

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

JORDAN ECKERLING

No. 18 CR 002

Judge Virginia Kendall

PLEA AGREEMENT

1. This Plea Agreement between the United States Attorney for the Northern District of Illinois, JOHN R. LAUSCH, JR., and defendant JORDAN ECKERLING, and his attorneys, RONALD MENAKER and NANCY DEPODESTA, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure. The parties to this Agreement have agreed upon the following:

Charge in This Case

2. The information in this case charges defendant with tax evasion, in violation of Title 26, United States Code, Section 7201.

3. Defendant has read the charge against him contained in the information, and that charge has been fully explained to him by his attorney.

4. Defendant fully understands the nature and elements of the crime with which he has been charged.

Charge to Which Defendant Is Pleading Guilty

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the information, which charges defendant with tax evasion, in violation of Title 26, United States Code, Section 7201.

Factual Basis

6. Defendant will plead guilty because he is in fact guilty of the charge contained in the information. In pleading guilty, defendant admits the following facts and that those facts establish his guilt beyond a reasonable doubt and constitute relevant conduct pursuant to Guideline § 1B1.3:

a. Offense Conduct

Beginning on or about January 1, 2009, and continuing through on or about October 2010, in the Northern District of Illinois, Eastern Division, defendant JORDAN ECKERLING did willfully attempt to evade and defeat the payment of substantial income tax due and owing by defendant to the United States of America for calendar year 2009, namely, approximately \$216,750. To conceal his income from and avoid reporting his income to the IRS, defendant ECKERLING caused his employer, Pagecomm of Illinois, to pay him income through: (1) direct business checks to ECKERLING; (2) direct payments for ECKERLING's personal expenses; (3) payments for Pagecomm credit card bills that contained charges for ECKERLING's personal items; and (4) ECKERLING's personal use of gift cards provided to Pagecomm as payment for inventory. ECKERLING furthered his evasion by filing a false individual income tax return for calendar year 2009, which did not report his income from Pagecomm.

Specifically, during calendar year 2009, ECKERLING was the sole shareholder and officer of Pagecomm, an Illinois corporation that was in the business of selling cellular telephone service and cellular telephone equipment for Provider A, through

multiple cellular telephone stores. Provider A paid Pagecomm a commission for all activated and ongoing cellular service, and provided cellular telephones and related equipment to Pagecomm at wholesale prices for retail sale by Pagecomm. In 2009, Provider A deposited substantial gross revenues into Pagecomm's bank account, an account controlled solely by ECKERLING. ECKERLING used the revenues to pay, among other things, income to himself.

In 2009, Pagecomm provided business checks made out to ECKERLING in the approximate amount of \$690,000, which ECKERLING used for personal expenses.

In 2009, Pagecomm also paid directly for personal items of ECKERLING. For example, in 2009, Pagecomm directly paid a housekeeper for regular cleaning of ECKERLING's primary residence, secondary residence and boat.

In 2009, ECKERLING charged personal expenses to Pagecomm's credit card accounts, paid for by Pagecomm. For example, Pagecomm paid for credit card charges for ECKERLING's family vacation to Cancun.

In 2009, ECKERLING, on behalf of Pagecomm, entered into an arrangement with Individual A, who managed several of the cell phone stores owned by Pagecomm, under which Individual A paid Pagecomm for inventory provided by Pagecomm in \$500 prepaid gift cards rather than a business check. ECKERLING then used some of the gift cards, which were payment to Pagecomm, to pay for personal items, including veterinary services for his family dog.

ECKERLING took additional steps to hide the income paid by Pagecomm to ECKERLING in 2009. For instance, ECKERLING made false entries in the books and

records of Pagecomm to hide the income paid by Pagecomm to ECKERLING in calendar year 2009, including recording income paid to ECKERLING as repayment of loans, when no loan was outstanding. ECKERLING also caused Pagecomm to fail to maintain corporate records of income to and business expenses incurred by ECKERLING, including paychecks, W-2s and expense reports, and further caused Pagecomm to fail to issue a W-2 (or a 1099) to ECKERLING, all in order to conceal the income paid by Pagecomm to ECKERLING. ECKERLING also avoided maintaining records of his personal financial transactions, such as a bank account or credit cards in his name, in order to conceal his income.

