IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA,	)	
	)	Case No: 1:18-cr-83 (TSE)
v.	)	
	)	
RICHARD W. GATES III,	)	
	)	
Defendant.	)	

GOVERNMENT'S UNOPPOSED MOTION TO DISMISS CHARGES AGAINST DEFENDANT RICHARD W. GATES III WITHOUT PREJUDICE

The United States, by and through undersigned counsel, and pursuant to Federal Rule of Criminal Procedure 48(a), moves to dismiss without prejudice the charges against defendant Richard W. Gates III (Gates) in the Superseding Indictment returned on February 22, 2018. In support of its motion, the government avers as follows:

1. On February 22, 2018, a grand jury sitting in the Eastern District of Virginia returned a 32-count Superseding Indictment against Paul J. Manafort, Jr. and Gates in the above-captioned case. Gates is charged in Counts 5 through 10 and 15 through 32 of the Superseding Indictment, which allege (respectively) that he committed the crimes of tax fraud, failure to file foreign bank account reports, bank fraud, and bank fraud conspiracy.

2. On February 23, 2018, Gates pled guilty, pursuant to a plea agreement, to a two-count Superseding Criminal Information in the United States District Court for the District of Columbia charging him with conspiracy to defraud the United States and commit multiple federal offenses, in violation of 18 U.S.C. § 371; and making a false statement in a matter within the jurisdiction of the executive branch, in violation of 18 U.S.C. § 1001. *See* Superseding Criminal Information, No. 1:17-cr-201-ABJ (D.D.C.) (ECF #195) (attached as Exhibit A). Gates had previously been charged in that district along with Manafort. *See* Indictment, No.

1:17-cr-201-ABJ (D.D.C.) (ECF #1).* Under the terms of the plea agreement, the government agreed that it would "move promptly to dismiss without prejudice the charges brought against [Gates] in the Eastern District of Virginia and [Gates] waives venue as to such charges in the event he breaches this Agreement." Plea Agr. at 2, No. 1:17-cr-201-ABJ (D.D.C.) (ECF #205) (attached as Exhibit B).

3. In accordance with the terms of the plea agreement in the District of Columbia case, and pursuant to Federal Rule of Criminal Procedure 48(a), the government now moves to dismiss without prejudice the charges in the Superseding Indictment against Gates—that is, the charges against him in Counts 5 through 10 and 15 through 32. Rule 48(a) provides that "[t]he government may, with leave of court, dismiss an indictment, information, or complaint." The leave-of-court requirement confers only highly limited discretion to deny a government motion under Rule 48(a). *See United States v. Goodson*, 204 F.3d 508, 512 (4th Cir. 2000). "Indeed, the court must grant the government's Rule 48(a) motion unless the court concludes that to grant it would be clearly contrary to manifest public interest, determined by whether the prosecutor's motion to dismiss was made in bad faith." *Id.* Examples of bad faith have been circumscribed to 'include the prosecutor's acceptance of a bribe, personal dislike of the victim, and dissatisfaction with the jury impaneled.'" *Rice v. Rivera*, 617 F.3d 802, 811 (4th Cir. 2010)

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* The Special Counsel's Office proceeded before the Grand Jury in the Eastern District of Virginia because, based on available evidence, venue for the charges at issue did not exist in the District of Columbia, where the defendant was previously charged. Before instituting this criminal action, the Special Counsel's Office met with counsel for defendants Manafort and Gates to go over the proof underlying the bank fraud charges (the tax and other charges were already the subject of a prosecution before the United States District Court for the District of Columbia). The Special Counsel's Office alerted defense counsel that the government was prepared to bring all of the charges before a Grand Jury in the District of Columbia, if the defendants were willing to waive venue (since otherwise the government could not do so legally). If venue had been waived, the defendants would have faced a single indictment in one district, and not two indictments in adjacent districts. One defendant elected, as is his right, not to waive venue. The Special Counsel's Office accordingly proceeded in the Eastern District of Virginia.

(quoting *United States v. Smith*, 55 F.3d 157, 159 (4th Cir. 1995)).

4. Here, dismissal of the charges against Gates is not "clearly contrary to manifest public interest." *See Goodson*, 204 F.3d at 512. As explained, the government is moving to dismiss pursuant to a plea agreement that provides for that action in connection with the resolution of the criminal charges against Gates in the District of Columbia, the forum in which he was first indicted and his plea was accepted by the Court. Consistent with the default approach under Rule 48(a), the government requests dismissal without prejudce, which would allow for reinstatement of charges in the circumstances contemplated by the plea agreement. *See, e.g., United States v. Chase*, 372 F.2d 453, 463 (4th Cir. 1967) (stating that a Rule 48(a) "dismissal is without prejudice"); 3B Wright & Leipold, *Federal Practice & Procedure Crim.* § 801 (4th ed. 2017) ("A dismissal properly taken under Rule 48(a) is without prejudice[.]").

For the foregoing reasons, the United States respectfully requests that the charges in Counts 5 through 10 and 15 through 32 of the Superseding Indictment be dismissed without prejudice as to Gates. On February 26, 2018, counsel for Gates informed the undersigned government attorneys that Gates consents to the relief requested in this motion.

Respectfully submitted,

ROBERT S. MUELLER III
Special Counsel

Dated: February __, 2018

By: _____

Andrew Weissmann
Greg D. Andres
Kyle R. Freeny
Senior/Assistant Special Counsel
Special Assistant United States Attorney
950 Pennsylvania Ave NW
Washington, D.C. 20008
Telephone: (202) 616-0800
Attorneys for the United States of America

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	*	
	*	CRIMINAL NO. 17-201-2 (ABJ)(S-2)
	*	
v.	*	Violations: 18 U.S.C. §§ 371 and 1001(a)
	*	
RICHARD W. GATES III,	*	
	*	Case: 1:17-cr-201
Defendant.	*	Assigned To : Judge Jackson, Amy Berman
	*	Assign. Date : 2/23/2018
	****	Description: SUPERSEDING INFORMATION (A)
		Case Related to: 17-cr-201 (ABJ)

SUPERSEDING CRIMINAL INFORMATION

The Special Counsel informs the Court:

1. RICHARD W. GATES III (GATES) served for years as a political consultant and lobbyist. Between at least 2006 and 2015, GATES and Paul J. Manafort, Jr. (Manafort) acted as unregistered agents of the Government of Ukraine, the Party of Regions (a Ukrainian political party whose leader Victor Yanukovych was President from 2010 to 2014), Yanukovych, and the Opposition Bloc (a successor to the Party of Regions that formed in 2014 when Yanukovych fled to Russia). Manafort and GATES generated tens of millions of dollars in income as a result of their Ukraine work. In order to hide Ukraine payments from United States authorities, from approximately 2006 through at least 2016, Manafort and GATES laundered the money through scores of United States and foreign corporations, partnerships, and bank accounts.

2. In furtherance of the scheme, Manafort and GATES funneled millions of dollars in payments into foreign nominee companies and bank accounts, opened by them and their accomplices in nominee names and in various foreign countries, including Cyprus, Saint Vincent

& the Grenadines (Grenadines), and the Seychelles. Manafort and GATES hid the existence of the foreign companies and bank accounts, falsely and repeatedly reporting to their tax preparers and to the United States that they had no foreign bank accounts.

3. In furtherance of the scheme, Manafort and GATES concealed from the United States their work as agents of, and millions of dollars in payments from, Ukraine and its political parties and leaders. Because Manafort and GATES, among other things, directed a campaign to lobby United States officials on behalf of the Government of Ukraine, the President of Ukraine, and Ukrainian political parties, they were required by law to report to the United States their work and fees. Manafort and GATES did not do so. Instead, when the Department of Justice sent inquiries to Manafort and GATES in 2016 about their activities, Manafort and GATES responded with a series of false and misleading statements.

4. In furtherance of the scheme, Manafort used his hidden overseas wealth to enjoy a lavish lifestyle in the United States, without paying taxes on that income. Manafort, without reporting the income to his tax preparer or the United States, spent millions of dollars on luxury goods and services for himself and his extended family through payments wired from offshore nominee accounts to United States vendors. Manafort also used these offshore accounts to purchase multi-million dollar properties in the United States. Manafort then borrowed millions of dollars in loans using these properties as collateral, thereby obtaining cash in the United States without reporting and paying taxes on the income. In order to increase the amount of money he could access in the United States, Manafort defrauded the institutions that loaned money on these properties so that they would lend him more money at more favorable rates than he would otherwise be able to obtain.

5. GATES aided Manafort in obtaining money from these offshore accounts, which he was instrumental in opening. Like Manafort, GATES used money from these offshore accounts to pay for his personal expenses, including his mortgage, children's tuition, and interior decorating of his Virginia residence.

6. In total, more than $75,000,000 flowed through the offshore accounts. Manafort laundered more than $18,000,000, which was used by him to buy property, goods, and services in the United States, income that he concealed from the United States Treasury, the Department of Justice, and others. GATES transferred more than $3,000,000 from the offshore accounts to other accounts that he controlled.

