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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION
HONORABLE JOHN F. WALTER, U.S. DISTRICT JUDGE

- - -

UNITED STATES OF AMERICA,)
)
Plaintiffs,) Case No.
)
vs.) CR-08-1122-JFW
)
TUVIA MILSZTEIN,)
)
Defendant.)
_____)

*REPORTER'S TRANSCRIPT OF
CHANGE OF PLEA
WEDNESDAY, OCTOBER 29, 2008
11:00 A.M.
LOS ANGELES, CALIFORNIA*

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APPEARANCES OF COUNSEL:

FOR THE PLAINTIFF:

THOMAS P. O'BRIEN
United States Attorney
BY: Daniel O'Brien,
Assistant United States Attorney
United States Courthouse
312 North Spring Street
Los Angeles, California 90012

FOR THE DEFENDANT:

LAW OFFICES OF HOCHMAN, SALKIN, RETTIG,
TOSCHER & PEREZ,
Attorney at Law
BY: Edward M. Robbins, Jr.
9150 Wilshire Boulevard, Suite 300
Beverly Hills, California 90212
(310) 281-3200

1 and that you fully understand both your rights and the nature
2 of this proceeding. In order to do so, I'm going to ask you
3 a series of questions and advise you of certain rights. If,
4 at any point in time this morning you don't understand a
5 statement that I've made or a question that I've asked,
6 please tell me and I'll try to make it clearer for you.
7 Also, at any point in time this morning if you want to stop
8 and have a conversation with your lawyer, just let me know
9 and I'll allow you to have that conversation.

10 Do you understand that, sir?

11 THE DEFENDANT: Yes, your Honor.

12 THE COURT: I'm going to ask the Courtroom Deputy to
13 place you under oath.

14 (Whereupon the defendant was then sworn.)

15 THE DEFENDANT: Yes, I do.

16 THE COURT: All right. Do you understand that
17 you're now under oath and if you answer any of my questions
18 falsely, your answer may be used against you later in another
19 prosecution for perjury or for the making of a false
20 statement?

21 (No response.)

22 THE COURT: Do you understand that?

23 THE DEFENDANT: Yes, your Honor.

24 THE COURT: What is your true and correct full name?

25 THE DEFENDANT: Tuvia Milsztein. Also known as Adam

1 Milsztein.

2 THE COURT: How old are you?

3 THE DEFENDANT: I am 56 years old.

4 THE COURT: How many years of school have you
5 completed?

6 THE DEFENDANT: I am finished a Master in Business
7 Administration from the University of Southern California.

8 THE COURT: All right. Are you a United States
9 citizen?

10 THE DEFENDANT: I am.

11 THE COURT: Have you recently been treated for any
12 mental illness or addiction to narcotics?

13 THE DEFENDANT: I am taking the -- anti-depression
14 medication in the last few months, but except for that, I
15 have not, your Honor.

16 THE COURT: All right. Have you taken any of that
17 medication, or drugs, or alcohol within the last 72 hours?

18 THE DEFENDANT: I've taken the anti-depressant, but
19 no alcohol.

20 THE COURT: Does that anti-depressant affect your
21 ability to understand the questions that I'm asking today or
22 your ability to understand the nature of the proceedings this
23 morning?

24 THE DEFENDANT: Not at all, your Honor.

25 THE COURT: All right. Do you suffer from any

1 mental condition that would prevent you from understanding
2 fully the charge against you or the consequence of any guilty
3 plea you may enter to that charge?

4 THE DEFENDANT: No, your Honor.

5 THE COURT: Is there any reason at all why we can't
6 go forward this morning in taking your plea of guilty?

7 THE DEFENDANT: I don't see any, your Honor.

8 THE COURT: All right. Counsel, have you had an
9 opportunity to speak with your client immediately prior to
10 this proceeding?

11 MR. ROBBINS: I have, your Honor.

12 THE COURT: Do you have any reason to believe your
13 client is not competent to enter his plea of guilty at this
14 time?

15 MR. ROBBINS: I have no reason.

16 THE COURT: Is there any reason why we can't go
17 forward in taking your client's plea?

18 MR. ROBBINS: There is no reason.

19 THE COURT: Is it your opinion your client is in
20 full possession of his faculties?

21 MR. ROBBINS: That's my opinion, your Honor.

22 THE COURT: You've been charged in the Information
23 with a violation of Title 21, United States Code Section
24 7201, tax evasion --

25 MR. ROBBINS: Excuse me, your Honor, Title 26.

1 THE COURT: Title 26. Thank you. Title 26, United
2 States Code Section 7201, tax evasion, and each of those
3 counts are felonies.

4 Have you been provided with a copy of the
5 Information?

6 THE DEFENDANT: Yes, your Honor.

7 THE COURT: Now, I'm going to ask the Assistant
8 United States Attorney, Mr. O'Brien, to tell us what the
9 elements of the offense that's charged in the Information
10 are.

