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7
8 IN THE UNITED STATES DISTRICT COURT
9 FOR THE EASTERN DISTRICT OF CALIFORNIA
10

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.
14 PHALLY THACH,
15 Defendant.
16

CASE NO. 1:13-CR-00136
MEMORANDUM OF PLEA
AGREEMENT PURSUANT TO RULE
11(c) OF THE FEDERAL RULES
OF CRIMINAL PROCEDURE

Hon. Anthony W. Ishii

17 Pursuant to Rule 11(c) of the Federal Rules of Criminal
18 Procedure, the United States of America, by and through Benjamin
19 B. Wagner, the United States Attorney for the Eastern District
20 of California, and Assistant United States Attorney Grant B.
21 Rabenn, and Defendant, PHALLY THACH, and her attorney, E.
22 Marshall Hodgkins III, have agreed as follows.

23 This document contains the complete Memorandum of Plea
24 Agreement ("Plea Agreement") between the United States
25 Attorney's Office for the Eastern District of California
26 ("Government") and defendant PHALLY THACH regarding this case.
27 This Plea Agreement is limited to the United States Attorney's
28

1 Office for the Eastern District of California and cannot bind
2 any other federal, state, or local prosecuting, administrative,
3 or regulatory authorities.

4 1. Charges.

5 The defendant acknowledges that she has been charged in a
6 twenty-night (29) count indictment as follows:

7 Conspiracy to Manufacture, Distribute, and Possess with
8 Intent to Distribute a Controlled Substance, in violation of
9 Title 21, United States Code, Sections 846 and 841(a)(1) and
10 (b)(1)(C);

11 Structuring conspiracy, in violation of Title 18, United
12 States Code, Section 371; and

13 Structuring, in violation of Title 31, United States Code,
14 Sections 5324(a)(3) and (d)(2).

15 2. Nature, Elements and Possible Defenses.

16 The defendant has read the charges against her contained in
17 the indictment, and those charges have been fully explained to
18 her by her attorney. Further, the defendant fully understands
19 the nature and elements of the crimes in Count Two and Twenty-
20 Two of the indictment to which she is pleading guilty, together
21 with the possible defenses thereto, and has discussed them with
22 her attorney.
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1 COUNT TWO:

2 The elements of the crime of Structuring Conspiracy are:

3 First, beginning on a date no later than in or about
4 October 2008, and continuing through in or about April 2013,
5 there was an agreement between two or more persons to:

6 (a) to conduct financial transactions in a manner to cause
7 or attempt to cause a domestic financial institution to
8 wit: Wells Fargo, JP Morgan Chase, U.S. Bank, and Bank of
9 America branches located in the State and Eastern District
10 of California and elsewhere, to fail to file a report
11 required under section 5313(a) of Title 31 of the United
12 States Code, and any regulation prescribed under any such
13 sections; and

14 (b) to structure or attempt to structure transactions with
15 a domestic financial institution, to wit: Wells Fargo, JP
16 Morgan Chase, U.S. Bank, and Bank of America branches
17 located in the State and Eastern of California and
18 elsewhere, for the purpose of preventing the financial
19 institutions from filing a report required under section
20 5313(a) of Title 31 of the United States Code, and any
21 regulations prescribed under any such section.

22 Second, the defendant became a member of the conspiracy
23 knowing of at least one of its objects and intending to help
24 accomplish it.

25 Third, at some time during the existence of the conspiracy,
26 at least one of the members performed an overt act in order to
27 further the objective of the conspiracy.

28 COUNT TWENTY-TWO:

29 The elements of the crime of Structuring are:

30 First, the defendant knowingly structured currency
31 transactions for the purpose of evading the currency transaction
32 reporting requirement; and

1 Second, the defendant conducted the currency transactions
2 with one or more domestic financial institutions.

3 Three, the defendant conducted the currency transactions
4 while violating another law of the United States as part of a
5 pattern of illegal activity involving more than \$100,000 in a
6 12-month period.

7
8 3. Agreements by the Defendant.

9 (a) Defendant agrees that this plea agreement shall be
10 filed with the court and become a part of the record of the
11 case.

12 (b) Defendant agrees to enter a plea of guilty to Count
13 Two of the indictment, which charges her with Structuring
14 Conspiracy, in violation of Title 31, United States Code,
15 Section 371, and Count Twenty-Two of the indictment, which
16 charges her with Structuring, in violation of Title 31, United
17 States Code, Section 5324(a)(3).

