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8 IN THE UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF CALIFORNIA
10

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.
14 DEBORAH GWEN ORREY,
15 Defendant.

CASE NO. 2:20-CR-0065-JAM
PLEA AGREEMENT
DATE: FEBRUARY 9, 2021
TIME: 9:30 A.M.
COURT: Hon. JOHN A. MENDEZ

16
17 **I. INTRODUCTION**

18 **A. Scope of Agreement.**

19 The Superseding Information in this case charges the defendant with violation of 26 U.S.C. §
20 7206(1) – Making and Subscribing a False Tax Return (“Count 1”). This document contains the
21 complete plea agreement between the United States Attorney’s Office for the Eastern District of
22 California (the “government”) and the defendant regarding this case. This plea agreement is limited to
23 the United States Attorney’s Office for the Eastern District of California and cannot bind any other
24 federal, state, or local prosecuting, administrative, or regulatory authorities.

25 **B. Court Not a Party.**

26 The Court is not a party to this plea agreement. Sentencing is a matter solely within the
27 discretion of the Court, and the Court may take into consideration any and all facts and circumstances
28 concerning the criminal activities of defendant, including activities which may not have been charged in

1 the Superseding Information. The Court is under no obligation to accept any recommendations made by
2 the government, and the Court may in its discretion impose any sentence it deems appropriate up to and
3 including the statutory maximum stated in this plea agreement.

4 If the Court should impose any sentence up to the maximum established by the statute, the
5 defendant cannot, for that reason alone, withdraw her guilty plea, and she will remain bound to fulfill all
6 of the obligations under this plea agreement. The defendant understands that neither the prosecutor,
7 defense counsel, nor the Court can make a binding prediction or promise regarding the sentence she will
8 receive.

9 **II. DEFENDANT'S OBLIGATIONS**

10 **A. Guilty Plea.**

11 The defendant will plead guilty to violations of 26 U.S.C. § 7206(1) – Making and Subscribing a
12 False Tax Return (Count 1). The defendant agrees that she is in fact guilty of these charges and that the
13 facts set forth in the Factual Basis for Plea attached hereto as Exhibit A are accurate.

14 The defendant agrees that this plea agreement will be filed with the Court and become a part of
15 the record of the case. The defendant understands and agrees that she will not be allowed to withdraw
16 her plea should the Court not follow the government's sentencing recommendations.

17 The defendant agrees that the statements made by her in signing this Agreement, including the
18 factual admissions set forth in the factual basis, shall be admissible and useable against the defendant by
19 the United States in any subsequent criminal or civil proceedings, even if the defendant fails to enter a
20 guilty plea pursuant to this Agreement. The defendant waives any rights under Fed. R. Crim. P. 11(f)
21 and Fed. R. Evid. 410, to the extent that these rules are inconsistent with this paragraph or with this
22 Agreement generally.

23 The defendant acknowledges that under the United States Constitution she is entitled to be
24 indicted by a grand jury on the charges to which she is pleading guilty and that pursuant to Fed. R. Crim.
25 P. 7(b) she agrees to waive any and all rights she has to being prosecuted by way of indictment to the
26 charges set forth in the information. The defendant agrees that at a time set by the Court, she will sign a
27 written waiver of prosecution by Indictment and consent to proceed by Information rather than by
28 Indictment.

1 **B. Restitution.**

2 The defendant agrees to pay full restitution to the Internal Revenue Service (IRS) in an amount
3 equal to \$112,083.40. Any restitution paid to the IRS shall be credited by the IRS against any amount
4 which the defendant owes the IRS, in accordance with standard IRS procedure.

5 The defendant understands that this agreement does not relieve the defendant from any legal
6 obligation to pay additional amounts due and owing to the IRS. The defendant understands that nothing
7 in this agreement restricts the United States or the IRS from initiating any collection or civil
8 enforcement action relating thereto, nor does this agreement bar the defendant from civilly contesting
9 any liabilities determined by the IRS, or bar the defendant from exercising her rights in collection
10 proceedings as provided by the Internal Revenue code and standard IRS procedure. The defendant
11 understands that the factual basis of this plea agreement binds only the United States Attorney's Office
12 for the Eastern District of California in this criminal case, and does not bind any agency of the United
13 States in any other judicial, administrative, or other proceeding.