On or about October 18, 2010, ECKERLING, to further his evasion, caused to be filed with the IRS an individual joint income tax return (Form 1040 with schedules and attachments) for calendar year 2009 that falsely reported a negative income in the amount of (\$8,354). ECKERLING concealed and failed to report that his income was approximately \$731,454 and that with appropriate deductions he owed approximately \$216,750 in individual taxes to the IRS for the year 2009.

b. Relevant Conduct

In the years 2008 and 2010 through 2012, defendant ECKERLING did willfully evade and defeat the payment of substantial income tax due and owing by defendant to the United States for calendar years 2008 and 2010 through 2012. Through 2011, ECKERLING continued to be the sole shareholder and officer of Pagecomm. In 2011, ECKERLING incorporated and became the president of PCW Holdings, a successor to Pagecomm which took over its distributorship agreement with Provider A. Provider A continued to deposit substantial gross revenues into Pagecomm's bank account and, later, a bank account of PCW Holdings, both of which ECKERLING controlled. ECKERLING used the money deposited by Provider A into Pagecomm's, and then PCW's, bank account to pay, among other things, income to himself.

To conceal his income from and avoid reporting his income to the IRS for the years 2008 and 2010 through 2012, ECKERLING caused Pagecomm, and then PCW, to pay him income through: (1) providing business checks made out directly to ECKERLING; (2) direct payments for personal items and expenses of ECKERLING; and (3) payments for charges to company credit card accounts for personal expenses of ECKERLING. In addition, in 2008, ECKERLING used at least some of the \$500 prepaid gift cards paid to Pagecomm by Individual A for inventory, as described above, to pay for personal items, such as landscaping services at his residence.

ECKERLING took additional steps to hide the income paid by Pagecomm and PCW to ECKERLING for 2008 and 2010 through 2012. For instance, ECKERLING made false entries in the books and records of Pagecomm and PCW to hide the income

paid by Pagecomm and PCW to ECKERLING for 2008 and 2010 through 2012. ECKERLING caused Pagecomm and PCW to fail to maintain corporate records of income and expenses, including paychecks, W-2s and expense reports, in order to conceal his income. ECKERLING caused Pagecomm and PCW to fail to issue a W-2 to ECKERLING for income paid to him in years 2008 and 2010 through 2012. ECKERLING also avoided maintaining records of his personal financial transactions, such as a bank account and credit cards in his name, to conceal his income.

In addition, in 2011 and 2012, ECKERLING added his wife to the payroll of Pagecomm, and later PCW Holdings, even though she did not work at either company and was employed elsewhere during that time. ECKERLING added his wife to the payroll of Pagecomm, and later PCW Holdings, so he could obtain health insurance for his family from Pagecomm under his wife's rather than his own name, thereby concealing that he was an income-earning employee of Pagecomm and subsequently PCW.

ECKERLING also caused the filing of Form 1040 individual income tax returns for 2008 and 2010 through 2012 that falsely stated the amount of his income by failing to disclose the income paid to ECKERLING by Pagecomm and PCW. As a result, ECKERLING caused tax losses to the United States in the amount of \$64,745 for 2008, \$118,934 for 2010, \$39,416 for 2011 and \$5,008 for 2012. In addition, ECKERLING's failure to file corporate tax returns and pay taxes due and owing on behalf of Pagecomm and PCW caused a tax loss to the United States in the amount of \$301,200 due and owing by Pagecomm for 2008, and \$2,410 due and owing by PCW for 2011.

ECKERLING also failed to pay State of Illinois income tax due and owing by ECKERLING on income he received for the years 2008 through 2012, in approximately the following amounts:

YEAR	STATE INCOME TAX DUE
2008	\$10,658
2009	\$21,943
2010	\$13,906
2011	\$ 9,169
2012	\$ 1,959
TOTAL 2008- 2012	\$57,635

c. Total Loss for 2008 through 2012

Therefore, defendant's offense and relevant conduct resulted in a total tax loss for the years 2008 through 2012 of approximately \$806,099.