Relevant Individuals And Entities

7. Manafort was a United States citizen. He resided in homes in Virginia, Florida, and Long Island, New York.

8. GATES was a United States citizen. He resided in Virginia.

9. In 2005, Manafort and another partner created Davis Manafort Partners, Inc. (DMP) to engage principally in political consulting. DMP had staff in the United States, Ukraine, and Russia. In 2011, Manafort created DMP International, LLC (DMI) to engage in work for foreign clients, in particular political consulting, lobbying, and public relations for the Government of Ukraine, the Party of Regions, and members of the Party of Regions. DMI was a partnership solely owned by Manafort and his spouse. GATES worked for both DMP and DMI and served as Manafort's right-hand man.

10. The Party of Regions was a pro-Russia political party in Ukraine. Beginning in approximately 2006, it retained Manafort, through DMP and then DMI, to advance its interests in

Ukraine, including the election of its slate of candidates. In 2010, its candidate for President, Yanukovych, was elected President of Ukraine. In 2014, Yanukovych fled Ukraine for Russia in the wake of popular protests of widespread governmental corruption. Yanukovych, the Party of Regions, and the Government of Ukraine were Manafort, DMP, and DMI clients.

11. The European Centre for a Modern Ukraine (the Centre) was created in or about 2012 in Belgium as a mouthpiece for Yanukovych and the Party of Regions. The Centre was used by Manafort, GATES, and others in order to lobby and conduct a public relations campaign in the United States and Europe on behalf of the existing Ukraine regime. The Centre effectively ceased to operate upon the downfall of Yanukovych in 2014.

12. Manafort and GATES owned or controlled the following entities, which were used in the scheme (the Manafort-GATES entities):

Domestic Entities

Entity Name	**Date Created**	**Incorporation Location**
Bade LLC (RG)	January 2012	Delaware
Daisy Manafort, LLC (PM)	August 2008	Virginia
	March 2011	Florida
Davis Manafort International LLC (PM)	March 2007	Delaware
DMP (PM)	March 2005	Virginia
	March 2011	Florida
Davis Manafort, Inc. (PM)	October 1999	Delaware
	November 1999	Virginia
DMI (PM)	June 2011	Delaware

Entity Name	Date Created	Incorporation Location
	March 2012	Florida
Global Sites LLC (PM, RG)	July 2008	Delaware
Jemina LLC (RG)	July 2008	Delaware
Jesand Investment Corporation (PM)	April 2002	Virginia
Jesand Investments Corporation (PM)	March 2011	Florida
John Hannah, LLC (PM)	April 2006	Virginia
	March 2011	Florida
Jupiter Holdings Management, LLC (RG)	January 2011	Delaware
Lilred, LLC (PM)	December 2011	Florida
LOAV Ltd. (PM)	April 1992	Delaware
MC Brooklyn Holdings, LLC (PM)	November 2012	New York
MC Soho Holdings, LLC (PM)	January 2012	Florida
	April 2012	New York
Smythson LLC (also known as Symthson LLC) (PM, RG)	July 2008	Delaware

Cypriot Entities

Entity Name	Date Created	Incorporation Location
Actinet Trading Limited (PM, RG)	May 2009	Cyprus
Black Sea View Limited (PM, RG)	August 2007	Cyprus
Bletilla Ventures Limited (PM, RG)	October 2010	Cyprus

Entity Name	Date Created	Incorporation Location
Cavenari Investments Limited (RG)	December 2007	Cyprus
Global Highway Limited (PM, RG)	August 2007	Cyprus
Leviathan Advisors Limited (PM, RG)	August 2007	Cyprus
LOAV Advisors Limited (PM, RG)	August 2007	Cyprus
Lucicle Consultants Limited (PM, RG)	December 2008	Cyprus
Marziola Holdings Limited (PM)	March 2012	Cyprus
Olivenia Trading Limited (PM, RG)	March 2012	Cyprus
Peranova Holdings Limited (PM, RG)	June 2007	Cyprus
Serangon Holdings Limited (PM, RG)	January 2008	Cyprus

Other Foreign Entities

Entity Name	Date Created	Incorporation Location
Global Endeavour Inc. (also known as Global Endeavor Inc.) (PM)	Unknown	Grenadines
Jeunet Ltd. (PM)	August 2011	Grenadines
Pompolo Limited (RG)	April 2013	United Kingdom

13. The Internal Revenue Service (IRS) was a bureau in the United States Department of the Treasury responsible for administering the tax laws of the United States and collecting taxes owed to the Treasury.

The Scheme

14. Between in or around 2008 and 2017, both dates being approximate and inclusive, in the District of Columbia and elsewhere, Manafort and GATES devised and intended to devise, and executed and attempted to execute, a scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises from the United States, banks, and other financial institutions. As part of the scheme, Manafort and GATES repeatedly provided false information to financial bookkeepers, tax accountants, and legal counsel, among others.

Manafort And GATES' Wiring Of Money From Offshore Accounts Into The United States

15. In order to use the money in the offshore nominee accounts of the Manafort-GATES entities without paying taxes on it, Manafort and GATES caused millions of dollars in wire transfers from these accounts to be made for goods, services, and real estate. They did not report these transfers as income to DMP, DMI, or Manafort.

16. From 2008 to 2014, Manafort caused the following wires, totaling over $12,000,000, to be sent to the vendors listed below for personal items. Manafort did not pay taxes on this income, which was used to make the purchases.

Payee	Transaction Date	Originating Account Holder	Country of Origination	Amount of Transaction
Vendor A (Home Improvement Company in the Hamptons, New York)	6/10/2008	LOAV Advisors Limited	Cyprus	$107,000
	6/25/2008	LOAV Advisors Limited	Cyprus	$23,500
	7/7/2008	LOAV Advisors Limited	Cyprus	$20,000
	8/5/2008	Yiakora Ventures Limited	Cyprus	$59,000
	9/2/2008	Yiakora Ventures Limited	Cyprus	$272,000
	10/6/2008	Yiakora Ventures Limited	Cyprus	$109,000
	10/24/2008	Yiakora Ventures Limited	Cyprus	$107,800
	11/20/2008	Yiakora Ventures Limited	Cyprus	$77,400
	12/22/2008	Yiakora Ventures Limited	Cyprus	$100,000
	1/14/2009	Yiakora Ventures Limited	Cyprus	$9,250

Payee	Transaction Date	Originating Account Holder	Country of Origination	Amount of Transaction
	1/29/2009	Yiakora Ventures Limited	Cyprus	$97,670
	2/25/2009	Yiakora Ventures Limited	Cyprus	$108,100
	4/16/2009	Yiakora Ventures Limited	Cyprus	$94,394
	5/7/2009	Yiakora Ventures Limited	Cyprus	$54,000
	5/12/2009	Yiakora Ventures Limited	Cyprus	$9,550
	6/1/2009	Yiakora Ventures Limited	Cyprus	$86,650
	6/18/2009	Yiakora Ventures Limited	Cyprus	$34,400
	7/31/2009	Yiakora Ventures Limited	Cyprus	$106,000
	8/28/2009	Yiakora Ventures Limited	Cyprus	$37,000
	9/23/2009	Yiakora Ventures Limited	Cyprus	$203,500
	10/26/2009	Yiakora Ventures Limited	Cyprus	$38,800
	11/18/2009	Global Highway Limited	Cyprus	$130,906
	3/8/2010	Global Highway Limited	Cyprus	$124,000
	5/11/2010	Global Highway Limited	Cyprus	$25,000
	7/8/2010	Global Highway Limited	Cyprus	$28,000
	7/23/2010	Leviathan Advisors Limited	Cyprus	$26,500
	8/12/2010	Leviathan Advisors Limited	Cyprus	$138,900
	9/2/2010	Yiakora Ventures Limited	Cyprus	$31,500
	10/6/2010	Global Highway Limited	Cyprus	$67,600
	10/14/2010	Yiakora Ventures Limited	Cyprus	$107,600
	10/18/2010	Leviathan Advisors Limited	Cyprus	$31,500
	12/16/2010	Global Highway Limited	Cyprus	$46,160
	2/7/2011	Global Highway Limited	Cyprus	$36,500
	3/22/2011	Leviathan Advisors Limited	Cyprus	$26,800
	4/4/2011	Leviathan Advisors Limited	Cyprus	$195,000
	5/3/2011	Global Highway Limited	Cyprus	$95,000
	5/16/2011	Leviathan Advisors Limited	Cyprus	$6,500
	5/31/2011	Leviathan Advisors Limited	Cyprus	$70,000
	6/27/2011	Leviathan Advisors Limited	Cyprus	$39,900
	7/27/2011	Leviathan Advisors Limited	Cyprus	$95,000
	10/24/2011	Global Highway Limited	Cyprus	$22,000
	10/25/2011	Global Highway Limited	Cyprus	$9,300
	11/15/2011	Global Highway Limited	Cyprus	$74,000
	11/23/2011	Global Highway Limited	Cyprus	$22,300
	11/29/2011	Global Highway Limited	Cyprus	$6,100
	12/12/2011	Leviathan Advisors Limited	Cyprus	$17,800

