

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA,	)	CASE NO.	1:06CR000269-001
	)		
Plaintiff,	)	JUDGE	DOWD
	)		
v.	)		
	)		
TERRENCE W. GASPER,	)	<u>PLEA AGREEMENT</u>	
	)		
Defendant.	)		

INTRODUCTION

A. Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure and in consideration of the mutual promises set forth below, the following agreement, which is contained in its entirety in this document, is entered into between the United States Attorney's Office for the Northern District of Ohio and TERRENCE W. GASPER. No other agreement, understanding, promise, or condition between the Government and TERRENCE W. GASPER exists; nor will such agreement, understanding, promise or condition exist unless it is committed to writing in an amendment attached to this document and signed by the defendant TERRENCE

**FILED**



07 MAY 10 8:45 AM

**Clerk U.S. District Court  
Northern District of Ohio  
Akron**

W. GASPER, an attorney for the defendant and an Assistant United States Attorneys for the Northern and Southern Districts of Ohio.

B. This plea agreement is binding upon the United States Attorney's Offices for the Northern and Southern Districts of Ohio. It does not bind any United States Attorney outside the Northern and Southern Districts of Ohio; nor does it bind any state or local prosecutor or any administrative or regulatory authorities.

II. THE DEFENDANT'S RIGHTS AND OBLIGATIONS

A. TERRENCE W. GASPER, having been advised of his constitutional rights, including the right to have the felony charges against him presented to a federal grand jury to consider returning an indictment on such charges, the right to a trial by a jury or by the Court, the right to confront and cross-examine witnesses against him, the right to call witnesses on his behalf, the right to be represented by an attorney at every stage of the proceedings against him (including the right to appointed counsel at no cost if he cannot afford an attorney), the privilege against self-incrimination, and the right to additional disclosure from the United States, knowingly, intelligently, and voluntarily waives these rights and privileges and agrees to enter a plea of guilty to the sole count in the Information filed against him and admits that he is, in fact, guilty of violating Title 18, United States Code, Section 1962 (c) (RICO) by interfering with commerce through extortion (i.e. being bribed as a public official in violation of Title 18, United States Code, Section 1951) and honest services mail and wire fraud (i.e. obtaining things of value by means of false and fraudulent pretenses, promises and representations furthered by use of the mail and interstate wire communications, in violation of Title 18, United States Code, Sections 1341, 1343 and 1346) as charged in the Information.

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B. TERRENCE W. GASPER agrees to abide by the sentencing and cooperation provisions set forth in this plea agreement as applicable to him.

### III. OBLIGATIONS OF THE UNITED STATES ATTORNEY

A. If defendant fulfills his obligations as set forth in this Plea Agreement, the United States Attorneys for the Northern and Southern Districts of Ohio shall agree: (a) to bring no additional criminal charges against TERRENCE W. GASPER for offenses known to the United States at the time of this agreement and (b) to abide by the sentencing and cooperation provisions set forth in this plea agreement as applicable to it.

B. Nothing in this plea agreement, however, shall preclude the United States from prosecuting the Defendant for murder, attempted murder or any crime of violence. Nor shall anything in this plea agreement affect the prerogatives of the Department of Justice or the Department of Homeland Security or other governmental agency to enforce the federal immigration laws.

C. Defendant hereby waives all defenses based on the speedy trial clause of the Constitution and the Speedy Trial Act with respect to such charges, which may be tried in accordance with this Agreement.

### IV. SENTENCING

A. TERRENCE W. GASPER understands and agrees that the maximum penalty for violating Title 18, United States Code, Section 1962(c) is twenty years imprisonment, a \$250,000 fine and not more than three years of supervised release. The defendant understands that if he violates the terms of his supervised release he may be sentenced to an additional term of

imprisonment, including a term resulting in a total term that may exceed the statutory maximum for the offense set forth above.

B. TERRENCE W. GASPER understands and agrees that he shall be required to pay a special assessment of \$100, pursuant to Title 18, United States Code, Section 3013, which is due at the time of sentencing.

C. The parties agree to recommend that the Court impose a sentence within the range determined pursuant to the advisory United States Sentencing Guidelines in accordance with the computations and stipulations set forth below. The government will not request a sentence higher than the advisory Sentencing Guidelines range and Defendant will not request a sentence lower than the advisory Sentencing Guidelines range. TERRENCE W. GASPER understands the obligation of the United States to provide information regarding Defendant, including charged and uncharged criminal offenses, to the United States Probation Office. Defendant also states that he has had ample opportunity and has in fact discussed the impact of the Sentencing Guidelines and the statutory maximums with his attorney and is satisfied with his attorney's advice in this case.

