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1 UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
2 ORLANDO DIVISION

3 CASE NO: 6:08-CR-176-ORL-28GJK

4 UNITED STATES OF AMERICA,

5 PLAINTIFF,

6 VS.

7 FRANK L. AMODEO,

8 DEFENDANT. \_\_\_\_\_

9 TUESDAY, SEPTEMBER 23, 2008  
CHANGE OF PLEA HEARING  
10 BEFORE THE HONORABLE GREGORY J. KELLY  
UNITED STATES MAGISTRATE JUDGE  
11 \_\_\_\_\_

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13 APPEARANCES:

14 COUNSEL FOR PLAINTIFF:  
I. Randall Gold, AUSA

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16 COUNSEL FOR DEFENDANT:  
Harrison Slaughter, Esq.

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21 OFFICIAL COURT REPORTER: KORETTA E. STANFORD, RPR-CRR

22 \*PROCEEDINGS RECORDED STENOGRAPHICALLY;  
COMPUTER-AIDED TRANSCRIPTION\*

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1 P R O C E E D I N G S

2 (Commenced at 10:05 a.m.)

3 COURTROOM DEPUTY: Case number

4 6:08-CR-176-ORL-28GJK; United States of America vs. Frank L.

5 Amodeo.

6 Counsel, please state your appearances for the

7 record.

8 MR. GOLD: Good morning, Your Honor; on behalf of

9 the United States, Randy Gold. Seated with me is IRS Special

10 Agent Richard Smith and Assistant U.S. Attorney Nicole

11 Andrejko.

12 THE COURT: Good morning.

13 MR. SLAUGHTER: Good morning, Your Honor; Harrison

14 Slaughter, along with Frank Amodeo, who is seated here today.

15 THE COURT: Good morning, Mr. Slaughter. It's my

16 understanding that your client desires to change his plea with

17 respect to certain counts.

18 MR. SLAUGHTER: Yes, sir.

19 THE COURT: Specifically, Counts 1, 7, 8, 10, and 27

20 of the indictment; is that correct?

21 MR. SLAUGHTER: That's correct, Your Honor.

22 THE COURT: All right. Well, with that

23 understanding, let's go ahead and swear Mr. Amodeo.

24 (Defendant sworn.)

25 State your full name, please.

1 THE DEFENDANT: Frank Louis Amodeo.

2 THE COURT: All right. Mr. Amodeo, you've heard  
3 your counsel represent that it is your desire to change your  
4 plea with respect to Counts 1, 7, 8, 10, and 27 of the  
5 indictment; is that true, sir?

6 THE DEFENDANT: Yes, sir.

7 THE COURT: You understand that at this point and  
8 time, you've been put under oath, and you're sworn to tell the  
9 true, correct, sir?

10 THE DEFENDANT: I do.

11 THE COURT: And you understand that in order to  
12 determine whether or not the Court should accept your desire  
13 to enter a guilty plea, you're required to answer certain  
14 questions, correct?

15 THE DEFENDANT: Yes.

16 THE COURT: All right. Do we have a signed consent  
17 to have the magistrate judge conduct the proceedings?

18 COURTROOM DEPUTY: No, I forgot that.

19 THE COURT: We don't have that document?

20 COURTROOM DEPUTY: No.

21 THE COURT: Do we have a waiver with respect to the  
22 presentence investigation and report?

23 COURTROOM DEPUTY: I forgot all of those, I'm sorry.

24 THE COURT: Okay.

25 All right. Mr. Amodeo, there are certain documents

1 that I'd like you and your counsel to review and to determine  
2 whether or not it's appropriate for you to execute them. The  
3 first document is a consent to allow me as the magistrate  
4 judge to conduct the proceedings this morning.

5 And the second document is a document that would  
6 authorize the Probation Department to conduct a presentence  
7 investigation and provide a report to the Court, which the  
8 Court would use as a guide in determining your sentence. If  
9 you and your counsel will review those documents and determine  
10 whether or not you're comfortable executing those, please let  
11 us know, and then we'll resume proceedings.

12 I'd suggest that we take a brief recess,  
13 Mr. Slaughter, while you and your client have an opportunity  
14 to review those documents, okay?

15 MR. SLAUGHTER: Your Honor, I'm very familiar with  
16 these documents, and --

17 THE COURT: I know, but I want to give your client  
18 an opportunity to familiarize himself with them as well, okay?

19 MR. SLAUGHTER: Okay.

20 THE COURT: All right, thank you.

21 (Brief recess taken.)

22 All right. Mr. Amodeo, I now have two documents in  
23 front of me. One is a notice regarding entry of a plea of  
24 guilty. Is this a document that you just reviewed and signed,  
25 sir?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: All right. You understand that by  
3 executing this document, you're agreeing that I, as a  
4 magistrate judge, can conduct the proceedings this morning and  
5 provide the report and recommendation to the district court  
6 judge in regard to whether or not your desire to enter a  
7 guilty plea should be accepted; correct, sir?

8 THE DEFENDANT: I do.

9 THE COURT: Do you have any questions about the  
10 consent form, sir?

11 THE DEFENDANT: No, I don't.

12 THE COURT: All right. The other document I have is  
13 a consent to institute a presentence investigation and  
14 disclose that report before conviction or a plea of guilty.  
15 Is this a document that you reviewed and signed this morning?

16 THE DEFENDANT: Yes, it is.

17 THE COURT: Okay. You understand that by executing  
18 this document you're agreeing that the Probation Department  
19 can conduct a presentence investigation and provide a written  
20 report to the district court judge, which the district court  
21 judge would use in connection with determining your sentence,  
22 correct?

23 THE DEFENDANT: I do, yes.

24 THE COURT: Do you have any questions about that  
25 consent form or what it means, sir?

1 THE DEFENDANT: No.

2 THE COURT: All right. Sir, in order to determine  
3 whether or not your plea should be accepted, there are several  
4 steps that we'll go through this morning. First, I'm going to  
5 ask you certain questions bearing on your competency. I know  
6 that Dr. Danziger testified yesterday, you were present during  
7 his testimony, but I need to ask you certain questions in  
8 order to determine whether or not you're competent to enter a  
9 guilty plea here today, sir.

10 Second, we'll review the rights that you have and  
11 the consequences of entering a guilty plea. We'll review the  
12 plea agreement, certain terms of the plea agreement in order  
13 to ensure that you understand the terms of that document, sir.  
14 Third, we'll review whether or not there's a factual basis for  
15 you to enter a guilty plea.

16 Sir, I want to tell you that if you are not guilty  
17 of each of the charges alleged, then you should not enter a  
18 guilty plea. It's your right to maintain your innocence and  
19 require that the government prove that you're guilty beyond a  
20 reasonable doubt at trial. If there's no factual basis for  
21 you to enter a guilty plea, the Court will not accept your  
22 desire to enter a guilty plea.

23 And finally, if I'm satisfied that you're competent,  
24 that you understand your rights and the rights that you'd be  
25 waiving, you understand the terms of the plea agreement and

1 that there's a factual basis for you to enter a guilty plea,  
2 sir, I'll ask you how you plead. So, those are sort of the  
3 steps that we're going to follow this morning.

4 Sir, how old are you?

5 THE DEFENDANT: 48.

6 THE COURT: And what is the highest level of  
7 education that you have, sir?

8 THE DEFENDANT: A juris doctorate.

9 THE COURT: And where did you obtain your JD degree  
10 from?

11 THE DEFENDANT: Emory University.

12 THE COURT: And when did you obtain that, sir?

13 THE DEFENDANT: 1987.

14 THE COURT: And did you practice law?

15 THE DEFENDANT: I did.

16 THE COURT: During what period of time?

17 THE DEFENDANT: From '88 until '92.

18 THE COURT: Okay. And what type of law practice  
19 were you engaged in from '88 until '92 during that four-year  
20 period, sir?

21 THE DEFENDANT: Primarily, bankruptcy practice.

22 THE COURT: Okay. And if you would, just summarize  
23 your occupation, other than your legal occupation.

24 THE DEFENDANT: I'm a turnaround consultant or a  
25 crisis manager.

1 THE COURT: Okay. And during what period of time  
2 did you work as a turnaround consultant?

3 THE DEFENDANT: Principally, from 2000 to 2008.

4 THE COURT: Okay. In terms of your overall health,  
5 setting aside for now your mental capacity, your overall  
6 physical health, sir, are you in good health?

7 THE DEFENDANT: Essentially, good health. There's a  
8 blood pressure and an asthma issue, but other than that, yes.

9 THE COURT: Okay. And are you taking medications to  
10 manage those?

11 THE DEFENDANT: I am.

12 THE COURT: All right. Sir, you read, speak, and  
13 understand English, correct?

14 THE DEFENDANT: I do.

15 THE COURT: Are you currently under the care of a  
16 psychiatrist or psychologist?

17 THE DEFENDANT: I am.

18 THE COURT: And are you under the care of one or the  
19 other or both?

20 THE DEFENDANT: Actually, it's still the team unit  
21 at McLean Hospital, so it's both.

22 THE COURT: Okay. And who are your treating  
23 physicians, sir?

24 THE DEFENDANT: Dr. Vuckovic and Dr. Choras.

25 THE COURT: What's the second doctor?



1 THE DEFENDANT: Dr. Choras, C-h-o-r-a-s.

2 THE COURT: All right. Have you been diagnosed with  
3 any specific mental illness, sir?

4 THE DEFENDANT: Yes. A bipolar condition with  
5 schizo-aspect aspects and chronic delusional aspects.

6 THE COURT: Are you taking medications at this point  
7 and time, sir?

8 THE DEFENDANT: I am.

9 THE COURT: What medications are you taking?

10 THE DEFENDANT: 3,000 milligrams of Depakote daily,  
11 8 grams of Geodon daily, and Labetalol is the way I pronounce  
12 it, although that might be somewhat mistaken, 200 milligrams  
13 daily.

14 THE COURT: All right.

15 THE DEFENDANT: And a sleep-inducing agent to  
16 accelerate the other medicine, which is Razemore or  
17 Metoprolol.

18 THE COURT: And who has prescribed these  
19 medications, sir?

20 THE DEFENDANT: These were all prescribed by  
21 Dr. Vuckovic.

22 THE COURT: Have you taken those medications in the  
23 prescribed dosage and at the prescribed times during the last  
24 four days, sir?

25 THE DEFENDANT: I have.

1 THE COURT: Is that something that you have  
2 self-administered?

3 THE DEFENDANT: Yes.

4 THE COURT: Okay. Are you certain that you've taken  
5 the medications in the correct dosages?

6 THE DEFENDANT: I am.

7 THE COURT: Are you certain that you've taken them  
8 at the correct times?

9 THE DEFENDANT: I am.

10 THE COURT: All right. And do those medications, in  
11 your opinion, adequately control your mental illnesses, sir?

12 THE DEFENDANT: Yes. They give me the ability to  
13 control the mood swings. They allow a much more --  
14 considerably less racing thoughts than normal.

15 THE COURT: Okay. Do you feel that you're lucid at  
16 this point and time?

17 THE DEFENDANT: I am.

18 THE COURT: Are you suffering from any condition  
19 whatsoever within the last five days, which would impair your  
20 ability to communicate fully with your counsel about the facts  
21 of this case?

22 THE DEFENDANT: No.

23 THE COURT: Are you suffering from any impairment  
24 whatsoever that would negatively impact your ability to assist  
25 your counsel in defending the case against you, sir?

1 THE DEFENDANT: No.

2 THE COURT: Do you feel that you understand the  
3 advice that your counsel has given you, sir?

4 THE DEFENDANT: I do.

5 THE COURT: Do you feel that you understand the  
6 proceedings against you?

7 THE DEFENDANT: Yes.

8 THE COURT: Have you taken any other medications  
9 whatsoever, other than those that you've outlined for me in  
10 the hearing today during the last five days, sir?

11 THE DEFENDANT: I have had a dose of Seroquel, which  
12 is an additional anti-psychotic medication.

13 THE COURT: Okay.

14 THE DEFENDANT: And it was designed to help deal  
15 with the -- to assist the Depakote in keeping the mood swings  
16 normal.

17 THE COURT: And when did you take the Seroquel?

18 THE DEFENDANT: Yesterday.

19 THE COURT: And what dose did you take, sir?

20 THE DEFENDANT: I believe it's one capsule, a  
21 hundred milligrams. I might be wrong about the hundred  
22 milligrams.

