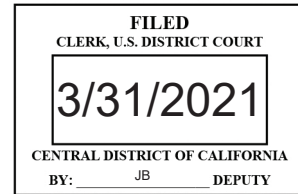


1 TRACY L. WILKISON
Acting United States Attorney
2 BRANDON D. FOX
Assistant United States Attorney
3 Chief, Criminal Division
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10 Attorneys for Applicant
11 UNITED STATES OF AMERICA

12 UNITED STATES DISTRICT COURT

13 FOR THE CENTRAL DISTRICT OF CALIFORNIA

14 UNITED STATES OF AMERICA,

No. 2:21-cr-00159-PSG

15 Plaintiff,

DEFERRED PROSECUTION
AGREEMENT

16 v.

17 JOSEPH ARSAN,

18 Defendant.

19
20
21 **I. INTRODUCTION**

22 1. This Deferred Prosecution Agreement (the "DPA") is entered
23 into between the United States Attorney's Office for the Central
24 District of California ("USAO") and defendant Joseph Arsan
25 ("defendant Arsan"). This DPA is entered into only on behalf of the
26 USAO and cannot bind any other federal, state, local or foreign
27 prosecuting, enforcement, administrative, or regulatory authorities.
28 The USAO is not aware of any pending investigations of or actions

1 against defendant Arsan, and any and all conduct beyond that
2 described in Paragraph 3 below that could give rise to any
3 investigations of or actions against defendant Arsan.

4 2. This DPA is entered into to resolve the USAO's criminal
5 investigation of defendant Arsan's tax violations in tax years 2012-
6 2016, as well as defendant Arsan's role and conduct regarding
7 alleged violations of federal election contribution laws between
8 June 2012 and September 2014 (the "Investigation").

9 **II. CRIMINAL INFORMATION AND ACCEPTANCE OF RESPONSIBILITY**

10 3. Defendant Arsan consents and agrees to the USAO filing in
11 the United States District Court for the Central District of
12 California, an Information in the form, or in the substantially
13 similar form, attached as Exhibit A that charges defendant Arsan, in
14 Count One, with assisting federal election campaign contributions
15 exceeding \$25,000 to be made in a single year by a foreign national,
16 in violation of 52 U.S.C. §§ 30121(a)(1)(A), 30109(d)(1)(A), and, in
17 Count Two, assisting federal election campaign contributions to be
18 made in the name of another (conduit contributions), in violation of
19 52 U.S.C. §§ 30122, 30109(d)(1)(D). In connection with his
20 agreement to the filing of the Information, defendant Arsan, having
21 been fully advised by his counsel, knowingly and voluntarily:

22 a. Waives his right to indictment on these charges, as
23 well as all rights to a speedy trial pursuant to the Sixth Amendment
24 to the United States Constitution, Title 18, United States Code,
25 Section 3161, and Federal Rule of Criminal Procedure 48(b), and
26 agrees to reaffirm these waivers at his initial appearance before
27 the court on the Information, if an initial appearance is necessary
28 pursuant to Paragraph 3(f);

1 b. Waives, relinquishes, and gives up: (i) any right
2 that defendant Arsan might have not to be prosecuted for the
3 offenses charged in the Information because of the expiration of the
4 statute of limitations for those offenses prior to the filing of the
5 Information; and (ii) any defense, claim, or argument defendant
6 Arsan could raise or assert that prosecution of the offenses charged
7 in the Information is barred by the expiration of the applicable
8 statute of limitations, pre-indictment delay, post-indictment delay,
9 or any speedy trial violation;

10 c. Waives, relinquishes, and gives up any right to
11 challenge the form of the charges alleged in the Information,
12 including without limitation that the charges are duplicitous;

13 d. Waives, for purposes of the charges in the
14 Information and any other charges that may be filed against
15 defendant Arsan following a finding by the Court of breach under
16 Paragraph 18 below (a "Breach") and arising out of the conduct
17 described in the Statement of Facts attached as Exhibit B
18 ("Statement of Facts"), any objection with respect to venue in the
19 Central District of California;

20 e. Following a Breach, defendant Arsan agrees to accept
21 service, through counsel reflected in this agreement, of a summons
22 to make an initial appearance on the Information before the criminal
23 duty United States Magistrate Judge, Central District of California,
24 located in the Roybal Federal Building and United States Courthouse,
25 3rd Floor, 255 E. Temple Street, Los Angeles, California, on a date
26 and time to be agreed upon by the parties to this agreement, but no
27 earlier than 30 days following a Breach and no later than 90 days
28 after a Breach (absent a Breach, defendant Arsan is not required to

1 accept service of a summons to appear on the Information in any
2 court of the United States); and

3 f. Following a Breach, defendant Arsan agrees to make an
4 initial appearance on the Information as specified in the summons.

