

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION

UNITED STATES OF AMERICA)
)
) No. 12 CR 50030
) Judge Frederick J. Kapala
)
)
STACY L. WALLIN)

PLEA AGREEMENT

1. This Plea Agreement between the Acting United States Attorney for the Northern District of Illinois, GARY S. SHAPIRO, and defendant STACY L. WALLIN, and her attorney, GREGORY DUTCH, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure. The parties to this Agreement have agreed upon the following:

Charges in This Case

2. The superseding information in this case charges defendant with mail fraud affecting a financial institution, in violation of Title 18, United States Code, Section 1341 (Count One), aggravated identity theft, in violation of Title 18, United States Code, Section 1028A(a)(1)(Count Two), and theft of mail, in violaton of Title 18, United States Code, Section 1708 (Count Three).

3. Defendant has read the charges against her contained in the superseding information, and those charges have been fully explained to her by her attorney.

4. Defendant fully understands the nature and elements of the crimes with which she has been charged.

Charges to Which Defendant Is Pleading Guilty

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the following counts of the superseding information: Count One, which charges defendant with mail fraud affecting a financial institution, in violation of Title 18, United States Code, Section 1341; Count Two, which charges defendant with aggravated identity theft, in violation of Title 18, United States Code, Section 1028A(a)(1); and Count Three, which charges defendant with theft of mail, in violation of Title 18, United States Code, Section 1708. In addition, as further provided below, defendant agrees to the entry of a forfeiture judgment.

Factual Basis

6. Defendant will plead guilty because she is in fact guilty of the charges contained in Counts One, Two, and Three of the superseding information. In pleading guilty, defendant admits the following facts and that those facts establish her guilt beyond a reasonable doubt and relevant conduct with regard to Counts One, Two, and Three, and establish a basis for forfeiture of the property described elsewhere in this Plea Agreement:

From at least as early as June 2011, and continuing to at least June 15, 2012, defendant lived in Roscoe, Illinois and knowingly devised and engaged in a scheme to defraud at least ten individuals in Roscoe, Illinois, and local financial institutions, and to obtain money, funds, and property belong to these individuals or financial institutions by means of materially false and fraudulent pretenses, representations, and promises, which scheme affected a financial institution. The object of the scheme was for defendant to

fraudulently acquire merchandise and United States currency totaling not less than \$30,000 by paying for the merchandise, and acquiring the United States currency, with credit cards that were not hers.

As part of her scheme, defendant stole mail not addressed to her from residential mailboxes located in Roscoe, Illinois that contained victim individuals' personal identifiable information such as names, addresses, dates of birth, account numbers, including credit card numbers, and other identifying information. Defendant then used Internet websites, such as docusearch.com and searchbug.com, to verify the validity of victim individuals' identifying information as well as obtain additional victim individual identifying information such as social security numbers. Defendant paid for the services of these Internet websites using credit cards that were not hers.

Defendant used the identifying information she wrongfully obtained from mailboxes and Internet websites to apply for and open credit card accounts in those individuals' names. Defendant had the credit cards mailed to the addresses of the individuals whose identifying information she used to open the credit card accounts. Defendant obtained the credit cards by taking them from the mailboxes of the individuals whose identifying information she used to open the credit card accounts.

Defendant used the Internet to create online account access for some of the victim individuals' actual credit card accounts. Defendant obtained valid credit card account numbers from the identifying information she stole from mailboxes such as credit card monthly statements, replacement credit cards ordered by the card holder, or credit reports

identifying the credit card number. For valid credit card account numbers, Defendant used the Internet to access and change the credit card account holder contact information by including an email address that only she had access to and requested “paper suppression,” whereby the financial institution for the specific credit card account stopped mailing paper statements to the account holder and only sent electronic account statements to the email address defendant created. Defendant also requested secondary cards for the credit card account that were either in her name or a variation of her name.