18 (c) Defendant understands and agrees that she will not be
19 allowed to withdraw her plea should the Court fail to follow the
20 government's sentencing recommendations.

21 (d) Defendant knowingly and voluntarily waives her
22 Constitutional and statutory rights to appeal her plea,
23 conviction, restitution imposed, forfeiture order, and sentence.
24 This waiver of appeal includes, but is not limited to, an
25 express waiver of defendant's right to appeal her plea,
26 conviction, restitution imposed, forfeiture order, and sentence
27 on any ground, including any appeal right conferred by 18 U.S.C.
28 § 3742, and defendant further agrees not to contest her plea,

1 conviction, restitution imposed, forfeiture order, and sentence
2 in any post-conviction proceeding, including but not limited to
3 a proceeding under 28 U.S.C. § 2255.

4 (e) Defendant further acknowledges that her plea of guilty
5 is voluntary and that no force, threats, promises or
6 representations have been made to anybody, nor agreement
7 reached, other than those set forth expressly in this agreement,
8 to induce the defendant to plead guilty.

9 (f) Defendant agrees that her base level offense for
10 Structuring Conspiracy (Count Two) and Structuring (Count
11 Twenty-Two) is six (6) pursuant to § 2S1.3(a)(2) of the USSG.
12 Further, Defendant agrees to an enhancement of at least ten (10)
13 levels for at least \$120,000 but equal to or less than \$200,000
14 in structured transactions pursuant to §§ 2S1.3(a)(2) and
15 2B1.1(b)(1)(F); an enhancement of two (2) levels for knowing
16 that the funds were proceeds or intended to promote an unlawful
17 activity pursuant to § 2S1.3(b)(1); and an enhancement of two
18 (2) levels for committing the offense as part of a pattern of
19 unlawful activity involving more than \$100,000 in a 12-month
20 period pursuant to § 2S1.3(b)(2).

21 (g) Defendant agrees not to move for any downward
22 adjustments in his offense level under either Chapters Two,
23 Three, Four or Five of the United States Sentencing Guidelines.
24 The defendant also agrees not to move for a downward variance of
25 his sentence under the factors set forth in 18 U.S.C. § 3553.
26 The defendant understands and agrees that this agreement by him
27 includes, without limitation, not moving for a downward
28 departure and/or variance of his offense level, criminal history

1 category or criminal history points as defined by the Sentencing
2 Guidelines. Additionally, the defendant agrees that the
3 application of the U.S. Sentencing Guidelines to his case
4 results in a reasonable sentence and that the defendant will not
5 request that the court apply the sentencing factors under
6 Section 3553 of Title 18, United States Code, to arrive at a
7 sentence different than that called for under the Sentencing
8 Guidelines. The defendant acknowledges that, if the defendant
9 requests or suggests in any manner a different sentence than
10 what is called for under the Sentencing Guidelines, the
11 Government, at its sole discretion, may withdraw from this plea
12 agreement and continue with its prosecution of the defendant as
13 if the parties had not entered into this Plea Agreement.

14 (h) Defendant understands that the Court must consult the
15 Federal Sentencing Guidelines (as promulgated by the Sentencing
16 Commission pursuant to the Sentencing Reform Act of 1984, 18
17 U.S.C. §§ 3551-3742 and 28 U.S.C. §§ 991-998, and as modified by
18 United States v. Booker and United States v. Fanfan, 543 U.S.
19 220 (2005)), and must take them into account when determining a
20 final sentence. Defendant understands that the Court will
21 determine a non-binding and advisory guideline sentencing range
22 for this case pursuant to the Sentencing Guidelines. Defendant
23 further understands that the Court will consider whether there
24 is a basis for departure from the guideline sentencing range
25 (either above or below the guideline sentencing range) because
26 there exists an aggravating or mitigating circumstance of a
27 kind, or to a degree, not adequately taken into consideration by
28 the Sentencing Commission in formulating the Guidelines.

1 Defendant further understands that the Court, after consultation
2 and consideration of the Sentencing Guidelines, must impose a
3 sentence that is reasonable in light of the factors set forth in
4 18 U.S.C. § 3553(a).