14 The defendant also agrees to pay restitution pursuant to 18 U.S.C. § 3663(a)(3) to the victims of
15 the dismissed counts and/or of the scheme as described in Exhibit A in an amount equal to at least
16 \$3,279.

17 Restitution payments shall be by cashier's or certified check made payable to the Clerk of the
18 Court. The defendant further agrees that she will not seek to discharge any restitution obligation or any
19 part of such obligation in any bankruptcy proceeding.

20 **C. Fine.**

21 The parties agree that no fine is appropriate in this case.

22 **D. Special Assessment.**

23 The defendant agrees to pay a special assessment of \$100 at the time of sentencing by delivering
24 a check or money order payable to the United States District Court to the United States Probation Office
25 immediately before the sentencing hearing. If the defendant is unable to pay the special assessment at
26 the time of sentencing, she agrees to earn the money to pay the assessment, if necessary, by participating
27 in the Inmate Financial Responsibility Program. The defendant understands that this plea agreement is
28 voidable at the option of the government if she fails to pay the assessment prior to that hearing.

1 **E. Violation of Plea Agreement by Defendant/Withdrawal of Plea.**

2 If the defendant violates this plea agreement in any way, withdraws her plea, or tries to withdraw
3 her plea, this plea agreement is voidable at the option of the government. If the government elects to
4 void the agreement based on the defendant's violation, the government will no longer be bound by its
5 representations to the defendant concerning the limits on criminal prosecution and sentencing as set
6 forth herein. A defendant violates the plea agreement by committing any crime or providing or
7 procuring any statement or testimony which is knowingly false, misleading, or materially incomplete in
8 any litigation or sentencing process in this case, or engages in any post-plea conduct constituting
9 obstruction of justice. Varying from stipulated Guidelines application or agreements regarding
10 arguments as to 18 United States Code section 3553, as set forth in this agreement, personally or through
11 counsel, also constitutes a violation of the plea agreement. The government also shall have the right (1)
12 to prosecute the defendant on any of the counts to which she pleaded guilty; (2) to reinstate any counts
13 that may be dismissed pursuant to this plea agreement; and (3) to file any new charges that would
14 otherwise be barred by this plea agreement. The defendant shall thereafter be subject to prosecution for
15 any federal criminal violation of which the government has knowledge. The decision to pursue any or
16 all of these options is solely in the discretion of the United States Attorney's Office.

17 By signing this plea agreement, the defendant agrees to waive any objections, motions, and
18 defenses that the defendant might have to the government's decision. Any prosecutions that are not
19 time-barred by the applicable statute of limitations as of the date of this plea agreement may be
20 commenced in accordance with this paragraph, notwithstanding the expiration of the statute of
21 limitations between the signing of this plea agreement and the commencement of any such prosecutions.
22 The defendant agrees not to raise any objections based on the passage of time with respect to such
23 counts including, but not limited to, any statutes of limitation or any objections based on the Speedy
24 Trial Act or the Speedy Trial Clause of the Sixth Amendment to any counts that were not time-barred as
25 of the date of this plea agreement. The determination of whether the defendant has violated the plea
26 agreement will be under a probable cause standard.

27 In addition, (1) all statements made by the defendant to the government or other designated law
28 enforcement agents, or any testimony given by the defendant before a grand jury or other tribunal,

1 whether before or after this plea agreement, shall be admissible in evidence in any criminal, civil, or
2 administrative proceedings hereafter brought against the defendant; and (2) the defendant shall assert no
3 claim under the United States Constitution, any statute, Rule 11(f) of the Federal Rules of Criminal
4 Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that statements made by
5 the defendant before or after this plea agreement, or any leads derived therefrom, should be suppressed.
6 By signing this plea agreement, the defendant waives any and all rights in the foregoing respects.

