

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

PEDRO SOTO

No. 20 CR 548

Hon. Sharon Johnson Coleman

PLEA AGREEMENT

1. This Plea Agreement between the United States Attorney for the Northern District of Illinois, JOHN R. LAUSCH, JR., and defendant PEDRO SOTO, and his attorney, CATHARINE O'DANIEL, 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 making a false statement to an agency of the United States, in violation of Title 18, United States Code, Section 1001(a)(2).

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 making a false statement to

an agency of the United States, in violation of Title 18, United States Code, Section 1001(a)(2).

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:

On or about December 17, 2019, at Chicago, in the Northern District of Illinois, Eastern Division, defendant knowingly and willfully made a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the Federal Bureau of Investigation, an agency within the executive branch of the government of the United States.

Background

In or around April 2016, the Chicago Public Schools (“CPS”), which was an independent school district and unit of local government governed by the Board of Education of the City of Chicago (“CBOE”), solicited proposals from companies to contract with CPS to provide custodial services, engineering operations, and other trade services within Chicago public schools. Owing to the size, duration, and possible extensions of the custodial services contract, the company or companies awarded the custodial services contract were projected to receive total payments exceeding approximately \$1 billion under the contract.

An evaluation committee, which included representatives from various departments within CPS, was tasked to review the proposals and to recommend to CBOE which company or companies CPS should hire to perform the custodial services. Defendant was a CPS employee and a member of the evaluation committee.

On or about July 8, 2016, Company A submitted a proposal to CPS seeking to be awarded the custodial services contract. Individual A was a registered lobbyist retained by Company A to help obtain the custodial services contract. Individual B worked with Individual A to help Company A obtain the custodial services contract.

Custodial Services Contract

On multiple occasions between approximately August 2016 and January 2017, defendant furnished non-public information about the custodial services contract to Individual B, including on the following occasions. On or about August 10, 2016, defendant placed a phone call to Individual B and provided Individual B with non-public information about the evaluation committee's evaluation of proposals submitted for the custodial services contract. Specifically, defendant told Individual B that the evaluation committee expected companies who submitted proposals to present on specific topic areas, including staffing issues and community outreach, during oral presentations to the evaluation committee.

On or about September 13, 2016, representatives from Company A made an oral presentation in support of its proposal to the CBOE for the custodial services contract to the evaluation committee. Defendant was present for that presentation.

On or about September 13, 2016, defendant placed a phone call to Individual B and provided Individual B with non-public information about how Company A's oral presentation was received by other members of the evaluation committee. During that call, defendant told Individual B that other evaluation committee members were pushing to "ice out" Company A from the bidding process.

On or about October 7, 2016, Individual B spoke by phone with defendant, who provided Individual B with additional non-public information about an attempt by other evaluation committee members to "push" Company A out of the bidding process for the custodial services contract.

On or about October 10, 2016, defendant placed a phone call to Individual B and provided Individual B with additional non-public information regarding Company A's bid for the custodial services contract.

On or about October 22, 2016, Individual B spoke by phone with defendant, who provided Individual B with additional non-public information about CBOE's decision to accept the bids of other companies, and reject the bid of Company A for the custodial services contract. Defendant told Individual B about the evaluation committee's internal discussions about Company A, including how defendant expressed his disagreement with the evaluation committee's decision to reject Company A.

On or about November 3, 2016, defendant placed a phone call to Individual B and provided Individual B with additional non-public information about the custodial

services contract, including that Company A was not discussed at a meeting about the custodial services contract bids that was held the prior day.

On or about January 19, 2017, defendant placed a phone call to Individual B and provided Individual B with additional non-public information about the custodial services contract, including that another company was no longer going to be awarded a portion of the custodial services contract. Defendant informed Individual B that the CBOE was considering issuing another request for proposals for a portion of custodial services contract. Defendant also told Individual B about the evaluation committee's concerns with Company A's proposal, namely, that Company A did not follow a "point of contact" model that the evaluation committee expected.

Investigation

Prior to December 17, 2019, the Federal Bureau of Investigation ("FBI") had initiated an investigation into Individual A, Individual B, and defendant concerning potential violations of federal criminal law. The following matters, among others, were material to the investigation: (i) the scope and nature of Individual B's interactions and contacts with defendant concerning the custodial services contract, including but not limited to what non-public information defendant had provided to Individual B concerning deliberations within CPS relating to the award of the custodial services contract and the merits of Company A's and other companies' proposals; (ii) whether defendant had provided non-public information to Individual B concerning the award of the custodial services contract; (iii) why defendant had

provided non-public information to Individual B concerning the award of the custodial services contract; and (iv) what, if any, benefits defendant solicited, was offered, promised or had received from Individual B during and around the time defendant was a member of the evaluation committee, and the reasons for defendant's receipt of those benefits from Individual B.

