "Plea Information" shall mean any statements made by defendant, under oath, at the guilty plea hearing and the agreed to factual basis statement in this agreement.

#### THE USAO'S OBLIGATIONS

5. The USAO agrees to:

a. Not contest facts agreed to in this agreement.  
b. Abide by all agreements regarding sentencing contained in this agreement.

c. Recommend that the Court vary downward in total offense level by an additional two levels based on his agreement to waive the protections given to him in the Letter Agreements detailed above in paragraph 4.

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

e. Recommend that defendant be sentenced to a term of imprisonment no higher than the low end of the applicable Sentencing Guidelines range provided that the offense level used by the Court to determine that range is 29 or higher and provided that the Court does not depart downward in offense level or criminal history category. For purposes of this agreement, the low end of the Sentencing Guidelines range is that defined by the Sentencing Table in U.S.S.G. Chapter 5, Part A.

6. The USAO further agrees:

RP

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

16           b. In connection with defendant's sentencing, to bring to  
 17 the Court's attention the nature and extent of defendant's  
 18 cooperation.

19           c. If the USAO determines, in its exclusive judgment,  
 20 that defendant has both complied with defendant's obligations under  
 21 paragraphs 2 and 3 above and provided substantial assistance to law  
 22 enforcement in the prosecution or investigation of another  
 23 ("substantial assistance"), to move the Court pursuant to U.S.S.G.  
 24 § 5K1.1 to fix an offense level and corresponding guideline range  
 25 below that otherwise dictated by the sentencing guidelines, and to  
 26 recommend a term of imprisonment within this reduced range.

27           DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

28           7. Defendant understands the following:



1           a. Any knowingly false or misleading statement by  
2 defendant will subject defendant to prosecution for false statement,  
3 obstruction of justice, and perjury and will constitute a breach by  
4 defendant of this agreement.

5           b. Nothing in this agreement requires the USAO or any  
6 other prosecuting, enforcement, administrative, or regulatory  
7 authority to accept any cooperation or assistance that defendant may  
8 offer, or to use it in any particular way.

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

14           d. At this time the USAO makes no agreement or  
15 representation as to whether any cooperation that defendant has  
16 provided or intends to provide constitutes or will constitute  
17 substantial assistance. The decision whether defendant has provided  
18 substantial assistance will rest solely within the exclusive judgment  
19 of the USAO.

20           e. The USAO's determination whether defendant has  
21 provided substantial assistance will not depend in any way on whether  
22 the government prevails at any trial or court hearing in which  
23 defendant testifies or in which the government otherwise presents  
24 information resulting from defendant's cooperation. That is, whether  
25 any person is found guilty or not guilty will not affect what  
26 benefit, if any, defendant receives in exchange for his truthful  
27 testimony.

28

### NATURE OF THE OFFENSE

8. Defendant understands that for defendant to be guilty of the crime charged in the single-count information, that is, Bribery Concerning Programs Receiving Federal Funds, in violation of Title 18, United States Code, Section 666(a)(1)(B), the following must be true: (1) defendant was an agent of a state or local government, or any agency of that government; (2) the City of Baldwin Park received, in any one-year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of Federal assistance; (3) defendant solicited, demanded, accepted, or agreed to accept anything of value from another person; (4) defendant acted corruptly with the intent to be influenced or rewarded in connection with the business, transaction, or series of transactions of the City of Baldwin Park; and (5) the value of the business to which the payment related was at least \$5,000.

## PENALTIES

9. Defendant understands that the statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 666(a)(1)(B), is: 10 years of imprisonment; a 3-year period of supervised release; a fine of \$250,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest; and a mandatory special assessment of \$100.

10. Defendant understands that supervised release is a period of time following imprisonment during which defendant will be subject to various restrictions and requirements. Defendant understands that if defendant violates one or more of the conditions of any supervised release imposed, defendant may be returned to prison for all or part

1 of the term of supervised release authorized by statute for the  
2 offense that resulted in the term of supervised release, which could  
3 result in defendant serving a total term of imprisonment greater than  
4 the statutory maximum stated above.

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

18 12. Defendant and his counsel have discussed the fact that, and  
19 defendant understands that, if defendant is not a United States  
20 citizen, the conviction in this case makes it practically inevitable  
21 and a virtual certainty that defendant will be removed or deported  
22 from the United States. Defendant may also be denied United States  
23 citizenship and admission to the United States in the future.  
24 Defendant understands that while there may be arguments that  
25 defendant can raise in immigration proceedings to avoid or delay  
26 removal, removal is presumptively mandatory and a virtual certainty  
27 in this case. Defendant further understands that removal and  
28 immigration consequences are the subject of a separate proceeding and

R



1 that no one, including his attorney or the Court, can predict to an  
2 absolute certainty the effect of his conviction on his immigration  
3 status. Defendant nevertheless affirms that he wants to plead guilty  
4 regardless of any immigration consequences that his plea may entail,  
5 even if the consequence is automatic removal from the United States.

6 FACTUAL BASIS

7 13. Defendant admits that defendant is, in fact, guilty of the  
8 offense to which defendant is agreeing to plead guilty. Defendant  
9 and the USAO agree to the statement of facts set forth in Exhibit B  
10 to this agreement, and agree that this statement of facts is  
11 sufficient to support a plea of guilty to the charge described in  
12 this agreement and to establish the Sentencing Guidelines factors set  
13 forth in paragraph 15, but is not meant to be a complete recitation  
14 of all facts relevant to the underlying criminal conduct or all facts  
15 known to either party that relate to that conduct.

16 SENTENCING FACTORS

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

1        15. Defendant and the USAO agree to the following applicable  
2 Sentencing Guidelines factors:

3        Base Offense Level:	14	[U.S.S.G. § 2C1.1(a)]
4        More than one bribe:	+2	[U.S.S.G. § 2C1.1(b)(1)]
5        Value of payment/benefit exceeds \$550,000:	+14	[U.S.S.G. § 2C1.1(b)(2)]
6        Elected Public Official	+4	[U.S.S.G. § 2C1.1(b)(3)]

7  
8 Defendant and the USAO reserve the right to argue that additional  
9 specific offense characteristics, adjustments, and departures under  
10 the Sentencing Guidelines are appropriate.