Maximum Statutory Penalties

7. Defendant understands that the charge to which he is pleading guilty carries the following statutory penalties:

a. A maximum sentence of 5 years' imprisonment. This offense also carries a maximum fine of \$100,000. Defendant further understands that the Court must order costs of prosecution, estimated not to exceed \$500. Defendant further

understands that the judge also may impose a term of supervised release of not more than three years.

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

Sentencing Guidelines Calculations

8. Defendant understands that in determining a sentence, the Court is obligated to calculate the applicable Sentencing Guidelines range, and to consider that range, possible departures under the Sentencing Guidelines, and other sentencing factors under 18 U.S.C. § 3553(a), which include: (i) the nature and circumstances of the offense and the history and characteristics of the defendant; (ii) the need for the sentence imposed to reflect the seriousness of the offense, promote respect for the law, provide just punishment for the offense, afford adequate deterrence to criminal conduct, protect the public from further crimes of the defendant, and provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner; (iii) the kinds of sentences available; (iv) the need to avoid unwarranted sentence disparities among defendants with similar records who have been found guilty of similar conduct; and (v) the need to provide restitution to any victim of the offense.

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

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 2016 Guidelines Manual.

b. **Offense Level Calculations.**

i. The base offense level is 20 pursuant to Guideline §§ 2T1.1(a)(1) and 2T4.1(H), because the loss amount is more than \$550,000 but not more than \$1,500,000.

ii. The base offense level is increased by 2 levels pursuant to Guideline § 2T1.1(b)(2), for use of sophisticated means.

iii. Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for his 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 his ability to satisfy any fine or restitution that may be imposed in this case, a two-level reduction in the offense level is appropriate.

iv. In accord with Guideline § 3E1.1(b), defendant has timely notified the government of his 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.

v. **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, defendant's criminal history points equal zero and defendant's criminal history category is I.

c. **Anticipated Advisory Sentencing Guidelines Range.** Therefore, based on the facts now known to the government, the anticipated offense level is 19, which, when combined with the anticipated criminal history category of I, results in an anticipated advisory sentencing guidelines range of 30-37 months' imprisonment, in addition to any supervised release, fine and restitution the Court may impose.

d. Defendant and his attorney and the government acknowledge that the above guidelines 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 guidelines 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 his plea on the basis of the Court's rejection of these calculations.

10. 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 his plea, nor the government the right to vacate this Agreement, on the basis of such corrections.

Agreements Relating to Sentencing

11. Either party is free to recommend whatever sentence they deem appropriate.

12. 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 his guilty plea.

13. Regarding restitution, defendant agrees to pay restitution arising from the offense conduct set forth above, totaling \$806,099, with \$748,464 to the Internal Revenue Service and \$57,635 to the State of Illinois, pursuant to Title 18, United

States Code, §§ 3663(a)(3) and 3664. The total amount of restitution to the IRS consists of the following amounts:

YEAR	INDIVIDUAL INCOME TAX LOSS	CORPORATE INCOME TAX LOSS	TOTAL FEDERAL INCOME TAX LOSS
2008	\$64,745	\$301,200	\$365,945
2009	\$216,751	---	\$216,751
2010	\$118,934	\$2,410	\$121,344
2011	\$39,416	---	\$39,416
2012	\$5,008		\$5,008
TOTAL 2008-2012			\$748,464

The total amount of restitution to the State of Illinois consists of the following amounts: \$10,658 for 2008; \$21,943 for 2009; \$13,906 for 2010; \$9,169 for 2011; and \$1,959 for 2012.

14. Restitution shall be due and payable immediately, after judgment is entered and is subject to immediate enforcement in full by the United States. If the Court imposes a schedule of payments, defendant agrees that the payment schedule is a schedule of minimum payments due, and the schedule does not prohibit or limit the methods by which the United States may immediately enforce the judgment in full.

15. Defendant agrees to pay the special assessment of \$100 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

16. 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.