5 4. Defendant Arsan acknowledges and agrees that he is
6 responsible under United States law for the acts charged in the
7 Information and set forth in the Statement of Facts, and that the
8 facts described in the Statement of Facts are true and correct.

9 Should the USAO pursue the prosecution that is deferred by this DPA
10 following a Breach, defendant Arsan stipulates to the admissibility
11 of the Statement of Facts in any proceeding, including any trial,
12 guilty plea, or sentencing proceeding involving the charges in the
13 Information or based on the Statement of Facts, and agrees not to
14 contradict anything in the Statement of Facts at any such
15 proceeding. Defendant Arsan's entry into this DPA does not
16 constitute an admission that he is guilty of the offenses charged in
17 the Information. In the event that the USAO offers the Statement of
18 Facts in any such proceedings, defendant Arsan agrees that he will
19 not challenge the admissibility or accuracy of the Statement of
20 Facts, but reserves the right to make any other argument relating to
21 the Statement of Facts.

22 **III. EFFECTIVE DATE OF AGREEMENT**

23 5. This agreement is effective upon signature and execution
24 of all required certifications by defendant Arsan, defendant Arsan's
25 counsel, and an Assistant United States Attorney (the "Initial
26 Effective Date").

1 **IV. TERM OF THE DPA**

2 6. This DPA is effective for a period beginning on the
3 Initial Effective Date and ending one year from the Initial
4 Effective Date (the "Term"). Defendant Arsan agrees, however, that,
5 in the event of a Breach by defendant, then an extension or
6 extensions of the Term of up to six months may be imposed by the
7 USAO for each breach, without prejudice to the USAO's right to
8 proceed as provided in Paragraphs 18-21 below. Any extension of the
9 Term extends all terms of this DPA, including the terms and
10 conditions of the requirements in Paragraphs 8-10, for an equivalent
11 period. Notwithstanding the foregoing, defendant Arsan's
12 cooperation obligations as described in Paragraph 9 of this
13 Agreement shall continue until the conclusion of any criminal
14 investigation or prosecution (through the entry of final judgment)
15 of any individual relating to the Statement of Facts, which will
16 only occur upon a letter from the USAO confirming this obligation
17 has expired.

18 **V. RELEVANT CONSIDERATIONS**

19 7. The USAO enters into this DPA based on the individual
20 facts and circumstances presented by this case and by defendant
21 Arsan. Among the factors considered were the following:
22 (a) defendant Arsan's agreement to resolve other financial
23 obligations involving the United States during the Term; (b)
24 defendant Arsan's timely willingness to acknowledge and accept
25 responsibility for the actions charged in the Information and set
26 forth in the Statement of Facts; (c) defendant's agreement to
27 cooperate with the government, including submitting to interviews
28 with the government and provision of documents, during the Term; (d)

1 defendant Arsan's residence outside of the United States, which
2 makes compulsory legal compliance and obtaining evidence located
3 outside of the United States more challenging for the government;
4 (e) defendant Arsan's personal mitigating factors; (f) the nature
5 and seriousness of the offense conduct; and (g) the legal and
6 factual defenses presented on behalf of defendant Arsan.

7 **VI. MATERIAL CONDITIONS OF DEFERRED PROSECUTION**

8 8. During the Term, defendant Arsan agrees to comply with the
9 following conditions:

10 a. Resolve any outstanding legal matters involving the
11 United States Internal Revenue Service;

12 b. Defendant Arsan agrees to assist the United States by
13 providing an interview(or interviews) or testimony, as provided in
14 Paragraph 9 below, and by responding truthfully and completely to
15 the questions that may be put to him during that interview(s), as
16 well as any testimony that may be required under that Paragraph;

17 c. Not to violate any United States law (federal, state
18 or local), with the exception of minor offenses that would be
19 excluded for sentencing purposes under United States Sentencing
20 Guidelines § 4A1.2(c); and

21 d. To advise the USAO within 48 hours if arrested for a
22 violation of United States criminal law, other than in connection
23 with minor offenses that would be excluded for sentencing purposes
24 under United States Sentencing Guidelines § 4A1.2(c).