Defendant created eBay and PayPal accounts using email addresses that she created, primarily through Yahoo!, and victim individuals’ information, such as names and addresses. Defendant then linked stolen credit card account numbers to her PayPal account or opened lines of credit in victim individuals’ names through the “Bill Me Later” option. Additionally, defendant included a “gift address” under each eBay account that included her name and address or the name and address of other victim individuals. Defendant purchased various items through eBay using the credit cards she had accessed or opened in other individuals’ names. The items she purchased were mailed via the United States Postal Service or shipped via commercial carrier.

Defendant purchased various items from online retailers other than eBay using the credit cards she had accessed or opened in other individuals’ names. In most instances, defendant ordered the items to be shipped to the address of the individual whose identifying information defendant had used to purchase the items. Defendant tracked the shipment of

the package through the United States Postal Service's website or through the commercial carrier's website and attempted to intercept delivery of the items she purchased.

Defendant used the credit cards she had accessed or opened in other individuals' names to obtain United States currency from the automated teller machines of local financial institutions. For example, between September 2011 and October 2011, defendant obtained a Bank of America credit card in D.P.'s name, without D.P.'s permission, and withdrew over \$4,220 from the credit card account at financial institutions in Rockford and Roscoe. Defendant used the credit cards she had accessed or opened in other individuals' names to purchase merchandise from local businesses.

On approximately February 1, 2012, for the purpose of executing the scheme to defraud, defendant ordered from eBay an item using a credit card in another individual's name without that individual's permission, and knowingly caused to be delivered, by United States Postal Service, a package containing merchandise, that package being addressed to M.L. at an address in Roscoe, Illinois 61073.

In April 2012, defendant attempted to obtain the social security number of J.C. through docusearch.com. Specifically, defendant used an email address she created and personal identifiable information of another victim individual and attempted to purchase for \$49.00 J.C.'s social number using a credit card that was not hers. Defendant submitted J.C.'s name, address, date of birth, and age, along with the copy of a check purportedly from the victim individual to victim J.C.

On June 15, 2012, defendant used a Chase credit card in J.C.'s name to purchase items from Walmart in Roscoe. Defendant was arrested with the Chase credit card in J.C.'s name. Defendant consented to a search of her car. Agents found numerous pieces of mail not addressed to defendant. Specifically, defendant did unlawfully have in her possession a victim notification letter from the United States Attorney's Office addressed to D.P., at Roscoe, Illinois, concerning the April 17, 2012 indictment against defendant, which had been stolen, taken, embezzled and abstracted from a mail receptacle which was an authorized depository for mail matter, knowing the letter to have been stolen, taken, embezzled and abstracted from an authorized depository for mail matter. Additionally, agents found in defendant's car an American Express credit card in J.H.'s name, a Chase credit card in M.L.'s name, a Capital One credit card in M.L.'s name, a Chase BP credit card in D.L.'s name, a Dressbarn credit card in J.H.'s name, a Maurice's credit card in G.B.'s name, a Walmart credit card in G.B.'s name, a Bank of America credit card in J.C.'s name, a Kohl's credit card in M.A.'s name, a Kohl's credit card in N.A.'s name, and a Maurice's credit card in D.H.'s name.

Maximum Statutory Penalties

7. Defendant understands that the charges to which she is pleading guilty carry the following statutory penalties:

a. Count One carries a maximum sentence of 30 years' imprisonment. Pursuant to Title 18, United States Code, Section 3561, defendant may not be sentenced to a term of probation on this count. Count One also carries a maximum fine of \$1,000,000.

Defendant further understands that with respect to Count One the judge also may impose a term of supervised release of not more than five years.

b. Count Two carries a maximum sentence of 2 years' imprisonment, and a statutory mandatory minimum sentence of 2 years' imprisonment. The sentence of imprisonment on Count Two is required to be consecutive to any other sentence imposed. Count Two also carries a maximum fine of \$250,000. Defendant further understands that with respect to Count Two, the judge also may impose a term of supervised release of not more than one year.

c. Count Three carries a maximum sentence of 5 years' imprisonment. The judge also may impose a sentence of probation of between 1 and 5 years. Count Three also carries a maximum fine of \$250,000. Defendant further understands that with respect to Count Three, the judge also may impose a term of supervised release of not more than three years.

d. Defendant further understands that the Court must order restitution to the victims of the offense in an amount determined by the Court.

e. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on each count to which she has pled guilty, in addition to any other penalty or restitution imposed.

f. Therefore, under the counts to which defendant is pleading guilty, the total maximum sentence is 37 years' imprisonment, and the minimum sentence is 2 years' and 1 day imprisonment. In addition, defendant is subject to a total maximum fine of

\$1,500,000, a period of supervised release, and special assessments totaling \$300, in addition to any other penalty or restitution imposed.

