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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FILED

JUN 15 2005

Judge Samuel Der-Yeghiayan
U.S. District Court

UNITED STATES OF AMERICA)	
)	
v.)	No. 04 CR 921-11
)	
DEBRA COVELIERS)	Judge Samuel Der-Yeghiayan

PLEA AGREEMENT

This Plea Agreement between the United States Attorney for the Northern District of Illinois, PATRICK J. FITZGERALD, and the defendant, DEBRA COVELIERS, and her attorney, JAMES GRAHAM, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure, and is governed in part by Rule 11(c)(1)(C), as more fully set forth in Paragraph 17, below.

This Plea Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 04 CR 921-11.

This Plea Agreement concerns criminal liability only, and nothing herein shall limit or in any way waive or release any administrative or judicial civil claim, demand or cause of action, whatsoever, of the United States or its agencies. Moreover, this Agreement is limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state or local prosecuting, administrative or regulatory authorities except as expressly set forth in this Agreement.

By this Plea Agreement, PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, and defendant, DEBRA COVELIERS, and her attorney, JAMES GRAHAM, have agreed upon the following:

1. Defendant acknowledges that she has been charged in Count Sixteen of the superseding indictment (the “indictment”) with witness tampering, in violation of Title 18, United States Code, Sections 1512(b)(3) and 2.

2. Defendant has read the charge against her contained in the indictment, and that charge has been fully explained to her by her attorney.

3. Defendant fully understands the nature and elements of the crime with which she has been charged.

4. Defendant will enter a voluntary plea of guilty to Count Sixteen of the indictment in this case.

5. Defendant will plead guilty because she is in fact guilty of the charge contained in Count Sixteen of the indictment. In pleading guilty, defendant admits the following facts and that those facts establish her guilt beyond a reasonable doubt as to the charged offense and as to relevant conduct:

Background

Under the City’s Hired Truck Program (“HTP”), the City rented trucks and drivers from privately owned truck companies. Once companies were approved to participate in the HTP, they could have trucks called out to work in several City departments, including the Department of Water. At the Department of Water, First Deputy Commissioner Donald Tomczak had final authority in the selection or “calling out” of trucks.

From in or around 1979 to February 2005, defendant’s husband, co-defendant Richard Coveliers, was a City employee assigned to the Department of Sewers, which later merged with the Department of Water in January 2003.

The defendant acknowledges that the government could prove that, in or around 1998, co-schemer Michael Harjung, a former Department of Water employee, recruited Richard Coveliers to form a trucking company, Cayla Trucking Inc. ("Cayla"). Harjung told Richard Coveliers that Cayla, once formed, would have a steady stream of business from the HTP because Harjung had entered into a payment arrangement with Tomczak. Harjung further told Richard Coveliers that Tomczak would call out Cayla's trucks in exchange for a payment to him of \$75 per truck per week. Richard Coveliers told defendant about Harjung's proposal to start a trucking company, including Harjung's payment arrangement with Tomczak.

After hearing about Harjung's arrangement with Tomczak, Harjung and Richard Coveliers, agreed to form Cayla and participate in its business operations. Because Richard Coveliers was a City worker prohibited from doing business with the City, he recruited Cayla Official A to be the owner of record of Cayla while he and Harjung served as hidden owners and operators of Cayla. Richard Coveliers also recruited defendant to assist him in the operations of Cayla and defendant performed the principal bookkeeping duties for Cayla, among other duties. After a period of time working without payment, defendant received a salary starting at \$125 per week which was eventually increased to \$400 per week. Defendant was paid a salary from Cayla for several years.

In or around April 1998, Cayla was incorporated in the State of Illinois and enrolled in the HTP. After a period of time, Cayla began receiving business from the Department of Water, which business was arranged during communications between Harjung and Tomczak. During its most active period in the HTP, Harjung and Tomczak arranged to have six trucks of Cayla's working for the Department of Water. From about 1999 to early 2004, Cayla received over \$1.4 million in revenues from Water Department HTP business.