D. TERRENCE W. GASPER understands and agrees that the government reserves, at the time of sentencing, the right of allocution, that is the right to describe fully, both orally and in writing, to the court the nature, seriousness and impact of the defendant's misconduct related to the charges against him or to any factor lawfully pertinent to the sentence in this case. Defendant further understands and agrees that in exercising this right, the government may solicit and make known the views of the law enforcement agencies which investigated this matter.

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E. TERRENCE W. GASPER and the United States Attorney's Offices for the Northern and Southern Districts of Ohio, agree that the following United States Sentencing Guidelines apply based upon the facts of this case:

1. The parties agree that the 2003 Sentencing Guidelines Manual ("U.S.S.G.") governs the guideline calculations in this case. All references in this agreement to the U.S.S.G. refer to that manual.

2. The parties agree that the base offense level for the defendant's offense conduct is determined under U.S.S.G. § 2C1.1 and is 10.

3. Because the offense involved more than one bribe or extortion, the parties agree that it is appropriate to adjust the offense level upward by 2 levels pursuant to U.S.S.G. § 2C1.1(b)(1).

4. Pursuant to § 2C1.1(b)(2)(A), because the benefit received exceeded \$5,000 the offense level is increased by the number of levels from the table in U.S.S.G. § 2B1.1 corresponding to that amount. The value of the benefit received was in excess of twenty million dollars resulting in an increase of 22 levels. For sentencing purposes, the parties agree that the "loss" amount associated with TERRENCE W. GASPER's relevant conduct is greater than 20 million, U.S.S.G. § 2B1.1 (L), and does not exceed 50 million dollars, U.S.S.G. § 2B1.1 (M), as described in the factual basis below.

5. For the purpose of determining whether or not the defendant is entitled to a three level reduction in his offense level for acceptance of responsibility under § 3E1.1, the government agrees to advise the Court, at the time of sentencing, that the defendant timely notified the government of his intent to plead guilty and that, in its view, the three point

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adjustment should apply (unless after the date of this agreement the defendant breaches the agreement in any manner, commits another criminal offense, or engages in perjury or obstruction of justice). However, the defendant understands that the decision regarding acceptance of responsibility rests with the discretion of the Court and will be determined by the Court following an investigation by the U.S. Probation Office and in accordance with all applicable guideline provisions set forth in the U.S.S.G.

6. TERRENCE W. GASPER understands that his Criminal History Category will be determined by the Court after the completion of a Pre-Sentence Investigation by the U.S. Probation Office. The defendant acknowledges that the government has not promised or agreed that the defendant will or will not fall within any particular criminal history category or will or will not be a career offender, and that such determinations could affect his guideline range and/or offense level as well as his final sentence.

H. TERRENCE W. GASPER and the Government agree that neither party will seek or advocate for or suggest in any way an adjustment to or a departure from the sentencing guidelines other than those explicitly set forth in this agreement or for a sentence outside of the range determined to be applicable under the advisory Sentencing Guidelines, provided that those guidelines are calculated as set forth above.

I. TERRENCE W. GASPER understands that all final determinations regarding sentencing, including but not limited to the offense level at which he is sentenced, will be made by the Court with the aid of the Probation Department and that if those determinations are different than any of those set forth in this plea agreement, his guilty plea will remain in effect and he may not withdraw it.

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J. TERRENCE W. GASPER understands that the Court, within its discretion, may order him to pay a fine and to pay the costs of incarceration and supervised release, if any. The costs of incarceration and supervised release and any orders of restitution will be determined by the Court following an investigation by the United States Probation Department. The United States reserves the right to request revocation of probation or supervised release if Defendant fails to pay any restitution ordered.

K. In addition, TERRENCE W. GASPER understands and agrees that he shall make restitution in this case as ordered by the Court as a condition of the sentence, probation, and/or supervised release. Defendant agrees not to seek the discharge of any restitution obligation, in whole or in part, in any pending or future bankruptcy proceeding or conceal or transfer any asset to avoid any obligation under this plea agreement. The parties agree that each side may make full arguments regarding the amount of restitution, if any, to be imposed by the Court.

