

INTRODUCTION

The materials that follow are designed to provide the upper-level law student or beginning attorney with an accessible but also challenging introduction to an exciting, rapidly growing, and still-young field: corporate crime.

What is this field? Corporate crime is crime committed within the context of business organizations, whether they are corporations or other forms of private legal entity, and whether they are operated for profit or for other purposes. This is, if you like, “organizational” crime—though the field is not concerned with “organized crime” and other illicit enterprises, or with crime committed within military structures or principally concerning the malfeasance of public officials. The crimes at issue are almost always “white collar,” though many white collar crimes are committed by individuals operating outside business organizations and thus are not corporate crimes. Corporate crime is, very roughly speaking, crime committed on the job in the private sector, and it can lead to the criminal prosecution of both individuals and organizations.

This field has grown enormously over the past two to three decades. It now represents a major pillar of practice among America’s largest and most profitable law firms. It draws the dedicated labors of thousands of government prosecutors, enforcement lawyers, and investigators. And it occupies a significant—though some would argue not significant enough—portion of the federal judicial docket. It overlaps and intersects closely with other major areas of practice, including civil government enforcement, private litigation, and advising on corporate compliance efforts.

The opportunity to join this very interesting and challenging field of practice is, at most, only half of what makes it so exciting for the new lawyer. For most people, the larger draw of corporate crime as a field of study are the economic, social, and political problems that give rise to crime in this context. At a seemingly accelerating pace over the past thirty years, Americans have been confronted with one after another challenging, infuriating, fascinating, and shocking problems emanating from the corporate sector.

These engrossing stories will unfold in rich detail in the pages that follow, told not as popular nonfiction (though there is plenty of good work on the subject in that genre), but directly from the legal materials these cases have left behind for study. At this moment, it is hard to argue for another field of law as so alluringly combining difficult and novel legal questions with hard and important problems of policy. (My scholarly biases in this regard should be obvious.)

These materials have been assembled with the following objectives in mind:

- The advanced law student, much less the new lawyer, must of course learn to read like a lawyer, not a student. Readings in the first year of law school appropriately focus on the case method and close deconstruction of relatively short texts to train in foundational legal reasoning. However, readings in an advanced subject like this should, to the extent possible, employ original legal

documents and lead the student to acquire the ability to distill important concepts and the most salient factual propositions from lengthier materials. That is what lawyers do every day.

- Most chapters begin with the texts of the most relevant statutes, rules, and constitutional provisions. These are provided at the outset of a topic, not as reference tools (there is no separate statutory supplement here) but as texts to be read carefully and understood. The skilled practicing lawyer always starts thinking about a problem by reading (or rereading) the potentially applicable statutory texts. Thus, these texts appear first in each chapter.
- Any entrant into the field of corporate crime must quickly learn not to be intimidated or deterred by the seeming complexity of transactions in large business organizations. Math expertise or prior knowledge of engineering, science, or other specialties are not necessary. All that is needed is a desire to understand, an instinct to “follow the money,” and the knowledge that the professionals who constructed the deals or products at issue in any given case were, at best, no more intellectually adept than any professional school student at a good university. (After all, no corporate crime you will read about did not end in failure!)

The lawyer who has dispensed with the fear factor about case complexity before entering corporate crime practice will have a leg up and a head start. The same goes for the new lawyer who already understands that, in practice, facts are more important than law, and that the master of the facts is both the most valuable counselor to the client and usually the winner of the case. Obviously, one cannot be taught the facts one will need to know in one’s practice. But one can most definitely learn how to be adept at the learning and practice of facts.

- This is a field of practice and social problems, not a field of doctrine. There is no more a body of black letter law of corporate crime than there is a body of law of the horse. To begin to understand the law applicable to corporate crime, one must learn something about many areas of doctrine that are often taught as stand-alone courses in law school: substantive white collar crime, corporate liability, regulatory enforcement, grand jury procedure, constitutional criminal procedure, evidence, attorney regulation, plea bargaining, sentencing, and others. The materials here have been assembled to pull these various areas of doctrine together, and to select from each of them enough to provide a basic introduction and understanding that will hopefully give a beginning foundation from which further learning and research in the field of corporate crime will be accomplished with greater ease.
- The problem method is the best way to learn law. (When we talk about “hypos” and use of the Socratic method in the classroom, I believe we are simply referring to the law’s version of the problem method.) Each section of the materials is followed by one or more problems that are designed for thinking

and discussion, in the classroom or elsewhere. Some problems pose important questions of social policy—such questions are present everywhere in the field of corporate crime and they must engage lawyers just as much as politicians, journalists, and citizens. Other problems provide brief factual scenarios to which one can apply the materials that have preceded the problems.

- These materials are divided roughly in half between “substance” and “procedure.” The first half or so of the materials are intended to introduce the concepts of crime definition and corporate liability that are essential to understand for any practicing lawyer assessing the question of whether criminal liability is in play for a client (whether, in the practice lingo, there is “exposure”). The object is not to cover all white collar crimes that potentially apply in the corporate setting—the number and variety of such offenses is vast and, frankly, nearly unmanageable. The intent is to cover in considerable depth the most commonly prosecuted offenses that convey the central concepts necessary to be able to distinguish a crime from what is “only a civil case.” By far the most important crime in this respect is fraud, on which these materials linger at length. That coverage might appear excessive at first blush. But years of practice, study, and teaching have convinced me that truly understanding fraud is the key to understanding the often elusive matter of white collar crime.

The procedural materials that make up the second half of the text deal with the numerous aspects of the American criminal justice and adjudication systems that can impact a corporation’s or an individual employee’s encounter with that system—features of those systems that are, for the most part, very different from those that have produced the now widely lamented “system” that processes “blue collar” crime in the United States.

Note that these materials assume basic familiarity with a few of the general concepts in American criminal law that are taught in first-year law school courses: elements of crimes, mens rea and actus reus, attempt, and accomplice and conspiracy liability. For the reader or student who has not yet had that background, a summary treatise or nutshell is recommended such as, for example, JOSHUA DRESSLER, *UNDERSTANDING CRIMINAL LAW* (8th ed. 2018).

Although the locution is too awkward, sometimes I think the field of corporate crime could be called “scandalology.” Law is not a belief system. It is an instrument for dealing with problems. There is now a legal field of corporate crime only because there has been a distinctive and growing social problem of misconduct within the modern corporate organization—a problem that bodies of law may have contributed to, by chartering modern corporations and markets in certain ways, but that criminal law and procedure certainly did not produce.

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The study of corporate crime thus should begin with seeing the contours of the relevant problem. Almost any large and salient example will do. And it makes sense to rotate introductory examples as new scandals, emerging from current business practices, inevitably emerge.

The one that follows in this edition of these materials is very much one of American society in the 2010s. One might wonder what it is doing here, given that it arises in the context of large, prestigious universities, not an Exxon or a Goldman Sachs. But as anyone who has attended or worked at one knows, universities are major business enterprises, albeit not ones that have investors and are operated for profit. Many will have heard of this case, which was known as “Varsity Blues,” but few will have dwelled on its facts. The materials are lengthy but consist mostly of telephone call transcripts—the sort of raw factual material that lawyers learn to read and process relatively quickly on a first pass.

Whatever scandal one chooses to start with to develop the scope of the corporate crime problem, the relevant questions include at least the following seven points:

- First, how should we understand **the facts** of the misconduct? Who did what and why? And how can we simplify and summarize the story without distorting it? (As any trial lawyer knows, every case is a story.)
- What were the **economics** driving the conduct? (Follow the money!)
- What **institutions** were involved in the matter and how did the nature, dynamics, and culture of those institutions factor into what happened?
- What was the human **psychology** involved in the case and how might it explain things?
- What was the **regulatory context** in which the wrongdoing took place and how might the content of the law explain what happened and offer a locus for lessons and reform?
- What can we learn from the matter about the conduct of **lawyers** and the role of legal strategy?
- How do **politics** play into explaining what happened, how the legal system responded to the scandal, or both?

Read not only the materials that follow in this Introduction but every scandal or case in this field with the objective of developing answers to these seven questions.

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT

I, Laura Smith, being duly sworn, state as follows:

INTRODUCTION AND AGENT BACKGROUND

1. I am a Special Agent with the Federal Bureau of Investigation (“FBI”) assigned to the Boston, Massachusetts Field Office. I joined the FBI in 2010 as a forensic accountant conducting complex financial investigations. I am currently a special agent on a squad that investigates economic crimes, including various forms of corporate fraud, securities fraud and bribery. I hold a Bachelor’s degree in Criminal Justice-Economic Crimes Investigation and a Master’s degree in Accounting. As an FBI Special Agent, I am an investigative or law enforcement officer of the United States within the meaning of Title 18, United States Code, Section 2510(7), in that I am empowered by law to conduct investigations of, and to make arrests for, offenses enumerated in Title 18, United States Code, Section 2516.

2. I make this affidavit in support of criminal complaints charging the following individuals (collectively, “the defendants”) with conspiracy to commit mail fraud and honest services mail fraud, in violation of Title 18, United States Code, Section 1349:

[Ed: The initial criminal complaint in Varsity Blues named 32 defendants; it has been edited here to include the factual allegations relating to a representative sample of defendants only.]

3. Specifically, as set forth below, I have probable cause to believe that the defendants conspired with others known and unknown: (1) to bribe college entrance exam administrators to facilitate cheating on college entrance exams; (2) to bribe varsity coaches and administrators at elite universities to designate certain applicants as recruited athletes or as other favored candidates, thereby facilitating the applicants’ admission to those universities; and (3) to use the façade of a charitable organization to conceal the nature and source of the bribe payments.

4. The facts set forth in this affidavit come from my personal involvement with this investigation, interviews with witnesses, including the cooperating witnesses described below, and my review of documents—including bank records, flight records, e-mails, telephone toll records, cell site data and other materials obtained through grand jury subpoenas and search warrants—as well as Court-authorized Title III wiretap recordings, consensual recordings made by a cooperating witness, and information provided by other law enforcement agents.

5. In submitting this affidavit, I have not included each and every fact known to me about this investigation. Rather, I have included only those facts that I believe are sufficient to establish probable cause.

PROBABLE CAUSE

Overview of the Conspiracy

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6. Beginning in or about 2011, and continuing through the present, the defendants—principally individuals whose high-school aged children were applying to college—conspired with others to use bribery and other forms of fraud to facilitate their children’s admission to colleges and universities in the District of Massachusetts and elsewhere, including Yale University, Stanford University, the University of Texas, the University of Southern California, and the University of California – Los Angeles, among others. Evidence I have reviewed shows that the scheme included the following:

a. Bribing college entrance exam administrators to allow a third party to facilitate cheating on college entrance exams, in some cases by posing as the actual students, and in others by providing students with answers during the exams or by correcting their answers after they had completed the exams;

b. Bribing university athletic coaches and administrators to designate applicants as purported athletic recruits—regardless of their athletic abilities, and in some cases, even though they did not play the sport they were purportedly recruited to play—thereby facilitating their admission to universities in place of more qualified applicants;

c. Having a third party take classes in place of the actual students, with the understanding that grades earned in those classes would be submitted as part of the students’ college applications;

d. Submitting falsified applications for admission to universities in the District of Massachusetts and elsewhere that, among other things, included the fraudulently obtained exam scores and class grades, and often listed fake awards and athletic activities; and

e. Disguising the nature and source of the bribe payments by funneling the money through the accounts of a purported charity, from which many of the bribes were then paid.

Certain Relevant Persons and Entities

7. The Edge College & Career Network, LLC, also known as “The Key,” is a for-profit college counseling and preparation business based in Newport Beach, California that was established in or about 2007 and registered in California in or about 2012.

8. The Key Worldwide Foundation (“KWF”) is a non-profit corporation founded in or about 2012 and based in Newport Beach, California. In or about 2013, the Internal Revenue Service (“IRS”) approved KWF as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, meaning that KWF is exempt from paying federal income tax, and that individuals who contribute to KWF may deduct those contributions from their taxable income, subject to certain limitations.

9. ACT, Inc. is a non-profit organization headquartered in Iowa City, Iowa that administers the ACT exam, a standardized test that is widely used as part of the college

admissions process in the United States. The ACT includes sections on English, mathematics, reading and science, and is graded on a scale of 1 to 36.

10. The College Board is a non-profit organization headquartered in New York, New York. Together with Educational Testing Service (“ETS”), a non-profit organization headquartered in Lawrence Township, New Jersey, the College Board develops and administers the SAT, a standardized test that, like the ACT exam, is widely used as part of the college admissions process in the United States. Between 2005 and January 2016 the SAT was graded on a scale of 600 to 2400. As of March 2016, the SAT has been scored on a scale of 400 to 1600. The College Board and ETS also develop and administer SAT subject tests, which are also used as part of the college admissions process.

11. Georgetown University (“Georgetown”) is a highly selective private university located in Washington, D.C.

12. Stanford University (“Stanford”) is a highly selective private university located in Palo Alto, California.

13. The University of California at Los Angeles (“UCLA”) is a highly selective public university located in Los Angeles, California.

14. The University of San Diego (“USD”) is a selective private university located in San Diego, California.

15. The University of Southern California (“USC”) is a highly selective private university located in Los Angeles, California.

16. The University of Texas at Austin (“U-Texas”) is a highly selective public university located in Austin, Texas.

17. Wake Forest University (“Wake Forest”) is a highly selective private university located in Winston-Salem, North Carolina.

18. Yale University (“Yale”) is a highly selective private university located in New Haven, Connecticut.

19. The athletic teams of Georgetown, Stanford, UCLA, USD, USC, U-Texas, Wake Forest and Yale (collectively, “the Universities”) compete in most sports at the Division I level, the highest level of intercollegiate athletics sanctioned by the National Collegiate Athletic Association (“NCAA”).

20. Cooperating Witness 1 (“CW-1”) is an individual who participated in the scheme. CW-1 founded and, together with others, operated The Key and KWF.

21. Cooperating Witness 2 (CW-2) is an individual who participated in the scheme.

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CW-2 was employed at relevant times as the director of college entrance exam preparation at a private college preparatory school and sports academy in Bradenton, Florida.

22. Cooperating Witness 3 (“CW-3”) is an individual who participated in the scheme. CW-3 was employed at relevant times as the head coach of women’s soccer at Yale.

General Background on Standardized Testing and the College Admissions Process

23. The ACT and the SAT are typically administered to large groups of students on specified dates and under strict time limits. However, students with certain learning or other disabilities may qualify for extended time. In such circumstances, students take the test alone, under the supervision of a test administrator retained by ACT, Inc. or the College Board.

24. Prior to administering the ACT, test administrators must typically certify that they will administer the exam in accordance with the ACT Administration Manual, and will ensure that the “test materials are kept secure and confidential, used for this examinee only, and returned to ACT immediately after testing.” Similarly, prior to administering the SAT exam, test administrators must typically certify that they will administer the test in accordance with the SAT coordinator’s manual, that the SAT is the property of the College Board, and that no one other than the student can “open the test book and see the test content.”

25. The ACT and SAT exams, and the scores students earn on those exams, are the intellectual and physical property of ACT, Inc. and the College Board, respectively.

26. Most of the Universities require prospective students to submit standardized test scores—typically, either the ACT or the SAT—as part of their application packages. When submitted, standardized test scores are a material part of the admissions process at each of the Universities.

27. All of the Universities also recruit students with demonstrated athletic abilities, and typically apply different criteria when evaluating applications from such students, with the expectation that recruited athletes will be contributing members of the Universities’ athletic teams once enrolled. Typically, the admissions offices at the Universities allot a set number of admission slots to each head coach of a varsity sport for that coach’s recruited athletes. At each of the Universities, the admissions prospects of recruited athletes are higher—and in some cases substantially higher—than those of non-recruited athletes with similar grades and standardized test scores.

28. Student athletes recruited by coaches at USC and UCLA, for example, are typically considered by designated admissions committees, which give consideration to their athletic abilities, and may admit applicants whose grades and standardized test scores are below those of other USC or UCLA students, including non-recruited athletes.

At Wake Forest, as another example, approximately 128 admissions slots are designated for athletic recruitment, and recruited students are typically assured of admission to the university provided they meet certain minimum academic standards. Similarly, at Georgetown, approximately 158 admissions slots are allocated to athletic coaches, and students recruited for those slots have substantially higher admissions prospects than non-recruited students.

29. At each of the Universities, admissions slots, the determination of which students to admit, and the resulting composition of undergraduate classes are important assets of the University.

The College Entrance Exam Cheating Scheme

30. The college entrance exam cheating scheme generally worked as follows:

a. CW-1 instructed clients of The Key to seek extended time for their children on college entrance exams if they had not done so already, including by having the children purport to have learning disabilities in order to obtain the medical documentation that ACT, Inc. and the College Board typically require before granting students extended time.

b. Once the students were granted extended time—which generally allowed them to take an exam over two days instead of one, and in an individualized setting—CW-1 instructed his clients to change the location of the exam to one of two test centers he told them he “controlled”: a public high school in Houston, Texas (the “Houston Test Center”) or a private college preparatory school in West Hollywood, California (the “West Hollywood Test Center”). For example, in explaining the scheme to defendant WILLIAM E. McGLASHAN, Jr., CW-1 explained that he needed to “control the center” for the scheme to work, and that by obtaining “extended time” for the test, McGLASHAN’s son would be able to take the test at CW-1’s “facility,” rather than at his own high school. At those test centers, CW-1 had established relationships with test administrators who had agreed to accept bribes to facilitate the cheating scheme: Niki Williams at the Houston Test Center, and Igor Dvorskiy at the West Hollywood Test Center. CW-1 typically instructed his clients to fabricate a reason—such as a bar mitzvah or a wedding—that their children purportedly needed to take the test in Houston or West Hollywood instead of at their own schools.

c. After the location of the exam had been changed, ACT, Inc. and the College Board sent the exams to those test centers, typically via private interstate commercial carrier, such as Federal Express (“FedEx”) in the case of ACT, Inc., and United Parcel Service (“UPS”) in the case of the College Board.

d. CW-1 bribed the test administrators to allow a third-party—typically CW-2—to take the exams in place of the actual students, to serve as a purported proctor for the exams while providing students with the correct answers, or to review and correct the

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students' answers after they completed the exams. In many instances, the students taking the exams were unaware that their parents had arranged for this cheating.

e. The corrupt test administrators sent the doctored exams back to ACT, Inc. and the College Board, typically via either UPS or FedEx.

f. CW-1's clients paid CW-1 between \$15,000 and \$75,000 per test to participate in the cheating scheme, with the payments typically structured as purported donations to the KWF charity.

g. CW-1, in turn, paid Dvorskiy bribes of approximately \$10,000 per test to permit the cheating. CW-1 likewise bribed Williams, typically via payments through a mutual acquaintance, Martin Fox, who introduced CW-1 to Williams. However, in July 2018, CW-1 sent Williams a \$5,000 check directly. CW-1 also paid CW-2 approximately \$10,000 to take or correct each student's test. Most of the payments to Dvorskiy and CW-2 were drawn on the account of the KWF charity.

h. In explaining the scheme to clients, CW-1 typically sought to earn their trust and confidence by noting that he had previously done the same thing many times before with other families. As set forth below, for example, CW-1 had the following exchange with defendant GORDON CAPLAN in a call on or about June 15, 2018 (prior to the time CW-1 began cooperating with the government's investigation), that was intercepted pursuant to a Court-authorized wiretap:

CAPLAN And it works?

CW-1 Every time. (laughing)

CAPLAN (laughing)

CW-1 I mean, I'm sure I did 30 of them at different, you know, dates because there's different dates, and they're all families like yours, and they're all kids that wouldn't have perform[ed] as well, and then they did really well, and it was like, the kids thought, and it was so funny 'cause the kids will call me and say, "Maybe I should do that again. I did pretty well and if I took it again, I'll do better even." Right? And they just have no idea that they didn't even get the score that they thought they got.

Indeed, in many cases, CW-1's clients referred other parents to him, or inquired directly about other parents' involvement in the scheme. For example, as set forth in greater detail below, defendant AGUSTIN HUNEEUS, Jr., told CW-1, in substance, that he was aware that McGLASHAN had participated in the college entrance exam scheme, but that McGLASHAN had not advised his own son of that fact, and that McGLASHAN's son thus "had no idea ... that you helped him on the ACT."

- i. The children of CW-1's clients submitted the fraudulently obtained exam scores as part of their applications to universities nationwide, including Boston College, Boston University and Northeastern University in the District of Massachusetts.

The College Recruitment Scheme

31. Between approximately 2011 and 2018, parents paid CW-1 approximately \$25 million to bribe coaches and university administrators to designate their children as purported recruited athletes, or as members of other favored admissions categories, thereby facilitating the children's admission to those universities. The recruitment scheme typically worked as follows:

- a. CW-1 told parents, in sum and in substance, that he could facilitate their children's admission to certain universities via what he termed the "side door." He described the side door scheme as a *quid pro quo*, pursuant to which the parents would purport to make charitable donations to KWF. CW-1, in turn, would funnel those payments to particular athletic coaches, or to university programs designated by those coaches, using KWF to disguise the nature and source of the payments. CW-1 typically explained to parents that, in exchange for the payments, the coaches would designate their children as recruited athletes—regardless of their athletic abilities—thereby facilitating their admission to the universities.

- b. CW-1 typically explained to his clients, in substance, that the scheme was a tried-and-true method of gaining admission to colleges, and that many other families were participating or had already participated in it, leveraging connections CW-1 had developed at multiple universities over years of work with prior clients. For example, set forth below is how CW-1 described the scheme to CAPLAN in the June 15, 2018 call, during which CW-1 represented to CAPLAN that he had successfully engaged in the same scheme with nearly 800 other families:

Okay, so, who we are—what we do is we help the wealthiest families in the U.S. get their kids into school Every year there are—is a group of families, especially where I am right now in the Bay Area, Palo Alto, I just flew in. That they want guarantees, they want this thing done. They don't want to be messing around with this thing. And so they want in at certain schools. So I did . . . what I would call, "side doors." There is a front door which means you get in on your own. The back door is through institutional advancement, which is ten times as much money. And I've created this side door in. Because the back door, when you go through institutional advancement, as you know, everybody's got a friend of a friend, who knows somebody who knows somebody but there's no guarantee, they're just gonna give you a second look. My families want a guarantee. So, if you said to me 'here's our grades, here's our scores, here's our ability, and we want to go to X school' and you give me one or two schools, and then I'll go after those schools and

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try to get a guarantee done. So that, by the time, the summer of her senior year, before her senior year, hopefully we can have this thing done, so that in the fall, before December 15th, you already knows she's in. Done. And you make a financial commitment. It depends on what school you want, may determine how much that actually is. But that's kind of how the the side and back door work.

c. Once parents agreed to participate in the scheme, CW-1 sent bribes to coaches and, in one case, a university administrator, typically out of a KWF bank account. In some instances, he directed the money to the recipients directly, for their personal use, including one recipient who received bribe payments by mail at his residence in the District of Massachusetts. In other instances, he directed the money to designated accounts at the Universities that were controlled by the recipients, including in some instances via mailings from the District of Massachusetts. In still other instances, CW-1's clients made the payments directly to the designated accounts at the Universities, as directed by the bribe recipients.

d. In recruiting coaches to participate in the scheme, CW-1 sought to earn their trust and confidence by making clear to them, as he did to his clients, that other coaches were already engaged in the same conduct with him. For example, set forth below are two excerpts from a call on or about May 4, 2018, in which CW-1 sought to enlist the assistance of CW-3 in recruiting additional coaches to join the conspiracy:

CW-1 You can say he's doing it at, for this year I did [seven elite schools], we've done it everywhere.