11 MR. O'BRIEN: The elements of the offense are
12 contained on Paragraph 3 of the plea agreement, and they are
13 first, that a federal income tax was due from defendant in
14 addition to that declared in the defendant's federal income
15 tax return.

16 Second, that defendant knew that a federal income
17 tax was due from defendant in addition to that declared in
18 defendant's federal income tax return.

19 Third, the defendant made an affirmative attempt to
20 evade or defeat the additional federal income tax.

21 Fourth, in attempting to evade or defeat such
22 additional federal income tax, the defendant acted willfully,
23 that is voluntarily and intentionally with the purpose of
24 violating a known legal duty.

25 THE COURT: All right. Do you understand the nature

1 of the charge against you?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: Has your attorney discussed with you
4 each of the elements of the offense?

5 THE DEFENDANT: He did, your Honor.

6 THE COURT: Do you have any questions about the
7 charge against you?

8 THE DEFENDANT: No, your Honor.

9 THE COURT: Now, I -- counsel, I have a conformed
10 copy of a Waiver of Indictment that was filed on October 6th,
11 2008. It was signed by you and your client on -- looks like
12 September 18th, 2008. Is -- was that waiver signed by you
13 and your client and filed with the Magistrate Judge?

14 MR. ROBBINS: It was, your Honor.

15 THE COURT: Did your client waive his right to be
16 charged by a grand jury before the Magistrate Judge on that
17 date, and was that waiver accepted?

18 MR. ROBBINS: Yes, it was, your Honor. And yes, he
19 did so waive.

20 THE COURT: All right. Based on the Waiver of
21 Indictment signed by the defendant and his counsel and
22 accepted by Magistrate Lum on October 6th, 2008, I will also
23 find that his waiver of his right to be charged by an
24 indictment of the grand jury is knowingly and voluntarily
25 made and it is accepted.

1 Now, in addition to the right to be charged by an
2 indictment of the grand jury, you have a number of other
3 Constitutional Rights that you'll be giving up today if you
4 plead guilty. You have a right to a speedy and public trial.
5 You have the right to be tried by a jury. Alternatively, you
6 have the right to waive a jury trial and be tried by the
7 Court. In either case, you have the right to persist in your
8 not guilty plea.

9 You have the right to be presumed innocent, and you
10 have the right to have the government prove your guilt beyond
11 a reasonable doubt.

12 You have the right to be represented by an attorney
13 throughout the proceedings, and if you cannot afford an
14 attorney, one will be appointed free of charge.

15 You have the right to confront and cross-examine all
16 witnesses called to testify against you. You also have the
17 right to present witnesses on your own behalf and to have
18 witnesses subpoenaed to testify.

19 You also have a privilege against
20 self-incrimination, which is the right to remain silent.
21 However, by pleading guilty this morning, you'll be waiving
22 that right because at some point during the course of these
23 proceedings you're going to be incriminating yourself.

24 You have the right to testify on your own behalf,
25 but you cannot be compelled to testify or incriminate

1 yourself in any way. If you do not testify, that fact cannot
2 be used against you at trial.

3 In the event of a conviction after trial, you have
4 the right to appeal that conviction and sentence.

5 Have you discussed each of these rights with your
6 attorney?

7 THE DEFENDANT: I did, your Honor.

8 THE COURT: Would you like to have any additional
9 time to discuss any of these rights with your attorney?

10 THE DEFENDANT: No, I'm ready to proceed.

11 THE COURT: Do you understand that you have each of
12 these rights, and if you enter a plea of guilty and I accept
13 your plea, you'll be giving up the right to a trial and the
14 other rights I've just described to you?

15 THE DEFENDANT: I understand, your Honor.

16 THE COURT: Do you give up these rights?

17 THE DEFENDANT: I do, your Honor.

18 THE COURT: Counsel, are you satisfied that each of
19 your client's waivers are knowingly and voluntarily made?

20 MR. ROBBINS: I'm satisfied, your Honor.

21 THE COURT: Do you join in and concur in each of the
22 waivers made by your client?

23 MR. ROBBINS: I join.

24 THE COURT: As we discussed earlier, you've been
25 charged with a violation of Title 26 United States Code

1 Section 7201. Have you been advised of the maximum penalty
2 provided by law for the offenses to which you now offer your
3 plea of guilty?

4 THE DEFENDANT: I did, your Honor.

5 THE COURT: I'm going to ask the government to tell
6 us what the statutory maximum punishment for this offense is,
7 including all authorized terms of supervised release,
8 applicable fines, special assessments, and whether or not a
9 restitution order is available in this case.

10 MR. O'BRIEN: Yes. The maximum penalty the
11 defendant faces for each violation of Section 7201 is five
12 years imprisonment, a three-year period of supervised
13 release, a fine of \$250,000 or twice the gross gain or gross
14 loss resulting from the offense, whichever is greatest, and a
15 mandatory special assessment of \$100.