Payee	Transaction Date	Originating Account Holder	Country of Origination	Amount of Transaction
	1/17/2012	Global Highway Limited	Cyprus	$29,800
	1/20/2012	Global Highway Limited	Cyprus	$42,600
	2/9/2012	Global Highway Limited	Cyprus	$22,300
	2/23/2012	Global Highway Limited	Cyprus	$75,000
	2/28/2012	Global Highway Limited	Cyprus	$22,300
	3/28/2012	Peranova Holdings Limited	Cyprus	$37,500
	4/18/2012	Lucicle Consultants Limited	Cyprus	$50,000
	5/15/2012	Lucicle Consultants Limited	Cyprus	$79,000
	6/5/2012	Lucicle Consultants Limited	Cyprus	$45,000
	6/19/2012	Lucicle Consultants Limited	Cyprus	$11,860
	7/9/2012	Lucicle Consultants Limited	Cyprus	$10,800
	7/18/2012	Lucicle Consultants Limited	Cyprus	$88,000
	8/7/2012	Lucicle Consultants Limited	Cyprus	$48,800
	9/27/2012	Lucicle Consultants Limited	Cyprus	$100,000
	11/20/2012	Lucicle Consultants Limited	Cyprus	$298,000
	12/20/2012	Lucicle Consultants Limited	Cyprus	$55,000
	1/29/2013	Lucicle Consultants Limited	Cyprus	$149,000
	3/12/2013	Lucicle Consultants Limited	Cyprus	$375,000
	8/29/2013	Global Endeavour Inc.	Grenadines	$200,000
	11/13/2013	Global Endeavour Inc.	Grenadines	$75,000
	11/26/2013	Global Endeavour Inc.	Grenadines	$80,000
	12/6/2013	Global Endeavour Inc.	Grenadines	$130,000
	12/12/2013	Global Endeavour Inc.	Grenadines	$90,000
	4/22/2014	*Unknown*	*Unknown*	$56,293
	8/18/2014	Global Endeavour Inc.	Grenadines	$34,660
			Vendor A Total	**$5,434,793**
Vendor B (Home Automation, Lighting and Home Entertainment Company in Florida)	3/22/2011	Leviathan Advisors Limited	Cyprus	$12,000
	3/28/2011	Leviathan Advisors Limited	Cyprus	$25,000
	4/27/2011	Leviathan Advisors Limited	Cyprus	$12,000
	5/16/2011	Leviathan Advisors Limited	Cyprus	$25,000
	11/15/2011	Global Highway Limited	Cyprus	$17,006
	11/23/2011	Global Highway Limited	Cyprus	$11,000
	2/28/2012	Global Highway Limited	Cyprus	$6,200
	10/31/2012	Lucicle Consultants Limited	Cyprus	$290,000
	12/17/2012	Lucicle Consultants Limited	Cyprus	$160,600
	1/15/2013	Lucicle Consultants Limited	Cyprus	$194,000

Payee	Transaction Date	Originating Account Holder	Country of Origination	Amount of Transaction
	1/24/2013	Lucicle Consultants Limited	Cyprus	$6,300
	2/12/2013	Lucicle Consultants Limited	Cyprus	$51,600
	2/26/2013	Lucicle Consultants Limited	Cyprus	$260,000
	7/15/2013	Pompolo Limited	United Kingdom	$175,575
	11/5/2013	Global Endeavour Inc.	Grenadines	$73,000
			Vendor B Total	**$1,319,281**
Vendor C (Antique Rug Store in Alexandria, Virginia)	10/7/2008	Yiakora Ventures Limited	Cyprus	$15,750
	3/17/2009	Yiakora Ventures Limited	Cyprus	$46,200
	4/16/2009	Yiakora Ventures Limited	Cyprus	$7,400
	4/27/2009	Yiakora Ventures Limited	Cyprus	$65,000
	5/7/2009	Yiakora Ventures Limited	Cyprus	$210,000
	7/15/2009	Yiakora Ventures Limited	Cyprus	$200,000
	3/31/2010	Yiakora Ventures Limited	Cyprus	$140,000
	6/16/2010	Global Highway Limited	Cyprus	$250,000
			Vendor C Total	**$934,350**
Vendor D (Related to Vendor C)	2/28/2012	Global Highway Limited	Cyprus	$100,000
			Vendor D Total	**$100,000**
Vendor E (Men's Clothing Store in New York)	11/7/2008	Yiakora Ventures Limited	Cyprus	$32,000
	2/5/2009	Yiakora Ventures Limited	Cyprus	$22,750
	4/27/2009	Yiakora Ventures Limited	Cyprus	$13,500
	10/26/2009	Yiakora Ventures Limited	Cyprus	$32,500
	3/30/2010	Yiakora Ventures Limited	Cyprus	$15,000
	5/11/2010	Global Highway Limited	Cyprus	$39,000
	6/28/2010	Leviathan Advisors Limited	Cyprus	$5,000
	8/12/2010	Leviathan Advisors Limited	Cyprus	$32,500
	11/17/2010	Global Highway Limited	Cyprus	$11,500
	2/7/2011	Global Highway Limited	Cyprus	$24,000
	3/22/2011	Leviathan Advisors Limited	Cyprus	$43,600
	3/28/2011	Leviathan Advisors Limited	Cyprus	$12,000
	4/27/2011	Leviathan Advisors Limited	Cyprus	$3,000
	6/30/2011	Global Highway Limited	Cyprus	$24,500
	9/26/2011	Leviathan Advisors Limited	Cyprus	$12,000
	11/2/2011	Global Highway Limited	Cyprus	$26,700

Payee	Transaction Date	Originating Account Holder	Country of Origination	Amount of Transaction
	12/12/2011	Leviathan Advisors Limited	Cyprus	$46,000
	2/9/2012	Global Highway Limited	Cyprus	$2,800
	2/28/2012	Global Highway Limited	Cyprus	$16,000
	3/14/2012	Lucicle Consultants Limited	Cyprus	$8,000
	4/18/2012	Lucicle Consultants Limited	Cyprus	$48,550
	5/15/2012	Lucicle Consultants Limited	Cyprus	$7,000
	6/19/2012	Lucicle Consultants Limited	Cyprus	$21,600
	8/7/2012	Lucicle Consultants Limited	Cyprus	$15,500
	11/20/2012	Lucicle Consultants Limited	Cyprus	$10,900
	12/20/2012	Lucicle Consultants Limited	Cyprus	$7,500
	1/15/2013	Lucicle Consultants Limited	Cyprus	$37,000
	2/12/2013	Lucicle Consultants Limited	Cyprus	$7,000
	2/26/2013	Lucicle Consultants Limited	Cyprus	$39,000
	9/3/2013	Global Endeavour Inc.	Grenadines	$81,500
	10/15/2013	Global Endeavour Inc.	Grenadines	$53,000
	11/26/2013	Global Endeavour Inc.	Grenadines	$13,200
	4/24/2014	Global Endeavour Inc.	*Unknown*	$26,680
	9/11/2014	Global Endeavour Inc.	Grenadines	$58,435
			Vendor E Total	**$849,215**
Vendor F (Landscaper in the Hamptons, New York)	4/27/2009	Yiakora Ventures Limited	Cyprus	$34,000
	5/12/2009	Yiakora Ventures Limited	Cyprus	$45,700
	6/1/2009	Yiakora Ventures Limited	Cyprus	$21,500
	6/18/2009	Yiakora Ventures Limited	Cyprus	$29,000
	9/21/2009	Yiakora Ventures Limited	Cyprus	$21,800
	5/11/2010	Global Highway Limited	Cyprus	$44,000
	6/28/2010	Leviathan Advisors Limited	Cyprus	$50,000
	7/23/2010	Leviathan Advisors Limited	Cyprus	$19,000
	9/2/2010	Yiakora Ventures Limited	Cyprus	$21,000
	10/6/2010	Global Highway Limited	Cyprus	$57,700
	10/18/2010	Leviathan Advisors Limited	Cyprus	$26,000
	12/16/2010	Global Highway Limited	Cyprus	$20,000
	3/22/2011	Leviathan Advisors Limited	Cyprus	$50,000
	5/3/2011	Global Highway Limited	Cyprus	$40,000
	6/1/2011	Leviathan Advisors Limited	Cyprus	$44,000
	7/27/2011	Leviathan Advisors Limited	Cyprus	$27,000
	8/16/2011	Leviathan Advisors Limited	Cyprus	$13,450