CW-3 Okay, see that might, yeah it definitely would make them feel more comfortable with all those places.

...

CW-3 Okay, alright, and all those schools, like, you—you're—you're comfortable. I can—I can tell her comfortably that you worked with all those schools.

CW-1 Absolutely.

CW-3 Huh.

CW-1 It's all different—it's all—absolutely, but it's all—it's different programs at every school.

CW-3 Right, right, right, I know, I know. But saying that you worked with those schools I think that makes her feel more comfortable, knowing that you've worked with all the schools before.

CW-1 You can tell them I did 760 of these this year, 96 the year before.

e. In exchange for the bribes, the recipients designated the children of CW-1's clients as purported athletic recruits—without regard for their athletic abilities—or as members of other favored admissions categories, such as “VIP lists,” thereby facilitating their admission to the Universities.

f. As part of the scheme, CW-1, together with others, also fabricated athletic “profiles” for students, which CW-1 submitted to the Universities in support of the students' applications, and which contained falsified athletic credentials—including fake honors the students had purportedly received and elite athletic teams they had purportedly played on. In some instances, parents assisted CW-1 in creating the fabricated profiles, including by supplying staged photographs of their children engaged in athletic activity. In other instances, CW-1 and his associates simply found photos of athletes on the Internet and either used those photos or used software such as PhotoShop to insert the applicants' faces onto the bodies of legitimate athletes. For example, as set forth in greater detail below, CW-1 explained to McGLASHAN that he would create a falsified athletic profile for McGLASHAN's son, something he told McGLASHAN he had “already done ... a million times,” and which would involve him using “Photoshop and stuff” to deceive university admissions officers.

g. As another example, on or about November 13, 2017, CW-1 sent a falsified athletic profile to CW-3. The profile falsely described an applicant as the co-captain of a prominent club soccer team in southern California. CW-3, in exchange for a promised bribe payment, designated the applicant as a recruit for the Yale women's soccer team, despite the fact that, as he knew at the time, she did not play competitive soccer. On or about January 1, 2018—after the applicant was admitted to Yale—CW-1 mailed CW-3 a check in the amount of \$400,000, drawn on a KWF bank account. Relatives of the applicant subsequently paid CW-1 approximately \$1.2 million in multiple installments, including approximately \$900,000 that was directed to KWF as a purported charitable donation.

THE INDIVIDUAL DEFENDANTS

A. JANE BUCKINGHAM

32. Defendant JANE BUCKINGHAM is a resident of Los Angeles, California. BUCKINGHAM is chief executive officer (“CEO”) of a boutique marketing company based in Los Angeles.

33. In or about June 2018, BUCKINGHAM agreed to make a purported charitable

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donation of \$50,000 to KWF, in exchange for which CW-1 arranged to have CW-2 take the ACT on behalf of BUCKINGHAM's son at the Houston Test Center the following month.

34. Thereafter, CW-1 made arrangements with Williams to allow CW-2 to purport to proctor the ACT for BUCKINGHAM's son. In return, CW-1 promised Williams that he would send her money to "go on vacation."

35. In a call with BUCKINGHAM on or about July 10, 2018, CW-1 explained, in substance, that CW-2 would not require all of the extended time BUCKINGHAM's son had been granted to take the ACT. The following is an excerpt from the conversation, which was intercepted pursuant to a Court-authorized wiretap.

CW-1 Hey there, so I just talked to Niki. So you guys are gonna meet at 8 a.m. in front of the [Houston Test Center].

BUCKINGHAM Okay.

CW-1 And you're actually not gonna take the test there you because they're doing some re-modeling at the school.

BUCKINGHAM Okay.

CW-1 But she's gonna walk you across the street to Texas Southern University, 'cause it's right across the street.

BUCKINGHAM Okay.

CW-1 And they're gonna have a classroom all set up for the proctor, [CW-2] and [your son], and then Niki will take care of the rest.

BUCKINGHAM Amazing, and is it okay if he takes it all in one day?

CW-1 He's going to take it one day 'cause [CW-2] is only flying in from Florida for one day.

BUCKINGHAM There you go that's--

CW-1 But on, but on, but on the form it will say two days.

BUCKINGHAM Got it, got it.

36. After speaking with BUCKINGHAM, CW-1 called CW-2 to review the logistics of the plan for CW-2 to take the exam. CW-1 told CW-2 that he would send him a check for \$10,000.

37. In a call on or about July 12, 2018, BUCKINGHAM advised CW-1, in substance, that her son had developed tonsillitis and that his doctor had advised against allowing him to travel. BUCKINGHAM asked CW-1 whether it would be possible for her to obtain a copy of the exam that she could have her son take at home—so that he would believe he had taken the test—while CW-2 took the actual exam on his behalf in Houston. The following is an excerpt from the conversation.

BUCKINGHAM So I guess my question is, look--

CW-1 Go ahead.

BUCKINGHAM First of all, he can get on the plane like he, according to him, he's like, "I really don't feel that bad, I think I'm okay." And I do think that this doctor is a little over conservative. Part of my challenge is that my ex-husband is being incredibly difficult about the whole surgery, and if I take him to Houston and then he can't get the surgery he's gonna be very annoyed with me. So my question is, there is no way for him to not go and it still to be done, I assume?

CW-1 Oh maybe I can do that, but I just don't-- I have to talk to the proctor [to make sure she is] fine with doing it.

BUCKINGHAM Right.

CW-1 It's the gal who runs the school.

BUCKINGHAM Right.

CW-1 So I have to ask her. I just got off the phone with her, but if, are you okay with that? And then just--

BUCKINGHAM Well what?

CW-1 The score.

BUCKINGHAM What I would do is, I would say to you, can you give me a test for him to take at home that we proctor him, that I proctor him?

CW-1 Got it, got it. Okay, yeah, I guess we could do we could do something like that.

BUCKINGHAM I mean that's just, I guess, and it's the only thing I can think of, if

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you think it's doable?

CW-1 Yeah, so, the only fact, the only other way is that ACT allows a three week window, unlike SAT, which is a three day window.

BUCKINGHAM Right.

CW-1 So I just talked to Niki, the gal at [the Houston Test Center], and she is back on the 25th of July.

BUCKINGHAM It just depends on whether he gets the surgery or not.

CW-1 I know, I know.

BUCKINGHAM He can't, he can't fly for two weeks after that.

CW-1 Okay, so let me call Niki and ask her if she would have a problem with [CW-2] just doing this.

BUCKINGHAM Yeah.

CW-1 Which would actually make it easier for him to do it, because it would take less time, but let me call Niki right now and see what she says.

38. Later that same day, CW-1 called BUCKINGHAM to tell her that Williams was willing to go along with BUCKINGHAM's plan. The following are two excerpts from the conversation.

CW-1 Okay, so here's the deal.

BUCKINGHAM Okay.

CW-1 So Niki is is willing to do it.

BUCKINGHAM Yep.

CW-1 We are looking for my, correct, that we are trying to get ourselves like 34 on the ACT?

BUCKINGHAM Yeah, yeah.

- CW-1 So [CW-2] will do that. It's really-- can be a 33, it could be a 34, it could be a 35.
- BUCKINGHAM Right.
- . . .
- CW-1 But, so, anyways, so the, she said she would do it, she would send us a copy of the test that we're gonna take--
- BUCKINGHAM Okay.
- CW-1 And then, even though we're already gonna send in his test, there at least [your son] will have taken the same test.
- BUCKINGHAM Thank you, thank you.
- CW-1 Okay, so your donation is gonna be 50. It'll it'll end up being through our foundation.
- BUCKINGHAM Okay.
- CW-1 And I'm already sending a check to the proctor today, and to Niki today, 'cause she said, "I gotta have the money first."
- BUCKINGHAM Okay.
- CW-1 I said, "Niki, I have been doing this forever." She said, "I get it, but this like, this is crazy."
- BUCKINGHAM Yeah. I know this is craziness, I know it is. And then I need you to get him into USC, and then I need you to cure cancer and [make peace] in the Middle East.
- CW-1 I can do that. I can do that if you can figure out a way to boot your husband out so that he treats you well—you're treated better--
- BUCKINGHAM That's impossible. That's impossible. But, you know, peace in the Middle East. You know, Harvard, the rest of it. I have faith in you.
- CW-1 But it's not an issue with that. It can be anytime he wants.
- BUCKINGHAM Yeah, I mean look, he can take it Saturday, I have no problem with him taking [it then].

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CW-1 But it's not an issue with that. It can be anytime he wants.

BUCKINGHAM Right, okay, okay.

CW-1 That's not an issue, 'cause it has to be sent in from Houston.
...

BUCKINGHAM And is-- will you send me where and how I should send the check?

CW-1 Oh yeah, yeah, yeah, yeah. We'll send it so that you get your [IRS tax] writeoff.

BUCKINGHAM Oh, even better!

CW-1 Yeah, it will be, it will be through the, our foundation, our 501(c)(3), and then we'll send the checks to all the parties.

BUCKINGHAM Okay.

CW-1 And that way you, there's no, people aren't saying, "Well, why [did] you send a check to [the Houston Test Center]?" and da da da.

BUCKINGHAM Right, right.

39. On or about July 13, 2018, CW-2 asked CW-1 for a handwriting sample from BUCKINGHAM's son so that CW-2 could attempt to match his handwriting on the exam. CW-1 called BUCKINGHAM to request the sample. The following is an excerpt from the conversation.

CW-1 Hey could you get me a handwriting sample?

BUCKINGHAM Yep.

CW-1 And a signature sample, so that he can kind of get close. Had he not taken the test before we wouldn't have to do this, but I just want to make sure we're close in our writing.

BUCKINGHAM Yes. He has not great writing. I'm gonna give you that, but I'm going to, actually I'm bringing [him] to the doctor right now, so we will sit down in the waiting room and I will send it to you.

40. Shortly thereafter, BUCKINGHAM sent CW-1 an e-mail with the notation, "Good luck with this." Attached to the e-mail was a photograph of the following:

TO WHOM IT MAY CONCERN, THIS PROVIDES AN EXAMPLE OF MY CURRENT WRITING STYLE.
THANK YOU FOR YOUR ATTENTION.
Sincerely,

41. CW-2 took the ACT exam on or about July 14, 2018, in his room at a Houston-area hotel. The next day, CW-1 e-mailed BUCKINGHAM, "Test went well."

42. On or about July 17, 2018, BUCKINGHAM asked CW-1, via e-mail, "[D]o you think we could get a copy of the ACT for [my son] to take?" Later that same day, an employee of The Key e-mailed BUCKINGHAM a copy of an ACT practice test.

43. On or about July 18, 2018, BUCKINGHAM wired \$35,000 to a bank account in the name of the KWF charity as a partial payment toward the agreed-upon fee of \$50,000. BUCKINGHAM advised CW-1 that she would seek to have her former spouse pay the remaining \$15,000 she owed.

44. BUCKINGHAM's son received a score of 35 out of a possible 36 on the ACT exam CW-2 secretly took on his behalf.

45. On or about October 29, 2018, at the direction of law enforcement agents, CW-1 called BUCKINGHAM from Boston, Massachusetts. On the call, BUCKINGHAM said that she would "probably like to do the same thing with [my daughter] with her ACTs" because she is "not a great test taker." BUCKINGHAM said her daughter would not "need to get a 35" to be admitted to her chosen schools, "but if she got a 32 or 33, I'm assuming that would make her pretty competitive."

B. GORDON CAPLAN

46. Defendant GORDON CAPLAN is a resident of Greenwich, Connecticut and New York, New York. CAPLAN is an attorney and the co-chairman of an international law firm based in New York.

47. In or about November and December 2018, CAPLAN participated in the college entrance exam cheating scheme by making a purported charitable donation of \$75,000 to KWF, in exchange for which CW-1 arranged to have CW-2 purport to proctor CAPLAN's daughter's ACT exam and correct the answers after she had completed it.

48. In a call on or about June 15, 2018, CW-1 explained to CAPLAN, in sum and substance, how the scheme worked. The following is an excerpt from the conversation, which was intercepted pursuant to a Court-authorized wiretap.

CW-1 So here's the first thing we need to do. And I think I mentioned this to

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your wife. We need to get your daughter tested for a learning difference. Here's why. If she gets tested for a learning difference, and let's say it's my person that does it, or whoever you want to do it, I need that person to get her 100% extended time over multiple days. So what that means is, we'll have to show that there's some discrepancies in her learning, which there's gotta be anyways. And if she gets 100%, Gordon, then, I own two schools. I can have her test at one of my schools, and I can guarantee her a score. If it's ACT, I can guarantee her a score in the, in the 30s. And if it's the SAT, I can guarantee her a score in the 1400s. Now, all of a sudden, her test score does not become an issue with all the colleges. Because she's strong enough. Then, if we clean up her transcript, then her ability, with her athletic ability and her testing and her getting better at school, it's much easier to get her into school, because you're not fighting huge obstacles at the types of schools you're talking about. Now, if we do that, there's a financial consideration that you have to pay to the school to get it done, because this is absolutely unheard of, to make this happen. I can make scores happen, and nobody on the planet can get scores to happen. She won't even know that it happened. It will happen as though, she will think that she's really super smart, and she got lucky on a test, and you got a score now. There's lots of ways to do this. I can do anything and everything, if you guys are amenable to doing it.

CAPLAN Okay, so let me let me understand the two components. What is the, what is the, the number?

CW-1 So the number-- the number—

CAPLAN --At Cornell for instance.

CW-1 Well, hold on a second. The number on the testing is \$75,000. Okay? It's \$75,000 to get any test scores you would like to get on the SAT or ACT. Okay, that's--

CAPLAN Explain to me how that works.

CW-1 I just explained it to you. You get extended time, you gotta get the extended time first. Then you're going to fly to L.A. And you're going to be going on a fake recruiting visit. You'll visit some schools, while you're out here in L.A. And then on a Saturday, which is the national test day if it's ACT or SAT, she's going to sit down and take the test. I will have a proctor in the room, that's why, when you have 100% extended time, you have-- you get to take it at a-- you don't take it with everybody else, you get to take it over multiple days. And you get to take it at a-- you can take it at your school or another school. Okay? And then this kid, 'cause she's

taking online classes, you have to go somewhere anyway. So you come to my school, take the test on a Saturday. She'll be in the room for six, six and a half hours taking this test. My proctor would then answer her questions, and by the end of the day, she would leave, and my proctor would make sure she would get a score that would be equivalent to the number that we need to get.

CAPLAN Okay.

CW-1 That's how simple it is. She doesn't know. Nobody knows what happens. It happened, she feels great about herself. She got a test a score, and now you're actually capable for help getting into a school. Because the test score's no longer an issue. Does that make sense?

CAPLAN That does.

49. Later that same day, CW-1 had a follow-up call with CAPLAN in which he again explained, in substance, how the scheme worked, and in particular the need for CAPLAN's daughter "to be stupid" when a psychologist evaluated her for learning disabilities in order to obtain the documentation necessary to obtain extended time on the exam. The following are two excerpts from the conversation.

CAPLAN Well again, thanks for taking the time earlier today. Look, I'm particularly interested in working with you guys and figuring out what's best for [my daughter]. She's an interesting kid. I'm sure you've seen them all. But this notion of effectively going in, flying out to L.A., sitting with your proctor, and taking the exam is pretty interesting.

CW-1 It's the homerun of homeruns.

CAPLAN And it works?

CW-1 Every time. (laughing)

CAPLAN (laughing)

CW-1 I mean, I'm sure I did 30 of them at different, you know, dates because there's different dates, and they're all families like yours, and they're all kids that wouldn't have perform[ed] as well, and then they did really well, and it was like, the kids thought, and it was so funny 'cause the kids will call me and say, "Maybe I should do that again. I did pretty well and if I took it again, I'll do better even." Right? And they just have no idea that they didn't even get the score that they thought they got.

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CAPLAN Right.

CW-1 Which is great, that's the way you want it. They feel good about themselves.

CAPLAN Yeah, absolutely, and there's nothing, just ask you directly, there's nothing that the schools are concerned about with this, or have a problem with?

CW-1 Schools don't know. Schools don't know. That's why you have to get 100% time or you have to get 50% multiple days. The only, so the way it works is, if you get 50% time you have to take it at a national test center okay? If you get 100% time you have to find a school that'll actually give you the test. So, if she were at a traditional school, she would be taking it at that school. What I do is, I always tell the family, "Oh, you got a bar mitzvah out of town that weekend, so you found a school to take it at," and they go take it at our school and then they come home and they get a score. So the key is the testing, and we have to get the testing so that we show a discrepancy. It sounds like she has a discrepancy, but I need the discrepancies to be significant enough so that we don't have to appeal and we can go forward. The fact that she's in an online school, that may be helpful for us as well.

CAPLAN And you work all of that out? You figure that out? Or?

CW-1 Yeah, absolutely.

CAPLAN And do you ever have a problem getting the 100% time?

CW-1 Oh yeah, there's times when we have to appeal because, you know, for whatever reason. You have to understand that College Board and ACT both outsource their decisions to a committee, 'cause they're tired of being sued. For, you know, so they do the outsourcing. So, sometimes you have to re-appeal so that psychologist that'll do the testing, will actually write up an appeal. So we'll do that, and I also need to tell [your daughter] when she gets tested, to be as, to be stupid, not to be as smart as she is. The goal is to be slow, to be not as bright, all that, so we show discrepancies. And she knows that she's getting all this extra time, everywhere that she is right now. At the Academy kids are getting extra time all the time.

CAPLAN You mean the Greenwich Academy?

CW-1 Everywhere.

- CAPLAN Oh, oh you mean at her tennis academy. I see. Yeah. Okay.
- CW-1 Yeah, everywhere around the country. What happened is, all the wealthy families that figured out that if I get my kid tested and they get extended time, they can do better on the test. So most of these kids don't even have issues, but they're getting time. The playing field is not fair.
- CAPLAN No, it's not. I mean this is, to be honest, it feels a little weird. But.
- CW-1 I know it does. I know it does. But when she gets the score and we have choices, you're gonna be saying, okay, I'll take all my kids, we're gonna do the same thing. (laughing)
- CAPLAN Yeah, I will.
- ...
- CAPLAN So, how do I get this done with you? What do I need to do?
- CW-1 So what I need to do is, I'm gonna talk to our psychologist, and we may have to send her to you, or you to her, so that she can get the testing done. I'm gonna talk to her, because she's going to a school online, there are forms that have to be filled out by her teachers that she's doing online, so we'll need to send the whole packet to them. It's a huge writeup. It's, you know, it's, I don't know what it is, it costs like four or five grand to get the report all done and all the testing done and have, takes two days to get the testing done. And it shows all the discrepancies. Here's the great thing. When she goes to college, she gets to bring this report with her and she'll get extended time in all those things in whatever school she goes to, which is huge again. She'll get all the accommodations when she gets to college as well.
- CAPLAN Huh.
- CW-1 Which will be really helpful.
- CAPLAN Okay, okay.
- CW-1 So I need to follow up, what I need to do is get your wife to send me her classes she's in, her transcript, and then let me then have a discussion with our psychologist and ask her what she needs to get the ball rolling.
- CAPLAN Okay. And how do I ensure that she's working with you, and, you know, the people that you want her working with?

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CW-1 So what happens is, I think your family already talked to my person who lives in New York.

CAPLAN Alright.

CW-1 [My employee] and she'll start working with [my employee]. [My employee] will be aware of everything that's going on, she won't say anything 'cause she knows. 'Cause we have a bunch of other New York families that are doing the same thing. And then what we'll do is, she'll work on a weekly basis with [my employee], the testing will be done by the psychologist, and then lastly, I already got the proctor already set up. He lives in Florida. He actually played tennis at Harvard and he'll be the proctor. And then, when we get a score, and get her grades changed, and she retakes her classes, then we'll figure out how good she is, late spring next year and we'll go after those schools--

CAPLAN Okay, so what?

CW-1 --want to get into.

CAPLAN When will the-- so when will she take this extended test?

CW-1 Here's the thing, we gotta get her tested, and I gotta figure out if her school will check the box that, normally it takes four months of getting accommodations but she doesn't go to a traditional school, so they should be able to check off the box without the four months. Then we would take it late fall this year and we would take it one time and be done.

CAPLAN Hmm. And a score of? You would think would be?

CW-1 The score will be whatever we need it to be.

CAPLAN Got it, okay. I will.

50. During a call with CAPLAN and CAPLAN's spouse on or about July 5, 2018, CW-1 suggested that they hire a member of his staff to take classes for her, in order to improve her grades in preparation for her application to college. CW-1 explained, "We would do them online and one of my people would take the class for her." CAPLAN's spouse replied that she had a "problem with that." At that point, CAPLAN picked up the phone and spoke with CW-1 privately. The following are two excerpts from the conversation.

CAPLAN It's just you and me. Is that kosher? I mean, can we?

CW-1 Absolutely, I do it all the time man. I do it all the time for families and then we take college classes for kids, you know, online to raise their GPA. Because again, it's not, nobody knows who you are 'cause you're, you don't take a, there is nothing that, you know, is filmed when you take your test and everything, that's what's so great about it. So that's why I asked.

CAPLAN Is, let me put it differently, if somebody catches this, what happens?

CW-1 The only one who can catch it is if you guys tell somebody.

CAPLAN I am not going to tell anybody.

CW-1 Well (laughing)

CAPLAN (laughing)

CW-1 Neither am I. And, neither am I. So the only way is, if somebody says at [your daughter's] school, "Oh by the way, you re-took this class, congratulations, you got an A, blah, blah blah," she can't act like, "Really? When did I take that?"

CAPLAN I see, okay.

51. Later in the call, CAPLAN inquired again about the "ACT thing."

CW-1 Yeah, so, you're getting tested by our psychologist,

CAPLAN Right.

CW-1 I don't know what she charges, and I, I don't make any money on this stuff. I don't really care about it to be frank with you. The school that she would be taking the test at, with the proctor, is \$75,000 and we get the score we need to get. It's one time, it's done, she can't, but she has to show up and be there. She'll ask--

CAPLAN Done, done, not a problem.

CW-1 She'll, she'll think, right, she'll think she took it. She'll feel good about herself. She'll get a great score and she'll be like, "Mom and dad, can I..." You know what's going to happen? She's going to say, "Dad, can I re-take the test again? 'Cause I think I can do better." And that happens all the time, right? She'll get whatever, and we will say no, just so you know that.

