

JUN 25 2019

IN THE UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF ARKANSAS

IN OPEN COURT  
JAMES W. McCORMACK, CLERK  
BY: mw  
DEPUTY CLERK

UNITED STATES OF AMERICA )  
 )  
v. )  
 )  
JEREMY YOUNG HUTCHINSON )

No.: 4:19cr00333 KGB

No.: 4:18cr00450 KGB

**PLEA AGREEMENT**

The United States Attorney for the Eastern District of Arkansas, Cody Hiland, by and through Stephanie Mazzanti and Patrick C. Harris, Assistant United States Attorneys; the United States Attorney for the Western District of Arkansas, Duane (DAK) Kees, by and through Aaron Jennen and Ben Wulff, Assistant United States Attorneys; and the United States Department of Justice, Criminal Division, Public Integrity Section, by and through Trial Attorneys Marco A. Palmieri and Sean Mulryne; and Jeremy Young Hutchinson, defendant, represented by the undersigned counsel, hereby agree to the following terms and conditions in connection with the above referenced proceedings.

1. **GUILTY PLEA:** The defendant, who has waived indictment and who was charged by Information in the Western District of Arkansas in case 5:19CR50049-001, and which was transferred to this court as case 4:19cr00333 KGB, pursuant to Rule 20, hereby agrees to plead guilty to that Information charging the defendant with Conspiracy to Commit Bribery, a violation of Title 18, United States Code, Section 371.

The defendant will also enter a plea of guilty to willfully making and subscribing to a false income tax return, a violation of Title 26, United States Code, Section 7206(1), as set forth in Count 9 of the Indictment in case No. 4:18CR00450 KGB.

The United States agrees to move for dismissal of the remaining counts against the defendant in case No. 4:18CR00450 at sentencing upon acceptance of guilty pleas in this case and in the United States District Court for the Western District of Missouri, Case Number 19-03048-01/03-CR-S-BCW, as addressed by the Plea Agreement in that case.

This is a Federal Rule of Criminal Procedure 11(c)(1)(A) and (B) plea agreement.

This plea agreement is part of a “global” settlement of criminal investigations and prosecutions of the defendant in three districts: the Western District of Missouri, the Western District of Arkansas, and the Eastern District of Arkansas. While the charging and plea documents in each district set forth the details of the defendant’s pleas in those districts, the essential terms of the agreement include this plea agreement, any supplement or addendum to this plea agreement that may exist, and the following:

A. In *United States v. Bontiea Bernedette Goss, et al.*, Western District of Missouri case number 19-03048-01/03-CR-S-BCW, defendant Hutchinson will plead guilty to Count 1 of the First Superseding Indictment, charging him with a violation of Title 18, United States Code, Section 371, that is, conspiracy; and will admit the Forfeiture Allegation of the First Superseding Indictment.

B. In the Western District of Arkansas, defendant Hutchinson will waive indictment and consent to the filing of a felony information charging one count of conspiracy to commit federal funds bribery, in violation of Title 18, United States Code, Sections 371 and 666(a)(1)(B).

C. In *United States v. Jeremy Young Hutchinson*, Eastern District of Arkansas case number 4:18-CR-00450-KGB, defendant Hutchinson will plead guilty to Count 9 of the

indictment, that is, to one count of willfully making and subscribing to a false income tax return, in violation of Title 26, United States Code, Section 7206(1).

D. The United States Attorneys for the Eastern District of Arkansas and Western District of Arkansas have agreed to approve defendant Hutchinson's request for the transfer of his Western District of Arkansas Case to the Eastern District of Arkansas for his guilty plea and sentencing, pursuant to Rule 20 of the Federal Rules of Criminal Procedure.

E. While the plea agreements in each district may contain stipulations regarding United States Sentencing Guidelines calculations, the parties retain the right to argue for any lawful sentence, including an upward or downward departure or variance from the Sentencing Guidelines.

F. Based upon evidence in their possession at this time, as a part of the plea agreements, Western District of Missouri, Eastern District of Arkansas, Western District of Arkansas, and the Public Integrity Section of the U.S. Department of Justice, Criminal Division, agree to bring no further charges related the defendant's known criminal conduct for which they have venue, and at sentencing will dismiss as to this defendant the counts of the relevant indictments to which the defendant has not pleaded guilty.

2. **ELEMENTS OF THE CRIME:**

A. **Title 18, United States Code, Sections 371 and 666(a)(1)(B).** The parties agree the elements of the offense to which the defendant will plead guilty are:

(i) On or before February 27, 2014, two or more people reached an agreement to commit the crime of bribery in violaton of 18 U.S.C. § 666(a)(1)(B);

(ii). The defendant voluntarily and intentionally joined in the agreement, either at the time it was first reached or at some later time while it was still in effect;

(iii). At the time the defendant joined in the agreement, the defendant knew the purpose of the agreement; and

(iv). While the agreement was in effect, a person or persons who had joined in the agreement knowingly did one or more acts for the purpose of carrying out or carrying forward the agreement.

