

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
HARRISONBURG DIVISION**

UNITED STATES OF AMERICA)	
)	Case No. 5:11cr00023-2
v.)	
)	REPORT AND RECOMMENDATION
ZOBINA GILLANI,)	
a/k/a "Zobina Chaudry")	
<i>Defendant</i>)	By: Hon. James G. Welsh
)	U.S. States Magistrate Judge

In accordance with the provisions of Title 28 U.S.C. § 636(b)(3) and upon the defendant's informed and written consent, this case was referred to the undersigned for the purpose of conducting a plea hearing.

As set forth in more detail in the Indictment, the Grand Jury previously returned a multiple count Indictment charging in **Count One** that from on or about April 2009 and continuing up to and including the date of Indictment, this defendant and others knowingly and intentionally conspired with each other and with other persons known and unknown to the Grand Jury to knowingly ship, transport, receive, possess, sell, distribute and purchase contraband cigarettes, as that term is defined in 18 U.S.C. § 2341, to wit: a quantity of more than 10,000 cigarettes which bore no evidence of payment of applicable state cigarette taxes, in violation of 18 U.S.C. § 2342(a), all in violation of Title 18, U.S.C., § 371; charging in **Count Two** that from on or about April 2009 and continuing up to and including the date of Indictment, this defendant

and others knowingly and intentionally conspired with each other and with other persons known and unknown to the Grand Jury to commit offenses against the United States in violation of 18 U.S.C. § 1956, to wit: to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of certain specified unlawful activity, that is trafficking in contraband cigarettes, with the intent to promote the carrying on of specified unlawful activity, that is trafficking in contraband cigarettes, and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity in violation of 18 U.S.C. § 1956(a)(1)A(i); and to knowingly conduct and attempt to conduct financial transactions affecting interstate or foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is trafficking in contraband cigarettes, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(B)(i); and to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is trafficking in contraband cigarettes, knowing that the transaction was designed in whole or in part to avoid a transaction reporting requirement under federal law, and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(B)(ii), all in

violation of 18 U.S.C. § 1956(h); charging in **Count Sixty** that on or about December 3, 2009 this defendant, acting as a principal and as an aider and abettor did knowingly conduct and attempt to conduct a certain specific financial transaction described in the indictment affecting interstate and foreign commerce which involved the proceeds of specified unlawful activity, that is trafficking in contraband cigarettes, with the intent to promote the carrying on of said specified unlawful activity, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and that while conduction and attempting to conduct such financial transactions the defendant knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, all in violation of 18 U.S.C. §§ 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i) and 2; charging in **Count Sixty-One** that on or about April 9, 2010 this defendant, acting as a principal and as an aider and abettor did knowingly conduct and attempt to conduct a certain specific financial transaction described in the indictment affecting interstate and foreign commerce which involved the proceeds of specified unlawful activity, that is trafficking in contraband cigarettes, with the intent to promote the carrying on of said specified unlawful activity, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and that while conduction and attempting to conduct such financial transactions the defendant knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, all in violation of 18 U.S.C. §§ 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i) and 2; charging in **Count Sixty-Three** that on or about April 13, 2010 this defendant, acting as a principal and as an aider and abettor did knowingly conduct and attempt to

conduct a certain specific financial transaction described in the indictment affecting interstate and foreign commerce which involved the proceeds of specified unlawful activity, that is trafficking in contraband cigarettes, with the intent to promote the carrying on of said specified unlawful activity, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and that while conduction and attempting to conduct such financial transactions the defendant knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, all in violation of 18 U.S.C. §§ 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i) and 2; charging in **Count Sixty-Four** that on or about May 24, 2010 this defendant, acting as a principal and as an aider and abettor did knowingly conduct and attempt to conduct a certain specific financial transaction described in the indictment affecting interstate and foreign commerce which involved the proceeds of specified unlawful activity, that is trafficking in contraband cigarettes, with the intent to promote the carrying on of said specified unlawful activity, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and that while conduction and attempting to conduct such financial transactions the defendant knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, all in violation of 18 U.S.C. §§ 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i) and 2; and charging in **Count Sixty-Five** that on or about June 29, 2010 this defendant, acting as a principal and as an aider and abettor did knowingly conduct and attempt to conduct a certain specific financial transaction described in the indictment affecting interstate and foreign commerce which involved the proceeds of specified unlawful activity, that is