Payee	Transaction Date	Originating Account Holder	Country of Origination	Amount of Transaction
	9/19/2011	Leviathan Advisors Limited	Cyprus	$12,000
	10/24/2011	Global Highway Limited	Cyprus	$42,000
	11/2/2011	Global Highway Limited	Cyprus	$37,350
			Vendor F Total	**$655,500**
Vendor G (Antique Dealer in New York)	9/2/2010	Yiakora Ventures Limited	Cyprus	$165,000
	10/18/2010	Leviathan Advisors Limited	Cyprus	$165,000
	2/28/2012	Global Highway Limited	Cyprus	$190,600
	3/14/2012	Lucicle Consultants Limited	Cyprus	$75,000
	2/26/2013	Lucicle Consultants Limited	Cyprus	$28,310
			Vendor G Total	**$623,910**
Vendor H (Clothing Store in Beverly Hills, California)	6/25/2008	LOAV Advisors Limited	Cyprus	$52,000
	12/16/2008	Yiakora Ventures Limited	Cyprus	$49,000
	12/22/2008	Yiakora Ventures Limited	Cyprus	$10,260
	8/12/2009	Yiakora Ventures Limited	Cyprus	$76,400
	5/11/2010	Global Highway Limited	Cyprus	$85,000
	11/17/2010	Global Highway Limited	Cyprus	$128,280
	5/31/2011	Leviathan Advisors Limited	Cyprus	$64,000
	11/15/2011	Global Highway Limited	Cyprus	$48,000
	12/17/2012	Lucicle Consultants Limited	Cyprus	$7,500
			Vendor H Total	**$520,440**
Vendor I (Investment Company)	9/3/2013	Global Endeavour Inc.	Grenadines	$500,000
			Vendor I Total	**$500,000**
Vendor J (Contractor in Florida)	11/15/2011	Global Highway Limited	Cyprus	$8,000
	12/5/2011	Leviathan Advisors Limited	Cyprus	$11,237
	12/21/2011	Black Sea View Limited	Cyprus	$20,000
	2/9/2012	Global Highway Limited	Cyprus	$51,000
	5/17/2012	Lucicle Consultants Limited	Cyprus	$68,000
	6/19/2012	Lucicle Consultants Limited	Cyprus	$60,000
	7/18/2012	Lucicle Consultants Limited	Cyprus	$32,250
	9/19/2012	Lucicle Consultants Limited	Cyprus	$112,000
	11/30/2012	Lucicle Consultants Limited	Cyprus	$39,700
	1/9/2013	Lucicle Consultants Limited	Cyprus	$25,600
	2/28/2013	Lucicle Consultants Limited	Cyprus	$4,700
			Vendor J Total	**$432,487**

Payee	Transaction Date	Originating Account Holder	Country of Origination	Amount of Transaction
Vendor K (Landscaper in the Hamptons, New York)	12/5/2011	Leviathan Advisors Limited	Cyprus	$4,115
	3/1/2012	Global Highway Limited	Cyprus	$50,000
	6/6/2012	Lucicle Consultants Limited	Cyprus	$47,800
	6/25/2012	Lucicle Consultants Limited	Cyprus	$17,900
	6/27/2012	Lucicle Consultants Limited	Cyprus	$18,900
	2/12/2013	Lucicle Consultants Limited	Cyprus	$3,300
	7/15/2013	Pompolo Limited	United Kingdom	$13,325
	11/26/2013	Global Endeavour Inc.	Grenadines	$9,400
			Vendor K Total	**$164,740**
Vendor L (Payments Relating to three Range Rovers)	4/12/2012	Lucicle Consultants Limited	Cyprus	$83,525
	5/2/2012	Lucicle Consultants Limited	Cyprus	$12,525
	6/29/2012	Lucicle Consultants Limited	Cyprus	$67,655
			Vendor L Total	**$163,705**
Vendor M (Contractor in Virginia)	11/20/2012	Lucicle Consultants Limited	Cyprus	$45,000
	12/7/2012	Lucicle Consultants Limited	Cyprus	$21,000
	12/17/2012	Lucicle Consultants Limited	Cyprus	$21,000
	1/17/2013	Lucicle Consultants Limited	Cyprus	$18,750
	1/29/2013	Lucicle Consultants Limited	Cyprus	$9,400
	2/12/2013	Lucicle Consultants Limited	Cyprus	$10,500
			Vendor M Total	**$125,650**
Vendor N (Audio, Video, and Control System Home Integration and Installation Company in the Hamptons, New York)	1/29/2009	Yiakora Ventures Limited	Cyprus	$10,000
	3/17/2009	Yiakora Ventures Limited	Cyprus	$21,725
	4/16/2009	Yiakora Ventures Limited	Cyprus	$24,650
	12/2/2009	Global Highway Limited	Cyprus	$10,000
	3/8/2010	Global Highway Limited	Cyprus	$20,300
	4/23/2010	Yiakora Ventures Limited	Cyprus	$8,500
	7/29/2010	Leviathan Advisors Limited	Cyprus	$17,650
			Vendor N Total	**$112,825**
Vendor O (Purchase of Mercedes Benz)	10/5/2012	Lucicle Consultants Limited	Cyprus	$62,750

Payee	Transaction Date	Originating Account Holder	Country of Origination	Amount of Transaction
			Vendor O Total	**$62,750**
Vendor P (Purchase of Range Rover)	12/30/2008	Yiakora Ventures Limited	Cyprus	$47,000
			Vendor P Total	**$47,000**
Vendor Q (Property Management Company in South Carolina)	9/2/2010	Yiakora Ventures Limited	Cyprus	$10,000
	10/6/2010	Global Highway Limited	Cyprus	$10,000
	10/18/2010	Leviathan Advisors Limited	Cyprus	$10,000
	2/8/2011	Global Highway Limited	Cyprus	$13,500
	2/9/2012	Global Highway Limited	Cyprus	$2,500
			Vendor Q Total	**$46,000**
Vendor R (Art Gallery in Florida)	2/9/2011	Global Highway Limited	Cyprus	$17,900
	2/14/2013	Lucicle Consultants Limited	Cyprus	$14,000
			Vendor R Total	**$31,900**
Vendor S (Housekeeping in New York)	9/26/2011	Leviathan Advisors Limited	Cyprus	$5,000
	9/19/2012	Lucicle Consultants Limited	Cyprus	$5,000
	10/9/2013	Global Endeavour Inc.	Grenadines	$10,000
			Vendor S Total	**$20,000**

17. In 2012, Manafort caused the following wires to be sent to the entities listed below to purchase the real estate also listed below. Manafort did not report the money used to make these purchases on his 2012 tax return.

Property Purchased	Payee	Date	Originating Account	Country of Origin	Amount
Howard Street Condominium (New York)	DMP International LLC	2/1/2012	Peranova Holdings Limited	Cyprus	$1,500,000
Union Street Brownstone, (New York)	Attorney Account Of [Real Estate Attorney]	11/29/2012	Actinet Trading Limited	Cyprus	$1,800,000
		11/29/2012	Actinet Trading Limited	Cyprus	$1,200,000

Property Purchased	Payee	Date	Originating Account	Country of Origin	Amount
Arlington House (Virginia)	Real Estate Trust	8/31/2012	Lucicle Consultants Limited	Cyprus	$1,900,000

Manafort And GATES' Hiding Of Ukraine Lobbying And Public Relations Work

18. It is illegal to act as an agent of a foreign principal engaged in certain United States influence activities without registering the affiliation. Specifically, a person who engages in lobbying or public relations work in the United States (hereafter collectively referred to as lobbying) for a foreign principal such as the Government of Ukraine or the Party of Regions is required to provide a detailed written registration statement to the United States Department of Justice. The filing, made under oath, must disclose the name of the foreign principal, the financial payments to the lobbyist, and the measures undertaken for the foreign principal, among other information. A person required to make such a filing must further make in all lobbying material a "conspicuous statement" that the materials are distributed on behalf of the foreign principal, among other things. The filing thus permits public awareness and evaluation of the activities of a lobbyist who acts as an agent of a foreign power or foreign political party in the United States.

19. In furtherance of the scheme, from 2006 until 2014, both dates being approximate and inclusive, Manafort and GATES engaged in a multi-million dollar lobbying campaign in the United States at the direction of Yanukovych, the Party of Regions, and the Government of Ukraine. Manafort and GATES did so without registering and providing the disclosures required by law.

20. As part of the scheme, in February 2012, Manafort and GATES solicited two Washington,

D.C., firms (Company A and Company B) to lobby in the United States on behalf of Yanukovych, the Party of Regions, and the Government of Ukraine. For instance, GATES wrote to Company A that it would be "representing the Government of Ukraine in [Washington,] DC."

21. Manafort repeatedly communicated in person and in writing with Yanukovych, and GATES passed on directions to Company A and Company B. For instance, Manafort wrote Yanukovych a memorandum dated April 8, 2012, in which he provided Yanukovych an update on the lobbying firms' activities "since the inception of the project a few weeks ago. It is my intention to provide you with a weekly update moving forward." Toward the end of that first year, in November 2012, GATES wrote to Company A and Company B that the firms needed to prepare an assessment of their past and prospective lobbying efforts so the "President" could be briefed by "Paul" "on what Ukraine has done well and what it can do better as we move into 2013."

22. At the direction of Manafort and GATES, Company A and Company B engaged in extensive lobbying. Among other things, they lobbied multiple Members of Congress and their staffs about Ukraine sanctions, the validity of Ukraine elections, and the propriety of Yanukovych's imprisoning his presidential rival, Yulia Tymoshenko (who had served as Ukraine President prior to Yanukovych). Manafort and GATES also lobbied in connection with the roll out of a report concerning the Tymoshenko trial commissioned by the Government of Ukraine. Manafort and GATES used one of their offshore accounts to funnel $4 million to pay secretly for the report.