7 **F. Asset Disclosure.**

8 The defendant agrees to make a full and complete disclosure of her assets and financial
9 condition, and will complete the United States Attorney's Office's "Authorization to Release
10 Information" and "Financial Affidavit" within five (5) weeks from the entry of the defendant's change
11 of plea, including supporting documentation. The defendant also agrees to have the Court enter an order
12 to that effect. The defendant understands that if she fails to complete truthfully and provide the
13 described documentation to the United States Attorney's office within the allotted time, she will be
14 considered in violation of the agreement, and the government shall be entitled to the remedies set forth
15 in section II.E above, above.

16 **III. THE GOVERNMENT'S OBLIGATIONS**

17 **A. Dismissals/Other Charges.**

18 The government agrees to move, at the time of sentencing, to dismiss without prejudice the
19 remaining counts in the Information. The government also agrees not to reinstate any dismissed count
20 except if this agreement is voided as set forth herein, or as provided in paragraphs II.E (Violation of Plea
21 Agreement by Defendant/Withdrawal of Plea and VII.B (Waiver of Appeal and Collateral Attack)
22 herein.

23 **B. Recommendations.**

24 1. Incarceration Range.

25 The government will recommend that the defendant be sentenced to the low end of the
26 applicable guideline range as determined by the Court.

27 2. Acceptance of Responsibility.

28 The government will recommend a two-level reduction (if the offense level is less than

16) or a three-level reduction (if the offense level reaches 16) in the computation of her offense level if the defendant clearly demonstrates acceptance of responsibility for her conduct as defined in U.S.S.G. § 3E1.1. This includes the defendant meeting with and assisting the probation officer in the preparation of the pre-sentence report, being truthful and candid with the probation officer, and not otherwise engaging in conduct that constitutes obstruction of justice within the meaning of U.S.S.G § 3C1.1, either in the preparation of the pre-sentence report or during the sentencing proceeding.

C. Use of Information for Sentencing.

The government is free to provide full and accurate information to the Court and Probation, including answering any inquiries made by the Court and/or Probation and rebutting any inaccurate statements or arguments by the defendant, her attorney, Probation, or the Court. The defendant also understands and agrees that nothing in this Plea Agreement bars the government from defending on appeal or collateral review any sentence that the Court may impose.

IV. ELEMENTS OF THE OFFENSE

At a trial, the government would have to prove beyond a reasonable doubt the following elements of Count 1 to which the defendant is pleading guilty, making and subscribing a false tax return in violation of 26 U.S.C. § 7206(1):

1. The defendant signed and filed a tax return for the 2016 tax year that she knew contained incorrect information as to a material matter;
2. The return contained a written declaration that it was being signed subject to the penalties of perjury; and
3. In filing the false tax return, the defendant acted willfully.

The defendant fully understands the nature and elements of the crimes charged in the Superseding Information to which she is pleading guilty, together with the possible defenses thereto, and has discussed them with her attorney.

V. MAXIMUM SENTENCE

A. Maximum Penalty.

For each count, the maximum sentence that the Court can impose is three years of incarceration, a fine of up to \$100,000, the costs of prosecution, a one year period of supervised release, and a

1 mandatory special assessment fee of \$100. By signing this plea agreement, the defendant also agrees
2 that the Court can order the payment of restitution for the full loss caused by the defendant's wrongful
3 conduct. The defendant agrees that the restitution order is not restricted to the amounts alleged in the
4 specific counts to which she is pleading guilty. The defendant further agrees, as noted above, that she
5 will not attempt to discharge in any present or future bankruptcy proceeding any restitution imposed by
6 the Court.

7 **B. Violations of Supervised Release.**

8 The defendant understands that if she violates a condition of supervised release at any time
9 during the term of supervised release, the Court may revoke the term of supervised release and require
10 the defendant to serve up to one additional year imprisonment.