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CAPLAN But it will be somewhere in the 30s

. . .

CAPLAN Okay, well look, we are in for the, get her extra time, to the extent we can, extra time on the test.

CW-1 Right

CAPLAN And then, and taking the test one time and get her a, you know, a score in the 30s.

CW-1 Correct.

CAPLAN We are in for that, at 75, not an issue.

CW-1 Done.

CAPLAN Done. The other stuff (laughing)--

CW-1 That will be up to you guys, it doesn't matter to me.

CAPLAN Yeah, I, I hear ya. It's just, to be honest, I'm not worried about the moral issue here. I'm worried about the, if she's caught doing that, you know, she's finished. So I, I just--

CW-1 It's never happened before in twenty-some-odd years. The only way anything can happen is if she--

CAPLAN Someone talks--

CW-1 Yeah, if she tells somebody. And that's why even on the payment to the school thing, nobody, we never tell the, you know, she just needs to know that you're gonna get some help on this class.

CAPLAN Correct.

CW-1 She'll be more than happy.

CAPLAN Oh yeah, I, she, she won't talk.

52. On or about July 21, 2018, CAPLAN and his daughter flew to Los Angeles to meet with a psychologist in an effort to obtain the medical documentation required to receive extended time on the ACT exam.

53. After twice denying the request, the ACT ultimately granted CAPLAN's daughter extended time on the exam at the request of law enforcement on or about November 6, 2018. In a call two days later, CAPLAN asked CW-1, in sum and substance, whether anyone involved in the cheating scheme had ever been caught. The following is an excerpt from the conversation, which was consensually recorded.

CAPLAN So [my daughter] did get the extension. Totally unexpected. We got it last night.

CW-1 Really?

CAPLAN Yeah.

CW-1 That's cool. Cool.

CAPLAN Yeah. And you were right. I mean, it was like third time was the charm. So everybody was telling us there's no way, and then all of a sudden it comes in through [her school]. So, again, and-- keep in mind I am a lawyer. So I'm sort of rules oriented. Doing this with you, no way-- she's taking the test. It's her taking the test, right? There's no way--

CW-1 So--

CAPLAN -- any trouble comes out of this, nothing like that?

CW-1 Okay. So-- so normally-- so let me-- [I] explained this to you before and—

CAPLAN Yes, and I-- and I apologize. It's just--

CW-1 No, no. I get you.

CAPLAN Bear with me.

CW-1 Okay. So I'm going to-- I'll explain to you the process and you get-- you get to decide the process. Okay? So what normally happens in our case is I'll call [CW- 2], who's our proctor, and I'll call Igor, who's the principal of [the West Hollywood Test Center] and I'll say, "Okay, what dates are you available?" Because, my guess, if you're taking the ACT, our next test date is between December 8th and we have two weeks to take the test. Is that what the letter says?

CAPLAN That's a good question.

CW-1 It should, but just call it that it is. Okay?

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CAPLAN Okay.

CW-1 All right. I'll--

CAPLAN And I could-- I could forward it to you, too.

CW-1 Okay. That's normally the case. So then-- so what happens is, is then you guys have already registered for the December 8th test at a national test center, correct?

CAPLAN I believe so, yes.

CW-1 Okay. So then what happens is, I need the ticket that--

CAPLAN And your-- I'm sorry. Your e-mail is [E-MAIL ADDRESS REDACTED]

CW-1 It's [E-MAIL ADDRESS REDACTED].

CAPLAN Yeah. At Gmail, right?

CW-1 Yes. [E-MAIL ADDRESS REDACTED].

CAPLAN Okay. Just sent it to you.

CW-1 Okay. So-- so what normally happens is, you'll send me the ticket and then I will give it to Igor. Igor will do the paperwork so that the test center is moved to the [West Hollywood Test Center]. Okay?

CAPLAN Okay. Okay.

CW-1 So then what'll happen is, instead of wherever she was going to take the test, it'll-- now a test will show up-- usually the Wednesday before the 8th, at [the West Hollywood Test Center]. Then what'll happen is, [CW-2], who is the proctor, will fly in, and he will show up on Friday night, just like you guys would show up on Friday night, and then on Saturday morning at 7:45, 8 o'clock, you guys will show up at the school, which is on [LOCATION REDACTED]. And then what'll happen is, you'll go in, [CW-2] will be your proctor. And so this is-- this is, again, how it all works. She'll take the test. It'll be all her taking the test and then at the end of the test, it would be decided that we want to score, let's say, 33, so that she never has to take the test again. It'll be one and done. Then she'll-- you guys will leave and then [CW-2] will then look at all of her answers. Because her answers will be put on a separate sheet of paper and then [CW-2] will go through the answers and will figure out on all four of the-- there's five sections. The fifth is writing. On all four sections and he will

decipher her answers and-- and he will go back and-- and ensure that he makes it so that her score ends up being between a 32 and 34, just depending on the curve for that particular test day. And normally he's right on. And that is essentially how it would happen.

CAPLAN And has anybody ever gotten into an issue with this?

CW-1 Nobody. We've done this for four or five years and had probably 20-plus people do it. So-- but that's the process.

CAPLAN Never been an issue?

CW-1 Never been an issue. So the decision here is yours. I'm-- I'm not-- I don't want to influence you in any way. It's totally up to you guys, however you guys want to do this.

CAPLAN And do other-- are you guys the only ones who do this or--?

CW-1 Based on what I know. I only know myself and the families that we work with. And so, you know, we have lots and lots of families. Not everybody gets extended time. Not everybody gets extended time with multiple days. So there's lots of people who cannot do it and then there's lots of people that do do it. So it's kind of all in your corner. But now-- you understand the process now.

CAPLAN I do.

CW-1 So that, it's really simple and easy, and it's-- it's up to you to decide one way or another. And it doesn't matter to me. Whatever you guys want to do.

CAPLAN No, I understand that, [CW-1]. I-- I appreciate that and I-- I appreciate the candor here, and the directness. Okay. Give me a little bit to think about it and I will be back to you on it tomorrow. You-- you obviously need to firm this up right away, right?

CW-1 Yeah, because we'll need to get the \$25,000 wire and then I need to call [CW-2] and Igor to see-- to make sure they're available. My guess is you guys are available on the 8th because you guys were going to take it on the 8th anyways.

CAPLAN Yeah. We'll just make ourselves available.

54. On or about November 13, 2018, CAPLAN wired \$25,000 to a bank account in Boston, Massachusetts in the name of the KWF charity that, unbeknownst to CAPLAN,

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CW-1 had opened at the direction of law enforcement agents. CW-1 had previously advised CAPLAN that the \$25,000 would be a “deposit” to reserve the services of CW-2, who CW-1 said was his “best test-taker” and could “nail a score-- he’s that good.”

55. On or about November 15, 2018, CAPLAN called CW-1 about changing the location of the test to the West Hollywood Test Center, and again inquired whether anyone “has ever gotten in trouble with this?” The following is an excerpt from the conversation, which was consensually recorded.

CW-1 You got my-- you got my e-mail?

CAPLAN I did and, that’s sort of what I’m responding to, and part of the reason why I’m taking [my spouse] off of this. [My spouse is] very nervous about all this, and I just - I want to have a-- if we make this change, does that create some sort of suspicion or issue? They say, “Why the hell is somebody living in Greenwich taking it out in California?”

CW-1 Good point. Good point. So normally-- so anybody-- you know, for-- all of the kids that have taken the [test] some live somewhere else. They always-- and essentially if anybody were to-- to ask, essentially, “We’re going to a-- a bat mitzvah,” or, “We’re going to a wedding. We’re going to be gone that weekend. That’s the weekend we’re going to take the test.” In your case, for your daughter, because she goes to a-- an unorthodox school, not your typical-- you know, brick and mortar kind of place, it’s simple, because she could be playing a tournament there, we’ve got to take the test. Anything. But nobody ever asks them. But to--you have to do this to be able to move the test from where it’s located. Plus, when you did your original ticket, I believe you didn’t have the time.

CAPLAN No, we didn’t.

CW-1 Right. So now you got to go to a place that will actually administer and proctor the test for you. Because the place that you would go on that national test center date, they could not do that at that center, because they don’t-- they have to have somebody special be a proctor, to go into a room-- a special room. But that’s why they don’t give those, with those kind of accommodations at a national test center.

CAPLAN [Let me] ask you straight up. You’ve never had an issue with this? No one has ever gotten in trouble with this?

CW-1 I’ve never--

CAPLAN Um--

CW-1 --had an issue with anybody. We've done this, you know, probably 20 times plus. We did it this summer, because, you know, they moved the ACT, they offered a July test date in California. You couldn't take it in California so we-- we weren't a test center for the-- the summer, so a young person had to go to Houston to do it. We just did it for the subject test for a-- actually a girl that lives both in New York and Aspen. So nothing-- nothing to this point has happened.

CAPLAN Could you ever see that happening?

CW-1 I-- I'm not-- I have never seen it happen. The only-- so what happened is they changed the test form so that's why Igor got confused, because the form is different for this new school year. So that's why we called ACT, to say, "Okay, what's the simplest way to do this, because she already had a regular ticket, not an accommodations ticket, and this is exactly what they told us on the phone.

CAPLAN But what I'm-- what I'm asking is, is there any way for this to get back to [my daughter] or to the family? I mean, this comes out-- I-- I don't even want to know what you guys do.

CW-1 So the-- so here-- again, let me just-- I'll just go retrace again. When [your daughter] takes the test, on the 8th, she's going to take the test like she's regularly taking the test, but she will take it, [CW-2] will be there. [CW-2] can answer any questions that she has. But [CW-2] will proctor the test. She will have all the time, she'll use her computer. She will think when she's done with the test she has taken the test. No doubt about it. The difference is-- is that what we'll do is, instead of her bubbling into the test, which we do with all kids who have learning differences, is they bubble-- they write their answers on a separate sheet to the side of it, so that we can rebubble, so we don't screw up the bubbling, which happens a lot for kids. Because they screw up their bubbling. And then she'll-- she'll leave at the end of the test time. Which I don't know who's going to take her. And then--

CAPLAN I will. I'll be there.

CW-1 Okay. And you'll-- you'll meet [CW-2] and Igor, and you'll-- you'll go your own way. [Your daughter] will go in and take the test. She'll be the only one, taking it in the room with-- with [CW-2]. She will take the test. She will walk out the door. At the end of it she'll say to you, "Dad, it was so hard," or "I'm so tired," or whatever the typical reaction out of the kid. Then [CW-2] will finish the exam. He will then take the exam and look at her-- what she's done, and then ensure that whatever score we decide that

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we want to get-- he has it down to a-- unbelievable that he can do it. Get that number based on the four sections. She'll do the computer writing of the essay herself. That'll be all her. He can help her if she wants some guidance [inaudible] approach. But other than that, that will be all her writing. And she will sign it and she'll walk out of there and she will never know that this actually occurred. You will get your results back in, you know, anywhere from, 11-- depends on what day it goes back in. But anywhere from 11 to 20 days. And she'll get her results and she'll say, "Oh, my God, Dad, I got a 33!"

CAPLAN So she's been taking Logic Prep and has been getting-- I think her highest score so far is a 22, and she'll probably get up to a 24 on her next practice test. The fact that this could be different than what she had been showing on the practice test--

CW-1 What-- so you tell me if you want-- would [you] prefer to have her get a 28? 27? 28? 29? Probably based on what you're just telling me right now, right, that -- maybe that's a better approach, because that's still a very good score with her abilities and disability but--

CAPLAN Well, I-- I'm thinking 30, 31 is all we need to do here.

CW-1 Okay. Done deal. Done deal. It'll be-- it'll be 30, 31. So what happens is the test is curved. I don't know if you know that. The test is curved against everybody in the country. So it can-- we can be one question off, or two questions off, and it can be a 30, it can be a 31. It may be a 29. It could be a 32. Just depends on the curve of the day. But it'll be-- it'll be right there.

CAPLAN But what I'm asking you is, will that be an issue? So when Logic Prep asks us, well, how did she score, will they say, "Hmm?"

CW-1 So - well, I don't think it matters what they say, because at the end of the day she had a great day, they get credit for her doing really well and they have nothing to do with ACT and/or the colleges she's going to apply [to].

CAPLAN And they don't feel incumbent on them to say this is suspicious?

CW-1 Well, I don't see why they would. It would only be a success story for them.

CAPLAN Okay. Okay. I will send out the e-mail and I will send you what I get back.

56. On or about December 6, 2018, two days before the ACT exam, CAPLAN and CW-1 spoke again. The following is an excerpt from the conversation, which was consensually recorded.

- CAPLAN When will we know the score?
- CW-1 Normally, you know, the score, between-- it could be, in 11 days or it could be in 20 days. It depends on-- so what normally happens is Igor sends everything in on Monday. And because they're giving the test nationally as long as the test is in by Wednesday, then usually you get scored with everybody else in the country, because everybody has to have-- from their test centers-- have to have their tests back. And then normally you get your scores back in anywhere from 11 to 20 days. And there's been times when it's taken as much as 30 days but that would be because there's an issue across the country, not because of anything that happened with her.
- CAPLAN And the score we're hoping for here is, we're really hoping for, is a 32. Is that what we discussed?
- CW-1 You tell me. Whatever you think we want to have. And we will get within one point. So if you say 32, it'll be either 31, 32, 33. If you say you want 31, it'll be 30, 31, 32. It just depends on the curve of the test for that day.
- CAPLAN Yeah, I-- I don't want it to be higher than a 32.
- CW-1 Okay. So--
- CAPLAN It's just-- it's just going to be hard to justify in light-- light of-- [CW-1] look--
- CW-1 No, I t--
- CAPLAN I, this is all a hope, right? What she-- what we hope she can do.
- CW-1 Right.
- CAPLAN We hope she can get a 32 or pretty close thereto.
- CW-1 Got you. So can I just-- I want to clarify. So she's going to take the test on her own, she's going to do her best, all that stuff, and then we're going to do our magic on the back end.
- CAPLAN You're going to-- you're going to do what you do.
- CW-1 Okay, all right, I just want to make sure that the -- I just want to sure that we're all on the same page. That essentially, that's why I know I can get a 31, 32, you know, so we're going to aim for 31, so that if we go 30 or

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32 we're safe, how's that?

CAPLAN I think that's fine.

CW-1 Okay, I--

CAPLAN I think that's fine, I-- I'm just, uh, uh, uh, uh, [CW-1], you understand my—

CW-1 I totally get it.

CAPLAN And you are absolutely confident there is no issue here.

CW-1 We've been doing this for a long time. Luckily she'll be the only one taking the test, on Saturday. Sometimes there's multiple kids. So all I can do is just tell you that [CW-2] will fly in from Florida. He is an expert at getting within-- it just depends on one-point standard deviation on the -- whatever the curve is. Igor does his part. He signs off. He's the site coordinator. Nobody'll be there but you guys. And that'll be it. And I, you know, I've never even been there, I--

CAPLAN Igor has never had an-- Igor has never had an issue? He has no blemishes on anybody?

CW-1 No. No issues at all.

CAPLAN Okay.

57. On or about December 8, 2018, law enforcement agents observed Dvorskiy arrive at the West Hollywood Test Center at approximately 7:05 a.m. CAPLAN and his daughter arrived approximately ten minutes later, and Dvorskiy, CAPLAN and CAPLAN's daughter went inside the building. At approximately 7:21 a.m., CW-2 entered the West Hollywood Test Center. At approximately 7:31 a.m., Dvorskiy and CAPLAN walked out of the building and had a brief conversation. At approximately 11:52 a.m., CAPLAN's daughter left the West Hollywood Test Center, met CAPLAN, and drove away.

58. On or about December 20, 2018, CAPLAN wired an additional \$50,000 into the KWF bank account in Boston.

C. GREGORY ABBOTT and MARCIA ABBOTT

59. Defendants GREGORY ABBOTT and MARCIA ABBOTT, a married couple (collectively, the "ABBOTTS"), are residents of New York, New York and Aspen, Colorado. GREGORY ABBOTT is the founder and chairman of a packaging company

for the food and beverage industry, and the former chairman and CEO of a private-label clothing manufacturer.

60. As set forth below, in or about April 2018, the ABBOTTS made a purported charitable donation of \$50,000 to KWF, in exchange for which CW-1 arranged to have CW-2 purport to proctor their daughter's ACT, and correct her answers after she had completed it.

61. In or about March 2018, MARCIA ABBOTT e-mailed CW-1 her daughter's ACT registration form and admissions ticket, in preparation for her daughter to take the ACT at the West Hollywood Test Center.

62. On or about April 9, 2018, CW-1's accountant e-mailed GREGORY ABBOTT an invoice for \$50,000, with a note thanking him for his "generous donation to the Key Worldwide Foundation." CW-1 was copied on the e-mail, and later forwarded it to MARCIA ABBOTT.

63. Three days later, \$50,000 was wired from a brokerage account in the name of the Abbott Family Foundation to a bank account in the name of the KWF charity. That same day, GREGORY ABBOTT left CW-1 a voicemail stating, in substance, that he had sent the wire.

64. On or about April 13, 2018, CW-2 flew from Tampa, Florida to Los Angeles, California. The following day, the ABBOTTS' daughter took the ACT at the West Hollywood Test Center. CW-2 purported to proctor the exam and, after the ABBOTTS' daughter had completed it, corrected her answers. On or about April 15, 2018, CW-2 returned to Florida.

65. On or about April 17, 2018, at CW-1's direction, KWF paid Dvorskiy \$20,000, representing \$10,000 for the ABBOTTS' daughter and \$10,000 for the son of I-HSIEN "JOEY" CHEN, who took the ACT at the West Hollywood Test Center at the same time as the ABBOTTS' daughter, as set forth below. On or about May 14, 2018, KWF paid CW-2 \$20,000, representing \$10,000 for each of the two students.

66. The ABBOTTS' daughter received a score of 35 out of a possible 36 on the exam.

67. On or about June 6, 2018, MARCIA ABBOTT called CW-1 to inquire, in substance, whether CW-1 could arrange for someone to take SAT subject tests for her daughter. The call was intercepted pursuant to a Court-authorized wiretap. CW-1 replied, "[GREGORY ABBOTT] would have to be willing to pay for it." MARCIA ABBOTT responded, "Yeah, well he can donate, I mean, whatever the donations are."

68. On or about August 3, 2018, MARCIA ABBOTT called CW-1 to inquire, in substance, how cheating on the subject tests would work. The following is an excerpt from the conversation.

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MARCIA ABBOTT What is the situation with subject tests? Is it basically the same that happened with the SATs?

CW-1 Yeah, it's a little more a little more expensive because now you gotta have somebody which, you gotta make sure that you do well on both of those areas. It's not like the SATs. They're much harder.

MARCIA ABBOTT Yeah, well they're very specialized, and for her she was gonna take Math II and English Lit.

CW-1 Right, so if we have somebody help her, I have to get, I have to figure out who that's gonna be, that's gonna be able to take care of both of those

MARCIA ABBOTT Alright, she loves the guy [CW-2] who took the SATs, she said. She said she started having heart palpitations but she said he was so sweet, he let me walk around the hallway. She said, "Can't I take my SAT subjects with him?" And I said, "Nah, I don't think so. I mean, I think, you know, you just, it's whole different area and that was 'cause we happened to be out in California seeing schools. So you know we're gonna take them here." So, alright, so there's no way for [August] 27th. Then I guess we should take them here down [in the Aspen area] on the 27th and let's see how she does.

CW-1 Absolutely, absolutely.

MARCIA ABBOTT And what would be, the donation be for, if you found someone for October? Because the other one was, what, \$50,000?

CW-1 It was, I think it was 50. It will be at least 75.

MARCIA ABBOTT Yeah, that's fine.

69. In a call on or about September 4, 2018, MARCIA ABBOTT told CW-1, in substance, that she wanted to proceed with the cheating scheme for the SAT subject tests because her daughter did not think she had done well on the tests she had taken on her own. The following are two excerpts from the conversation.

MARCIA ABBOTT Can your people can cover the math and lit?

- CW-1 Yes, if they're available that weekend.
- MARCIA ABBOTT If so, yes, October 6th. So I guess they give a mix alright. Well, let's see how she does, She's convinced that she bombed the lit because she was too tired, so ... And [Duke University] told us they didn't want anything below a 750.
- CW-1 That's right.
- MARCIA ABBOTT It doesn't, it doesn't add to her resume.
- CW-1 That's correct because, yeah well, she would have—
- MARCIA ABBOTT Yeah.
- CW-1 Good thing that she did this for the ACT, 'cause her score was not exceptional.
- MARCIA ABBOTT What? Excuse me what'd you say?
- CW-1 I said it was a good thing that we did it for the first test.
- MARCIA ABBOTT Oh yeah, my gosh, I mean, I'm sure her, you kidding me? She was gonna throw up like every single drug in the world for mono and Lyme [disease]. I'm sure it was a disaster.
- CW-1 She got, she got a 23.
- MARCIA ABBOTT Yeah, that would be what I would have guessed at, 25, you know. So yeah, I mean, yeah, I don't know. We'll see how she does on the math. But she herself even says she doesn't have high hopes for English Lit.
- ...
- MARCIA ABBOTT Yeah, so do you think we should do it now then, this week?
- CW-1 I have to, I have to ask the person in Houston if she'll do it.

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MARCIA ABBOTT Oh, so it'd be in Houston.

CW-1 Yeah, because the person, the person who's gonna be the proctor is based in, half the time, somewhere across the country.

MARCIA ABBOTT Yeah alright, well I rather do, I rather go for it then. Because you know what, even she gets like a 740, 730 on her math, she still needs to get higher.

CW-1 Okay, well I'll talk to the person in Houston tomorrow and see, and the proctor, and see if they're available.

MARCIA ABBOTT Okay, great. And that's your only one in the country?

CW-1 Nobody in the country even has one.

MARCIA ABBOTT Okay, no, I just wanted to know if they're not available, if for some—

CW-1 That this is like, nobody, nobody can do this.

MARCIA ABBOTT And if they're not available then that's it? There's just, there's just one person?

CW-1 Well then, we can do it in November if they're available.

MARCIA ABBOTT And November's not too hard [or] late for early [action]?

CW-1 Not if it is what it is, she's not getting into any schools without them.

MARCIA ABBOTT Yeah I know.

CW-1 So.

MARCIA ABBOTT Okay, well let's see. Let's see what we can do.

70. On or about September 13, 2018, the Abbott Family Foundation made a purported donation of \$75,000 to the KWF charity.

71. In a call with MARCIA ABBOTT on or about September 28, 2018, CW-1 confirmed that the SAT subject tests would occur at the West Hollywood Test Center, and also discussed the scoring of the tests. CW-1 said, “We’ll get 750 and above,” to which MARCIA ABBOTT replied, “That’s fabulous.”

72. On or about October 5, 2018, CW-1 called MARCIA ABBOTT at the direction of law enforcement agents. The following is an excerpt from the conversation, which was consensually recorded.

CW-1 Did you guys get to L.A.?