L. Notwithstanding the above, defendant understands that the final determination regarding all aspects of the appropriate sentence will be made by the Court. Defendant understands that the sentencing recommendations contained herein are not binding on the Court, and the Court may impose any sentence provided for by law up to and including the statutory maximum sentences as set forth above, and if the Court disagrees with the parties' sentencing guidelines recommendations, the guilty plea shall remain in effect and the defendant will not be permitted to withdraw it.

M. The parties agree that there are no other applicable upward adjustments based upon TERRENCE W. GASPER's role in the offenses known to the government at this time.

V. COOPERATION

A. Defendant agrees to fully cooperate in this and any other case or investigation with attorneys for the United States of America, the State of Ohio, the Internal Revenue Service, other federal, state, and local investigative agencies and federal and state grand juries by providing truthful and complete information, evidence and testimony, if required, concerning any unlawful or potentially unlawful activities of which he is aware.

B. The defendant understands that in the event he, during any criminal proceedings, commits perjury, suborns perjury, or obstructs justice, nothing in this agreement precludes the United States of America or any other law enforcement authority from prosecuting him fully for those crimes or any other crimes of which he may be guilty and from using any of his sworn or unsworn statements against him. The defendant understands that this plea agreement is explicitly dependent upon his providing completely truthful testimony in any trial or other proceeding, whether called as a witness by the government, the defense or the Court.

C. The defendant understands that, in the event this plea agreement is withdrawn or otherwise vacated, the government may use the information from his sworn or unsworn statements against him and to impeach him or any witness on his behalf.

D. In consideration of his forgoing promises, the government agrees, except as might otherwise be provided in this agreement, that it will not seek or otherwise pursue additional criminal charges against the defendant known to the United States as of the date of this agreement and for which the defendant could be prosecuted in the Northern or Southern Districts of Ohio, nor will the government use any statement offered by the defendant under this agreement to increase his sentence under the U.S.S.G.

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E. The defendant further acknowledges that the decision to make a motion under Section 5K1.1 under this agreement rests solely and exclusively within the discretion of the United States Attorneys for the Northern and Southern Districts of Ohio.

F. In the event that the defendant fully cooperates with the government, as set forth herein, the government, in consideration for such substantial assistance, will move the Court pursuant to U.S.S.G. Section 5K1.1 for a downward departure of up to 4 levels for his substantial assistance. The defendant agrees that should the United States make a motion under 5K1.1, that he will not seek or suggest in any way that the Court should apply a downward departure greater than 4 levels. The parties understand and agree that the final decision as to whether to grant any government motion for a downward departure under Section 5K1.1 and the extent of any such a departure rests with the Court.

G. The defendant understands that in the event he does not fully cooperate or otherwise acts in a fashion inconsistent with the acceptance of responsibility for his criminal conduct, and/or engages in or commits any other criminal or obstructive act during the period of his cooperation, the government is released from all its obligations under this agreement, including making a motion under U.S.S.G. Section 5K1.1, and the defendant has no right to withdraw his guilty plea.

H. The defendant agrees to make himself available at all meetings with the government and to respond truthfully and completely to any and all questions put to him, whether in interviews, before a grand jury, or at any trial or other proceedings.

I. The defendant agrees not to reveal any information derived from his cooperation to any third party before any such third party is charged with a criminal offense without prior consent of the government, and to instruct his attorneys to do the same.

J. The defendant agrees to inform the government of any attempt by any third party, prior to the filing of criminal charges against any such third party, to interview, depose, or communicate in any way with him regarding this case or his cooperation.

K. The defendant agrees that with respect to all charges contained in the Information, (1) that he is not a "prevailing party" within the meaning of the Hyde Amendment, Section 617, PL 105-119 (Nov. 26, 1997), (2) acknowledges that the government's position in the instant prosecution was not vexatious, frivolous, or in bad faith, and (3) agrees not to file any claim under the "Hyde Amendment".

L. The defendant agrees not to accept remuneration or compensation of any sort, directly or indirectly, for the dissemination through books, articles, speeches, interviews, or any other means, of information regarding his work at the Ohio Bureau of Workers' Compensation, the transactions alleged in the above-captioned Information, or the investigation or prosecution of any civil or criminal cases against him.