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

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

17                    WAIVER OF CONSTITUTIONAL RIGHTS

18        18. Defendant understands that by pleading guilty, defendant  
19 gives up the following rights:

- 20            a. The right to persist in a plea of not guilty.
- 21            b. The right to a speedy and public trial by jury.
- 22            c. The right to be represented by counsel - and if  
23 necessary have the Court appoint counsel - at trial. Defendant  
24 understands, however, that, defendant retains the right to be  
25 represented by counsel - and if necessary have the Court appoint  
26 counsel - at every other stage of the proceeding.

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

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

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

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

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

15 WAIVER OF APPEAL OF CONVICTION

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

25 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

26 20. Defendant agrees that, provided the Court imposes a term of  
27 imprisonment within or below the range corresponding to an offense  
28 level of 29 and the criminal history category calculated by the



1 Court, defendant gives up the right to appeal all of the following:

2 (a) the procedures and calculations used to determine and impose any  
3 portion of the sentence; (b) the term of imprisonment imposed by the  
4 Court; (c) the fine imposed by the Court, provided it is within the  
5 statutory maximum; (d) to the extent permitted by law, the  
6 constitutionality or legality of defendant's sentence, provided it is  
7 within the statutory maximum; (e) the term of probation or supervised  
8 release imposed by the Court, provided it is within the statutory  
9 maximum; and (f) any of the following conditions of probation or  
10 supervised release imposed by the Court: the conditions set forth in  
11 General Order 18-10 of this Court; the drug testing conditions  
12 mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the alcohol and  
13 drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

14 21. The USAO agrees that, provided all portions of the sentence  
15 are at or below the statutory maximum specified above, the USAO gives  
16 up its right to appeal any portion of the sentence.

17 RESULT OF WITHDRAWAL OF GUILTY PLEA

18 22. Defendant agrees that if, after entering a guilty plea  
19 pursuant to this agreement, defendant seeks to withdraw and succeeds  
20 in withdrawing defendant's guilty plea on any basis other than a  
21 claim and finding that entry into this plea agreement was  
22 involuntary, then (a) the USAO will be relieved of all of its  
23 obligations under this agreement, including in particular its  
24 obligations regarding the use of Cooperation Information; (b) in any  
25 investigation, criminal prosecution, or civil, administrative, or  
26 regulatory action, defendant agrees that any Cooperation Information  
27 and any evidence derived from any Cooperation Information shall be  
28 admissible against defendant, and defendant will not assert, and

1 hereby waives and gives up, any claim under the United States  
2 Constitution, any statute, or any federal rule, that any Cooperation  
3 Information or any evidence derived from any Cooperation Information  
4 should be suppressed or is inadmissible; and (c) should the USAO  
5 choose to pursue any charge that was either dismissed or not filed as  
6 a result of this agreement, then (i) any applicable statute of  
7 limitations will be tolled between the date of defendant's signing of  
8 this agreement and the filing commencing any such action; and  
9 (ii) defendant waives and gives up all defenses based on the statute  
10 of limitations, any claim of pre-indictment delay, or any speedy  
11 trial claim with respect to any such action, except to the extent  
12 that such defenses existed as of the date of defendant's signing this  
13 agreement.

#### 14 EFFECTIVE DATE OF AGREEMENT

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

#### 18 BREACH OF AGREEMENT

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

1 obligations are material, a single breach of this agreement is  
2 sufficient for the USAO to declare a breach, and defendant shall not  
3 be deemed to have cured a breach without the express agreement of the  
4 USAO in writing. If the USAO declares this agreement breached, and  
5 the Court finds such a breach to have occurred, then:

6       a. If defendant has previously entered a guilty plea  
7 pursuant to this agreement, defendant will not be able to withdraw  
8 the guilty plea.

9       b. The USAO will be relieved of all its obligations under  
10 this agreement; in particular, the USAO: (i) will no longer be bound  
11 by any agreements concerning sentencing and will be free to seek any  
12 sentence up to the statutory maximum for the crime to which defendant  
13 has pleaded guilty; (ii) will no longer be bound by any agreements  
14 regarding criminal prosecution, and will be free to criminally  
15 prosecute defendant for any crime, including charges that the USAO  
16 would otherwise have been obligated not to criminally prosecute  
17 pursuant to this agreement; and (iii) will no longer be bound by any  
18 agreement regarding the use of Cooperation Information and will be  
19 free to use any Cooperation Information in any way in any  
20 investigation, criminal prosecution, or civil, administrative, or  
21 regulatory action.

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

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



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

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

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

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

24 COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES

25 OFFICE NOT PARTIES

26 26. Defendant understands that the Court and the United States  
 27 Probation and Pretrial Services Office are not parties to this,  
 28 agreement and need not accept any of the USAO's sentencing

1 recommendations or the parties' agreements to facts or sentencing  
2 factors.

3 27. Defendant understands that both defendant and the USAO are  
4 free to: (a) supplement the facts by supplying relevant information  
5 to the United States Probation and Pretrial Services Office and the  
6 Court, (b) correct any and all factual misstatements relating to the  
7 Court's Sentencing Guidelines calculations and determination of  
8 sentence, and (c) argue on appeal and collateral review that the  
9 Court's Sentencing Guidelines calculations and the sentence it  
10 chooses to impose are not error, although each party agrees to  
11 maintain its view that the sentencing calculations set forth above  
12 are consistent with the facts of this case. This paragraph permits  
13 both the USAO and defendant to submit full and complete factual  
14 information to the United States Probation Office and the Court, even  
15 if that factual information may be viewed as inconsistent with the  
16 Factual Basis or Sentencing Factors agreed to in this agreement.