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

13 (j) Defendant agrees to forfeit to the United States
14 voluntarily and immediately all right, title, and interest to
15 any and all assets seized pursuant to 21 U.S.C. §§ 853, 881(a),
16 881(a)(6); 28 U.S.C. § 2461; 31 U.S.C. §§ 5317, 5317(c)(1),
17 5317(c)(2); and Fed. R. Crim. P. 32.2(b)(1).

18 Those assets include, but are not limited to, the
19 following:

- 20 1. \$147,900 in U.S. Currency seized from safe deposit box
21 located at Bank of America branch in Modesto,
California, held in the name of Say Eng and Sdey Chim.
- 22 2. \$7,500 in U.S. Currency seized from an U.S. Express
23 Mail envelope en route from Lowell, Massachusetts to
24 Modesto, California.
- 25 3. Yugo 59/60 model semi-automatic firearm with serial
26 number K423900, and ammunition located inside
magazine;
- 27 4. Norinco SKS model semi-automatic firearm with serial
28 number 013018/DB013018;

- 1 5. Savage Arms Mark 2 model semi-automatic firearm with
2 serial number 0461075;
- 3 6. Ruger 10-22 model semi-automatic firearm with serial
4 number 24292833;
- 5 7. Winchester 68-22 model firearm with unknown serial
6 number;
- 7 8. Norinco 90 model 12-gauge shotgun with serial number
8 0028157;
- 9 9. Sterling Arms CASSI model grease gun style firearm
10 with serial number 586960215SC2626;
- 11 10. Phoenix Arms HP22 model firearm with serial number
12 4173214;
- 13 11. Smith & Wesson Air-weight 38 special model firearm
14 with serial number 27050, and ammunition located
15 inside magazine;
- 16 12. Smith & Wesson Air-weight 38 special model firearm
17 with serial number 27050, and ammunition located
18 inside magazine;
- 19 13. Taurus PT 247 pRO model firearm with serial number
20 NZA81494, and ammunition located inside magazine;
- 21 14. Gabilondo Llama 9mm firearm with serial number 212778;
- 22 15. Phoenix Arms HP22 model firearm with serial number
23 4097953, and ammunition located inside magazine;
- 24 16. Colt Automatic 22 model firearm with serial number
25 38829;
- 26 17. Ruger Mark 3 model firearm with serial number
27 22712865;
- 28 18. Springfield Armory xd 9 model firearm with serial
29 number US862231, and ammunition located inside
30 magazine;
- 31 19. Para Ordinance C7-45LDA model firearm with serial
32 number CC1428, and ammunition located inside magazine;
- 33 20. Norinco 54-1 model firearm with serial number 5011651;
- 34 21. Smith & Wesson 38+P model firearm with serial number
35 5001502, and ammunition located inside magazine;

- 1 22. Glock 22 model firearm with serial number GVN475, and
- 2 ammunition located inside magazine;
- 3 23. FNMI 49 model firearm with serial number 517MM10580;
- 4 24. Mach 10 Cobray model upper part with unknown serial
- 5 number;
- 6 25. Glock 21 pistold with obliterated serial number; and
- 7 26. Remington 870 shotgun with serial number D693276M.
- 8 27. Apple Desktop SN QP0370SVDNP;
- 9 28. Apple Desktop SN W89133646X1;
- 10 29. Dell Tower 300 SN4HWHZ61;
- 11 30. HP Laptop SN CND8511SGO; and
- 12 31. Canon Printer SN GFX80G1.
- 13

14 The defendant also agrees to a personal forfeiture money
15 judgment in an amount to be determined by the court at the time
16 of sentencing as the result of the underlying criminal scheme
17 and the violations of 18 U.S.C. § 371; 21 U.S.C. §§ 841(a)(1),
18 841(b)(1)(C), 846, 853, 881(a), 881(a)(6); 28 U.S.C. § 2461; 31
19 U.S.C. §§ 5317, 5317(c)(1), 5317(c)(2), 5324(a)(1), 5324(a)(3),
20 and 5324(d)(2). As part of the imposition of the personal
21 forfeiture money judgment, the Defendant agrees to provide this
22 Office with signed waivers related to federal and state income
23 tax returns, and a waiver of the Right to Financial Privacy Act,
24 which includes, but is not limited to, any credit records,
25 communication records, DMV records, educational records,
26 employment records, military records, business records, and
27 credit reports maintained by any consumer credit reporting
28 entity, until such time as the money judgment is satisfied. In

1 this regard, the Defendant agrees to complete and sign a copy of
2 IRS Form 8821 (relating to the voluntary disclosure of federal
3 tax return information), whatever financial information
4 disclosure form which may be required by an agency, as well as
5 this Office's Right to Financial Privacy Act Waiver &
6 Authorization to Release Information form.