Sentencing Guidelines Calculations

8. Defendant understands that in imposing sentence the Court will be guided by the United States Sentencing Guidelines. Defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in determining a reasonable sentence.

9. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points:

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the November 2011 Guidelines Manual.

b. **Offense Level Calculations.**

i. The base offense level for Count One is 7, pursuant to Guideline § 2B1.1(a)(1). The loss to victim individuals and/or local financial institutions as a result of the scheme and relevant conduct is at least \$30,000 and as a result, the offense level is increased by 6 levels, to 13, pursuant to Guideline § 2B1.1(b)(1)(D). The offense involved

10 or more victims, and as a result, the offense level is increased by 2 levels, to 15, pursuant to Guideline § 2B1.1(b)(2)(C).

ii. Pursuant to Guideline § 2B1.6, the guideline sentence for Count Two is the term of imprisonment required by Title 18, United States Code, Section 1028A. Pursuant to 18 U.S.C. § 1028A(a)(1), defendant must be sentenced to 2 years' imprisonment, which must be ordered to run consecutively to any sentence of imprisonment imposed.

iii. The base offense level for Count Three is 6, pursuant to Guideline § 2B1.1(a)(2). The offense involved 10 or more victims, and as a result, the offense level is increased by 2 levels, to 8, pursuant to Guideline § 2B1.1(b)(2)(C).

iv. Pursuant to Guideline §§ 3D1.3(b) and 3D1.4, the base offense for Counts One and Three is 16.

v. Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for her criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for her actions within the meaning of Guideline § 3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested financial information relevant to her ability to satisfy any fine or restitution that may be imposed in this case, a two-level reduction in the offense level is appropriate.

vi. In accord with Guideline § 3E1.1(b), defendant has timely notified the government of her intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources

efficiently. Therefore, as provided by Guideline § 3E1.1(b), if the Court determines the offense level to be 16 or greater prior to determining that defendant is entitled to a two-level reduction for acceptance of responsibility, the government will move for an additional one-level reduction in the offense level.

c. **Criminal History Category.** With regard to determining defendant's criminal history points and criminal history category, based on the facts now known to the government and stipulated below, defendant's criminal history points equal 5 and defendant's criminal history category is III:

i. On or about September 7, 2011, in case 2011 CF 586, defendant was convicted of retail theft in the Circuit Court of Winnebago County and sentenced to 180 days' jail, suspended, and 2 years and 6 months' probation. Pursuant to Guideline § 4A1.1(c), this conviction results in 1 criminal history point.

ii. On or about September 7, 2011, in case 2010 CF 1756, defendant was convicted of misuse of a credit card in the Circuit Court of Winnebago County and sentenced to 180 days' jail, suspended, and 2 years and 6 months' probation. Pursuant to Guideline § 4A1.1(c), this conviction results in 1 criminal history point.

iii. On or about May 5, 2008, in case 2004 CF 3455, defendant was convicted of misuse of a credit card in the Circuit Court of Winnebago County and sentenced to 2 years' conditional discharge. Pursuant to Guideline § 4A1.1(c), this conviction results in 1 criminal history point.

iv. On or about July 6, 1998, in case 1998 CM 6167, defendant was convicted of retail theft in the Circuit Court of Winnebago County and sentenced to 1 year conditional discharge. Pursuant to Guideline § 4A1.2(e)(2), this conviction results in 0 criminal history points.