MARCIA ABBOTT We did. We just checked in. We got on the last flight out of Aspen last night.

CW-1 Congratulations. So I’m in Boston today, but I just wanted to make sure everything was cool. I know [CW-2] has already gotten there to proctor the test. Igor will be there in the morning, so everything should go smoothly. So I just wanted to make sure you-- everything’s cool with you guys.

MARCIA ABBOTT Fabulous. Yeah, everything’s fine. Igor’s the one who proctored her before? Or was it [CW-2]?

CW-1 No, [CW-2] did. Igor will be, the person-- he’s the test administrator for the school.

73. On or about October 6, 2018, law enforcement agents observed Dvorskiy arrive at the West Hollywood Test Center at approximately 7:28 a.m., with MARCIA ABBOTT and her daughter arriving approximately 15 minutes later.

74. In a call on or about October 8, 2018, which was consensually recorded, CW-2—who was not cooperating with the government’s investigation at the time—told CW-1 that he believed he had scored “800 on the math” and between 700 and 800 on the literature test.

75. In a call on or about October 18, 2018, CW-1 discussed the SAT subject tests with GREGORY ABBOTT. In the call, CW-1 advised GREGORY ABBOTT, in substance, that “it was a good move” for him to pay \$75,000 to have CW-2 take the exam for his daughter. GREGORY ABBOTT then inquired how his daughter would have scored in the absence of cheating. The following is an excerpt from the call, which was consensually recorded.

GREGORY ABBOTT Do you know how she did on her own?

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CW-1 Do I know how she did on her own? Yeah, I do. She scored in the mid-600s.

GREGORY
ABBOTT Yeah.

76. Ultimately, the ABBOTTS' daughter received a score of 800 out of a possible 800 on the math subject test and 710 on the literature subject test....

D. ELIZABETH HENRIQUEZ and MANUEL HENRIQUEZ

77. Defendants ELIZABETH HENRIQUEZ and MANUEL HENRIQUEZ, a married couple (together, the "HENRIQUEZES"), are residents of Atherton, California. MANUEL HENRIQUEZ is the founder, chairman, and CEO of a publicly traded specialty finance company based in Palo Alto, California.

78. As set forth below, the HENRIQUEZES participated in the college entrance exam cheating scheme, on four separate occasions, for their two daughters. In addition, the HENRIQUEZES conspired to bribe Gordon Ernst, the head tennis coach at Georgetown University, to designate their older daughter as a tennis recruit in order to facilitate her admission to Georgetown.

79. In or about the fall of 2015, the HENRIQUEZES paid CW-1 \$25,000 to have CW-2 purport to proctor their older daughter's SAT exam and correct her answers.

80. On or about August 19, 2015, CW-1 e-mailed CW-2 a round-trip plane ticket from Tampa, Florida to San Francisco, California. CW-1 forwarded the ticket receipt to Steven Masera, his bookkeeper, with the instruction to bill the ticket to the "Henriquez account."

81. At or about the same time, CW-1 made arrangements for CW-2 to serve as an exam proctor at the private college preparatory school in Belmont, California, attended by the HENRIQUEZES' daughter. On or about September 19, 2015, CW-1 e-mailed CW-2: "You are going to receive an e-mail from the [high school guidance] counselor to tell you what to do with materials, et cetera ... before responding to her let me know so we can say the right thing."

82. In a series of e-mails in late September, 2015, CW-2 explained to the HENRIQUEZES' daughter's high school counselor, in sum and substance, that he was willing to fly from Tampa to San Francisco to proctor the exam "because my wife has a new-born," noting, "I would really appreciate the opportunity to proctor the test because I'm applying to grad schools and I could quite frankly use the work." The counselor responded, "I have you set up to proctor and read for [the HENRIQUEZES' daughter] this coming Saturday, October 3rd at 8:00 a.m." CW-2 forwarded the e-mail to CW-1, who forwarded it to ELIZABETH HENRIQUEZ with the note, "[CW-2] has the testing

covered.”

83. On or about September 28, 2015, CW-1 directed Masera to bill the “parents 15k that is to be written to [CW-1] and goes to my home or personal account. 10k to The Key for Testing Support.”

84. On or about October 2, 2015, CW-2 flew to San Francisco. That same day, ELIZABETH HENRIQUEZ e-mailed CW-2 directly to “touch base regarding Saturday am plans.” She arranged to meet CW-2 at her daughter’s high school at 7:15 a.m. the next day.

85. On or about October 3, 2015, CW-2 purported to proctor the exam for the HENRIQUEZES’ daughter at her school. According to CW-2, unbeknownst to the school, he sat side-by-side with the daughter during the exam and provided her with answers to the exam questions, and after the exam, he “gloated” with ELIZABETH HENRIQUEZ and her daughter about the fact that they had cheated and gotten away with it.

86. On or about October 20, 2015, CW-1 sent an e-mail instructing Masera to bill \$25,000 to the HENRIQUEZES, with \$15,000 directed into CW-1’s personal account. On November 18, 2015, with the invoices still unpaid, CW-1 e-mailed ELIZABETH HENRIQUEZ to inquire about the status of payment. ELIZABETH HENRIQUEZ responded: “Manuel set up electronic checks when we first received the invoices. I will check with him.”

87. On or about November 24, 2015, the Henriquez Family Trust wired \$15,000 to CW-1’s personal bank account and \$10,000 to an account in the name of The Key. After receiving the funds, CW-1 caused KWF to pay CW-2 a total of \$10,000 in three separate installments.

88. The HENRIQUEZES’ daughter received a score of 1900 out of a possible 2400 on the October 2015 test, an improvement of 320 points over the best score she had previously achieved taking the test legitimately.

89. Thereafter, the HENRIQUEZES agreed with CW-1 to have CW-2 purport to proctor their younger daughter’s ACT exam at the Houston Test Center.

90. On or about August 10, 2016, the HENRIQUEZES’ younger daughter received a letter from ACT, Inc. notifying her that her request for “extra time” on the exam had been granted.

91. On or about September 13, 2016, ELIZABETH HENRIQUEZ e-mailed a counselor at her daughter’s high school falsely stating, in substance, that her daughter wanted to take the ACT on October 22, 2016, but that “we have to be in Houston” on that date. The e-mail continued: “Through connections there, we have been able to secure a site and a proctor to test [my daughter] for the two days.” The counselor

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responded, “No worries – thank you for letting me know.” ELIZABETH HENRIQUEZ forwarded the e-mail exchange to CW-1.

92. CW-2 flew from Tampa to Houston for the exam, which occurred on or about October 22, 2016. CW-2 purported to proctor the exam for the HENRIQUEZES’ daughter and another student. CW-2 has advised law enforcement agents, in substance, that he discussed the answers during the exam with the two students, but directed them each to answer different questions incorrectly in an effort to conceal their cheating from ACT, Inc.

93. The younger HENRIQUEZ daughter ultimately received a score of 30 out of a possible 36 on the exam. On or about October 24, 2016, CW-1 paid \$50,000 to Martin Fox, who introduced CW-1 to Niki Williams, the administrator of the Houston Test Center. CW-1 has advised law enforcement agents that his understanding was that part of this money would be used to pay Williams. On or about October 31, 2016, CW-1 paid CW-2 \$20,000.

94. CW-1 initially e-mailed Masera instructions to invoice MANUEL HENRIQUEZ and another parent \$75,000 each for the ACT scheme. CW-1 has advised law enforcement agents, however, that in lieu of paying for the cheating, MANUEL HENRIQUEZ agreed to use his influence at Northeastern University, in Boston, Massachusetts—where he is an alumnus and former member of the Northeastern University Corporation, one of the university’s governing bodies—to help CW-1 secure the admission of an applicant to that school.

95. In an e-mail exchange on or about October 20, 2016, CW-1 sent MANUEL HENRIQUEZ a copy of the Northeastern applicant’s college entrance exam scores and application. MANUEL HENRIQUEZ responded, “Thank you and I will reach out Monday.” Two days later, CW-1 e-mailed Masera instructions not to invoice MANUEL HENRIQUEZ, noting: “There will be a hold on Henriquez. I am doing a deal with them – tell you soon.”

96. On or about October 26, 2016, in an e-mail to a senior development officer at Northeastern University, MANUEL HENRIQUEZ described the Northeastern applicant as an “excellent candidate for the College of Social Sciences and Humanities.” MANUEL HENRIQUEZ then e-mailed CW-1: “Just confirmed with the university, have [the applicant] file [early decision] normal channels to get into the systems and make sure his application is complete. Then the folks I connected will flag it.”

97. On or about November 1, 2016, MANUEL HENRIQUEZ met with the applicant in Atherton, California, and thereafter relayed details about the meeting to his contact at Northeastern. MANUEL HENRIQUEZ then followed up with CW-1: “I liked him very much, and just informed the school according[ly]. It is now in their hands, and they understand he is looking for [early decision], and I will reinforce early next week.”

98. MANUEL HENRIQUEZ repeatedly followed up with Northeastern officials in Boston about the applicant's candidacy. The student was ultimately admitted to Northeastern. The applicant's parents paid CW-1 \$250,000 after he was admitted.

99. According to CW-1, in or about 2017, CW-1 met with the HENRIQUEZES at their home, where they paid him between \$25,000 and \$30,000 in cash to arrange for a third party ("Proctor 2") to facilitate cheating on three SAT subject tests and the ACT for their younger daughter.

100. On or about April 24, 2017, CW-1 e-mailed Proctor 2: "I have an opportunity over two days over two weeks for you in June. If interested please call me."

101. In or about May 2017, CW-1 exchanged multiple e-mails with Dvorskiy about moving the HENRIQUEZES' younger daughter's SAT subject tests and ACT to the West Hollywood Test Center. ELIZABETH HENRIQUEZ e-mailed CW-1 that she would give her daughter's school a "heads up re test center change."

102. CW-1 purchased tickets for Proctor 2 to fly from San Jose, California to Los Angeles for the exam on or about June 2, 2017, and to return to San Jose the next day.

103. The HENRIQUEZES' daughter took the SAT subject tests at the West Hollywood Test Center, with Proctor 2 purporting to proctor the exams. As set forth below, Proctor 2 later told CW-1 that he provided her with answers to certain exam questions.

104. On or about June 5, 2017, CW-1 mailed Dvorskiy a check for \$40,000, drawn on one of the KWF charitable accounts. On or about June 3, 2017, CW-1 mailed Proctor 2 a check for \$2,000.

105. The following weekend, Proctor 2 again flew from San Jose to Los Angeles and purported to proctor the ACT exam for the HENRIQUEZES' daughter at the West Hollywood Test Center.

106. After the exams, CW-1 mailed Proctor 2 a check for \$4,000.

107. The HENRIQUEZES' daughter received a score of 33 out of a possible 36 on the ACT, and scores of 720, 740, and 770 out of a possible 800 on the SAT subject tests for math, Spanish, and history, respectively.

108. In addition to cheating on the ACT and SAT exams, the HENRIQUEZES agreed with CW-1 to bribe Ernst, the head tennis coach at Georgetown, to designate their older daughter as a recruited athlete, in order to facilitate her admission to the university.

109. As part of that scheme, on or about August 19, 2015, CW-1 e-mailed ELIZABETH HENRIQUEZ and her daughter, directing them to send an e-mail with a "PDF of subject tests and transcript to Gordie Ernst at Georgetown using my message

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asap thanks.” Accompanying the e-mail was a message CW-1 had drafted for the HENRIQUEZES’ daughter to send to Ernst in her own name, stating, among other things: “I have been really successful this summer playing tennis around the country. I am looking forward to having a chance to be part of the Georgetown tennis team and make a positive contribution to your team’s success.” CW-1 has advised investigators that the information in the note was fabricated.

110. ELIZABETH HENRIQUEZ replied to CW-1’s message that her daughter was “on it.” The next day, the HENRIQUEZES’ daughter sent CW-1’s message to Ernst, who forwarded it to an admissions officer with the note: “Potential spot.”

111. On or about August 24, 2015, CW-1 circulated to ELIZABETH HENRIQUEZ and her daughter a draft application essay. The essay included no mention of tennis. Two days later, CW-1 e-mailed ELIZABETH HENRIQUEZ and her daughter again, advising that he was going to change the essay to “talk about tennis.” The final essay submitted to Georgetown falsely stated: “[B]eing a part of Georgetown women’s tennis team has always been a dream of mine. For years I have spent three – four hours a day grinding out on and off court workouts with the hopes of becoming successful enough to play college tennis especially at Georgetown. What is most amazing is how quickly I connected with Coach Ernst. He spent time with me while on campus and at several tournaments I played in.”

112. On or about October 22, 2015, the HENRIQUEZES’ daughter e-mailed Ernst her fraudulently obtained SAT scores.

113. The HENRIQUEZES’ daughter’s application was submitted to Georgetown on or about October 25, 2015. In addition to the falsified essay, the application falsely indicated that she played “club tennis” all through high school for 20 hours per week and 52 weeks per year, and listed her as having a “Top 50 ranking” in the United States Tennis Association (“USTA”) Junior Girls Tennis for her sophomore through senior years of high school, and as being on the USTA All-Academic Team for tennis for her junior and senior years. In fact, records obtained from the USTA do not show that she played at any USTA tournaments in high school. [fn: At her best, she appears to have ranked 207th in Northern California in the under-12 girls division, with an overall win/loss record of 2-8].

114. On or about November 6, 2015—less than two weeks after submitting her application—the HENRIQUEZES’ daughter received a letter from Georgetown indicating that the university had “conducted an initial review of [her] application to the Class of 2019 at the request of Mr. Gordie Ernst, tennis coach,” and that her admission was “likely.” The HENRIQUEZES’ daughter was ultimately offered admission to Georgetown the following spring.

115. On or about May 4, 2016, the Henriquez Family Trust made a purported contribution of \$400,000 to KWF. On or about May 9, 2016, CW-1 caused a donation

receipt letter to be sent to ELIZABETH HENRIQUEZ stating that the gift would “allow us to move forward with our plans to provide educational and self-enrichment programs to disadvantaged youth.” The letter falsely stated that “no goods or services were exchanged” for the money.

116. Between approximately September 11, 2015 and November 30, 2016, KWF paid Ernst \$950,000. CW-1 has advised that these payments were made in exchange for Ernst’s designation of the HENRIQUEZES’ daughter and several other students as purported tennis recruits, in order to facilitate their admission to Georgetown.

117. On or about October 24, 2018, CW-1 called ELIZABETH HENRIQUEZ at the direction of law enforcement agents and told her that KWF was being audited by the IRS. The following is an excerpt from the call, which was consensually recorded.

CW-1 Well, the reason I’m callin’ is-- So I’m in Boston now. And I just wanted to let you know that--

E. HENRIQUEZ You-- well, first of all, you didn’t-- sayin’ it right. Boston. Yeah.

CW-1 Okay. Excuse me. So my-- so my foundation is getting audited now.

E. HENRIQUEZ Oh.

CW-1 Uh--

E. HENRIQUEZ Well, that sucks.

CW-1 Right. And they’re going back, like they always do.

E. HENRIQUEZ Yeah.

CW-1 Pretty normal. So they’re taking a look at all my payments. So they asked me about the large sums of money that came in from you guys.

E. HENRIQUEZ Okay.

CW-1 And so, essentially--

E. HENRIQUEZ For all the good deeds that you do.

CW-1 Absolutely. So, of course, I didn’t say anything-- you know, I’m not gonna tell the IRS that, you know, [CW-2] took the test for

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[your eldest daughter] or that Gordie--

E. HENRIQUEZ Right. Yeah.

CW-1 --or that Gordie-- you know, we paid--

E. HENRIQUEZ Like-- Yeah.

CW-1 --Gordie to help her get into Georgetown, right?

E. HENRIQUEZ Right.

CW-1 So I just want to make sure that you and I are on the same page--
-

E. HENRIQUEZ Okay.

CW-1 --in case they were to call.

E. HENRIQUEZ So what's your story?

CW-1 So my story is, essentially, that you gave your money to our foundation to help underserved kids.

E. HENRIQUEZ You-- Of course.

CW-1 And--

E. HENRIQUEZ Those kids have to go to school.

CW-1 Absolutely.

118. In a call on or about November 5, 2018, CW-1 and ELIZABETH HENRIQUEZ discussed the ACT that the HENRIQUEZES' younger daughter took in 2016 at the Houston Test Center and the multiple exams she took in June 2017 at the West Hollywood Test Center. The following is an excerpt from the conversation, which was consensually recorded.

CW-1 Okay. So, essentially [your younger daughter] came to Houston in October to ta-- in 2016 to take her tests with [CW-2]—

E. HENRIQUEZ Right.

CW-1 --and then I have it again that she-- in 2017, in June, we took it in L.A. because-- and it's like-- and I don't under-- and I'm

- trying to figure out wh-- what happened there because there's money that went in my foundation and then there's also a seven-- like a \$75,000 credit. I think that's when Manuel helped [the Northeastern applicant] get in Northeastern, but I'm--
- E. HENRIQUEZ Right. I don't know that deal a whole-- 100%. I know there was a deal you guys talked about but--
- CW-1 Ri--
- E. HENRIQUEZ Yeah. So I think that that was it because-- right. And that went against the June one in L.A., which wasn't [CW-2]. It was obviously the other situation.
- CW-1 Okay, Okay. All right. And so--
- E. HENRIQUEZ So we didn't have [CW-2] for that. We had-- oh-- we had what's his face [Proctor 2]. Uh--
- CW-1 But it was an ACT test.
- E. HENRIQUEZ Right.
- CW-1 Wasn't it?
- E. HENRIQUEZ He did it again.
- CW-1 Oh, we did it again.
- E. HENRIQUEZ Remember the first one was-- no, actually, those-- remember those were subject tests, as well.
- CW-1 But they couldn't have been because—because in June-- so was June the subject test?
- E. HENRIQUEZ Yeah. Those are the subject tests they take after they get out. Remember there was a-- it-- what did she take? English, history.
- CW-1 Okay.
- E. HENRIQUEZ There was a-- there was a math one because I know that-- that was one we really need-- it was like math B or II or whatever you call it. And then she also did Spanish, some Spanish and some English or history or something. Shit, I don't remember. Getting confused between subject tests and AP tests.

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- CW-1 Yeah, because-- okay. Because--
- E. HENRIQUEZ See, can I just looked back at her ACT stuff and get back to you? Like I-- I can look back in her file or just-- I can just ask.
- CW-1 Okay, that would be great. That would be great. And then-- yeah, because I think that's--
- E. HENRIQUEZ I think that's when he went back down in June. I don't think it was another ACT. We stuck with the ACT.
- CW-1 In October.
- E. HENRIQUEZ Had, I think. Yeah.
- CW-1 Okay. So why-- if you could go back and check that would be great.
- E. HENRIQUEZ Yeah, that was subject test. I'm almost positive that was-- that was-- because that would be the time of year that would be.
- CW-1 Right. That's what I thought. That's what I thought. But it looks like the date was on an ACT date but I don't know that. So if you could check that would be great.
- E. HENRIQUEZ Yeah. So I will get back to you on that one. I'll-- I'll-- I can ask [my younger daughter]. She definitely will remember.
- CW-1 Okay.
- E. HENRIQUEZ Do you want--
- CW-1 And then I know the first one was the-- in Houston. [CW-2] was there. Okay. So that's what I needed to know. Okay.
- E. HENRIQUEZ Yeah, that was easy. That one I totally remember.

119. ELIZABETH HENRIQUEZ later called CW-1 back to advise him, in substance, that she had checked with her daughter and that CW-2 had purported to proctor the ACT exam in Houston and that Proctor 2 had purported to proctor the exams at the West Hollywood Test Center.

120. Thereafter, CW-1, at the direction of law enforcement agents, called Proctor 2. In the call, which was consensually recorded, Proctor 2 confirmed that he had proctored the SAT subject tests for the HENRIQUEZES' daughter in Los Angeles, that he had

been paid \$2,000 for doing so, and that he had answered questions for her during the exams.

121. On or about January 27, 2019, CW-1, acting at the direction of law enforcement agents, met with both MANUEL HENRIQUEZ and ELIZABETH HENRIQUEZ at their home in Atherton, California. In the meeting, CW-1 told the HENRIQUEZES that Williams, the Houston test administrator, had been subpoenaed to testify before a grand jury in Boston about students from out-of-state, including their daughter, who had flown to Houston to take the ACT in 2016. The HENRIQUEZES first discussed, in substance, what excuse they could offer about why their daughter had taken the exam in Houston, given that they live near San Francisco. CW-1 then told the HENRIQUEZES that there was no “paper trail” of money for that exam, due to the fact that MANUEL HENRIQUEZ had agreed to help the Northeastern applicant gain admission to that university. The following is an excerpt from the conversation, which was consensually recorded.

M. HENRIQUEZ Okay. So why did [my daughter] do the test there [Houston]? So we gotta get into that story.

CW-1 So-- so lemme, go into that. So you're right. That's-- that's part of it, right? So Niki said to me, “Don't worry about it. You know, these are the outta-state kids. Essentially, there's nowhere where anybody knows--” Because in my books, it doesn't show that there was any money paid for [CW-2] helping [your daughter] do the test. Okay? So there's nothing-- Because we did the deal with [the Northeastern applicant]. So [it] doesn't show anything at all, in our foundation or anything, just so you know.

E. HENRIQUEZ So there's no paper trail of money?

CW-1 There's no paper trail of money. Okay? 'Cause remember we did that? And you helped? So.

M. HENRIQUEZ Right.

122. Later in the conversation, MANUEL HENRIQUEZ told CW-1 that if anyone asked about the testing, he would not answer them.

M. HENRIQUEZ So-- Well, the-- the question is that, anybody calls me, the response is that “I'm not gonna comment regarding my daughter's Houston issue,” on simply getting a phone call from somebody. Uh—

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- E. HENRIQUEZ Well, remember she went there because she needed special—
- M. HENRIQUEZ I understand.
- CW-1 Accommodations.
- E. HENRIQUEZ Accommodations.
- M. HENRIQUEZ But I'm not gonna comment. We gotta be very careful--
- E. HENRIQUEZ Yeah.
- M. HENRIQUEZ --on just getting an inbound call from somebody. "I have no idea who you are. So I'm not responding to an inbound call from anybody."

F. WILLIAM E. McGLASHAN, Jr.

123. Defendant WILLIAM E. McGLASHAN, Jr. is a resident of Mill Valley, California. McGLASHAN is a senior executive at a global private equity firm.

124. As set forth below, McGLASHAN participated in both the college entrance exam cheating scheme and the college recruitment scheme, including by conspiring to bribe Donna Heinel, the senior associate athletic director at the University of Southern California ("USC"), to facilitate his son's admission to USC as a recruited athlete.

125. CW-1 has advised law enforcement agents that McGLASHAN agreed to make a purported donation of \$50,000 to KWF, with the understanding that CW-1 would arrange for CW-2 to serve as a purported proctor for McGLASHAN's son's ACT exam at a test center that CW-1 "controlled," and that CW-2 would, in exchange for money, correct his son's answers after the test was completed.