trafficking in contraband cigarettes, with the intent to promote the carrying on of said specified unlawful activity, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and that while conducting and attempting to conduct such financial transactions the defendant knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, all in violation of 18 U.S.C. §§ 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i) and 2. In addition, the Indictment contains a **Notice of Forfeiture** apprising the defendant that certain of her property was subject to forfeiture upon conviction of any one or more of the offenses alleged against her.

The plea hearing was conducted before the undersigned on February 29, 2012. The defendant was at all times present in person and with her counsel, Robert S. Hahn. The United States was represented by Jeb Terrien, Assistant United States Attorney. The proceedings were recorded electronically. *See* Rule 11(g), Federal Rules of Criminal Procedure. Also present was a properly qualified Punjabi language interpreter for the defendant. *See* Rule 28.

With the defendant's informed and written consent, the undersigned made a Rule 11 inquiry; the government presented a written proffer of evidence for the purpose of establishing an independent basis for the defendant's plea, and the defendant entered a plea of guilty to Count Two of the Indictment.

DEFENDANT'S RESPONSES TO RULE 11 INQUIRIES

The defendant was placed under oath and addressed personally in open court. She expressly acknowledged that she was obligated to testify truthfully in all respects under penalty of perjury and that she understood the government's right, in a prosecution for perjury or false statement, to use against her any statement that she gives under oath. *See* Rule 11(b)(1)(A).

The defendant testified to the following personal facts: her full legal name is ZOBINA GILLANI; she is thirty-nine (39) years of age, and she attended school through the tenth grade in Pakistan. She is not able to read, write and understand English with any facility; however, with the assistance of the Punjabi language interpreter she testified that she was fully able to understand and participate in the proceedings. She testified that she had no medical condition, either physical or mental, which might interfere with her ability to understand and to participate fully in the proceeding; she stated she was using no alcoholic beverage, medication or drugs which might impair her ability to participate fully in the proceeding and that her mind was clear. She stated that she understood she was in court for the purpose of entering a plea of guilty to a felony offense which she could not later withdraw. Upon inquiry, the defendant's attorney represented that he had no reservations about the defendant's competency to enter a plea of guilty to the felony offense charged in Count Two of the Indictment.

The defendant acknowledged that she had received a copy of the Indictment; it had been fully translated and explained to her; she had discussed all of the charges with her attorney, and she had been given enough time to do so. She stated that she understood the nature of each charge against her in the Indictment and specifically understood each charged a felony offense.

See Rule 11(b)(1)(G). She testified that she had discussed any possible defenses with her attorney and that she had been given adequate time to prepare any defenses she might have to the charges. She stated that her decision to enter a plea of guilty had been made after consulting with her attorney. She stated she was fully satisfied with the services of her attorney, and it was her intention and desire to enter a guilty plea to the felony offense charged in Count Two.

The defendant confirmed that she fully recognized and understood her right to have the Rule 11 hearing conducted by a United States district judge, and she gave her verbal and written consent to proceed with the hearing before the undersigned United States magistrate judge. The defendant's written consent was filed and made a part of the record.