17 28. Defendant understands that even if the Court ignores any  
18 sentencing recommendation, finds facts or reaches conclusions  
19 different from those agreed to, and/or imposes any sentence up to the  
20 maximum established by statute, defendant cannot, for that reason,  
21 withdraw defendant's guilty plea, and defendant will remain bound to  
22 fulfill all defendant's obligations under this agreement. Defendant  
23 understands that no one -- not the prosecutor, defendant's attorney,  
24 or the Court -- can make a binding prediction or promise regarding  
25 the sentence defendant will receive, except that it will be within  
26 the statutory maximum.

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

30. 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.

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

THOMAS F. RYBARCZAK  
Assistant United States Attorney

March 26, 2020  
Date

3-16-2020  
Date

3/4/22  
Date



CERTIFICATION OF DEFENDANT

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

Ricardo Pacheco

RICARDO PACHECO  
Defendant

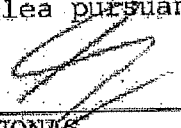
3-16-2020

Date

RE

CERTIFICATION OF DEFENDANT'S ATTORNEY

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

  
\_\_\_\_\_  
GLEN T. JONAS  
Attorney for Defendant RICARDO  
PACHECO

3/16/20  
\_\_\_\_\_  
Date

# EXHIBIT A



UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

RICARDO PACHECO,

Defendant.

CR No.

I N F O R M A T I O N

[18 U.S.C. § 666(a)(1)(B): Federal  
Program Bribery]

The United States Attorney charges:

[18 U.S.C. § 666(a)(1)(B)]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

1. The City of Baldwin Park, California (the "City") was a local government located within Los Angeles County in the Central District of California. The City received in excess of \$10,000 under federal programs for both 2017 and 2018.

2. The City was governed, in part, by its City Council, which adopted legislation, set policy, adjudicated issues, and established the budget for the City.

1        3.        The City Council was comprised of four City Council  
2 members and a Mayor, all of whom were elected at large by the City's  
3 registered voters.

4        4.        Defendant RICARDO PACHECO was first elected to the City  
5 Council in 1997 and currently holds that elected position. He also  
6 previously served as the City's Mayor Pro-Tem. As a result of his  
7 position as councilman, defendant was an agent of the City.

8        5.        Police Officer A was a City police officer and a member of  
9 the City's Police Association. The Police Association was the union  
10 representing the City's police officers and engaged in negotiations  
11 with the City Council and City administrators.

12        6.        The City's contract with the City's Police Association was  
13 valued in excess of \$5,000, namely, at least \$4.4 million for a  
14 three-year period, and provided that the City would continue to  
15 employ the Police Association's members, namely, the unionized  
16 members of the City's Police Department, and provide for the creation  
17 of additional positions and pay increases for officers with certain  
18 education experience.

19        B.        THE BRIBERY

20        7.        Beginning in or about January 2018 and continuing to on or  
21 about October 17, 2018, in Los Angeles County, within the Central  
22 District of California, defendant PACHECO, an agent of the City of  
23 Baldwin Park, corruptly solicited, demanded, accepted, and agreed to  
24 accept things of value from Police Officer A, namely, \$20,000 in cash  
25 and \$17,900 in checks to a charity and political action committees  
26 over which defendant PACHECO exerted control, intending to be  
27 influenced and rewarded in connection with a business and a

28        ///

1 transaction, and a series of transactions of the City of Baldwin  
2 Park, having a value of \$5,000 or more, specifically, the City's  
3 contract with the City's Police Association.



FORFEITURE ALLEGATION

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

1. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of the defendant's conviction of the offenses set forth in this Information.

2. The defendant, if so convicted, shall forfeit to the United States of America the following:

(a) All right, title and interest in any and all property, real or personal, constituting, or derived from, any proceeds traceable to any such offense; and

(b) To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), the defendant shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as the result of any act or omission of the defendant, the property described in the preceding paragraph, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond

//

//

1 the jurisdiction of the court; (d) has been substantially diminished  
2 in value; or (e) has been commingled with other property that cannot  
3 be divided without difficulty.

4  
5 A TRUE BILL

6  
7  
8 Foreperson.

9 NICOLA T. HANNA  
10 United States Attorney

11 BRANDON D. FOX  
12 Assistant United States Attorney  
13 Chief, Criminal Division

14 MACK E. JENKINS  
15 Assistant United States Attorney  
16 Chief, Public Corruption and  
17 Civil Rights Section

18 DANIEL J. O'BRIEN  
19 Assistant United States Attorney  
20 Deputy Chief, Public Corruption  
21 and Civil Rights Section

22 THOMAS F. RYBARCZYK  
23 Assistant United States Attorney  
24 Public Corruption and Civil  
25 Rights Section  
26  
27  
28

## **EXHIBIT B**



**EXHIBIT B****FACTUAL BASIS**

The City of Baldwin Park, California (the "City") was a local government within Los Angeles County in the Central District of California. The City received in excess of \$10,000 under federal programs for each of the calendar years 2017, 2018, and 2019.

The City was governed, in part, by its City Council, which adopted legislation, set policy, adjudicated issues, and established the budget of the City. The City Council was comprised of four City Council members and a Mayor, all of whom were elected by the City's voters.

The West Valley Water District (the "Water District") was a local government agency within San Bernardino County in the Central District of California. The Water District received in excess of \$10,000 under federal programs for each of the calendar years 2017, 2018, and 2019.

The City's Police Association ("Police Association") was the union representing the City's police officers. The Police Association engaged in contract negotiations with the City Council and City administrators.

From 1997 to the present, defendant RICARDO PACHECO ("defendant") was a City Council member. From December 2017 through December 2018, defendant was the City's Mayor Pro-Tem. Defendant acted as an agent of the City in his capacity as a City Council member.