M. The defendant agrees not to oppose any request of the United States that his sentencing be postponed until the defendant's cooperation is completed. Defendant knowingly waives any rights he may have under the Speedy Trial Act, 18 U.S.C. § 3161 et seq., occasioned by such delay. Defendant further understands that, in the event he is sentenced prior to the completion of his cooperation, he agrees that his continued compliance with the condition of cooperation survives the imposition of sentence and that any failure to cooperate is a violation of

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this agreement which will entitle the government to seek any remedy allowed under this agreement and pursue any charges dismissed or not filed as a result of this agreement as set forth above.

**VI. BREACH AND WAIVER OF THE APPLICABLE STATUTE OF LIMITATIONS**

A. Defendant understands that if Defendant breaches any promise in this agreement or if Defendant's guilty plea or conviction in this case are at any time rejected, withdrawn, vacated, or set aside, the Government will be released from all of its obligations under this agreement and may institute or maintain any charges and make any recommendations with respect to sentencing that would otherwise be prohibited under the terms of the agreement. Defendant understands, however, that a breach of the agreement by Defendant will not entitle Defendant to withdraw, vacate, or set aside Defendant's guilty plea or conviction. The parties agree that any determination as to whether the defendant has breached the terms of this agreement shall be made by a federal judge based upon a preponderance of the evidence at a proceeding at which all the testimony, statements and information provided by the defendant shall be admissible.

B. The parties agree that if: (1) Defendant violates this agreement or fails to plead guilty or the Court refuses to accept a guilty plea by Defendant pursuant to this agreement, or (2) the Court permits Defendant to withdraw a guilty plea entered pursuant to this agreement or otherwise vacates such a guilty plea, or (3) the conviction following Defendant's guilty plea pursuant to this agreement is vacated, overturned, or abrogated for any reason, then any prosecution that is not time-barred by the applicable statute of limitations on the date of Defendant's signing of this agreement may be commenced or reinstated against Defendant,

notwithstanding the expiration of the statute of limitations between Defendant's signing of the agreement and the commencement or reinstatement of such prosecution. It is the intent of this agreement for Defendant to waive all defenses based on the statute of limitations or Speedy Trial Act with respect to any prosecution that is not time-barred on the date of Defendant's signing of this agreement. Defendant understands the waiver of the statute of limitations is effective immediately upon Defendant's signing of this agreement and is not conditioned upon the approval of this agreement by the Court.

**VII. FACTUAL BASIS FOR PLEA**

1. The parties hereby further agree and stipulate that the following facts would have been established beyond a reasonable doubt at a trial in this matter. The parties also agree that these are not the only facts that would have been established at a trial:

2. Beginning in or about 1912, the Ohio Bureau of Workers' Compensation ("OBWC") began assisting Ohio-based employers and employees to cover expenses related to workplace injuries by providing medical and compensation benefits for work-related injuries, diseases and deaths. Although its main office is located in Columbus, Ohio, the OBWC has 16 customer service offices located across the state of Ohio. At all times relevant to the offenses charged in the Information, the OBWC had assets which averaged 19 billion dollars and was one of the largest state-fund workers' compensation bureaus in the United States. The assets were under the management and control of the Chief Financial Officer and the employees of the Investment Department. The overall operation of the OBWC involved and affected interstate and foreign commerce as did the management and execution of matters regarding its financial investments.

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3. The defendant, TERRENCE W. GASPER ("defendant" or "GASPER"), was at all times relevant to the allegations in the Information a public official who held the position of Chief Financial Officer ("CFO") of the OBWC for the state of Ohio. In his official capacity, TERRENCE W. GASPER was in a position to exert both formal and informal influence over decisions regarding all financial matters related to the OBWC, including but not limited to, those regarding the selection, retention and funding of investments, investment or money managers and advisors as well as brokerage firms which administered OBWC's investment portfolio. TERRENCE W. GASPER owed a duty of honest services and fair dealing to the Ohio Bureau of Workers' Compensation and the citizens of the State of Ohio.

4. During his tenure as CFO of the OBWC, TERRENCE W. GASPER oversaw a maximum staff of 210 employees in accounting, actuarial, investment, facilities management and risk insurance departments within the Finance Division of the OBWC.

5. At all times relevant to the offenses charged in the Information, Broker #1 was a licensed broker or security salesperson licensed by the State of Ohio's Department of Commerce, Division of Securities.

6. At all times relevant to the offenses charged in the Information, Broker #2 was a licensed broker or security salesperson licensed by the State of Ohio's Department of Commerce, Division of Securities.