16 The Court may also order defendant to pay any
17 additional taxes, interest, and penalties that defendant owes
18 to the United States.

19 Also, the Court must order the defendant to pay the
20 cost of prosecution, which may be in addition to the
21 statutory maximum fine stated above.

22 Thus, the total maximum sentence the defendant could
23 receive by pleading guilty to the two counts in the
24 Information is ten years imprisonment, a three-year period of
25 supervised release, a fine of \$500,000 or twice the gross

1 gain or gross loss resulting from the offense, whichever is
2 greatest, a mandatory special assessment of \$200, and any
3 additional taxes, interest, and penalties the defendant owes
4 to the United States and the cost of prosecution.

5 The defendant should be aware that supervised
6 release is --

7 THE COURT: I'll go into the supervised release.

8 MR. O'BRIEN: Okay.

9 THE COURT: Do you understand there's no parole, and
10 if you're sentenced to prison, you'll not be released on
11 parole?

12 THE DEFENDANT: I do, your Honor.

13 THE COURT: You'll be subject to supervised release
14 for a number of years after you're released from any prison
15 sentence. Do you understand if you violate the terms and
16 conditions of your supervised release, you could be given
17 additional time in prison?

18 THE DEFENDANT: I do, your Honor.

19 THE COURT: If you're on probation, parole, or
20 supervised release for another offense, your plea in this
21 case could result in a violation of the terms of that
22 probation, parole, or supervised release.

23 Do you understand this?

24 THE DEFENDANT: I do, your Honor.

25 THE COURT: Now, you're going to be sentenced under

1 the Sentencing Reform Act of 1984. However, I want to advise
2 you that I am not required to impose a sentence within the
3 range established by the United States Sentencing Guidelines.
4 The guidelines are now merely advisory, and I'm free to
5 exercise my discretion to impose any sentence I deem
6 appropriate up to the maximum sentence set by statute set for
7 the crimes of conviction.

8 Do you understand this?

9 THE DEFENDANT: I do, your Honor.

10 THE COURT: Now, do you also understand that in
11 determining your sentence, the Court will calculate and
12 consider the applicable sentencing guideline range, any
13 possible upward or downward departures authorized under the
14 sentencing guidelines, and certain other statutory sentencing
15 factors set forth in Title 18 United States Code Section
16 3553(a). Do you understand that?

17 THE DEFENDANT: I do, your Honor.

18 THE COURT: Have you discussed the sentencing
19 guidelines and other factors that the Court will consider in
20 determining your sentence with your attorney?

21 THE DEFENDANT: I did, your Honor.

22 THE COURT: Has he explained to you how the
23 sentencing guidelines and other factors will be used to
24 determine your sentence?

25 THE DEFENDANT: He did.

1 THE COURT: Do you understand that the Court will
2 not be able to determine the guideline range or the actual
3 sentence for your case until a Presentence Report has been
4 prepared by the Probation Department and you and the
5 government have had an opportunity to review the report and
6 file any objections you may have to that report?

7 THE DEFENDANT: I understand, your Honor.

8 THE COURT: Do you understand that for all of these
9 reasons, neither your attorney nor I can tell you today what
10 your sentence will be?

11 THE DEFENDANT: I understand, your Honor.

12 THE COURT: Do you understand that if I impose a
13 sentence that's more severe than you anticipate, you will not
14 be able to withdraw your guilty plea?

15 THE DEFENDANT: I understand, your Honor.

16 THE COURT: Do you understand the maximum sentence
17 that you can receive, as well as the potential fine, cost of
18 prosecution, and restitution that I may order in the event I
19 accept your plea of guilty?

20 THE DEFENDANT: I understand.

21 THE COURT: Do you have any questions about the
22 sentence?

23 THE DEFENDANT: No, your Honor.

24 THE COURT: All right. Now, a plea agreement has
25 been filed in this case. Have you read the plea agreement

1 and discussed all of the terms of the plea agreement with
2 your attorney?

3 THE DEFENDANT: I did, your Honor.

4 THE COURT: Did you sign the plea agreement?

5 THE DEFENDANT: I did, your Honor.

6 THE COURT: Did you understand the plea agreement
7 and all of its terms?

8 THE DEFENDANT: I understood -- I understand the
9 plea agreement.

10 THE COURT: Would you like to have any more time to
11 discuss any aspect of the plea agreement with your attorney?

12 THE DEFENDANT: No. It's not necessary, your Honor.

13 THE COURT: Now, as part of the plea agreement, the
14 government may have made certain recommendations or
15 agreements concerning your sentence, but I want you to
16 understand I'm not a party to this agreement, which means
17 that I'm not going to be bound by any sentencing
18 recommendations or agreements which are set forth in the plea
19 agreement, which means that if I impose a sentence that's
20 more severe than you anticipate under your plea agreement,
21 you'll not be able to withdraw your guilty plea. Do you
22 understand that?