The defendant agrees that he is guilty of the offense charged and each of these elements is true.

B. **Title 26, United States Code, Section 7206(1)**. The parties agree the elements of the offense to which the defendant will plead guilty are:

(i) The defendant made and signed an income tax return, Form 1040, that was false as to income for the 2011 tax year;

(ii) The return contained a written declaration that it was signed under the penalties of perjury;

(iii) The defendant did not believe the return to be true and correct as to income;

(iv) The defendant acted willfully; and

(v) The false matter in the income tax return was material.

The defendant agrees that he is guilty of the offense charged and each of these elements is true.

3. **PENALTIES:**

A. **STATUTORY PENALTIES:** The penalty for the charge set forth in **Title 26, United States Code, Section 7206(1)** is not more than 3 years' imprisonment; a fine of not more than \$100,000, together with the costs of prosecution, or both; not more than 1 year

supervised release, and a \$100 special assessment. The penalty for **Title 18, United States Code, Sections 371 and 666(a)(1)(B)** is not more than 5 years imprisonment, a fine of not more than \$250,000 (or twice the amount of the gross gain or gross loss, whichever is greater), not more than 3 years supervised release, and a \$100 special assessment.

B. SUPERVISED RELEASE: Supervised release is a period of time following imprisonment during which defendant will be subject to various restrictions and requirements. Defendant understands that if defendant violates one or more of the conditions of any supervised release imposed, the defendant may be returned to prison for all or part of the term of supervised release, which could result in defendant serving a total term of imprisonment greater than the statutory maximum stated above.

4. WAIVERS: The defendant acknowledges that he has been advised of and fully understands the nature of the charges to which the plea is offered, the mandatory minimum penalty provided by law, if any, and the maximum possible penalty provided by law. The defendant further understands that by entering into this Agreement and Addendum, he is waiving certain constitutional rights, including, without limitation, the following:

A. The right to appeal or collaterally attack, to the full extent of the law, all non-jurisdictional issues, including any forfeiture or restitution order, as follows:

(1) the defendant waives the right to appeal all non-jurisdictional issues including, but not limited to, any issues relating to pre-trial motions, hearings and discovery and any issues relating to the negotiation, taking or acceptance of the guilty plea or the factual basis for the plea, including the sentence imposed or any issues that relate to the establishment of the Guideline range, except that the defendant reserves the right to appeal claims of prosecutorial misconduct and the defendant reserves the right to appeal the sentence if the defendant makes a

contemporaneous objection because the sentence imposed is above the Guideline range that is established at sentencing;

(2) the defendant expressly acknowledges and agrees that the United States reserves its right to appeal the defendant's sentence under Title 18, United States Code, Section 3742(b) and *United States v. Booker*, 543 U.S. 220 (2005);

(3) the defendant waives all rights to collaterally attack the conviction and sentence in any post-conviction proceeding, including one pursuant to Title 28, United States Code, Section 2255, except for claims based on ineffective assistance of counsel or prosecutorial misconduct;

(4) the defendant waives the right to have the sentence modified pursuant to Title 18, United States Code, Section 3582(c)(2);

(5) the defendant waives the right to appeal the Court's determination of the amount of restitution and subsequent restitution order, if any; and,

(6) the defendant waives the right to appeal the Court's determination of any forfeiture issues and subsequent forfeiture order, if any.

B. The right to plead not guilty or to persist in that plea if it has already been made, and the right to a speedy and public trial before a jury;

C. The right to be presumed innocent and to have the burden of proof placed on the United States to establish guilt beyond a reasonable doubt;

D. The right to confront and cross examine witnesses;

E. The right to testify in his own behalf if the defendant so chooses, or, the right to remain silent and not be compelled to testify, and to have that choice not used against the defendant;

F. The right to call witnesses and to require those witnesses to appear by issuing subpoenas.

G. Pursuant to Federal Rule of Criminal Procedure 11(b)(1)(O), the defendant understands that upon conviction, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

5. **STIPULATIONS:** The United States and the defendant stipulate to the following:

A. **Plea to Title 18, United States Code, Sections 371 and 666(a)(1)(B).**

(i) The parties agree that the base offense level is 14 pursuant to U.S.S.G. § 2C1.1.

(ii). The parties agree that the offense involved more than one bribe, resulting in a 2 level enhancement pursuant to U.S.S.G. § 2C1.1(b)(1).

(iii). The parties agree to litigate the enhancement pursuant to U.S.S.G. § 2C1.1(b)(2) and § 2B1.1.

(iv). The parties agree that the defendant was an elected public official at the time of the offense, resulting in a 4 level enhancement pursuant to U.S.S.G. § 2C1.1(b)(3).