**The Police Association Scheme**

Beginning in at least January 2018 and continuing through October 2018, defendant accepted \$37,900 from Police Officer 1 ("PO-1"), a City police officer and Police Association member, in exchange for defendant's vote and support of the Police Association's contract with the City, a City contract valued in excess of \$5,000. Specifically, the City's contract with the Police Association was valued at approximately \$4.4 million over three years and called for the City to employ the Police Association's members, namely, the City Department's officers, and to provide for the creation of additional positions and pay raises for those officers with a certain level of education. In 2012, the City had considered disbanding its police department

RP

and contracting directly with the Los Angeles County Sheriff's Department for police service for its City's residents.

In furtherance of this scheme, on January 24, 2018, defendant met with PO-1 in Baldwin Park and told PO-1 that he had several requests of the Police Association in exchange for his vote in favor of their contract. Defendant asked that the Police Association purchase tickets for two \$1,000 tables for two different fundraisers at defendant's Catholic Church. Defendant also asked that the Police Association spend up to \$75,000 for public service announcements that would demonstrate defendant's support for various causes, which were designed to assist defendant's political career.

On January 26, 2018, defendant met with PO-1 and another member of the Police Association in Baldwin Park. During the meeting, PO-1 provided defendant a \$900 check made payable to the Catholic Church for one of the church's fundraisers. The memo line of the check read: "Donation for Ricardo Pacheco." Defendant indicated that he wanted \$2,000 from the Police Association for the second fundraiser, which he said PO-1 could provide the following week. Defendant told PO-1 that the Police Association would need to continue to provide up to \$1,000 to his hand-picked "non-profits" or Political Actions Committees ("PACs") per quarter and financially and publicly support defendant's re-election. PO-1 confirmed that defendant wanted \$5,000 for public service announcements to assist defendant's political career by the following week.

On February 6, February 15, and February 28, 2018, at the direction of the Federal Bureau of Investigation ("FBI"), PO-1 met with and provided defendant with checks made payable to defendant's Catholic Church, as requested by defendant, totaling \$7,000, in exchange for defendant's support for the Police Association contract.

After a March 7, 2018 City Council closed session, defendant sent a text message to PO-1 stating, "Contract was approved," in reference to the Police Association contract. At a March 21, 2018 City Council session open to the public, the City Council voted on the Police Association contract with defendant voting to approve the contract.

On August 29, 2018, defendant sent an email to PO-1 in which he asked the PO-1 and the Police Association to donate \$5,000 to

defendant's wife's campaign for the Valley County Water District.

On September 4, 2018, defendant asked PO-1 for \$5,000 from the Police Association for defendant's wife's political campaign and \$25,000 for defendant's personal benefit, namely, the PACs defendant controlled. After PO-1 told defendant that the Police Association did not want to be seen as supporting any one candidate in particular, defendant told PO-1 they could get around this concern by having PO-1 make checks payable to defendant's hand-selected PACs. Six days later, on September 10, 2018, defendant sent a text message to PO-1 listing two PACs to which he wanted PO-1 to donate: the California Education Coalition PAC ("CEC") and California Fire and Safety Committee PAC ("CFSC"). While California Fair Political Practices Commission filings did not list defendant as controlling either PAC, as discussed more fully below, both CEC and CFSC existed to promote defendant's interests, including defendant's preferred political candidates and for defendant's own personal benefit. Further, defendant had personal relationships with both individuals who, according to the California Fair Political Practices Commission, ran the PACs and helped set up those PACs for those individuals.

On September 26, 2018, in furtherance of defendant's agreement with PO-1 to vote in favor of the Police Association's contract, PO-1 met with defendant in Baldwin Park and provided defendant two \$5,000 checks from the Police Association payable to CEC and CFSC. Prior to providing the checks to defendant, PO-1 asked where the PACs would spend the money. Defendant said that they would "be used for, to promote me basically." After seeing that there were only two checks for \$5,000 each inside the envelope provided by PO-1, defendant said: "I thought it was going to be more than that." PO-1 told defendant that PO-1 would attempt to get the remaining money soon.

On October 2, 2018, defendant and PO-1 spoke on the telephone. During the call, defendant questioned PO-1 as to why the Police Association had not honored their part in the agreement with defendant. In doing so, defendant reiterated he had already performed his part of the bargain by voting for the Police Association contract. Specifically, defendant said: "Look, here's my concern, is, you know, you guys asked me a while back to support the contract . . . you know, and I did. I went through my commitment. And now you guys are saying, well,



before you do your commitment, you're asking for more, right, commitment." Later, defendant said: "The point is that when we make a commitment, you complete it. And I got you to the goal, and you guys haven't committed to what you're saying you'd do and it's like you're saying, 'well we don't trust you so we're gonna not do our commitment at this point...'"

On October 17, 2018, PO-1 met with defendant in a Baldwin Park, California coffee shop and provided defendant with an envelope containing \$20,000 in cash to fulfill the Police Association's part of the bargain with defendant in return for his vote on the Police Association contract. After exiting the coffee shop, defendant approached PO-1 in PO-1's vehicle and told PO-1 that he had to have checks, not cash. PO-1 responded by explaining that providing checks under defendant's short timeframe would be difficult and that cash was the most efficient way to provide the money defendant demanded. Defendant responded by saying if PO-1 had provided checks, defendant would have had to find a way to conceal the true source of the checks by depositing them in the PACs' accounts in order to obtain the money for defendant's personal use. When PO-1 asked if defendant wanted PO-1 to try and get checks from the Police Association, defendant said: "No no, just leave it like that," and PO-1 and defendant parted ways.

#### **Marijuana Distributorship Development Agreement Scheme<sup>1</sup>**

Beginning in at least August 2017 and continuing through at least August 2018, defendant accepted from Political Consultant 1 ("PC-1") two \$5,000 checks, one made payable to a PAC defendant designated and the second to defendant's wife's re-election campaign, in exchange for defendant's vote in support of an agreement valued well in excess of \$220,000 annually awarding Marijuana Company 1 the City's sole marijuana distributorship.