v. On or about August 28, 1997, in case 1996 CF 3397, defendant was convicted of theft in the Circuit Court of Winnebago County and sentenced to probation. Pursuant to Guideline § 4A1.2(e)(2), this conviction results in 0 criminal history points.

vi. Pursuant to Guideline § 4A1.1(d), 2 criminal history points are added because defendant committed the instant offense while on probation.

d. **Anticipated Advisory Sentencing Guidelines Range.** Therefore, based on the facts now known to the government, the anticipated offense level is 13, which, when combined with the anticipated criminal history category of III, results in an anticipated advisory Sentencing Guidelines range of 18 to 24 months' imprisonment, in addition to any supervised release, fine and restitution the Court may impose. Defendant also acknowledges that she is subject to a statutory minimum sentence of 2 years' imprisonment for Count Two. Defendant must serve 2 years of imprisonment for Count Two, which must be ordered to run consecutively to any other sentence of imprisonment imposed. As such, Defendant is subject to a statutory minimum sentence of 2 years' and 1 day imprisonment. Thus, defendant's effective Sentencing Guidelines range for Counts One, Two and Three is 42 to 48 months' imprisonment, subject to the statutory mandatory minimum of 2 years of imprisonment in Count Two, consecutive to Counts One and Three.

e. Defendant and her attorney and the government acknowledge that the above Guideline calculations are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands that further review of the facts or applicable legal principles may lead the government to conclude that different or additional Guideline provisions apply in this case. Defendant understands that the Probation Office will conduct its own investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final Guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the probation officer's or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw her plea on the basis of the Court's rejection of these calculations.

f. Both parties expressly acknowledge that this Agreement is not governed by Fed.R.Crim.P. 11(c)(1)(B), and that errors in applying or interpreting any of the Sentencing Guidelines may be corrected by either party prior to sentencing. The parties may correct these errors either by stipulation or by a statement to the Probation Office or the Court, setting forth the disagreement regarding the applicable provisions of the Guidelines. The validity of this Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw her plea, nor the government the right to vacate this Agreement, on the basis of such corrections.

Agreements Relating to Sentencing

10. Each party is free to recommend whatever sentence it deems appropriate, including a motion for a variance upwards or downwards from the applicable Guidelines range.

11. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Agreement and may impose a sentence up to the maximum penalties as set forth above. Defendant further acknowledges that if the Court does not accept the sentencing recommendation of the parties, defendant will have no right to withdraw her guilty plea.

12. Regarding restitution, defendant acknowledges that pursuant to Title 18, United States Code, § 3663A, the Court must order defendant to make full restitution to the victims in an amount to be determined by the Court at sentencing, which amount shall reflect credit for any funds repaid prior to sentencing.

13. Restitution shall be due immediately, and paid pursuant to a schedule to be set by the Court at sentencing. Defendant acknowledges that pursuant to Title 18, United States Code, Section 3664(k), she is required to notify the Court and the United States Attorney's Office of any material change in economic circumstances that might affect her ability to pay restitution.

14. Defendant agrees to pay the special assessment of \$300 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

15. Defendant agrees that the United States may enforce collection of any fine or restitution imposed in this case pursuant to Title 18, United States Code, Sections 3572, 3613, and 3664(m), notwithstanding any payment schedule set by the Court.

16. After sentence has been imposed on the counts to which defendant pleads guilty as agreed herein, the government will move to dismiss the indictment as to defendant.

Forfeiture

17. The superseding information charges that defendant is liable to the United States for at least \$30,000. By entry of a guilty plea to Count One of the superseding information, defendant acknowledges that the property identified above is subject to forfeiture.

18. Defendant agrees to the entry of a forfeiture judgment in the amount of at least \$30,000, with a more definite amount determined prior to sentencing and against the property identified above, in that this property is subject to forfeiture. Prior to sentencing, defendant agrees to the entry of a preliminary order of forfeiture relinquishing any right of ownership he has in the above-described funds and further agrees to the seizure of these funds so that these funds may be disposed of according to law.