23 THE COURT: And was that also prescribed by  
24 Dr. Vuckovic?

25 THE DEFENDANT: The Seroquel was actually prescribed

1 by Dr. Krotenberg, who was the treating psychiatrist locally  
2 until I went to McLean.

3 THE COURT: Okay. And is that the only dosage of  
4 any other medication that you've taken within the last five  
5 days, sir?

6 THE DEFENDANT: Yes, sir.

7 THE COURT: So a single dose, 100 milligrams, of  
8 Seroquel?

9 THE DEFENDANT: Correct.

10 THE COURT: And you took that yesterday at what  
11 time, sir?

12 THE DEFENDANT: In the morning.

13 MR. SLAUGHTER: Your Honor, that was after probably  
14 three conversations with Dr. Danziger.

15 THE DEFENDANT: That's correct.

16 THE COURT: Okay. So, Dr. Danziger concurred with  
17 respect to that dosage as well?

18 THE DEFENDANT: Yes.

19 THE COURT: All right. In terms of Dr. Danziger,  
20 Mr. Amodeo, when was the last time that you saw him?

21 THE DEFENDANT: Before yesterday, it was Friday.

22 THE COURT: Okay.

23 THE DEFENDANT: So, it would be the 19th.

24 THE COURT: All right. So, you saw him on Friday,  
25 the 19th?

1 THE DEFENDANT: Correct.

2 THE COURT: Okay. How much time did you spend with  
3 him?

4 THE DEFENDANT: A little over an hour.

5 THE COURT: And you've taken all medications  
6 described by Dr. Vuckovic, again, in the appropriate dosages  
7 and at the appropriate times since that meeting, correct?

8 THE DEFENDANT: Yes, I have.

9 THE COURT: It's your view that your medications do  
10 adequately control the effects of your mental illness, sir; is  
11 that correct?

12 THE DEFENDANT: That's correct.

13 THE COURT: Are you currently under the influence of  
14 anything whatsoever that would negatively impact your ability  
15 to understand the proceedings here today, sir?

16 THE DEFENDANT: No.

17 THE COURT: Are you having any difficulty  
18 understanding me?

19 THE DEFENDANT: I'm not.

20 THE COURT: Are you clear-minded?

21 THE DEFENDANT: Yes.

22 THE COURT: Okay. If at any point and time you have  
23 difficulty understanding the proceedings or what's being said  
24 by any person, just let me know, and you can interrupt the  
25 proceedings to do so, okay, sir?

1 THE DEFENDANT: Yes.

2 THE COURT: I wish that you would interrupt the  
3 proceedings, if you believe that you fail to understand  
4 anything that's being said or any aspect of the proceeding  
5 today, okay, sir?

6 THE DEFENDANT: Yes, sir.

7 THE COURT: You'll do that for me?

8 THE DEFENDANT: I will.

9 THE COURT: Sir, in terms of your daily routines,  
10 are you able to care for yourself?

11 THE DEFENDANT: I am.

12 THE COURT: Okay. You're able to dress yourself,  
13 groom yourself, take care of yourself in general ways?

14 THE DEFENDANT: Yes.

15 THE COURT: All right. You're able to cook for  
16 yourself?

17 THE DEFENDANT: Yes.

18 THE COURT: Okay. In terms of driving, are you able  
19 to drive, sir?

20 THE DEFENDANT: I am.

21 THE COURT: All right. Do you think that you're  
22 prepared to make a decision today about whether or not you  
23 should plead guilty?

24 THE DEFENDANT: I am.

25 THE COURT: Are you prepared to make the best

1 decision for yourself in terms of that issue here today, sir?

2 THE DEFENDANT: Yes.

3 THE COURT: All right. As I said, one of the things  
4 we're going to do here is make sure that you understand the  
5 nature of the charges against you and the consequences of  
6 entering a guilty plea. Sir, have you read the indictment?

7 THE DEFENDANT: I have.

8 THE COURT: You've read the entire indictment, sir?

9 THE DEFENDANT: The entire document.

10 THE COURT: Okay. Do you believe you understand the  
11 charges against you?

12 THE DEFENDANT: I do.

13 THE COURT: Okay. Have you had an adequate  
14 opportunity to confer with your counsel about the charges  
15 against you?

16 THE DEFENDANT: Yes.

17 THE COURT: Have you also discussed your defenses to  
18 the charges against you?

19 THE DEFENDANT: I have.

20 THE COURT: You've discussed them with your counsel?

21 THE DEFENDANT: Yes.

22 THE COURT: And you've discussed the evidence in  
23 support of the government's case, as well as in support of  
24 your defenses, sir?

25 THE DEFENDANT: Yes.

1 THE COURT: I'm going to ask the government to go  
2 ahead and summarize the charges that you're facing in terms of  
3 those that you desire to enter a guilty plea with respect to  
4 and the elements of those charges. I'd like you to pay close  
5 attention, because at the conclusion, I'm going to ask you  
6 questions to ensure that you understand each of the charges  
7 and the elements of the charges. And, as a matter of fact,  
8 Mr. Amodio, you face several charges, so I'd like you to have  
9 a pen and paper in front of you, so that you can jot down any  
10 questions that you have as the government goes through the  
11 charges, okay?

12 THE DEFENDANT: Yes, sir.

13 THE COURT: And, again, the rule that I described  
14 earlier that you can interrupt at any point and time applies.  
15 So, if you have a question and you want to interrupt, because  
16 you don't understand some aspect of the charge, let us know,  
17 and we'll try and provide clarification, okay?

18 THE DEFENDANT: Yes, sir.

19 THE COURT: All right.

20 MR. GOLD: Your Honor, does the Court also want me  
21 to discuss the maximum penalties at this time or are we going  
22 to do that later?

23 THE COURT: We can do the charges and elements, and  
24 we can do the penalties at a later time, okay?

25 MR. GOLD: Okay. He has agreed to plead guilty to



1 Count 1, which is a conspiracy to commit wire fraud, to  
2 obstruct an agency proceeding, and to impair and impede the  
3 IRS's ability to assess and collect payroll taxes. Counts 7,  
4 8, and 10 each charge him with failure to collect and remit  
5 payroll taxes. And Count 27 charges him with obstruction of  
6 an agency proceeding.

7 As to Count 1, the elements are first, that two or  
8 more persons in some way or manner came to a mutual  
9 understanding to try to accomplish a common and unlawful plan;  
10 second, that the defendant knowing the unlawful purpose of the  
11 plan, willfully joined in it; third, that one of the  
12 conspirators during the existence of the conspiracy knowingly  
13 committed at least one of the methods or overt acts; and  
14 fourth, that such overt act was knowingly committed at or  
15 about the time alleged in an effort to carry out or accomplish  
16 some object of the conspiracy.

17 The elements for Counts 7, 8, and 10 are first that  
18 the defendant was a person who had a duty to collect,  
19 truthfully account for, and pay over federal income and social  
20 security taxes that the defendant was required to withhold  
21 from the wages of employees with the charged calendar  
22 quarters. Second, that the defendant failed to collect or  
23 truthfully account for and pay over federal income and social  
24 security taxes that the defendant was required to withhold  
25 from the wages of employees for said calendar quarter. And

1 third, that the defendant acted willfully. The elements of  
2 Count 27 are first that there was an agency proceeding, second  
3 that the defendant was aware of that proceeding, and third  
4 that the defendant intentionally endeavored corruptly to  
5 influence, obstruct, or impede the pending proceeding.

6 THE COURT: Thank you.

7 Mr. Amodeo, do you believe that you understand Count  
8 1 that you're facing in terms of conspiracy to commit wire  
9 fraud?

10 THE DEFENDANT: Yes, sir.

11 THE COURT: Do you believe you understand the  
12 elements of that charge?

13 THE DEFENDANT: I do.

14 THE COURT: Do you have any question about the  
15 charge or the elements of the charge, sir?

16 THE DEFENDANT: No, sir.

17 THE COURT: Do you understand the three elements  
18 that the government just outlined that it would be required to  
19 prove that you're guilty beyond a reasonable doubt with  
20 respect to the conspiracy to commit wire fraud charge?

21 THE DEFENDANT: Yes, sir.

22 THE COURT: All right. In terms of Counts 7, 8, and  
23 10, which charges you with failure to collect and remit  
24 payroll taxes, sir, do you believe you understand those  
25 charges?

1 THE DEFENDANT: I do.

2 THE COURT: Do you believe that you understand the  
3 elements of that charge?

4 THE DEFENDANT: I do.

5 THE COURT: Do you have any question whatsoever  
6 about the three elements of that charge?

7 THE DEFENDANT: No.

8 THE COURT: In terms of Count 27, which charges you  
9 with obstruction of an agency proceeding, sir, do you believe  
10 you understand that charge?

11 THE DEFENDANT: I do.

12 THE COURT: Okay. Do you believe you understand the  
13 three elements of that charge as outlined by the government?

14 THE DEFENDANT: Yes.

15 THE COURT: Do you have any questions whatsoever  
16 about the charges that you're facing or the elements of those  
17 charges, sir?

18 THE DEFENDANT: No.

19 THE COURT: Mr. Slaughter, at this point and time,  
20 have you had an adequate opportunity to review the  
21 government's case?

22 MR. SLAUGHTER: Yes, sir.

23 THE COURT: Okay. Is there anything that you asked  
24 the government to provide that you feel you were denied?

25 MR. SLAUGHTER: No, and vice versa.

1 THE COURT: Have you had an adequate opportunity to  
2 advise your client on whether or not it's prudent for him to  
3 enter a guilty plea with respect to the charges that we're  
4 discussing here today?

5 MR. SLAUGHTER: Yes, sir.

6 THE COURT: And are you satisfied that it is in your  
7 client's best interest at this point --

8 MR. SLAUGHTER: Absolutely.

9 THE COURT: Mr. Amodeo, how many times have you  
10 conferred with your counsel about this case?

11 THE DEFENDANT: Oh, it has to be 500.

12 THE COURT: Okay.

13 THE DEFENDANT: This has been going on for a couple  
14 of years.

15 THE COURT: Okay. And, again, in those discussions,  
16 you have had an opportunity to address the charges against  
17 you, correct?

18 THE DEFENDANT: Yes.

19 THE COURT: And you've also addressed the defenses  
20 that you may have to those charges, correct?

21 THE DEFENDANT: Yes.

22 THE COURT: Have you discussed the evidence for and  
23 against you?

24 THE DEFENDANT: Yes.

25 THE COURT: And have you discussed the penalties

1 that you're facing, sir?

2 THE DEFENDANT: Yes.

3 THE COURT: Have you also discussed your rights  
4 associated with trial?

5 THE DEFENDANT: Yes.

6 THE COURT: And have you discussed whether or not  
7 it's in your best interest to enter a guilty plea, sir?

8 THE DEFENDANT: Yes.

9 THE COURT: Do you have a clear understanding of the  
10 communications that you've had with your counsel about those  
11 issues?

12 THE DEFENDANT: I do.

13 THE COURT: Is there any aspect of your discussions  
14 with your counsel about those issues that you feel you really  
15 don't grasp or understand, sir?

16 THE DEFENDANT: No.

17 THE COURT: Are you satisfied with the services of  
18 your counsel in this matter, sir?

19 THE DEFENDANT: I am.

20 THE COURT: Is there any aspect of your counsel's  
21 representation that you have reservations about, sir?

22 THE DEFENDANT: No.

23 THE COURT: Counsel for the parties, are there any  
24 additional questions that you wish me to ask Mr. Amodeo about  
25 his competency to enter a guilty plea?

1 MR. GOLD: No, Your Honor. I believe he's competent  
2 at this time.

3 THE COURT: All right.

4 MR. SLAUGHTER: Your Honor, I believe, he's  
5 competent and very clear headed today.

6 THE COURT: All right.

7 Yes, Mr. Slaughter, you had made a comment --  
8 actually, counsel for both parties made a comment that you  
9 felt that when Mr. Amodeo was not taking his medications, that  
10 that was fairly self-evident. You recall those comments,  
11 correct?