25 9. If requested by the USAO:

26 a. to participate in an in-person, recorded interview(s)
27 or testimony with representatives from the USAO, Federal Bureau of
28 Investigation ("FBI"), and other government representatives selected

1 at the discretion of the USAO, at the USAO's office in Los Angeles,
2 California. Any such interview will occur on a date agreed to by
3 the parties through counsel indicated in this agreement. Any travel
4 expenses incurred by defendant Arsan for this interview will be the
5 responsibility of defendant Arsan. Subject to any applicable
6 privilege, during the course of the interview(s) or shortly
7 thereafter, defendant Arsan shall produce to the government any
8 requested documents, including communications, that are in his
9 possession, custody, or control, regardless of where such documents
10 are held, that may be necessary to refresh his recollection, test
11 the accuracy or veracity of his statements during the interview, or
12 to otherwise support the information provided by defendant Arsan
13 during the interview. No later than fourteen days in advance of
14 each interview, the government will provide defendant Arsan's
15 counsel a non-exhaustive written list of agenda items for each
16 interview and a list of anticipated attendees.

17 b. In the event that the USAO requires any testimony
18 from defendant Arsan following his interview(s), defendant Arsan
19 will, if requested by the government, provide such testimony in the
20 Central District of California. If the government agrees the
21 testimony can be provided outside of the United States, it will be
22 at a mutually agreeable location, and defendant Arsan will provide
23 the testimony in accordance with Rule of Criminal Procedure 15 as
24 well as the applicable laws, rules, and regulations of the country
25 and jurisdiction where such testimony is to be provided.

26 10. Thirty days prior to the end of the Term, defendant Arsan
27 will provide to the USAO a certification signed by himself and
28 counsel stating that he has met the conditions set forth in

1 Paragraph 8 of this DPA. Such certification will be deemed a
2 material statement and representation by defendant Arsan to the
3 executive branch of the United States for purposes of 18 U.S.C.
4 § 1001 (false statement to federal agency) and 18 U.S.C. § 1505
5 (obstruction of federal proceeding), and it will be deemed to have
6 been made in the Central District of California.

7 **VII. CONDITIONAL RELEASE FROM LIABILITY**

8 11. Nothing in this DPA shall preclude or limit the USAO or
9 any government entity from bringing a criminal prosecution against
10 defendant Arsan for making false statements, obstruction of justice,
11 perjury, subornation of perjury, witness tampering, or aiding and
12 abetting or conspiring to commit such offenses, based on defendant
13 Arsan's conduct in performing obligations under this DPA, including
14 information provided pursuant to defendant Arsan's interview(s) or
15 testimony. Further, the USAO may use any information related to the
16 conduct described in the Statement of Facts against defendant Arsan:
17 (a) in a prosecution for perjury or obstruction of justice; or (b)
18 in a prosecution for making a false statement.

19 12. The USAO agrees that, absent a Breach, it will not
20 prosecute defendant Arsan for any conduct, other than the charges in
21 the Information (which are addressed in Paragraph 17 below) or
22 related to the conduct described in the Statement of Facts. This
23 DPA does not provide any protection against prosecution by the USAO
24 for conduct that is not expressly referenced in the Information, the
25 Statement of Facts, or this DPA.

26 13. This DPA does not provide any protection against
27 prosecution by the USAO for any future conduct by defendant Arsan.
28

1 14. Nothing in this DPA in any way limits the USAO's ability
2 to use any information related to the conduct described in the
3 Information or the Statement of Facts in any prosecution or other
4 action not specifically precluded by this DPA.

5 15. Absent a Breach, with respect to any prosecution that may
6 be brought against defendant Arsan by the USAO, the USAO will not
7 offer in evidence in its case-in-chief any statements made by
8 defendant Arsan during the interview(s) or the statements in the
9 Statement of Facts.