More specifically, in approximately August 2017, defendant and Person 1, a public official, approached PC-1 and Marijuana Company 1 and solicited donations in the amount of \$10,000 each for defendant's church, CEC, and for the campaign of Person 2, a public official, for board of the West Valley Water District ("Person 2's Campaign"). At the time, Marijuana Company 1 was seeking a development agreement from the City to be the sole distributor of marijuana in the City. Marijuana Company 1's

<sup>1</sup> Marijuana is also known and commonly referred to as cannabis.

owner, Person 3, provided a \$10,000 check to CEC and a \$10,000 check to Person 2's Campaign.

In November 2017, defendant met with PC-1 at a restaurant in Baldwin Park, California, and told PC-1 to ask Marijuana Company 1 for cash in exchange for defendant's vote. During the meeting and after some discussion, defendant told PC-1 that he should ask Marijuana Company 1 for at least \$150,000, pay the 20% in taxes on the contract, and split the remainder with defendant in exchange for defendant's support of Marijuana Company 1's development agreement. PC-1 declined.

On December 18, 2017, the City Council voted on Marijuana Company 1's development agreement and approved Marijuana Company 1's development agreement by a vote of 3-0. Defendant and another councilmember did not attend or vote at the City Council meeting.

After the City Council indicated it would revisit the issue of Marijuana Company 1's development agreement, defendant and PC-1 met at a restaurant in Fontana, California on June 8, 2018. During the meeting, defendant told PC-1 he was raising money for three PACs: CEC, CFSC, and his wife's re-election committee. Defendant wrote the name of the three committees on a napkin, provided them to PC-1, and requested that Marijuana Company 1 make a total of \$15,000 in donations, with each committee receiving a \$5,000 donation.

On July 2, 2018, at the direction of the FBI, PC-1 met with defendant and defendant's friend Person 4, who defendant had previously identified as his "fundraising guy," at a restaurant in Rancho Cucamonga, California, to discuss the payments requested by defendant in exchange for his vote on Marijuana Company 1's agreement with the City. During the meeting, PC-1 told defendant that Marijuana Company 1 would provide \$10,000 of the \$15,000 requested by defendant to which defendant responded, "Ok, fine." PC-1 asked how defendant wanted the payments to be made, and defendant referred PC-1 to Person 4 and said Person 4 is "gonna do some fundraising for me." Later, during the meeting, defendant and Person 4 provided the names of the three PACs defendant previously identified, including CEC and CFSC, to which defendant wanted Marijuana Company 1 to provide donations in exchange for his political support of Marijuana Company One's Development Agreement.

On July 11, 2018, at the direction of the FBI, PC-1 met with Person 4 at a coffee house in West Covina. PC-1 provided Person 4 with a \$5,000 check made payable to defendant's wife's re-election campaign and a \$5,000 check made payable to CFSC.

On July 16, 2018, at the direction of the FBI, PC-1 met with defendant at a coffee house in West Covina, California, and later rode in defendant's vehicle. During the meeting, PC-1 told defendant that Marijuana Company 1 would be able to pay defendant another \$5,000 by early August, to which defendant responded, "Ok, I trust you, brother." Defendant then told PC-1 "[Marijuana Company 1] should be good" for the upcoming vote. Later in the conversation, defendant asked PC-1, "so, like in August?" referring to the additional payment defendant expected Marijuana Company 1 to provide him. At the end of the conversation, PC-1 asked defendant if Marijuana Company 1 was good for [the vote on] Wednesday, to which defendant replied, "Yeah, brother, I'm there," confirming he would vote for Marijuana Company 1, and then "hopefully in the future they continue helping us in campaigns."

At a July 18, 2018 meeting, the City Council voted in favor of Marijuana Company 1's development agreement awarding it sole distributorship of marijuana in the City for 20 years. In accordance with his agreement with PC-1, defendant voted in favor of Marijuana Company 1's agreement with the City.

Defendant confirmed his vote to PC-1 through a text message on July 18, 2018. During the vote on July 18, 2018, defendant initially inadvertently voted no on the contract. When PC-1 texted him to ask what happened, defendant responded via text message with the following: "Sorry. They made motions that confused me. / On [Marijuana Company 1]. But i straight [sic] it out on correcting vote." The development agreement was approved by a 4-1 vote.

#### **West Valley Water District Board Scheme**

Beginning in at least July 2017 and continuing through at least November 2019, defendant entered into agreement with Person 2, in which defendant would fund Person 2's Campaign for the Water District board and help him secure a contract with the City. In exchange, when Person 2 became a board member and an agent of the Water District, Person 2 would provide defendant a job at the Water District.

RP



Defendant directed and/or arranged for Person 2's Campaign to receive approximately \$20,500, which represented almost the entirety of \$21,797 in monetary contributions received by Person 2's Campaign. These donations obtained by defendant came from individuals with business before the City. Defendant further arranged for Person 2's Campaign to receive \$4,789.08 of in-kind contributions from CEC, the PAC defendant controlled. These in-kind donations were never disclosed by Person 2's election committee in an effort to conceal defendant's agreement with Person 2.

As the result of his appointment to the Water District, defendant received at least \$300,000 in total salary from April 2018 through October 2019. In addition to this amount, defendant received approximately \$142,194 in a severance package in November 2019.

More specifically regarding the origin of this agreement, in approximately July 2017, defendant and Person 2 had a conversation at Baldwin Park City Hall in which Person 2 told defendant he planned to run for West Valley Water District Board and needed defendant's help, which defendant understood to mean help fundraising for the campaign. During this conversation, Person 2 told defendant that the Water District had job openings and that if defendant helped Person 2 with his campaign, defendant would try to get him a job at the Water District. Specifically, Person 2 said that once he got elected to the Water District's Board, "we'll get you in." Person 2 and defendant also discussed how this position would assist defendant with maxing out his California state pension so that defendant would receive the most money possible in retirement. Defendant agreed to raise money for Person 2 in exchange for a position at the Water District.

Later, on a different date, Person 2 changed the terms of his deal with defendant and told defendant that he wanted their deal to include defendant's vote and support for the renewal of Person 2's contract with the City (collectively, with the agreement to raise funds for Person 2's campaign in exchange for a Water District job for defendant, the "Water District Agreement.").