126. On or about November 20, 2017, McGLASHAN's assistant sent CW-1 an e-mail attaching a "Request for Arranged Testing" form for the ACT, requesting that McGLASHAN's son be permitted to take the ACT at the West Hollywood Test Center instead of at his own high school in Marin County, California. CW-1 forwarded the form to Dvorskiy, who completed required portions and sent it back to CW-1. CW-1, in turn, forwarded the forms back to McGLASHAN, noting, "Bill the forms are attached. Please send into ACT."

127. On or about November 30, 2017, Masera e-mailed McGLASHAN an invoice for "payment regarding [the West Hollywood Test Center]. You are welcome to wire the funds or remit a check."

128. On or about December 6, 2017, three days before the ACT exam,

McGLASHAN made a purported donation of \$50,000 to the KWF charity from his personal charitable donation fund.

129. On or about December 8, 2017, CW-2 traveled to Los Angeles from Tampa to proctor the test for McGLASHAN's son and two other individuals on December 9, 2017. CW-2 has advised investigators that, while at the West Hollywood Test Center, he met McGLASHAN, and that after McGLASHAN's son completed the exam, CW-2 corrected his answers. CW-2 returned to Tampa on or about December 10, 2017.

130. I have reviewed historical cell site data obtained through a Court-authorized search warrant for phones used by both McGLASHAN and his son. The records indicate that on the evening of December 8, 2017, both telephones traveled from the San Francisco area to Los Angeles. At approximately 7:30 a.m. on the morning of December 9, 2017, both telephones hit off cellular towers near the West Hollywood Test Center. Shortly after 3:00 p.m., both phones left Los Angeles and returned to the San Francisco area, where they remained for the rest of that evening and the next day.

131. After administering ACT exams, Dvorskiy returned the testing materials to ACT, Inc., together with a form called an "ACT Administration and Payment Report – Special Testing." The form showed that McGLASHAN's son took the English and math sections on December 9, 2017, and the reading, writing and science sections on December 10, 2017, all at the West Hollywood Test Center. Accordingly, while the records Dvorskiy provided to ACT, Inc. showed McGLASHAN's son taking the exam in Los Angeles on December 10, 2017, cell site records indicate that McGLASHAN's son was hundreds of miles away, in Marin County, at that time.

132. On or about December 19, 2017, CW-1 caused KWF to pay Dvorskiy \$40,000, and on or about December 27, 2017, CW-1 caused KWF to pay CW-2 \$35,000.

133. McGLASHAN's son received a score of 34 out of a possible 36 on the exam.

134. On or about July 30, 2018, CW-1 and McGLASHAN discussed repeating the ACT cheating scheme for McGLASHAN's two younger children, and the need to obtain extended time on the exam in order to facilitate the scheme. The following is an excerpt from the conversation, which was intercepted pursuant to a Court-authorized wiretap.

McGLASHAN One other, just family question, with [my younger son] now entering his sophomore year, and sort of, the process is beginning, we have him on time and a half. I told [my spouse] yesterday, and [my daughter] by the way, who is the, who I think is the one who needs the most time, has no extra time currently. And [my spouse] is talking to the doctor that assessed them, to get her to ask, to request time for [my daughter]. I told her she should be requesting double time for all of them.

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- CW-1 100% multiple days. No matter what, multiple days. So, even if it's 50%, time and a half, multiple days.
- McGLASHAN So is that a different ask to get multiple days versus—
- CW-1 Well the 100%.
- McGLASHAN And if they get time and a half, can they use your facility to take the test?
- CW-1 No, not unless it's multiple days.
- McGLASHAN So as long as it's multiple days, we're in.
- CW-1 Correct, correct. Like it could be—
- McGLASHAN And they, that's a separate filing?
- CW-1 Overall it's the same. Well, so, you're saying [your younger son's] got a, time and a half?
- McGLASHAN Yeah.
- CW-1 So, what has to happen, is there has to be an appeal to get the multiple days. The doc's got to come up with stuff, discrepancies, to show why he needs multiple days. That he can't sit six and a half hours taking one test.
- McGLASHAN Perfect.
- CW-1 And so if he gets multiple days, then I can control the center.
- McGLASHAN Thank you.
- CW-1 Yes.
- McGLASHAN And then what about-- If you get a, if you get double time, you automatically get multiple days?
- CW-1 Automatically, yes.
- McGLASHAN Oh, so it's either multiple days with 1.5, or double, two times time?
- CW-1 Correct.

McGLASHAN Got it, okay, I'll make sure [my spouse] goes to work.

CW-1 And we don't care if it's SAT or ACT.

McGLASHAN Yup, yup.

CW-1 Because we're just going to take it one time and be done anyway.

135. On the same call, CW-1 described the college recruitment scheme to McGLASHAN, which CW-1 referred to as "the side door." CW-1 told McGLASHAN that the scheme could enable McGLASHAN's older son to receive a letter of admission to USC—where McGLASHAN said his son hoped to attend the Jimmy Iovine and Andre Young Academy, a specialty program in arts, technology and business—"before he even applies," as set forth in the excerpt below.

CW-1 Sure, so, so, in this path, you'd pay 250. You'd get accepted. Let me get his stuff and I'll take it to them. If they [USC] can accept him in the fall.

McGLASHAN Yup.

CW-1 He may be-- It may be before he even applies.

McGLASHAN See, that would be great.

CW-1 Right.

McGLASHAN I would do that in a heartbeat.

CW-1 Right, and then you get this unofficial, official letter.

McGLASHAN Now does he, here's the only question, does he know? Is there a way to do it in a way that he doesn't know that happened?

CW-1 Oh yeah. Oh he--

McGLASHAN Great.

CW-1 What he would know is, that I'm going to take his stuff, and I'm going to get him some help, okay?

McGLASHAN So that, that he would have no issue with. You lobbying for him. You helping use your network. No issue.

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CW-1 That letter, that letter comes to you.

McGLASHAN Yup.

CW-1 So, my families want to know this is done.

McGLASHAN Yup.

CW-1 Right, so they want this letter to come to them, so I have them, I have admissions, and that's why I extend the letter to you, you hold it.

McGLASHAN Right.

CW-1 You don't have to tell him a thing.

McGLASHAN Yup.

CW-1 At that, at that point, that, as soon as you get that letter, then they expect just a \$50,000 check, and it goes to Women's Athletics.

McGLASHAN Great.

CW-1 And then the other 200 comes in March, after you get your official, official letter, but the letter you're actually getting [in the fall] is the same letter you're getting in March.

McGLASHAN I love it.

136. CW-1 went on in the same call to explain that in order to take advantage of the "side door," CW-1 would need to create a fake athletic profile for McGLASHAN's son, which he said he had done "a million times" for other families. CW-1 explained, in substance, that the fake profile would allow McGLASHAN's son to be admitted to USC as a recruited athlete, as set forth in the excerpt below.

CW-1 I have to do a profile for him in a sport, which is fine, I'll create it. You know, I just need him-- I'll pick a sport and we'll do a picture of him, or he can, we'll put his face on the picture whatever. Just so that he plays whatever. I've already done that a million times. So--

McGLASHAN Well, we have images of him in lacrosse. I don't know if that matters.

CW-1 They don't have a lacrosse team. But as long as I can see him doing something, that would be fine.

McGLASHAN Yeah.

CW-1 And then what happens is, then what you have to do, because this would be a specialty program, is that you have to then talk to the department and say, "Hey listen, can you take him in the department? We've gotten him accepted into the university."

McGLASHAN Yup. Well I can handle, I think I, I mean, I'll know after this lunch. I think I can handle them at Iovine and Young.

CW-1 Right.

McGLASHAN Yeah. Which is where he really wants to go.

CW-1 Right. So you're saying, "Hey listen, I think I can get him into this school."

McGLASHAN Yup.

CW-1 Now, now, can you, 'cause they're going to come to you and say, this is a selective program, would you want this kid? And he's quote an "athlete" who's coming to you. In fact, would you take him? And the department says yes.

McGLASHAN Now, would he see that, 'cause that, he's going to be fairly well seen at the school, because half the board knows me, and I'm going to be sort of calling in and asking people to help, you know [Board Member 1] and [Board Member 2], and all those guys?

CW-1 But, so-- what I would suggest is, have you called them? Any of them yet?

McGLASHAN No.

CW-1 Good, don't.

McGLASHAN Okay.

CW-1 Because you don't need, because when this, the way this, the quieter it, the quieter this is, the better it is, so people don't say, "Well, okay, this guy, why are all these people calling us? The kid's already been accepted. He's coming here as an athlete.

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He's already in." What you just want is, the person you're meeting with on Friday to say, you know, what we want [is] this kid.

McGLASHAN So he doesn't have to know how he got in. Is that the case?

CW-1 What I would say to him, if you want to have that discussion now with [your son] there, that we have friends in athletics, they are going to help us, because [he] is an athlete, and they're going to help us. From the--

McGLASHAN But I can't say that in front of [my son], 'cause he knows he's not.

CW-1 No, no, right.

McGLASHAN Yeah.

CW-1 And just say, you know what, we're going to get, we're going to get some, we're going to get people to help us.

McGLASHAN Why wouldn't, why wouldn't I say, "Look, leave it to me to worry about getting him in, 'cause I have a lot of friends involved in the school."

CW-1 Perfect, perfect.

137. CW-1 continued in the call to explain how the "side door" scheme worked, as set forth in the excerpt below.

CW-1 What is going to happen when they see his application, he'll be flagged as an athlete.

McGLASHAN Okay.

CW-1 But once he gets, once he gets here, he just goes, he doesn't go to the athletic orientation. He goes to the regular orientation like all my other kids just did. They all got home, and everything's fine. The issue is the specialty program. And he could do--

McGLASHAN So how does he-- just as a, just as a, just as this plays out, my worry on this is, [my son] starts getting letters at home from the athletics program and--

CW-1 He won't.

McGLASHAN Okay.

CW-1 He won't. What he will get in the summer is a letter saying come to the athletic orientation. Okay, but here's what I would--

McGLASHAN What, yeah, what do we do about that?

CW-1 Here's what I would do. I would just tell him. I would tell him, "Listen I got lots of friends in athletics. You're an athlete kind of guy, and my friends in athletics are going to help you. So I'm letting you know. They're going to help you get in. Because they have the easiest way in. And, all the coaches, I'm friends with all the coaches. So, they're going to help you get in." And, but maybe here's a better idea. Maybe this is a better idea. We go this path. You work with the dean, but, but, how, how would you feel about, if you already know that he's going to get into the program, but we apply to letters and sciences as a regular student?

McGLASHAN Yup.

138. McGLASHAN and CW-1 continued to have additional telephone discussions about the "side door" scheme throughout August 2018, not just with respect to USC but also with respect to Stanford University. The conversations were intercepted pursuant to a Court- authorized wiretap. On or about August 22, 2018, CW-1 left McGLASHAN a voicemail message explaining, in substance, that CW-1 would create a fake football profile using Photoshop software, which would allow McGLASHAN's son to be admitted as a purported football recruit.

CW-1 Hey Bill, so we're gonna-- met with [USC], because the [high school your son attends] does not have a football team, I'm gonna make him a kicker/punter and they're gonna walk him through with football, and I'll get a picture and figure out how to Photoshop and stuff, so it looks like it and the guy who runs the biggest kicking camp is a good friend, so we'll put a bunch of stuff about that on his profile, and we should be in pretty good shape to get that done. It's just a matter of, when I get the profile done, get it to them and figure out when they're gonna have a sub-committee meeting, so I'll let you know. Stanford said no, too tough, grades too low, just don't want to make that an exception right now for him. So I wanted you to know that as well, and then I think I'm seeing you next Tuesday, so if there's anything you need from me just let me know. See ya. Bye-bye.

139. A few minutes later, McGLASHAN returned CW-1's phone call. The following

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is an excerpt from the conversation.

McGLASHAN [CW-1].

CW-1 Hey, so you got an NFL punter huh?

McGLASHAN You there [CW-1]?

CW-1 Yes.

McGLASHAN Oh there you are, perfect. Lost ya.

CW-1 You got an NFL punter?

McGLASHAN I did. That's just totally hilarious. So he-- so this is for, so, the one part you were garbled at the beginning is, the school doesn't have a football team, meaning, obviously [USC] does. What does that mean?

CW-1 Your high school.

McGLASHAN Oh, the high school. Yes, of course. Got it.

CW-1 So they asked me, "What sport could we put him through?" And I said, "Well, I don't want, you know," 'cause your school doesn't have football it's easy, because I can say, because they have all these kicking camps and these kickers always get picked up outside of the school--

McGLASHAN Yeah perfect. Perfect.

CW-1 So I'm gonna make him a kicker.

McGLASHAN (laughs) He does have really strong legs.

CW-1 (laughs) Well, this will be for-- this will be good for one of the-

McGLASHAN Maybe he'll-- maybe he'll become a kicker. You never know.

CW-1 Yeah! Absolutely.

McGLASHAN You could inspire him, [CW-1]. You may actually turn him into something. I love it.

CW-1 I know. Well I had a boy last year, I made him a long snapper. And—

McGLASHAN I love it.

CW-1 --he was 145 pounds. Long snapper. So--

McGLASHAN I love it. I love it. That is so funny. So, so, and then, just remind me again, we get all these done and the, the obvious deal you and I talked about, the 50K and the 200K. And-- and then, do we know he's in? You and I at least know he's in?

CW-1 Yeah, yeah. Because when he gets in, they'll send me a letter which will be the, and--

McGLASHAN Yup.

CW-1 The same letter that he's going to get later on.

McGLASHAN Yup.

CW-1 But it'll just be in your hands. It's always--

McGLASHAN Perfect

CW-1 For the parents to know that everything's cool.

140. CW-1 went on in the call to tell McGLASHAN, in substance, that if they could get his son accepted to USC as a fake “kicker” or “punter,” his odds of admission would jump to 90 percent, as set forth in the excerpt below.

CW-1 So, you know, essentially she [Heinel] told me when I get all the paperwork together, and I gotta create this profile pic. So what I'll probably need, if you guys have any pictures of him playing multiple sports, or something where you can kind of see his face a little bit in action?

McGLASHAN Umm. Hmm.

CW-1 It would be helpful because I will Photoshop him onto a kicker.

McGLASHAN (laughs) Okay. Okay. Let me look through what I have. Pretty funny. The way the world works these days is unbelievable.

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CW-1 It's totally cra-- like, last year I had a boy who did the water polo, and when the dad sent me the picture, he was way too high out of the water. That nobody would believe that anybody could get that high.

McGLASHAN Yeah--

CW-1 So I told that dad, I said, "What happened?" He said he was standing on the bottom! I said, "No no no no no."

McGLASHAN Yeah exactly. You gotta be swimming. Exactly.

CW-1 That's right.

McGLASHAN That's funny. That's great. Okay, well yeah, it's too bad that she doesn't have a lacrosse program with scholarship positions. That'd be easy.

CW-1 I know. It'd be much easier. But she said, "That's cool, let's do it that way." So, that's the path we're gonna go.

McGLASHAN Okay perfect. And then what are your sense of the odds at this point if we, once you get the package in and everything?

CW-1 90 percent.

McGLASHAN Okay. Great. Great. Well, I'll get you some photos and obviously I'll see you on the broader, the other matters on Tuesday on the business matters. And, and I'm gonna keep pushing him on the, on the, you know, the pitch.

CW-1 Good.

141. On or about August 30, 2018, CW-1 received a call from AGUSTIN F. HUNEEUS, whose daughter attended the same high school as McGLASHAN's son. HUNEEUS asked if "McGLASHAN [is] doing any of this shit? Is he talking a clean game with me and helping his kid or not? 'Cause he makes me feel guilty." HUNEEUS explained, in substance that McGLASHAN's "kid had no idea ... that you helped him on the ACT." HUNEEUS noted: "And the way, kinda Bill McGLASHAN laid it out, which I know is not true, is he-- he laid it out and he said, 'Look, I'm gonna push, I'm gonna prod, I'm gonna use my relationships, but I'm not gonna go and pay to get my kid in.' And that's kinda how he drew the line."

142. On or about September 1, 2018, CW-1 spoke with McGLASHAN about, among other things, his conversation with HUNEEUS. The following is an excerpt from the

call.

CW-1 Your guy AGUSTIN.

McGLASHAN AGUSTIN HUNEEUS, yeah.

CW-1 He is pushing hard on trying to find out your guys' approach with [your son]. He came to me and I said I did not, I was not willing to talk to him about it.

CW-1 Right.

McGLASHAN And sort of wants the, he obviously wants to get your help, you know, with his daughter, and I just said, "Look, you gotta make your own call what you want to do." I said, "You just need to talk to [CW-1] and work with [CW-1]," not knowing, A, what you want to do with him or B, not wanting HUNEEUS to frankly be in our family business. So I did not.

CW-1 No that's good. He was pushing hard, like, "You gotta tell me what they're doing." And I said, "Listen, that's their situation and you know Bill's very connected, and you need to discuss it with Bill, not discuss it with me."

McGLASHAN Well he tried that, he tried that, and just so you know, he had a conversation with another family and sort of started talking about the side door approach you have, and was sort of suggesting, "Do you think this is right and dut duh duh." And I made the comment to him, "You know, HUNEEUS, you shouldn't be talking about that. You know, what [CW-1] does is very specific to circumstances, and you think of it as, he's the best coach you could ever have as a kid, trying to figure out where to go to school, 'cause he helps kids get into the right school etcetera, etcetera." But it just bothered me he was out talking about it.

CW-1 Agreed, agreed yeah. And that's what, and that worries me too.

McGLASHAN Yup.

CW-1 So I said, "Listen, you are in a very competitive environment. You gotta keep what you do to yourself."

McGLASHAN Yup, yup.

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CW-1 It will blow up on you, no matter who you think you know, it doesn't matter.

McGLASHAN That's right, yeah, so he's not discreet at all. So that's why I wasn't comfortable saying it to him.

CW-1 Good.

143. As noted above, after CW-1 was approached by law enforcement agents in or about September 2018 and began cooperating with the government's investigation, he secretly approached several subjects of the investigation, including McGLASHAN, and warned them about the investigation. CW-1 subsequently advised investigators that he called McGLASHAN and told him, in substance, that he needed to meet with him in person at the Santa Monica airport because he believed his phone was "wired." CW-1 further advised that he did not, ultimately, meet with McGLASHAN at the airport.

144. On or about October 24, 2018—after acknowledging to law enforcement agents his attempt to obstruct the government's investigation and agreeing to plead guilty to an additional charge of obstruction of justice—CW-1 spoke with McGLASHAN by telephone again, this time at the agents' direction. In the call, CW-1 told McGLASHAN that CW-2 had been interviewed by IRS agents in Florida with respect to payments he had received from CW-1's KWF charity. The following is an excerpt from the call, which was consensually recorded.

CW-1 So here's kinda what happened: [CW-2], who is the-- my expert test-taker, who took the test for [your son]--

McGLASHAN Mm-hmm.

CW-1 --at Igor's school, [the West Hollywood Test Center]. He called me to meet at Barney's Beanery, you know, in West Hollywood. Have you ever been there?

McGLASHAN Never.

CW-1 Okay. Well, it's a really cool place in West Hollywood. But he calls me, and he kinda comes out to L.A. every once in a while, and he just had his, his first child, so his in-laws live in L.A., so he said, "Let's meet at Barney's Beanery." So anyway, so [CW-2] starts talkin' to me and tells me a story that he, he got interviewed by the-- an IRS agent in Florida, because he lives in Bradenton, about the payments that he received from my foundation. And, as you know, when families pay for either, either takin' the test or goin' through the side door, all the money

goes through my foundation, and then I pay it out to whoever needs to get paid, like I did for, you know, [your son]-- [your son's] test when he took the test at [the West Hollywood Test Center]. So I paid half of it to [CW-2] and half of it to [the West Hollywood Test Center] through my foundation, so that the family essentially has no connection back to what has happened. So I asked [CW-2] what he did with the agent, and what they talked about, and he told me that he hasn't been declaring his payments from my foundation as income for his taxes. So apparently he's been declaring all this income as a gift, which was stupid. But the agent said, "I'm really not so focused on [CW-2] and your payments; what I'm focused on is this foundation." And he kept asking him questions about the foundation's mission, what they do, how they help underserved kids, so on and so forth. So, you know, since [CW-2] does tutoring for us he told the agent that, you know, he works with kids for us-- underserved kids in the Bradenton area.

McGLASHAN Mm-hmm.

CW-1 So when he gets done speaking, I kinda freak out, right? Because now I'm thinking, "Oh, shit, I'm in a-- I'm in a lot of trouble here," and the IRS has me wired. They probably have me-- you know, bugged my house, the whole thing, because he's talking all about my foundation, and, you know, he really wants to dive into this. So when I met with [my lawyer], he told me, "[CW-1], hold on. Just relax. For them to get a wiretap on you, it takes a, a bunch of months to happen, and you just need to relax." So--

McGLASHAN Mm-hmm.

CW-1 --you know, overnight I'm a lot less worried than I was a couple days ago (laughs) when we talked, but I just-- you know, I'm gonna use this [other] phone, which is my son's phone, and I did it--

McGLASHAN Mm-hmm.

CW-1 --for us to talk so that there are, you know, no issues, just in case.

McGLASHAN Yep, yep.

G. FELICITY HUFFMAN

145. Defendant FELICITY HUFFMAN is a resident of Los Angeles, California.

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HUFFMAN, who has two daughters, is an actress.

146. As set forth below, HUFFMAN and her spouse made a purported charitable contribution of \$15,000 to KWF to participate in the college entrance exam cheating scheme on behalf of her oldest daughter. HUFFMAN later made arrangements to pursue the scheme a second time, for her younger daughter, before deciding not to do so.

147. CW-1 has advised law enforcement agents that, prior to the December 2017 SAT, CW-1 met with HUFFMAN and her spouse in their Los Angeles home and explained, in substance, how the college entrance exam scheme worked. According to CW-1, he advised HUFFMAN and her spouse that he “controlled” a testing center, and could arrange for a third party to purport to proctor their daughter’s SAT and secretly correct her answers afterwards. CW-1 has advised investigators that HUFFMAN and her spouse agreed to the plan.

148. In or about the summer of 2017, HUFFMAN and CW-1 exchanged multiple e-mails about how to obtain 100 percent extra time on the SAT for her daughters.

149. On or about October 16, 2017, HUFFMAN’s older daughter received a letter from the College Board advising that she had been approved for 100 percent extended time. HUFFMAN forwarded the e-mail to CW-1 and a counselor at HUFFMAN’s daughter’s high school with the note, “Hurray! She got it.”

150. The high school counselor wrote back to HUFFMAN the next day, stating, “Now you will register [your daughter] for the December 3rd SAT ... Collegeboard considers double time a school based exam, so [our high school] is the test center. I will proctor test on Dec 4th & 5th and that’s the process in nutshell.” HUFFMAN forwarded the e-mail to CW-1 with the note, “Ruh Ro! Looks like [my daughter’s high school] wants to provide own proctor.” CW-1 responded, “We will speak about it.”