23. To minimize public disclosure of their lobbying campaign, Manafort and GATES arranged for the Centre to be the nominal client of Company A and Company B, even though in fact the Centre was under the ultimate direction of the Government of Ukraine, Yanukovych, and the Party of Regions. For instance, Manafort and GATES selected Company A and Company B, and only

thereafter did the Centre sign contracts with the lobbying firms without ever meeting either company. Company A and Company B were paid for their services not by their nominal client, the Centre, but solely through off-shore accounts associated with the Manafort-GATES entities, namely Bletilla Ventures Limited (in Cyprus) and Jeunet Ltd. and Global Endeavour Inc. (in Grenadines). In total, Company A and Company B were paid more than $2 million from these accounts between 2012 and 2014.

24. To conceal the scheme, Manafort and GATES developed a false and misleading cover story that would distance themselves and the Government of Ukraine, Yanukovych, and the Party of Regions from the Centre, Company A, and Company B. For instance, in the wake of extensive press reports on Manafort and his connections with Ukraine, on August 16, 2016, GATES communicated false talking points to Company B in writing, including:

- Q: "Can you describe your initial contact with [Company B] and the lobbying goals he discussed with them?" A: "We provided an introduction between the [Centre] and [Company B/Company A] in 2012. The [Centre] was seeking to retain representation in Washington, DC to support the mission of the NGO."
- A: "Our [Manafort and GATES'] task was to assist the [Centre] find representation in Washington, but at no time did our firm or members provide any direct lobbying support."
- A: "The structure of the arrangement between the [Centre] and [Company A and Company B] was worked out by the two parties."
- Q: "Can you say where the funding from for [sic] the [Centre] came from? (this amounted to well over a million dollars between 2012 and 2014)." A: "This is a

question better asked of the [Centre] who contracted with the two firms."

- Q: "Can you describe the lobbying work specifically undertaken by [Company B] on behalf of the Party of Regions/the [Centre]?" A: "This is a question better asked to Company B and/or the [Centre] as the agreement was between the parties. Our firm did not play a role in the structure, nor were we registered lobbyists."

Company B through a principal replied to GATES the same day that "there's a lot of email traffic that has you much more involved than this suggests[.] We will not disclose that but heaven knows what former employees of [Company B] or [Company A] might say."

25. In September 2016, after numerous recent press reports concerning Manafort, the Department of Justice informed Manafort, GATES, and DMI that it sought to determine whether they had acted as agents of a foreign principal under the Foreign Agents Registration Act (FARA), without registering. In November 2016 and February 2017, Manafort, GATES, and DMI caused false and misleading letters to be submitted to the Department of Justice, which mirrored the false cover story set out above. The letters, both of which were approved by Manafort and GATES before they were submitted, represented, among other things, that:

- DMI's "efforts on behalf of the Party of Regions" "did not include meetings or outreach within the U.S.";
- Manafort and GATES did not "recall meeting with or conducting outreach to U.S. government officials or U.S. media outlets on behalf of the [Centre], nor do they recall being party to, arranging, or facilitating any such communications. Rather, it is the recollection and understanding of Messrs. Gates and Manafort that such communications would have been facilitated and

conducted by the [Centre's] U.S. consultants, as directed by the [Centre]. . . .";

- Manafort and GATES had merely served as a means of introduction of Company A and Company B to the Centre and provided the Centre with a list of "potential U.S.-based consultants—including [Company A] and [Company B]—for the [Centre's] reference and further consideration."
- DMI "does not retain communications beyond thirty days" and as a result of this policy, a "search has returned no responsive documents." The November 2016 letter attached a one-page, undated document that purported to be a DMI "Email Retention Policy."

26. In fact, Manafort and GATES had: selected Company A and Company B; engaged in weekly scheduled calls and frequent emails with Company A and Company B to provide them directions as to specific lobbying steps that should be taken; sought and received detailed oral and written reports from these firms on the lobbying work they had performed; communicated with Yanukovych to brief him on their lobbying efforts; both congratulated and reprimanded Company A and Company B on their lobbying work; communicated directly with United States officials in connection with this work; and paid the lobbying firms over $2 million from offshore accounts they controlled, among other things. In addition, court-authorized searches of Manafort and GATES' DMI email accounts and Manafort's Virginia residence in July 2017 revealed numerous documents, including documents related to lobbying, which were more than thirty-days old at the time of the November 2016 letter to the Department of Justice.

Manafort And GATES' Hiding Of Foreign Bank Accounts And False Filings

27. United States citizens who have authority over certain foreign bank accounts -- whether or

not the accounts are set up in the names of nominees who act for their principals -- have reporting obligations to the United States.

28. First, the Bank Secrecy Act and its implementing regulations require United States citizens to report to the United States Treasury any financial interest in, or signatory authority over, any bank account or other financial account held in foreign countries, for every calendar year in which the aggregate balance of all such foreign accounts exceeds $10,000 at any point during the year. This is commonly known as a foreign bank account report or "FBAR." The Bank Secrecy Act requires these reports because they have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings. The United States Treasury's Financial Crimes Enforcement Network (FinCEN) is the custodian for FBAR filings, and FinCEN provides access to its FBAR database to law enforcement entities, including the Federal Bureau of Investigation. The reports filed by individuals and businesses are used by law enforcement to identify, detect, and deter money laundering that furthers criminal enterprise activity, tax evasion, and other unlawful activities.

29. Second, United States citizens also are obligated to report information to the IRS regarding foreign bank accounts. For instance, in 2010 Form 1040, Schedule B had a "Yes" or "No" box to record an answer to the question: "At any time during [the calendar year], did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?" If the answer was "Yes," then the form required the taxpayer to enter the name of the foreign country in which the financial account was located.

30. For each year in or about and between 2008 through at least 2014, Manafort had authority

over foreign accounts that required an FBAR report. Specifically, Manafort was required to report to the United States Treasury each foreign bank account held by the foreign Manafort-GATES entities noted above in paragraph 12 that bear the initials PM. No FBAR reports were made by Manafort for these accounts.

31. For each year in or about and between 2008 through at least 2013, GATES had authority over foreign accounts that required an FBAR report. Specifically, GATES was required to report to the United States Treasury each foreign bank account held by the foreign Manafort-GATES entities noted above in paragraph 12 that bear the initials RG, as well as three other accounts in the United Kingdom. No FBAR reports were made by GATES for these accounts.

32. Furthermore, in each of Manafort's tax filings for 2008 through 2014, Manafort represented falsely that he did not have authority over any foreign bank accounts. Manafort and GATES had repeatedly and falsely represented in writing to Manafort's tax preparer that Manafort had no authority over foreign bank accounts, knowing that such false representations would result in false Manafort tax filings. For instance, on October 4, 2011, Manafort's tax preparer asked Manafort in writing: "At any time during 2010, did you [or your wife or children] have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account or other financial account?" On the same day, Manafort falsely responded "NO." Manafort responded the same way as recently as October 3, 2016, when Manafort's tax preparer again emailed the question in connection with the preparation of Manafort's tax returns: "Foreign bank accounts etc.?" Manafort responded on or about the same day: "NONE."

Manafort And GATES' Fraud To Increase Access To Offshore Money

33. After Manafort used his offshore accounts to purchase real estate in the United States, he

took out mortgages on the properties thereby allowing Manafort to have the benefits of liquid income without paying taxes on it. Further, Manafort defrauded the banks that loaned him the money so that he could withdraw more money at a cheaper rate than he otherwise would have been permitted.

34. In 2012, Manafort, through a corporate vehicle called "MC Soho Holdings, LLC" owned by him and his family, bought a condominium on Howard Street in the Soho neighborhood in Manhattan, New York. He paid approximately $2,850,000. All the money used to purchase the condominium came from Manafort entities in Cyprus. Manafort used the property from at least January 2015 through 2016 as an income-generating rental property, charging thousands of dollars a week on Airbnb, among other places. In his tax returns, Manafort took advantage of the beneficial tax consequences of owning this rental property.

35. In late 2015 through early 2016, Manafort applied for a mortgage on the condominium. Because the bank would permit a greater loan amount if the property were owner-occupied, Manafort falsely represented to the bank and its agents that it was a secondary home used as such by his daughter and son-in-law and was not a property held as a rental property. For instance, on January 26, 2016, Manafort wrote to his son-in-law to advise him that when the bank appraiser came to assess the condominium his son-in-law should "[r]emember, he believes that you and [Manafort's daughter] are living there." Based on a request from Manafort, GATES caused a document to be created which listed the Howard Street property as the second home of Manafort's daughter and son-in-law, when GATES knew this fact to be false. As a result of his false representations, in March 2016 the bank provided Manafort a loan for approximately $3,185,000.

36. Also in 2012, Manafort -- through a corporate vehicle called "MC Brooklyn Holdings, LLC"

similarly owned by him and his family -- bought a brownstone on Union Street in the Carroll Gardens section of Brooklyn, New York. He paid approximately $3,000,000 in cash for the property. All of that money came from a Manafort entity in Cyprus. After purchase of the property, Manafort began renovations to transform it from a multi-family dwelling into a single family home. In late 2015 through early 2016, Manafort sought to borrow cash against the property. The institution Manafort went to for the loan provided greater loan amounts for "construction loans" -- that is, loans that required the loan amounts to be used to pay solely for construction of the property and thus increase the value of the property serving as the loan's collateral. The institution would thus loan money against the expected completed value of the property, which in the case of the Union Street property was estimated to be $8,000,000. In early 2016, Manafort was able to obtain a loan of approximately $5,000,000, after promising the bank that approximately $1,400,000 of the loan would be used solely for construction of the Union Street property. However, Manafort never intended to limit use of the proceeds to construction as required by the loan contracts. In December 2015, before the loan was made, Manafort wrote his tax preparer, among others, that the construction loan "will allow me to pay back the [another Manafort apartment] mortgage in full. . . ." Further, when the construction loan closed, Manafort used hundreds of thousands of dollars from the construction loan to make a down payment on another property in California.