With Harjung and co-defendant Richard Coveliers, defendant assisted in the operations of Cayla, and each took affirmative steps to conceal Harjung and co-defendant Richard Coveliers' primary roles in the business. For example, on multiple occasions, defendant impersonated Cayla Official A to City officials and Cayla drivers, in order to conceal the identities of the true operators of Cayla.

As part of her bookkeeping duties for Cayla, defendant provided cash to Harjung on a bi-weekly basis understanding that such cash was for the purpose of making cash payments to Tomczak in the amount of \$75 per truck per week. Defendant disguised these payments on Cayla's books and records. Defendant was also responsible for providing funds from Cayla's checking account to support various political candidates, including contributions to the campaigns of Will County State's Attorney candidate Jeff Tomczak and aldermanic candidate Emma Mitts, after those contributions were solicited through Harjung.

Offense of Conviction

In or about July 2004, in Chicago, Illinois, in the Northern District of Illinois, Eastern Division, defendant, along with Harjung and co-defendant Richard Coveliers, corruptly persuaded another person, and engaged in misleading conduct toward another person, namely, Cayla Official A, and attempted to do the same, with the intent to hinder, delay, and prevent the communication to a law enforcement officer of the United States of information relating to the commission or possible commission of a federal offense in violation of federal law, in violation of Title 18, United States Code, Sections 1512(b)(3) and 2.

Specifically, from at least January 2004, the Special August 2003-2 Grand Jury, in connection with Grand Jury Investigation No. 02 GJ 1348, was conducting an investigation into the

HTP, including possible violations of Title 18, United States Code, Sections 666, 1001, 1341, 1346, 1503, 1951, 1962, among other violations of federal law.

By no later than July 2004, it was material to the Grand Jury Investigation whether or not trucking companies hired by the Department of Water, including Cayla, or representatives of those trucking companies, provided cash payments, campaign contributions or other things of value to City employees, including any Department of Water employees.

In July 2004, federal agents scheduled an interview of Cayla Official A. Prior to Cayla Official A's interview by federal agents in July 2004, defendant, along with co-defendant Richard Coveliers and Harjung, assisted in educating Cayla Official A about the business of Cayla so that Cayla Official A could provide false statements to the agents. Defendant, along with co-defendant Richard Coveliers and Harjung, prepared Cayla Official A for Cayla Official A's July 2004 interview with federal agents because, at the time, Cayla Official A knew virtually nothing about the operations of Cayla. During the preparation, defendant, along with co-defendant Richard Coveliers and Harjung, provided Cayla Official A with details of Cayla's operations, some of which were knowingly false.

Based on the direction of defendant, co-defendant Richard Coveliers, and Harjung, Cayla Official A knowingly provided the following false statements to federal agents during the July 2004 interview: 1) he/she ran the day to day operations of Cayla; 2) he/she had never been contacted to make political contributions by anyone; 3) Cayla effectively ran itself for four years; 4) he/she operated the business from an office in his/her home; and 5) he/she purchased and owned all Cayla's trucks.

6. For purposes of calculating the guidelines promulgated by the United States Sentencing Commission pursuant to Title 28, United States Code, Section 994, the parties agree on the following points:

(a) The Guidelines are calculated pursuant to the November 2003 edition of the Guidelines Manual.

(b) The base offense level for the offense of conviction is level 14 pursuant to Guideline Section 2J1.2(a).

(c) The parties agree that an enhancement pursuant to Section 2J1.2(b)(2) does not apply in this case as the offense did not result in substantial interference with the administration of justice, in that Michael Harjung provided information to law enforcement about his and the defendant's wrongdoing prior to the misconduct or the underlying offenses of mail fraud and bribery being investigated by law enforcement.

(d) The parties agree that application of Guideline Sections 2J1.2(c)(1) and Guideline 2X3.1 to the underlying offenses, namely mail fraud and bribery, does not result in an offense level greater than level 14, in that the adjusted offense level for the underlying mail fraud and bribery related to Cayla, by application of Section 2C1.1, would be 20.