(v). The defendant is eligible for a 2 point reduction for acceptance of responsibility unless the defendant takes any action between the entry of the guilty plea and imposition of the sentence that is inconsistent with acceptance of responsibility. If the offense level is 16 or greater, the determination of whether the defendant is eligible for a third point reduction for acceptance of responsibility will be made by the United States at the time of sentencing.

**B. Plea to Title 26, United States Code, Section 7206(1).**

(i) The parties agree that the base offense level is at least 12 and no more than 16, as the tax loss is at least more than \$15,000, but less than \$250,000, pursuant to U.S.S.G. § 2T1.1(a)(1), and that the tax losses for tax years 2012 through 2014 are relevant conduct.

(ii) The parties agree that the defendant failed to report or correctly identify the source of income exceeding \$10,000 in any year from criminal activity, resulting in a 2-level enhancement, pursuant to U.S.S.G. § 2T1.1(b)(1).

(iii). The defendant is eligible for a 2 point reduction for acceptance of responsibility unless the defendant takes any action between the entry of the guilty plea and imposition of the sentence that is inconsistent with acceptance of responsibility. If the offense level is 16 or greater, the determination of whether the defendant is eligible for a third point reduction for acceptance of responsibility will be made by the United States at the time of sentencing.

(iv). The parties stipulate that no other enhancements or reductions under Section 2T1.1, Chapter 3, or Chapter 5 of the Guidelines apply, other than those specifically set out in this agreement and its addendum.

**C. Additional Stipulations.**

(i) The parties agree that any additional issues which arise in the Presentence Report that the parties did not address in this Plea Agreement, can be submitted to the Court for a determination.

(ii) The defendant specifically waives any and all challenges to the searches, seizures, arrests, statements, and forfeitures that have taken place as of the date of the execution of this plea agreement by the defendant in this investigation by any entity, and in any forum where the offense may be pursued and/or forfeiture may be sought. Defendant will assist in executing

any requested waiver of challenge and relinquishment of rights to any and all assets that have been seized to date in this investigation by any participating agency or department, in any forum where the forfeiture may be sought.

(iii). The defendant may request consolidation of case no. 4:18CR00450 KGB and case no. 4:19cr00333 KGB for purposes of sentencing, although the United States reserves the right to contest grouping under the United States Sentencing Guidelines and request imposition of consecutive sentences.

The parties understand that the Court is not bound by these stipulations. The defendant further understands that if the Court does not accept this Plea Agreement, the defendant is not entitled to withdraw the guilty plea or otherwise be released from defendant's obligations under this Agreement and Addendum.

6. **FACTUAL BASIS:** The defendant stipulates that the following facts are true:

A. **Facts underlying Title 18, United States Code, Sections 371 and 666(a)(1)(B).** HUTCHINSON is a former Arkansas Senator who represented Senate District 33, after first being elected in 2010 and then re-elected in 2012 and 2014. Senate District 33 is comprised of portions of Pulaski County and Saline County, Arkansas. As a Senator, HUTCHINSON had the responsibility and authority to, among other things, draft and vote on proposed bills and legislation, place holds on agency budgets, and request interim study proposals. As a Senator, HUTCHINSON owed a duty to provide honest services to the State of Arkansas and its citizens. Prior to his service in the Arkansas Senate, HUTCHINSON served as a Representative of House District 31 in the Arkansas House of Representatives from 2000 to 2007. HUTCHINSON is also an attorney licensed in the State of Arkansas. HUTCHINSON had previously operated his own law firm, Hutchinson Law Firm, as a sole proprietorship.

Individual A is a specialist who, during the relevant period, lived in the Western District of Arkansas. Individual A was the co-owner in several businesses that operated orthodontic clinics throughout the State of Arkansas, including: Entity A; Entity B; Entity C; and Entity D.

During each of the calendar years 2014 through 2017, Arkansas received benefits in excess of \$10,000 under federal programs involving grants, contracts, subsidies, loans, guarantees, insurance, and other forms of federal assistance.

Prior to August 2017, an Arkansas law known as the Dental Practices Act stated that any dentist licensed by the Arkansas State Board of Dental Examiners (ASBDE) as a specialist, such as an orthodontist, “must limit his or her practice to the specialty in which he or she is licensed except in an emergency situation,” and that “failure to limit his or her practice . . . shall be cause for the specialist license to be revoked or suspended.” A.C.A. § 17-82-305(g) (2003). This restriction imposed by the Dental Practices Act was often known as a specialist restriction.

In September 2013, Individual A appeared before the ASBDE, the state agency responsible for governing dental practitioners and enforcing the provisions of the Dental Practices Act. The ASBDE received complaints that Individual A was having dental hygienists provide hygienic services to patients who were not orthodontic patients, in contravention of the specialist restriction in the Dental Practices Act.

In November 2013, Individual A entered into a “Consent Order” with the ASBDE in which he/she acknowledged that having dental hygienists provide hygienic services to patients who were not orthodontic patients was in violation of the Dental Practices Act, and agreed to suspend his/her dental hygiene program at all of his/her Arkansas clinics unless it was related to orthodontic services.