7 Defendant agrees to fully assist the government in the
8 forfeiture of any seized assets or assets later determined to be
9 forfeitable and to take whatever steps are necessary to pass
10 clear title to the United States. Defendant shall not sell,
11 transfer, convey, or otherwise dispose of any assets found to be
12 connected to the criminal events charged in the Indictment.

13 Defendant agrees not to file a claim to any of the seized
14 property in any criminal proceeding or civil proceeding,
15 administrative or judicial, which is or may be initiated.

16 Defendant agrees to waive right to notice of any forfeiture
17 proceeding involving such property, and agrees to not file a
18 claim or assist others in filing a claim in such a proceeding.

19 The Defendant waives the notice provisions of Fed. R. Crim.
20 P. 7(c) and 32.2(a), waives oral pronouncement of forfeiture at
21 the time of sentencing and any defects in such pronouncement
22 that pertain to forfeiture, and waives any defenses to
23 forfeiture, including any defense predicated on the Ex Post
24 Facto, Double Jeopardy, and Excessive Fines Clauses of the
25 United States Constitution. The Defendant knowingly and
26 voluntarily waives any right to jury trial in any criminal or
27 civil forfeiture proceeding.

28 (k) If the defendant's conviction on the count to which

1 she is pleading is ever vacated at the defendant's request, or
2 her sentence is ever reduced at her request, the government
3 shall have the right to: (1) prosecute the defendant on any of
4 the counts to which she pleaded guilty; (2) reinstate any counts
5 that may be dismissed under this agreement; and (3) file any new
6 charges that would otherwise be barred by this agreement. The
7 decision to pursue any or all of these options is solely in the
8 discretion of the United States Attorney's Office. By signing
9 this agreement, the defendant agrees to waive any objections,
10 motions, and defenses he might have to the government's
11 decision, including Double Jeopardy. In particular, she agrees
12 not to raise any objections based on the passage of time with
13 respect to such counts including, without limitation, any
14 statutes of limitation or any objections based on the Speedy
15 Trial Act or the Speedy Trial Clause of the Sixth Amendment.

16 If it is determined that the defendant has violated any
17 provision of this Agreement or if the defendant successfully
18 moves to withdraw his plea: (1) all statements made by the
19 defendant to the government or other designated law enforcement
20 agents, or any testimony given by the defendant before a grand
21 jury or other tribunal, whether before or after her Agreement,
22 shall be admissible in evidence in any criminal, civil, or
23 administrative proceedings hereafter brought against the
24 defendant; and (2) the defendant shall assert no claim under the
25 United States Constitution, any statute, the Federal Rules of
26 Criminal Procedure, Rule 410 of the Federal Rules of Evidence,
27 or any other federal rule, that statements made by the defendant
28 before or after this Agreement, or any leads derived therefrom,

1 should be suppressed. By signing this Agreement, the defendant
2 waives any and all rights in the foregoing respects.

3 (m) Defendant recognizes that pleading guilty may have
4 consequences with respect to her immigration status if she is
5 not a United States citizen. The defendant's plea to the
6 violation herein may subject her to automatic deportation and
7 removal from the United States. See 8 U.S.C. § 1227(a)(1), et
8 seq. Defendant affirms that she has been advised of the
9 immigration consequences of pleading guilty and wants to plead
10 guilty regardless of any immigration consequences that may
11 result from her plea, even if such consequence includes her
12 automatic deportation and removal from the United States after
13 completing any sentence of incarceration due to her plea.

14
15 4. Agreements by the Government.

16 (a) The government will recommend a two-level reduction
17 (if the offense level is less than 16) or a three-level
18 reduction (if the offense level reaches 16) in the computation
19 of her offense level if the defendant clearly demonstrates
20 acceptance of responsibility for her conduct as defined in
21 Section 3E1.1 of the United States Sentencing Commission
22 Guidelines Manual.