17. Defendant understands that nothing in this Agreement shall limit the Internal Revenue Service in its collection of any taxes, interest or penalties from defendant and his spouse or defendant's partnerships, LLCs or corporations. Defendant understands that the amount of tax as calculated by the IRS may exceed the amount of tax due as calculated for the criminal case and that the IRS may seek additional taxes, interest and penalties relating to the conduct covered in the plea agreement and for conduct relating to another time period. Defendant is entitled to receive credit for restitution paid pursuant to this plea agreement for any assessed civil tax liabilities due and owing for the same periods for which restitution was ordered. However, defendant understands that the payment of restitution does not settle or compromise his obligation to pay any remaining civil tax liability.

Acknowledgments and Waivers Regarding Plea of Guilty

Nature of Agreement

18. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 18 CR 002.

19. 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

20. Defendant understands that by pleading guilty he surrenders certain rights, including the following:

a. **Right to be charged by indictment.** Defendant understands that he has a right to have the charge 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 his 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 he has been prosecuted by way of information.

b. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charge against him, and if he does, he 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 his 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 him unless, after hearing all the evidence, it was persuaded of his guilt beyond a reasonable doubt. The jury would have to agree unanimously before it could return a verdict of guilty or not guilty.

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, 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 his attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in his own behalf. If the witnesses for defendant would not appear

voluntarily, he 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 he could decline to testify, and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify in his own behalf.

c. **Appellate rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his 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 he is waiving all the rights set forth in the prior paragraphs. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights.

21. Defendant understands that he has the right to have the criminal charge in the information brought within six years of the last of the alleged acts constituting the specified violation. By signing this document, defendant knowingly waives any right to have the charge in the information brought against him within the period established by the statute of limitations. Defendant also knowingly waives any defense or claim based upon the statute of limitations or upon the timeliness with which the charge in the information was brought.

Presentence Investigation Report/Post-Sentence Supervision

22. 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 charge against him, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

23. 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 his financial circumstances, including his 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 his 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.

24. For the purpose of monitoring defendant's compliance with his obligations to pay a fine and restitution during any term of supervised release or probation 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 or probation 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

25. 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.

26. Regarding matters relating to the Internal Revenue Service, defendant agrees to cooperate with the Internal Revenue Service in any tax examination or audit of defendant and his spouse and defendant's partnerships or corporations which directly or indirectly relates to or arises out of the course of conduct that defendant has acknowledged in this Agreement, by transmitting to the IRS original records or copies thereof, and any additional books and records that the IRS may request.

27. Defendant will not object to a motion brought by the United States Attorney's Office for the entry of an order authorizing disclosure of documents, testimony and related investigative materials which may constitute grand jury material, preliminary to or in connection with any judicial proceeding, pursuant to Fed. R. Crim. P. 6(e)(3)(E)(i). In addition, defendant will not object to the government's solicitation of consent from third parties who provided records or other materials to the

grand jury pursuant to grand jury subpoenas, to turn those materials over to the Civil Division of the United States Attorney's Office, or an appropriate federal or state agency (including but not limited to the Internal Revenue Service), for use in civil or administrative proceedings or investigations, rather than returning them to the third parties for later summons or subpoena in connection with a civil or administrative proceeding involving, or investigation of, defendant and his spouse or defendant's partnerships or corporations. Nothing in this paragraph or the preceding paragraph precludes defendant and his spouse or defendant's partnerships or corporations from asserting any legal or factual defense to taxes, interest, and penalties that may be assessed by the IRS.

28. Defendant understands that, if convicted, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

Conclusion

29. 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.

30. Defendant understands that his compliance with each part of this Agreement extends throughout the period of his sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the event he 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.

31. 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.

32. Defendant and his 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.

33. Defendant acknowledges that he has read this Agreement and carefully reviewed each provision with his attorney. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: _____

JOHN R. LAUSCH, JR.
United States Attorney

JORDAN ECKERLING
Defendant

SHERI H. MECKLENBURG
Assistant U.S. Attorney

NANCY DEPODESTA
Attorney for Defendant