(e) Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for her criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for her actions, within the meaning of Guideline Section 3E1.1, a two-level reduction in the offense level is appropriate.

(f) Defendant has provided timely complete information concerning her own

involvement in the offense, and notified the government timely of her intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently, within the meaning of Guideline Section 3E1.1(b); an additional one-point reduction in the offense level is therefore appropriate, provided the Court determines the offense level to be 16 or greater prior to the operation of Guideline Section 3E1.1(a).

(g) Based on the facts known to the government, defendant's criminal history points equal zero (0) and defendant's criminal history category is I; and

(h) Defendant and her attorney and the government acknowledge that the above calculations are preliminary in nature and based on facts known to the government as of the time of this Agreement. Defendant understands that the Probation Department will conduct its own investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final Sentencing Guidelines calculation. Accordingly, the validity of this Agreement is not contingent upon the probation officer's or the Court's concurrence with the above calculations.

7. Defendant understands that the Sentencing Guidelines are advisory, not mandatory, and that the Court must consult those Guidelines and take them into account when sentencing defendant.

8. Errors in calculations or interpretation of any of the guidelines may be corrected by either party prior to sentencing. The parties may correct these errors or misinterpretations either by stipulation or by a statement to the probation office and/or Court setting forth the disagreement as to the correct guidelines and their application. The validity of this Agreement will not be affected

by such corrections, and defendant shall not have a right to withdraw her plea on the basis of such corrections.

9. Defendant understands the count to which she will plead guilty carries a maximum penalty of five years imprisonment and a maximum fine of \$250,000, and a term of supervised release of not more than three years.

10. Defendant understands that in accord with federal law, Title 18, United States Code, Section 3013, upon entry of judgment of conviction, defendant will be assessed \$100, in addition to any other penalty imposed. Defendant agrees to pay the special assessment of \$100 at the time of sentencing with a check or money order made payable to the Clerk of the U.S. District Court.

11. Defendant understands that by pleading guilty she surrenders certain rights, including the following:

(a) If defendant persisted in a plea of not guilty to the charges against her, she would have the right to a public and speedy trial. The trial could be either a jury trial or a trial by the judge sitting without a jury. Defendant has a right to a jury trial. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

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

instructed that defendant is presumed innocent, and that it could not convict her unless, after hearing all the evidence, it was persuaded of defendant's guilt beyond a reasonable doubt.

(c) If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, whether or not the judge was persuaded of defendant's guilt beyond a reasonable doubt.

(d) At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and her attorney would be able to cross-examine them. In turn, defendant could present witnesses and other evidence in her own behalf. If the witnesses for defendant would not appear voluntarily, she could require their attendance through the subpoena power of the court.

(e) At a trial, defendant would have a privilege against self-incrimination so that she could decline to testify, and no inference of guilt could be drawn from her refusal to testify. If defendant desired to do so, she could testify in her own behalf.

12. Defendant understands that by pleading guilty she is waiving all the rights set forth in the prior paragraph. Defendant's attorney has explained those rights to her, and the consequences of her waiver of those rights. Defendant further understands she is waiving all appellate issues that might have been available if she had exercised her right to trial.

13. Defendant is also aware that Title 18, United States Code, Section 3742 affords a defendant the right to appeal the sentence imposed. Acknowledging this, the defendant knowingly waives the right to appeal any sentence within the maximum provided in the statute of conviction (or the manner in which that sentence was determined), in exchange for the concessions made by the

United States in this Plea Agreement. The defendant also waives her right to challenge her sentence or the manner in which it was determined in any collateral attack, including but not limited to a motion brought under Title 28, United States Code, Section 2255. The waiver in this paragraph does not apply to a claim of involuntariness, or ineffective assistance of counsel, which relates directly to this waiver or to its negotiation.