On or about February 11, 2014, Individual A sent a text message to Person A and others stating, “The chair of the Arkansas state legislature’s budgetary commission just told us he will put a freeze on the [ASBDE] budget—TODAY!” Person A responded by asking, “Who is the chair?”, to which Individual A stated, “Jeremy Hutchinson.”

On or about February 11, 2014, HUTCHINSON, as a member of the Senate Joint Budget Committee, placed a hold on the budget appropriation for the ASBDE.

On or about February 11, 2014, HUTCHINSON, Individual A, and Employee A hosted a dinner at a restaurant in Little Rock, Arkansas, attended by several Arkansas legislators invited by HUTCHINSON, and others, for the purpose of discussing Individual A’s legislative objectives.

On or about February 20, 2014, Individual A sent a text message to Person B stating, “We own the dental board. Call me.”

On or about February 20, 2014, Individual A sent a text message to Person C, stating, “The [ASBDE] has rolled over already and agreed with our guy that they need to rewrite the entire dental practice act. We own them. I’m kinda disappointed that they quit so soon. Pansies.”

On or about February 27, 2014, Individual A sent HUTCHINSON and Employee A an email with the subject “Legislative Objectives.” The email contained a list titled “Legislative Objectives” that had seven items. The first item on the list was “Remove specialty restrictions because they are stupid and contrary to logic and the public good.” The sixth item on the list stated, “Allow experienced hygienists to perform reversible procedures and X-ray exams without a supervising dentist.”

On or about February 27, 2014, HUTCHINSON, Individual A Employee A, and others met for dinner at a restaurant in Little Rock, Arkansas. During the dinner, HUTCHINSON, Individual A, and Employee A discussed Individual A’s legislative objectives and hiring

HUTCHINSON. During this conversation, HUTCHINSON explained that as part of the arrangement that there needed to be real legal work. The purpose of the legal work was to conceal the true nature of the relationship, that is, HUTCHINSON would be paid to carry out Individual A's legislative objectives.

On or about February 28, 2014, Individual A caused check number 2284 on the Centennial Bank account for Entity B in the amount of \$20,000 to be issued to Hutchinson Law Firm.

On or about March 3, 2014, Individual A sent HUTCHINSON and Employee A an email with the subject "Legislative Objectives—Updated March 3 2014." The email was similar to the February 27, 2014 "Legislative Objectives" email, with Individual A stating, "I modified #6 so we have some room to compromise when they resist the [mid-level provider] program."

On or about March 5, 2014, Individual A, HUTCHINSON, Employee A, and Senator A met at the Arkansas State Capitol to discuss Individual A's legislative objectives.

On or about March 5, 2014, HUTCHINSON deposited the \$20,000 Entity B check issued on February 28, 2014, into the Hutchinson Law Firm account.

On or about March 8, 2014, HUTCHINSON, Individual A, and Employee A, and Senator A engaged in an email conversation. In the email conversation, Individual A stated, in part, "Dentists who are not buddies with the state board in [Louisiana] or here in Arkansas are terrified to say or do anything against the will of the board because they can literally pass a death sentence on your business if you don't have the means to fight back." HUTCHINSON responded, "Wow, that's shocking. This is going to be a big issue and already has legislators I've talked to considering an entire regulatory reform package."

On or about January 26, 2015, HUTCHINSON introduced Senate Bill 143 of the 90th General Assembly (SB 143), titled “AN ACT TO CLARIFY THE LAWS GOVERNING DENTAL PRACTICE.”

On or about April 6, 2015, HUTCHINSON filed SB 143 as Interim Study Proposal (ISP) 2015-084 with the Senate Committee on Public Health, Welfare, and Labor.

On or about August 10, 2015, Individual A sent an email to HUTCHINSON complaining about impediments to dental licenses in Arkansas and the idea of opening a dental school in Arkansas. HUTCHINSON responded, “I’m getting ready to speak in public health and am going to briefly address the dental board as an example—trying to lay the foundation for our interim study.”

On or about August 10, 2015, HUTCHINSON appeared before the Senate Committee on Public Health, Welfare, and Labor, during which he referenced an anti-trust lawsuit brought against the North Carolina dental board, stating that the legislature needs to insure that Arkansas’s licensing boards and practice acts are “acting in such a way that they are not being anti-competitive.” HUTCHINSON added that there were other licensing boards that he intended to ask to study.

On or about September 22, 2015, HUTCHINSON filed ISP 2015-154, titled “AN ACT TO AMEND THE ARKANSAS DENTAL PRACTICE ACT; TO AMEND THE DENTAL HYGIENIST COLLABORATIVE CARE PROGRAM; TO MODIFY THE APPOINTMENTS TO THE ARKANSAS STATE BOARD OF DENTAL EXAMINERS; TO MODIFY DENTISTRY SPECIALTY LICENSES; AND FOR OTHER PURPOSES,” with the Arkansas Legislative Council. ISP 2015-154 proposed to remove the specialist restriction from the Dental Practices Act, remove restrictions as to whom and in what setting a collaborative dental hygienist

could provide services, and remove requirements that the Arkansas Department of Health provide permission for a dental hygienist to provide dental services as a collaborative dental hygienist.