151. In subsequent e-mails, CW-1 and HUFFMAN agreed to tell the high school counselor that HUFFMAN’s daughter would take the SAT at a different location on December 2nd and 3rd—a Saturday and Sunday—so that she would not miss any school.

152. In or about late October 2017, Dvorskiy completed paperwork to move HUFFMAN’s daughter’s exam from her own high school to the West Hollywood Test Center. ETS records reflect that, in calls to ETS, HUFFMAN and the high school counselor confirmed that the location for HUFFMAN’s daughter’s SAT had been switched to the West Hollywood Test Center.

153. On or about December 1, 2017, CW-2 flew from Tampa to Los Angeles. CW-2 has advised investigators that each time he was in Los Angeles to proctor an SAT or ACT, he facilitated cheating, either by correcting the student’s answers after the test or by actively assisting the student during the exam.

154. On or about December 2, 2017, CW-2 purported to proctor HUFFMAN’s

daughter's SAT exam at the West Hollywood Test Center. On or about December 3, 2017, CW-2 returned to Tampa.

155. Ultimately, HUFFMAN's daughter received a score of 1420 on the SAT, an improvement of approximately 400 points over her PSAT, taken without CW-2 one year earlier. On or about December 19, 2017, KWF paid Dvorskiy \$40,000 for administering the SAT to HUFFMAN's daughter and three other students. On or about December 27, 2017, KWF paid CW-2 \$35,000 for purporting to proctor the exam for HUFFMAN's daughter and exams for several other clients of CW-1.

156. On or about February 27, 2018, HUFFMAN and her spouse made a purported contribution of \$15,000 to KWF. On or about March 21, 2018, Masera sent them a letter thanking them for the purported donation and falsely stating that it would "allow us to move forward with our plans to provide educational and self-enrichment programs to disadvantaged youth." The letter falsely stated that "no goods or services were exchanged" for the \$15,000.

157. In a telephone call with CW-1 on or about October 23, 2018, HUFFMAN discussed repeating the SAT cheating scheme for her younger daughter. The call, which was consensually recorded, is excerpted below.

CW-1 Okay. Great. So I also just wanted to let you know that the-- the guy who took the test for [your older daughter], [CW-2]--

HUFFMAN Yeah.

CW-1 --he just had a baby.

HUFFMAN Aw.

CW-1 So if-- so I need to give him at least three weeks' notice, if you want to take the tes-- want us to take the test for [your younger daughter] in December.

HUFFMAN Okay. So that takes us to like November-something. Okay. I won't-- I won't know until she takes that-- the practice test, of when we should take it. I mean, unless you want to play it safe and do it in March.

CW-1 The next test date would be February. So let's try to plan for December.

158. In a call with CW-1 on or about November 12, 2018, HUFFMAN confirmed that she wanted to proceed with the cheating scheme, but probably only after her daughter first took the exam on her own, without cheating. CW-1 has advised law

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enforcement agents that, in such instances—when parents had their children first take the exams by themselves, to see how they scored without cheating—CW-1 would typically direct CW-2 to ensure that their second score did not increase by more than 30 percent from the first “baseline” score, in order to avoid any suspicion of cheating. Excerpts from the call, which was consensually recorded, are set forth below.

CW-1 Okay, great. Okay. So then, the question I have for you, because [what] I’m not sure is, I know she’s-- she’s preparing with [a tutor]. Is she--

HUFFMAN Uh-huh.

CW-1 --going to make that with her extended time at her school or are we going to do like what we--with [your older daughter], where [CW-2] --

HUFFMAN We’re going to do like we did with [my older daughter].

CW-1 Okay. So [CW-2] will take it with her and for her at Igor’s place at [the West Hollywood Test Center]. So--

HUFFMAN Yes.

CW-1 Because I’ll need to do the paperwork for that. And you’re okay with that?

HUFFMAN Yeah, totally.

CW-1 Okay, okay. All right. So then when we get closer to that point, or over-- maybe I’ll have it done over the next week or so--

HUFFMAN Yeah.

CW-1 --[inaudible] the paperwork set up to move that forward.

HUFFMAN Okay. Now, my only thing, [CW-1], is-- sorry it’s loud in here. I’m outside. But is that I’m pretty sure-- we are doing it the same way as [with my older daughter]? I’m pretty sure with [my younger daughter] that she’s going to want to take it twice no matter what.

CW-1 Okay.

...

HUFFMAN So do we do it twice then?

CW-1 The-- well, that's-- that's a good -- well, how about-- let's do this. Why don't we-- why don't we work to get a first score, and then we already have a baseline? Because what happens is, if she takes it and doesn't do well the first time --

HUFFMAN Yeah.

CW-1 --then we can only go up a certain amount the second time.

HUFFMAN Yeah. No, I totally figured that. I just know that no matter what, she's so academically driven--

CW-1 Okay.

HUFFMAN --that no matter what happens, even if we go, "This is a great score," that she'll go, "I really want to take it again."

CW-1 Okay.

HUFFMAN I just wanted to give you a heads-up, so I just thought then she'll just take it twice in that-- in the-- you know, in [the West Hollywood Test Center] or whatever that place was.

CW-1 Okay, go-- gotcha. Okay. All right. So--

HUFFMAN All right.

CW-1 So I'm going to-- I'll talk to Igor and [CW-2], confirm that we can get a March-- the March test date on that Saturday.

HUFFMAN Great.

 ...

CW-1 I just need you-- yeah. I just need to get Igor confirmed that—

HUFFMAN Mm-hmm.

CW-1 --that we can use his site.

HUFFMAN Okay.

CW-1 And I need to get [CW-2] confirmed that he can fly in and take the test with and for [your younger daughter] so that I can make sure that they're available.

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HUFFMAN Okay, that sounds great.

159. On or about December 12, 2018, HUFFMAN and her spouse spoke with CW-1 again to finalize plans for their younger daughter's exam. During the call, CW-1 confirmed that the price to participate in the cheating scheme would be \$15,000, and discussed with HUFFMAN and her spouse whether they thought their daughter would actually take the exam over two days, in order to achieve as high a score as possible before CW-2 corrected her answers. Excerpts from the call, which was consensually recorded, are set forth below.

CW-1 Yeah. So I guess the question for both of you guys are-- is, are we going to do this similarly that we did with [your older daughter] where the [younger daughter] will take the test at [the West Hollywood Test Center]

SPOUSE Yeah, I think [inaudible].

CW-1 I'm sorry.

SPOUSE Yes, I think we are [inaudible].

CW-1 Okay. Same exact. Same exact so she'll take the test [at the West Hollywood Test Center]. [CW-2] will be the proctor. We will ensure that sh-- we get a score that will be in the 14s or-- or, or higher because we want to achieve the schools we want to get to, correct?

SPOUSE --we're talking about Georgetown, places like --

CW-1 Yeah. So we'll need to b-- we'll need to be mid 14s to 1500 to be-- to be solid. That's out of 1600. So that means that sh-- she'll score in the 700s in each category.

....

CW-1 Okay, and then, so then are we-- so again the last time we did this. Just so I can make sure the financial part is all squared away that then we'll-- we will send you an invoice for \$15,000 and we'll-- and that'll be all taken care of. Are we all okay with the financial side and the actual operational side of it?

SPOUSE --cool.

CW-1 Okay. That's what I wanted-- that's what I wanted to know, Okay, so what I'll do is we will start the paperwork of getting everything

accomplished in February so that the test can be sent to [the West Hollywood Test Center]. And, and then Felicity, my guess is you'll have [a] conversation, the school, may have [a] conversation with you and you'll just say, "You know, essentially what we're going to do is [my older daughter] took the-- the exam here, we don't want to miss any school, we're going to take it over the weekend, and we're-- we're very comfortable with this process because we've already done it once before and it worked out really well."

SPOUSE That's [inaudible].

HUFFMAN Okay.

...

SPOUSE Do we want two days?

HUFFMAN Better for her to take it over two days? I think it is.

CW-1 Well, at this point, Felicity, it doesn't really matter because we're going to get a s-- a score --

SPOUSE --I -- I understand that.

CW-1 But it's up to you how you want to do this in-- in her head.

SPOUSE She'll score higher. Just her base score will be higher if we did it over two days.

160. On or about February 13, 2019, HUFFMAN spoke with CW-1 again about the plan for her daughter to take the exam first on her own, and the second time as part of the cheating scheme. During the call, HUFFMAN expressed concern, in substance, about whether a dramatic increase in her daughter's scores would cause her SAT tutor to suspect cheating. Excerpts from the call, which was consensually recorded, are set forth below.

HUFFMAN Hey, thank you so much for calling. [My spouse] gave me the update that she'll take the test March --

CW-1 Ninth.

HUFFMAN --Ninth, at [her high school] and then we will plan it again for May--

CW-1 May. 'Cause she said she wanted to take it twi- a couple of times

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anyways.

HUFFMAN Yup.

CW-1 So the goal-- because we gotta get, based on the schools that she thinks she wants to go to, we're gonna have to get her a 1400-plus.

HUFFMAN Yes.

CW-1 So I don't know what she will get the first time on her own, hopefully she kicks ass and, you know, it's a moot point, but that's what we're gonna need to do.

HUFFMAN Okay. And what do I need to do to facilitate that switch?

CW-1 So we'll do the paperwork for that in mid-April, or beginning of April--

HUFFMAN Okay.

....

HUFFMAN And, you know, [the tutor] gave her that practice test, and as I said to you, you know, she came in at around 1200 and she said, "But I think, you know, we can bring that--"

CW-1 We can go 14--

HUFFMAN --yeah, we can bring that up." But I just didn't know if it'd be odd for [the tutor] if we go, "Oh, she did this in-- in March 9th, but she did so much better in May." I don't know if that'd be like-- if [the tutor] would be like "Wow."

CW-1 --[the tutor] is just doing her job so I don't think she gets well-engaged in that kind of world.

HUFFMAN Okay.

CW-1 So I wouldn't worry about that.

161. Ultimately, HUFFMAN and her spouse decided not to pursue the SAT cheating scheme for their younger daughter....

I. GAMAL ABDELAZIZ

162. Defendant GAMAL ABDELAZIZ, also known as "Gamal Aziz," is a resident

of Las Vegas, Nevada. ABDELAZIZ served, until in or around September 2016, as a senior executive of a resort and casino operator in Macau, China, and previously held other senior executive positions in the hotel and casino industries.

163. As set forth below, ABDELAZIZ conspired to bribe Heinel, the senior associate athletic director at USC, to designate his daughter as a recruit to the USC basketball team, in order to facilitate her admission to the university.

164. CW-1 has advised investigators that, in or about 2017, he discussed with ABDELAZIZ that his daughter was unlikely to be admitted to USC and similarly ranked universities based on her academic record, but that her prospects would improve dramatically as a recruited athlete. According to CW-1, although ABDELAZIZ's daughter played basketball in high school, she was not sufficiently competitive to be recruited by USC. CW-1 advised that ABDELAZIZ provided information for a falsified basketball "profile"—which included exaggerated and altogether fabricated basketball credentials—to submit to USC on his daughter's behalf.

165. On or about July 14, 2017, CW-1 e-mailed Laura Janke, a former assistant coach of women's soccer at USC, "I met with Donna this week in her office and she gave the action item to create profiles for all the kids I presented to her. Would you be willing to put the profiles together for pay?" CW-1 indicated that the profile for ABDELAZIZ's daughter should be for basketball. Two days later, Janke responded that she would prepare the requested profiles.

166. On or about July 16, 2017, in an e-mail bearing the subject line, "For Me to complete USC athletic profile," CW-1 asked ABDELAZIZ to send biographical information about his daughter. The e-mail indicated that the profile would include falsified honors, including "Beijing Junior National Team." In a subsequent e-mail sent on or about July 27, 2017, CW-1 requested that ABDELAZIZ provide an action photo of his daughter to be used in the profile. ABDELAZIZ replied, "Got it," and provided the biographical information and photo that same day.

167. On or about August 7, 2017, Janke sent CW-1 a draft of the profile, which falsely described ABDELAZIZ's daughter as having received numerous athletic honors, including "Asia Pacific Activities Conference All Star Team," "2016 China Cup Champions," "Hong Kong Academy team MVP," and "Team Captain." In the cover e-mail, Janke wrote, "Let me know if you want me to add any other awards to her profile or if you think that is enough." CW-1 forward Janke's e-mail and the false profile to ABDELAZIZ and wrote, "Gamal please answer below[.]"

168. Heinel presented ABDELAZIZ's daughter to the USC subcommittee for athletic admissions on or about October 5, 2017, and—based on falsified athletic credentials—obtained the subcommittee's approval to admit her to USC as a basketball recruit. On or about October 10, 2017, Heinel e-mailed CW-1 a provisional acceptance letter for ABDELAZIZ's daughter confirming that her admission was premised upon "records

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[that] indicate that you have the potential to make a significant contribution to the intercollegiate athletic program.” The letter conditioned the admission on ABDELAZIZ’s daughter maintaining a grade point average of at least 3.3, with no grade lower than a C, for the duration of her senior year in high school.

169. In a voicemail message on or about December 4, 2017, Heinel instructed CW-1 that a payment of \$200,000 for ABDELAZIZ’s daughter should be directed to the gift account for the Galen Center, the arena for USC’s basketball and volleyball programs. CW-1 has advised law enforcement agents that he and Heinel subsequently agreed that, instead of directing the money to USC, Heinel would receive payments of \$20,000 per month personally in exchange for her assistance in securing the admission of ABDELAZIZ’s daughter, and the children of CW-1’s other clients, to USC as purported athletic recruits.

170. On or about January 12, 2018, ABDELAZIZ e-mailed CW-1 a copy of his daughter’s report card, noting, “GPA: 3.5.” CW-1 forwarded the e-mail to Heinel.

171. On or about March 16, 2018, an employee of CW-1 e-mailed ABDELAZIZ an invoice from KWF for \$300,000 and wrote, “Thank you for your generous donation.” On or about March 26, 2018, ABDELAZIZ wired the purported \$300,000 contribution to KWF.

172. In or about July 2018, KWF began making payments of \$20,000 per month to Heinel personally.

173. ABDELAZIZ’s daughter matriculated at USC in the fall of 2018 but did not join the basketball team.

174. ABDELAZIZ has made clear in telephone calls with CW-1 that he understood his purported contribution to KWF was in exchange for Heinel’s assistance in securing his daughter’s admission to USC as a purported basketball recruit. For example, on or about October 25, 2018, CW-1 called ABDELAZIZ from Boston, at the direction of law enforcement agents. On the call, CW-1 told ABDELAZIZ that KWF was being audited by the IRS. The following are two excerpts from the call, which was consensually recorded.

CW-1 So the reason for my call is I just wanted to make sure that you knew. So my foundation, which happens to all these foundations, especially as we got-- we’ve gotten bigger, so we’re getting audited right now.

ABDELAZIZ Yes.

CW-1 So-- which is typical, right. And so they’re looking at all my payments--

ABDELAZIZ Yes.

CW-1 --that have come into our foundation and so they asked me, you know, about the \$300,000 payment--

ABDELAZIZ Yes.

CW-1 --that was made.

ABDELAZIZ Yes.

CW-1 And so I just want you to know from the IRS, you know, I'm not going to tell the IRS anything about the fact that your \$300,000 was paid to Donna-- Donna Heinel at USC to get [your daughter] into school even though she wasn't a legitimate basketball player at that level. So I'm not going to-- I'm not going to say that to the IRS obviously. Are you--

ABDELAZIZ Okay.

CW-1 You're okay with that, right?

ABDELAZIZ Of course.

...

CW-1 I'll tell you a funny story, is that Donna Heinel, who is the senior women's administrator, she actually called me and said—she called me and says, “Hey [CW-1], that profile that you did for [ABDELAZIZ's daughter], I loved it. It was really well done and going forward, anybody who isn't a real basketball player that's a female, I want you to use that profile going forward.”

ABDELAZIZ I love it.

CW-1 But-- yeah, it was great. Absolutely great. So I just want to make sure our stories are together. I'm going to essentially say that your \$300,000 payment, was made to our foundation to help underserved kids.

ABDELAZIZ Okay.

175. ABDELAZIZ discussed the bribery scheme with CW-1 again in a call on or about January 3, 2019. On that call, at the direction of law enforcement agents, CW-1 told ABDELAZIZ, in substance, that Heinel, when asked why ABDELAZIZ's daughter

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was not playing basketball for USC, had responded that she had suffered an injury. ABDELAZIZ confirmed that he would provide the same cover story if questioned. The following is an excerpt from the call, which was consensually recorded.

CW-1 Donna Heinel, who's the senior women's administrator at USC, she called me-- to give me a heads up, and asked-- she was asked by admissions as to why [your daughter] did not show up for women's basketball in the fall.

ABDELAZIZ Yeah.

CW-1 So she told them that [your daughter] had an injury-- and that it happened over the summer-- and that she would be out for six to eight months.

ABDELAZIZ Okay.

CW-1 So I just wanted to give you a heads up, because this has happened to several of our other families that went through the side door--.

ABDELAZIZ Yes.

CW-1 --and I just wanted to make sure-- and nobody's gotten a phone call from anybody. And I [inaudible] that admissions will call you regarding [your daughter], you know, getting in through the side door and n-- and not showing up for practice. I doubt that will happen 'cause it hasn't happened to anybody else.

ABDELAZIZ Okay.

CW-1 But they may ask you, is she okay, whatever. So I think that Donna told them that she had plantar fasciitis--

ABDELAZIZ Okay.

CW-1 --and, and so-- which is typical for lots of athletes.

ABDELAZIZ Yes.

CW-1 So I just wanted you to know in case they call, you, you know--

ABDELAZIZ That we-- would they ask her, [CW-1]?

CW-1 No, they won't ask [your daughter]-- It would go-- it would go to the parent.

ABDELAZIZ Okay.

CW-1 So I just-- but I have no idea if they're gonna call or not. I just wanted to give you a heads up they asked about it, and Donna replied--

ABDELAZIZ Okay.

CW-1 -- and I wanted you to know what her reply was.

ABDELAZIZ That's fine. I will answer the same, should they call me.

J. MOSSIMO GIANNULLI and LORI LOUGHLIN

176. Defendants MOSSIMO GIANNULLI and LORI LOUGHLIN (collectively, "the GIANNULLIS"), a married couple, are residents of Los Angeles, California. GIANNULLI is a fashion designer. LOUGHLIN is an actress.

177. As set forth below, the GIANNULLIS agreed to a pay bribes totaling \$500,000 in exchange for having their two daughters designated as recruits to the USC crew team—despite the fact that they did not participate in crew—thereby facilitating their admission to USC.

178. On or about April 22, 2016, GIANNULLI, copying LOUGHLIN, sent an e-mail to CW-1, noting: We just met with [our older daughter's] college counselor this am. I'd like to maybe sit with you after your session with the girls as I have some concerns and want to fully understand the game plan and make sure we have a roadmap for success as it relates to [our daughter] and getting her into a school other than ASU!

179. CW-1 responded, "If you want [U]SC I have the game plan ready to go into motion. Call me to discuss."

180. In an e-mail on or about July 24, 2016, CW-1 advised GIANNULLI that his older daughter's academic qualifications were at or just below the "low end" of USC's admission standards. Thereafter, the GIANNULLIS agreed with CW-1 to use bribes to facilitate her admission to USC as a recruited crew coxswain, even though she did not row competitively or otherwise participate in crew.

181. On or about September 7, 2016, GIANNULLI sent CW-1 an e-mail attaching a photograph of his older daughter on an ergometer.

182. Heinel presented the GIANNULLIS' daughter to the USC subcommittee for athletic admissions as a purported crew recruit on October 27, 2016. At the meeting, the subcommittee approved her conditional admission to the university.

183. Two days later, on or about October 29, 2016, CW-1 e-mailed GIANNULLI,

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“Please send \$50K payment to the person below[:] Donna Heinel, Senior Women[']s Associate Athletic Director[,] c/o of USC Athletics[.]”

184. On or about November 1, 2016, GIANNULLI replied, “I told biz mgr to Fed Ex today.” GIANNULLI also asked CW-1 whether it was permissible to discuss his daughter’s admission with the then-USC Athletic Director, with whom he was acquainted. GIANNULLI wrote: “BTW, headed to Augusta in 2 weeks with [the USC Athletic Director]. I was planning on saying nothing? Agree or okay to mention anything?” CW-1 replied: “Best to keep [the USC Athletic Director] out of it. When I met with him a year ago about [your daughter] he felt you were good for a million plus.” GIANNULLI responded, “HAH!!”

185. On or about November 28, 2016, CW-1 sent GIANNULLI confirmation that his daughter had been provisionally admitted to USC based upon “records [that] indicate that you have the potential to make a significant contribution to the intercollegiate athletic program.” CW-1 wrote: “FYI attached is the letter you can hold on to. As long as [your daughter] doe[s] what she is doing all is good.”

186. On or about March 23, 2017, USC mailed the GIANNULLIS’ daughter her formal acceptance letter. One week later, Masera sent the GIANNULLIS an invoice from KWF for \$200,000, and wrote, “Thank you for your pledge to The Key Worldwide Foundation. Your pledge is now due Our receipt letter will go out to you upon full payment.” GIANNULLI responded, “Again thanks for all. We are currently on holiday in the Bahamas but will gladly handle this when home next week.”

187. On or about April 10, 2017, GIANNULLI wired \$200,000 to KWF. The following day, an employee of CW-1 sent the GIANNULLIS a receipt from KWF falsely indicating that “no goods or services were exchanged” for the purported donation.

188. On or about April 10, 2017, GIANNULLI copied LOUGHLIN on an e-mail to CW-1 bearing the subject line, “Trojan happiness.” He wrote: “I wanted to thank you again for your great work with [our older daughter], she is very excited and both Lori and I are very appreciative of your efforts and end result!” CW-1 replied, “With [your younger daughter] please let me know if there is a similar need anywhere so we do not lose a spot.” GIANNULLI responded, “Yes [our younger daughter] as well,” and LOUGHLIN added, “Yes USC for [our younger daughter]!” CW-1 replied, “So work to acquire [U]SC? As soon as the semester is over I will need a transcript and test scores.”

189. On or about July 14, 2017, CW-1 e-mailed Janke directing her to prepare a crew profile for the GIANNULLIS’ younger daughter. Janke responded: “Ok sounds good. Please send me the pertinent information and I will get started.”

190. On or about July 16, 2017, CW-1 e-mailed the GIANNULLIS requesting information for the crew profile. CW-1 indicated that the profile would present their younger daughter, falsely, as a crew coxswain for the L.A. Marina Club team, and

requested that the GIANNULLIS send an “Action Picture.” Four days later, CW-1 sent the GIANNULLIS a second request, noting, “If we want USC I will need a transcript, test scores and picture on the ERG.” LOUGHLIN, copying GIANNULLI, replied later that day, “Moss will get this done. We are back in town on Monday.”