11 **VI. SENTENCING DETERMINATION**

12 **A. Statutory Authority.**

13 The defendant understands that the Court must consult the Federal Sentencing Guidelines and
14 must take them into account when determining a final sentence. The defendant understands that the
15 Court will determine a non-binding and advisory guideline sentencing range for this case pursuant to the
16 Sentencing Guidelines and must take them into account when determining a final sentence. The
17 defendant further understands that the Court will consider whether there is a basis for departure from the
18 guideline sentencing range (either above or below the guideline sentencing range) because there exists
19 an aggravating or mitigating circumstance of a kind, or to a degree, not adequately taken into
20 consideration by the Sentencing Commission in formulating the Guidelines. The defendant further
21 understands that the Court, after consultation and consideration of the Sentencing Guidelines, must
22 impose a sentence that is reasonable in light of the factors set forth in 18 U.S.C. § 3553(a).

23 **B. Recommendations to the Court.**

24 The defendant is free to recommend to the Court whatever sentence she believes is
25 appropriate under 18 U.S.C. § 3553(a). The government will recommend that the defendant be
26 sentenced to the low-end of the applicable guideline range as determined by the Court.

1 **VII. WAIVERS**

2 **A. Waiver of Constitutional Rights.**

3 The defendant understands that by pleading guilty she is waiving the following constitutional
4 rights: (a) to plead not guilty and to persist in that plea if already made; (b) to be tried by a jury; (c) to
5 be assisted at trial by an attorney, who would be appointed if necessary; (d) to pursue any affirmative
6 defenses, Fourth Amendment or Fifth Amendment claims, constitutional challenges to the statutes of
7 conviction, and other pretrial motions that have been filed or could be filed; (e) to subpoena witnesses to
8 testify on her behalf; (f) to confront and cross-examine witnesses against her; and (g) not to be
9 compelled to incriminate herself.

10 **B. Waiver of Appeal and Collateral Attack.**

11 The defendant understands that the law gives the defendant a right to appeal her guilty plea,
12 conviction, and sentence. The defendant agrees as part of her plea, however, to give up the right to
13 appeal the guilty plea, conviction, and the sentence imposed in this case as long as the sentence does not
14 exceed three years. The defendant understands that this waiver includes, but is not limited to, any and
15 all constitutional and/or legal challenges to the defendant's conviction and guilty plea, including
16 arguments that the statutes to which defendant is pleading guilty are unconstitutional, and any and all
17 claims that the statement of facts attached to this agreement is insufficient to support the defendant's
18 plea of guilty. The defendant specifically gives up the right to appeal any order of restitution the Court
19 may impose.

20 Notwithstanding the defendant's waiver of appeal, the defendant will retain the right to appeal if
21 one of the following circumstances occurs: (1) the sentence imposed by the District Court exceeds the
22 statutory maximum; and/or (2) the government appeals the sentence in the case. The defendant
23 understands that these circumstances occur infrequently and that in almost all cases this Agreement
24 constitutes a complete waiver of all appellate rights.

25 In addition, regardless of the sentence the defendant receives, the defendant also gives up any
26 right to bring a collateral attack, including a motion under 28 U.S.C. § 2255 or § 2241, challenging any
27 aspect of the guilty plea, conviction, or sentence, except for non-waivable claims.

28 Notwithstanding the government's agreements in paragraph III.A above, if the defendant ever

1 attempts to vacate her plea, dismiss the underlying charges, or modify or set aside her sentence on any of
2 the counts to which she is pleading guilty, the government shall have the rights set forth in Section II.E
3 herein.

4 **C. Waiver of Attorneys' Fees and Costs.**

5 The defendant agrees to waive all rights under the "Hyde Amendment," Section 617, P.L. 105-
6 119 (Nov. 26, 1997), to recover attorneys' fees or other litigation expenses in connection with the
7 investigation and prosecution of all charges in the above-captioned matter and of any related allegations
8 (including without limitation any charges to be dismissed pursuant to this plea agreement and any
9 charges previously dismissed).