On or about September 25, 2015, HUTCHINSON appeared before the Arkansas Legislative Council to speak in support of ISP 2015-154. HUTCHINSON motioned the Arkansas Legislative Council to refer ISP 2015-154 to the Senate Committee on Public Health, Welfare, and Labor, which passed by voice vote.

On or about January 5, 2016, Individual A sent a text message to HUTCHINSON stating, “Hey I need you to come visit us when you have a minute and bring me and [Person D] and [Person E] up to speed on [legal matter], [legal matter], Medicaid, our lobbying efforts, your retainer, etc. I can fly you up if the timing works. Speaking of which an airplane is picking up Justin at SUZ Saline county airport at 2 if you want to fly up and back today. Can you give me a call ASAP pls? Interesting times.”

On or about January 18, 2016, Individual A sent HUTCHINSON a text message containing a link to a news editorial stating, “This is a huge deal.” Individual A followed up, adding, “It will be useful when we push for the legislative change.”

On or about April 8, 2016, Individual A sent a text message to HUTCHINSON stating, “I’m in meetings all day today and tomorrow but I gotta tell you that I’m getting more and more frustrated with our arrangement.” HUTCHINSON responded, “Really? What can I do to improve that?” Individual A answered HUTCHINSON stating, “I haven’t heard from you about [legal matter] or about the teamlinks or about visiting with legislators about the DPA. I really need the legislature to stop the board from requiring only SRTA for dental licensure. I know you told [Person D] about the plumber deal but that’s all I heard. 5k a month a 200/hr is 25 hours. I’m happy to pay you but I need to get some ROI man like I told you a few weeks ago. If I’m

missing what you're doing pls educate me." HUTCHINSON responded, "I've been talking to [Person D] about the suit. I'm trying to add to the complaint that the land is yours through adverse possession but I need to know when the house was built. She was looking for that. I have asked everyone about the cost of teamlinks. No one knew but they are checking for me. I will follow up today on that." Individual A responded, "Thanks. What can we do about the state of Arkansas restricting the dental boards they will accept for licensure." HUTCHINSON responded, "We have legislation that will do that. It's being heard in January of next year." Individual A responded, "Cool."

In or about August 2016, in an effort to conceal his role in the conspiracy, HUTCHINSON contacted Lobbyist A, who was the lobbyist hired by a national interest group that was supporting ISP-2015-154, and told Lobbyist A that he no longer wanted to carry the legislation. Lobbyist A then recruited Representative A to carry ISP-2015-154.

On or about August 30, 2016, HUTCHINSON sent a text message to Representative A, stating, "[Lobbyist A] asked me to see if you had everything you needed for the hearing."

On or about September 7, 2016, HUTCHINSON sent a text message to Representative A, stating, "Yeah, [Lobbyist A] is freaking out because his interim study isn't on the agenda for Monday. Can u call and ask that it be put on[?]"

On or about October 10, 2016, Representative A sent a text message to HUTCHINSON asking, "Can you get my name put on the dental ISP? Like immediately? [Representative B] says they won't adopt it because of that." HUTCHINSON responded, "I told [Senator B] to do that and she said staff is going to call me ASAP. [Senator B] never said that. [Representative B] is just being difficult but I will get it done"

On or about October 10, 2016, Representative A sent a text message to HUTCHINSON asking, "Did you need to me to present ISP-2015-084? Clarify Laws Governing Dental Practice." HUTCHINSON responded, "No, just the one that [Lobbyist A] wants u too."

On or about October 10, 2016, ISP-2015-154 was adopted and referred to the Health Services Subcommittee.

On or about November 18, 2016, Individual A sent a text to HUTCHINSON stating, "Why do I have to solve the problem with the neighbor? I pay you a lot of money a month for 'full service'? Dude I don't think this is working out. You never get back to us you never follow through and I'm tired of it. Get this neighbor stuff done THIS MONTH or I'm not paying you for November or ever again and I'll let the rose law firm handle it. I am tired of it Jeremy. You're a nice guy but dammit I get tired of chasing you. My wife is ar her wits end. It's a full time job to chase you. Get this done or we are done. Done as of October 31."

On or about January 23, 2017, ISP-2015-154 was filed as House Bill 1250 (HB 1250) and included the removal of the specialist restriction from the Dental Practices Act.

On or about March 7, 2017, in an effort to conceal his role in the conspiracy, HUTCHINSON filed a notice of conflict with the Secretary of the Senate stating, "Pursuant to Senate Rule 24, I am disclosing I represented a client at one time who could be affected by House Bill No. 1250. I will recuse myself from voting on this piece of legislation."

