

Statement of Facts

Defendant Robert J. Powell was an attorney, businessman, and investor. Robert J. Powell was a resident of Luzerne County, Pennsylvania, until in or about 2009, when he relocated to Palm Beach County, Florida.

Until on or about August 31, 2009, Robert J. Powell was the founder and owner of The Powell Law Group, P.C. ("Powell Law Group"), a law firm located in Luzerne County, Pennsylvania, and incorporated in the Commonwealth of Pennsylvania in or about December 2002. In or about August 2009, Robert J. Powell's license to practice law was suspended by the Commonwealth of Pennsylvania. Robert J. Powell subsequently was disbarred from the Bar of the Commonwealth of Pennsylvania, in or about January 2015.

Prior to Robert J. Powell's suspension from the practice of law, he owned 90% of the shares of the Powell Law Group. The remaining 10% of shares were owned by his partner, attorney Jill Moran. On or about August 31, 2009, Robert J. Powell relinquished his directorship of the Powell Law Group, and Jill Moran became the Managing Director and President of the Powell Law Group. Robert J. Powell also surrendered his shares in the Powell Law Group, leaving Jill Moran the sole shareholder.

Beginning prior to Robert J. Powell's suspension from the practice of law and incarceration, the Powell Law Group served as counsel for approximately 4,300 plaintiffs in a mass tort litigation (the "Mass Tort Litigation"). On or about September 15, 2009, Robert J. Powell and Jill Moran entered a Memorandum of Understanding whereby they agreed that any future attorneys' fees from the Mass Tort Litigation would first be applied to pay the Powell Law Group's expenses, with 90% of the remaining fees disbursed to Robert J. Powell, and 10% of the remaining fees disbursed to Jill Moran. In or about April 2014, the Mass Tort Litigation settled for approximately \$5.15 billion. Of that settlement, the Powell Law Group expected to receive attorneys' fees in excess of approximately \$120 million.

In or about May 2014, the Powell Law Group and two co-counsel law firms entered a loan agreement with Financing Company #1. Pursuant to that loan agreement, Financing Company #1 agreed to loan approximately \$100 million to the Powell Law Group and the two co-counsel law firms. The loan was collateralized by the anticipated attorneys' fees from the Mass Tort Litigation. As Robert J. Powell had relinquished his ownership of the Powell Law Group, he provided Jill Moran the loan agreement with Financing Company #1, to sign on behalf of the Powell Law Group.

Pursuant to the loan agreement with Financing Company #1, and after the payment of fees and expenses, the Powell Law Group and the two co-counsel law firms were each designated to receive approximately \$33 million in loan proceeds. Of the \$33 million in loan proceeds designated for the Powell Law Group, approximately \$9 million was sent by Financing Company #1 to three financial institution creditors holding outstanding debt-related judgments against Robert J. Powell, the Powell Law Group, and Jill Moran. The remaining Powell Law Group loan proceeds of approximately \$24 million were deposited into an account held in the name of Company #1.

Robert J. Powell arranged for the Powell Law Group's loan proceeds to be held in Company #1's bank account, instead of transferring those funds to the Powell Law Group's bank accounts. Robert J. Powell had the ability to request distributions of the Powell Law Group loan proceeds held in Company #1's bank account. Robert J. Powell used funds from the Powell Law Group loan proceeds held in Company #1's bank account for his own personal expenses and investments, including to pay down personal debts accrued by Robert J. Powell.

In or about May 2015, the Powell Law Group and the two co-counsel law firms refinanced the loan agreement with Financing Company #1, by entering an agreement with Financing Company #2. Pursuant to that agreement, Financing Company #2 agreed to repay Financing Company #1, and to distribute an additional approximate \$7.6 million to the Powell Law Group and the two co-counsel law firms. The funds distributed by Financing Company #2 were collateralized by the anticipated attorneys' fees from the Mass Tort Litigation. As

Robert J. Powell had relinquished his ownership of the Powell Law Group, he provided Jill Moran with the agreement with Financing Company #2, to sign on behalf of the Powell Law Group.