7. At all times relevant to the offenses charged, Broker #1 and Broker #2 were employed by the same brokerage security firms.

8. At all times relevant to the offenses charged in the Information, Dealer #1 was a coin dealer who specialized in the purchase and sale of rare coins and related numismatic materials.

9. At all times relevant to the offenses charged in the Information, Marketer #1 was a marketer or salesperson of securities associated with various business in which the OBWC invested in excess of one million dollars in state funds.

10. Beginning in or about 1998 and continuing up until October 6, 2004, TERRENCE W. GASPER, the Chief Financial Officer of the OBWC, willfully participated with others associated with OBWC money managers, investment advisors, brokers, dealers and other contractors or vendors doing and seeking to do business with the OBWC, including, but not limited to, Broker #1, Broker #2, Dealer #1 and Marketer #1, in conducting the affairs of the OBWC through a pattern of racketeering activity.

**Condominium Scheme**

11. In or about 1998, Broker #1, Broker #2 and TERRENCE W. GASPER agreed that Broker #1 and Broker #2 would provide TERRENCE W. GASPER with a condominium, Unit E-21, Coral Harbor, and deeded boat slip #63, located in Islamorada, Florida, in large part, in return for favorable consideration from TERRENCE W. GASPER with respect to OBWC investment business and to maintain existing investment OBWC business which affected interstate and foreign commerce.

12. In or about November 5, 1998 through November 9, 1998, TERRENCE W. GASPER visited Islamorada, Florida where he and his then girlfriend met with a real estate agent referred to him by Dealer #1, viewed condominiums available for purchase and entered into a

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binding and assignable contract to purchase Unit E-21 and boat slip #63 at the Coral Harbor Club Condominium complex in Islamorada, Florida for \$345,000.

13. TERRENCE W. GASPER gave the real estate agent a \$500 personal check as a good faith down payment on Unit E-21 and boat slip #63. TERRENCE W. GASPER, however, never had any intention of actually purchasing Unit E-21 and boat slip #63 with his own money.

14. On or about November 9, 1998, TERRENCE W. GASPER sent a letter by facsimile from his office at the OBWC in Columbus, Ohio to the real estate agent in Islamorada, Florida extending his acceptance of the bid to purchase Unit E-21 and boat slip #63.

15. On or about November 12, 1998, Broker #1 contacted the real estate agent representing TERRENCE W. GASPER and informed that person that he was TERRENCE W. GASPER's partner.

16. On or about November 16, 1998, TERRENCE W. GASPER's contract to purchase Unit E-21 and boat slip #63 was assigned to Broker #1 and Broker #2, who thereafter jointly entered into a contract to purchase Unit E-21 and boat slip #63 for the same price, \$345,000, negotiated by TERRENCE W. GASPER.

17. Broker #1 and Broker #2 each placed a \$35,000 good faith down payment on Unit E-21, for a total of \$70,000.

18. In order to complete the purchase of Unit E-21 and boat slip #63, TERRENCE W. GASPER, Broker #1 and Broker #2 used and caused to be used both the mail and interstate wire services.

19. On or about January 4, 1999, Broker #1 and Broker #2 closed on the purchase of Unit E-21 and boat slip #63 and became the rightful owners for a total purchase price of \$345,000.

20. With the permission of Broker #1 and Broker #2, beginning as early as February 11, 1999 and continuing throughout his employment with the OBWC which ended in October, 2004, TERRENCE W. GASPER stayed at the condominium and treated it as if it were his own. Additionally, TERRENCE W. GASPER permitted others, including his girlfriend, her family members and her veterinarian to use the condominium free of charge.

21. Occasionally, TERRENCE W. GASPER would make a token rental payment to Broker #1 in order to make it appear that his stays at Unit E-21 were legitimate.

22. TERRENCE W. GASPER did not report his stays at Unit E-21 on his mandatory annual Ohio Ethical Disclosure forms filed for the years 1999 through 2004.

23. At all times relevant to the charges in the Information, Broker #1 paid the mortgage and all condominium association fees related to Unit E-21 and boat slip #63 jointly on behalf of himself and Broker #2.

24. At all times relevant to the charges in the Information, Broker #1 wrote checks payable to those close to TERRENCE W. GASPER, including a July 10, 2001 check to TERRENCE W. GASPER's then girlfriend with "Consulting" written in the memo line.