191. On or about July 28, 2017, GIANNULLI, copying LOUGHLIN, e-mailed CW-1 a photograph of their younger daughter on an ergometer.

192. Heinel presented the GIANNULLIS’ younger daughter to the USC subcommittee for athletic admissions on or about November 2, 2017. At the meeting, the subcommittee approved her conditional admission to the university.

193. Less than two weeks later, on or about November 16, 2017, CW-1 sent the GIANNULLIS an e-mail bearing the subject line, “CONGRATULATIONS!!!” with their younger daughter’s conditional acceptance letter attached. LOUGHLIN responded, “This is wonderful news! [High-Five Emoji].” CW-1 replied: “Please continue to keep hush hush till March.” LOUGHLIN responded: “Yes of course.”

194. Approximately two weeks later, on or about November 29, 2017, CW-1 directed the GIANNULLIS to “send a 50K check to USC and the address is below. Additionally the rest of the 200k will be paid to our foundation a 501 3C [sic] after [your younger daughter] receives his [sic] final letter in March.” GIANNULLI, copying LOUGHLIN, responded, “Will get this handled this week.” The next day, GIANNULLI directed his business manager to send a \$50,000 check to Heinel.

195. CW-1 has advised investigators that, in or about late 2017, a guidance counselor from the high school attended by GIANNULLIS’ daughters inquired of the younger daughter about her sister’s athletic recruitment to USC. According to CW-1, the counselor did not believe that either of the GIANNULLIS’ daughters participated in crew, and was concerned that their applications may have contained misleading information.

196. On or about December 12, 2017, LOUGHLIN e-mailed CW-1, copying GIANNULLI and their younger daughter, to request guidance on how to complete the formal USC application, in the wake of her daughter’s provisional acceptance as a recruited athlete. LOUGHLIN wrote: “[Our younger daughter] has not submitted all her colleges [sic] apps and is confused on how to do so. I want to make sure she gets those in as I don’t want to call any attention to [her] with our little friend at [her high school]. Can you tell us how to proceed?” CW-1 responded by directing an employee to submit the applications on behalf of the GIANNULLIS’ younger daughter.

197. On or about February 6, 2018, GIANNULLI wired \$200,000 to one of the KWF charitable accounts. On or about February 7, 2018, an employee of CW-1 sent the GIANNULLIS a receipt from KWF falsely indicating that “no goods or services were exchanged” for the purported donation.

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198. On or about March 23, 2018, USC mailed the GIANNULLIS' younger daughter her formal acceptance letter.

199. Shortly thereafter, on or about April 12, 2018, the high school counselor e-mailed GIANNULLI memorializing an encounter between the two men earlier that day: I wanted to provide you with an update on the status of [your younger daughter's] admission offer to USC. First and foremost, they have no intention of rescinding [her] admission and were surprised to hear that was even a concern for you and your family. You can verify that with [the USC senior assistant director of admissions] . . . if you would like. I also shared with [the USC senior assistant director of admission] that you had visited this morning and affirmed for me that [your younger daughter] is truly a coxswain.

200. The same day, Heinel left CW-1 the following voicemail message: I just want to make sure that, you know, I don't want the -- the parents getting angry and creating any type of disturbance at the school. I just want to make sure those students . . . if questioned at the school that they respond in a[n] appropriate way that they are, walk-on candidates for their respective sports. They're looking forward to trying out for the team and making the team when they get here. OK? That's what I just want to make sure of. [Inaudible.] So I just don't want anybody going into . . . [the GIANNULLIS' daughter' high school], you know, yelling at counselors. That'll shut everything -- that'll shut everything down.

201. In a call with GIANNULLI on or about October 25, 2018, CW-1, acting at the direction of law enforcement agents, told GIANNULLI that the IRS was auditing KWF. The following is an excerpt from the call, which was consensually recorded:

CW-1 I'm calling 'cause I just want to make sure you're-- give you a heads-up that-- so my foundation is being audited--

GIANNULLI Okay.

CW-1 --which, as you know, is normal.

GIANNULLI Yeah.

CW-1 And so they're looking at all the payments. So they-- they asked me about your 2 payments of 200,000.

GIANNULLI Uh--

CW-1 And, of course, I'm not gonna say anything about your payments going to Donna Heinel at USC to get the girls into USC, through crew. So--

GIANNULLI Sure.

CW-1 --that's for sure.

GIANNULLI Right.

CW-1 But what's funny-- It's funny. Because Donna called me couple weeks ago and says, "Hey, uh," you know, "going forward, can you use the same format you used for [the GIANNULLIS' older daughter] and [their younger daughter], and the regattas that you put in there, for any girls, going forward, that don't row crew?" So it's funny how-- I thought I was just makin' stuff up.

GIANNULLI Uh, right. Uh--

CW-1 But-- but they loved it, love--

GIANNULLI Uh, right. Perfect.

CW-1 So I just want to make sure our stories are the same, because—

GIANNULLI Yeah.

CW-1 --and th-- and that your \$400K was paid to our foundation to help underserved kids.

GIANNULLI Uh, perfect.

CW-1 Okay? So I just want to make sure that we're on the same page, in case--

GIANNULLI Uh--

CW-1 Who knows if they'll call or they don't?

GIANNULLI Perfect. Got it.

202. Likewise, in a call on or about November 29, 2018, CW-1, acting at the direction of law enforcement agents, told LOUGHLIN that the audit of KWF was focused on payments related to students who had been admitted to USC, including her daughters. The following is an excerpt from the call, which was consensually recorded.

CW-1 The IRS audits foun-- large foundations and we have so much money in our foundation and we give away so much money they're-- they want to-- you know, they're always worried about

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things going on in foundations.

LOUGHLIN I see.

CW-1 So what I-- what I wa-- I told Moss already and I wanted to make sure that you knew, as well, if they happened to call you, is that nothing has been said about the girls, your donations helping the girls get into USC to do--

LOUGHLIN Okay.

CW-1 --crew even though they didn't do crew. So nothing like that has been ever mentioned.

LOUGHLIN [inaudible]

CW-1 If you ever-- ever were to say anything.

LOUGHLIN So we-- so we just-- so we just have to say we made a donation to your foundation and that's it, end of story.

CW-1 That is correct.

LOUGHLIN Okay.

CW-1 Terrific.

LOUGHLIN Okay.

CW-1 I just wanted to make sure I touched base because I didn't want you--

LOUGHLIN Yeah.

CW-1 --to all of a sudden what-- like what's this call coming from.

LOUGHLIN Okay, yeah. Okay. Totally. All right. So-- so that's it. So it's-- it's the IRS. It's not anyone from USC, it's the IRS.

CW-1 That is correct.

LOUGHLIN Okay. Very good. . . .

M. JOHN B. WILSON

203. Defendant JOHN B. WILSON is a resident of Lynnfield, Massachusetts.

WILSON is the founder and CEO of a private equity and real estate development firm.

204. As set forth below, WILSON conspired to bribe Jovan Vavic, the USC water polo coach, to designate his son as a purported recruit to the USC men's water polo team, thereby facilitating his admission to USC. WILSON also sought to use bribes to obtain the admission of his two daughters to Stanford University and Harvard University as recruited athletes.

205. CW-1 has advised law enforcement agents that he first began working with WILSON in or about 2012, and that WILSON agreed to make a purported contribution to KWF to facilitate a bribe to Vavic to designate WILSON's son as a purported water polo recruit.

206. On or about February 10, 2013, WILSON e-mailed CW-1 and asked for the "deadline to decide on side door for USC or BC or Georgetown etc. this year" and to "confirm for which schools is side door option really viable." CW-1 responded that the deadline for USC and Boston College was "mid July." When WILSON replied that he thought the deadline for USC was earlier, CW-1 explained: "Jovan [Vavic] is giving me 1 boys slot and as of yet no one has stepped up to commit that is why it is later."

207. On or about February 28, 2013, WILSON's spouse, who was copied on the earlier e-mail chain, replied to CW-1 and WILSON and asked, "Is this spot still available for USC[?]" CW-1 responded that the spot was still available. WILSON's spouse replied to CW-1 and WILSON and asked, in substance, whether another candidate was looking at USC such that she and WILSON should "be pushing [their son] to decide if that's his number 1 choice." WILSON's spouse indicated that their son "is unaware of this arrangement."

208. On or about March 26, 2013, WILSON e-mailed CW-1 and asked, "Would the other kids know [my son] was a bench warmer side door person?" In a follow-up e-mail the next day, WILSON added: "So it sounds like even if [my son] practices all the time etc it will be known that he is a bench warming candidate? Obviously his skill level may be below the other freshmen. In your view will he be so weak as to be a clear misfit at practice etc?"

209. CW-1 advised WILSON that his son would not actually be expected to play water polo for USC. On or about March 27, 2013, in response to an e-mail from WILSON about his son's commitment to the team "if he did the side door at USC," CW-1 replied: "Travel is only if he is playing so No- the commitment is to be on the roster not attend all practices but he will have to attend drug tests and other mandatory functions for 1 year then walk away/frankly after the 1st semester he can move on."

210. In an e-mail to CW-1 on or about August 24, 2013, WILSON inquired about the timing of his payments to Vavic to secure his son's admission as a purported water polo recruit. WILSON wrote: "What does Jovan need by [S]ept 20? Do u have what we need?"

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Do I make the first payment to u then?” CW-1 responded, in substance, that he had everything he needed to send to Vavic “so he can add [your son] to his recruit list and present him to admissions in October.” WILSON replied: “Great - let me know when u have verified u have it all completed and into Jovan. Also when and where to wire money.”

211. In an e-mail exchange on or about October 3, 2013, Vavic advised CW-1 that he needed an athletic profile for WILSON’s son and that it “needs to be a good resume.” CW-1 subsequently provided Vavic with a falsified profile that included fabricated swimming times and awards.

212. In an e-mail exchange on or about January 21, 2014, Vavic asked CW-1 to confirm that WILSON’s son was still interested in attending USC. CW-1 confirmed that WILSON’s son was still interested and that the “family is ready to help.” Vavic replied that he would present WILSON’s son to the USC subcommittee for athletic admissions with his “top walkons.”

213. On or about February 26, 2014, Vavic e-mailed a USC athletics administrator that WILSON’s son “would be the fastest player on our team, he swims 50 y in 20 [seconds], my fastest players are around 22 [seconds], this kid can fly.” CW-1 has advised that this purported performance figure, which was derived from the falsified athletic profile CW-1 provided Vavic, was fabricated.

214. WILSON’s son was granted admission to USC as water polo recruit on or about February 28, 2014. USC mailed him a formal offer letter on or about March 26, 2014.

215. On or about March 1, 2014—one day after the admissions decision—WILSON e-mailed CW-1 under the subject line “USC fees.” WILSON wrote: Thanks again for making this happen! Pls give me the invoice. What are the options for the payment? Can we make it for consulting or whatever from the [K]ey so that I can pay it from the corporate account ? CW-1 replied that he could make the invoice for business consulting fees, so that WILSON could “write off as an expense.” WILSON replied, “Awesome!”

216. On or about April 7, 2014, WILSON’s company wired \$100,000 to KWF, as well as \$100,000 to The Key, CW-1’s for-profit entity, and \$20,000 to CW-1 directly.

217. On or about April 16, 2014, CW-1 withdrew a \$100,000 cashier’s check, made out to “USC Men’s Water Polo,” from The Key’s account. The “Purpose/Remitter” identified on the check was “Wilson Family.”

218. On or about July 28, 2014, USC sent WILSON and his spouse a gift receipt for their \$100,000 donation to USC Athletics.

219. WILSON’s son withdrew from the USC water polo team after his first semester at USC.

220. During a call with CW-1 on or about September 29, 2018, WILSON inquired about potential “side door” opportunities for his daughters. CW-1 explained, in substance, that he could get WILSON’s daughters into college through the athletic recruitment scheme even if they did not play the sport for which they were purportedly recruited. The following is an excerpt from the call:

WILSON And what were the schools in that, if you did the side door? And I’m interested about the side door and that stuff--

CW-1 So the side door is gonna be-- gonna happen where you want ’em to happen. [inaudible]

WILSON It can happen anywhere? Does it have to be a sports side door? I wasn’t clear on that.

CW-1 Well, so that’s the-- that’s the easiest way to approach it, right—

WILSON Yeah.

CW-1 --because all of the coaches have -- you know, they have guaranteed spots, and you’ve done a good job, you got athletic girls who got great size, they’re in the right sports, so, you know, potentially there’s a sailing option, and potentially there’s a crew option. I mean, I don’t know how good of athletes they are. They may be good enough to be able to compete at some of these schools, and then who knows what we have to do, depending on where, where the spots [inaudible].

WILSON Mm-hmm. Yeah, so they--

CW-1 So you have--

WILSON --have to get that sports. What if they’re not really that good? I mean, they can do some crew, but I don’t know they’re gonna be good. [One daughter’s] not even that good competitively at sailing. She just taught sailing and did sailing in, you know [inaudible]

CW-1 Right, so--

WILSON --yacht club.

CW-1 But at the end of the day, by the side door, I may be able to go to the sailing coach and say, “Hey, this family’s willing to make the contributions. She could be on your team. She is a sailor. She may not be up to the level you are, but she can con-- you know, you’re gonna get a benefit, and the family’s gonna get benefit. So are you will-- are

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you interested in doing that?"

221. During a call on or about October 15, 2018, CW-1, acting at the direction of law enforcement agents, listed various "side door" options for WILSON's daughters and noted that for any of those options, WILSON's daughters "don't have to play. They just - that's the path I'm gonna get 'em in on." WILSON responded, "Gotcha." WILSON asked CW-1 what would happen if his daughters "don't actually get in?" CW-1 replied, "Oh, no, no, no. Y-you don't have to worry about it. They're-- it's g-- it's a done deal." WILSON subsequently advised CW-1 that he wanted to pursue "side doors" for his daughters at Stanford and Harvard.

222. During the same call, CW-1 explained that if WILSON were to deposit \$500,000 into KWF immediately, he would give WILSON first priority on any admission spots he secured, because CW-1 had to give spots to "whoever's gonna ante up." The following is an excerpt from the call, which was consensually recorded.

CW-1 So if anybody asks me for, like, [the] Stanford spot and we're not sure yet, then I can call you and say, "Hey, somebody wants that spot and I only have one," or "I'm gonna get a second one," or whatever. But having the money already, in advance, makes it much easier. Because I gotta go with whoever's gonna ante up.

223. WILSON responded, "Yeah," and asked CW-1 for his wire information. On or about October 17, 2018, WILSON's company wired \$500,000 to an account in the name of KWF in the District of Massachusetts. Unbeknownst to WILSON, the account had been opened by CW-1 at the direction of federal agents.

224. Thereafter, on or about October 27, 2018, CW-1, at the direction of law enforcement agents, advised WILSON that he had secured a "side door" deal for one of WILSON's daughters with the Stanford sailing coach, John Vandemoer, and that the deal with Vandemoer was hidden from Stanford. The following is an excerpt from the call, which was consensually recorded.

CW-1 So I had a conversation with the Stanford sailing coach and, so I just gave the Stanford sailing coach [\$]160,000 for his program and while we were having that conversation I said, "Hey, I'm hoping that this 160 that I'm helping you with helps secure a spot for next year. Can I be guaranteed a spot for next year?" And he said, "Yes."

WILSON [inaudible] all it takes?

CW-1 So-- no, no, no, no. That's not all it takes.

WILSON Okay. (Laughter)

CW-1 This is not TJ Maxx or Marshall's or something like that. So--

WILSON Right.

CW-1 So essentially if you're-- I want you to have first dibs, like I told you. So if you want I can provide John Vandemoer-- which I'm going to essentially send John directly the check, to the coach. I can send him your [\$]500,000 that you wired into my account to secure the spot for one of your girls. I asked him for a second spot in sailing and he said he can't do that because he has to actually recruit some real sailors so that Stanford doesn't--

WILSON (Laughter)

CW-1 --catch on.

WILSON Right.

CW-1 Okay. So--

WILSON Yeah, no. He's got to--

CW-1 --Stanford--

WILSON -- actually have some sailors. Yeah.

CW-1 Yeah. So that Stanford doesn't catch on to what he's doing.

WILSON Right.

CW-1 So-- and I-- that doesn't mean I'm not going to pursue other Stanford coaches, and to be frank with you, it doesn't matter if it's one of the girls who's not a sailor. I can still put her as a sailor. Or, obviously, the one that is, I can-- I'll mark that she's a sailor because she is, but not at the level in which she can sail at Stanford.

WILSON Right, right.

225. In a call on or about November 29, 2018, CW-1, at the direction of law enforcement agents, told WILSON that he had secured an admissions spot at Harvard through a fictitious "senior women's administrator," and that, in exchange for a \$500,000 payment to her, the administrator would designate one of WILSON's daughters as an athletic recruit. The following is an excerpt from the call, which was consensually recorded.

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CW-1 So I got the senior women's administrator at Harvard is going to give us a spot. What we have to do is we'll have to give her \$500,000. That money, obviously, like the others, will go through my foundation and then I will fund the senior women's administrator at Harvard. And then in the spring, since I've already paid John Vandemoer the 500 and now we'll give the senior women's administrator 500, so I got another deal for you. Is-- your total's going to be 1.5. 250 will come in the spring for Stanford and 250 for Harvard in the spring and we'll ha-- and we'll be solid. We'll be done. We'll apply like a normal student but we'll know that we're getting in in the late fall of next year.

WILSON Okay, great. So what is that going to be? This is the senior women's-- what does she have, no team or anything like that or--

CW-1 She'll figure it out. So it won't mean-- it doesn't matter the sport at this point. She will figure it out and get it done. So-- and the same thing for-- maybe she won't have to sail but we're going to put her through sailing and John Vandemoer. This is actually a better play at Harvard because she will just get her in through athletics in one of the sports but it won't matter. It won't matter at all.

226. During the call, CW-1 told WILSON he would need another \$500,000 payment to secure the spot at Harvard. Thereafter, on or about December 11, 2018, WILSON's company wired another \$500,000 to the Massachusetts account in the name of KWF. . .

N. ELISABETH KIMMEL

227. Defendant ELISABETH KIMMEL is a resident of Las Vegas, Nevada and La Jolla, California. KIMMEL is the owner and president of a media company.

228. As set forth below, KIMMEL participated in the college recruitment scheme by conspiring to use bribery to facilitate her daughter's admission to Georgetown as a purported tennis recruit, and her son's admission to USC as a purported track recruit.

229. KIMMEL's daughter's application to Georgetown stated that she played "Southern California Junior Tennis" throughout high school and was a "ranked player." In fact, the United States Tennis Association, which operates the Southern California Junior Tennis program, has no record of KIMMEL's daughter's participation in that program.

230. On or about November 26, 2012, an admissions administrator at Georgetown e-mailed KIMMEL's daughter, copying Ernst, that "[i]n order to send you your likely letter, your application needs to be complete. Although Coach Ernst has shared with me your unofficial SAT score report, we have not received the scores officially from the

College Board and this is a requirement for admission.” On or about December 12, 2012, KIMMEL’s spouse responded to the e-mail on behalf of his daughter, copying KIMMEL, Ernst and CW-1, that he had ordered his daughter’s official score report to be sent to Georgetown.

231. Eight days later, on or about December 20, 2012, the Georgetown admissions department sent KIMMEL’s daughter a letter stating that the “Committee on Admissions has conducted an initial review of your application to the Class of 2017 at the request of Mr. Gordie Ernst, Tennis Coach. I am pleased to report that the Committee has rated your admission as ‘likely.’”

232. KIMMEL’s daughter matriculated at Georgetown in the fall of 2013 and graduated in or about May 2017. She was not a member of the tennis team during her four years at Georgetown.

233. On or about April 2, 2013, Masera e-mailed KIMMEL: “I understand you have received a [Georgetown University] acceptance letter. Would you like me to revise the Foundation letter to reflect the full \$200,000.00 payment?”

234. Upon receipt of Masera’s e-mail, KIMMEL e-mailed CW-1: “Thank you, again, for making Georgetown possible for [my daughter].” She added: “Steve [Masera] sent me a letter to get the process going on our donation, but had \$200K as the amount. My memory was that the amount was \$275K over two payments. Do I have it right?” CW-1 replied, copying Masera: “Please make the payment as it works with your foundation calendar- I believe it was one amount now and one in June?”

235. On or about April 15, 2013, the Meyer Charitable Foundation, a family foundation on which KIMMEL and her spouse serve as officers, issued a check, payable to KWF, in the amount of \$100,000. The check was signed by KIMMEL. Masera thereafter sent a letter to the Meyer Charitable Foundation falsely confirming that “no goods or services were exchanged” for the purported donation. On or about June 27, 2013, the Meyer Charitable Foundation issued a second check to KWF in the amount of \$170,000 to KWF. On or about July 16, 2013, the Meyer Charitable Foundation issued a third check to KWF in the amount of \$5,000. The June and July checks were also signed by KIMMEL.

236. Between on or about September 5, 2012 and on or about September 6, 2013, CW-1 caused The Key, and later KWF, to pay Ernst, the Georgetown tennis coach, \$244,000, in monthly installments of between \$11,000 and \$24,000.

237. The Meyer Charitable Foundation filed a tax return on or about September 25, 2013, for the period June 1, 2012 to May 31, 2013, listing a purported charitable donation to KWF of \$100,000. The Meyer Charitable Foundation filed a tax return on or about September 18, 2014, for the period June 1, 2013 to May 31, 2014, listing a purported charitable donation of \$175,000 to KWF.

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238. On or about August 10, 2017, CW-1 directed Janke to create an athletic profile for KIMMEL's son. Janke inquired, via e-mail, what sport the profile should be for and whether there are "pictures or do I need to find one." CW-1 responded: "pole vaulter" and asked her to find "pole vaulter pics."

239. Janke prepared an athletic profile falsely describing KIMMEL's son as an elite high school pole vaulter and including the following photograph purporting to be of KIMMEL's son, but which, in fact, depicts another individual.



240. The high school attended by KIMMEL's son has no record that he ever participated in pole vaulting or track and field.

241. On or about August 18, 2017, CW-1 forwarded the false profile to Heinel, writing in the subject line, "per our discussion today thanks."

242. In or about early October 2017, Heinel presented KIMMEL's son to the USC subcommittee for athletic admissions as a purported track and field recruit. On or about October 10, 2017, Heinel forwarded to CW-1 a conditional letter of admission, addressed to KIMMEL's son, stating that his admission to USC had been approved, and that his records indicated he had the "potential to make a significant contribution to the intercollegiate athletic program as well as to the academic life of the university." Among the conditions was the requirement that he register with the NCAA Eligibility Center.

243. CW-1 forwarded the letter to KIMMEL and her spouse. KIMMEL responded, "Thanks," and inquired: "[W]hat does it mean in point 3, where it says he must register with the NCAA Eligibility Center?" CW-1 responded: "I have to register him as an athlete in case he wants to compete – no one sees the registration but me, you and USC – we did the same for [your daughter] too."

