IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF MISSOURI SOUTHERN DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. **EDDIE WAYNE COOPER**, Defendant.	No. 18-03015-CR-S-RK

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the parties described below have entered into the following plea agreement:

1. **The Parties.** The parties to this agreement are the United States Attorney's Office for the Western District of Missouri (otherwise referred to as "the Government" or "the United States"), represented by Timothy A. Garrison, United States Attorney, and Steven M. Mohlhenrich, Assistant United States Attorney, and the defendant, Eddie Wayne Cooper ("the defendant"), represented by Michelle Nahon Moulder, Assistant Federal Public Defender. The defendant understands and agrees that this plea agreement is only between him and the United States Attorney for the Western District of Missouri, and that it does not bind any other federal, state or local prosecution authority or any other government agency, unless otherwise specified in this agreement, or any addendum thereto.

2. **Defendant's Guilty Plea**. The defendant agrees to and hereby does plead guilty to the Information, charging him with a violation of **18 U.S.C. § 371**, that is, Conspiracy. The defendant also agrees to forfeit to the United States the property described in the Forfeiture Allegation of the Information. By entering into this plea agreement, the defendant admits that he knowingly committed these offenses, and is, in fact, guilty of these offenses.

3. **Factual Basis for Guilty Plea.** The parties agree that the facts constituting the offenses to which the defendant is pleading guilty are as follows:

A. Defendant's Plea to the Information

1) **PREFERRED FAMILY HEALTHCARE, INC.** ("PFH") was a Missouri nonprofit corporation headquartered at 1111 South Glenstone Avenue, in Springfield, Greene County, Missouri, within the Western District of Missouri. PFH and its subsidiaries provided a variety of services to individuals in Missouri, Arkansas, Kansas, Oklahoma and Illinois, including mental and behavioral health treatment and counseling, substance abuse treatment and counseling, employment assistance, aid to individuals with developmental disabilities, and medical services.

2) Originally, and for most of its existence, PFH was known as **ALTERNATIVE OPPORTUNITIES, INC.** ("AO"), a Missouri nonprofit corporation headquartered at 1111 South Glenstone Avenue, in Springfield, Missouri. AO filed its Articles of Incorporation with the Missouri Secretary of State on December 3, 1991, and was granted corporate charter no. N00045067. On April 23, 2015, AO entered into an Agreement and Plan of Merger with Preferred Family Healthcare, Inc., of Kirksville, Missouri (Missouri corporate charter no. N00024607), under which PFH was the "Surviving Corporation" and AO was the "Non-Surviving Corporation," meaning that the post-merger entity retained PFH's name and corporate registration. On May 1, 2015, **PREFERRED FAMILY HEALTHCARE, INC.** (Missouri corporate charter no. N00024607) was registered with the Missouri Secretary of State. (Hereinafter, "the Charity" shall refer to AO and PFH over all times material to this Information, disregarding the Kirksville, Missouri-based Preferred Family Healthcare, Inc., which existed prior to May 2015, and is not relevant to this Information.)

3) Both AO and PFH were recognized by the Internal Revenue Service (IRS) as non-profit public charities under Section 501(c)(3) of the Internal Revenue Code (United States Code, Title 26). AO applied for and was granted exemption from federal income tax under Internal Revenue Code Section 501(a)(2) as an organization described in Internal Revenue Code Section 501(c)(3) by Internal Revenue Service Letter 1045 dated August 25, 1993. AO's Articles of Incorporation, attached to its application for tax-exempt status, stated that the corporation's purpose was "[t]o provide supportive and alternative opportunities for individuals with mental retardation/developmental disabilities and other special needs. The organization is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code." AO's By-Laws, also attached to its application for tax-exempt status, stated:

> The purpose for Alternative Opportunities, Inc. (AO) shall be to provide human services to include, but not be limited to, individual supported living, supported employment, community integration, and home management for persons who include, but are not limited to, the mentally retarded and developmentally disabled.

4) For the fiscal years 2008 through 2016, each fiscal year beginning July 1 of the indicated year, and ending on June 30 of the following year, the Charity had total revenue in the amounts indicated below:

Fiscal Year	Entity	Total Revenue
FY2008	AO	$ 68,696,111
FY2009	AO	$ 63,847,299
FY2010	AO	$ 64,779,466
FY2011	AO	$ 77,271,030
FY2012	AO	$ 77,112,631
FY2013	AO	$ 90,033,026
FY2014*	AO	$ 89,844,968
FY2014	PFH	$ 66,264,806
FY2015	PFH	$ 127,276,627
FY2016	PFH	$ 180,737,583
	Total:	**$ 905,863,547**

* For AO, FY2014 ended 04/30/2015 because AO merged with the Kirksville, Missouri based Preferred Family Healthcare, Inc.

5) For the calendar years 2011 through 2016, the Charity received Medicaid reimbursements from the states of Arkansas, Kansas, Missouri, and Oklahoma, in the amounts indicated below:

Medicaid Reimbursement by State (Total Reimbursements)					
	Arkansas	Kansas	Missouri	Oklahoma	Total
2011	$ 22,917,095	$ 114,653	$ 12,051,231	$ 5,984,647	$ 35,082,979
2012	$ 26,275,165	$ 102,540	$ 13,679,546	$ 7,323,957	$ 40,057,252
2013	$ 28,843,342	$ 1,012,503	$ 14,411,117	$ 8,977,498	$ 44,266,962
2014	$ 32,017,605	$ 966,043	$ 18,540,234	$ 10,040,355	$ 51,523,882
2015	$ 35,521,005	$ 918,288	$ 32,424,388	$ 10,000,473	$ 68,863,682
2016	$ 33,403,414	$ 934,368	$ 58,494,910	$ 9,857,786	$ 92,832,692
Total	$ 178,977,627	$ 4,048,395	$149,601,427	$ 52,184,716	$ 384,812,165

Medicaid Reimbursement by State (Federal Portion)					
	Arkansas	Kansas	Missouri	Oklahoma	Total
2011	$ 16,355,931	$ 67,703	$ 7,627,224	$ 3,886,430	$ 24,050,858
2012	$ 18,579,169	$ 58,356	$ 8,679,672	$ 4,678,544	$ 27,317,197
2013	$ 20,227,835	$ 572,166	$ 8,844,102	$ 5,745,599	$ 29,644,103
2014	$ 22,444,341	$ 549,775	$ 11,500,507	$ 6,427,835	$ 34,494,624

Medicaid Reimbursement by State (Federal Portion)					
2015	$ 25,177,289	$ 520,026	$ 20,573,248	$ 6,230,295	$ 46,270,563
2016	$ 23,382,390	$ 522,872	$ 37,015,579	$ 6,012,264	$ 60,920,841
Total	$ 126,166,955	$ 2,290,898	$ 94,240,332	$ 32,980,967	$255,679,153

6) For the fiscal years 2010 through 2015, each fiscal year beginning July 1 of the indicated year, and ending on June 30 of the following year, the Charity received at least $53,411,253 in funds from the Federal government, more particularly, the Departments of Health and Human Services ("HHS"), Labor ("DOL"), Veterans Affairs ("VA"), Housing and Urban Development ("HUD"), Justice ("DOJ"), and Agriculture ("USDA"), under programs involving grants, contracts, loans, guarantees, insurance, and other forms of Federal assistance, broken down by fiscal year (ending June 30), in the following amounts:

	HHS*	DOL	VA	HUD	DOJ	USDA
FY2010	$ 848,054	$ 3,122,098	$ -	$ -	$ -	$ 9,295
FY2011	$ 1,368,239	$ 3,488,094	$ 381,266	$ 33,403	$ -	$ 9,330
FY2012	$ 1,731,955	$ 3,145,749	$ 352,841	$116,906	$ -	$ 9,213
FY2013	$ 2,500,587	$ 3,324,939	$ 377,969	$ 89,455	$ -	$ -
FY2014 (AO)**	$ 4,340,302	$ 2,638,085	$ -	$ -	$304,672	$ -
FY2014 (PFH)	$ 6,888,549	$ 780,862	$ 62,328	$ 99,248	$ -	$ 80,348
FY2015	$12,312,338	$ 4,637,628	$ 73,300	$102,273	$ 39,868	$142,059
Total	$29,990,024	$21,137,455	$1,247,704	$441,285	$344,540	$250,245

* Not including Medicaid reimbursement.