On or about March 15, 2017, HB 1250 was signed into law, becoming Act 489 of 2017.

After the initial \$20,000 payment from Entity B, Individual A directed the following payments to HUTCHINSON via the Hutchinson Law Firm: \$40,000 in payments from Entity A on or between May 2014 and December 2014; \$35,000 in payments from Entity D on or between January 2015 and August 2015; and \$62,500 in payments from Entity C on or between October

2015 and November 2016. Additionally, Individual A provided three of HUTCHINSON's close family members with free orthodontic treatment with a retail value of approximately \$15,000, as well as other things of value.

HUTCHINSON understood that Individual A hired him as outside counsel for his companies because of his position as an elected official. HUTCHINSON was provided legal work to conceal the true nature of this arrangement. As part of this arrangement, HUTCHINSON pushed Individual A's legislative objectives by filing SB 143, referring SB 143 for interim study, and filing ISP-2015-154, which later became Act 489 of 2017. While HUTCHINSON did perform legal work for Individual A, he would never have been retained if not for his position as an elected official.

**B. Facts underlying Title 26, United States Code, Section 7206(1).** On or about November 2, 2010, defendant Jeremy Young Hutchinson ("Hutchinson") won the general election as an Arkansas State Senator. Hutchinson was re-elected to the Arkansas Senate on or about November 6, 2012, and November 4, 2014. Beginning in at least 2010, and continuing through 2016, Hutchinson received money intended as campaign contributions.

Hutchinson was required by Arkansas law to truthfully report the receipt and expenditures of campaign funds by filing Campaign Contribution and Expenditure Reports ("campaign reports") with the Arkansas Secretary of State's office in Little Rock, Arkansas. Arkansas law prohibits a candidate from taking campaign funds as personal income or using campaign funds to fulfill any commitment, obligation, or expense that would exist regardless of the candidate's campaign, including food and supplies purchased for day-to-day consumption and maintenance of the personal residence, clothing and attire for political or personal functions, and payments made with respect to a personal residence of a candidate. Arkansas law also prohibits any cash

campaign expenditure in excess of \$50.00 and prohibits placing campaign funds into any account containing personal or business funds.

On or about October 15, 2012, the defendant made and signed an income tax return, Form 1040, for the 2011 tax year that was false. The return contained a written declaration that it was signed under the penalty of perjury. At the time the defendant signed and authorized electronic signature of the return, he knew that the return was false as to income and voluntarily and intentionally violated a known legal duty. Although the defendant knew that he received approximately \$20,000.00 per month from one law firm throughout 2011, in addition to other sources of income, the defendant provided his accountant with information that his Schedule C gross receipts totaled only \$121,295.00. In 2011, the defendant also took over \$10,000.00 in campaign funds for his personal use, which is additional income to him and the diversion of which constitutes wire fraud. The false information was material to the Internal Revenue Service, as the defendant's omission of income results in additional tax due and owing. As relevant conduct, the defendant failed to claim the income for tax years 2012 through 2014, including campaign funds taken for personal use, to the Internal Revenue Service. The defendant's 2011 through 2014 tax returns included false statements.

7. **SENTENCING GUIDELINES:** It is specifically understood by the defendant that the Sentencing Guidelines are not mandatory but are advisory, and that the Court is to consult them in determining the appropriate sentence. The defendant understands that the determination of the applicability of the Guidelines and of the appropriate sentence will be made by the Court. The defendant is aware that any estimate of the probable sentencing range under the Sentencing Guidelines that the defendant may have received from the defendant's counsel, the United States, or the Probation Office, is merely a prediction, not a promise, and is not binding on the United

States, the Probation Office, or the Court. The United States makes no promise or representation concerning what sentence the defendant will receive and the defendant cannot withdraw a guilty plea, or otherwise avoid the defendant's obligations under this Agreement and Addendum, based upon the actual sentence imposed by the Court. The parties understand and agree that if the guideline range is greater or less than the defendant or the United States expected it to be, and/or the sentence imposed by the Court is greater or lesser than anticipated, neither the defendant nor the United States will be allowed to withdraw, nor request withdrawal of, the guilty plea, nor be excused from any obligation under this Agreement and Addendum.

8. **ALLOCUTION:** The United States reserves the right to bring any and all facts which it believes are appropriate to the attention of the Court.

9. **COOPERATION IN THE SENTENCING PROCESS:**

A. The defendant agrees to truthfully provide all information to the Probation Office as is needed for preparation of the pre-sentence report, including, but not limited to, criminal history information. The defendant shall voluntarily provide a complete and truthful written accounting of the defendant's criminal history to the Probation Office.