12 MR. GOLD: Yes, sir.

13 THE COURT: Have you both had an opportunity to  
14 confer with Mr. Amodeo today or have any discussions with him?

15 MR. GOLD: I certainly did yesterday and just very  
16 briefly this morning.

17 THE COURT: Okay. And is it your impression that  
18 he's on his medications?

19 MR. GOLD: I believe he is.

20 THE COURT: All right. Mr. Slaughter, similarly, is  
21 it your impression that he's on his medications?

22 MR. SLAUGHTER: I agree that he's on his  
23 medications. And when he would come to our office, he would  
24 set up the medications and his time tables, put them on top of  
25 a table, and during the day would go over and take them at the

1 appropriate times.

2 THE COURT: Okay.

3 MR. SLAUGHTER: So, I mean, we have a dialogue about  
4 it all the time. And just to getting back to the Court's  
5 questions about whether Mr. Gold has seen him when he's not  
6 taking it, the cooperation to get us here today started on  
7 February 9 of 2007, so there may have been as many as 30  
8 meetings in which Mr. Amodeo was present, and we all saw the  
9 cycling that was occurring.

10 THE COURT: Okay.

11 MR. SLAUGHTER: Which is rare now.

12 THE COURT: All right. When he was on his  
13 medications, was he always lucid?

14 MR. SLAUGHTER: On the medications, he's 150 percent  
15 better than when he was not on his medications.

16 THE COURT: Okay.

17 MR. SLAUGHTER: I mean, sometimes he may appear  
18 sleepy, that type of stuff.

19 THE COURT: Okay. But other than fatigue --

20 MR. SLAUGHTER: Right.

21 THE COURT: -- he was always lucid?

22 MR. SLAUGHTER: Right. Oh, absolutely.

23 THE COURT: All right.

24 MR. SLAUGHTER: And when that happens, we just start  
25 giving him tea and Coca-Cola.

1 THE COURT: Okay.

2 Mr. Amodio, tell me in your own words in regard to  
3 the proceedings against you, what is the role of Mr. Gold?

4 THE DEFENDANT: Mr. Gold's role is to represent the  
5 United States and show the Court that I violated the United  
6 States' laws.

7 THE COURT: Okay. And what is the role of your  
8 counsel, Mr. Slaughter?

9 THE DEFENDANT: He is to provide evidence in my  
10 defense and show that the government failed to prove I  
11 violated United States' laws.

12 THE COURT: All right. And if the case were to go  
13 to trial, what is your understanding of the role that the  
14 judge would play?

15 THE DEFENDANT: The judge would make decisions on  
16 legal matters, and the jury would make decisions on factual  
17 matters.

18 THE COURT: In terms of the charges against you,  
19 sir, with respect to Count 1 that charges you with conspiracy  
20 to commit wire fraud, in your own words, what is your  
21 understanding of that --

22 MR. GOLD: Your Honor, actually, it's a three-prong  
23 conspiracy. There's actually three separate objects, one of  
24 which was the wire fraud, one of which is the obstruction of  
25 agency proceedings, and the third prong is to impair or impede



1 the IRS' ascertainment or collection of the payroll taxes.

2 THE COURT: All right.

3 Sir, Mr. Amodeo, in terms of Count 1 of the  
4 indictment, in your own words, what is your understanding of  
5 the charge against you?

6 THE DEFENDANT: That I agreed and assisted -- I  
7 agreed with other people and allowed them or assisted them to  
8 not pay payroll taxes and transfer the money through corporate  
9 accounts which I had control over.

10 THE COURT: Do you understand that one of the  
11 underlying elements of that claim is that the conspiracy was  
12 intended to perpetrate wire fraud?

13 THE DEFENDANT: Yes, sir. I mean, I thought it was  
14 to perpetrate the nonpayment of the taxes.

15 THE COURT: Well, nonpayment of the taxes, I  
16 believe, is one of the elements as well, correct, Mr. Gold?

17 MR. GOLD: Well, it is one of the prongs, yes, sir.

18 THE COURT: Okay.

19 In terms of -- you understand that there is three  
20 underlying crimes alleged. One is with respect to wire fraud,  
21 the other is obstruction of justice, and the other is  
22 impairment of the IRS proceedings; do you understand, sir?

23 THE DEFENDANT: There are three different  
24 conspiracies or there's one conspiracy with three different  
25 parts?

1 MR. GOLD: One conspiracy with three different  
2 parts.

3 THE DEFENDANT: Then, I understand, yes.

4 THE COURT: Okay. There's one conspiracy with three  
5 different parts.

6 THE DEFENDANT: Yes.

7 THE COURT: Those being the three parts.

8 THE DEFENDANT: I understand that.

9 THE COURT: Okay. And you understand that the  
10 government would be required to prove, beyond a reasonable  
11 doubt, that you participated in the conspiracy knowingly and  
12 intentionally, correct?

13 THE DEFENDANT: Yes, I do.

14 THE COURT: Okay. Any questions about the  
15 government's burden of proof or the elements?

16 THE DEFENDANT: No, I understand that.

17 THE COURT: All right. Sir, in terms of Counts 7,  
18 8, and 10, which allege failure to collect and remit payroll  
19 taxes, in your own words, what is it that you've been charged  
20 with there?

21 THE DEFENDANT: I am -- that I would have had a duty  
22 to know that the companies which were under my ownership, even  
23 indirectly, had an obligation to pay taxes and that I  
24 intentionally failed to ensure that those taxes were paid.

25 THE COURT: Okay. In terms of Count 27, which

1 alleges obstruction of an agency proceeding, sir, in your own  
2 words, what is your understanding of that charge?

3 THE DEFENDANT: An attorney officer of one of the  
4 companies came to me and told me a presentation I made put our  
5 conduct in a bad light, made me subject to commit to federal  
6 offenses, and that I should change the way I present it to the  
7 IRS. And I took her recommendation, and a couple hours later  
8 I changed the presentation manner in which the circumstances  
9 would be portrayed to the government.

10 THE COURT: Okay. And when you changed your account  
11 of the facts, sir, you were changing it to an account that was  
12 not truthful; is that correct?

13 THE DEFENDANT: Changing an account that was  
14 misleading.

15 THE COURT: Okay. And you understand that it's the  
16 government's burden of proof that you're guilty of that beyond  
17 a reasonable doubt, and they would have to establish that you  
18 acted intentionally, correct?

19 THE DEFENDANT: Yes, I understand that.

20 THE COURT: Okay.

21 All right. Mr. Amodeo, based on your testimony, as  
22 well as the unconverted testimony of Mr. Danziger yesterday, I  
23 find that you're competent to enter a guilty plea, if you so  
24 desire. Based on the testimony that's been provided, I  
25 specifically find that you have the ability to adequately work

1 with your counsel in regard to the defense of your case and,  
2 furthermore, that you understand the nature and consequences  
3 of the proceedings against you.

4 Sir, has anyone done anything that you believe is  
5 wrong or unfair in order to cause you to enter a guilty plea?

6 THE DEFENDANT: No, sir.

7 THE COURT: Has anyone threatened you, coerced you,  
8 intimidated you, or put any improper pressure upon you in  
9 order to cause you to enter a guilty plea?

10 THE DEFENDANT: No, sir.

11 THE COURT: Sir, do you have a copy of the plea  
12 agreement in front of you?

13 THE DEFENDANT: I do.

14 THE COURT: Is the original plea agreement here in  
15 court?

16 MR. GOLD: Yes, Your Honor, it is.

17 THE COURT: Okay.

18 MR. GOLD: Would you like it?

19 THE COURT: No, that's fine. I have a true and  
20 accurate copy, I believe.

21 MR. GOLD: Okay.

22 THE COURT: If you would, provide the original to  
23 Mr. Amodeo, I'd appreciate it.

24 MR. GOLD: Certainly, Your Honor.

25 THE COURT: I may have some questions for him.

1 (Counsel provides defendant with original.)

2 Mr. Amodeo, if you would take a moment to review  
3 that document, that is the original. I'd like you to verify  
4 that that is the plea agreement that you've signed, sir.

5 (Pause in proceedings while the defendant reviews.)

6 THE DEFENDANT: It is, Your Honor.

7 THE COURT: Your signature appears on the last page  
8 of the plea agreement; is that correct, Mr. Amodeo?

9 THE DEFENDANT: It does.

10 THE COURT: And your initials appear on each and  
11 every page of the plea agreement; is that correct?

12 THE DEFENDANT: Yes.

13 THE COURT: Did you read the entire plea agreement  
14 before you signed it, sir?

15 THE DEFENDANT: I did.

16 THE COURT: Did you discuss the plea agreement with  
17 your counsel before you signed it, sir?

18 THE DEFENDANT: I did.

19 THE COURT: Did you have an adequate opportunity to  
20 confer with your counsel and to receive his advice before you  
21 signed the plea agreement?

22 THE DEFENDANT: Yes.

23 THE COURT: Did you ask your counsel questions about  
24 the plea agreement?

25 THE DEFENDANT: I did.

1 THE COURT: And do you feel that your questions were  
2 adequately answered?

3 THE DEFENDANT: They were.

4 THE COURT: Do you believe that you understand the  
5 terms of the plea agreement, sir?

6 THE DEFENDANT: I do.

7 THE COURT: Mr. Gold, if you would, would you  
8 summarize the principal benefits to Mr. Amodeo of entering  
9 into this plea agreement.

10 MR. GOLD: Yes, Your Honor.

11 First of all, there will be no further charges  
12 arising out of the conduct, which gave rise to the plea  
13 agreement. We are going to recommend a guideline sentence.  
14 There is a provision for restitution to the victims for any of  
15 the employers that are required to repay the Internal Revenue  
16 Service, if that comes to pass, and he has an obligation to  
17 pay that money.

18 In there is a provision for acceptance of  
19 responsibility, two levels, if it's up to Level 15. But if  
20 it's 16 or greater, three levels, assuming nothing else comes  
21 along to our attention.

22 We're going to recommend that he receive a  
23 four-level upward adjustment for his role in the offense. We  
24 are jointly recommending with the defense no upward or  
25 downward departure, with the exception that he will retain the

1 ability to recommend to the sentencing court that he receive a  
2 downward departure for diminished capacity, pursuant to the  
3 Sentencing Guidelines Section 5K2.13. Not that the government  
4 agrees, but he is retaining the ability to argue that.

5 THE COURT: Okay.

6 MR. GOLD: There is also provisions in here that  
7 would allow him to cooperate with the United States and to  
8 allow us to then review his cooperation and potentially file  
9 either a 5K1, based upon substantial assistance or thereafter  
10 Rule 35. And there's a provision for the payment of the taxes  
11 from 2004, through and including 2006, and then about ten  
12 pages dealing with the forfeiture of assets. I know I may  
13 have gone beyond just what we may have promised him.

14 THE COURT: Okay.

15 MR. GOLD: But I think I've gotten the provisions in  
16 there.

17 THE COURT: All right. I have a couple questions  
18 for counsel about the plea agreement. Specifically, with  
19 respect to Section A.12., subparagraph b.(5), there's a  
20 provision in here about what would occur in the event that  
21 Mr. Amodeo provides false testimony or falsely implicates or  
22 incriminates another person.

23 There were certain conditions that would apply. And  
24 specifically, under 12.b.(5), it says "The defendant would not  
25 be permitted to withdraw the guilty plea to those counts to

1 which defendant hereby agrees to plead in the instant case,  
2 but in that event, defendant will be entitled to the  
3 sentencing limitations, if any, as set forth in this plea  
4 agreement..."

5 As I've looked at the plea agreement, there are  
6 certain recommendations. But in each instance, the agreement  
7 specifically provides that those recommendations are not  
8 binding on the Court, and the defendant acknowledges that.  
9 Are there any limitations on sentencings set forth in this  
10 plea agreement whatsoever?

11 MR. GOLD: Not other than what we've previously  
12 discussed, the five counts, which would be a total of 25  
13 years, and then all the other recommendations.

14 THE COURT: Okay.

15 Mr. Slaughter, are you clear on that?

16 MR. SLAUGHTER: That's correct. There's also an  
17 agreement that would permit Mr. Amodeo to contest that a  
18 hearing down the road, whether the first 8 million that he  
19 received was stolen money and not subject to forfeiture, and  
20 that would also hold on -- go over to the two houses, and  
21 they're marked out in the plea agreement.