10 16. Notwithstanding paragraph 15 above, the USAO may: (a) use
11 all information derived directly or indirectly from defendant
12 Arsan's interview(s) for the purpose of obtaining and pursuing leads
13 to other evidence, which evidence may be used for any purpose,
14 including any prosecution of defendant Arsan; and (b) use statements
15 made by defendant Arsan pursuant to his interview(s) and all
16 evidence obtained directly or indirectly from those statements for
17 the purpose of cross-examination should defendant Arsan testify, or
18 to refute or counter at any stage of a criminal proceeding any
19 evidence, argument, statement or representation offered by or on
20 behalf of defendant Arsan in connection with any proceeding.

21 **VIII. DEFERRED PROSECUTION**

22 17. In consideration of defendant Arsan's agreement to the
23 terms set forth in paragraphs 3, 4, 8, 9, and 10 above, the USAO
24 agrees that any prosecution of defendant Arsan for the conduct set
25 forth in the Information and Statement of Facts will, subject to the
26 breach provisions in Paragraph 18-21, be deferred for the Term.
27 Absent a Breach, the USAO will move the Court to dismiss the
28 Information with prejudice on or before the termination of the Term.

1 **IX. BREACH OF THE AGREEMENT**

2 18. Defendant Arsan agrees that if, during the Term, he
3 (a) knowingly and deliberately provides in connection with this DPA
4 false or misleading information regarding a fact deemed material by
5 the USAO; (b) knowingly fails to fulfill the obligations set forth
6 in Paragraphs 3, 4, 8, 9, 10, and 23 of this DPA; or (c) otherwise
7 fails specifically to perform or to fulfill completely any of
8 defendant Arsan's obligations under this DPA, the USAO may, in its
9 discretion, subject to the procedural requirements of Paragraph 19
10 below, seek from the Court a finding that defendant has knowingly
11 breached a provision of this DPA. Counsel for defendant Arsan will
12 be provided notice of any motion to the Court seeking a finding of
13 breach and have an opportunity to respond to such a motion. Upon
14 such a finding by the Court, defendant Arsan shall thereafter be
15 subject to prosecution for any federal criminal violation of which
16 the USAO has knowledge, including, but not limited to, the charges
17 in the Information described in paragraph 3.

18 19. In the event the USAO determines that defendant Arsan has
19 knowingly breached a provision of this DPA deemed material by the
20 USAO, the USAO agrees to provide defendant Arsan with written notice
21 of the conduct constituting such breach through counsel reflected in
22 this agreement. Within thirty days of receipt of such notice,
23 defendant Arsan shall have the opportunity to respond to the USAO in
24 writing to explain the nature and circumstances of the conduct
25 underlying the alleged breach, as well as the actions defendant
26 Arsan has taken to address and remediate the situation, which
27 explanation the USAO shall consider in determining whether to seek
28 from the Court a finding that defendant Arsan has breached this DPA.

1 A final determination that a material breach has occurred may be
2 made only upon a finding by the Court, based on a preponderance of
3 evidence, that defendant Arsan knowingly breached a provision of the
4 DPA deemed material by the USAO, after notice to defendant Arsan and
5 his counsel and an opportunity to be heard by the Court.

6 20. In the event that the Court determines that defendant
7 Arsan has breached this DPA and the USAO determines to pursue
8 prosecution of defendant Arsan for the charges in the Information,
9 then: (a) all statements made by or on behalf of defendant Arsan to
10 the USAO or to the Court, including the Statement of Facts and
11 during defendant Arsan's interview(s), and any evidence derived from
12 such statements, shall be admissible against defendant Arsan in any
13 criminal prosecution brought by the United States against defendant
14 Arsan; (b) defendant Arsan waives, gives up, and shall not assert
15 any claim under the United States Constitution, any statute, Rule
16 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the
17 Federal Rules of Evidence, or any other federal rule that any
18 statements made by or on behalf of defendant Arsan prior or
19 subsequent to this DPA, including the Statement of Facts or
20 statements made during defendant Arsan's interview(s), or any
21 evidence derived therefrom, should be suppressed or is inadmissible,
22 in a prosecution by the United States against defendant Arsan; (c)
23 defendant Arsan agrees that any applicable statute of limitations
24 for the charges in the Information is tolled between the date of his
25 signing of this DPA and the date 120 days after the Court's finding
26 that defendant Arsan has breached this agreement; and (d) defendant
27 Arsan remains bound by all other waivers expressly made as part of
28 this agreement.