23 THE DEFENDANT: I understand, your Honor.

24 THE COURT: All right. Now, Paragraph 21 of the
25 plea agreement also contains a waiver of your right to appeal

1 any sentence imposed by the Court. I'm going to ask the
2 prosecutor to read the provisions of that paragraph into the
3 record.

4 MR. O'BRIEN: Paragraph 21 reads as follows:

5 Defendant gives up the right to appeal any sentence
6 imposed by the Court, and the manner in which the sentence is
7 determined, provided that the Court imposes a sentence within
8 or below the range corresponding to a total offense level of
9 10 or lower.

10 Defendant also gives up any right to bring a
11 post-conviction collateral attack on the conviction or
12 sentence except a post-conviction collateral attack based on
13 a claim of ineffective assistance of counsel, a claim of
14 newly discovered evidence, or an explicitly retroactive
15 change in the applicable sentencing guidelines, sentencing
16 statutes, or statutes of conviction.

17 Notwithstanding the foregoing, defendant retains the
18 ability to appeal any restitution order inconsistent with
19 this agreement, the conditions of any probation or supervised
20 release imposed by the Court, with the exception of the
21 following: Standard conditions set forth in the District
22 Court General Orders 318 and 01-05, the drug testing
23 conditions mandated by Title 18 United States Code Sections
24 3563(a)(5) and 3583(d), and the alcohol and drug use
25 conditions authorized by Title 18 United States Code Section

1 3563(b) (7) .

2 THE COURT: All right. Do you understand that by
3 entering into this plea agreement and pleading guilty this
4 morning, you've agreed to give up your right to appeal any
5 sentence you receive in accordance with the terms of your
6 plea agreement?

7 THE DEFENDANT: I do, your Honor.

8 THE COURT: Did you discuss waiving your right to
9 appeal with your attorney?

10 THE DEFENDANT: I did, your Honor.

11 THE COURT: Based on his advice and having
12 considered the matter, do you wish to give up your right to
13 appeal on the terms and conditions set forth in the plea
14 agreement?

15 THE DEFENDANT: I do, your Honor.

16 THE COURT: Counsel, are you satisfied that your
17 client's waiver of his appellate rights is knowingly and
18 voluntarily made, and do you join in and concur in your
19 client's right -- your client's waiver of his right to
20 appeal?

21 MR. ROBBINS: Yes. I'm satisfied with the waiver,
22 and I join in the waiver.

23 THE COURT: Do you understand that a guilty plea may
24 deprive you of valuable government benefits and valuable
25 civil rights, such as the right to vote, the right to hold

1 public office, the right to serve on a jury, and the right to
2 possess any kind of a firearm?

3 THE DEFENDANT: I do, your Honor.

4 THE COURT: Have any promises, representations, or
5 guarantees been made to you in exchange for your pleas of
6 guilty, other than those that appear in the plea agreement?

7 THE DEFENDANT: No, your Honor.

8 THE COURT: Has anyone made any threats or used any
9 force against you or any member of your family in order to
10 get you to plead guilty?

11 THE DEFENDANT: No, your Honor.

12 THE COURT: Are you pleading guilty voluntarily and
13 of your own freewill?

14 THE DEFENDANT: I do, your Honor.

15 THE COURT: Other than what's contained in the
16 written plea agreement, and other than a general discussion
17 with your attorney of the sentencing guidelines and other
18 factors that the Court will consider in determining your
19 sentence, has anyone made you any promise of leniency, a
20 particular sentence, probation, or any other inducement of
21 any kind in order to get you to plead guilty?

22 THE DEFENDANT: No, your Honor.

23 THE COURT: Have you been told by anyone what
24 specific sentence the Court would impose in the event I
25 accept your pleas?

1 THE DEFENDANT: No, your Honor.

2 THE COURT: Have you told your attorney all of the
3 facts and circumstances surrounding any statement, confession
4 that was obtained from you in connection with this case?

5 THE DEFENDANT: Absolutely, your Honor.

6 THE COURT: All right. Now, I'm going to ask the
7 prosecutor to make an offer of proof as to what facts the
8 government would prove if this case went to trial on Counts
9 One and Two of the Information. I'm going to ask you to
10 please listen very carefully, because I'm going to ask you
11 questions about what the prosecutor says in his offer of
12 proof.

13 MR. O'BRIEN: If this case went to trial, the
14 government would demonstrate the facts that are laid out in
15 Paragraph 9 of the plea agreement, which reads as follows:

16 During 2005 and 2006, defendant made contributions
17 to a variety of charitable organizations, including those
18 operating under the umbrella of Spinka, a religious group
19 within Orthodox Judaism. Defendant claims charitable
20 contribution deductions of \$2,034,184 on his 2005 individual
21 income tax return, and \$3,110,375 on his 2006 individual
22 income tax return.