23 (b) The government agrees that the defendant's base level
24 offense for Structuring Conspiracy (Count Two) and Structuring
25 (Count Twenty-Two) is six (6) pursuant to § 2S1.3(a)(2) of the
26 USSG. Further, the government agrees that an enhancement of ten
27 (10) levels applies for more than \$120,000 but equal to or less
28

1 than \$200,000 in structured transactions pursuant to §§
2 2S1.3(a)(2) and 2B1.1(b)(1)(F); an enhancement of two (2) levels
3 for the defendant knowing that the funds were proceeds or
4 intended to promote an unlawful activity pursuant to §
5 2S1.3(b)(1); and an enhancement of two (2) levels for the
6 defendant committing the offense as part of a pattern of
7 unlawful activity involving more than \$100,000 in a 12-month
8 period pursuant to § 2S1.3(b)(2).

9 (d) The government agrees to recommend a sentence at the
10 low end of the guideline range.

11 (e) The defendant acknowledges and understands that the
12 government makes no other representations to her regarding
13 fines, whether any other specific offense characteristics apply
14 to her conduct under Chapter Two of the Guidelines, the
15 restitution owed, her criminal history or criminal history
16 points under Chapter Four or whether additional enhancements or
17 reductions under Chapter Three or Five of the United States
18 Sentencing Guidelines apply and defendant understands that the
19 government is free to comment and to make recommendations to the
20 court and the probation office regarding those matters.

21 5. Factual Basis.

22 Defendant will plead guilty because she is in fact guilty.
23 of the crimes set forth in Counts ~~one~~^{14. CR}, Two, and Twenty-Two of
24 the indictment. Defendant also agrees that the following are
25 the facts of this case, although she acknowledges that, as to
26 other facts, the parties may disagree:

27 From in or about October 2008 and continuing through in or
28 about April 2013, in the State and Eastern District of
California and elsewhere, defendant PHALLY THACH and co-

1 defendants Sarith Chim, David Ruem, Sdey Chim, Chanrath Yim
2 Yath, Chanrou Yath, Raeb Chou, Say Eng, Iris Stephanie
3 Garcia, Chantha A. Chim, Phary David Chim, Cindy Doem
4 Comilang, and Loc Huu Chau, and others knowingly and
5 intentionally combined, conspired and agreed with each
6 other and others to manufacture, to distribute and possess
7 with intent to distribute oxycodone, hydrocodone, and
8 marijuana, all in violation of federal law.

9 Dr. X was a pain management doctor operating in or around
10 Visalia, Fresno and Modesto, California. Dr. X was
11 licensed to prescribe controlled substances, included
12 oxycodone and hydrocodone. Dr. X also issued purported
13 medical marijuana recommendation cards to patients. PHALLY
14 THACH and co-defendants Sarith Chim, Sdey Chim, Chanrath
15 Yim Yath, Chanrou Yath, Raeb Chou, Say Eng, Iris Stephanie
16 Garcia, Chantha A. Chim, and Loc Huu Chau were patients of
17 Dr. X., obtained prescriptions for oxycodone and
18 hydrocodone from Dr. X, and filled those prescriptions at
19 pharmacies in or around Fresno and Modesto, California and
20 elsewhere. PHALLY THACH and co-defendants Sarith Chim,
21 Sdey Chim, Chanrath Yim Yath, Chanrou Yath, Raeb Chou, Say
22 Eng, Iris Stephanie Garcia, Chantha A. Chim, and Loc Huu
23 Chau also obtained medical marijuana recommendations from
24 Dr. X.

25 In addition to obtaining their own prescriptions for
26 oxycodone and hydrocodone, and medical marijuana
27 recommendation cards, PHALLY THACH and co-defendants Sarith
28 Chim, Sdey Chim, Chanrath Yim Yath, Chanrou Yath, Raeb
29 Chou, Say Eng, Iris Stephanie Garcia, Chantha A. Chim, and
30 Loc Huu Chau recruited other individuals or "recipients" to
visit Dr. X for the purpose of obtaining prescriptions for
oxycodone and hydrocodone, and medical marijuana
recommendation cards. PHALLY THACH and co-defendants
Sarith Chim, Chanrath Yim Yath, and Loc Huu Chau promised
to pay recipients in return for the prescriptions of
oxycodone and hydrocodone, and the medical marijuana
recommendation cards that the recipients would receive from
Dr. X. Co-defendant Sarith Chim and others drove
recipients from Modesto, California and elsewhere to Dr.
X's medical offices in or around Visalia, California for
the purpose of obtaining prescriptions for oxycodone and
hydrocodone, and medical marijuana recommendation cards.