244. On or about October 23, 2017, the Meyer Charitable Foundation made a \$50,000

payment to the USC's Women's Athletics Board. The check was signed by KIMMEL's spouse.

245. On or about November 28, 2017, KIMMEL e-mailed CW-1 that she had received her son's formal USC application from Mikaela Sanford, CW-1's employee, to review prior to its submission. KIMMEL noted: "I wasn't sure about telling her to submit because the application didn't have the activity you were going to include." CW-1 replied to KIMMEL, copying Sanford, directing Sanford to "please wait to submit [the application to] USC. I have one activity to add- track and field- pole vaulter."

246. The application ultimately submitted to USC falsely described KIMMEL's son as a "3 year Varsity Letterman" in track and field and "one of the top pole vaulters in the state of California."

247. On or about February 23, 2018, the Meyer Charitable Foundation issued a check to KWF in the amount of \$200,000. The check was signed by KIMMEL.

248. USC formally admitted KIMMEL's son on or about March 22, 2018.

249. On or about March 24, 2018, KIMMEL e-mailed CW-1 that one of the letters in her son's acceptance packet indicated that he needed to register with the NCAA and asked whether "we need to do anything re the NCAA?" CW-1 responded that her son's test scores and final transcript needed to be sent to the NCAA. KIMMEL replied that she did not recall "doing it for [her daughter]."

250. On or about May 26, 2018, KIMMEL e-mailed Sanford to ask if the transcript needed "to be submitted to the NCAA if [her son is] not going to participate in a college sport?" Sanford replied the following day: "Even though he will not play a sport, he was admitted as an athlete so he has to abide by the NCAA regulations for entering into the university." KIMMEL responded by asking if the transcript needed to come from her son's school, or if she could send it to the NCAA herself because she was "concerned that asking [her son's] counselor to submit his transcript to NCAA will raise questions, particularly since [his counselor] knows him well and is familiar with all of his activities/extra-curriculars." Sanford provided KIMMEL with instructions on how to submit an official copy of the transcript to the NCAA herself without alerting her son's high school counselor.

251. In a call on or about July 26, 2018, KIMMEL and her spouse told CW-1 that their son's advisor at USC had inquired about his status as a track athlete, and noted that their son believed this to be a mistake because he was unaware that he had been admitted to USC as a recruited athlete. The following are two excerpts from the call, which was intercepted pursuant to a Court-authorized wiretap.

SPOUSE It's-- [spouse] and Elizabeth are here.

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KIMMEL Hey [CW-1], how are you?

CW-1 Okay. Hi there.

SPOUSE So I want to-- hold on just a second [CW-1].

CW-1 Okay.

SPOUSE So [my son] and I just got back from [U]SC Orientation. It went great. The only kind of glitch was, and I-- he didn't-- [my son] didn't tell me this at the time-- but yesterday when he went to meet with his advisor, he stayed after a little bit, and the-- apparently the advisor said something to the effect of, "Oh, so you're a track athlete?" And [my son] said, "No." 'Cause, so [my son] has no idea, and that's what-- the way we want to keep it.

CW-1 Right.

SPOUSE So he said, "No, I'm not." So she goes, "It has it down that you're a track athlete." And he said, "Well I'm not." She goes, "Oh, okay, well I have to look into that."

...

KIMMEL So why is he still, why was he flagged by this advisor as being a track athlete?

CW-1 He was flagged as an athlete getting in.

KIMMEL So does that just follow him around? On all of his records?

CW-1 I have no idea ELISABETH, but it doesn't matter because every other kid who's gone through the same process will be having the same thing and it doesn't matter 'cause he gets no priority over anybody. I'm sure on his application he's flagged as ev-- as all the kids as they got in-- like there's a water polo kid who's not gonna be a water polo kid, there's the baseball kid who's not gonna be a baseball kid and they just-- they're not being recruited. They're not on the [athlete] priority [registration list] to get any priority stuff, so I would just go about your business and let it be as it [is] and not even pay attention to it 'cause it's the first time as anybody's ever [said] anything.

KIMMEL I will-- so we have to hope this advisor doesn't start poking around?

CW-1 Well if the advisor does, she's gonna call the person who's responsible for all of this, that's the person who got [your son] admitted, and she'll just say he decided not-- to not compete.

KIMMEL She won't call the track coach? Does he know about it?

CW-1 Doesn't matter, she has to go [to] the senior women's administrator.

KIMMEL Okay.

CW-1 It wouldn't make sense for an advisor to call anybody. So I'll [let] Donna know it-- that's the way it is.

252. On or about August 2, 2018, KIMMEL forwarded CW-1 an e-mail from her son's advisor at USC about scheduling times for track practice. KIMMEL noted that her son "told me about this e-mail (see below), which he assumed was a mistake," adding: "[P]erhaps you already spoke to your contact about this, but has [my son] been taken off 'the list' so he doesn't continue to receive notifications about practice times (or missed practices), athletics meetings, etc." CW- 1 forwarded the e-mail to Heinel who responded: "I will take care of tmw."

253. In a call on or about October 26, 2018, CW-1, at the direction of law enforcement agents, told KIMMEL that KWF was being audited by the IRS. The following is an excerpt from the call, which was consensually recorded.

CW-1 So they-- they've asked a couple questions about the-- you know, because essentially over \$450,000 has been donated by your guys' family foundation.

KIMMEL Uh-huh.

CW-1 So, of course, I'm not going to tell the IRS that-- I'm not going to say anything about the payments-- the first group of payments for [your daughter] going to Gordie Ernst at Georgetown, nor am I going to say anything about the-- 200,000-- well, 250 total going for [your son] to Donna Heinel at USC for his admission as a pole vaulter. So I just want to make sure that you and I are on the same page, so that nothing-- you know, I'm going to-- essentially what I'm going to tell the IRS is that your donations were made to my foundation to fund underserved kids, which is the mission of our foundation. So I just wanted to make sure that we were on the same page.

KIMMEL Oh, well, as far as I know, I don't know what you've done with the money I gave your foundation. I mean, I-- you never really told me.

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CW-1 Okay, that's-- that's perfect.

254. In a call on or about January 3, 2019, CW-1, at the direction of law enforcement agents, told KIMMEL that the USC admissions department was asking questions about a number of students who had been recruited but did not show up for practice. The following is an excerpt from the call, which was consensually recorded.

CW-1 Several of my families-- I was told through Donna, may get some phone calls because they went through the side door, through Donna, and they-- admissions is asking, "So how come these kids didn't show up for practice?" And so she had to talk to admissions about why the kids haven't shown up for practice.

KIMMEL Oh.

CW-1 So, so I-- I just wanted you to know in case you get a phone call from anybody, 'cause so far all this stuff -- [your son] was taken off the list--

KIMMEL Uh-huh.

CW-1 -- so I don't think it'll ever happen.

KIMMEL Were the other kids not taken off the list?

CW-1 They didn't have any issue with advising, so we did not take them off any list, 'cause we've --

KIMMEL Oh.

CW-1 --never had to.

KIMMEL Huh. And they didn't have issues with the coaches saying, "Why aren't you at practice?" (Laughs)

CW-1 No, not at all, because their boss, who's Donna Heinel, essentially put 'em on the recruited walk-on list, which happens all the time, and they just don't show up for practice, and that's fine. Coaches are okay with that because, essentially, donations are going to help their programs, and they know that.

KIMMEL Hmm. Okay.

CW-1 So what I wanted you to know is that you may get a phone call from admissions, just asking why [your son] didn't show up for practice,

which I don't believe will happen, because he's not on anybody's list-

KIMMEL Mm-hmm.

CW-1 --but I wanted you to be aware.

KIMMEL So what do you recommend I say?

CW-1 I would say that if they do ask you, which I doubt they will, that [your son] had an injury over the summer, to his shoulder, and so he stopped vaulting.

KIMMEL Mmm. Okay.

255. Shortly after that call ended, KIMMEL called CW-1 back to confirm that no one would be contacting her son about the issue because he was unaware of the circumstances surrounding his admission to USC. The following is an excerpt from the call.

CW-1 ELISABETH.

KIMMEL Hey [CW-1]. I just had a follow-up question regarding our earlier conversation.

CW-1 Okay.

KIMMEL Are the kids getting called, also?

CW-1 No, no and no. And nobody has even called anybody at this point, but we're just getting [a] heads up, and the-- what Donna said to me is if anybody were to-- it would be-- they would call the family, the parent. They wouldn't talk to the kids.

KIMMEL Oh. So-- but they've called her.

CW-1 [inaudible] And so she's helped a bunch of kids get into the [inaudible] them why they didn't come for practice. And so she's-- in each case, she's told them a reason why they haven't come. And it's predominantly all injury, which is the typical thing for most kids.

KIMMEL Okay. So admissions is not in on what she's been doing.

CW-1 That is correct. Admissions is in on that she brings athletes, or potential athletes, or VIPs, to admissions, and then admissions does

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admission based on if athletics wants 'em, just like if Jim Ellis from the Business School has a VIP list, and he puts kids on the VIP list, and says to admissions, "I want these families to get in," and then those families are making donations to the Business School.

KIMMEL Oh, okay.

. . .

KIMMEL Why didn't [the other students] get e-mails about, "Why aren't you at practice?" and a practice schedule, like [my son] got?

CW-1 I have no idea.

KIMMEL 'Cause that was the first thing that happened to him is he got an e-mail, "Here's your practice," and I guess track had fall practices.

CW-1 Yeah, I have no idea at all, but I know that she-- you know, you told me, and I got Donna to squash the whole thing.

KIMMEL Why, why didn't she squash everyone else? Just 'cause it would look too weird?

CW-1 Just w-w-- and-- yeah, nobody said anything, so-- and she did-- and we've been doing this for years.

KIMMEL Oh.

CW-1 So--

KIMMEL So why poke the bear?

CW-1 Yes.

KIMMEL Okay. All right. Then I won't say anything to [my son], 'cause he's (laughs)--

CW-1 No, don't say anything.

KIMMEL -- still in the dark. . . .

U STEPHEN SEMPREVIVO

256. Defendant STEPHEN SEMPREVIVO resides in Los Angeles, California. SEMPREVIVO is an executive at a privately held provider of outsourced sales teams, based in Agoura Hills, California.

257. As discussed below, SEMPREVIVO agreed to bribe Ernst, the Georgetown tennis coach, to designate his son as a tennis recruit—despite the fact that he did not play tennis competitively—in order to facilitate his admission to Georgetown.

258. On or about August 19, 2015, CW-1 sent SEMPREVIVO, his spouse and their son an e-mail with the subject line “Dear Coach Ernst.” CW-1 instructed SEMPREVIVO’s son: “[P]lease send this note and a PDF of transcripts and test scores to Gordie Ernst Mens’ Tennis at Georgetown U from your email-then let me know it is done.” The note drafted by CW-1 and set forth below included fabricated representations about the SEMPREVIVO’s son’s purported tennis experience and prior contacts with Ernst:

Dear Coach Ernst

I wanted to update you on my summer doings. After your suggestion I have played very well with terrific success in Doubles this summer and played quite well in singles too.

I am looking forward to having a chance to play for you. Our conversations have inspired me to try to dominate my competition this summer.

Senior year is about to start and you can count on me to achieve great grades. Thanks for the chance to play for you and Georgetown University.

259. SEMPREVIVO’s son e-mailed the note to Ernst, as instructed, later that same day, along with his high school transcript and SAT scores.

260. Ernst forwarded the e-mail the following day to a member of the Georgetown admissions staff, who responded, “looks fine.” Ernst then e-mailed the admissions officer to “confirm” that he had used three of his allocated admissions “spots”—one for SEMPREVIVO’s son and, unbeknownst to the admissions officer, two for other clients of CW-1—and that he still had three more spots left to fill.

261. On or about August 26, 2015, CW-1 made the following notation in his e-mail account: “Semprevivo 400 Gtown.”

262. On or about October 11, 2015, CW-1 e-mailed SEMPREVIVO and his son an “activity” essay for inclusion in his Georgetown application. The subject line of the e-mail stated, “This is the Final for Activity for Gtown ... USE THIS ONE.” The essay read, in part: “When I walk into a room, people will normally look up and make a comment about my height – I’m 6’5 – and ask me if I play basketball. With a smile, I nod my head, but also insist that the sport I put my most energy into is tennis.”

263. SEMPREVIVO’s son’s Georgetown application falsely indicated that he played

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tennis during all four years of high school and was ranked in singles and doubles tennis. The application further listed SEMPREVIVO's son as a "CIF Scholar Athlete" and "Academic All American" in tennis and basketball and stated that he made the "Nike Federation All Academic Athletic Team" in tennis. College applications submitted by SEMPREVIVO's son to schools other than Georgetown did not reference tennis. Records obtained from the United States Tennis Association do not include any match records for SEMPREVIVO's son.

264. On or about November 6, 2015, Georgetown sent SEMPREVIVO's son a letter noting that "[t]he Committee on Admissions has conducted an initial review of your application to the Class of 2020 at the request of Mr. Gordie Ernst, Tennis Coach" and that "the Committee has ranked your admission as 'likely.'" The letter explained that candidates rated "likely" have a greater than 95 percent chance of being admitted to Georgetown and that SEMPREVIVO's son would receive a final decision by April 1, 2016.

265. On or about April 22, 2016, after SEMPREVIVO's son was granted formal admission to Georgetown, a KWF employee e-mailed SEMPREVIVO and his spouse an invoice in the amount of \$400,000 for their purported "Private Contribution" to KWF. On or about April 28, 2016, the SEMPREVIVO Family Trust issued a check to KWF in the amount of \$400,000.

266. CW-1 made numerous payments to Ernst from the KWF account into which the SEMPREVIVO family made their donation. Between on or about September 11, 2015 and November 30, 2016, CW-1 caused KWF to issue checks to Ernst totaling \$950,000, representing payments for the purported recruitment of SEMPREVIVO's son and the children of other clients of CW-1.

267. SEMPREVIVO's son matriculated at Georgetown on or about the Fall of 2016. Since enrolling at the university, he has not joined the tennis team.

268. On or about October 25, 2018, CW-1 called SEMPREVIVO's spouse at the direction of law enforcement agents and told her that KWF was being audited by the IRS. The following is an excerpt from the call, which was consensually recorded.

CW-1 Well, I wanted to touch bases because I wanted to let you know that-- so my foundation is being audited, which is, you know, very typical.

SPOUSE Uh-huh.

CW-1 Because we have so many families that have made payments to our foundation. So I just wanted to make sure that-- they're looking at the payments and they looked at your guy-- your family's \$400,000 payment, that was made for [your son]. So I wanted to make sure that

we were on the same page as I talk to the IRS.

SPOUSE Okay.

CW-1 Of course, I'm not go-- I'm not-- I am not going to say anything about-- that your payment went to help [your son] get into Georgetown, and the payment was made to Coach Gordie Ernst and Georgetown tennis and obviously [your son] wasn't a tennis player. So I'm not going to talk about that at all. What--

SPOUSE Okay.

CW-1 What-- is that okay?

SPOUSE Yeah. No, I—yeah. And I think I would want maybe Stephen to talk to you as well.

CW-1 Okay. And just so you know, so—essentially what I'm going to tell the IRS is that your \$400,000 payment was made to our foundation to help, you know, serve underserved kids that-- that we do with our foundation.

SPOUSE Okay. That's-- that sounds good.

CW-1 Right. And that-- and that's what we want, because obviously we're not going to say anything about, you know, [your son] going in through Gordie Ernst and the payment being made to Gordie and then through Georgetown tennis. So I just want to make sure that you and I are, and Stephen, are on the same page. You can just--

SPOUSE Okay.

CW-1 --know that I will be stating that the payment was made to our foundation and-- but you may get-- somebody may reach out to you. Somebody may not. We have so many families that have-- that have made payments through our foundation. So I wouldn't worry about it at all.

SPOUSE Okay. Thank you.

CW-1 You're very welcome. I just-- just wanted to make sure that we were on the same page.

SPOUSE Okay. Stephen might just give you a call but-- but yeah. That seems pretty straightforward.

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CW-1 Okay. That's all. I just wanted to touch bases.

SPOUSE Okay. Okay. Thanks, [CW-1].

269. On or about December 3, 2018, CW-1 called STEPHEN SEMPREVIVO at the direction of law enforcement agents and told him that he wanted to provide an update on the IRS audit. The following is an excerpt from the conversation, which was consensually recorded.

CW-1 Well, thanks for letting me call you. I-- I talked to [your spouse], but I just want to give you an update. So they've been doing an audit on my foundation.

SEMPREVIVO Okay.

CW-1 And they've finally now kind of picked—pegged out some stuff. So they keep-- you know, they're going-- I think they may call all the folks that we, helped get into Georgetown.

SEMPREVIVO Um-hmm.

CW-1 And so I just wanted to make sure that we were all on the same page that-- because I'm sure that my-- I don't know if they're going to call you, but it sounds like they're going to call all these folks, because we have probably 15, 20 folks over the coup-- last couple of years that have gotten in, and so I essentially-- you know, I've told them my-- I'll tell you what I have not told them. I did not tell them that [your son] was-- that he got in through tennis and that he wasn't a tennis player, but that you guys made a payment to Gordie Ernst in Georgetown tennis. I didn't say that. I just essentially said that [your son] got in through one of my relationships at Georgetown and just left it at that, and that you guys made a donation to our foundation to help underserved kids. And I just used one of my relationships. And it wasn't anything to do with that he was or wasn't a tennis player, which he wasn't. So I just wanted you to know that in case they call you.

SEMPREVIVO Okay. Yeah. Yeah. You know, however you-- that-- that-- that, you know, we donate to the-- we donated to the, you know, foundation. It does great work and, you know-- and, you know, we appreciate, you know, any help outside of that that-- that we got from you. So, you know--

CW-1 Perfect. That-- that's all I wanted you to know, so in case they

call, because these people that audit-- I'm sure you've been audited before. They-- they're-- they're-- they have no mercy.

SEMPREVIVO Um-hmm.

CW-1 So I just wanted you to be aware, in case you got a call.

SEMPREVIVO Yeah. Yeah. They-- and-- and-- and, my experience has been they like to do stuff in a-- and-- and, you know, send you documents and have you kind of do something in writing and-- and we'll see what happens in terms of them--

CW-1 Okay.

270. On or about March 3, 2019, CW-1 spoke with SEMPREVIVO again at the direction of law enforcement agents. CW-1 advised SEMPREVIVO that Georgetown was conducting an internal investigation to determine why students who were not tennis players had been admitted to Georgetown through Ernst. The following is an excerpt from the call, which was consensually recorded.

CW-1 So, I got a call this morning from the-- my Georgetown people and they said that they were doing an internal investigation because Gordie Ernst, who was the men's and women's tennis coach when [your son] got admitted, they're doing an internal investigation to figure out why all these kids got in that were not tennis players, like [your son]. Right?

SEMPREVIVO Okay.

CW-1 So, I'm-- so I just wanted you to know. I don't know what the impact will be or anything but it's just internal and it's all about, "So why didn't, you know, all these kids, like [your son], who weren't tennis players, didn't come out for the team and where are they now and what's going on." So, since he wasn't a tennis player they're looking at, you know, all the kids that just didn't come out and I just didn't-- want to make sure you knew, because he wasn't a tennis player that-- I don't know if anything will come out of it. But just-- I wanted you to be aware of it that, that's what, that's what they're looking at internally.

SEMPREVIVO Okay.

271. SEMPREVIVO then asked CW-1 questions about the Georgetown investigation and the IRS audit of KWF. With respect to Georgetown's internal investigation, SEMPREVIVO asked CW-1 if he knew "how many kids they're investigating" and

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whether the university would be contacting SEMPREVIVO's son directly. When CW-1 again noted that SEMPREVIVO's son was not a tennis player, SEMPREVIVO responded: "I'm just gonna, I'm just gonna, um, you know I think that [inaudible]." At that point, the call disconnected.

272. SEMPREVIVO called CW-1 back moments later and said that he did not feel comfortable continuing the discussion. He said: "Hey, [CW-1], I, you know I don-- you know, whatever you do, you do. You know? I really don't feel comfortable talking to you about this stuff in terms of, kind of, you know, in terms of, in terms of, kind of your-- your, you know, your dealings." SEMPREVIVO then denied knowing that his son was admitted to Georgetown through Ernst. The following is an excerpt from the conversation.

SEMPREVIVO You know, all I know is that we, you know, we used you for the charity stuff and we used you for the counseling, and your dealings are your dealings. And so, you know.

CW-1 No I get that. And I understand that, but at the same time we were all a part of--

SEMPREVIVO No, I don't agree with that at all. You--

CW-1 You don't agree that we got him in through tennis and you didn't know that [inaudible]?

SEMPREVIVO I don't. I don't. I do-- you know, you did what you did, [CW-1], and that was your stuff. Okay? So--

CW-1 Okay.

SEMPREVIVO --I think, I think that that's how, you know, you did what you did and so I'm not going to take accountability for your actions and I think that, you know, you need to be accountable for [inaudible]-

-

CW-1 And I'm-- absolutely. I'm totally accountable that I got him in through tennis and that you guys were aware of it, but I'm totally aware of it and I'm totally-- accept the responsibility that I used my relationship and made [your son] a tennis player. And we all agreed that that's what we were going to do.

SEMPREVIVO You know, I don't have any details, but I think that, I think that you need to be accountable for what you did. So I don't want to talk about this any more because, you know, I think there were two separate things. And, we used you and we donated. We

donated as a charity, and it was a good charity and we were excited we could help you and, you know, in terms of, you know, how you do favors for people separately that's, you know, I-- we appreciate any help you gave us. But, you know, we used you in terms of the, you know, in terms of your college stuff. We paid you well for the, you know, for the work you did there separately. So, and we appreciate it. So, I think that, you know, if you're trying to turn something around in terms of, you know, what you did and how you did it then I don't want to be, I don't want to be a part of that....

CONCLUSION

273. Based on my knowledge, training and experience, and the facts set forth in this affidavit, I respectfully submit that there is probable cause to believe that the defendants conspired to commit mail fraud and honest services mail fraud, in violation of Title 18, United States Code, Section 1349.

Respectfully submitted,

Laura Smith
Special Agent
Federal Bureau of Investigation

Problem 0-1

Apply the following dimensions of any corporate crime problem to the “Varsity Blues” case:

How should we understand **the facts** of the misconduct? Who did what and why? And how can we simplify and summarize the story without distorting it?

What were the **economics** driving the conduct?

What **institutions** were involved in the matter and how did the nature, dynamics, and culture of those institutions factor into what happened?

What was the human **psychology** involved in the case and how might it explain things?

What was the **regulatory context** in which the wrongdoing took place and how might the content of the law explain what happened and offer a locus for lessons and reform?

What can we learn from the matter about the conduct of **lawyers** and the role of legal strategy? In addition, what are some of the arguments you might anticipate making if you tried any of these cases, as both prosecutor and defense counsel?

How do **politics** play into explaining what happened, how the legal system responded to the scandal, or both?