B. The defendant agrees to execute all waivers necessary for the preparation of the pre-sentence report.

C. The defendant understands and acknowledges that the defendant's obligation of disclosure regarding criminal history is not limited to arrests and convictions reported in computer databases, but requires the defendant to disclose all arrests and/or convictions, including any juvenile matters, regardless of whether the defendant believes the arrest/conviction counts under the Sentencing Guidelines.

D. The defendant is required to comply with these obligations no later than the expiration of the date on which objections to the pre-sentence report are due.

10. **FINANCIAL MATTERS:**

A. **FINANCIAL STATEMENT:** The defendant agrees to fully and truthfully complete a Financial Statement provided by the United States Probation Office.

B. **FINES:** The defendant understands that unless the Court determines that the defendant is financially unable to pay a fine, the Court must impose a fine pursuant to the Sentencing Reform Act of 1984.

C. **SPECIAL PENALTY ASSESSMENT:** The defendant agrees to pay to the United States a special assessment of \$100.00 per count, as required by Title 18, United States Code, Section 3013. This special assessment is to be paid by bank cashier's check or money order as directed by the Court. Cashier's checks or money orders should be made payable to "Clerk, United States District Court."

D. **RESTITUTION:** The defendant acknowledges that restitution is mandatory pursuant to Title 18, United States Code, Section 3663A. The defendant agrees to the entry of an order of restitution for the full amount of the victims' losses, regardless of whether charges relating to such losses will be excluded or dismissed as part of this plea agreement. The United States and the defendant agree to litigate the amount of restitution payable by the defendant

E. **FINANCIAL INFORMATION:** The defendant agrees to fully disclose all assets in which he has any interest or over which the defendant exercises control, directly or indirectly, including those held by a spouse, nominee or third party. The defendant agrees to truthfully complete the financial statement form provided by the United States Attorney's Office for the Eastern District of Arkansas by the date of defendant's entry of a guilty plea, sign it under

penalty of perjury, and provide it to the United States Attorney's Office for the Eastern District of Arkansas. The defendant agrees to provide updates with any material changes in circumstances, as described in 18 U.S.C. § 3664(k), which occur prior to sentencing, within seven days of the event giving rise to the changed circumstances. Prior to sentencing, the defendant agrees to notify the Assistant United States Attorney and the Financial Litigation Unit of the United States Attorney's Office for the Eastern District of Arkansas before the defendant transfers any interest in property with a value exceeding \$1,000 owned directly or indirectly, individually or jointly, by the defendant, including any interest held or owned under any name, including trusts, partnerships, and corporations. The defendant expressly authorizes the United States Attorney's Office to obtain a credit report on him. The defendant agrees to provide waivers, consents or releases requested by the United States Attorney's Office to access records to verify the defendant's financial information. The defendant also authorizes the United States Attorney's Office to inspect and copy all financial documents and information held by the United States Probation Office.

F. EMPLOYMENT PROHIBITION: The defendant acknowledges that, as a result of the conviction of this offense, Title 12, United States Code, Sections 1785 and 1829 will prohibit defendant's employment by any federally insured depository institution, except with the prior written consent of the Federal Deposit Insurance Corporation, or any insured credit union, as applicable.

11. DOUBLE JEOPARDY AND SUCCESSIVE PROSECUTION: The United States Attorney for the Eastern District of Arkansas will bring no further charges against the defendant for any acts or conduct arising out of the events described in the Indictment, which is the subject of this action, unless the defendant breaches this Agreement and Addendum.

12. **RECORDS:** The defendant hereby waives all 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. Section 552, or the Privacy Act of 1974, 5 U.S.C. Section 552a.

13. **CIVIL CLAIMS BY THE GOVERNMENT:** Except to the extent otherwise expressly specified herein, this Agreement and Addendum does not bar or compromise any civil or administrative claim pending or that may be made against the defendant, including but not limited to tax matters.

14. **EFFECT OF DEFENDANT'S BREACH OF PLEA AGREEMENT AND ADDENDUM:**

A. Defendant acknowledges and understands that if the defendant violates any term of this Agreement and Addendum, engages in any further criminal activity prior to sentencing, or fails to appear for any subsequent proceeding including sentencing, the United States shall have, in addition to all other rights and remedies otherwise available, the right to:

- (1) terminate this Agreement and Addendum; or
- (2) proceed with this Agreement and Addendum and
  - (a) deny any and all benefits to which the defendant would otherwise be entitled under the terms of this Agreement and Addendum; and/or
  - (b) advocate for any sentencing enhancement that may be appropriate.

B. In the event the United States elects to terminate this Agreement and Addendum, the United States shall be released from any and all obligations hereunder. The

defendant acknowledges and understands that the agreement of the United States to dismiss any charge is conditioned upon final resolution of this matter. If this Agreement and Addendum is terminated or if the defendant's conviction ultimately is overturned, then the United States retains the right to reinstate any and all dismissed charges and to file any and all charges which were not filed because of this Agreement and Addendum.