22 THE COURT: Okay. So, there are factual issues in  
23 terms of forfeiture, but in terms of --

24 MR. SLAUGHTER: They wouldn't be decided today, but  
25 would be decided later in court.



1 THE COURT: Okay. But in terms of sentencing,  
2 incarceration, supervised release, fines, those matters, there  
3 are no limitations whatsoever in this plea agreement, are  
4 there?

5 MR. SLAUGHTER: This document contains them all.

6 MR. GOLD: No, Your Honor, there are no other  
7 limitations.

8 THE COURT: Have you advised your client on that?

9 MR. SLAUGHTER: Yes, he's aware of that.

10 THE COURT: Okay.

11 The other question I have is looking at page 18 of  
12 the agreement, and this is in the section dealing with  
13 forfeiture, forfeiture which begins on Section A.16., page 10,  
14 and then continues on. On page 18 at the bottom of the page,  
15 it says, "The defendant admits and agrees that the conduct  
16 described in the Factual Basis above provides a sufficient  
17 factual and statutory basis for forfeiture of the property  
18 sought by the government."

19 MR. GOLD: That should be below.

20 THE COURT: Well, that's what I was inquiring about,  
21 because there are facts, I believe, set forth above which are  
22 not in the factual basis below, and --

23 MR. GOLD: We could insert the words above and  
24 below.

25 THE COURT: Okay. I think, Mr. Slaughter, if you

1 need to examine this and review it with your client, that's  
2 fine. My impression in reading it was that that was perhaps a  
3 typographical error in terms of just capitalizing factual  
4 basis, and what would be referenced would be the facts  
5 outlined above as well as the facts set forth below.

6           Because if you look earlier at the top of the page,  
7 there's a reference to the fact that the corporations  
8 identified above were funded exclusively with the proceeds of  
9 the fraud scheme described below, and the scheme was Amodeo's  
10 sole source of income. And that is a statement I don't think  
11 that's in the factual basis below. So, are the parties  
12 relying on that statement, as well as the factual basis below?

13           MR. GOLD: Above and below, Your Honor.

14           And actually, there is language in the statement of  
15 facts that perhaps was not picked up in the forfeiture  
16 language that discusses the 172 million versus 181 million.  
17 It's approximately an \$8 million, \$9 million difference. And  
18 with that exception, it was the sole income, and he's retained  
19 the ability to argue to the sentencing judge that that  
20 original 8 million, in his mind, may be fees as opposed to the  
21 stolen tax money.

22           THE COURT: Right. He was retaining an argument for  
23 the Court to resolve later that he was paid approximately 9  
24 million dollars in commissions or fees, correct?

25           MR. GOLD: That's correct, Your Honor.

1 THE COURT: And that's the reason for the delta  
2 between the 172 million and the 181 million, correct?

3 MR. GOLD: Yes, sir.

4 THE COURT: Okay.

5 All right. Mr. Slaughter, with the modification  
6 proposed by the government in terms of making that language  
7 read, "...the facts outlined above and those set forth in the  
8 factual basis below...", be acceptable?

9 MR. SLAUGHTER: Yes, Your Honor.

10 THE COURT: If you would interlineate that on the  
11 original and review it with your client and initial it.

12 (Pause in proceedings.)

13 MR. SLAUGHTER: We've initialed them, Your Honor.

14 MR. GOLD: And, Your Honor, I'll read you the  
15 language as now written, and if the Court wants I can refile  
16 this plea agreement in toto or just the one page. It's the  
17 Court's pleasure.

18 THE COURT: If you would, just file the entire plea  
19 agreement, okay?

20 MR. GOLD: Okay.

21 THE COURT: All right. And the language, then,  
22 we're on page 18, the paragraph at the very bottom that would  
23 carry over to page 19; is that correct?

24 MR. GOLD: Yes, sir. And it reads, "The defendant  
25 admits and agrees that the conduct described above and in the

1 factual basis below provides a sufficient factual and  
2 statutory basis....," et cetera.

3 THE COURT: Okay, thank you.

4 MR. GOLD: Now, does the Court want me to put  
5 amended when we refile the plea agreement?

6 THE COURT: You can indicate amended on it, that's  
7 fine.

8 MR. GOLD: Okay.

9 THE COURT: Has it been initialed by counsel for  
10 both parties?

11 MR. GOLD: Yes.

12 THE COURT: As well as by Mr. Amodeo?

13 MR. GOLD: Yes.

14 MR. SLAUGHTER: Yes, sir, blue ink.

15 MR. GOLD: I think, what I'll do is handwrite in the  
16 word amended and we'll both initial and it'll be filed.

17 THE COURT: Okay, thank you.

18 Mr. Amodeo, once the original is back in front of  
19 you, I have some questions to ask you, okay?

20 First of all, Mr. Amodeo, you have the amended plea  
21 agreement in front of you, correct?

22 THE DEFENDANT: Yes, sir.

23 THE COURT: Okay. Has the government made any  
24 promises or representations to you to induce you to enter into  
25 a plea agreement, other than those set forth in the document

1 in front of you, sir?

2 THE DEFENDANT: No, sir.

3 THE COURT: Has any other person or entity made any  
4 promises or representations to you whatsoever that you're  
5 relying upon in order to enter into the plea agreement, other  
6 than those promises set forth in the document, sir?

7 THE DEFENDANT: No, sir.

8 THE COURT: Sir, in terms of sentencing, there is  
9 several provisions in here that have been briefly summarized  
10 by Mr. Gold in terms of sentencing, specifically, if you  
11 would, turn to Section A.6. On page 4. It sets forth that the  
12 United States will recommend that you be sentenced within the  
13 applicable guideline range as determined by the Court,  
14 pursuant to the Sentencing Guidelines. Do you see that, sir?

15 THE DEFENDANT: Yes, sir.

16 THE COURT: Okay. You understand that in regard to  
17 sentencing, the Court is not a party to this agreement,  
18 correct?

19 THE DEFENDANT: Yes, I understand that.

20 THE COURT: The Court is not bound by this agreement  
21 in any way, correct?

22 THE DEFENDANT: Yes.

23 THE COURT: The only parties to this agreement are  
24 you and the U.S. Attorney's Office for the Middle District of  
25 Florida, correct?

1 THE DEFENDANT: Yes.

2 THE COURT: Okay. So, you understand that the Court  
3 has discretion to accept or reject any recommendation that is  
4 made by you or by the parties collectively with respect to  
5 your sentencing, correct?

6 THE DEFENDANT: I do.

7 THE COURT: All right. Similarly, with respect to  
8 Section A.7., those same principles apply, correct, sir?

9 THE DEFENDANT: Yes.

10 THE COURT: Any questions about that?

11 THE DEFENDANT: No.

12 THE COURT: The same principles would apply with  
13 respect to Section A.8. Do you have any questions about that,  
14 sir?

15 THE DEFENDANT: I don't.

16 THE COURT: And similarly, with respect to Section  
17 A.9. And A.10., the same rules would apply. Any questions  
18 about that?

19 THE DEFENDANT: No.

20 THE COURT: With respect to Section A.10. In regard  
21 to cooperation or substantial assistance, sir, you understand  
22 that the determination in terms of whether or not you qualify  
23 for substantial assistance is solely the decision of the U.S.  
24 Attorney's Office, correct?

25 THE DEFENDANT: Yes.

1           THE COURT: Okay. And because that's their decision  
2 and they can make it in their discretion, you understand that  
3 if they decide not to file a motion giving you credit for  
4 substantial assistance, that you'll have no basis upon which  
5 to challenge that, correct, sir?

6           THE DEFENDANT: Yes.

7           THE COURT: Okay. Furthermore, sir, in terms of the  
8 recommendations made by the parties and whether or not the  
9 government files a motion requesting that you be given credit  
10 for substantial assistance, you understand that if things  
11 don't go as you like in terms of sentencing in regard to the  
12 Court accepting the recommendations and/or the government  
13 making a motion for substantial assistance, you would not be  
14 allowed to withdraw your guilty plea, correct, sir?

15          THE DEFENDANT: Yes, I understand.

16          THE COURT: Do you have any questions about that?

17          THE DEFENDANT: No.

18          THE COURT: Furthermore, sir, there's certain  
19 stipulated facts in the plea agreement. You understand that  
20 the Court may use those facts in determining what sentence  
21 would be appropriate, correct?

22          THE DEFENDANT: Yes.

23          THE COURT: Do you understand that the Court is not  
24 bound by or limited by those facts? The Court could consider  
25 additional facts in determining your sentence.

1 THE DEFENDANT: Yes.

2 THE COURT: Sir, as set forth on page 20 of your  
3 plea agreement, it provides that the United States is not  
4 limited to the forfeiture described in the agreement; do you  
5 understand that?

6 THE DEFENDANT: I do.

7 THE COURT: Do you understand that the government  
8 could seek to obtain forfeiture of any assets that it believes  
9 are the result of the fraudulent scheme alleged in the  
10 indictment, correct?

11 THE DEFENDANT: Yes.

12 THE COURT: Furthermore, on page 21, it provides  
13 that forfeiture of your assets shall not be treated as a  
14 satisfaction of any fine, restitution, cost of imprisonment,  
15 or any other penalty imposed by the Court; do you understand  
16 that, sir?

17 THE DEFENDANT: I do.

18 THE COURT: Do you have any questions about that?

19 THE DEFENDANT: No.

20 THE COURT: So, you would not be given credit  
21 against any fine, penalty, or cost of imprisonment imposed by  
22 the Court for the assets you forfeited; do you understand?

23 THE DEFENDANT: I do.

24 THE COURT: Similarly, on page 21 under Section  
25 B.1., it provides that there is no limitation in this



1 agreement with respect to the fines that could be imposed; do  
2 you understand that, sir?

3 THE DEFENDANT: I'm sorry, Your Honor, where?

4 THE COURT: I'm on page 21, sir, under Section B.1.,  
5 the very last sentence. Do you understand that under that  
6 term, there is no limitation on the fines that could be  
7 imposed by the Court in regard to sentencing?

8 THE DEFENDANT: Yes, sir.

9 THE COURT: Sir, on page 23 under Section B.5.,  
10 there's a waiver of your right to appeal. Have you reviewed  
11 that section, sir?

12 THE DEFENDANT: I have.

13 THE COURT: Do you understand that by executing this  
14 agreement and entering a guilty plea pursuant to this  
15 agreement, agree that you would be waiving a right to appeal  
16 your sentence, except to the limited extent specifically set  
17 forth in Section B.5. Of the agreement, correct?

18 THE DEFENDANT: I do.

19 THE COURT: And so, therefore, you would be waiving  
20 your right to appeal your sentence, except to the extent that  
21 your sentence exceeds the guideline range as determined by the  
22 Court or to the extent the sentence exceeds the statutory  
23 maximum or to the extent that the sentence constitutes a  
24 violation of the 8th Amendment, which is a guarantee against  
25 cruel and unusual punishment, or you would have the right to

1 appeal the sentence in the event that the government were to  
2 appeal; do you understand?

3 THE DEFENDANT: I do.

4 THE COURT: Those are the only circumstances under  
5 which you would appeal your sentence; do you understand?

6 THE DEFENDANT: Yes.

7 THE COURT: In addition, by entering into this  
8 settlement agreement, you would be waiving your right to  
9 collaterally attack your sentence; do you understand, sir?

10 THE DEFENDANT: I do.

11 THE COURT: Furthermore, sir, if you do enter a plea  
12 of guilty, you'll be waiving your right to claim ineffective  
13 assistance of counsel; do you understand that, sir?

14 THE DEFENDANT: Yes, sir.

15 THE COURT: Do you have any questions about waiving  
16 that right, sir?

17 THE DEFENDANT: That right is up to this point and  
18 time, I presume, as opposed to proactively?

19 THE COURT: Well, you would be waiving your right to  
20 claim ineffective assistance of counsel through the entry of  
21 your guilty plea, sir, with respect to any conduct --

22 THE DEFENDANT: No, I don't.

23 THE COURT: -- of counsel leading up to your entry  
24 of a guilty plea.

25 THE DEFENDANT: Your Honor, here's what I don't

1 understand about that. I don't know what conduct's going to  
2 occur in the future. Yes, right now I have no problem with  
3 counsel's conduct. But I don't even know who the sentencing  
4 counsel is necessarily going to be. So, I don't know how I  
5 could tell that I have ineffective assistance of counsel  
6 before it's occurred.