23 Contributions to Spinka-related entities, declared
24 on defendant's 2005 tax return, totaled \$120,000, as follows:

25 Congregation Aguduf Chasidie Spinka \$20,000,

1 Congregation Chakal Yitzchok \$20,000, Kollel Ner Levrohom
2 \$20,000, Machne Sva Rotzohn \$20,000, Mifal Hachessed \$20,000,
3 Yeshiva Imrei Yosef \$20,000.

4 Contributions to Spinka-related entities, declared
5 on defendant's 2006 tax return, totaled \$50,000, as follows:
6 Congregation Chakal Yitzchok \$18,000, Machne Sva Rotzohn
7 \$18,000, Yeshiva Imrei Yosef \$14,000.

8 The total amount of contributions to Spinka-related
9 entities declared on defendant's tax returns for the years
10 2005 and 2006 was \$170,000.

11 Defendant received kickbacks on all his
12 Spinka-related contributions in the amount of 90 percent in
13 the form of cash payments totaling \$153,000.

14 Defendant knowingly and willfully accepted the
15 kickbacks and filed his own tax returns for 2005 and 2006,
16 affirmatively claiming the inflated contribution amounts set
17 forth above for the purpose of tax evasion.

18 THE COURT: All right. Did you understand
19 everything the prosecutor said?

20 THE DEFENDANT: I did, your Honor.

21 THE COURT: Is everything the prosecutor said about
22 you, about your conduct and intent true and correct?

23 THE DEFENDANT: Correct, your Honor.

24 THE COURT: Did you do what the prosecutor said in
25 his offer of proof?

1 THE DEFENDANT: I did, your Honor.

2 THE COURT: Are you pleading guilty because you, in
3 fact, did the acts charged in the two counts of the
4 Information?

5 THE DEFENDANT: Correct, your Honor.

6 THE COURT: Are you pleading guilty because you're
7 in fact guilty?

8 THE DEFENDANT: Yes, your Honor.

9 THE COURT: Is the government satisfied as to the
10 factual basis for the plea?

11 MR. ROBINSON: Yes, your Honor.

12 THE COURT: Counsel, have you reviewed the facts of
13 the case and all the discovery that was provided to you by
14 the government?

15 MR. ROBBINS: I have, your Honor.

16 THE COURT: Have you reviewed the facts of the case
17 and the discovery with your client?

18 MR. ROBBINS: I have, your Honor.

19 THE COURT: Have you advised your client concerning
20 the legality or admissibility of any statements or
21 confessions or other evidence the government has against him?

22 MR. ROBBINS: Yes, your Honor.

23 THE COURT: Is your client pleading guilty because
24 of any illegally obtained evidence in the possession of the
25 government that you're aware of?

1 MR. ROBBINS: No, your Honor.

2 THE COURT: Did you explore with your client any
3 possible defenses he may have?

4 MR. ROBBINS: I did, your Honor.

5 THE COURT: Do you believe there is a factual basis
6 for the pleas your client is entering?

7 MR. ROBBINS: I believe that, your Honor.

8 THE COURT: Do you believe the pleas are being made
9 freely and voluntarily and with a full understanding of the
10 charges and the consequences of the pleas?

11 MR. ROBBINS: I believe that, your Honor.

12 THE COURT: Now, the written plea agreement
13 indicates it was signed on September 17th, 2008 by you and
14 your client; is that correct?

15 MR. ROBBINS: Yes, we signed it. I'm looking for
16 the date -- yes, your Honor.

17 THE COURT: Did your client sign the plea agreement
18 in your presence?

19 THE DEFENDANT: Yes, your Honor.

20 MR. ROBBINS: Yes, he did.

21 THE COURT: And did you discuss the contents of the
22 plea agreement with your client prior to his signing it?

23 MR. ROBBINS: I did.

24 THE COURT: Have there been any promises,
25 representations, or guarantees made to either you or to your

1 client, other than what's set forth in the written plea
2 agreement, in exchange for your client's pleas of guilty?

3 MR. ROBBINS: No.

4 THE COURT: Other than what's contained in the
5 written plea agreement, and other than a general discussion
6 with your client of the sentencing guidelines and other
7 factors that the Court will consider in determining his
8 sentence, have you made any indication to your client of what
9 specific sentence the Court would impose, or conveyed to your
10 client any promise of a particular sentence in the event I
11 accept his pleas of guilty?

12 MR. ROBBINS: No, your Honor.

13 THE COURT: In your judgment is it in your client's
14 best interest and the interest of justice for me to accept
15 his pleas of guilty?

16 MR. ROBBINS: It is, your Honor.

17 THE COURT: Do you know of any reason why the Court
18 should not accept your client's pleas of guilty?

19 MR. ROBBINS: I know of no reason.

20 THE COURT: Do you join in the waiver of jury trial
21 and concur in the pleas?

22 MR. ROBBINS: I join.

23 THE COURT: Mr. O'Brien, other than what's expressly
24 contained in the written plea agreement, has the government
25 made any other promises, representations, or guarantees

1 either to the defendant or his counsel in exchange for his
2 pleas of guilty?