** For AO, FY2014 ended 04/30/2015 because AO merged with the Kirksville, Missouri based Preferred Family Healthcare, Inc.

7) The term "Resource Team," often abbreviated "RT," was used within the Charity to refer to the Charity's executive leadership. The composition of the Resource Team changed slightly over time, but throughout the period relevant to this Information the Resource Team included "Person #1," who was the Chief Financial Officer ("CFO"), "Person #2," who was the Chief Operating Officer ("COO"), "Person #3," who was the Chief Executive Officer ("CEO"), and "Person #5," who was the Chief Clinical Officer ("CCO").

Persons

8) "Person #1," a resident of Springfield, Missouri, and Boulder, Colorado, was one of the original founders of the Charity. Person #1 was the Charity's Chief Financial Officer, and had authority to approve and direct payments of funds and enter into agreements on behalf of the Charity.

9) "Person #2," a resident of Springfield, Missouri, and Boulder, Colorado, began working for the charity in 1994. Person #2 was the Charity's Chief Operating Officer, and served as the chief administrator over personnel in all programs and services. Person #2 had authority to approve and direct payments of funds and enter into agreements on behalf of the Charity.

10) "Person #3," a resident of Springfield, Missouri, began working at the charity in 1992. Person #3 was the Charity's Chief Executive Officer, and oversaw the Charity's lobbying and governmental affairs activities. Person #3 had authority to approve and direct payments of funds and enter into agreements on behalf of the Charity.

11) "Person #4," a resident of Rogers, Arkansas, was a lobbyist registered with the Arkansas Secretary of State. Person #4 also was an employee of the Charity, serving as an executive for company operations in the state of Arkansas. Person #4 also operated the entities identified below as "Lobbying Firm A" and "Lobbying Firm B."

12) "Person #5," a resident of Springfield, Missouri, was a Licensed Psychologist and Certified Substance Abuse Counselor. Person #5 was a consultant for the Charity before joining the Charity in 1994, and thereafter held the position of Chief Clinical Officer, the Charity executive responsible for overseeing clinical operations and the provision of services. Person #5 was responsible for quality control matters for the Charity's services, assisted in drafting the Charity's grant proposals involving clinical and medical grants, and was a signatory on the Charity's bank accounts.

13) The defendant, **EDDIE WAYNE COOPER** ("Cooper") was an Arkansas State Representative from 2006 through January 2011, and a lobbyist registered with the Arkansas Secretary of State from January 20, 2011 onward. On April 20, 2009, the Charity hired Cooper as a full-time employee, with the job title of "Regional Director." Cooper's employment with the Charity ended on April 26, 2017. For the years 2009 through 2016, the Charity paid Cooper wages totaling $723,644. From October 2009 through April 2015, Cooper also was a member of AO's Board of Directors. Cooper also worked for Lobbying Firm A as a lobbyist, and received payments from Lobbying Firm A as a contract employee.

14) Donald Andrew Jones, also known as "D.A." Jones ("Jones"), charged separately, was a resident of Willingboro, New Jersey and a Philadelphia, Pennsylvania-based political operative. Jones owned and operated the firm, D.A. Jones & Associates, which purported to provide political and advocacy services, including consulting, analysis, and public relations.

15) "Person #12" was both a Charity employee and on the payroll of Lobbying Firm A.

Entities

16) "Entity A" was a Missouri limited liability company that was used as the management company for AO. Entity A was formed in 1995 by Person #1, Person #2, Person #3, Person #5, and three of their associates. In 2006, Entity A was sold to a publicly-traded corporation

by its five remaining owners, including Person #1, Person #2, Person #3 and Person #5; however, Person #1 continued to exercise actual control over the bank accounts and activities of Entity A.

17) "Entity E" was a Missouri S-corporation that was in the business of re-packaging and selling indoor thermostats imported from China. Entity E was formed in 2006, using funds Person #1 and Person #2 received from the sale of Entity A to a publicly traded corporation. Person #1 and Person #2 owned a combined 45.1086 percent share of Entity E, and a relative of Person #2 owned another 45.1086 percent.

18) "Lobbying Firm A" was an Arkansas C-corporation and lobbying organization registered with the Arkansas Secretary of State. Lobbying Firm A was solely owned and operated by Person #4, and purported to provide political services, including lobbying, consulting, and advocacy.

19) "Lobbying Firm B" was a lobbying organization registered with the Arkansas Secretary of State, which listed a family member of Person #4 as its authorized representative. On February 5, 2013, Person #4 opened a bank account at Bancorp South in the name of Person #4 doing business as Lobbying Firm B.

20) Dayspring Behavioral Health Services ("Dayspring") was an Arkansas limited liability company providing behavioral health services, which was acquired by AO in 2007 and thereafter continued as a business alias of the Charity. Doing business as Dayspring, the Charity operated dozens of clinics throughout the state of Arkansas, offering a variety of behavioral health services to individuals, families, and groups.

Laws and Regulations Pertaining to Section 501(c)(3) Organizations

21) The Internal Revenue Service ("IRS") was an agency of the United States Department of Treasury, responsible for the ascertainment, computation, assessment, and collection of taxes owed to the United States Treasury by individuals, corporations and other entities. One of the IRS's missions was to oversee the operation of organizations exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (Title 26 of the United States Code).

22) Section 501(c)(3) of the Internal Revenue Code granted authorized charitable organizations tax-exempt status, which exempted them from having to pay any income tax on the donations they received. Entities eligible for tax-exempt status were described as follows:

> Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inure[d] to the benefit of any private

shareholder or individual, no substantial part of the activities of which [was] carrying on propaganda, or otherwise attempting, to influence legislation . . . and which [did] not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

23) To qualify for exemption, an organization was required to file an IRS Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code. In this application, signed under penalties of perjury, the organization was required to demonstrate that it was organized and operated exclusively for charitable exempt purposes, and any non-exempt purpose was be incidental and not substantial to its operation. Upon approval, the IRS would issue a determination letter that provided written assurance of the organization's tax-exempt status, and its qualification to receive tax-deductible charitable contributions. Every organization qualifying for exemption under section 501(c)(3) would also be classified as either a "public charity" or a "private foundation."

24) In accomplishing its oversight mission, the IRS primarily relied upon information reported annually by each tax-exempt organization. Additionally, in determining an organization's entitlement to tax-exempt status, the IRS utilized information provided by tax exempt organizations in response to specific IRS inquiries, information provided by other federal and state agencies, and members of the public.

25) After the IRS granted an organization tax-exempt status, the organization was required to file an informational return, Form 990, "Return of Organization Exempt from Income Tax" each year in which an organization had gross receipts greater than or equal to $200,000 or total assets greater than or equal to $500,000. The return was signed under penalties of perjury. Form 990 was an annual information return required to be filed with the IRS by most organizations exempt from income tax under section 501(a), and certain political organizations and nonexempt charitable trusts. Parts I through XII of the form were required to be completed by all filing organizations, and required reporting of the organization's exempt and other activities, finances, governance, compliance with certain federal tax filings and requirements, and compensation paid to certain persons. Additional schedules were required to be completed depending upon the activities and type of the organization. By completing Part IV, the organization determined which schedules were required. The entire completed Form 990 was filed with the IRS, except for certain contributor information on Schedule B (Form 990, 990-EZ, or 990-PF), which was required to be made available to the public by the IRS and the filing organization, and also could be required to be filed with state governments to satisfy state reporting requirements.