7 THE COURT: Okay.

8 MR. SLAUGHTER: Your Honor, the plan is if this plea  
9 goes through, I'm staying on, and we'll probably bring in  
10 Mr. Sands.

11 THE COURT: Okay. So it's your plan to remain  
12 counsel of record, if the plea is accepted?

13 MR. SLAUGHTER: Yes, sir.

14 THE COURT: Okay.

15 MR. GOLD: Your Honor, may I speak with counsel just  
16 one quick second?

17 THE COURT: Sure.

18 (Pause in proceedings while counsel confer.)

19 MR. GOLD: Your Honor, my understanding is slightly  
20 different than perhaps Mr. Amodio's, although I understand his  
21 concerns. But in terms of ineffective assistance of counsel,  
22 it's any time up through and including the sentencing process.  
23 Once the plea is entered and he is sentenced, it's any  
24 ineffective assistance of counsel through that period he's  
25 waiving.

1 THE COURT: Mr. Amodio, are you willing to waive any  
2 right to claim ineffective assistance of counsel through  
3 sentencing, sir?

4 THE DEFENDANT: Your Honor, I've got to ask you  
5 again, does that mean if there's something done between now  
6 and then, I waive the right to object to it?

7 THE COURT: Well, I can't advise you on that.  
8 You're going to need to confer with your counsel about that.

9 (Pause in proceedings while attorney-client confer.)

10 THE DEFENDANT: Yes, sir, I'll go ahead and waive  
11 it.

12 THE COURT: So you understand that by entering into  
13 this plea agreement and pleading guilty, you would be waiving  
14 your right to claim ineffective assistance of counsel through  
15 sentencing, sir?

16 THE DEFENDANT: I do.

17 THE COURT: And you have no reservations whatsoever  
18 about waiving any claim for ineffective assistance of counsel  
19 at this point and time, do you, sir?

20 THE DEFENDANT: No, sir.

21 THE COURT: You understand that sentencing will take  
22 place in the future, correct, sir?

23 THE DEFENDANT: I do.

24 THE COURT: You're willing to accept that waiver?

25 THE DEFENDANT: Yes.

1           THE COURT: All right. Mr. Amodeo, next, we're  
2 going to discuss the penalties that you're facing, if you do  
3 plead guilty. Although they're set forth in the plea  
4 agreement, I'm going to ask the government to summarize the  
5 penalties that you're facing for each count that you wish to  
6 enter a guilty plea with respect to, and then we're going to  
7 review those penalties. So if you would, please pay close  
8 attention, and be prepared to answer questions about the  
9 penalties, okay?

10           THE DEFENDANT: Yes, sir.

11           THE COURT: Does anyone need a break or are we okay  
12 to proceed?

13           MR. GOLD: I'm okay.

14           THE COURT: We're okay? All right.

15           If you would.

16           MR. GOLD: Yes, Your Honor. As to all five of the  
17 counts, the penalties are the same as to each one. And that  
18 is each count carries a maximum sentence of five years  
19 imprisonment, a fine of \$250,000, a term of supervised release  
20 of not more than three years, and a special assessment of \$100  
21 per felony count, and each of these are.

22           Now, in this case, though, because this is a case  
23 involving a financial gain or loss, pursuant to Title 18,  
24 United States Code, Section 3571(d), a court could impose a  
25 fine, which is not more than greater of twice the gain or

1 twice the gross loss.

2 So theoretically, with the amount of payroll taxes  
3 being 181 -- well, between 172 and 181 million, theoretically,  
4 the Court could impose a fine of between \$344 million and \$362  
5 million. And, obviously, there's also restitution that I  
6 think we've previously discussed.

7 THE COURT: All right. So, he's facing a term of  
8 five years of imprisonment for each one of the counts?

9 MR. GOLD: Yes, sir.

10 THE COURT: In terms of sentencing, those sentences  
11 could be concurrent or consecutive, correct?

12 MR. GOLD: The answer technically is yes, but with  
13 the guidelines, assuming the Court were to go with the  
14 guidelines, it's most likely there would have to be some type  
15 of stacking up through the 25.

16 THE COURT: Okay. And what is your best guesstimate  
17 of the guideline range at this point and time?

18 MR. GOLD: I think that the guidelines may very well  
19 be in excess of the 25 years.

20 THE COURT: Okay. So then, in regard to each of the  
21 counts, there's a penalty of a maximum term of imprisonment of  
22 five years. He's got five counts, so that would result in a  
23 25-year term of incarceration?

24 MR. GOLD: That's correct. That would be the cap on  
25 the amount of imprisonment would be 25 years.

1 THE COURT: Okay. And the guideline range is above  
2 that is what you're saying?

3 MR. GOLD: I believe, it may very well be.

4 THE COURT: Okay.

5 MR. GOLD: It effectively caps his sentence at 25  
6 years.

7 THE COURT: All right. In terms of the fine, you've  
8 got the \$250,000 per charge, which times five is one and a  
9 quarter million dollars.

10 MR. GOLD: Subject to the other provision.

11 THE COURT: Subject to the other provision that you  
12 just mentioned, which is two times the gain or loss?

13 MR. GOLD: Correct.

14 THE COURT: Which could add another \$362 million?

15 MR. GOLD: Yes, sir.

16 THE COURT: That's \$181 million times two, right?

17 MR. GOLD: Right, that's correct.

18 THE COURT: And I understand that there's an issue  
19 still remaining for resolution by the Court in terms of  
20 whether it's \$171 million loss caused or whether the loss  
21 caused was \$182 million, correct?

22 MR. GOLD: Yes, sir.

23 THE COURT: All right. And in terms of supervised  
24 release, it's not more than three years for each count, which  
25 would add up to 15 years of supervised release?

1 MR. GOLD: Yes, sir.

2 THE COURT: Special assessment, the same thing, \$100  
3 times five counts, \$500, correct?

4 MR. GOLD: Yes, sir.

5 THE COURT: Mr. Amodio, do you believe that you  
6 understand the penalties that you're facing as explained by  
7 the government, if you enter a guilty plea, sir?

8 THE DEFENDANT: I do.

9 THE COURT: Okay. Do you have any questions  
10 whatsoever about the five-year term of imprisonment that you  
11 face with respect to each individual count, sir?

12 THE DEFENDANT: I don't.

13 THE COURT: Do you understand that that could result  
14 in a maximum term of imprisonment of up to 25 years, correct,  
15 sir?

16 THE DEFENDANT: I do, yes.

17 THE COURT: Do you have any questions about that?

18 THE DEFENDANT: No.

19 THE COURT: Do you have any questions about the fine  
20 of \$250,000 per count that you're facing, sir?

21 THE DEFENDANT: No, I don't.

22 THE COURT: Do you have any questions about the  
23 supervised release of up to three years that you're facing per  
24 count, sir?

25 THE DEFENDANT: No.



1 THE COURT: Do you understand that supervised  
2 release is a period of time after you've served any  
3 incarceration where you would be subject to strict conditions,  
4 and if you fail to abide by those conditions, you would be  
5 returned to prison, correct, sir?

6 THE DEFENDANT: I do.

7 THE COURT: Any questions whatsoever about  
8 supervised release and what it means?

9 THE DEFENDANT: No.

10 THE COURT: Has your counsel been able to answer all  
11 of your questions adequately to your satisfaction about the  
12 penalties that you're facing if you enter a guilty plea, sir?

13 THE DEFENDANT: Yes.

14 THE COURT: Do you still have any questions that you  
15 want to ask counsel about the sentence that you're facing, if  
16 you enter a guilty plea, sir?

17 THE DEFENDANT: No, sir.

18 THE COURT: Sir, again, you understand that a  
19 different judge, a district court judge, someone other than  
20 me, would handle the sentencing, if your guilty plea is  
21 accepted, correct?

22 THE DEFENDANT: Yes.

23 THE COURT: Have you discussed with your counsel the  
24 Sentencing Guidelines and how those may apply in regard to  
25 your sentence?

1 THE DEFENDANT: I have.

2 THE COURT: You understand that the statutes that  
3 you've been charged under provide a maximum penalty for each  
4 count; however, the Court would use the Sentencing Guidelines  
5 as a guide to determine what your sentence should be, correct,  
6 sir?

7 THE DEFENDANT: I understand that.

8 THE COURT: Do you understand that there are a  
9 variety of factors that the Court will consider in applying  
10 the Sentencing Guidelines in regard to your sentencing, sir?

11 THE DEFENDANT: Yes.

12 THE COURT: Okay. And you understand that those  
13 factors include your criminal history, the conduct you engaged  
14 in, whether there are any victims of the offense, whether or  
15 not you engaged in obstruction of justice, whether or not you  
16 accepted responsibility for your acts, and a variety of other  
17 factors, correct?

18 THE DEFENDANT: Yes.

19 THE COURT: Have you discussed with your counsel  
20 what guideline range may apply to you in regard to sentencing?

21 THE DEFENDANT: I have.

22 THE COURT: Do you understand that as we mentioned  
23 at the outset that the Probation Office will prepare a report  
24 and provide facts and recommendations to the judge that the  
25 judge may use in connection with your sentencing, correct?

1 THE DEFENDANT: Yes.

2 THE COURT: You understand that you and your counsel  
3 would receive a copy of that report, sir?

4 THE DEFENDANT: Yes.

5 THE COURT: Okay. What's important for you to  
6 understand is you may disagree with the version of the facts  
7 set forth in the report. And in that event, you would be able  
8 to argue it and present evidence to the judge in regard to  
9 what facts should govern your sentencing. But what's  
10 important for you to understand is that the Court may rule  
11 against you and side with the Probation Office in terms of its  
12 account of the facts. Do you understand that, sir?

13 THE DEFENDANT: I do.

14 THE COURT: Do you have any questions about that  
15 process or how it works?

16 THE DEFENDANT: No.

17 THE COURT: In regard to sentencing, sir, I want you  
18 to understand that the Court has broad discretion in deciding  
19 what sentence should be imposed on you; do you understand  
20 that?

21 THE DEFENDANT: I do.

22 THE COURT: And each judge exercises his or her  
23 discretion somewhat differently; do you understand?

24 THE DEFENDANT: I do.

25 THE COURT: Because of the things that we've

1 discussed in terms of the guideline ranges, how they would be  
2 applied to you individually and the Probation Department  
3 having to prepare its report, as well as the judge's  
4 discretion, do you understand that at this point and time no  
5 one can tell you precisely what guideline range would apply to  
6 you, correct, sir?

7 THE DEFENDANT: I do understand that.

8 THE COURT: So, to the extent that you've had  
9 discussions with your counsel or anyone else about what  
10 guideline range would apply to you, you understand that at  
11 this point and time all they can do is give you their best  
12 guess about what guideline range would apply, right?

13 THE DEFENDANT: Yes, I understand.

14 THE COURT: And again, sir, you understand that the  
15 Court has the right to reject all recommendations made by the  
16 parties and sentence you up to the maximum term allowed by the  
17 law; in this case, 25 years of incarceration, correct?

18 THE DEFENDANT: I do.

19 THE COURT: And if the Court were to do that, you  
20 would have no right to withdraw your guilty plea, correct,  
21 sir?

22 THE DEFENDANT: Yes.

23 THE COURT: Any questions about that?

24 THE DEFENDANT: No.

25 THE COURT: And that would also be the case in the

1 event that the judge were to sentence you beyond the guideline  
2 range; do you understand that?

3 THE DEFENDANT: Yes.

4 THE COURT: In other words, the guideline range is  
5 just a guideline, it's a recommendation, it's not binding on  
6 the Court. And so, the Court can sentence you up to the  
7 maximum term allowed under the statutory provisions under  
8 which you've been charged.

9 THE DEFENDANT: I understand the sentence is up to  
10 the judge, Your Honor.

11 THE COURT: Also, sir, if you're aware of anyone  
12 else who has been charged with a similar crime, I want you to  
13 understand that you have no right to expect that you would  
14 receive a sentence similar to that other person; do you  
15 understand?

16 THE DEFENDANT: Yes.

17 THE COURT: Okay. And that's because of the factors  
18 we've been discussing. Each judge exercises his or her  
19 discretion independently. Your sentence will be determined on  
20 the facts of your case and based on certain reports and  
21 recommendations, correct?