3 MR. ROBINSON: No, your Honor.

4 THE COURT: All right. Sir, are you fully satisfied
5 with the advice and representation your lawyer's provided you
6 in this matter?

7 THE DEFENDANT: I do, your Honor.

8 THE COURT: Do you feel that he has fully considered
9 any defense you may have to the charges?

10 THE DEFENDANT: I do, your Honor.

11 THE COURT: Do you believe he's fully advised you
12 concerning this matter?

13 THE DEFENDANT: Absolutely, your Honor.

14 THE COURT: Do you feel you've had enough time to
15 discuss your case with your attorney?

16 THE DEFENDANT: I do, your Honor.

17 THE COURT: Has anyone told you you had to answer
18 any of my questions in a particular way in order for the
19 Court to accept your plea of guilty?

20 THE DEFENDANT: No, your Honor.

21 THE COURT: Have you answered all my questions this
22 morning truthfully?

23 THE DEFENDANT: Yes, your Honor.

24 THE COURT: Do you feel you understand everything
25 happening here today, the consequences to you, and that

1 you're competent to make the decision to plead guilty?

2 THE DEFENDANT: I do, your Honor.

3 THE COURT: Do you know of any reason why the Court
4 should not accept your pleas of guilty?

5 THE DEFENDANT: Don't know of any reason.

6 THE COURT: Do you understand that all that's left
7 in your case, in the event I accept your pleas, is the
8 imposition of sentence, which may include imprisonment under
9 the federal guidelines?

10 THE DEFENDANT: I understand, your Honor.

11 THE COURT: Having in mind all that we've discussed
12 regarding your plea of guilty, the rights you'll be giving
13 up, the maximum sentence you might receive, is it still your
14 desire to enter a plea of guilty?

15 THE DEFENDANT: Yes, your Honor.

16 THE COURT: How do you now plead to Count One of the
17 Information, guilty or not guilty?

18 THE DEFENDANT: Guilty, your Honor.

19 THE COURT: How do you now plead to Count Two of the
20 Information, guilty or not guilty?

21 THE DEFENDANT: Guilty, your Honor.

22 THE COURT: Now, I'm going to make certain findings.
23 If you don't understand what I say or disagree with what I
24 say, please interrupt me.

25 The Court, having questioned the defendant and his

1 counsel on his offered pleas of guilty to Counts One and Two
2 of the Information, the defendant and his counsel having
3 advised the Court that they have conferred concerning the
4 offered pleas of guilty and all aspects of the charges
5 against the defendant and any defenses he may have, the Court
6 having observed the defendant's intelligence, demeanor, and
7 attitude while answering questions, and the Court having
8 observed that the defendant does not appear to be under the
9 influence of any medicine, drug, or other substance or factor
10 which might affect his actions or judgments in any manner,
11 the Court finds there is a factual basis for the plea.

12 The Court finds the defendant has entered his plea
13 freely and voluntarily with a full understanding of the
14 charges against him and the consequences of his plea.

15 The Court finds the defendant understands his
16 constitutional and statutory rights and wishes to waive them.
17 Accordingly, the pleas of guilty to Counts One and Two of the
18 Information filed on September 19th, 2008 are accepted and
19 entered.

20 The Clerk's going to give you a date for sentencing,
21 and I direct you to appear on that date and time without
22 further order of the court.

23 THE CLERK: I understand you have a request?

24 MR. ROBBINS: Yes, your Honor. We would
25 respectfully request a date after April 15th. Mr. Milsztein

1 has 40 state and federal -- actually 80 if you count the
2 state and federal, tax returns to file prior to that date and
3 he's kind of under water.

4 THE COURT: Well, it's not my -- I'm not going to go
5 out that far until I see a Presentence Report. So, let's set
6 it down in the normal course, and then you can make an
7 application to continue the sentencing and set out why we
8 need a continuance.

9 MR. ROBBINS: Very well.

10 THE COURT: So, we'll have the normal -- what is it,
11 ten weeks, Shannon?

12 THE CLERK: Yes.

13 MR. ROBBINS: Could you run that out as far as you
14 can?

15 We intend to put together a very comprehensive nice
16 package for probation that's going to require a little bit of
17 time.

18 THE COURT: January 26th, is that date acceptable to
19 your calendar?

20 THE DEFENDANT: Your Honor, my daughter is expecting
21 a son about that week, and then a bris, and so if we can go a
22 little bit farther, it would be appreciated, your Honor.