26) Section 501(c)(3) organizations were required to report excess benefit transactions on Forms 990. The following definitions, set forth in the Internal Revenue Code, applied to this requirement:

a. The term "excess benefit transaction" meant any transaction in which an economic benefit was provided by the tax-exempt organization

directly or indirectly to or for the use of any disqualified person if the value of the economic benefit provided exceeded the value of the consideration (including the performance of services) received for providing such benefit. For purposes of the preceding sentence, an economic benefit was not to be treated as consideration for the performance of services unless such organization clearly indicated its intent to so treat such benefit.

b. Any person who was in a position to exercise substantial influence over the affairs of the applicable tax-exempt organization at any time during the five-year period ("lookback period") prior to the date of such transaction was a "disqualified person."

c. The term "disqualified person" also included family members such as spouses, children, and siblings by whole or half-blood of disqualified persons.

d. The term "disqualified person" also included any "35-percent controlled entity," which included any corporation in which disqualified persons own more than 35 percent of the total combined voting power.

27) Section 501(c)(3) organizations were required to disclose the existence of excess benefit transactions on page four (4) of IRS Form 990, by responding "yes" or "no" to questions 25(a) and 25(b) – disclosing whether they had such transactions in the current period, or had discovered past such transactions. If the organization answered either question in the affirmative, it was required to describe the excess benefit transaction(s) in Schedule L Part I of the Form 990.

28) Section 501(c)(3) organizations were absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of, or in opposition to, any candidate for elective public office. Contributions to political campaign funds violated this prohibition, and could have resulted in denial or revocation of tax-exempt status and the imposition of certain excise taxes.

29) Further, organizations not considered "electing organizations" (those making an election under Section 501(h), which election the Charity did not make) were subject to the "No Substantial Part" rule, which provided that no substantial part of the organization's activities could constitute carrying on propaganda, or otherwise attempting to influence legislation. So the IRS and the public could monitor tax-exempt organizations' compliance with the "No Substantial Part" Rule, Section 501(c)(3) organizations not making an election under Section 501(h), including the Charity, were required to disclose any and all lobbying activity in Part IX (Statement of Functional Expenses) of their annually-filed IRS Forms 990.

30) Finally, all organizations seeking exemption under Section 501(c)(3) were required to conform to certain fundamental legal principles applicable to all charitable organizations. One such principle was that charitable organizations could not engage in behavior that was illegal or violated public policy. The "illegality doctrine" derived from English charitable trust law, the legal foundation on which Section 501(c)(3) was established. Under charitable trust law, trusts violating law or public policy could not qualify for charitable status.

The Charity's IRS Forms 990

31) For the fiscal years 2008 through 2016, each fiscal year beginning July 1 of the indicated year, and ending on June 30 of the following year, the Charity filed IRS Forms 990 as set forth below:

Entity	Period	Form 990 Due Date	Form 990 Filed Date	Officer's signature
AO	FY2008	05/15/2010	05/17/2010	Person #1
AO	FY2009	05/15/2011	05/16/2011	Person #3
AO	FY2010	05/15/2012	05/15/2012	Person #1
AO	FY2011	05/15/2013	05/15/2013	Person #1
AO	FY2012	05/15/2014	05/15/2014	Person #1
AO	FY2013	05/15/2015	05/13/2015	Person #1
AO	FY2014	05/15/2016	03/15/2016	Person #1
PFH	FY2014	05/15/2016	05/16/2016	Person #1
PFH	FY2015	05/15/2017	05/15/2017	Person #1

32) On each IRS Form 990 listed above, the Charity answered "no" to questions 25(a) and 25(b), representing that it had no excess benefit transactions in the current period, and had discovered no past such transactions.

33) In Part IX (Statement of Functional Expenses) of each IRS Form 990 listed above, the Charity reported that it had expenses related to lobbying and political activity in the amounts set forth below:

	Line 11a[2]	Schedule C, Part II-B, Line 1f[3]	Schedule C, Part II-B, Line 1g[4]	Line 18[5]
FY2010	$0	$0	$54,000	$0
FY2011	$0	$0	$78,248	$0
FY2012	$0	$0	$185,010	$0
FY2013	$0	$843,700	$48,000	$0
FY2014 (AO)[1]	$109,254	$0	$109,254	$0
FY2014 (PFH)	$134,600	$0	$0	$0
FY2015	$451,646	$0	$0	$0

[1] For AO, FY2014 ended 04/30/2015 because AO merged with the Kirksville, Missouri based Preferred Family Healthcare, Inc.

[2] Line 11a: Lobbying.

[3] Schedule C, Part II-B, Line 1f: Grants to other organizations for lobbying purposes.

[4] Schedule C, Part II-B, Line 1g: Direct contact with legislators, their staff, government officials, or a legislative body.

[5] Line 18: Payments of travel or entertainment expenses for any federal, state, or local public officials.

Object of the Conspiracy

34) From October, 2009, until February 2017, in Greene County, Missouri, in the Western District of Missouri, and elsewhere, the defendant, **EDDIE WAYNE COOPER**, conspired and agreed with Person #1, Person #2, Person #3, Person #4, Donald Andrew Jones, and with others known and unknown to the United States Attorney, to execute a scheme whereby Person #1, Person #2, Person #3, and Person #4, being agents of Alternative Opportunities, Inc., and Preferred Family Healthcare, Inc., organizations receiving in each one-year period from July 1, 2009, through June 30, 2017, benefits in excess of $10,000 under the Federal programs set forth above, embezzled, stole, obtained by fraud, and without authority knowingly converted to their use, property worth at least $5,000 and under the care, custody, and control of such organization, that is, funds totaling more than four million dollars; in violation of Title 18, United States Code, Section 666(a)(1)(A) and (a)(2).

Manner and Means

35) The manner and means by which the conspirators achieved and attempted to achieve the object of the conspiracy included but were not limited to the following:

36) Person #1, Person #2, Person #3, and Person #4 devised and executed multiple schemes to embezzle, steal, and unjustly enrich themselves to the detriment of the Charity's mission. As a part of these schemes, Person #1, Person #2, Person #3, and Person #4, used the Charity's funds for unlawful political contributions and excessive, unreported lobbying and political advocacy, to the financial benefit of the Charity, and themselves.

37) Person #1, Person #2, and Person #3, through its lobbyists and advocates, including Person #4 and Cooper operating as Lobbying Firm A, and Jones, would and did cause the Charity to contribute financially to elected officials and their political campaigns, which indirect contributions were prohibited by law just as if the payments had been made by the Charity directly.

38) In order to provide a veneer of legitimacy for the unlawful payments to others, and kickbacks paid to themselves, and to disguise the nature and source of the payments, Person #1, Person #2, Person #3, and Person #4 would and did cause the books, records, and public disclosures of the Charity to misrepresent, conceal, and cover up the nature of the services provided by the elected public officials, lobbyists and advocates, and financial contributions to elected public officials and their political campaigns, by falsely describing such payments being for

training and consulting, and by causing the Charity to execute sham consulting agreements, training agreements, and agreements for other services.

39) Person #1, Person #2, Person #3, and Person #4 would and did instruct the persons providing the advocacy services to submit – and for persons employed by the Charity to create internally – invoices seeking payment from the Charity for services falsely described as "training" and "consulting," that were in truth and in fact lobbying, advocacy work, and funds provided to Person #1, Person #4, and Cooper as kickbacks.

Payments/Kickback Scheme with Lobbying Firm A

40) The Charity paid Lobbying Firm A to provide lobbying and advocacy services. Doing business as Lobbying Firm A, from 2010 through 2017, Person #4, Cooper, and others, known and unknown, solicited the assistance of elected and appointed officials regarding legislative issues that impacted the Charity, in particular matters involving the Charity, and in steering grants and other sources of funding to the Charity. These funding sources included proceeds from the Arkansas General Improvement Fund ("GIF").

41) From 2010 to 2017, Person #1, Person #2, and Person #3 would and did cause the Charity to disburse funds to Lobbying Firm A. During this time period, the Charity, directly and through its related for-profit corporations, paid Lobbying Firm A more than three million dollars.

42) Person #1, Person #2, and Person #3 caused the checks to Lobbying Firm A to be falsely classified as a consulting expense in the books and records of the Charity, when in truth and in fact the checks were payments for Person #4's and Cooper's advocacy services, including direct contact with elected and appointed public officials, and for kickbacks paid to Person #1.