22 THE DEFENDANT: Yes.

23 THE COURT: In addition, sir, I want you to  
24 understand that parole's been abolished. And by that, I mean  
25 to say that if you are sentenced to a term of incarceration,

1 you should expect to serve all or substantially all of the  
2 term of incarceration; do you understand?

3 THE DEFENDANT: Yes.

4 THE COURT: Any questions about that?

5 THE DEFENDANT: No.

6 THE COURT: In terms of the fines and assessments  
7 that may be imposed, do you have any questions about the fines  
8 that the Court could impose in connection with your  
9 sentencing, sir?

10 THE DEFENDANT: No, sir.

11 THE COURT: We've already outlined the \$250,000 per  
12 count, and we've also addressed the fact that the government  
13 may seek a multiplier of two on any gain or loss sustained; do  
14 you understand?

15 THE DEFENDANT: Yes.

16 THE COURT: In addition, as set forth in your plea  
17 agreement, sir, the government is seeking forfeiture of a  
18 variety of property. First of all, they're seeking a money  
19 judgment in the range of \$172 million to \$181 million, they're  
20 seeking certain real property specifically outlined on page 11  
21 of your plea agreement, and I'll give you a moment to make  
22 sure that you're with me on the review of the forfeiture  
23 items, sir.

24 THE DEFENDANT: Yes.

25 THE COURT: They're seeking a forfeiture of certain

1 vehicles described on page 11, as well as a Learjet, certain  
2 promissory notes. In addition, on page 12, they're seeking  
3 forfeiture of certain seized funds, and that continues on to  
4 page 13. They're seeking all of the assets of the  
5 corporations described on page 13 and continuing on through  
6 page 17, including but not limited to any lawsuits or  
7 settlement proceeds. Do you understand, sir?

8 THE DEFENDANT: I do.

9 THE COURT: And again, even though there's an  
10 extensive list of the items of forfeiture sought by the  
11 government, you understand that the government may seek  
12 additional forfeitures from you, correct, sir?

13 THE DEFENDANT: Yes.

14 THE COURT: You understand, sir, that in addition,  
15 you could be ordered to make restitution to victims of the  
16 crimes that have been alleged, correct?

17 THE DEFENDANT: Yes.

18 THE COURT: And by pleading guilty, sir, you  
19 understand that you'd be losing certain civil rights,  
20 including the right to vote, the right to possess firearms,  
21 the right to serve on a jury, and to hold public office,  
22 correct, sir?

23 THE DEFENDANT: Yes.

24 THE COURT: You understand that you'd be pleading  
25 guilty to multiple felonies, correct, sir?

1 THE DEFENDANT: Yes.

2 THE COURT: Mr. Gold, are there any other aspects of  
3 the penalties that Mr. Amodeo's facing that you'd like the  
4 Court to address?

5 MR. GOLD: No, except with the one exception on the  
6 forfeiture on page 20 at the top. As to the two particular  
7 pieces of real property, those relate to that difference  
8 between the 172 and 181 million dollars. The government's  
9 position is that those two properties are forfeitable.  
10 Mr. Amodeo's are that they're not if they came from the fees,  
11 and that the Court will decide those as well.

12 THE COURT: Okay. So that is an issue -- those two  
13 pieces of real property described on page 20 remain an issue  
14 for the Court to adjudicate in terms of forfeiture?

15 MR. GOLD: Yes, sir.

16 THE COURT: And also, in terms of the money  
17 judgment, is there a potential range for that money judgment  
18 between 172 and 181 million dollars?

19 MR. GOLD: Yes, sir.

20 THE COURT: Okay.

21 All right. Mr. Amodeo, do you have any question  
22 about those items that remain for adjudication by the Court?

23 THE DEFENDANT: No, sir.

24 THE COURT: You understand that in terms of the  
25 property described, it's only those two properties described



1 on page 20 that you retain a right to argue about whether or  
2 not it's subject to forfeiture, correct?

3 THE DEFENDANT: Yes.

4 THE COURT: And similarly, as set forth on page 10,  
5 you understand that in terms of the money judgment that will  
6 be entered against you, there's a very limited issue that  
7 remains for adjudication, and that is the amount of the money  
8 judgment between the range of \$172 million and \$181.8 million,  
9 correct?

10 THE DEFENDANT: Yes.

11 THE COURT: Mr. Amodio, do you feel that you  
12 understand all of the penalties that you're facing, if you  
13 enter a guilty plea?

14 THE DEFENDANT: I do.

15 THE COURT: All right. Mr. Amodio, you understand  
16 that you're not required to plead guilty, correct?

17 THE DEFENDANT: Yes.

18 THE COURT: You have every right to maintain that  
19 you're innocent and to require the government to prove beyond  
20 a reasonable doubt at trial that you're guilty of each of the  
21 crimes alleged, correct?

22 THE DEFENDANT: Yes.

23 THE COURT: I want to advise you of certain rights  
24 that you'd have at trial, and you would be giving up those  
25 rights or waive those rights if you do enter a guilty plea,

1 sir. First, you would have a right to counsel. If you can't  
2 afford counsel, the Court will provide counsel for you at no  
3 cost; do you understand, sir?

4 THE DEFENDANT: I do.

5 THE COURT: So, you would have counsel represent you  
6 at trial, and you would have an adequate opportunity for that  
7 counsel to get prepared in order to represent you at trial; do  
8 you understand?

9 THE DEFENDANT: Yes.

10 THE COURT: All right. Furthermore, sir, you'd have  
11 the right to a 12-person jury. And the issues of fact, as you  
12 alluded to earlier, would be determined by the 12-person jury.  
13 In addition, sir, you would have the presumption of innocence.  
14 You would not be required to offer any testimony on your own  
15 behalf. It would be the government's burden to prove that  
16 you're guilty beyond a reasonable doubt. You'd the  
17 presumption of innocence. No negative inference could be  
18 drawn if you failed to testify; do you understand?

19 THE DEFENDANT: Yes.

20 THE COURT: On the other hand, if you wanted to  
21 testify on your own behalf, you would have the right to offer  
22 testimony on your own behalf; do you understand?

23 THE DEFENDANT: Yes.

24 THE COURT: All right. Sir, you'd also have the  
25 right to confront any witnesses called by the government. By

1 that, I mean that your counsel would have the right to examine  
2 any witnesses called by the government through cross  
3 examination. In addition, you'd have the right to object to  
4 the introduction of any evidence by the government. Do you  
5 have any questions about that, sir?

6 THE DEFENDANT: No.

7 THE COURT: In addition, sir, you would have the  
8 right to compulsory process. And by that, I mean to tell you  
9 that if there were witnesses that you thought would offer  
10 testimony which would be favorable to your case, the Court  
11 would assist you by issuing subpoenas and compelling witnesses  
12 to appear before the Court to offer that testimony to help you  
13 in defense of your action. Any questions about that?

14 THE DEFENDANT: No.

15 THE COURT: All right. Sir, you understand that if  
16 you do enter a guilty plea, you'll be waiving all of those  
17 rights associated with trial that I just explained, correct?

18 THE DEFENDANT: I do.

19 THE COURT: The only thing left for the Court to do  
20 would be to enter a finding that you are guilty of each of the  
21 counts that you're pleading guilty with respect to; do you  
22 understand?

23 THE DEFENDANT: Yes.

24 THE COURT: There would be no trial whatsoever; do  
25 you understand?

1 THE DEFENDANT: Yes.

2 THE COURT: And furthermore, you'd be giving up any  
3 and all defenses that you would have with respect to the  
4 counts that you desire to plead guilty with respect to; do you  
5 understand?

6 THE DEFENDANT: Yes.

7 THE COURT: All right. In addition, sir, I want you  
8 to understand that if you do enter a guilty plea, you'll be  
9 waiving your right against self-incrimination, such that the  
10 prosecutor or the Court can ask you detailed questions about  
11 the crimes that have been alleged, and you'll be required to  
12 answer those questions truthfully; do you understand?

13 THE DEFENDANT: I do.

14 THE COURT: If you enter a guilty plea, it would be  
15 a waiver of your right to appeal the finding that you are  
16 guilty; do you understand?

17 THE DEFENDANT: I do.

18 THE COURT: Sir, the one right that you would not  
19 give up by entering a guilty plea is your right to assistance  
20 of counsel, sir. You would still have the right to assistance  
21 of counsel, and you can have your retained counsel represent  
22 you. But if you need appointed counsel, the Court will  
23 appoint counsel for you to represent you in connection with  
24 your sentencing. Any questions about that?

25 THE DEFENDANT: No, sir.

1           THE COURT: All right. Mr. Amodeo, in a moment I'm  
2 going to ask the government to summarize the facts that it  
3 would intend to prove at trial in order to establish that  
4 you're guilty of the charges alleged. In this particular  
5 instance, the factual summary may be fairly lengthy, so I want  
6 to make sure that you have a pen and paper in front of you. I  
7 want you to pay close attention to the summary of the facts.

8           If there's anything stated in the summary that you  
9 believe is inaccurate in any way or misleading or false, I  
10 want you to let us know. At the conclusion of the summary,  
11 I'm going to ask you to let us know of any facts that you  
12 believe that have been outlined by the government that are  
13 inaccurate, misleading, or false, okay?

14           THE DEFENDANT: Okay.

15           THE COURT: All right. Mr. Gold, would you please  
16 summarize the facts.

17           MR. GOLD: Yes, Your Honor.

18           First of all, they are set forth at pages 26 through  
19 36. There's 11 pages of facts into which Mr. Amodeo and his  
20 attorneys had great input. I don't know if the Court wants me  
21 to read them or incorporate them by reference. I can  
22 certainly try and summarize them, but, obviously, this is an  
23 extremely complicated case, so I'll be happy to proceed  
24 however the Court wishes.

25           THE COURT: Well, I'm looking at the summary. It's

1 26 through 36. It's double spaced. I would ask you to  
2 summarize. Well, actually, to avoid any error, why don't you  
3 go ahead and read them into the record.

4 MR. GOLD: Okay.

5 All right. There is the section called  
6 Introduction. This case involves a web of one public and  
7 several private companies, including multiple employee leasing  
8 companies, also known as professional employee organizations  
9 or PEOs. The responsibilities of the PEOs included, among  
10 other duties, the recording and paying over of the payroll  
11 wages and payroll taxes of the worksite employees.

12 Amodeo had operated small businesses prior to the  
13 time period of the indictment in this case and was aware that  
14 once Federal Insurance Contribution Acts or FICA and  
15 withholding taxes, trust fund taxes are collected, they are  
16 supposed to be held for and paid over to the Internal Revenue  
17 Service. Notwithstanding this knowledge, Amodeo conspired  
18 with other members of the conspiracy to divert payroll tax  
19 funds paid to the PEOs by the PEO clients and utilize those  
20 funds for other purposes.

21 There were a number of companies directly controlled  
22 by Amodeo, including the Sunshine Companies, Professional  
23 Benefit Solutions, which is PBS, Paradyne, Inc., which is  
24 Paradyne, Presidion Solutions, Inc., which is noted as PSI,  
25 Quantum Delta Enterprises, Quantum, Wellington Capital Group,

1 Inc. Or Wellington, and AQMI Strategy Corporation or AQMI.  
2 Amodeo had varying degrees of control over a number of  
3 additional companies involved in the conspiracy, including  
4 Mirabilis Ventures, Inc., which will be described as  
5 Mirabilis.

6 The second section talks about Mr. Amodeo's purchase  
7 of Sunshine Companies from PSI. PSI is a Michigan-based  
8 holding company for several PEOs that during the period from  
9 2001 through 2005 provided comprehensive and integrated  
10 resource management services, including payroll services, to  
11 small and medium-sized companies. Prior to July of 2005, PSI  
12 was a wholly-owned subsidiary of Presidion Corporation, a  
13 publicly traded company, which was later de-listed.

14 Amodeo did not become involved with PSI until 2004.  
15 Prior to his involvement, PSI had already acquired seven PEOs,  
16 which made up PSI's book of business or the contracts PSI had  
17 with its PEO clients. In or about May 2001, PSI acquired  
18 Sunshine Staff Leasing, Sunshine Companies I, II, III, and IV,  
19 collectively referred to as the Sunshine Companies.  
20 Post-acquisition, these entities did business as Presidion  
21 Solutions I, II -- it should say III. It appears there's a  
22 typo there, but it's III, IV, and V, respectively.