Counsel for the parties having previously informed the court that the defendant's proposed plea of guilty was to be made pursuant to a written plea agreement (*see* Rule 11(c)(2)), counsel for the government set forth the government's understanding of the plea agreement in some detail: including the agreement for the defendant to plead guilty to Count Two of the Indictment [¶ A.1.]; the defendant's express acknowledgment of the maximum sentence for the offense charged in Count Two [¶ A.1.]; the defendant's express understanding of her various potential monetary obligations, including that she may be required to pay fees for her incarceration and supervised release, that she may be required to pay restitution, that her assets may be subject to forfeiture, and that she must pay a \$100.00 special assessment [¶¶ A.1., B.4.a.]; the defendant's admission of her factual guilt to the offense charged in Count Two of the Indictment and her stipulation that there is a sufficient factual basis to support each and every material allegation underlying the charge to

which she is pleading guilty [¶¶ A.1. and E.4.]; the defendant's express acknowledgment of the trial rights waived by entry of a voluntary plea of guilty [¶ A.2.]; the terms of the government's obligation to dismiss as to this defendant Counts One, Sixty, Sixty-One, Sixty-Three, Sixty-Four, and Sixty-Five of the Indictment at the time of sentencing [¶ A.3.]; the agreement's provision outlining the fact that sentencing is within the sole discretion of the court "subject to its consideration" of the Sentencing Guidelines and the factors set forth in 18 U.S.C. § 3553(a) [¶ B.1.]; the defendant's express recognition that she would not be allowed to withdraw her guilty plea irrespective of the sentence imposed by the court [¶ B.1.]; the parties' stipulation that the 2011 edition of the Guidelines Manual and guideline sections 2S1.1(a)(2) and 2B1.1 apply to the defendant's conduct [¶ B.2.]; the defendant's stipulation that all matters pertaining to any of the counts of the charging document are relevant sentencing conduct [¶ B.2.]; the acceptance of responsibility provision [¶ B.2.]; the substantial assistance provision [¶ B.3.]; the defendant's financial disclosure obligation [¶ B.4.b.]; the scope of the defendant's express waiver of her right of direct appeal [¶ C.1.]; the scope of the defendant's express waiver of his right to make any collateral attack on any judgment or sentence imposed by the court [¶ C.2.]; the defendant's abandonment of any seized property [¶ C.5.]; the defendant's waiver of all rights to access of investigation or prosecution records or information [¶ C.4.]; the remedies available to the government in the event of a breach of the agreement by the defendant [¶ D.]; the defendant's acknowledgment that she had been effectively represented in this case [¶ F.3.]; the parties' express acknowledgment that the written plea agreement constituted the entire understanding between the parties [¶ F.4.]; and the substance of the agreement's other terms and provisions. *See* Rule 11(b)(1)(B)-(N) and 11(c)(1)-(3).

After which, the defendant was asked whether her understanding of the terms of the agreement was the same, and she testified that her understanding was precisely the same as that set forth by the government's attorney. Counsel for the defendant, likewise, represented that his understanding was the same; he further represented that each of its terms had been fully translated and reviewed with the defendant; he stated that he was satisfied that the defendant understood all of its terms.

The defendant was then shown the plea agreement; and she affirmed it to be her signature on the document. She further testified that no one had made any other, different or additional promise or assurance of any kind in an effort to induce her to enter a plea of guilty and that no one had attempted in any way to force her to plead guilty in this case. The agreement was then received, filed and made a part of the record, and it was noted for the record that the written plea agreement constitutes the best evidence of its terms, and as such it "speaks for itself."

After the range of punishment for the offense charged in Count Two of the Indictment had been outlined to the defendant; she acknowledged that she understood the maximum penalty provided by law for conviction of the offense charged in **Count Two** of the Indictment to be confinement in a federal for twenty (20) years, a \$500,000.00 fine and a term of supervised release. *See* Rule 11(b)(H)-(I). In addition, the defendant acknowledged that she understood that she would be required to pay a mandatory \$100.00 special assessment. *See* Rule 11(b)(1)(L).

The defendant then acknowledged that she knew her plea, if accepted, would result in her being adjudged guilty of a felony offense and that such adjudication may deprive her of valuable civil rights, such as the right to vote, the right to hold public office, the right to serve on a jury, and the right to possess any kind of firearm.