43) For the years 2010 through 2015, Person #4 paid kickbacks to Person #1, by way of checks totaling $640,500, and on numerous additional occasions, in cash.

44) For the years 2010 through 2016, Lobbying Firm A reported to the IRS that it paid Cooper a total of $387,501.

Payments/Kickback Scheme with Donald Andrew Jones

45) In or about 2011, Jones entered into an agreement with Person #1, Person #2, Person #3, and Person #4 that he would provide advocacy services for the Charity, including direct contact with legislators, legislators' offices, and government officials, in order to influence elected and appointed public officials to the financial benefit of the Charity.

46) From 2011 through January 2017, Jones solicited the assistance of elected and appointed officials regarding legislative issues that impacted the Charity, in particular matters involving the Charity, and in attempting to steer grants and other sources of funding to the Charity.

47) In exchange for Jones's services, the Charity made payments to D.A. Jones & Associates. In order to conceal the nature and source of some of the funds the Charity paid to Jones, Person #1, Person #2 and Person #3 caused some of those payments to be routed through Entity A, Lobbying Firm A, and Lobbying Firm B.

48) Also, in order to conceal the nature of the services for which they caused the Charity to contract, Person #1, Person #2, Person #3, and Person #4 described the services provided by Jones as "consulting" services, and the payments made to Jones as payments pursuant to a "consulting agreement." Initially, and for more than four years, the conspirators did not put their agreement in writing. On January 1, 2016, Person #3, on behalf of PFH, and Jones executed a sham "consulting agreement." While the main body of the "consulting agreement" listed duties generally consistent with those of a professional hired as a consultant, an unsigned Appendix A more particularly described Jones's duties not as consulting services, but as advocacy.

49) Jones paid kickbacks to Person #4, primarily by checks made payable to Person #4 or to Lobbying Firm A or Lobbying Firm B. Also, at the request of Person #4, Jones would and did make two payments to Cooper.

50) Also, Person #1 and Person #2 directed Jones to perform advocacy services on behalf of their for-profit corporation, Entity E, for which Entity E did not compensate Jones. Jones assisted Person #1 and Person #2 with various issues involving Entity E, including possible relocation to Pennsylvania, attempts to secure federally subsidized state funding through the Weatherization Assistance Program, attempts to secure robotics funding, outreach to potential clients, and a June 2017 issue involving a shipment of thermostats from China that was being held by U.S. Customs in Kansas City, Missouri.

51) From time to time, Jones suggested that Person #1, Person #2, and Person #3 make political contributions to legislators he and they wanted to influence and/or thank for assistance. From time to time, Jones agreed with Person #1, Person #2, and Person #3 that he would and did deliver their contribution checks directly to the legislators in Washington D.C., to increase the impact of the donations.

52) Between February 28, 2011, and December 14, 2016, Person #1, Person #2, Person #3, and Person #4 caused the Charity to pay to Jones $973,807.28, both via direct payments and through Entity A, Lobbying Firm A, and Lobbying Firm B.

53) Between January 12, 2012, and January 17, 2017, Jones paid Person #4 kickbacks totaling $219,000, by way of checks payable to Person #4 and Lobbying Firm A. Additionally, at the direction of Person #4, Jones paid Cooper kickbacks of $25,000 on January 8, 2013, and $20,000 on December 26, 2013.

54) On January 18, 2012, Person #4 caused Lobbying Firm A to issue a check in the amount of $18,000 to Cooper, constituting Cooper's share of Jones's January 2, 2012, kickback payment.

Concealment and False Statements

55) Concealment of the schemes was an integral and necessary part of the conspiracy. Person #1, Person #2, Person #3, Person #4, Cooper, and others known and unknown to the United States Attorney, utilized the Charity's tax-exempt status to facilitate their embezzlement, theft, and unjust enrichment of themselves; in order to maintain said tax-exempt status they concealed, covered up, and falsified evidence of their embezzlement, unjust enrichment, and excess benefit transactions to themselves and others, and of their unlawful use of the Charity's funds for the payment of bribes, for political contributions and excessive and undisclosed lobbying and political advocacy.

56) It was a part of their concealment of their crimes that Person #1, Person #2, and Person #3, in order to obtain approval of or ratification for transactions and agreements, caused presentations to the Charity's Board of Directors to contain false statements and material omissions.

57) In his capacity as a member of the Charity's Board of Directors, and his service on the Board's finance committee, Cooper assisted Person #1, Person #2, and Person #3 in their concealment by voting to authorize and ratify transactions and agreements based upon presentations he knew contained false statements and material omissions, and by opposing attempts by other Board members to more carefully scrutinize the Charity's operations.

Overt Acts

58) In furtherance of the conspiracy, and to accomplish its objects, defendant **EDDIE WAYNE COOPER**, Person #1, Person #2, Person #3, Person #4, Donald Andrew Jones, and others known and unknown to the United States Attorney, committed the following overt acts, among others, in the Western District of Missouri and elsewhere:

Lobbying Firm A

59) On February 22, 2010, Person #4 emailed Person #1 and Person #2 and courtesy copied Cooper, who was then an elected public official, and one other person, regarding an issue with bundled Medicaid billing and how they should approach it. The email states, in part, "We have placed Medicaid on the agenda for Public Health Committee, thanks to our very own Cooper and ["Arkansas Representative A" and one other person]."

60) On August 24, 2010, Cooper, while serving as an elected public official, emailed Person #4 letting him know he had heard from a source that the Governor was going to lift a moratorium on RSPMI providers, which would allow public schools to bill Medicaid. Cooper further stated that source was, "…going to snoop around and see what he could find out." Cooper then stated, "I really don't know what he is looking for but I do have concerns about anyone

snooping around our Medicaid contacts." Person #4 forwarded this message from Cooper to Person #1, whose email response consisted of an expletive.

61) On October 24, 2010, Person #4 emailed "Arkansas Representative B," asking about the meeting time for the RSPMI Policy Work Group, and stated that, "Rep. Cooper is on the committee and he is carrying my vote to follow your lead." Person #4 then forwarded the message to Cooper stating, "Here it is."

62) On October 20, 2010, Cooper emailed Person #4 scanned images of two items: a check written to a political candidate for $500, with the word "Donation" in the memo section; and a receipt from a restaurant in Texarkana, Arkansas, for $2,851.07, roughly half of which was spent on food and the other half on alcoholic beverages (115 separate drink items) and gratuity.

63) On October 22, 2010, Person #4 forwarded the email with the scanned items to Person #1, stating, "this is one of coopers."

64) Also on October 20, 2010, Person #1 replied, via email, to Person #4 stating, "That one is going to be tough to pay out of AO. Can you send me a [Lobbying Firm A] bill for that and I will FedEx you a [Lobbying Firm A] check for about that amount or a little over. So it is the $500 plus the dinner receipt?"

65) Also on October 22, 2010, Person # 4 emailed Person #1, stating, "will do."

66) On February 27, 2011, Person #4 emailed Cooper and Arkansas Representative A with the subject line, "GIF," stating:

> Each of us divided up Members of the Legislature several weeks ago. I have all those Legislature that had us draft bills. We know the out look of the House is not good. I need a report on everyone's Senator that has not had bills drafted and what Rep. [redacted] and [redacted] final word is for us. We can meet at the office around 6:00 - 6:30 Monday evening at the office. In our report we have to draft for the Resource Team we have to know what each Senator final word is. We have froze all spending until we know were we are with the House.
> Example:
> (1) Senator [redacted] did not do a bill, but he has committed to adding funds to Senator [redacted] bill.
> (2) Senator [redacted] will be adding funds to Senator [redacted] bill.
> Will see you there."

67) On October 10, 2011, Cooper emailed Person #4 and courtesy copied Person #2, Person #3, Person #5, and Person #12. Cooper provided an update regarding the potential lifting of the RSPMI moratorium and stated, "Arkansas has 243 school districts that could potentially operate their own RSPMI service if this policy is adopted" and, "[o]ne thing about this Draft that

really troubles me is that they have included the Educational Service Cooperatives as a possible School Run RSPMI Provider." Cooper also congratulated Person #12 for his/her being on the Governor's Commission on Children's Mental Health, and stated that the point of his email was to provide information to Person #12 before his/her first commission meeting.