After recipients were given prescriptions for oxycodone and
hydrocodone, and medical marijuana recommendation cards
from Dr. X, co-defendant Sarith Chim and others collected
the prescriptions and recommendation cards from recipients.
Co-defendant Sarith Chim and others filled the oxycodone

1 and hydrocodone prescriptions at pharmacies in or around
2 Fresno and Modesto, California. Further, defendant Sarith
3 Chim and others placed the medical marijuana recommendation
4 cards on at least one marijuana grow site located in the
5 State of California.

6 After obtaining the oxycodone and hydrocodone pills from
7 pharmacies in or around Fresno and Modesto, California,
8 PHALLY THACH and co-defendants Sarith Chim, Sdey Chim,
9 Chanrath Yim Yath, Chanrou Yath, Raeb Chou, Say Eng, Iris
10 Stephanie Garcia, Chantha A. Chim, and Loc Huu Chau, and
11 others transported and mailed the oxycodone and hydrocodone
12 pills from the State of California to co-defendants David
13 Ruem, Phary Chim, and Cindy Doeum and others in or around
14 the State of Washington and elsewhere for the purpose of
15 selling the oxycodone and hydrocodone pills to other
16 individuals on the black market in the State of Washington
17 and elsewhere. As described below, co-defendants David
18 Ruem, Phary Chim, and Cindy Doeum transferred the proceeds
19 of the sale of oxycodone and hydrocodone by making cash
20 deposits into bank accounts owned by co-defendants in the
21 State of California. To inform co-defendants of which bank
22 accounts were receiving cash deposits, co-defendant David
23 Ruem sent and received electronic text messages to co-
24 defendant Sdey Chim and others.

25 Further, PHALLY THACH and co-defendant David Ruem, Sarith
26 Chim, Sdey Chim, Chanrath Yim Yath, Chanrou Yath, Raeb
27 Chou, Say Eng, Iris Stephanie Garcia, Chantha A. Chim, Loc
28 Huu Chau, and Phary David Chim and others agreed to obtain
29 marijuana from at least one grow site in the State of
30 California and have the marijuana transported or mailed to
31 the States of Washington, Louisiana, Massachusetts and
32 elsewhere.

33 From in or about October 2008 and continuing through in or
34 about April 2013, in the State and Eastern District of
35 California and elsewhere, defendant PHALLY THACH and co-
36 conspirators Sarith Chim, David Ruem, Sdey Chim, Chanrath
37 Yim Yath, Chanrou Yath, Raeb Chou, Say Eng, Iris Stephanie
38 Garcia, Chantha A. Chim, Cindy Doeum, Phary David Chim, and
39 Loc Huu Chau and others knowingly combined, conspired, and
40 agreed among themselves to structure financial transactions
41 for the purpose of preventing domestic financial
42 institutions, including Wells Fargo, JP Morgan Chase, U.S.
43 Bank, and Bank of America, from filing Currency
44 Transactions Reports on those transactions, as required by
45 section 5313(a) of Title 31, United States Code.

46 PHALLY THACH and co-defendants Sarith Chim, Chanrath Yim
47 Yath, Chanrou Yath, Raeb Chou, Say Eng, Iris Stephanie
48 Garcia, Chantha A. Chim, and Loc Huu Chau opened and
49 maintained bank accounts at Wells Fargo, JP Morgan Chase,
50 U.S. Bank, and Bank of America. Those accounts were opened

1 for the purpose of receiving from co-defendants David Ruem,
2 Phary David Chim, and Cindy Doeum cash deposits that were
the proceeds of the distribution of oxycodone, hydrocodone,
and marijuana.