1 21. Defendant Arsan acknowledges that the USAO has made no
2 representations, assurances, or promises concerning what sentence
3 may be imposed by the Court if defendant Arsan breaches this DPA,
4 the USAO follows through with prosecution, and this matter proceeds
5 to judgement. Defendant Arsan further acknowledges that any such
6 sentence is solely within the discretion of the Court and that
7 nothing in this DPA binds or restricts the Court in the exercise of
8 such discretion.

9 **X. PUBLIC FILINGS AND STATEMENTS**

10 22. Defendant Arsan and the USAO agree that the Information
11 and DPA (and its exhibits) shall be filed in the United States
12 District Court for the Central District of California before the
13 expiration of the Term. At least five court days prior to the USAO
14 filing the Information and DPA, the USAO will provide counsel
15 reflected in this agreement notice of its intent to file the
16 Information and DPA.

17 23. Defendant Arsan expressly agrees that he shall not, either
18 himself or through present or future attorneys, agents, or any other
19 person authorized to speak for defendant Arsan, make any public
20 statement, in litigation or otherwise, contradicting the facts set
21 forth in the Statement of Facts. Any material contradictory
22 statement by defendant Arsan, or directed or knowingly caused by
23 him, regarding a fact in the Statement of Facts shall, subject to
24 cure rights of defendant Arsan described below, constitute a Breach
25 of this DPA, and the USAO may thereafter seek a finding from the
26 Court of Breach. Defendant Arsan may avoid a Breach of this DPA by
27 publicly repudiating such statement(s) within five business days
28 after notice from the USAO of the identified contradictory

1 statement. If the Court finds a knowing Breach, the USAO may then
2 seek prosecution as set forth in Paragraphs 18-21 of this DPA.
3 Defendant Arsan shall be permitted to raise defenses and to assert
4 affirmative claims in other proceedings relating to the matters set
5 forth in the Statement of Facts provided that such defenses and
6 claims do not materially contradict, in whole or in part, a
7 statement contained in the Statement of Facts or made during
8 defendant's interview(s).

9 **XI. MISCELLANEOUS PROVISIONS**

10 24. Any notice or report to the USAO under this DPA shall be
11 provided (1) via email to mack.jenkins@usdoj.gov and
12 aron.ketchel@usdoj.gov and personal delivery, overnight delivery by
13 a recognized delivery service, or registered or certified mail,
14 addressed to:

15 Mack E. Jenkins or
16 Chief, Public Corruption and Civil Rights Section
17 United States Attorney's Office, Central District of California
18 312 N. Spring Street, 15th Floor
19 Los Angeles, CA 90012

20 Notice shall be effective upon confirmed receipt by the USAO.

21 25. This DPA may be executed in one or more counterparts, each
22 of which shall be considered effective as an original signature.
23 Further, all digital images of signatures shall be treated as
24 originals for all purposes.

25 26. This DPA is covered by the laws of the United States. The
26 USAO and defendant Arsan agree that exclusive jurisdiction and venue
27 for any dispute arising under this DPA is in the United States
28 District Court for the Central District of California.

1 27. This DPA sets forth all the terms of the agreement between
2 defendant Arsan and the USAO. Defendant Arsan understands and
3 agrees that, except as set forth in this DPA and its exhibits, there
4 are no promises, understandings, or agreements between the USAO and
5 defendant Arsan or his attorneys and that no amendments,
6 modifications or additions to this DPA or its exhibits shall be
7 valid unless they are in writing and signed by the USAO, an attorney
8 for defendant Arsan, and defendant Arsan.

9 **AGREED AND ACCEPTED**

10 Dated: November 10, 2020

Respectfully submitted,

11 NICOLA T. HANNA
12 United States Attorney

13 BRANDON D. FOX
14 Assistant United States Attorney
Chief, Criminal Division

15 *Mack E. Jenkins*

16 MACK E. JENKINS
17 ARON KETCHEL
Assistant United States Attorneys

18 Attorneys for Plaintiff
UNITED STATES OF AMERICA

19 *[Signature]*

20 _____
21 JOSEPH ARSAN
Defendant

20 *11/10/2020*
Date

22 *[Signature]*
23 _____
24 DAVID SCHEPER
Scheper Kim & Harris LLP
25 EVAN J. DAVIS
Hochman Salkin Toscher Perez P.C.
26 Counsel for JOSEPH ARSAN

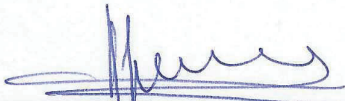
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Acknowledgment by Joseph Arsan