10 **D. Impact of Plea on Defendant's Immigration Status.**

11 Defendant recognizes that pleading guilty may have consequences with respect to her
12 immigration status if she is not a citizen of the United States. Under federal law, a broad range of
13 crimes are removable offenses, including offenses to which the defendant is pleading guilty. Removal
14 and other immigration consequences are the subject of a separate proceeding, however, and defendant
15 understands that no one, including her attorney or the district court, can predict to a certainty the effect
16 of her conviction on her immigration status. Defendant nevertheless affirms that she wants to plead
17 guilty regardless of any immigration consequences that her plea may entail, even if the consequence is
18 her automatic removal from the United States.

19 **E. Consent to Permanent Injunction.**

20 The defendant agrees, as part of this plea agreement, to be permanently enjoined under 26 U.S.C.
21 §§ 7402 and 7407, from preparing or filing federal tax returns for anyone other than herself. The
22 defendant understands that the United States may file a civil complaint against her seeking this relief,
23 and the defendant agrees to consent to a permanent injunction.

24 **VIII. ENTIRE PLEA AGREEMENT**


25 Other than this plea agreement, no agreement, understanding, promise, or condition between the
26 government and the defendant exists, nor will such agreement, understanding, promise, or condition
27 exist unless it is committed to writing and signed by the defendant, counsel for the defendant, and
28 counsel for the United States.

IX. APPROVALS AND SIGNATURES

A. Defense Counsel.

I have read this plea agreement and have discussed it fully with my client. The plea agreement accurately and completely sets forth the entirety of the agreement. I concur in my client's decision to plead guilty as set forth in this plea agreement.

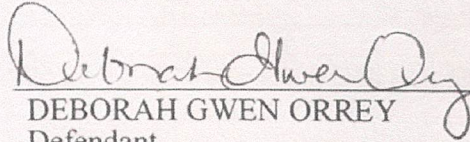
Dated: February 5, 2021


MEGAN HOPKINS
Attorney for Defendant

B. Defendant:

I have read this plea agreement and carefully reviewed every part of it with my attorney. I understand it, and I voluntarily agree to it. Further, I have consulted with my attorney and fully understand my rights with respect to the provisions of the Sentencing Guidelines that may apply to my case. No other promises or inducements have been made to me, other than those contained in this plea agreement. In addition, no one has threatened or forced me in any way to enter into this plea agreement. Finally, I am satisfied with the representation of my attorney in this case.

Dated: 2/5/2021


DEBORAH GWEN ORREY
Defendant

C. Attorney for United States:

I accept and agree to this plea agreement on behalf of the government.

Dated: February 3, 2021

MCGREGOR W. SCOTT
United States Attorney

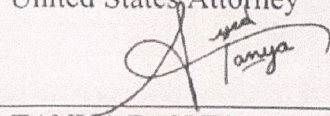

TANYA B. SYED
Assistant United States Attorney

EXHIBIT "A"

Factual Basis for Plea

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3 If this matter proceeded to trial, the United States would establish the following facts beyond a
4 reasonable doubt:

5 Deborah Gwen Orrey, a resident of Shasta County, California, was the owner and operator of
6 Affordable Tax, Bankruptcy, and Bookkeeping for the periods of time referenced in this Exhibit A.

7 For the 2013 tax year, Orrey willfully used her taxpayer pin number to electronically file a U.S.
8 Joint Income Tax Return that contained a written declaration that it was being signed subject to the
9 penalties of perjury, which contained false and incorrect information to material matters, including but
10 not limited to (1) false education credits regarding expenses regarding her attendance at Shasta College
11 when, in fact, she had not attended Shasta College in 2013, (2) medical expenses of \$11,738 when, in
12 fact, her medical expenses were approximately \$1,435, and (3) mortgage interest of \$13,355 when, in
13 fact, this amount included her property tax that was already deducted elsewhere on the return. A
14 revenue agent calculated Orrey's additional tax due to the IRS to be \$19,852 for the 2013 tax year.