3 Co-defendants David Ruem, Phary David Chim, and Cindy Doeum
4 made or caused to be made the cash deposits into the
accounts opened by above-described co-conspirators. PHALLY
5 THACH and co-defendants Sarith Chim, David Ruem, Sdey Chim,
Chanrath Yim Yath, Chanrou Yath, Raeb Chou, Say Eng, Iris
6 Stephanie Garcia, Chantha A. Chim, Loc Huu Chau, Phary
David Chim, and Cindy Doeum knew that the above-described
7 domestic financial institutions were required to file
Currency Transaction Reports on any cash transactions
8 greater than \$10,000.

9 The deposits made by co-defendants David Ruem, Phary David
Chim, and Cindy Doeum were made in amounts of \$10,000 or
10 less to prevent the above-described domestic financial
institutions from filing Currency Transaction Reports on
11 those cash deposits. Co-defendants David Ruem, Phary David
Chim, and Cindy Doeum did not want the above-referenced
12 domestic financial institutions to file Currency
Transaction Reports on those transactions because the cash
13 deposited was the proceeds of the distribution of
oxycodone, hydrocodone, and marijuana. In total, co-
14 defendants David Ruem, Phary David Chim, Cindy Doeum and
others deposited more than \$1.5 million in cash into the
15 above-described bank accounts, which was then withdrawn in
a structured manner from the bank accounts owned by PHALLY
16 THACH and co-defendants Chanrath Yim Yath, Chanrou Yath,
Raeb Chou, Say Eng, Iris Stephanie Garcia, Chantha A. Chim,
17 and Loc Huu Chau. Defendant PHALLY THACH made more than
\$130,000 in structured cash withdrawals from accounts held
18 in her name with funds deposited by co-defendants David
Ruem, Phary Chim, Cindy Doeum and others that was proceeds
19 of the unlawful distribution of controlled substances.

20 From in or about October 2008 and continuing through in or
about April 2013, in the State and Eastern District of
21 California and elsewhere, defendant PHALLY THACH knowingly
and for the purpose of evading the reporting requirements
22 of section 5313(a) of Title 31, United States Code,
structured cash transactions to prevent Bank of America, a
23 domestic financial institution, from filing Currency
Transaction Reports on those transactions.

24 The defendant PHALLY THACH made, among others, the
25 following cash transactions, a cash withdrawal on May 20,
2011 of \$5,000 from Bank of America account number ending
26 in 5984 held in her name; a cash withdrawal on May 23, 2011
of \$3,000 from Bank of America account number ending in
27 5984 held in her name; a cash withdrawal on June 2, 2011 of
\$4,700 from Bank of America account number ending in 5984
28 held in her name; a cash withdrawal on January 23, 2012 of
\$7,900 from Bank of America account number ending in 0123

1 held in her name; a cash withdrawal on January 26, 2012 of
2 \$7,900 from Bank of America account number ending in 0123
3 held in her name; a cash withdrawal on February 3, 2012 of
4 \$7,900 from Bank of America account number ending in 0123
5 held in her name; a cash withdrawal on February 6, 2012 of
6 \$7,600 from Bank of America account number ending in 0123
7 held in her name; and a cash withdrawal on February 16,
8 2012 of \$7,400 from Bank of America account number ending
9 in 0123 held in her name. The structured cash transactions
10 conducted by defendant PHALLY THACH were in an amount
11 greater than \$100,000 in a 12-month period that was part of
12 a pattern of illegal activity.

13 6. Potential Sentence.

14 The following is the maximum potential sentence which
15 defendant faces as to each count:

16 Count Two:

17 (a) Imprisonment.

18 Maximum: 5 years.

19 (b) Fine.

20 Maximum: Two-Hundred and Fifty-Thousand Dollars
21 (\$250,000.00).

22 (c) Both such fine and imprisonment.

23 (d) Term of Supervised Release:

24 Maximum: Three years.

25 (Should the defendant violate any of the terms of his
26 supervised release, he can be returned to prison for
27 the period of supervised release actually imposed by
28 the Court or two years, whichever is less.)

29 (e) Penalty Assessment.

30 Mandatory: One Hundred dollars (\$100.00).

Count Twenty-Two:

(a) Imprisonment.

Maximum: 10 years.

(b) Fine.

1 Maximum: Five-Hundred Thousand Dollars (\$500,000.00).

2 (c) Both such fine and imprisonment.

3 (d) Term of Supervised Release:

4 Maximum: Three years.

5 (Should the defendant violate any of the terms of his
6 supervised release, he can be returned to prison for
7 the period of supervised release actually imposed by
8 the Court or two years, whichever is less.)