23 THE COURT: February 9th?

24 MR. ROBBINS: Give me a second, your Honor. This
25 Blackberry has to scroll to February 9th.

1 THE COURT: Is she going to be early or late?

2 MR. ROBBINS: Let's do -- yeah, let's do February
3 9th, that will work.

4 THE COURT: February 9th, 2009 at 9 a.m.

5 And then, as I -- as I've indicated, if you want to
6 file something with the Court to continue that date, I'll
7 certainly consider the reasons.

8 MR. ROBBINS: Thank you, your Honor. I appreciate
9 it.

10 MR. O'BRIEN: Thank you, your Honor.

11 THE COURT: All right. Thank you very much.

12 THE DEFENDANT: Thank you, your Honor.

13 (Whereupon the matter concluded at 11:29 a.m.)

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1 THOMAS P. O'BRIEN
 United States Attorney
 2 CHRISTINE C. EWELL
 Assistant United States Attorney
 3 Chief, Criminal Division
 DANIEL J. O'BRIEN (California Bar #141720)
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8 Attorneys for Plaintiff
 9 United States of America

10 UNITED STATES DISTRICT COURT

11 FOR THE CENTRAL DISTRICT OF CALIFORNIA

12	UNITED STATES OF AMERICA,)	CR No. 08-1122-JFW
)	
13	Plaintiff,)	<u>AMENDED GOVERNMENT'S POSITION RE</u>
)	<u>SENTENCING OF TUVIA MILSZTEIN;</u>
14	v.)	<u>DECLARATION OF</u>
)	<u>DANIEL J. O'BRIEN</u>
15	TUVIA MILSZTEIN,)	
	aka Adam Milstein,)	
16)	
	Defendant.)	Date: April 15, 2009
17)	Time: 10:00 a.m.
)	Courtroom: 16
18	_____)	

19 Plaintiff United States of America, through its attorney of
 20 record, the United States Attorney for the Central District of
 21 California, hereby submits its amended position regarding the
 22 sentencing of defendant Tuvia Milsztein ("Milsztein").

23 The purpose of this amended filing is to correct
 24 typographical errors contained within the Conclusion section of
 25 the previous version.

26 //
 27 //
 28 //

1 This pleading is based upon the pre-sentence report, the
2 plea agreement, the declaration of Daniel J. O'Brien, the
3 government's publically-filed sentencing memoranda filed in
4 connection with the related cases United States v. Uri
5 Mandelbaum, CR 08-805-JFW and United States v. David Hager, CR
6 08-996-JFW, and the files and records of this case.

7 Dated: April 3, 2009 Respectfully submitted,

8 THOMAS P. O'BRIEN
9 United States Attorney

10 CHRISTINE C. EWELL
11 Assistant United States Attorney
12 Chief, Criminal Division

13 /s/ Daniel J. O'Brien
14 DANIEL J. O'BRIEN
15 Assistant United States Attorney
16 Major Frauds Section

17 Attorneys for Plaintiff
18 United States of America
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 The government recommends a three-level downward departure
4 from the Sentencing Guidelines for defendant's extraordinary
5 acceptance of responsibility. Moreover, to address defendant's
6 voluntary payment of back taxes with respect to contributions he
7 made to non-Spinka charities, and his lesser culpability compared
8 to Spinka contributors David Hager and Uri Mandelbaum, the
9 government further recommends that the Court impose a sentence of
10 four-months confinement in a community half-way house.¹

11 **II. BACKGROUND AND TERMS OF THE PLEA AGREEMENT**

12 A. THE SPINKA INVESTIGATION

13 This tax evasion case arose from evidence compiled during
14 the investigation of United States v. Weisz, et al., CR 06-
15 775(C)-JFW, a tax fraud and money laundering scheme through which
16 taxpayers would claim false charitable tax deductions based upon
17 contributions that were reimbursed through an elaborate
18 underground banking network and by international monetary
19 transfers into foreign nominee bank accounts.

20 Early in 2008, as a result of evidence obtained through a
21 Title III wire intercept and from search warrants executed at
22 various locations, the government compiled a list of over 100
23 targets who it believed had contributed to Spinka organizations
24 and had received kickbacks in return.

25 B. INVESTIGATION OF URI MANDELBAUM

26 In February 2008, approximately two months after the arrest
27

28 ¹ The government understands that defendant Milsztein joins
in the government's sentencing recommendation.

1 of the Spinka defendants, the government received an unsolicited
2 call from counsel for Uri Mandelbaum, a Spinka contributor.
3 Mandelbaum's counsel stated that his client had expressed deep
4 remorse for his conduct and wished to take responsibility for the
5 tax fraud he had committed through Spinka entities.