I have read this DPA and its exhibits in their entirety. I have had enough time to review and consider this DPA and its exhibits and I have carefully and thoroughly discussed every part of it with my attorneys. I understand the terms of this DPA, and I voluntarily agree to those terms. I have discussed the evidence with my attorney, and my attorney has advised me of my rights, of possible criminal charges that might be filed, of possible defenses that might be asserted either prior to or at trial, and of the consequences of entering into this DPA. No promises, inducements, or representations of any kind have been made to me other than those contained in the DPA and its exhibits. No one has threatened or forced me in any way to enter into the DPA. I am satisfied with the representation of my attorneys in this matter, and I am entering into the DPA because I wish to take advantage of the promises and representations set forth in this DPA and its exhibits, and not for any other reason.



JOSEPH ARSAN
Defendant

Date 11/10/2020

1 **Acknowledgment by Counsel**

2 I am Joseph Arsan's attorney. I have carefully and thoroughly
3 discussed every part of this DPA with my client. Further, I have
4 fully advised my client of his rights, of possible criminal charges
5 that might be filed, of possible defenses that might be asserted
6 either prior to or at trial, and of the consequences of entering
7 into this DPA. To my knowledge (1) no promises, inducements, or
8 representations of any kind have been made to my client other than
9 those contained in this DPA and its exhibits; (2) no one has
10 threatened or forced my client in any way to enter into the DPA; and
11 (3) my client's decision to enter into the DPA is an informed and
12 voluntary one.

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15 DAVID C. SCHEPER
16 Scheper Kim & Harris LLP
17 Counsel for JOSEPH ARSAN

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EXHIBIT A

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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOSEPH ARSAN,

Defendant.

CR No.

I N F O R M A T I O N

[52 U.S.C. §§ 30121(a)(1)(A),
30109(d)(1)(A): Campaign
Contribution by Foreign National;
52 U.S.C. §§ 30122,
30109(d)(1)(D): Conduit Campaign
Contribution]

The Acting United States Attorney charges:

COUNT ONE

[52 U.S.C. §§ 30121(a)(1)(A), 30109(d)(1)(A); 18 U.S.C. § 2]

In the following calendar years, in Los Angeles County, within the Central District of California, and elsewhere, defendant JOSEPH ARSAN, while aiding and abetting those known and unknown to the Acting United States Attorney, including co-conspirator Gilbert Ramez Chagoury, a foreign national, knowingly and willfully violated the Federal Election Campaign Act by assisting Chagoury's following federal election campaign contributions exceeding \$25,000 in a single calendar year:

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Calendar Year	Campaign	Total Amount of Contributions
2012	Federal Candidate A Fund	\$100,000
2014	Federal Candidate B Fund	\$20,000
2014	Federal Candidate C Fund	\$30,000

COUNT TWO

[52 U.S.C. §§ 30122, 30109(d)(1)(D); 18 U.S.C. § 2]

On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendant JOSEPH ARSAN, while aiding and abetting those known and unknown to the Acting United States Attorney, knowingly and willfully violated the Federal Election Campaign Act by assisting co-conspirator Gilbert Ramez Chagoury's following federal election campaign contributions in the name of another exceeding \$25,000 in a single calendar year. More specifically, defendant ARSAN knowingly and willfully aided Chagoury to contribute to the following federal campaign committees and, in turn, provided Chagoury's funds to individuals who made the following contributions to federal campaign committees, which were fully reimbursed with Chagoury's funds:

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Date	Campaign	Conduit Contributor	Amount
9/4/12	Federal Candidate A Fund	EA	\$45,000
9/4/12	Federal Candidate A Fund	EA	\$5,000
9/6/12	Federal Candidate A Fund	JF	\$25,000
9/6/12	Federal Candidate A Fund	MF	\$25,000
9/3/14	Federal Candidate B Fund	OA	\$2,600
9/3/14	Federal Candidate B Fund	NA	\$2,600
9/3/14	Federal Candidate B Fund	EA	\$2,600
9/3/14	Federal Candidate B Fund	LZ	\$2,200
9/28/14	Federal Candidate C Fund	EA	\$15,000
9/28/14	Federal Candidate C Fund	MA	\$15,000

TRACY L. WILKISON
Acting United States Attorney



BRANDON D. FOX
Assistant United States Attorney
Chief, Criminal Division

MACK E. JENKINS
Assistant United States Attorney
Chief, Public Corruption and Civil
Rights Section