19. Defendant understands that forfeiture of this property shall not be treated as satisfaction of any fine, restitution, or cost of imprisonment, or any other penalty the Court may impose upon defendant in addition to the forfeiture judgment.

Acknowledgments and Waivers Regarding Plea of Guilty

Nature of Agreement

20. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 12 CR 50030.

21. This Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver, or release by the United States or any of its agencies of any administrative or judicial civil claim, demand, or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, except as expressly set forth in this Agreement.

Waiver of Rights

22. Defendant understands that by pleading guilty she surrenders certain rights, including the following:

a. Right to be charged by indictment. Defendant understands that she has a right to have the charges prosecuted by an indictment returned by a concurrence of twelve or more members of a grand jury consisting of not less than sixteen and not more than twenty-three members. By signing this Agreement, defendant knowingly waives her right to be prosecuted by indictment and to assert at trial or on appeal any defects or errors arising from the information, the information process, or the fact that she has been prosecuted by way of information.

b. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charges against her, and if she does, she would have the right to a public and speedy trial.

i. The trial could be either a jury trial or a trial by the judge sitting without a jury. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and her attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not convict her unless, after hearing all the evidence, it was persuaded of her guilt beyond a reasonable doubt and that it was to consider each count of the superseding information separately. The jury would have to agree unanimously as to each count before it could return a verdict of guilty or not guilty as to that count.

iv. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, and considering each count

separately, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

v. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and her attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in her own behalf. If the witnesses for defendant would not appear voluntarily, she could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

vii. At a trial, defendant would have a privilege against self-incrimination so that she could decline to testify, and no inference of guilt could be drawn from her refusal to testify. If defendant desired to do so, she could testify in her own behalf.

viii. With respect to forfeiture, defendant understands that if the case were tried before a jury, she would have a right to retain the jury to determine whether the government had established the requisite nexus between defendant's offense and any specific property alleged to be subject to forfeiture.

c. **Appellate rights.** Defendant further understands she is waiving all appellate issues that might have been available if she had exercised her right to trial, and may only appeal the validity of this plea of guilty and the sentence imposed. Defendant

understands that any appeal must be filed within 14 calendar days of the entry of the judgment of conviction.

d. Defendant understands that by pleading guilty she is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights specifically preserved above. Defendant's attorney has explained those rights to her, and the consequences of his waiver of those rights.

Presentence Investigation Report/Post-Sentence Supervision

23. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall fully apprise the District Court and the Probation Office of the nature, scope, and extent of defendant's conduct regarding the charges against her, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

24. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of her financial circumstances, including her recent income tax returns as specified by the probation officer. Defendant understands that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline § 3E1.1 and enhancement of her sentence for obstruction of justice under Guideline § 3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

25. For the purpose of monitoring defendant's compliance with her obligations to pay a fine and restitution during any term of supervised release to which defendant is sentenced, defendant further consents to the disclosure by the IRS to the Probation Office and the United States Attorney's Office of defendant's individual income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release to which defendant is sentenced. Defendant also agrees that a certified copy of this Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

Other Terms

26. Defendant agrees to cooperate with the United States Attorney's Office in collecting any unpaid fine and restitution for which defendant is liable, including providing financial statements and supporting records as requested by the United States Attorney's Office.

Conclusion

27. Defendant understands that this Agreement will be filed with the Court, will become a matter of public record, and may be disclosed to any person.

28. Defendant understands that her compliance with each part of this Agreement extends throughout the period of her sentence, and failure to abide by any term of the

Agreement is a violation of the Agreement. Defendant further understands that in the event she violates this Agreement, the government, at its option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to resentence defendant or require defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecutions.

29. Should the judge refuse to accept defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound to it.

30. Defendant and her attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement, to cause defendant to plead guilty.

31. Defendant acknowledges that she has read this Agreement and carefully reviewed each provision with her attorney. Defendant further acknowledges that she understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: _____

GARY S. SHAPIRO
Acting United States Attorney

STACY L. WALLIN
Defendant

SCOTT R. PACCAGNINI
Assistant U.S. Attorney

GREGORY DUTCH
Attorney for Defendant