14. Defendant agrees she will fully and truthfully cooperate with the government in any matter in which he is called upon to cooperate that is related to or results from the charges in this case.

(a) Defendant agrees to provide complete and truthful information in any investigation and pre-trial preparation, and complete and truthful testimony, if called upon to testify, before any federal grand jury and United States District Court proceeding, and any related civil administrative or court proceeding.

(b) Defendant agrees to postpone her sentencing until after the conclusion of the prosecution of her co-defendants.

15. Defendant understands that the indictment and this Plea Agreement are matters of public record and may be disclosed to any party.

16. Defendant understands that the United States Attorney's Office will fully apprise the District Court and the United States Probation Office of the nature, scope and extent of defendant's conduct regarding the charges against her, and related matters, including all matters in aggravation and mitigation relevant to the issue of sentencing.

17. At the time of sentencing, the government shall make known to the sentencing judge the extent of defendant's cooperation, and, assuming defendant's full and truthful cooperation, shall

move the Court, pursuant to Sentencing Guideline 5K1.1 to depart from the applicable sentencing guidelines range and to impose the specific sentence agreed to by the parties as outlined below. Defendant understands that the decision to depart from the applicable guidelines range rests solely with the Court. However, this Plea Agreement is governed, in part, by Federal Rule of Criminal Procedure 11(c)(1)(C). That is, the parties have agreed that the sentence imposed by the Court shall be a sentence within Zone B in the range called for by an offense level of 10. At the time of sentencing, both parties shall be free to recommend any sentence within Zone B at offense level 10. Other than this agreed sentencing range, the parties have agreed that the Court remains free to impose the sentence it deems appropriate. If the Court accepts and imposes the agreed sentence within Zone B, defendant may not withdraw this plea as a matter of right under Federal Rule of Criminal Procedure 11(d) and (e). If, however, the Court refuses to impose the agreed sentence within Zone B, thereby rejecting the Plea Agreement, or otherwise refuses to accept defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound thereto.

18. Nothing in this Agreement shall limit the Internal Revenue Service in its collection of any taxes, interest or penalties from defendant.

19. Defendant understands that Title 18, United States Code, Section 3664 and Sections 5E1.1 and 5E1.2 of the Sentencing Guidelines set forth the factors to be weighed in setting a fine and in determining the schedule, if any, according to which any restitution is to be paid in this case. Defendant agrees to provide full and truthful information to the Court and United States Probation Officer regarding all details of her economic circumstances in order to determine the proper fine and restitution schedule according to which the defendant may be ordered to pay. Defendant understands

that providing false or incomplete information may be prosecuted as a violation of Title 18, United States Code, Section 1001, or as a contempt of the court.

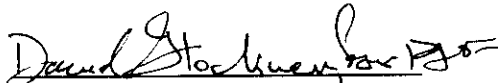
20. Defendant understands that her compliance with each part of this Plea Agreement extends throughout and beyond the period of her sentence, and failure to abide by any term of the Plea Agreement is a violation of the Agreement. She further understands that in the event she violates this Agreement, the government, at its option, may move to vacate the Plea Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or to resentence defendant. Defendant understands and agrees that in the event that this Plea Agreement is breached by defendant, and the Government elects to void the Plea Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this agreement and the commencement of such prosecutions.

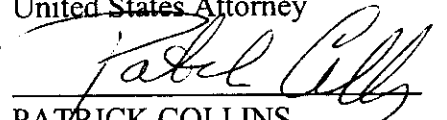
21. Defendant and her attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement, to cause defendant to plead guilty.


22. Defendant agrees this Plea Agreement shall be filed and become a part of the record in this case.


23. Defendant acknowledges that she has read this Agreement and carefully reviewed each provision with her attorney. Defendant further acknowledges that she understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: 6/15/05


PATRICK J. FITZGERALD
United States Attorney


PATRICK COLLINS
PATRICK McGOVERN
Assistant United States Attorneys


DEBRA COVELIERS
Defendant


JAMES GRAHAM
Attorney for Defendant