ARON KETCHEL
Assistant United States Attorney
Public Corruption and Civil Rights
Section

1 **EXHIBIT B: STATEMENT OF FACTS**

2 Beginning in or around June 2012 and continuing through in or
3 around March 2016, JOSEPH ARSAN ("ARSAN"), Gilbert Chagoury
4 ("Chagoury"), Individual H, Toufic Baaklini, Individual I, and
5 others violated United States laws by (i) assisting the making of
6 federal election campaign contributions exceeding \$25,000 in a
7 single year by a foreign national, in violation of 52 U.S.C.
8 §§ 30121(a)(1)(A), 30109(d)(1)(A); and (ii) making federal election
9 campaign contributions in the name of another (conduit
10 contributions), in violation of 52 U.S.C. §§ 30122, 30109(d)(1)(D).

11 ARSAN is a physician who worked as an assistant to Chagoury.
12 At all times relevant to this factual statement, Chagoury was a
13 "foreign national" and thus prohibited from making donations and
14 contributions directly or indirectly in support of any candidate for
15 elected office in the United States at the federal, state, or local
16 level.

17 In the summer of 2012, Chagoury agreed to use \$100,000 of his
18 money to contribute through other individuals to a fundraising
19 committee of a then-Presidential candidate (the "Candidate A Fund").
20 Chagoury discussed and agreed with Individual H that Individual H
21 would arrange to have a total of \$100,000 contributed to the
22 Candidate A Fund and that Chagoury would reimburse the \$100,000
23 contributed to the Candidate A Fund. Individual H made a \$45,000
24 contribution to the Candidate A Fund on September 4, 2012, and a
25 \$5,000 contribution to the Candidate A Fund on September 6, 2012.
26 ARSAN, at Chagoury's direction, then arranged to reimburse
27 Individual H with \$50,000 of Chagoury's funds in October 2012.
28 Individual H also recruited Individual I to make a contribution to

1 the Candidate A Fund. Individual I arranged for a \$50,000
2 contribution to be made to the Candidate A Fund on September 4,
3 2012. ARSAN, at Chagoury's direction, then arranged to reimburse
4 Individual I with \$50,000 of Chagoury's funds in or around September
5 2012.

6 In August 2014, Chagoury arranged for \$20,000 of his money to
7 be contributed through other individuals to the re-election campaign
8 of then-U.S. Representative ("Candidate B"). Individual H arranged
9 for multiple individuals to contribute to Candidate B's re-election
10 campaign in and around August 2014. Individual H communicated by
11 email with ARSAN in September 2014 regarding the reimbursement for
12 the contributions. On or around September 25, 2014, ARSAN, at
13 Chagoury's direction, wired \$20,000 to Individual H and, at
14 Chagoury's direction, indicated on the wire information form that
15 the funds were for an "engagement gift," when ARSAN knew or should
16 have known that the funds were sent to reimburse Individual H for
17 Individual H and others making political contributions to Candidate
18 B's political campaign, and not an engagement gift.

19 In September 2014, Chagoury arranged for \$30,000 of his money
20 to be contributed through other individuals to the fundraising
21 committee for the then-U.S. Representative (the "Candidate C Fund").
22 Chagoury met with Individual H at a special interest group
23 conference in Washington, D.C. in September 2014, and asked
24 Individual H to (i) host a political fundraiser for Candidate C in
25 Los Angeles, California; and (ii) to contribute \$30,000 to the
26 Candidate C Fund, which Chagoury stated he would reimburse to
27 Individual H. On September 28, 2014, Individual H contributed
28 \$30,000 to the Candidate C Fund. On October 21, 2014, ARSAN, at

1 Chagoury's direction, wired \$30,000 to Individual H fund, at
2 Chagoury's direction, indicated on the wire information form that
3 the funds were for a "wedding gift," when ARSAN knew or should have
4 known that the funds were sent to reimburse Individual H for making
5 a political contribution to the Candidate C Fund, and not for a
6 wedding gift.

7 During the course of events described above, ARSAN knew that it
8 was illegal for Chagoury to contribute to candidates for elective
9 office in the U.S. and ARSAN further knew that it was illegal to
10 make or facilitate making contributions to candidates for elective
11 office in the name of other individuals.

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