68) On November 28, 2011, Person #4 emailed Cooper, Arkansas Representative A Arkansas Representative C, and courtesy copied Person #2, stating, "Please read through this info, this is what we can not [sic] have happen if they try to bring this to the Legislature." The attached document, entitled, "Healthy Children = Successful Students," discussed a proposal to permit the state's Educational Service Cooperatives to bill as possible school-run RSMPI providers, providing health care services that could have competed with the Charity.

69) Person #4 told Cooper he/she "had good news and bad news." The "good news" was that "we've picked up AO as a client," meaning the Charity had retained Lobbying Firm A to provide lobbying services in Arkansas. The "bad news" was that Person #1 "wants half the money, he's gonna lobby, so there's no money in it for you," meaning that Person #1 would get half of the Charity's payments to Lobbying Firm A, and there would be no additional income to Cooper from the arrangement.

70) On January 27, 2013, Person #4 sent Cooper and one other person an email, with attachment, having the subject line, "Our Bill," stating that they have added two more senators to the bill. Person #4 then forwarded the same message, with additional correspondence, to Cooper alone, instructing Cooper to meet with five additional senators about a related "bill we have to kill."

71) On May 20, 2013, Person #1 emailed Person #4, stating, in part, "Hey where are you tomorrow, am going to send you $150k today. Send me $75k overnight. Figure $25k tax so we net $50k. Our story is we got $50k."

72) Person #1 issued check #2117, dated May 21, 2013, drawn on Entity A's Bank of Bolivar account ending in 3101, payable to Lobbying Firm A in the amount of $150,000.

73) On May 22, 2013, Person #4 caused Entity A's check #2117 to be deposited in Lobbying Firm A's Bancorp South account ending in 2316.

74) Person #4 issued check #2170, dated May 20, 2013, drawn on Lobbying Firm A's Bancorp South account ending in 2316, payable to Person #1 in the amount of $75,000.

75) On May 23, 2013, Person #1 caused Lobbying Firm A's check #2170 to be deposited in his/her Metropolitan Bank account ending in 9278.

76) On December 2, 2013, Person #1 emailed Person #4, stating, "awesome on the mil."

77) Also on December 2, 2013, Person #4 emailed Person #1, stating, "Thanks brother."

78) Also on December 2, 2013, Person #1 emailed Person #4, stating, "Santa is coming."

79) Also on December 2, 2013, Person #4 emailed Person #1, stating, "I need Santa."

80) On December 6, 2013, Person #2 emailed Person #4 and courtesy copied Person #1, stating, in part:

> I talked to [Person #1] about the GIF issue today. Would you please discuss it with him in more detail.
>
> I took the initiative to talk to [Person #3] and [Person #3] is comfortable with the last verbal agreement we had.
>
> If you don't feel that is reasonable, please let me know and we will try to work something else.
>
> On Thursday we all need to discuss what agreements are in place if we pursue GIF again next year, so neither [Person #1] and you, or I, will be disappointed. I believe [Person #3] will be okay with whatever I propose to [Person #3].

81) Also on December 6, 2013, Person #1 replied, via email, to Person #3, courtesy copied Person #4, stating "There isn't any next year."

82) On December 7, 2013, Person #4 replied, via email, to Person #1, courtesy copied Person #2, stating "Hey bubba, I will call you later today to discuss what I would like to see done and I think it's a good plan that will be good from all areas."

83) Also on December 7, 2013, Person #1 replied, via email, to Person #4, stating "Don't include [Person #2] on email. I am out of the loop on GIF. I know it is supposed to be 10%."

84) On June 5, 2014, Person #1 texted Person #4, stating, in part, "Hey from now on just send me 30% cash and you keep the rest for tax on [Lobbying Firm A] stuff. That gives you 40% of my half for tax. That way I don't get 1099 and you aren't short on tax."

85) On June 26, 2014, Person #1 texted Person #4, stating, "At 30% I think about $28,500 roughly. I think the total was $95k or $96k. That leaves you 40% of my half for taxes. I can give you exact later."

86) Also on June 26, 2014, Person #4 texted Person #1, stating, "Ok brother I think I can send 15 no problem bubba."

87) Also on June 26, 2014, Person #1 texted Person #4, stating, "Ok. No problem."

88) Also on June 26, 2014, Person #4 texted Person #1, stating, "May call you later or in the am. Gona [sic] send the package so u [sic] get by Tuesday. Ok. Call u in a bit."

89) Also on June 26, 2014, Person #1 texted Person #4, stating, "I am in Springfield Tuesday. 1111 S. Glenstone, Suite 3-100, Springfield MO 65804."

90) On January 5, 2015, Person #1 sent an email to Person #4, stating, in part, "Tell me where to send the FedEx. I opened the check and the amount is $142,750 so is correct."

91) Also on January 5, 2015, Person #4 replied, via email, to Person #1 containing a physical address located in Arkansas.

92) Also on January 5, 2015, Person #1 replied, via email, to Person #4, stating "OK, be sure and send me $100k on that one. We will work out the difference later. Thank you."

Payments/Kickback Scheme with Donald Andrew Jones

93) On each of the dates set forth below, Person #1, Person #2, Person #3, and Person #4 caused the Charity to pay to Jones the amounts listed below, from or by way of the source accounts listed below:

	Date	Name on Source Account	Account no. (last 4)	Amount
A	02/28/2011	Person #4 dba Lobbying Firm B	5171	$2,000.00
B	03/24/2011	Lobbying Firm A	2316	$2,000.00
C	04/09/2011	Person #4 dba Lobbying Firm B	5171	$3,000.00
D	12/15/2011	Lobbying Firm A	2316	$4,000.00
E	01/02/2012	Entity A	3101	$72,000.00
F	10/08/2012	Dayspring	8747	$2,813.38
G	01/01/2013	Entity A	3101	$72,000.00
H	01/01/2013	Entity A	3101	$48,000.00
I	01/18/2013	Entity A	3101	$5,000.00
J	04/17/2013	Lobbying Firm A	2316	$3,000.00
K	09/30/2013	Alternative Opportunities, Inc.	2595	$60,000.00
L	12/05/2013	Alternative Opportunities, Inc.	2595	$120,000.00
M	01/24/2014	Dayspring	8747	$1,786.42
N	07/01/2014	Alternative Opportunities, Inc.	2595	$30,000.00
O	07/25/2014	Lobbying Firm A	2316	$2,350.00
P	08/22/2014	Dayspring	8747	$1,000.00

	Date	Name on Source Account	Account no. (last 4)	Amount
Q	12/01/2014	Alternative Opportunities, Inc.	2595	$120,000.00
R	02/03/2015	Lobbying Firm A	2316	$2,500.00
S	03/06/2015	Lobbying Firm A	2316	$7,500.00
T	03/17/2015	Lobbying Firm A	2316	$10,000.00
U	03/30/2015	Lobbying Firm A	2316	$7,500.00
V	04/03/2015	Lobbying Firm A	2316	$7,500.00
W	04/06/2015	Lobbying Firm A	2316	$7,500.00
X	04/09/2015	Lobbying Firm A	2316	$7,500.00
Y	04/21/2015	Lobbying Firm A	2316	$8,500.00
Z	04/22/2015	Lobbying Firm A	2316	$6,500.00
AA	06/28/2015	Lobbying Firm A	2316	$2,500.00
BB	07/17/2015	Preferred Family Healthcare, Inc.	3560	$1,349.96
CC	08/18/2015	Lobbying Firm A	2316	$2,500.00
DD	08/18/2015	Lobbying Firm A	2316	$10,000.00
EE	08/23/2015	Lobbying Firm A	2316	$12,500.00
FF	08/23/2015	Lobbying Firm A	2316	$2,500.00
GG	09/17/2015	Preferred Family Healthcare, Inc.	3609	$991.80
HH	10/09/2015	Preferred Family Healthcare, Inc.	3587	$1,200.00
II	10/29/2015	Lobbying Firm A	2316	$15,000.00
JJ	11/17/2015	Lobbying Firm A	2316	$5,000.00
KK	12/16/2015	Preferred Family Healthcare, Inc.	3587	$150,000.00
LL	04/20/2016	Preferred Family Healthcare, Inc.	3587	$5,000.00
MM	06/01/2016	Preferred Family Healthcare, Inc.	3587	$1,315.72
NN	08/03/2016	Lobbying Firm A	2316	$10,000.00
OO	12/14/2016	Preferred Family Healthcare, Inc.	3587	$140,000.00
			Total:	**$973,807.28**

94) On September 30, 2013, December 5, 2013, July 1, 2014, December 1, 2014, December 16, 2015, April 20, 2016, and December 14, 2016, Person #1, Person #2, and Person #3 caused the checks to Jones listed in the paragraph above to be falsely classified as a consulting expense in the books and records of the Charity, when in truth and in fact the checks were payments for Jones's advocacy services, including direct contact with elected and appointed public officials.