15 For the 2014 tax year, Orrey willfully used her taxpayer pin number to electronically file a U.S.
16 Joint Income Tax Return that contained a written declaration that it was being signed subject to the
17 penalties of perjury, which contained false and incorrect information to material matters, including but
18 not limited to (1) false education credits when, in fact, neither she, her husband, nor her son had paid the
19 education expenses claimed and (2) medical expenses of \$20,331 when, in fact, her medical expenses
20 were approximately \$4,483. A revenue agent calculated Orrey's additional tax due to the IRS to be
21 \$8,254 for the 2014 tax year.

22 For the 2015 tax year, Orrey willfully used her taxpayer pin number to electronically file a U.S.
23 Joint Income Tax Return that contained a written declaration that it was being signed subject to the
24 penalties of perjury, which contained false and incorrect information to material matters, including but
25 not limited to (1) false education credits when, in fact, neither she, her husband, nor her son had paid the
26 education expenses claimed, (2) medical expenses of \$11,269 when, in fact her medical expenses were
27 approximately \$5,182, and (3) claiming \$10,200 in contract labor and \$14,949 in depreciation when, in
28

1 fact, both of those amounts were zero. A revenue agent calculated Orrey's additional tax due to the IRS
2 to be \$18,857 for the 2015 tax year.

3 For the 2016 tax year, Orrey willfully used her taxpayer pin number to electronically file a U.S.
4 Joint Income Tax Return that contained a written declaration that it was being signed subject to the
5 penalties of perjury, which contained false and incorrect information to material matters, including but
6 not limited to (1) false education credits when, in fact, neither she, her husband, nor her son had paid the
7 education expenses claimed, (2) medical expenses of \$15,283 when, in fact her medical expenses were
8 approximately \$1,962, (3) claiming depreciation of \$14,027 when, in fact, this amount was zero, and (4)
9 inflating her vehicle expenses. A revenue agent calculated Orrey's additional tax due to the IRS to be
10 \$32,263 for the 2016 tax year.

11 For the tax years 2013 through 2015, Orrey also aided in the preparation of tax returns for clients
12 of her business, Affordable Tax, Bankruptcy, and Bookkeeping. Orrey willfully falsified medical
13 expenses, charitable donations, employee business expenses and education credits on at least sixteen
14 returns that she filed on her clients' behalf. Her clients were unaware of these falsifications. To the
15 extent that Orrey provided copies of the returns to her clients, these copies did not match the returns she
16 filed with the Internal Revenue Service. Orrey split the refunds due to her clients without her client's
17 knowledge, causing a portion of the clients' refunds to be deposited to her own bank account. Her
18 clients did not authorize this split. A revenue calculated that the tax loss due to Orrey's activities as a
19 return preparer for tax years 2013 through 2015 is \$32,858. In addition, in some instances, in splitting
20 the refund, Orrey diverted without authorization a portion of the legitimate refund due to her clients. A
21 revenue agent calculated that eight of her clients suffered an actual loss of a total of \$3,729.

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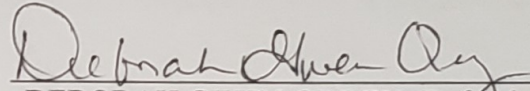
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1 In total, a revenue agent calculated that the actual loss and additional tax due to the Internal
2 Revenue Service from the materially false returns filed willfully by Orrey was \$112,084. In addition,
3 the revenue agent calculated that the actual loss to eight of Orrey's clients was \$3,729. Both of these
4 figures incorporate the amounts referenced in the paragraphs above.

5
6 *I, Deborah Gwen Orrey, have read and carefully reviewed the above Factual Basis for Plea with my*
7 *attorney. I agree that the facts, as they concern my conduct, are correct. I also agree that if this matter*
8 *proceeded to trial, the United States could establish each of the facts contained within the Factual Basis*
9 *for Plea beyond a reasonable doubt, and that those facts satisfy the elements of the offense to which I am*
10 *pleading guilty.*

11 Dated: 2/5/2021

12 
13 _____
14 DEBORAH GWEN ORREY, Defendant