COUNT ONE

Conspiracy Against The United States

37. From in or about and between 2006 and 2017, both dates being approximate and inclusive, in the District of Columbia and elsewhere, the defendant RICHARD W. GATES III, together with

others, knowingly and intentionally conspired to defraud the United States by impeding, impairing, obstructing, and defeating the lawful governmental functions of a government agency, namely the Department of Justice and the Department of the Treasury, and to commit offenses against the United States, to wit, the violations of law charged in Counts Three through Six and Ten through Twelve of the Indictment returned in this matter on October 27, 2017 (Indictment).

38. In furtherance of the conspiracy and to effect its illegal object, GATES, together with others, committed the overt acts noted in Count Eleven of the Indictment and the overt acts, among others, in the District of Columbia and elsewhere as set forth in paragraphs 9, 16, 17, 20-25, 32, and 34-36, which are incorporated herein.

COUNT TWO

False Statement

39. On or about February 1, 2018, in the District of Columbia, the defendant RICHARD W. GATES III did willfully and knowingly make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the Government of the United States, to wit, the defendant falsely stated and represented to the Special Counsel's Office, including Special Agents of the Federal Bureau of Investigation:

(i) that after a March 19, 2013 meeting in Washington, D.C. attended by Manafort, a senior Company A lobbyist, and a Member of Congress (the Meeting), he was told by Manafort and a senior Company A lobbyist that there were no discussions of Ukraine at the Meeting;

when, in fact, as he then and there well knew:

(ii) (a) Manafort and the senior Company A lobbyist had not made the above statements to him; (b) Manafort and the senior Company A lobbyists had told him that the meeting went well; (c) GATES had participated with Manafort in preparing a report that memorialized for Ukraine leadership the pertinent Ukraine discussions that Manafort represented had taken place at the meeting; and (d) Manafort told GATES in 2016 that Manafort told his FARA lawyer that there had been no discussion of Ukraine at the Meeting.

(18 U.S.C. §1001(a))

ROBERT S. MUELLER III
Special Counsel

By: _____

Andrew Weissmann
Greg D. Andres
Kyle R. Freeny
Brian M. Richardson
Senior/Assistant Special Counsel

EXHIBIT B

U.S. Department of Justice
The Special Counsel's Office

Washington, D.C. 20530
February 23, 2018

Thomas C. Green, Esq.
Sidley & Austin
1501 K Street, N.W.
Washington, DC 20005

Re: United States v. Richard W. Gates III, Crim. No. 17-201-2 (ABJ)

Dear Counsel:

This letter sets forth the full and complete plea offer to your client Richard W. Gates III (hereinafter referred to as "your client" or "defendant") from the Special Counsel's Office (hereinafter also referred to as "the Government" or "this Office"). If your client accepts the terms and conditions of this offer, please have your client execute this document in the space provided below. Upon receipt of the executed document, this letter will become the Plea Agreement (hereinafter referred to as the "Agreement"). The terms of the offer are as follows.

1. Charges and Statutory Penalties

Your client agrees to plead guilty to: a Superseding Criminal Information that encompasses: (a) the charge in Count One of the Indictment, charging your client with conspiracy against the United States, in violation of 18 U.S.C. § 371 (which includes a conspiracy to violate 26 U.S.C. § 7206(1); 31 U.S.C. §§ 5312 and 5322(b); and 22 U.S.C. §§ 612, 618(a)(1), and 618(a)(2)); and (b) **a** charge of making a false statement to the Special Counsel's Office, including Special Agents of the Federal Bureau of Investigation, in violation of 18 U.S.C. § 1001. A copy of the Superseding Criminal Information is attached.

Your client understands that a violation of 18 U.S.C. § 371 carries a maximum sentence of 5 years' imprisonment; a fine of not more than $250,000, pursuant to 18 U.S.C. § 3571(b)(3); a term of supervised release of not more than 3 years, pursuant to 18 U.S.C. § 3583(b)(2); and an obligation to pay any applicable interest or penalties on fines and restitution not timely made.

Your client understands that a violation of 18 U.S.C. § 1001 carries a maximum sentence of 5 years' imprisonment; a fine of $250,000, pursuant to 18 U.S.C. § 3571(b)(3); a term of supervised release of not more than 3 years, pursuant to 18 U.S.C. § 3583(b)(2); and an obligation to pay any applicable interest or penalties on fines and restitution not timely made.

In addition, your client agrees to pay a mandatory special assessment of $200 to the Clerk of the United States District Court for the District of Columbia. Your client also understands that, pursuant to 18 U.S.C. § 3572 and § 5E1.2 of the United States Sentencing Guidelines,

2/23/18

Guidelines Manual (2016) (hereinafter "Sentencing Guidelines," "Guidelines," or "U.S.S.G."), the Court may also impose a fine that is sufficient to pay the federal government the costs of any imprisonment, term of supervised release, and period of probation.

2. Factual Stipulations

Your client agrees that the attached "Statement of the Offense" fairly and accurately describes and summarizes your client's actions and involvement in the offense to which your client is pleading guilty. Please have your client sign and return the Statement of the Offense, along with this Agreement.

3. Additional Charges

In consideration of your client's guilty plea to the above offenses, and upon the completion of full cooperation as described herein, no additional criminal charges will be brought against the defendant for his heretofore disclosed participation in criminal activity, including money laundering, false statements, personal and corporate tax and FBAR offenses, bank fraud, and obstruction of justice. In addition, subject to the terms of this Agreement, at the time of sentence, the Government will move to dismiss the remaining counts of the Indictment in this matter. In addition, the Office will move promptly to dismiss without prejudice the charges brought against your client in the Eastern District of Virginia and your client waives venue as to such charges in the event he breaches this Agreement.

4. Sentencing Guidelines Analysis

Your client understands that the sentence in this case will be determined by the Court, pursuant to the factors set forth in 18 U.S.C. § 3553(a), including a consideration of the applicable guidelines and policies set forth in the Sentencing Guidelines. Pursuant to Federal Rule of Criminal Procedure 11(c)(1)(B), and to assist the Court in determining the appropriate sentence, the Office estimates the Guidelines as follows:

A. Estimated Offense Level Under the Guidelines[1]

Base Offense Level (U.S.S.G. §2T1.1(a)(1) (referencing Tax Table at §2T4.1(K)) (more than $9,500,000))	26
Aggravating Factor (U.S.S.G. §2T1.1(b)(1)) (source of income from criminal activity)	+2

[1] For the purposes of the Sentencing Guidelines analysis, the government calculates the highest guideline range among the offenses, namely the conspiracy to violate Title 26 U.S.C. §§ 7206(1). The minor role adjustment pursuant to §3B1.2(b) applies only to conspiracy to Title 26 U.S.C. §§ 7206(1) aspect of Count One. The defendant's estimated guideline range for the Section 1001 charge would be 6 (before any reduction for acceptance of responsibility), and thus would not increase the applicable offense level pursuant to §3D1.4.

AHO 2/21/18

Aggravating Factor ((U.S.S.G. §2T1.1(b)(2)) (sophisticated means)	+2
Minor Role (U.S.S.G. §3B1.2(b))	-2
Total:	28

B. Acceptance of Responsibility

The Government agrees that a 2-level reduction will be appropriate, pursuant to U.S.S.G. § 3E1.1, provided that your client clearly demonstrates acceptance of responsibility, to the satisfaction of the Government, through your client's allocution, adherence to every provision of this Agreement, and conduct between entry of the plea and imposition of sentence. If the defendant has accepted responsibility as described above, and if the defendant pleads guilty on or before February 23, 2018, subject to the availability of the Court, an additional one-level reduction will be warranted, pursuant to U.S.S.G. § 3E1.1(b).

Nothing in this Agreement limits the right of the Government to seek denial of the adjustment for acceptance of responsibility, pursuant to U.S.S.G. § 3E1.1, and/or imposition of an adjustment for obstruction of justice, pursuant to U.S.S.G. § 3C1.1, regardless of any agreement set forth herein, should your client move to withdraw his guilty plea after it is entered, or should it be determined by the Government that your client has either (a) engaged in conduct, unknown to the Government at the time of the signing of this Agreement, that constitutes obstruction of justice, or (b) engaged in additional criminal conduct after signing this Agreement.

In accordance with the above, the applicable Guidelines Offense Level will be at least 25.

C. Estimated Criminal History Category

Based upon the information now available to this Office, your client has no criminal convictions. Accordingly, your client is estimated to have no criminal history points and your client's Criminal History Category is estimated to be Category I. Your client acknowledges that if additional convictions are discovered during the pre-sentence investigation by the United States Probation Office, your client's criminal history points may increase.