95) On each of the dates set forth below, Jones paid kickbacks in the amounts set forth below to the persons and entities set forth below:

	Check/Wire Date	Deposit Date	Payee	Amount
A	01/02/2012	01/12/2012	Lobbying Firm A	$36,000.00
B	01/20/2012	01/20/2012	Lobbying Firm A	$2,000.00
C	10/26/2012	11/02/2012	Person #4	$1,000.00
D	01/01/2013	01/04/2013	Person #4	$27,000.00
E	None	01/08/2013	**EDDIE WAYNE COOPER**	$25,000.00
F	10/01/2013	10/04/2013	Person #4	$20,000.00
G	10/01/2013	10/04/2013	Lobbying Firm A	$20,000.00
H	12/26/2013	12/31/2013	**EDDIE WAYNE COOPER**	$20,000.00
I	12/20/2013	01/03/2014	Person #4	$25,000.00
J	07/05/2014	07/24/2014	Lobbying Firm B	$15,000.00
K	01/05/2015	01/07/2015	Person #4	$7,000.00
L	01/20/2015	01/21/2015	Person #4	$6,000.00
M	12/23/2015	01/26/2016	Person #4	$30,000.00
N	01/17/2017	01/17/2017	Person #4	$30,000.00
			Total:	**$264,000.00**

96) On January 18, 2012, Person #4 caused Lobbying Firm A to issue a check in the amount of $18,000 to Cooper.

Concealment and False Statements

97) At the September 19, 2013, meeting of the Charity's Board of Directors, Cooper aided Person #2 and Person #1 in their opposition to another Board member's proposal that the Board hire an internal auditor who would report to the Board, by speaking against the proposal.

98) At the February 19, 2015, meeting of the Charity's Board of Directors, Cooper voted to ratify certain related party transactions involving Person #1, Person #2, Person #3, and Lobbying Firm A, when Cooper then knew the presentations of Person #1, Person #2, and Person #3 regarding those transactions contained both false statements and material omissions.

B. Defendant's Admission of the Forfeiture Allegation

99) The defendant admits and acknowledges that he received a total of at least $387,501 from Lobbying Firm A both directly and indirectly. The defendant further admits that he received at least $63,000 in kickbacks as a result of his participation in the conspiracy.

100) In admitting the Forfeiture Allegation of the Information, the defendant acknowledges he understands a money judgment will be entered against him in the amount of his gain from participation in the conspiracy based on the facts set forth above.

4. **Use of Factual Admissions and Relevant Conduct.** The defendant acknowledges, understands and agrees that the admissions contained in paragraph 3 and other portions of this plea agreement will be used for the purpose of determining his guilt and advisory sentencing range under the United States Sentencing Guidelines ("U.S.S.G."), including the calculation of the defendant's offense level in accordance with U.S.S.G. § 1B1.3(a)(2). The defendant acknowledges, understands and agrees that the conduct charged in any dismissed counts of the indictment, as well as all other uncharged, related criminal activity, may be considered as "relevant conduct" pursuant to U.S.S.G. § 1B1.3(a)(2) in calculating the offense level for the charges to which he is pleading guilty.

5. **Statutory Penalties.** The defendant further understands that, upon his plea of guilty to the information, charging him with a violation of 18 U.S.C. § 371, that is, Conspiracy, the maximum penalty the Court may impose is not more than 5 years' imprisonment, not more than three years' supervised release, a $250,000 fine, an order of restitution, and a $100 mandatory special assessment per felony count of conviction, which must be paid in full at the time of sentencing. The defendant further understands that this offense is a Class D felony.

6. **Sentencing Procedures.** The defendant acknowledges, understands and agrees to the following:

a. In determining the appropriate sentence, the Court will consult and consider the United States Sentencing Guidelines promulgated by the United States Sentencing Commission; these Guidelines, however, are advisory in nature, and the Court may impose a sentence either less than or greater than the defendant's applicable Guidelines range, unless the sentence imposed is "unreasonable."

b. The Court will determine the defendant's applicable Sentencing Guidelines range at the time of sentencing.

c. In addition to a sentence of imprisonment, the Court may impose a term of supervised release of up to three years; the Court must impose a period of supervised release if a sentence of imprisonment of more than one year is imposed.

d. If the defendant violates a condition of his supervised release, the Court may revoke his supervised release and impose an additional period of imprisonment of up to two years without credit for time previously spent on supervised release. In addition to a new term of imprisonment, the Court also may impose a new period of supervised release, the length of which cannot exceed three years, less the term of imprisonment imposed upon revocation of the defendant's first supervised release.

e. The Court may impose any sentence authorized by law, including a sentence that is outside of, or departs from, the applicable Sentencing Guidelines range.

f. Any sentence of imprisonment imposed by the Court will not allow for parole.

g. The Court is not bound by any recommendation regarding the sentence to be imposed or by any calculation or estimation of the Sentencing Guidelines range offered by the parties or the United States Probation Office.

h. The defendant may not withdraw his guilty plea solely because of the nature or length of the sentence imposed by the Court.

i. The defendant agrees that the United States may institute civil, judicial or administrative forfeiture proceedings against all forfeitable assets in which the defendant has an interest, and that he will not contest any such forfeiture proceedings.

j. The defendant agrees to forfeit all interests he owns or over which he exercises control, directly or indirectly, in any asset that is subject to forfeiture to the United States either directly or as a substitute for property that was subject to forfeiture but is no longer available for the reasons set forth in 21 U.S.C. § 853(p) (which is applicable to this action pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

k. The defendant agrees to fully and truthfully disclose the existence, nature and location of all assets forfeitable to the United States, either directly or as a substitute asset, in which he and his co-conspirators have or had any direct or indirect financial interest, or exercise or exercised control, directly or indirectly, during the period from **October 1, 2009** to the present. The defendant also agrees

to fully and completely assist the United States in the recovery and forfeiture of all such forfeitable assets.

o. Within 10 days of the execution of this plea agreement, at the request of the USAO, the defendant agrees to execute and submit: (1) a Tax Information Authorization form; (2) an Authorization to Release Information; (3) a completed financial disclosure statement; and (4) copies of financial information that the defendant submits to the U.S. Probation Office. The defendant understands that the United States will use the financial information when making its recommendation to the Court regarding the defendant's acceptance of responsibility.

7. **Government's Agreements.** Based upon evidence in its possession at this time, the United States Attorney's Office for the Western District of Missouri, as part of this plea agreement, agrees not to bring any additional charges against the defendant for any federal criminal offenses related to the crimes charged in the information for which it has venue and which arose out of the defendant's conduct described above.

The defendant understands that this plea agreement does not foreclose any prosecution for an act of murder or attempted murder, an act or attempted act of physical or sexual violence against the Person of another, or a conspiracy to commit any such acts of violence or any criminal activity of which the United States Attorney for the Western District of Missouri has no knowledge.