9 (e) Penalty Assessment.

10 Mandatory: One Hundred dollars (\$100.00).

11 7. Waiver of Rights.

12 Defendant understands that by pleading guilty she
13 surrenders certain rights, including the following:

14 (a) If defendant persisted in a plea of not guilty to the
15 charges against her, she would have the right to be represented
16 by an attorney at all stages of the proceedings, and would have
17 a right to a public and speedy trial. The trial could be either
18 a jury trial or a trial by a judge sitting without a jury.

19 Defendant has a right to a jury trial. However, in order that
20 the trial be conducted by the judge sitting without a jury,
21 defendant, the government and the judge all must agree that the
22 trial be conducted by the judge without a jury.

23 (b) If the trial were a jury trial, the jury would be
24 composed of twelve lay persons selected at random. Defendant
25 and her attorney would have a say in who the jurors would be by
26 removing prospective jurors for cause where actual bias or other
27 disqualification is shown, or without cause by exercising
28 peremptory challenges. The jury would have to agree unanimously
29 before it could return a verdict of either guilty or not guilty.

1 The jury would be instructed that defendant is presumed innocent
2 and that it could not convict her unless, after hearing all the
3 evidence, it was persuaded of her guilt beyond a reasonable
4 doubt.

5 (c) If the trial were held before a judge without a jury,
6 the judge would find the facts and determine, after hearing all
7 the evidence, whether or not he was persuaded of the defendant's
8 guilt beyond a reasonable doubt.

9 (d) At a trial, whether by a jury or a judge, the
10 government would be required to present its witnesses and other
11 evidence against defendant. Defendant would be able to confront
12 those government witnesses and her attorney would be able to
13 cross-examine them. In turn, defendant could present witnesses
14 and other evidence on her own behalf. If the witnesses for
15 defendant would not appear voluntarily, he could require their
16 attendance through the subpoena power of the Court. At trial,
17 the defendant would also have the right to assistance of legal
18 counsel. If he could not afford legal counsel, one would be
19 appointed for her by the court at no expense to her.

20 (e) At a trial, defendant would have a privilege against
21 self-incrimination so that he could decline to testify, and no
22 inference of guilt could be drawn from this refusal to testify.

23 Defendant understands that by pleading guilty he is waiving
24 all of the rights set forth above and defendant's attorney has
25 explained those rights to her and the consequences of her waiver
26 of those rights.

27 8. Questions by Court.

1 Defendant understands that if the court questions her under
2 oath, on the record and in the presence of counsel, about the
3 offense to which he has pleaded guilty, her answers, if false,
4 may later be used against her in a prosecution for perjury.

5 9. Entire Agreement.

6 This plea of guilty is freely and voluntarily made and not
7 the result of force or threats or of promises apart from those
8 set forth in this plea agreement. There have been no
9 representations or promises from anyone as to what sentence this
10 Court will impose.

11 10. Court not a Party.

12 It is understood by the parties that the sentencing court
13 is neither a party to nor bound by this agreement and the
14 sentencing judge is free to impose the maximum penalties as set
15 forth in paragraph 6. Further, in making its sentencing
16 decision, the Court may take into consideration any and all
17 facts and circumstances concerning the criminal activities of
18 defendant, including activities which may not have been charged
19 in the indictment.

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11. Presentence Report.

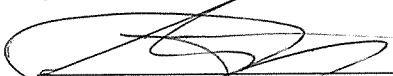
Defendant understands that the United States Probation Office is not a party to this agreement and will conduct an independent investigation of defendant's activities and her background. It will then prepare a presentence report which it will submit to the Court as its independent sentencing recommendation. In addition, the government will fully apprise the Probation Office, as well as the Court, of the full and true nature, scope and extent of the defendant's criminal activities, including information on her background and criminal history.

Dated:

1/2/13

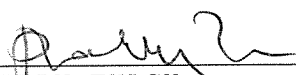
BENJAMIN B. WAGNER
United States Attorney

By:


GRANT B. RABENN
Assistant U.S. Attorney


Dated:

12/18/13


PHALLY THACH
DEFENDANT

Dated:

12/18/13


E. MARSHALL HODGKINS III
ATTORNEY FOR DEFENDANT