23 PSI acquired Paradyme in on about January 2002,  
24 which subsequently did business as Presidion Solutions VI.  
25 PSI then acquired certain PEO customer contracts from BST,

1 Inc. In or about June 2002. Lastly, PSI acquired PBS in or  
2 about January 2005, which subsequently did business as  
3 Presidion Solutions VII. With the acquisitions of the  
4 Sunshine Companies, Paradyme and PBS, PSI had at least 2,200  
5 clients and approximately 29,700 worksite employees. The  
6 clients of the PEOs entered into contracts or service  
7 agreements with PSI or its subsidiaries.

8           Initially, the clients entered into the agreement  
9 with the Sunshine Companies, then later on the clients either  
10 entered into an agreement with Paradyme or PBS. According to  
11 the contract signed by the clients, when PSI or its  
12 subsidiaries started providing services to the client, PSI  
13 became the co-employer of its clients' employees and assumed  
14 the liabilities and responsibilities for reporting and paying  
15 over to the Internal Revenue Service the payroll wages and the  
16 payroll taxes of the worksite employees.

17           At the end of a client's payroll cycle, a client  
18 would e-mail, fax, or mail the number of hours worked by the  
19 worksite employees to PSI. After receiving the information,  
20 PSI computed the amount of FICA, Medicare, withholding taxes,  
21 workers compensation insurance, and 401(k) contributions to be  
22 added to the client's bill, along with PSI's administrative  
23 fee. PSI would then e-mail, fax, or mail this information  
24 back to the clients, who would either direct debit, mail, or  
25 wire the funds to PSI.



1           Beginning in July 2004, Amodeo began negotiating  
2 with the principals of PSI to assist them in the reduction of  
3 their corporate debt, which included unpaid payroll taxes  
4 totaling at least \$13 million, including interest, penalty,  
5 and taxes, which were accrued by the Sunshine Companies.

6           At the time, the parent company of PSI, Presidion  
7 Corporation, was preparing for an annual audit. In an attempt  
8 to have Presidion Corporation appear more profitable as a  
9 publicly-traded company, PSI wanted the Sunshine Companies'  
10 payroll tax liabilities removed from Presidion Corporation's  
11 financial statements.

12           To that end, on October 18th, 2004, PSI signed a  
13 consulting agreement with Amodeo as the president of AQMI.  
14 The consulting agreement called for Amodeo to provide tax  
15 advice to PSI for a nonrefundable fee in the amount of  
16 \$150,000 and an additional fee of 25 percent of any tax  
17 savings of the company's current payroll tax liability, which  
18 at the time was at least \$13 million, including interest,  
19 penalties, and taxes.

20           Amodeo's plan was to have Wellington, a corporation  
21 he controlled, purchase the Sunshine Companies from PSI, and  
22 thereby relieve PSI's financial statements of the Sunshine  
23 Companies' accumulated payroll tax liabilities. On December  
24 1, 2004, AQMI provided a line of credit in the amount of  
25 approximately \$3 million to Wellington. On December 8, 2004,

1 Amodeo, through Wellington, agreed to purchase the Sunshine  
2 Companies for approximately \$500,000.

3           During December 2004, PSI transferred approximately  
4 \$8.9 million to AQMI. Witnesses for the government who were  
5 associated in a management capacity with PSI will testify that  
6 they expected Amodeo to use the \$8.9 million to remit payments  
7 to the Internal Revenue Service in satisfaction of outstanding  
8 payroll tax obligations of the Sunshine Companies.

9           Amodeo contends that he and AQMI took the position  
10 that for tax purposes all of the funds constituted payment  
11 pursuant to the consulting agreement. Wellington used a  
12 portion of the funds received from AQMI to purchase multiple  
13 cashier's checks to complete the purchase of the Sunshine  
14 Companies.

15           Amodeo's purchase of the Sunshine Companies did not  
16 include PSI's book of business, which was transferred to  
17 Paradyne, a wholly-owned subsidiary of PSI. Wellington  
18 acquired the Sunshine Companies on or about December 31st,  
19 2004, and subsequently dissolved the Sunshine Companies.  
20 Since the purchase of the Sunshine Companies by Wellington,  
21 Amodeo caused to be paid approximately \$3.2 million to the  
22 Internal Revenue Service toward the Sunshine Companies'  
23 payroll tax liability, which currently totals over \$37  
24 million, including interest, penalties, and taxes.

25           The third subsection is Amodeo's purchase of PSI,

1 Paradyne, and PBS. On or about May 18th, 2005, Amodeo was  
2 again approached by principals of PSI regarding further  
3 problems with the company, including a severe shortage of  
4 working capital, other liabilities totaling millions of  
5 dollars, and potential cancellation of its workers  
6 compensation insurance policy.

7 Amodeo and other members of the conspiracy devised a  
8 reorganization strategy for the aggregate PSI book of  
9 business. In or about July 2005, Wellington, at Amodeo's  
10 direction, acquired PSI and consequently acquired control of  
11 PSI's subsidiaries and remaining PEOs, Paradyne and PBS.

12 Thereafter, between June 2005 and December 2005,  
13 Amodeo directed that the payroll taxes collected from the  
14 clients not be paid over to the Internal Revenue Service, but  
15 instead be used to pay secured creditors, both arm's length  
16 third parties and entities Amodeo controlled, critical vendors  
17 of PBS and Paradyne, and to purchase commercial and business  
18 assets for the benefit of Amodeo and the other  
19 co-conspirators. It was Amodeo's grand plan to not remit the  
20 payroll taxes in order to grow Mirabilis to the point that it  
21 could become a publicly traded company. Once that was  
22 accomplished, Mirabilis would be able to repay the payroll  
23 taxes.

24 Pursuant to this plan, Amodeo directed that funds  
25 PBS should have used to pay payroll taxes instead be

1 transferred from a PSI account maintained at Bank of America,  
2 which was called the Ultimate Master account, which collected  
3 the payroll tax funds from PBS, to a PSI account maintained at  
4 First Southern Bank, known as the Reserve account. The funds  
5 were later disbursed from the Reserve account at Amodeo's  
6 direction for purposes unrelated to the payment of payroll tax  
7 liability to the IRS.

8 From June 10th, 2005 until December 31st, 2005,  
9 Amodeo caused to be transferred approximately \$64,600,000 to  
10 the Reserve account from the Ultimate Master account for the  
11 purpose of rehabilitating PSI's book of business, acquiring  
12 other businesses and paying operating expenses, which enabled  
13 Amodeo, companies he controlled, and other members of the  
14 conspiracy to acquire personal assets, such as real estate and  
15 automobiles.

16 The fourth section is entitled, Transfer of Paradyrne  
17 and PBS business to AEM. In late 2005, negotiations occurred  
18 to sell the book of business of Paradyrne and PBS to AEM, Inc.,  
19 effective January 1st, 2006. A major purpose of the sale was  
20 to shift the apparent responsibility for the payment of the  
21 payroll taxes to AEM and its parent company, Mirabilis, a  
22 private equity fund, one of the consequences of which was to  
23 make it more difficult for the Internal Revenue Service to  
24 determine which company was responsible for the payroll taxes.

25 Although the sale was never fully consummated, AEM

1 thereafter had effective operational control over the book of  
2 business of Paradyme and PBS. Mirabilis was originally formed  
3 by Amodeo in 2004 to buy distressed businesses, and eventually  
4 evolved into a business that specialized in acquisitions of  
5 and mergers with other businesses in various industries.

6 By late 2006, Mirabilis had grown to be a  
7 conglomerate of approximately 70 companies involved in various  
8 industries, including consulting, corporate security, employee  
9 leasing, and hotel ownership. Although Amodeo was never an  
10 officer, director, or employee of Mirabilis, he created  
11 Mirabilis, brought in the officers to run the company, and  
12 funded the company with diverted payroll tax funds that should  
13 have been paid over to the Internal Revenue Service.

14 In most instances, Amodeo exercised or attempted to  
15 exercise considerable control over both the long term and  
16 short term management of the company. For example, during a  
17 March 21st, 2006, Mirabilis board of directors meeting  
18 attended by Amodeo, he told the board that they had a  
19 fiduciary obligation to him as the company's sole common stock  
20 shareholder and senior secured creditor.

21 He recommended various changes to the board of  
22 directors that were subsequently implemented by the board. He  
23 laid out recommended changes in the operational procedures  
24 that were also implemented by the board and proposed future  
25 acquisition strategies, which were to be funded by cash

1 infusions, which he would supply.

2           The cash infusions made by Amodeo were derived from  
3 payroll tax funds. Mirabilis used these funds to fund  
4 acquisitions of other businesses, pay substantial salaries,  
5 and make investments in businesses, in which certain members  
6 of the conspiracy held separate interests.

7           In connection with the anticipated January 2006  
8 purchase by AEM of the Paradyme and PBS book of business, a  
9 member of the conspiracy signed a hold harmless agreement on  
10 behalf of PSI promising to pay Mirabilis \$50 million by  
11 December 31st, 2005 in return for Mirabilis' agreement to hold  
12 PSI harmless for any subsequent claims against the company, up  
13 to a maximum of \$70 million.

14           This obligation effectively diverted to Mirabilis  
15 \$50 million of funds owed to the Internal Revenue Service,  
16 with the additional advantage of creating a \$70 million debt  
17 owed by Mirabilis that could be used in negotiating with the  
18 Internal Revenue Service for deferment of the payment of the  
19 rapidly escalating unpaid trust fund taxes.

20           This was part of and consistent with Amodeo's  
21 overall plan of circumventing the Internal Revenue Service's  
22 immediate collection of accrued trust fund tax obligations by  
23 transferring collected trust fund taxes from corporation to  
24 corporation and concomitantly creating offsetting  
25 intercorporate liabilities that were used to justify

1 nonpayment and to create leverage in ongoing negotiations with  
2 the Internal Revenue Service.

3 In or about January 2006, Amodeo requested that a  
4 legal memorandum be prepared by the outside law firm of  
5 general counsel for Mirabilis on the law applicable to the  
6 reporting and payment of payroll taxes to the Internal Revenue  
7 Service.

8 On February 2nd of 2006, a final version of the  
9 memorandum was submitted to Amodeo regarding the relationship  
10 between current trust fund obligations after acquired funds  
11 and willfulness under Internal Revenue Code, Section 6672.  
12 The memorandum described in detail the legal obligation to  
13 hold payroll taxes for the Internal Revenue Service and  
14 specified civil and criminal penalties, including criminal  
15 penalties under Section 7202, for failure to follow the  
16 applicable law.

17 Amodeo knew that the memorandum had, in fact, been  
18 completed and admits that he had received it, but it is his  
19 position that he never read it and never requested that anyone  
20 summarize its contents to him. He submitted the memorandum,  
21 still allegedly unread by him, to the general counsel for  
22 Mirabilis immediately upon receiving it and directed that a  
23 copy be provided to the Mirabilis board of directors. Amodeo  
24 also personally delivered a copy of the memorandum to the  
25 Internal Revenue Service in July 2006.

1           Although Amodeo is a former attorney and experienced  
2 with debtor-creditor law, in failing to read the memorandum or  
3 inquire further into its contents, Amodeo deliberately and  
4 consciously tried to avoid learning what specific statutes  
5 prohibited his conduct and deliberately closed his eyes to  
6 what he had every reason to believe was the fact, that is,  
7 that he was legally prohibited from permitting collected trust  
8 fund taxes to be used for any purpose other than the  
9 transmission in due course to the Internal Revenue Service.

10           Consequently, Amodeo accepts full responsibility for  
11 intentionally and willfully violating 26 United States Code --  
12 the section should be a symbol, rather than a section -- 7202  
13 by failing to remit payroll taxes collected by PBS to the  
14 Internal Revenue Service during quarterly periods in 2006 in  
15 which Amodeo was in control of PBS, including the first,  
16 second, and fourth quarters of 2006 referred to in Counts 7,  
17 8, and 10 of the indictment.

18           The next section is entitled, Use of AEM to  
19 misappropriate PBS' payroll taxes. During 2006, members of  
20 the conspiracy used AEM to misappropriate PBS' payroll taxes.  
21 During the 2006 year, the funds intended to pay the payroll  
22 taxes for PBS were held in a Bank of America account in the  
23 name of AEM, along with funds to pay the payroll taxes for  
24 AEM, which had its own minuscule book of business.