The defendant was informed, and she expressly acknowledged, that the court's determination of her sentence would include consideration of multiple factors, including: the nature and circumstances of the offense; the defendant's history and characteristics; the seriousness of the offenses; the need to promote respect for the law; the need to provide for just punishment and afford adequate deterrence; the need to protect the public; any determined need to provide the defendant with educational or vocational training, medical care or other correctional treatment in the most efficient manner; the kinds of available sentences; the pertinent sentencing guidelines and policy statements; the need to avoid unwanted sentence disparities; and any need to provide for restitution. She also acknowledged that she understood the court may order her to make full restitution to any victim and may require her to forfeit certain property to the government. *See* Rule 11(b)(1)(J)–(K).

The defendant testified that she and her attorney had talked about how the Sentencing Commission Guidelines might apply to her case and the court's obligation to calculate the applicable sentencing-guideline range and to consider that range, possible departures under the Guidelines and other factors under 18 U.S.C. § 3553(a). *See* Rule 11(b)(1)(M). She stated that she understood that the court will not be able to determine the recommended guideline sentence

for her case until after the pre-sentence report had been completed and she and the government each had an opportunity to challenge the facts reported by the probation officer.

The defendant then acknowledged that she knew the entry of a guilty plea constituted an admission of all of the elements of a formal felony charge, and she knew that irrespective of any sentence imposed by the court she would have no right to withdraw this guilty plea. *See* Rule 11(c)(3)(B). She acknowledged that she knew parole had been abolished and that she would not be released on parole. She further acknowledged that she knew and understood any sentence of incarceration imposed by the court would also include a period of “supervised release,” and she knew any violation of the terms or conditions of such supervised release could result in her being returned to prison for an additional period of time. *See* Rule 11(b)(1)(H).

Pursuant to the terms of the plea agreement [¶C.1.], the defendant expressly acknowledged that she understood that she was giving-up all waivable rights to appeal. Likewise, pursuant to the terms of the plea agreement [¶C.2.], she expressly acknowledged that she understood she was giving-up all waivable rights to challenge her conviction or her sentence in any post-conviction proceeding.

Each of her procedural rights surrendered on a plea of guilty was also explained: including, her right to plead not guilty to any offense charged against her and her right to persist in any such not guilty pleas; her attendant right to a trial by an impartial jury; her right to counsel to assist in her defense; her presumption of innocence, the obligation of the government to prove her

guilt beyond a reasonable doubt; her right at trial to see, to hear, to confront, and to have cross-examined all witnesses presented against her; her right to decline to testify unless she voluntarily elected to do so in her own defense; her right to remain silent; her right to the issuance of subpoenas or compulsory process to compel the attendance of witnesses to testify in her defense; and her right to a unanimous guilty verdict. *See* Rule 11(b)(1)(B)–(E). The defendant testified that she understood her right to plead not guilty and the attendant trial rights that she would waive by pleading guilty. *See* Rule 11(b)(1)(F).

In direct response to further questioning, the defendant also testified that she was pleading guilty to the offense charged in Count Two because she had in fact knowingly participated in an illegal conspiracy as alleged in **Count Two** to conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of unlawful trafficking in contraband cigarettes, with the intent to promote the carrying on of said unlawful activity, knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity in violation of 18 U.S.C. § 1956(a)(1)A(i), and knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of the said unlawful proceeds in violation of 18 U.S.C. § 1956(a)(1)(B)(i), and knowing that the transactions were designed in whole or in part to avoid a transaction reporting requirement under federal law in violation of 18 U.S.C. § 1956(a)(1)(B)(ii), and all in violation of 18 U.S.C. § 1956(h).

To permit the court to determine whether an independent basis in fact existed for the defendant's plea, counsel for the government submitted for filing as part of the record a written Statement of Facts which summarized the facts that the government was prepared to prove at trial to establish the charge alleged against this defendant in Count Two of the Indictment. The defendant and her counsel each represented that the statement had been fully translated and read to the defendant; they represented that they had reviewed it in detail, and she was fully aware of its contents. With the defendant's acknowledgement of her signature and with the acknowledgment of the defendant and her attorney that the written Statement of Facts fairly and accurately summarized the government's case, it was received, filed and made a part of the record. *See* Rule 11(b)(3).