D. Estimated Applicable Guidelines Range

Based upon the agreed total offense level and the estimated criminal history category set forth above, the Office calculates your client's estimated Sentencing Guidelines range is 57 months to 71 months' imprisonment (the "Estimated Guidelines Range"). In addition, the parties agree that, pursuant to U.S.S.G. § 5E1.2, should the Court impose a fine, at Guidelines level 25, the estimated applicable fine range is $20,000 to $200,000. Your client reserves the right to ask the Court not to impose any applicable fine.

AWO 2/27/18

Your client agrees that, solely for the purposes of calculating the applicable range under the Sentencing Guidelines, a downward departure from the Estimated Guidelines Range set forth above is not warranted, subject to the paragraphs regarding cooperation below and the argument that the Guidelines do not adequately reflect the defendant's role in the offense. Accordingly, you will not seek any departure or adjustment to the Estimated Guidelines Range set forth above, nor suggest that the Court consider such a departure or adjustment for any other reason other than those specified above. Your client also reserves the right to disagree with the Estimated Guideline Range calculated by the Office. However, your client understands and acknowledges that the Estimated Guidelines Range agreed to by the Office is not binding on the Probation Office or the Court. Should the Court or Probation Office determine that a different guidelines range is applicable, your client will not be permitted to withdraw his guilty plea on that basis, and the Government and your client will still be bound by this Agreement.

Your client understands and acknowledges that the terms of this section apply only to conduct that occurred before the execution of this Agreement. Should your client engage in any conduct after the execution of this Agreement that would form the basis for an increase in your client's base offense level or justify an upward departure (examples of which include, but are not limited to, obstruction of justice, failure to appear for a court proceeding, criminal conduct while pending sentencing, and false statements to law enforcement agents, the probation officer, or the Court), the Government is free under this Agreement to seek an increase in the base offense level based on that post-agreement conduct.

5. Agreement as to Sentencing Allocution

Based upon the information known to the Government at the time of the signing of this Agreement, the parties further agree that a sentence within the Estimated Guidelines Range (or below) would constitute a reasonable sentence in light of all of the factors set forth in 18 U.S.C. § 3553(a), should such a sentence be subject to appellate review notwithstanding the appeal waiver provided below.

6. Reservation of Allocution

The Government and your client reserve the right to describe fully, both orally and in writing, to the sentencing judge, the nature and seriousness of your client's misconduct, including any misconduct not described in the charge to which your client is pleading guilty.

The parties also reserve the right to inform the presentence report writer and the Court of any relevant facts, to dispute any factual inaccuracies in the presentence report, and to contest any matters not provided for in this Agreement. In the event that the Court considers any Sentencing Guidelines adjustments, departures, or calculations different from any agreements contained in this Agreement, or contemplates a sentence outside the Guidelines range based upon the general sentencing factors listed in 18 U.S.C. § 3553(a), the parties reserve the right to answer any related inquiries from the Court. In addition, your client acknowledges that the Government is not obligated to file any post-sentence downward departure motion in this case pursuant to Rule 35(b) of the Federal Rules of Criminal Procedure.

AMG 2/22/18

7. Court Not Bound by this Agreement or the Sentencing Guidelines

Your client understands that the sentence in this case will be imposed in accordance with 18 U.S.C. § 3553(a), upon consideration of the Sentencing Guidelines. Your client further understands that the sentence to be imposed is a matter solely within the discretion of the Court. Your client acknowledges that the Court is not obligated to follow any recommendation of the Government at the time of sentencing or to grant a downward departure based on your client's substantial assistance to the Government, even if the Government files a motion pursuant to Section 5K1.1 of the Sentencing Guidelines. Your client understands that neither the Government's recommendation nor the Sentencing Guidelines are binding on the Court.

Your client acknowledges that your client's entry of a guilty plea to the charged offense authorizes the Court to impose any sentence, up to and including the statutory maximum sentence, which may be greater than the applicable Guidelines range. The Government cannot, and does not, make any promise or representation as to what sentence your client will receive. Moreover, your client acknowledges that your client will have no right to withdraw your client's plea of guilty should the Court impose a sentence that is outside the Guidelines range or if the Court does not follow the Government's sentencing recommendation. The Government and your client will be bound by this Agreement, regardless of the sentence imposed by the Court. Any effort by your client to withdraw the guilty plea because of the length of the sentence shall constitute a breach of this Agreement.

8. Cooperation

Your client shall cooperate fully, truthfully, completely, and forthrightly with this Office and other law enforcement authorities identified by this Office in any and all matters as to which this Office deems the cooperation relevant. This cooperation will include, but is not limited to, the following:

(a) The defendant agrees to be fully debriefed and to attend all meetings at which his presence is requested, concerning his participation in and knowledge of all criminal activities.

(b) The defendant agrees to furnish to the Office all documents and other material that may be relevant to the investigation and that are in the defendant's possession or control and to participate in undercover activities pursuant to the specific instructions of law enforcement agents or this Office.

(c) The defendant agrees not to reveal his cooperation, or any information derived therefrom, to any third party without prior consent of the Office.

(d) The defendant agrees to testify at any proceeding in the District of Colombia or elsewhere as requested by the Office.

(e) The defendant consents to adjournments of his sentence as requested by the Office.

HWG 2/27/18

(f) The defendant agrees that all of the defendant's obligations under this agreement continue after the defendant is sentenced; and

(g) The defendant must at all times give complete, truthful, and accurate information and testimony, and must not commit, or attempt to commit, any further crimes.

Your client acknowledges and understands that, during the course of the cooperation outlined in this Agreement, your client will be interviewed by law enforcement agents and/or Government attorneys. Your client waives any right to have counsel present during these interviews and agrees to meet with law enforcement agents and Government attorneys outside of the presence of counsel. If, at some future point, you or your client desire to have counsel present during interviews by law enforcement agents and/or Government attorneys, and you communicate this decision in writing to this Office, this Office will honor this request, and this change will have no effect on any other terms and conditions of this Agreement.

Your client shall testify fully, completely and truthfully before any and all Grand Juries in the District of Columbia and elsewhere, and at any and all trials of cases or other court proceedings in the District of Columbia and elsewhere, at which your client's testimony may be deemed relevant by the Government.

Your client understands and acknowledges that nothing in this Agreement allows your client to commit any criminal violation of local, state or federal law during the period of your client's cooperation with law enforcement authorities or at any time prior to the sentencing in this case. The commission of a criminal offense during the period of your client's cooperation or at any time prior to sentencing will constitute a breach of this Agreement and will relieve the Government of all of its obligations under this Agreement, including, but not limited to, its obligation to inform this Court of any assistance your client has provided. However, your client acknowledges and agrees that such a breach of this Agreement will not entitle your client to withdraw your client's plea of guilty or relieve your client of the obligations under this Agreement.

Your client agrees that the sentencing in this case may be delayed until your client's efforts to cooperate have been completed, as determined by the Government, so that the Court will have the benefit of all relevant information before a sentence is imposed.

9. Government's Obligations

The Government will bring to the Court's attention at the time of sentencing the nature and extent of your client's cooperation or lack of cooperation. The Government will evaluate the full nature and extent of your client's cooperation to determine whether your client has provided substantial assistance in the investigation or prosecution of another person who has committed an offense. If this Office determines that the defendant has provided substantial assistance in the form of truthful information and, where applicable, testimony, the Office will file a motion

2/6 2/27/18

pursuant to Section 5K1.1 of the United States Sentencing Guidelines. Defendant will then be free to argue for any sentence below the advisory Sentencing Guidelines range calculated by the Probation Office, including probation. Depending on the precise nature of the defendant's substantial assistance, the Office may not oppose defendant's application.

10. **Waivers**

A. Venue

Your client waives any challenge to venue in the District of Columbia.

B. Statute of Limitations

Your client agrees that, should the conviction following your client's plea of guilty pursuant to this Agreement be vacated for any reason, any prosecution, based on the conduct set forth in the attached Statement of the Offense, that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement, as well as any crimes that the Government has agreed not to prosecute or to dismiss at sentencing pursuant to this Agreement, may be commenced or reinstated against your client, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement or reinstatement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution of conduct set forth in the attached Statement of the Offense that is not time-barred on the date that this Agreement is signed.

C. Trial and Other Rights

Your client understands that by pleading guilty in this case your client agrees to waive certain rights afforded by the Constitution of the United States and/or by statute or rule. Your client agrees to forgo the right to any further discovery or disclosures of information not already provided at the time of the entry of your client's guilty plea. Your client also agrees to waive, among other rights, the right to be indicted by a Grand Jury, the right to plead not guilty, and the right to a jury trial. If there were a jury trial, your client would have the right to be represented by counsel, to confront and cross-examine witnesses against your client, to challenge the admissibility of evidence offered against your client, to compel witnesses to appear for the purpose of testifying and presenting other evidence on your client's behalf, and to choose whether to testify. If there were a jury trial and your client chose not to testify at that trial, your client would have the right to have the jury instructed that your client's failure to testify could not be held against your client. Your client would further have the right to have the jury instructed that your client is presumed innocent until proven guilty, and that the burden would be on the United States to prove your client's guilt beyond a reasonable doubt. If your client were found guilty after a trial, your client would have the right to appeal your client's conviction. Your client understands that the Fifth Amendment to the Constitution of the United States protects your client from the use of compelled self-incriminating statements in a criminal prosecution. By entering a plea of guilty, your client knowingly and voluntarily waives or gives up your client's right against compelled self-incrimination.