25           Instead of paying the payroll taxes for PBS, Amodeo



1 and members of the conspiracy directed that funds be  
2 transferred from the AEM Bank of America account to an account  
3 at SunTrust Bank in the name of PSI, which was known as the  
4 Capital account. During 2006, approximately \$23,750,000 was  
5 transferred from the AEM Bank of America account to the  
6 SunTrust Capital account. After the funds were transferred to  
7 the Capital account, the funds were used by Amodeo and members  
8 of the conspiracy to purchase, fund, and grow additional  
9 businesses.

10 In addition to the funds transferred to the Capital  
11 account during 2006, funds were also directly transferred from  
12 the AEM Bank of America account to companies controlled by  
13 Amodeo and members of the conspiracy, such as Common Paymaster  
14 Corporation, Nexia Strategy Corporation, and Mirabilis to fund  
15 the companies' operations and to acquire other companies. In  
16 December 2006, after the receipt of the grand jury subpoenas,  
17 Amodeo knowingly permitted payroll taxes collected on a daily  
18 basis from the PEO book of business to be used to fund net  
19 payroll and health claims of Mirabilis and its affiliates.

20 Subsection 6 is entitled Total unpaid payroll taxes.  
21 It is the position of the government that Amodeo and other  
22 members of the conspiracy knowingly failed to remit to the  
23 Internal Revenue Service payroll taxes totaling in excess of  
24 \$181 million. However, Amodeo believes that the figure is no  
25 higher than \$172 million. The exact amount will be determined

1 by the Court at sentencing.

2 That last section, subsection 7, is Obstruction of  
3 an agency investigation. Commencing in early 2005, Amodeo and  
4 others were in contact with the Internal Revenue Service  
5 concerning the Sunshine Companies' tax liabilities, but  
6 withheld information about PBS' tax liabilities from the  
7 Internal Revenue Service until February 2006, by means that  
8 included the late filing of Forms 941 at which time PBS'  
9 payroll tax liabilities exceeded \$100 million.

10 On or about June 26, 2006, a co-conspirator advised  
11 an Internal Revenue Service officer that payroll tax money not  
12 paid to the Internal Revenue Service was used to purchase two  
13 other companies when, in fact, the money was used to purchase,  
14 among other things, several companies, cars, a plane, and real  
15 estate.

16 On or about August 29, 2006, Amodeo and members of  
17 the conspiracy met to conduct a mock deposition of Amodeo to  
18 prepare him for a meeting with Internal Revenue Service  
19 revenue officers. During a recess in the mock deposition,  
20 Amodeo was advised by a co-conspirator that his account might  
21 expose them to prosecution for federal offenses.

22 As a result of that conversation, Amodeo  
23 subsequently changed his account to conceal material aspects  
24 of their activity. This revised version of his account was  
25 communicated to Internal Revenue Service representatives by

1 one or more members of the conspiracy at Amodeo's direction in  
2 an attempt to obstruct and impede the Internal Revenue  
3 Service's investigation of PBS.

4 THE COURT: Thank you.

5 If we could just correct that one Roman numeral with  
6 respect to the Presidion Solutions I, II, and III --

7 MR. GOLD: That's fine.

8 THE COURT: -- and follow the same procedure that we  
9 did earlier in terms of interlineating the change and having  
10 both sides review it and initial it --

11 MR. GOLD: That's fine.

12 THE COURT: -- and then, I'll proceed to ask  
13 Mr. Amodeo questions about the factual summary.

14 (Pause in proceedings.)

15 MR. GOLD: It has been done, Your Honor.

16 THE COURT: All right, thank you.

17 Mr. Amodeo, you listened to and paid attention to  
18 the summary of the facts provided by Mr. Gold, correct?

19 THE DEFENDANT: I did.

20 THE COURT: All right. And did you have an  
21 opportunity to make notes regarding any inaccuracies or  
22 misleading statements that you found in the summary provided  
23 by Mr. Gold?

24 THE DEFENDANT: I did.

25 THE COURT: All right. And other than the one Roman

1 numeral being changed, which we've already addressed, was  
2 there anything in the factual summary provided by Mr. Gold  
3 that you believe is inaccurate, incorrect, or misleading in  
4 any way, sir?

5 THE DEFENDANT: There was not.

6 THE COURT: All right. Now, you are familiar with  
7 the events surrounding the companies' activities that were  
8 just summarized by Mr. Gold, correct?

9 THE DEFENDANT: I am.

10 THE COURT: Do you have a clear recollection of  
11 those events?

12 THE DEFENDANT: I do.

13 THE COURT: And all statements in terms of your  
14 actions and your intent at the times you acted are true and  
15 accurate, are they?

16 THE DEFENDANT: Yes.

17 THE COURT: Sir, if you would, please turn to page  
18 24 of the plea agreement under Section B.6. There's a  
19 provision in there titled Middle District of Florida  
20 Agreement. Have you reviewed that paragraph, sir?

21 THE DEFENDANT: I'm sorry, Your Honor.

22 THE COURT: That's all right. It's on page 24, sir.

23 THE DEFENDANT: Yes.

24 THE COURT: Under Section B, subparagraph 6. Do you  
25 see the section?

1 THE DEFENDANT: I do.

2 THE COURT: All right. Have you reviewed that  
3 section, sir?

4 THE DEFENDANT: Yes.

5 THE COURT: You understand that that section means  
6 that the agreement that you've entered into in this plea  
7 agreement is only binding on the United States Attorney's  
8 Office for the Middle District of Florida, correct?

9 THE DEFENDANT: Yes.

10 THE COURT: It's not binding on any other  
11 governmental agency, state or federal, correct?

12 THE DEFENDANT: Yes.

13 THE COURT: Sir, in your own words, what is it that  
14 you did that may make you guilty of Count 1, the conspiracy  
15 count, sir?

16 THE DEFENDANT: I agreed to transfer funds that came  
17 from unpaid payroll taxes.

18 THE COURT: And you knew that those funds should  
19 have been paid to the government?

20 THE DEFENDANT: Yes, sir.

21 THE COURT: You knew that they were payroll tax  
22 funds?

23 THE DEFENDANT: I did.

24 THE COURT: All right. And you did that  
25 voluntarily, did you, sir?

1 THE DEFENDANT: Yes.

2 THE COURT: No one threatened you or coerced you in  
3 any way to do that, sir, did they?

4 THE DEFENDANT: No.

5 THE COURT: All right. Similarly, with respect to  
6 Count 2 -- well, I'm sorry, with respect to Counts 7, 8, and  
7 10, which allege failure to collect and remit payroll taxes,  
8 again, sir, what is it that you did in your own words that may  
9 make you guilty of those counts, sir?

10 THE DEFENDANT: I was the owner of a company, which  
11 owned a PEO, that allowed a third party to collect the payroll  
12 taxes, and I had asked for a memorandum to make sure it was  
13 okay to use that money to pay other things. I chose not to  
14 read the memorandum when it came in, because I was concerned  
15 about the conclusions the memorandum might arrive at.  
16 Therefore, I violated a duty to make sure the payroll taxes  
17 were paid.

18 THE COURT: You knew that you had that duty, sir?

19 THE DEFENDANT: Yes.

20 THE COURT: Okay. And you willfully violated that  
21 duty, did you?

22 THE DEFENDANT: Yes.

23 THE COURT: And, again, that's something that you  
24 did voluntarily without anyone forcing you to do it, sir?

25 THE DEFENDANT: Yes.

1 THE COURT: Similarly, with respect to Count 27 that  
2 alleges obstruction of agency proceedings, sir, in your own  
3 words, what conduct is it that you engaged in that may make  
4 you guilty of that, sir?

5 THE DEFENDANT: I permitted, in fact, instructed the  
6 accountants who were dealing with the IRS to change the way  
7 that they presented the history of events from Presidion as a  
8 result of the advice that was given during the mock  
9 deposition, and that would have made it more difficult for the  
10 IRS to determine who owed the taxes in the end of 2006.

11 THE COURT: And again, that's something that you did  
12 knowingly and intentionally, sir?

13 THE DEFENDANT: Yes.

14 THE COURT: And you did that with the intent of  
15 making it difficult for the IRS to understand what had  
16 actually transpired?

17 THE DEFENDANT: Yes.

18 THE COURT: Sir, do you want to plead guilty,  
19 because you are guilty or is there some other reason?

20 THE DEFENDANT: Because I am guilty, Your Honor.

21 THE COURT: All right. Based on your testimony and,  
22 again, with respect to competency of the testimony of  
23 Mr. Danziger, I find that you are competent to enter a guilty  
24 plea, that you understand the consequences of entering a  
25 guilty plea. And based on your testimony, sir, there is a

1 factual basis for you to enter a guilty plea. As I said, you  
2 know, there are various phases, and we're getting to the last  
3 phase where I ask you how you plead. Is there anything that  
4 you want to ask your counsel or tell your counsel or the Court  
5 that may bear on your decision in terms of whether or not to  
6 plead guilty, sir?

7 THE DEFENDANT: No.

8 THE COURT: Do you want to add to, change, or modify  
9 your testimony before this Court here today in any way before  
10 I ask you how you plead, sir?

11 THE DEFENDANT: No.

12 THE COURT: During the course of the proceedings  
13 today, sir, have you had any difficulty understanding what's  
14 been said by any participant?

15 THE DEFENDANT: No, Your Honor.

16 THE COURT: Do you feel that you have a clear  
17 understanding of the decision that you're about to make and  
18 the consequences of that decision, sir?

19 THE DEFENDANT: I do.

20 THE COURT: Sir, then, I'm going to ask you how do  
21 you plead with respect to Counts 1, 7, 8, 10, and 27 of the  
22 indictment, sir?

23 THE DEFENDANT: Guilty.

24 THE COURT: You plead guilty to each and every  
25 count, sir?



1 THE DEFENDANT: Yes, sir.

2 THE COURT: All right. Are you doing that freely  
3 and voluntarily without any coercion or intimidation, sir?

4 THE DEFENDANT: I am.

5 THE COURT: Counsel for the parties, are you aware  
6 of any legal reason why the Court should not enter a report  
7 and recommendation to the district court judge that  
8 Mr. Amodeo's desire to enter a guilty plea be accepted?

9 MR. GOLD: No, sir.

10 MR. SLAUGHTER: No, Your Honor.

11 THE COURT: Do you want to add anything further for  
12 the record at this point and time?

13 THE DEFENDANT: No, Your Honor.

14 COUNSEL: No, Your Honor.

15 THE COURT: All right. Sir, I find that your guilty  
16 plea is made competently, it's made freely, knowingly,  
17 intelligently, and voluntarily, it's also supported by a  
18 proper factual basis on your desire to enter a guilty plea is  
19 not the result of any force, threats, coercion, or promises  
20 whatsoever, except those promises expressly set forth in the  
21 plea agreement, therefore, I'm going enter a report and  
22 recommendation to the district judge that your desire to enter  
23 a guilty plea be accepted.

24 Mr. Slaughter, you've indicated that if this was the  
25 outcome of the hearing today, that you would remain in the

1 case?

2 MR. SLAUGHTER: I remain in the case, and we'll  
3 probably bring in additional counsel.

4 THE COURT: Okay, for sentencing?

5 MR. SLAUGHTER: Yes, sir.

6 THE COURT: Okay, very well. If you'd have them  
7 file a notice of appearance, I'd appreciate that.

8 MR. SLAUGHTER: Okay.

9 THE COURT: All pending motions will be denied, and  
10 that would include your motion to continue your appearance on  
11 a limited basis, Mr. Slaughter, okay, so you've now made a  
12 general appearance, okay?

13 MR. SLAUGHTER: Yes.

14 THE COURT: All right.

15 Very well, anything further?

16 MR. GOLD: No, Your Honor. Thank you again for your  
17 accommodation for the parties.

18 MR. SLAUGHTER: Thank you, Your Honor, for your  
19 accommodation.

20 THE COURT: All right.

21 (Hearing concluded at 12:00 p.m.)

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CERTIFICATE

I HEREBY CERTIFY THAT THE FOREGOING IS AN ACCURATE  
TRANSCRIPTION OF PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

Koretta Stanford                      9-30-08

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Koretta Stanford                      Date  
Official Court Reporter  
(407) 872-1715