Interview of Defendant

On December 17, 2019, defendant was interviewed by FBI special agents as a part of the investigation. During that interview, defendant voluntarily and intentionally made the following materially false statements: (i) when asked whether he ever had communications with Individual B on the phone about what was going on inside CPS about the custodial services contract, defendant said, "He would want to get information but I don't think I gave him anything."; (ii) when asked how Individual B would "dig" for information concerning the custodial services contract, defendant said he would "just listen" to Individual B, but was never persuaded to do anything; (iii) when asked whether he had told Individual B what was "going on inside CPS" with the bidding on the custodial services contract, defendant said, "I don't think that I have, no. I would—I don't think so."; and (iv) when asked whether there was ever a time that defendant called Individual B and told Individual B that he had information for him, defendant said he did not think that happened. Defendant made those statements knowing that they were false and with the intention of doing something illegal, namely misleading the FBI in its investigation

of Individual B and defendant. In fact, as noted above, defendant had repeatedly provided non-public information to Individual B concerning the award of the custodial services contract, and had done so in part because Individual B had extended and had promised to extend various benefits to defendant.

7. The foregoing facts are set forth solely to assist the Court in determining whether a factual basis exists for defendant's plea of guilty, and are not intended to be a complete or comprehensive statement of all the facts within defendant's personal knowledge regarding the charged crime and related conduct.

Maximum Statutory Penalties

8. 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 \$250,000. Defendant further understands that the judge also may impose a term of supervised release of not more than three years.

b. Pursuant to 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 imposed.

Sentencing Guidelines Calculations

9. 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, and 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.

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

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the November 2018 Guidelines Manual.

b. **Offense Level Calculations.**

i. The base offense level is 6, pursuant to Guideline § 2B1.1(a)(2).

ii. 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 that may be imposed in this case, a two-level reduction in the offense level is appropriate.

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

d. **Anticipated Advisory Sentencing Guidelines Range.** Therefore, based on the facts now known to the government, the anticipated offense level is 4 which, when combined with the anticipated criminal history category of I, results in an anticipated advisory sentencing guidelines range of 0 to 6 months' imprisonment, in addition to any supervised release and fine the Court may impose.

e. 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.

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

Cooperation

11. Defendant agrees he will fully and truthfully cooperate in any matter in which he is called upon to cooperate by a representative of the United States Attorney's Office for the Northern District of Illinois. This cooperation shall include providing complete and truthful information in any investigation and pre-trial

preparation and complete and truthful testimony in any criminal, civil, or administrative proceeding. Defendant agrees to the postponement of his sentencing until after the conclusion of his cooperation.

Agreements Relating to Sentencing

12. At the time of sentencing, the government shall make known to the sentencing judge the extent of defendant's cooperation, and assuming the defendant's continuing, full and truthful cooperation, shall move the Court, pursuant to Sentencing Guideline § 5K1.1, to depart from the applicable sentencing guidelines range. Defendant understands that the decision to depart from the applicable guidelines range rests solely with the Court, that the extent of any departure is solely within the Court's discretion and judgment, and that the government will make no specific recommendation regarding the sentence to be imposed. Defendant is free to recommend any sentence.

13. 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.

14. 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.

Acknowledgments and Waivers Regarding Plea of Guilty

Nature of Agreement

15. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 20 CR 548.

16. 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

17. 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. **Waiver of appellate and collateral rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial. Defendant is aware that Title 28, United States Code, Section 1291, and Title 18, United States Code, Section 3742, afford a defendant the right to appeal his conviction and the sentence imposed. Acknowledging this,

defendant knowingly waives the right to appeal his conviction, any pre-trial rulings by the Court, and any part of the sentence (or the manner in which that sentence was determined), including any term of imprisonment and fine within the maximums provided by law, in exchange for the concessions made by the United States in this Agreement. In addition, defendant also waives his right to challenge his conviction and sentence, and the manner in which the sentence was determined, in any collateral attack or future challenge, including but not limited to a motion brought under Title 28, United States Code, Section 2255. The waiver in this paragraph does not apply to a claim of involuntariness or ineffective assistance of counsel, nor does it prohibit defendant from seeking a reduction of sentence based directly on a change in the law that is applicable to defendant and that, prior to the filing of defendant's request for relief, has been expressly made retroactive by an Act of Congress, the Supreme Court, or the United States Sentencing Commission.

18. 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.

Presentence Investigation Report/Post-Sentence Supervision

19. 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, including the nature and extent of defendant's cooperation.

20. 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.

21. For the purpose of monitoring defendant's compliance with his obligations to pay a fine 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

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

23. 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

24. 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.

25. 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.

26. 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.

27. 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.

28. 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: _____

Signed by Amarjeet S. Bhachu on behalf of
JOHN R. LAUSCH, JR.
United States Attorney

PEDRO SOTO
Defendant

MATTHEW KUTCHER
Assistant United States Attorney

CATHARINE O'DANIEL
Attorney for Defendant