25. The parties agree that the benefit to Brokers #1 and #2, which was reasonably foreseeable to TERRENCE W. GASPER based upon his participation in the Islamorado Condominium scheme, was in excess of 2.5 million dollars and not more than 7 million dollars.

### Check Payment Scheme

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26. In or about October 2001, TERRENCE W. GASPER and Marketer #1 agreed that Marketer #1 would either directly or indirectly provide things of value to TERRENCE W. GASPER in return for favorable consideration from TERRENCE W. GASPER with respect to obtaining and maintaining OBWC investment business, which affected interstate and foreign commerce.

27. From in or about April 2002 through in or about September 2004, the exact dates being unknown and while TERRENCE W. GASPER was employed as Chief Financial Officer of the OBWC and in a position to exert control over investment decisions, Marketer #1 issued checks for the benefit of TERRENCE W. GASPER, to TERRENCE W. GASPER and those personally close to him, including his girlfriend, and children of TERRENCE W. GASPER and his girlfriend, for a total of \$23,405. Included among the checks written by Marketer #1 to or for the benefit of TERRENCE W. GASPER was one for \$9,005 for "Fall '04 Tuition" made payable to the college that TERRENCE W. GASPER's son was attending.

28. Although these checks were written to others, TERRENCE W. GASPER would sometimes deposit the checks into his own bank account. Other times, the person to whom the check was written would deposit the check into his or her own account and make the funds available to TERRENCE W. GASPER. At all times, the checks were intended to and did provide funds to TERRENCE W. GASPER in return for official acts he performed while CFO. In exchange for the checks and other things of value, TERRENCE W. GASPER permitted businesses represented by Marketer #1 to retain and obtain OBWC investment business in exchange for the payments by check, meals and entertainment for TERRENCE W. GASPER and those personally close to TERRENCE W. GASPER.

29. TERRENCE W. GASPER did not report any of the things of value provided to him either directly or indirectly by Marketer #1 on his mandatory annual Ohio Ethical Disclosure forms filed for the years 1999 through 2004.

30. The parties agree that the benefit to Marketer #1, which was reasonably foreseeable to TERRENCE W. GASPER based upon his participation in the above-described scheme, was in excess of 7 million dollars and not more than 20 million dollars.

**Coin Scheme**

31. At all times relevant to the offenses charged in the Information, Dealer #1 was a coin dealer who specialized in the purchase and sale of rare coins and related numismatic materials.

32. On or about March 23, 1998, the OBWC approved Dealer #1 as an investment fund or money manager for an award of 25 million dollars.

33. On or about March 31, 1998, Dealer #1 received 25 million dollars from OBWC which the dealer invested in a fund called Capital Coin I.

34. On or about March 31, 2001, TERRENCE W. GASPER, his then girlfriend and Dealer #1 met in a Columbus, Ohio area restaurant where Dealer #1 had TERRENCE W. GASPER's girlfriend execute documents making it appear that she was making a \$25,000 investment in an entity known to the U.S. Attorney.

35. Prior to the meeting on March 31, 2001 described above, Dealer #1 and TERRENCE W. GASPER agreed that TERRENCE W. GASPER's girlfriend would execute investment documents in her name although Dealer #1 and TERRENCE W. GASPER knew full well that the \$25,000 investment was intended to benefit TERRENCE W. GASPER and that

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neither TERRENCE W. GASPER nor his girlfriend were expected to produce the required \$25,000 because Dealer #1 would and did make the investment on behalf and for the benefit of TERRENCE W. GASPER in exchange for his official influence.

36. On or about April 26, 2001, Dealer #1 submitted a proposal to the OBWC for a second additional 25 million dollar investment in a coin fund later known as Capital Coin II.

37. During the course of the scheme, TERRENCE W. GASPER caused, along with others, the OBWC to approve two 25 million dollar investments in Capital Coin funds in exchange for the \$25,000 investment made in the name of TERRENCE W. GASPER's girlfriend along with other things of value provided to TERRENCE W. GASPER directly and indirectly.

38. On or about July 30, 2001, the OBWC authorized the transfer of the second 25 million to Capital Coin II.

39. TERRENCE W. GASPER did not report the \$25,000 investment made in his then girlfriend's name or any of the other things of value provided to him either directly or indirectly by Dealer #1 on his mandatory annual Ohio Ethical Disclosure forms filed for the years 1999 through 2004.