After testifying that she had heard and understood all parts of the proceeding, the defendant, by counsel, waived a reading of the Indictment. Upon being called-upon for her plea the defendant entered a plea of GUILTY to Count Two alleging her violation of Title 18, U.S.C. § 1956(h). The clerk then read the written guilty plea form to the defendant; after acknowledging it to be correct, the defendant executed it, and it was filed and made a part of the record.

After entering her plea of guilty and after an independent basis for the plea was established, the defendant was again addressed personally. She reconfirmed that her decision to plead guilty was fully voluntary and that it did not result from any force, threats, promises of leniency or other inducement of any kind (other than that expressly set forth in the plea

agreement). *See* Rule 11(b)(2). The defendant also reconfirmed her complete satisfaction with the services and assistance of her attorney.

The defendant was then informed that acceptance of the plea agreement and her guilty plea would be recommended to the presiding district judge, that a pre-sentence report would be prepared, that she would be asked to give information for that report, that her attorney may be present if she wished, and that she and her attorney would have the right to read the pre-sentence report and to file objections to it. The defendant was then continued on her bond under the same terms and conditions pending preparation of a pre-sentence report and acceptance of her guilty plea.

GOVERNMENT'S EVIDENCE

The agreed written Statement of Facts referenced above is incorporated herein and made a part hereof by reference.

FINDINGS OF FACT

Based on the evidence, representations of counsel, and the defendant's sworn testimony presented as part of the hearing, the undersigned submits the following formal findings of fact, conclusions and recommendations:

1. The defendant is fully competent and capable of entering informed plea to the charge set forth in Count Two of the Indictment;
2. The defendant is fully aware both of the nature of the charge set forth in Count Two of the Indictment and of the consequences of her guilty plea;

3. The defendant is fully informed, and she understands, the applicable enumerated items set forth in Rule 11(b)(1)(A)–(N);
4. The defendant's plea of guilty was made pursuant to a fully voluntary written plea agreement;
5. The defendant's entry into the plea agreement and her tender of a plea of guilty to Count Two were both made with the advice and assistance of counsel;
6. The defendant knowingly and voluntarily entered her plea of guilty to Count Two of the Indictment;
7. The defendant's plea of guilty did not result from force, threats, inducements or promises other than those promises contained in the written plea agreement;
8. The plea agreement complies with the requirements of Rule 11(c)(1); and
9. The evidence presents an independent basis in fact containing each essential element of the offense to which the defendant has entered a plea of guilty.

RECOMMENDED DISPOSITION

Based on the above findings of fact, the undersigned RECOMMENDS that the court accept the defendant's plea of guilty to the offense charged in Count Two of the Indictment, that she be adjudged guilty of the said felony offense, that the government's motion to dismiss as to this defendant the remaining counts of the Indictment, and that a sentencing hearing be set for July 30, 2012 at 11:00 a.m. before the presiding district judge.

NOTICE TO PARTIES

Notice is hereby given to the provisions of 28 U.S.C. § 636(b)(1)(c): Within fourteen (14) days after being served with a copy of this Report and Recommendation, any party may serve and file written objections to such proposed findings and recommendations as provided by the

rules of court. The presiding district judge shall make a *de novo* determination of those portions of the report or specified findings or recommendations to which an objection is made. The presiding district judge may accept, reject, or modify, in whole or in part, the findings or recommendations made by the undersigned. The presiding district judge may also receive further evidence or recommit the matter to the undersigned with instructions. **A failure to file timely written objections to these proposed findings and recommendations within fourteen (14) days could waive appellate review.**

The clerk is further directed to transmit a copy of this Report and Recommendation to all counsel of record, and at the conclusion of the fourteen-day period the clerk is directed to transmit the record in this matter to the presiding United States district judge.

DATED: 14th day of March 2012.

s/ James G. Welsh
U.S. Magistrate Judge