C. The defendant hereby knowingly and voluntarily waives any defense based upon the applicable statute of limitations and/or the Speedy Trial Act, for any charges reinstated or otherwise filed against the defendant as a result of defendant's breach of this Agreement and Addendum, so long as the United States initiates any otherwise time barred action within one year of termination or revocation of this Agreement and Addendum.

D. In the event that the Agreement and Addendum is terminated or if the defendant successfully moves to withdraw his plea, any statement made by the defendant in negotiation of, or in reliance on this Agreement and Addendum, including any statements made in the course of a proffer, this Agreement, the stipulations in paragraph 5 of this Agreement, and the plea colloquy:

(1) may be used in the United States' case in chief and to cross examine the defendant should he testify in any subsequent proceeding; and/or

(2) any leads derived therefrom may be used by the United States.

The defendant waives any and all rights to the contrary and shall assert no claim under the United States Constitution, any statute, or any rule of procedure or evidence to the contrary, including Federal Rule of Evidence 410 and Federal Rule of Criminal Procedure 11(f). Defendant has been advised of his rights pursuant to Federal Rule of Evidence 410 and Federal Rule of Criminal Procedure 11(f) and waives these rights.

15. **PARTIES:** This Agreement and Addendum is binding only upon the United States Attorney for the Eastern District of Arkansas; the United States Attorney for the Western District of Arkansas Duane (Dak) Kees, by and through Assistant United States Attorney Ben Wulff; the United States Attorney for the Western District of Missouri Timothy A. Garrison, by and through Assistant United States Attorney Steven M. Mohlhenrich; and the United States Department of Justice, Criminal Division, Public Integrity Section, Acting Chief AnnaLou Tirol, by and through Trial Attorney Marco Palmieri; and the defendant. It does not bind any United States Attorney outside the United States Attorney for the Eastern District of Arkansas, the United States Attorney for the Western District of Arkansas, and the United States Attorney for the Western District of Missouri, nor does it bind any other federal, state or local prosecuting, administrative, or regulatory authority.

16. **MISCELLANEOUS:**

A. **MODIFICATION:** No term or provision contained herein may be modified, amended or waived except by express written agreement signed by the party to be bound thereby.

B. **HEADINGS AND CAPTIONS:** Subject headings and captions are included herein for convenience purposes only and shall not affect the interpretation of this Agreement and Addendum.

C. **WAIVER:** No waiver of a breach of any term or provision of this Agreement and Addendum shall operate or be construed as a waiver of any subsequent breach or limit or restrict any other right or remedy otherwise available. Any waiver must be expressly stated in writing signed by the party to be bound thereby.

D. RIGHTS AND REMEDIES CUMULATIVE: The rights and remedies of the United States expressed herein upon any breach hereunder by the defendant are cumulative and not exclusive of any rights and remedies otherwise available to the United States in the event of any breach of this Agreement and Addendum by defendant.

E. JOINT NEGOTIATION: This Agreement and Addendum has been mutually negotiated by the parties hereto, and any uncertainty or ambiguity existing herein shall not be interpreted against any party by reason of its drafting of this Agreement and Addendum, but instead shall be interpreted according to the application of the general rules of interpretation for arms length agreements.

17. NO OTHER TERMS: This document and the Addendum completely reflect all promises, agreements and conditions made between the parties, constitute the entire agreement between the parties and supersedes any and all prior agreements or understandings between the parties, oral or written, with respect to the subject matter hereof.

18. APPROVALS AND SIGNATURES:

A. DEFENDANT: The defendant has read this Agreement and Addendum and carefully reviewed every part of it with his attorney. The defendant understands and voluntarily agrees to the terms and condition of this Agreement and Addendum. Further, the defendant has consulted with his attorney and fully understands his rights with respect to the provisions of the United States Sentencing Guidelines which may apply to this case. No other promises or inducements have been made to the defendant, other than those expressly contained in this Agreement and Addendum. In addition, no one has threatened or forced the defendant in any way to enter into this Agreement and Addendum. Defendant further acknowledges that defendant has entered into this Agreement and Addendum, consciously and deliberately, by

defendant's free choice, and without duress, undue influence or otherwise being forced or compelled to do so, and this Agreement and Addendum constitutes the legal, valid and binding obligation of the defendant, fully enforceable against defendant in accordance with its terms. Finally, the defendant is satisfied with the representation of his attorney in this case.

B. DEFENSE COUNSEL: Defense counsel acknowledges that he is the attorney for the defendant, and that he has fully and carefully discussed every part of this Agreement and Addendum with the defendant. Further, defense counsel has fully and carefully advised the defendant of the defendant's rights, of possible defenses, and of the consequences of entering into this Agreement and Addendum, including the possible consequences of not complying with this Agreement and Addendum. To counsel's knowledge, the defendant's decision to enter into this Agreement and Addendum is an informed and voluntary decision.

DATED this 25<sup>th</sup> day of June, 2019.

CODY HILAND  
United States Attorney



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Defendant



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