In furtherance of the Water District Agreement, Person 2 involved Person 5, an elected official, to further the effort to obtain a job for defendant at the Water District. Person 5 told

defendant that if defendant helped Person 2 and Person 5 get elected, then Person 2 and Person 5 would "help" defendant.

As discussed above, defendant and Person 1 approached PC-1 and Marijuana Company 1 and solicited donations to Person 2's Campaign while Marijuana Company 1 was pursuing its agreement with the City for exclusive marijuana distribution rights. Marijuana Company 1's owner, Person 3, provided a \$10,000 campaign contribution to Person 2's Campaign, which was reported to the California Fair Political Practices Commission as being received on September 14, 2017.

Marijuana Company 1's owner also provided a \$10,000 check to CEC dated September 12, 2017. In furtherance of the Water District Agreement, defendant directed a \$7,000 check from CEC's account payable to Person 2's campaign's account on or about September 26, 2017.

On October 9, 2017, Person 2 sent a text message to defendant's cellphone that stated: "Okay we are making our big push and I really need the 5k bro. Otherwise I'm completely broke this week and we are done," meaning that the success of Person 2's campaign depended on defendant's help with fundraising.

On October 10, 2017, in furtherance of defendant's agreement with Person 2, defendant solicited and arranged for a local developer, Person 6, to donate to Person 2's Campaign. On that same day, Person 6 donated \$1,500. After doing so, defendant sent a text message to Person 2 on October 10, 2019 in which he wrote: "Check to see for money."

On October 19, 2017, at Person 2's request, defendant delivered four checks totaling \$3,289.08 drawn on CEC's bank account to Person 7, Person 2's campaign manager. Of that amount, \$2,699.94 was made payable to a printing company and \$589.14 was made payable to the United States Postal Service. Later, in October 2017, defendant provided Person 2's Campaign two checks, dated October 28, 2017, totaling \$1,500 drawn on CEC's bank account. Of that amount, \$767.34 was made payable to a printing company and \$732.66 was made payable to the United States Postal Service. Person 2's Campaign never reported these in-kind donations on its California Fair Political Practices Commission forms.

RP

Defendant understood from Person 7 that the money paid by CEC to the printing company and United States Postal Service was in part to pay for a "hit piece," that is, a negative advertisement, against Person 2 and Person 5's opponents. The "hit piece" had been designed by Person 1 who himself was seeking to obtain a contract for legal services from the Water District.

In addition to these contributions, defendant solicited donations for Person 2's Campaign from Person 8, a business owner, and, in response, received two checks totaling \$1,000 from Person 8. Defendant also solicited donations from Person 9, a business owner, and, in response, received a \$1,000 check from Person 9.

On November 8, 2017, the day after the election, defendant sent the following text message to Person 2: "Assistant GM," which signified the Water District position defendant wanted in exchange for his help with Person 2's campaign. Approximately 30 minutes later, Person 2 responded: "Really? We will talk if my contract goes through." Approximately two minutes later, defendant sent the next two messages: "Because you can't afford me anyplace else. I make 180K plus benefits" and "Make a second AGM spot for more efficient program." Less than a minute later, Person 2 responded: "Working on it."

On November 9, 2017, Person 2 sent the following text message to defendant: "Okay we all just won we are in." In response, defendant asked: "Can we discuss the GM position."

On November 9, 2017 and November 10, 2017, defendant sought to pressure another City councilmember to vote in favor of renewing Person 2's contract with the City. The councilmember explained to defendant that she would not vote for the new contract proposal because it had materially changed from the one she had originally agreed to support. During a text message exchange, defendant wrote the following three messages within the same minute: (1) "I just need your support"; (2) "Plus he just won in a large water district"; and (3) "Think about the possibilities," by which defendant meant that the councilmember could obtain financial benefits from the Water District, herself, and Person 2 if the councilmember supported Person 2's contract renewal.

On November 15, 2017, in furtherance of the Water District Agreement, defendant voted in favor of renewing Person 2's



contract. The City Council voted to renew Person 2's contract by a 3-2 margin.

In December 2017, at the victory celebration for Person 2 and Person 5, Person 2 and Person 5 confirmed for defendant that they would make good on their promise of providing him a position at the Water District.

After becoming an agent of the Water District, Person 2 worked to create a new position of Assistant General Manager for the Water District and to hire defendant for that position pursuant to their Water District Agreement. On March 29, 2018, in accordance with the Water District Agreement, the Water District hired him as an Assistant Manager and shortly thereafter elevated and added additional responsibilities, which provided defendant an annual salary of \$189,592 and the use of a Water District vehicle. The Board voted 4-0 in favor of defendant's contract with Person 2 abstaining, which was done in an effort to further conceal the Water District Agreement.

On December 13, 2018, FBI special agents executed a search warrant on defendant's residence and vehicle. Once the search had finished and on the same day, defendant met with Person 2 at a City event and told him about the FBI's search of his home.

Between March 2019 and April 30, 2019, defendant spoke with Person 2 and detailed evidence the FBI had gathered concerning the Police Association Scheme. Person 2 then provided defendant false exculpatory statements that Person 2 suggested defendant could tell the FBI, such as falsely stating that the cash he accepted from PO-1 were merely campaign contributions.

#### **Marijuana Cultivation and/or Manufacturing Development Scheme 1**

Beginning in 2017 and continuing through at least January 2019, defendant solicited approximately \$150,000 from Person 10, a public official, in exchange for his vote and support for Marijuana Company 2's Cultivation and/or Manufacturing Development Agreement ("Cultivation Development Agreement") with the City, an agreement worth in excess of \$240,000 annually. Defendant received at least \$100,000 in payments from Person 10 in connection with this agreement.