Financing Company #2 distributed the additional approximate \$7.6 million to a bank account held in the name of Company #1. Robert J. Powell retained those funds in a bank account held in the name of Company #1, instead of transferring those funds to the Powell Law Group's bank accounts.

On or about April 8, 2016, the Powell Law Group and the two co-counsel law firms entered a second amendment to the agreement with Financing Company #2. As Robert J. Powell had relinquished his ownership of the Powell Law Group, he provided Jill Moran with the second amendment, to sign on behalf of the Powell Law Group. Pursuant to the second amendment, Financing Company #2 distributed an additional \$3 million to Company #1's bank account. Robert J. Powell used funds from the \$3 million for personal obligations and expenses.

Between in or about February and June 2016, the trustee overseeing the Mass Tort Litigation (the "Tort Trustee") repaid Financing Company #2 in full, by distributing approximately \$125,849,595.59 in attorneys' fees due to the Powell Law Group. Following the payoff of Financing Company #2, all additional attorneys' fees due to the Powell Law Group from the Mass Tort Litigation were distributed by the Tort Trustee to a bank account held in the name of a co-counsel law firm. Between in or about June 2016 to October 2019, the Tort Trustee distributed in excess of approximately \$12 million to the co-counsel law firm's bank account. Nearly all of those approximate \$12 million were in turn transferred to Company #1's bank account.

Of that approximate \$12 million in additional attorneys' fees distributed by the Tort Trustee, Robert J. Powell personally received in excess of approximately \$3.6 million, between in or about June 2016 through August 2019. Robert J. Powell personally received those funds from Company #1's bank account, including by requesting that Company #1 transfer funds to a bank account under Robert J. Powell's control, but held in the name of 656 Hermitage Circle LLC. Robert J.

Powell used the funds held in 656 Hermitage Circle LLC's bank account for his own personal expenses and investments.

Robert J. Powell failed to file personal income tax returns for tax years 2010 through 2022, despite receiving and spending personal income during those years, and willfully attempted to evade taxes due and owing by him to the United States. For tax years 2015 through 2019, Robert J. Powell's accounting professionals filed with the Internal Revenue Service ("IRS") tax filing extensions that reported zero estimated tax liabilities, on the following dates:

- a) a tax filing extension for tax year 2015, filed on or about April 14, 2016;
- b) a tax filing extension for tax year 2016, filed on or about April 12, 2017;
- c) a tax filing extension for tax year 2017, filed on or about March 17, 2018;
- d) a tax filing extension for tax year 2018, filed on or about March 10, 2019; and
- e) a tax filing extension for tax year 2019, filed on or about July 9, 2020.

In or about August 2019, the IRS notified Robert J. Powell that he was the subject of an IRS audit. On or about October 22, 2019, Robert J. Powell was interviewed by IRS revenue agents in the course of the audit. During that interview, Robert J. Powell made several false statements to the IRS revenue agents, to conceal his income and expenditures during tax years 2014, 2015, and 2016. Those false statements included:

- a) that his only sources of funds were loan advances;
- b) that he and his spouse did not have signature authority or control over any other bank accounts; and
- c) that he had no ownership in any corporations.

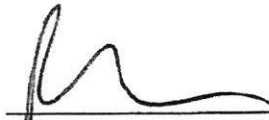
8. I understand that that total tax loss, as determined by the Court, will include all tax years referenced above, 2010 through 2022. That tax loss will constitute relevant conduct for purposes of determining the applicable sentencing guidelines range, and any restitution owed to the Internal Revenue Service.

9. I understand that if I enter a plea of guilty to the Information, the Court may ask me questions about the offense to which I have pled, and if I answer those questions falsely under oath, my answers later may be used against me in a prosecution for perjury or false statement.

I fully understand the foregoing statement, consisting of nine typewritten pages.

7/2/24

Dated



ROBERT J. POWELL

Defendant

7/2/24

Dated



STEPHEN STALLINGS, ESQ.

Counsel for Defendant