The defendant recognizes that the United States' agreement to forego prosecution of all of the criminal offenses with which the defendant might be charged is based solely on the promises made by the defendant in this agreement. If the defendant breaches this plea agreement, the United States retains the right to proceed with the original charges and any other criminal violations established by the evidence. The defendant expressly waives his right to challenge the initiation of the dismissed or additional charges against him if he breaches this agreement. The defendant expressly waives his right to assert a statute of limitations defense if the dismissed or additional charges are initiated against him following a breach of this agreement. The defendant further

understands and agrees that, if the Government elects to file additional charges against him following his breach of this plea agreement, he will not be allowed to withdraw his guilty plea.

8. **Preparation of Presentence Report.** The defendant understands the United States will provide to the Court and the United States Probation Office a government version of the offense conduct. This may include information concerning the background, character and conduct of the defendant, including the entirety of his criminal activities. The defendant understands these disclosures are not limited to the counts to which he has pleaded guilty. The United States may respond to comments made or positions taken by the defendant or the defendant's counsel, and to correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject only to any limitations set forth in this plea agreement. The United States and the defendant expressly reserve the right to speak to the Court at the time of sentencing pursuant to Rule 32(i)(4) of the Federal Rules of Criminal Procedure.

9. **Withdrawal of Plea.** Either party reserves the right to withdraw from this plea agreement for any or no reason at any time prior to the entry of the defendant's plea of guilty and its formal acceptance by the Court. In the event of such withdrawal, the parties will be restored to their pre-plea agreement positions to the fullest extent possible. However, after the plea has been formally accepted by the Court, the defendant may withdraw his pleas of guilty only if the Court rejects the plea agreement, or if the defendant can show a fair and just reason for requesting the withdrawal. The defendant understands that, if the Court accepts his pleas of guilty and this plea agreement but subsequently imposes a sentence that is outside the defendant's applicable

Sentencing Guidelines range, or imposes a sentence that the defendant does not expect, like or agree with, he will not be permitted to withdraw his pleas of guilty.

10. **Agreed Guidelines Applications.** With respect to the application of the Sentencing Guidelines to this case, the parties stipulate and agree as follows:

a. The Sentencing Guidelines do not bind the Court and are advisory in nature. The Court may impose a sentence that is either above or below the defendant's applicable Guidelines range, provided the sentence imposed is not "unreasonable."

b. The applicable Guidelines section for Count 1 is U.S.S.G. § 2B1.1, which provides for a **base offense level of 6**;

c. Pursuant to U.S.S.G. § 3B1.2, a **3-level reduction** applies, because the defendant was somewhere between being a minor and a minimal participant as to the conspiracy charged in the information.

d. The defendant has admitted his guilt and clearly accepted responsibility for his actions, and has assisted authorities in the investigation or prosecution of his own misconduct by timely notifying authorities of his intention to enter a plea of guilty, thereby permitting the Government to avoid preparing for trial and permitting the Government and the Court to allocate their resources efficiently. Therefore, he is entitled to **a 3-level reduction** pursuant to § 3E1.1(b) of the Sentencing Guidelines. The Government, at the time of sentencing, will file a written motion with the Court to that effect, unless the defendant (1) fails to abide by all of the terms and conditions of this plea agreement, any supplement thereto, and his pretrial release; or (2) attempts to withdraw his guilty plea, violates the law, or otherwise engages in conduct inconsistent with his acceptance of responsibility.

e. The defendant appears to have a **criminal history category of I**. The parties agree that the Court will determine his applicable criminal history category after receipt of the presentence investigation report prepared by the United States Probation Office.

f. The defendant understands that the estimate of the parties with respect to the Guidelines computation set forth in the subsections of this paragraph does not bind the Court or the United States Probation Office with respect to the appropriate Guidelines levels. Additionally, the failure of the Court to accept these stipulations will not, as outlined in paragraph 9 of this plea agreement, provide the defendant with a basis to withdraw his plea of guilty.

g. The United States agrees not to seek an upward departure from the Guidelines or a sentence outside the Guidelines range. **The defendant remains free to argue for any sentence authorized by law, including a downward departure from the Guidelines or a variance from the Guidelines range.** The agreement by the Government to not seek a departure from the Guidelines is not binding upon the Court or the United States Probation Office and the Court may impose any sentence authorized by law, including any sentence outside the applicable Guidelines range that is not "unreasonable."

h. The defendant consents to judicial fact-finding by a preponderance of the evidence for all issues pertaining to the determination of the defendant's sentence, including the determination of any mandatory minimum sentence (including the facts that support any specific offense characteristic or other enhancement or adjustment), and any legally authorized increase above the normal statutory maximum. The defendant waives any right to a jury determination beyond a reasonable doubt of all facts used to determine and enhance the sentence imposed, and waives any right to have those facts alleged in the indictment. The defendant also agrees that the Court, in finding the facts relevant to the imposition of sentence, may consider any reliable information, including hearsay.

i. The defendant understands and agrees that the factual admissions contained in paragraph 3 of this plea agreement, and any admissions that he will make during his plea colloquy, support the imposition of the agreed upon Guidelines calculations contained in this agreement.

11. **Effect of Non-Agreement on Guidelines Applications.** The parties understand, acknowledge and agree that there are no agreements between the parties with respect to any Sentencing Guidelines issues other than those specifically listed in paragraph 10 and its subsections. As to any other Guidelines issues, the parties are free to advocate their respective positions at the sentencing hearing. **The defendant understands and acknowledges the Government plans to assert the following:**

A. Pursuant to U.S.S.G. § 2B1.1(b)(1)(J), an **18-level enhancement** applies, based on a loss amount as to the conspiracy charged in the information of greater than $3,500,000 but less than $9,500,000;

B. Pursuant to U.S.S.G. § 3B1.3, a **2-level enhancement** applies, because the defendant abused positions of public and private trust (the defendant

was an elected public official and a member of the Charity's Board of Directors) in a manner that significantly assisted the commission and concealment of the offense;

12. **Change in Guidelines Prior to Sentencing.** The defendant agrees that, if any applicable provision of the Guidelines changes after the execution of this plea agreement, then any request by the defendant to be sentenced pursuant to the new Guidelines will make this plea agreement voidable by the United States at its option. If the Government exercises its option to void the plea agreement, the United States may charge, reinstate, or otherwise pursue any and all criminal charges that could have been brought but for this plea agreement.

13. **Government's Reservation of Rights.** The defendant understands that the United States expressly reserves the right in this case to:

a. oppose or take issue with any position advanced by the defendant at the sentencing hearing which might be inconsistent with the provisions of this plea agreement;

b. comment on the evidence supporting the charges in the information;

c. oppose any arguments and requests for relief the defendant might advance on an appeal from the sentences imposed, and that the United States remains free on appeal or collateral proceedings to defend the legality and propriety of the sentence actually imposed, even if the Court chooses not to follow any recommendation made by the United States; and

d. oppose any post-conviction motions for reduction of sentence, or other relief.

14. **Waiver of Constitutional Rights.** The defendant, by pleading guilty, acknowledges that he has been advised of, understands, and knowingly and voluntarily waives the following rights:

a. the right to plead not guilty and to persist in a plea of not guilty;

b. the right to be presumed innocent until his guilt has been established beyond a reasonable doubt at trial;

c. the right to a jury trial, and at that trial, the right to the effective assistance of counsel;

d. the right to confront and cross-examine the witnesses who testify against him;

e. the right to compel or subpoena witnesses to appear on his behalf; and

f. the right to remain silent at trial, in which case his silence may not be used against him.

The defendant understands that, by pleading guilty, he waives or gives up those rights and that there will be no trial. The defendant further understands that, if he pleads guilty, the Court may ask him questions about the offenses to which he pleaded guilty, and if the defendant answers those questions under oath and in the presence of counsel, his answers may later be used against him in a prosecution for perjury or making a false statement. The defendant also understands that he has pleaded guilty to felony offenses and, as a result, will lose his right to possess a firearm or ammunition and might be deprived of other rights, such as the right to vote or register to vote, hold public office, or serve on a jury.