AWS 2/21/18

Your client acknowledges discussing with you Rule 11(f) of the Federal Rules of Criminal Procedure and Rule 410 of the Federal Rules of Evidence, which ordinarily limit the admissibility of statements made by a defendant in the course of plea discussions or plea proceedings if a guilty plea is later withdrawn. Your client knowingly and voluntarily hereby waives the rights that arise under these rules to object to the Government's use of all such statements by him on and after January 29, 2018, in the event your client breaches this agreement, withdraws his guilty plea, or seeks to withdraw from this Agreement after signing it. This Agreement supersedes the proffer agreement between the Government and the client.

Your client also agrees to waive all constitutional and statutory rights to a speedy sentence and agrees that the plea of guilty pursuant to this Agreement will be entered at a time decided upon by the parties with the concurrence of the Court. Your client understands that the date for sentencing will be set by the Court.

Your client agrees not to accept remuneration or compensation of any sort, directly or indirectly, for the dissemination through any means, including but not limited to books, articles, speeches, blogs, podcasts, and interviews, however disseminated, regarding his work for Paul Manafort, the transactions alleged in the Indictment, or the investigation by the Office or prosecution of any criminal or civil cases against him.

D. Appeal Rights

Your client understands that federal law, specifically 18 U.S.C. § 3742, affords defendants the right to appeal their sentences in certain circumstances. Your client agrees to waive the right to appeal the sentence in this case, including but not limited to any term of imprisonment, fine, forfeiture, award of restitution, term or condition of supervised release, authority of the Court to set conditions of release, and the manner in which the sentence was determined, except to the extent the Court sentences your client above the statutory maximum or guidelines range determined by the Court or your client claims that your client received ineffective assistance of counsel, in which case your client would have the right to appeal the illegal sentence or above-guidelines sentence or raise on appeal a claim of ineffective assistance of counsel, but not to raise on appeal other issues regarding the sentencing. In agreeing to this waiver, your client is aware that your client's sentence has yet to be determined by the Court. Realizing the uncertainty in estimating what sentence the Court ultimately will impose, your client knowingly and willingly waives your client's right to appeal the sentence, to the extent noted above, in exchange for the concessions made by the Government in this Agreement.

E. Collateral Attack

Your client also waives any right to challenge the conviction entered or sentence imposed under this Agreement or otherwise attempt to modify or change the sentence or the manner in which it was determined in any collateral attack, including, but not limited to, a motion brought under 28 U.S.C. § 2255 or Federal Rule of Civil Procedure 60(b), except to the extent such a motion is based on newly discovered evidence or on a claim that your client received ineffective

2/27/18

assistance of counsel. Your client reserves the right to file a motion brought under 18 U.S.C. § 3582(c)(2), but agrees to waive the right to appeal the denial of such a motion.

Your client agrees that with respect to all charges referred to herein he is not a "prevailing party" within the meaning of the "Hyde Amendment," 18 U.S.C. § 3006A note, and will not file any claim under that law.

F. Privacy Act and FOIA Rights

Your client also agrees to waive all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including and without limitation any records that may be sought under the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act, 5 U.S.C. § 552a, for the duration of the Special Counsel's investigation.

11. Restitution

Your client understands that the Court has an obligation to determine whether, and in what amount, mandatory restitution applies in this case under 18 U.S.C. § 3663A. The Government and your client agree that mandatory restitution does not apply in this case.

12. Breach of Agreement

Your client understands and agrees that, if after entering this Agreement, your client fails specifically to perform or to fulfill completely each and every one of your client's obligations under this Agreement, or engages in any criminal activity prior to sentencing, your client will have breached this Agreement. Should it be judged by the Office in its sole discretion that the defendant has failed to cooperate fully, has intentionally given false, misleading or incomplete information or testimony, has committed or attempted to commit any further crimes, or has otherwise violated any provision of this agreement, the defendant will not be released from his plea of guilty but this Office will be released from its obligations under this agreement, including (a) not to oppose a downward adjustment of two levels for acceptance of responsibility described above, and to make the motion for an additional one-level reduction described above and (b) to file the motion for a downward departure for cooperation described above. Moreover, this Office may withdraw the motion described above, if such motion has been filed prior to sentencing. In the event that it is judged by the Office that there has been a breach: (a) your client will be fully subject to criminal prosecution, in addition to Count One of the Indictment and the charge contained in the Superseding Criminal Information, for any crimes to which he has not pled guilty, including perjury and obstruction of justice; and (b) the Government will be free to use against your client, directly and indirectly, in any criminal or civil proceeding, all statements made by your client and any of the information or materials provided by your client, including such statements, information, and materials provided pursuant to this Agreement or during the course of any debriefings conducted in anticipation of, or after entry of, this Agreement, whether or not the debriefings were previously a part of proffer-protected debriefings, and your client's statements made during proceedings before the Court pursuant to Rule 11 of the Federal Rules of Criminal Procedure.

2/21/18

Your client understands and agrees that the Government shall be required to prove a breach of this Agreement only by a preponderance of the evidence, except where such breach is based on a violation of federal, state, or local criminal law, which the Government need prove only by probable cause in order to establish a breach of this Agreement.

Nothing in this Agreement shall be construed to protect your client from prosecution for any crimes not included within this Agreement or committed by your client after the execution of this Agreement. Your client understands and agrees that the Government reserves the right to prosecute your client for any such offenses. Your client further understands that any perjury, false statements or declarations, or obstruction of justice relating to your client's obligations under this Agreement shall constitute a breach of this Agreement. In the event of such a breach, your client will not be allowed to withdraw your client's guilty plea.

13. Complete Agreement

Apart from the written proffer agreement initially dated January 29, 2018, which this Agreement supersedes, no agreements, promises, understandings, or representations have been made by the parties or their counsel other than those contained in writing herein, nor will any such agreements, promises, understandings, or representations be made unless committed to writing and signed by your client, defense counsel, and the Office.

Your client further understands that this Agreement is binding only upon the Office. This Agreement does not bind any United States Attorney's Office, nor does it bind any other state, local, or federal prosecutor. It also does not bar or compromise any civil, tax, or administrative claim pending or that may be made against your client.

* * * * *

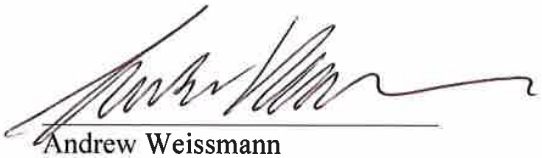
If the foregoing terms and conditions are satisfactory, your client may so indicate by

2/27/18

signing this Agreement and the Statement of the Offense, and returning both to the Office no later than February 23, 2018.

Sincerely yours,

ROBERT S. MUELLER, III
Special Counsel

By: 

Andrew Weissmann
Greg D. Andres
Kyle R. Freeny
Brian M. Richardson
Senior/Assistant Special Counsels

DEFENDANT'S ACCEPTANCE

I have read every page of this Agreement and have discussed it with my attorney Thomas C. Green. I am fully satisfied with the legal representation by Mr. Green and his firm, who I have chosen to represent me herein. Nothing about the quality of the representation of other counsel is affecting my decision herein to plead guilty. I fully understand this Agreement and agree to it without reservation. I do this voluntarily and of my own free will, intending to be legally bound. No threats have been made to me nor am I under the influence of anything that could impede my ability to understand this Agreement fully. I am pleading guilty because I am in fact guilty of the offense identified in this Agreement.

I reaffirm that absolutely no promises, agreements, understandings, or conditions have been made or entered into in connection with my decision to plead guilty except those set forth in this Agreement. I am satisfied with the legal services provided by my attorneys in connection with this Agreement and matters related to it.

Date: 2/23/18

Richard W. Gates III
Defendant

ATTORNEYS' ACKNOWLEDGMENT

I have read every page of this Agreement, reviewed this Agreement with my client, Richard W. Gates III, and fully discussed the provisions of this Agreement with my client. These pages accurately and completely set forth the entire Agreement. I concur in my client's desire to plead guilty as set forth in this Agreement.

Date: 2/23/2018

Thomas C. Green
Attorney for Defendant

2/23/18

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA,	)	
	)	Case No: 1:18-cr-83 (TSE)
v.	)	
	)	
RICHARD W. GATES III,	)	
	)	
Defendant.	)	

ORDER GRANTING THE GOVERNMENT'S UNOPPOSED MOTION TO DISMISS CHARGES AGAINST DEFENDANT RICHARD W. GATES III WITHOUT PREJUDICE

The Court having considered the government's motion, pursuant to Federal Rule of Criminal Procedure 48(a), to dismiss without prejudice the charges in Counts 5 through 10 and 15 through 32 of the Superseding Indictment against defendant Richard W. Gates III, it is hereby

ORDERED that the government's motion is GRANTED; and it is further

ORDERED that the charges in Counts 5 through 10 and 15 through 32 of the Superseding Indictment are dismissed without prejudice as to defendant Gates.

Date: _____ _____
Alexandria, Virginia