More specifically, prior to August 2017, Person 1 approached defendant and told defendant that the City should agree to allow marijuana companies to operate within the City's boundaries. Person 1 explained that defendant could personally profit from

allowing such businesses to operate within the City by accepting payments from applicants through an intermediary, which defendant could then either directly accept or direct to future campaigns. Person 1 explained that defendant should find an individual he trusted who would not talk (the "intermediary"), instruct the intermediary to represent himself as a "consultant" to companies seeking Cultivation Development Agreements, and promise to deliver a development agreement to the company in exchange for \$150,000 fee. Person 1 explained that consultants had been charging \$150,000 to assist with licensing related to marijuana, which is why defendant should ask for that amount. The intermediary then would share this \$150,000 fee with defendant who would then work with Person 1 and others on the City Council to get the Cultivation Development Agreements approved for that applicant.

In approximately August 2017, defendant met with Person 10 in Los Angeles County and accepted three \$10,000 checks from Person 10's consulting company ("Consulting Company 1"). After losing one \$10,000 check, defendant directed his friend, Person 11, to deposit the checks. Person 11 then withdrew approximately \$12,000 in cash and provided it to defendant. Prior to accepting the payment from Person 10, defendant and Person 10 agreed that Person 10 would provide defendant payments in exchange for his vote in support of Marijuana Company 2's Cultivation Development Agreement.

During the scheme, Person 1, Person 10, and defendant met on approximately five occasions at downtown Los Angeles restaurants, typically a month before the City Council voted on Cultivation Development Agreements. During these meetings, defendant and Person 10 would discuss in front of Person 1 the payments Person 10 made to defendant for his vote, and Person 1 and defendant would update Person 10 on the status of other Cultivation Development Agreement applications.

In approximately November 2017, at defendant's request and in exchange for his vote and support for Marijuana Company 2, Person 10 wrote a \$2,500 check drawn on Consulting Company 1's account for defendant's spouse's political campaign.

On April 18, 2018, in accordance with his agreement with Person 10, defendant voted in favor of Marijuana Company 2's development agreement for marijuana cultivation and manufacturing in its first reading before the City Council. Each development agreement before the City Council required a

first and second reading with at least one reading needing to occur at a regularly scheduled City Council meeting. After the first reading, a majority of the City Council would need to vote in favor of the development agreement in order for it to proceed to a second reading. After the second reading, a majority of the City Council would need to vote in favor of the agreement in order for it to become law.

On July 18, 2018, in accordance with his agreement with Person 10, defendant voted in favor of Marijuana Company 2's development agreement for marijuana cultivation and manufacturing in its second reading.

In approximately September 2018, defendant and Person 10 met in person in Los Angeles County. In exchange for his vote and support for Marijuana Company 2, Person 10 provided defendant a \$50,000 check with a blank payee drawn on the account of Person 12, an individual affiliated with Marijuana Company 2. Defendant then provided the \$50,000 check to Person 13, one of defendant's friends and a City and Water District contractor, who deposited the check into Person 13's company's account on or about September 21, 2018. Person 13 later provided defendant with approximately \$15,000 of the \$50,000 deposit in cash over several meetings in order to conceal the nature of the transaction.

On December 5, 2018, in accordance with his agreement with Person 10 and after Marijuana Company 2 petitioned to change its location, defendant voted in favor of Marijuana Company 2's amended development agreement for marijuana cultivation and manufacturing in its first reading.

As discussed above, on December 13, 2018, FBI special agents executed a federal search warrant on defendant's residence and vehicle. After the FBI had completed its search and left the premises, defendant contacted Person 1. At the time, defendant knew that Person 1 was close to Person 10 and believed that Person 1 and Person 10 had an agreement with respect to marijuana licensing in the City. Person 1 also told defendant that he was in business with Person 10, and Person 1 and Person 10 were seeking a marijuana license in Commerce, California.

On December 19, 2018, in accordance with his agreement with Person 10, defendant voted in favor of Marijuana Company 2's development amended agreement for marijuana cultivation and manufacturing in its second reading.



On or about January 24, 2019, Person 10 provided defendant seven checks totaling \$20,000 from individuals who defendant had never met. At least four of these individuals had connections to Marijuana Company 2. Defendant had asked Person 10 for donations to his legal fund after he and Person 10 had entered into an agreement whereby Person 10 would provide tens thousands of dollars to defendant in exchange for defendant's vote in favor of Marijuana Company 2. Defendant never formed a legal defense fund and instead used the money for his personal gain, namely, paying for legal bills for an unrelated civil matter.

#### **Marijuana Cultivation and/or Manufacturing Development Scheme 2**

Beginning in at least June 2017 and continuing through at least December 2018, defendant entered into an agreement with Person 4, defendant's "fundraising guy," in which Person 4 would solicit "consulting" contracts from Marijuana Companies 3 and 4, both of whom were seeking City marijuana cultivation and manufacturing development agreements. The development agreement for Marijuana Company 3 was worth well in excess of \$220,000, and the development agreement for Marijuana Company 4 was worth well in excess of \$198,000. Defendant and Person 4 agreed that Person 4 would charge Marijuana Companies 3 and 4 \$150,000 each in consulting fees, which would be paid to Person 4's company, Consulting Company 2. Of the \$150,000, defendant would receive 60 percent of those fees and Person 4 would receive 40 percent of the fees. Person 4 would withdraw cash from his Consulting Company 2 account and provide defendant his payments in cash in order to conceal the transactions. In exchange, defendant would vote for and support Marijuana Companies 3 and 4's City development agreements.

At some point in 2017, after this conversation, Person 1 provided defendant a physical copy of sample "consultant agreement" that Person 1 told defendant he could have his intermediary use when approaching companies seeking Cultivation Development Agreements. At the bottom of the sample agreement, it said to call Person 1 for any questions. Defendant provided that agreement to Person 4 who, as discussed later, served as defendant's intermediary with two companies seeking marijuana cultivation and/or manufacturing development agreements.

Between approximately August 2017 and December 2018, Person 4 received approximately \$110,500 from Marijuana Company 3 and \$45,000 from Marijuana Company 4. In that same time period, defendant accepted at least \$93,300 in cash from Person 4 as

part of his agreement to vote and support the development agreements for Companies 3 and 4.