15. **Waiver of Appellate and Post-Conviction Rights.**

a. The defendant acknowledges, understands and agrees that, by pleading guilty pursuant to this plea agreement, he waives his right to appeal or collaterally attack a finding of guilt following the acceptance of this plea agreement, except on grounds of (1) ineffective assistance of counsel; or (2) prosecutorial misconduct; and

b. The defendant expressly waives his right to appeal his sentence, directly or collaterally, on any ground except claims of: (1) ineffective assistance of counsel; (2) prosecutorial misconduct; or (3) a sentence imposed in excess of the statutory maximum. However, if the United States exercises its right to appeal the sentence imposed as authorized by 18 U.S.C. § 3742(b), the defendant is released from this waiver and may, as part of the Government's appeal, cross-appeal his

sentence as authorized by 18 U.S.C. § 3742(a) with respect to any issues that have not been stipulated to or agreed upon in this agreement.

16. **Financial Obligations.** By entering into this plea agreement, the defendant represents that he understands and agrees to the following financial obligations:

a. The Court must order restitution to the victims of the offense to which the defendant is pleading guilty. The defendant agrees that the Court may order restitution in connection with all other uncharged, related criminal activity.

b. The parties agree the amount of restitution will be determined in connection with the Pre-Sentence Investigation, and reserve the right to recommend a loss amount to the Probation Office and the Court.

c. The offense conduct involves theft from an organization receiving Federal funds. Because Alternative Opportunities, Inc., and Preferred Family Healthcare, Inc., were nonprofit organizations that received funding almost exclusively from Federal and state entities, and at the time the defendant committed the offense charged in the information AO and PFH, by and through its executives named in the information, engaged in substantial activities that were illegal and contrary to public policy, the parties agree to recommend the Court order restitution to the United States and the states that funded the Charity, in the total amount stolen as a result of the offense charged in the Information, with the payments apportioned corresponding to the United States' and states' percentage shares of contribution to AO's and PFH's gross income, to be determined in connection with the Presentence Investigation;

d. The United States may use the Federal Debt Collection Procedures Act and any other remedies provided by law to enforce any restitution order that may be entered as part of the sentence in this case and to collect any fine;

e. The defendant will fully and truthfully disclose all assets and property in which he has any interest, or over which the defendant exercises control, directly or indirectly, including assets and property held by a spouse, nominee or other third party. The defendant's disclosure obligations are ongoing, and are in force from the execution of this agreement until the defendant has satisfied the restitution order in full;

f. Within ten (10) days of the execution of this plea agreement, at the request of the USAO, the defendant agrees to execute and submit: (1) a Tax Information Authorization form; (2) an Authorization to Release Information; (3) a completed financial disclosure statement; and (4) copies of financial information that the defendant submits to the U.S. Probation Office. The defendant understands that compliance with these requests will be taken into account when the United

States makes a recommendation to the Court regarding the defendant's acceptance of responsibility;

g. At the request of the USAO, the defendant agrees to undergo any polygraph examination the United States might choose to administer concerning the identification and recovery of substitute assets and restitution;

h. The defendant hereby authorizes the USAO to obtain a credit report pertaining to him to assist the USAO in evaluating the defendant's ability to satisfy any financial obligations imposed as part of the sentence;

i. The defendant understands that a Special Assessment will be imposed as part of the sentence in this case. The defendant promises to pay the Special Assessment of **$100** by submitting a satisfactory form of payment to the Clerk of the Court prior to appearing for the sentencing proceeding in this case. The defendant agrees to provide the Clerk's receipt as evidence of his fulfillment of this obligation at the time of sentencing;

j. The defendant certifies that he has made no transfer of assets or property for the purpose of: (1) evading financial obligations created by this Agreement; (2) evading obligations that may be imposed by the Court; or (3) hindering efforts of the USAO to enforce such financial obligations. Moreover, the defendant promises that he will make no such transfers in the future; and

k. In the event the United States learns of any misrepresentation in the financial disclosure statement, or of any asset in which the defendant had an interest at the time of this plea agreement that is not disclosed in the financial disclosure statement, and in the event such misrepresentation or nondisclosure changes the estimated net worth of the defendant by ten thousand dollars ($10,000.00) or more, the United States may at its option: (1) choose to be relieved of its obligations under this plea agreement; or (2) let the plea agreement stand, collect the full forfeiture, restitution and fines imposed by any criminal or civil judgment, and also collect 100% (one hundred percent) of the value of any previously undisclosed assets. The defendant agrees not to contest any collection of such assets. In the event the United States opts to be relieved of its obligations under this plea agreement, the defendant's previously entered pleas of guilty shall remain in effect and cannot be withdrawn.

17. **Waiver of FOIA Request.** The defendant waives all of his rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case including, without

limitation, any records that may be sought under the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act of 1974, 5 U.S.C. § 552a.

18. **Waiver of Claim for Attorney's Fees.** The defendant waives all of his claims under the Hyde Amendment, 18 U.S.C. § 3006A, for attorney's fees and other litigation expenses arising out of the investigation or prosecution of this matter.

19. **Defendant's Breach of Plea Agreement.** If the defendant commits any crimes, violates any conditions of release, or violates any term of this plea agreement between the signing of this plea agreement and the date of sentencing, or fails to appear for sentencing, or if the defendant provides information to the Probation Office or the Court that is intentionally misleading, incomplete or untruthful, or otherwise breaches this plea agreement, the United States will be released from its obligations under this agreement. The defendant, however, will remain bound by the terms of the agreement, and will not be allowed to withdraw his pleas of guilty.

The defendant also understands and agrees that, in the event he violates this plea agreement, all statements made by him to law enforcement agents subsequent to the execution of this plea agreement, any testimony given by him before a grand jury or any tribunal, or any leads from such statements or testimony, shall be admissible against him in any and all criminal proceedings. The defendant waives any rights that he might assert under the United States Constitution, any statute, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that pertains to the admissibility of any statements made by him subsequent to this plea agreement.

20. **Defendant's Representations.** The defendant acknowledges that he has entered into this plea agreement freely and voluntarily after receiving the effective assistance, advice and

approval of counsel. The defendant acknowledges that he is satisfied with the assistance of counsel, and that counsel has fully advised him of his rights and obligations in connection with this plea agreement. The defendant further acknowledges that no threats or promises, other than the promises contained in this plea agreement, have been made by the United States, the Court, his attorneys, or any other party to induce him to enter his pleas of guilty.

21. **No Undisclosed Terms.** The United States and the defendant acknowledge and agree that the above stated terms and conditions, together with any written supplemental agreement that might be presented to the Court in camera, constitute the entire plea agreement between the parties, and that any other terms and conditions not expressly set forth in this agreement or any written supplemental agreement do not constitute any part of the parties' agreement and will not be enforceable against either party.

22. **Standard of Interpretation.** The parties agree that, unless the constitutional implications inherent in plea agreements require otherwise, this plea agreement should be interpreted according to general contract principles and the words employed are to be given their normal and ordinary meanings. The parties further agree that, in interpreting this agreement, any drafting errors or ambiguities are not to be automatically construed against either party, whether or not that party was involved in drafting or modifying this agreement.

TIMOTHY A. GARRISON
United States Attorney

By

Dated: *2/12/18*

/s/ Steven M. Mohlhenrich
STEVEN M. MOHLHENRICH
Assistant United States Attorney

I have consulted with my attorney and fully understand all of my rights with respect to the offense charged in the information. Further, I have consulted with my attorney and fully understand my rights with respect to the provisions of the Sentencing Guidelines. I have read this plea agreement and carefully reviewed every part of it with my attorney. I understand this plea agreement and I voluntarily agree to it.

Dated: *2/12/18* *__/s/ Eddie Wayne Cooper__*
EDDIE WAYNE COOPER
Defendant

I am defendant Eddie Wayne Cooper's attorney. I have fully explained to him his rights with respect to the offense charged in the information. Further, I have reviewed with him the provisions of the Sentencing Guidelines that might apply in this case. I have carefully reviewed every part of this plea agreement with him. To my knowledge, Eddie Wayne Cooper's decision to enter into this plea agreement is an informed and voluntary one.

Dated: *2/12/18* *__/s/ Michelle Nahon Moulder__*
MICHELLE NAHON MOULDER
Attorney for Defendant