40. The parties agree that the benefit to Dealer #1 as a result of the Capital Coin fund investments on behalf of the OBWC, which was reasonably foreseeable to TERRENCE W. GASPER based upon his participation in the above-described scheme, was approximately 13 million dollars plus additional profits of approximately 2.5 million dollars.

**VIII. WAIVER OF APPELLATE RIGHTS**

A. Defendant acknowledges that counsel has advised him of his rights, in limited circumstances, to appeal the conviction or sentence, including the appeal right conferred by 18 U.S.C. § 3742, and to challenge the conviction or sentence collaterally through a post-conviction proceeding, including a proceeding under 28 U.S.C. § 2255. Defendant expressly waives those rights, except as reserved below, including but not limited to waiving the appeal of any sentencing guideline determination by the sentencing judge in this case.

B. The parties reserve the right to appeal: (a) any sentence imposed in excess of the statutory maximum and (b) any sentence imposed to the extent it constitutes a departure from the Sentencing Guideline range deemed most applicable by the Court (other than a departure based on a government motion pursuant to U.S.S.G. 5K1.1 as provided for in this agreement). Nothing in this section shall act as a bar to the defendant perfecting any legal remedies he may otherwise have on appeal or collateral attack respecting claims of ineffective assistance of counsel or prosecutorial misconduct.

**IX. EFFECT OF WAIVER OF A TRIAL AND GUILTY PLEA**

A. TERRENCE W. GASPER also understands that by pleading guilty he will waive his constitutional and legal rights, including his rights: (1) to be tried by a jury, (2) to confront and cross-examine witnesses against him, (3) not to be compelled to incriminate himself, (4) to subpoena witnesses on his behalf, and (5) to require the government to prove his guilt beyond a reasonable doubt.

B. Although they are not part of the criminal justice sentence, TERRENCE W. GASPER understands that a guilty plea may subject him to other civil and/or administrative

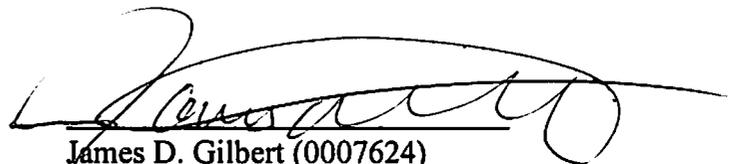
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consequences, including but not limited to a prohibition on possessing firearms, and the loss of rights to vote, hold public office and serve on a jury.

X. SIGNATURES OF THE PARTIES

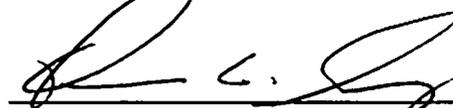
As attorney for the Defendant, TERRENCE W. GASPER, I have discussed this case and the plea agreement with my client in detail and have advised him of all matters within the scope of Federal Rule of Criminal Procedure 11, the constitutional and other rights of an accused, the factual basis for and the nature of the offenses to which the guilty plea will be entered, possible defenses, the consequences of the guilty plea and the provisions of the United States Sentencing Guidelines which may apply. I have had ample opportunity to meet with my client and discuss this matter with him. To my knowledge, my client's decision to plead guilty in this case is a knowing and voluntary one, and I concur with my client's decision to plead guilty as provided in this agreement.

Dated: 5/31/06



James D. Gilbert (0007624)  
425 Metro Place North, Suite 460  
Dublin, OH 43017  
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Attorney for TERRENCE W. GASPER

Dated: 5/31/06



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I have fully discussed with my attorneys all of my constitutional trial and appeal rights and my right to be indicted by a grand jury, the nature of the charges, the elements of the offenses the United States would have to prove at trial, the evidence the United States would present at such trial, the Sentencing Guidelines and the potential consequences of pleading guilty in this case. I have had sufficient time and opportunity to discuss all aspects of the case in detail with my attorney and have told my attorney everything I know about the charges, any defense that I may have to those charges, and all personal and financial circumstances in possible mitigation of sentence.

My attorney has done everything I have asked my attorney to do and been accessible to me, and I am satisfied with the legal services and advice provided to me by my attorney and believe that my attorney has given me competent and effective representation.

Dated: 5/31/06

  
TERRENCE W. GASPER  
Defendant

On behalf of Gregory A. White, United States Attorney, I accept and agree to this plea agreement between the United States and TERRENCE W. GASPER.

Dated: 5/13/06

  
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APPROVED:

[Signature]

UNITED STATES DISTRICT JUDGE

5/9/07  
Date