Person 4 would often provide the cash that was subject to this agreement to defendant in person. For example, on October 6, 2017, Person 4 sent a text message using his cellphone to defendant's cellphone in which Person 4 wrote: "I printed the remainder of the documents you requested." Person 4 used "documents" as coded language for cash in order to conceal their agreement. Person 4 then sent another message to defendant's cellphone in which he wrote: "Let me know if you could meet tonight. OK." Approximately five minutes later, defendant responded to Person 4 with a text message that read "7pm tonight." Several hours later, defendant sent a text message to Person 4 in which defendant wrote: "Check the printing on the docs. Last time the printing was too light." When defendant said the "printing was too light" on the "docs," defendant was using coded language to conceal their agreement and to explain that Person 4 had not provided enough cash during their previous meeting. Less than 20 minutes later, Person 4 responded to defendant with this text message: "Haha...this time it's full color ink," confirming the payment amount was larger than the last and consistent with their agreement.

Similarly, Person 4 allowed defendant on at least one occasion to pick up cash from Person 4's home. On July 13, 2018, Person 4 sent a text message to defendant in which Person 4 wrote: "Call me a (sic) soon as you can so we can work out a way for you to pick up the documents [cash] this morning." Later, Person 4 wrote to defendant the following message: "I am not able to get away this morning, however you're welcome to stop by at your convenience and pick up [cash] from my house."

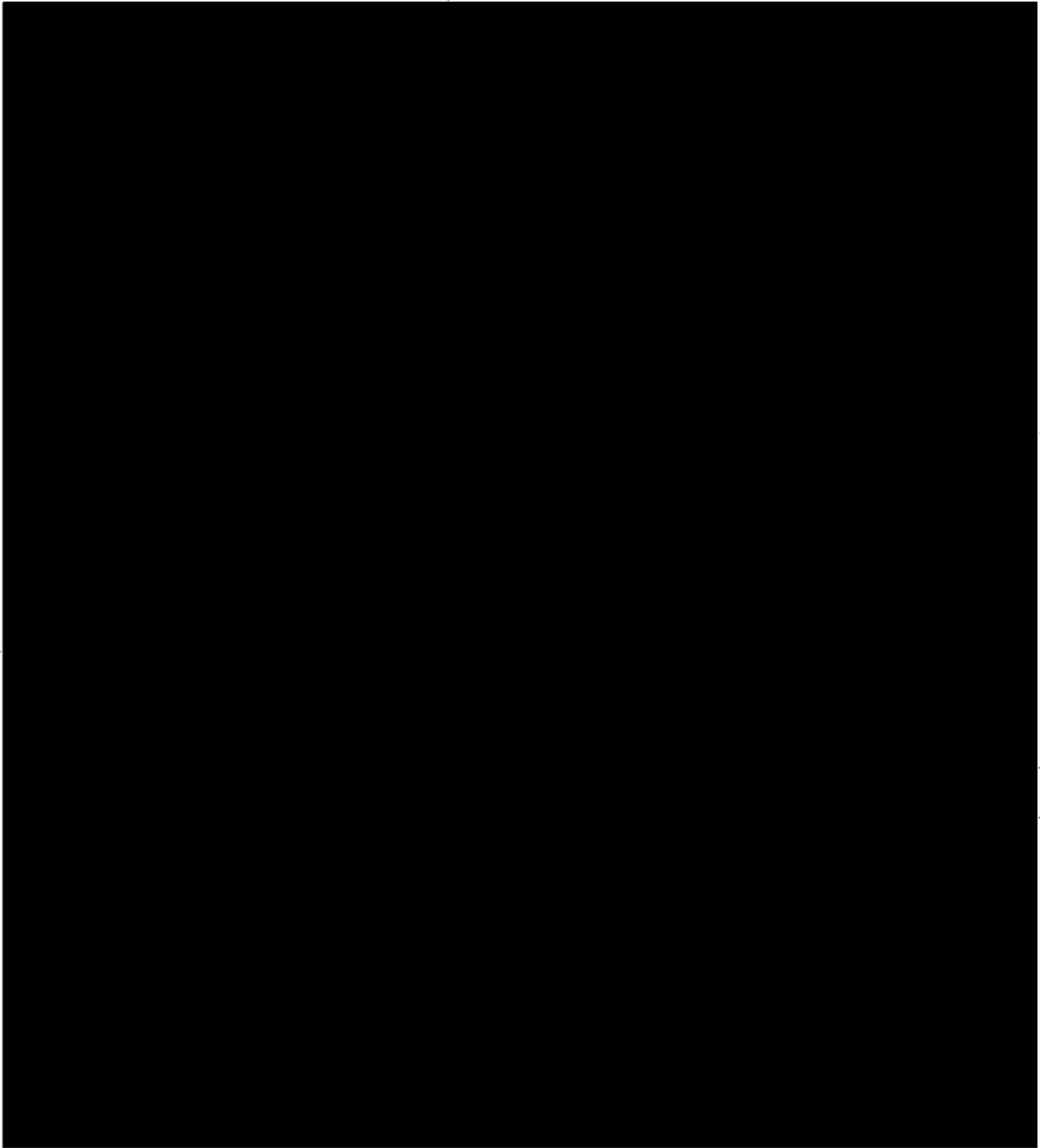
During the scheme, defendant and Person 4 would discuss the status of Company 3's development agreement in the City Council. For example, during October 2017, November 2017, and December 2017, Person 4 sent text messages to defendant referring to the phrase "city of Chinos," which was their code to refer to Company 3 and/or its representatives, around the dates of Baldwin Park City Council meetings and asked for updates from defendant on the application of the "City of Chinos," which defendant provided on at least two occasions.

On April 18 and May 2, 2018, in accordance with his agreement with Person 4, defendant voted in favor of Marijuana Company 3 and 4's development agreement applications, and the City Council

advanced and/or approved both Marijuana Company 3 and Company 4's development agreement applications on those dates.



## EXHIBIT C



RP