6 The parties eventually reached a plea agreement requiring
7 Mandelbaum to plead guilty to two tax fraud counts, corresponding
8 to the two years as to which the government had compiled
9 substantial evidence, 2005 and 2006. For purposes of the
10 Sentencing Guidelines, the parties agreed that the loss should be
11 limited to the contributions Mandelbaum had made, plus those he
12 bundled on behalf of other participants in the scheme, during
13 those two years. In order to accept responsibility and provide
14 full restitution, however, Mandelbaum also disclosed details of
15 his own involvement in the Spinka scheme in the years preceding
16 2005. The parties agreed that a fair estimate of the applicable
17 restitution would be an amount equal to all contributions
18 Mandelbaum made to Spinka organizations within the past six
19 years. Furthermore, in return for defendant's extraordinary
20 acceptance of responsibility, the government agreed to recommend
21 a downward departure of three levels from the Sentencing
22 Guidelines.

23 Both parties were interested in the possibility that by
24 entering into such an agreement, many similarly situated
25 contributors would request similar pre-indictment dispositions
26 and that many of the 100 plus cases could be resolved in an
27 efficient manner. The Mandelbaum disposition did not have the
28

1 intended effect on other contributors, at least not in scope.

2 C. INVESTIGATION OF DAVID HAGER

3 In May 2008, the government issued investigatory subpoenas
4 relating to approximately one third of the previously identified
5 targets. Some of these subpoenas were issued to David Hager, a
6 Spinka contributor, and his tax preparer. In June 2009, after
7 the issuance of the subpoenas, the government received contact
8 from Hager's counsel who indicated an interest in engaging in a
9 pre-indictment disposition with the government along the lines of
10 Mandelbaum. The government agreed.

11 D. INVESTIGATION OF MILSZTEIN

12 Evidence obtained regarding Hager included wiretap evidence
13 in which Weisz and Zigelman discussed on multiple occasions
14 Hager's contributions, kickbacks, and reimbursement rate, and a
15 call between Hager and Zigelman in which Hager informed Zigelman
16 that he would be sending in a check from one of his partners.
17 Evidence obtained from a search warrant executed at the residence
18 of Zigelman included handwritten accounting records showing
19 contributions, kickbacks, and profit calculations concerning
20 Hager's contributions and contributions he had bundled on behalf
21 of his business partners for the years 2005 and 2006.

22 Using publicly-available resources, the government was able
23 to "link up" some of the kickbacks associated with Hager in
24 Zigelman's notes to other Spinka contributors, including
25 defendant Milsztein.

26 In June or July 2008, the government received a telephone
27 call from counsel for defendant Milsztein with respect to
28

1 Milsztein entering into a plea agreement with the government. As
2 in the case of the Mandelbaum and Hager agreements, the parties
3 agreed to a plea of guilty to two tax fraud counts, and the loss
4 figure was limited to those contributions Milsztein had made
5 during those two years only, 2005 and 2006. Milsztein proffered
6 information conceding his involvement in the Spinka scheme in
7 previous years and agreed to make restitution.² In return, the
8 government agreed to recommend a downward departure of three
9 levels from the sentencing guidelines.

10 **III. THE GOVERNMENT RECOMMENDS A THREE-LEVEL SENTENCING GUIDELINE**
11 **REDUCTION FOR EXTRAORDINARY ACCEPTANCE OF RESPONSIBILITY**

12 The Pre-Sentence Report argues that the three-level downward
13 departure for extraordinary acceptance agreed to by the parties
14 in the plea agreement is not appropriate under the revised
15 sentencing guidelines. The government stands by its plea
16 agreement and recommends the downward departure. In the
17 alternative, the government believes that the same objectives can
18 be accomplished through a Booker-type variance.

19 The departure or variance is appropriate given Milsztein's
20 voluntary disclosure of criminal conduct exceeding that which was
21 known to the government; his voluntary production of documents
22 that pertain to his participation in the scheme to evade the
23

24
25 ² The assertion by Milsztein and others that it is a sin to
26 recount another's misdeeds is not absolute. There are different
27 interpretations of this concept depending upon which Talmudic
28 scholar is consulted. For example, some rabbinical authorities
state that this belief system does not apply to providing
information to democratic, non-oppressive governments. See
<http://www.come-and-hear.com/editor/moser-broyde/index.html>.

1 payment of taxes; and his entry into this plea agreement at such
2 an early stage of the government's investigation. The departure
3 or variance results in a Sentencing Guideline range of four to
4 ten months.

5 The government recommends that the Court impose a
6 probationary sentence with the condition that defendant spend
7 four months in a half-way house and pay the costs of this
8 community confinement. Forbearance from imposing a prison
9 sentence is appropriate (1) to acknowledge Milsztein's voluntary
10 payment of back taxes, not required by the terms of the plea
11 agreement, that address kickbacked contributions Milsztein issued
12 to non-Spinka charitable organizations, and (2) to differentiate
13 Milsztein's sentence from the six-month custodial sentences
14 imposed against Hager and Mandelbaum, both of whom solicited and
15 bundled contributions from other individuals. Milsztein is best
16 characterized as a "bundlee" as he did not solicit others to join
17 in the scheme and merely issued contributions on his own behalf.

18 **IV. DEFENDANT'S HISTORY AND CHARACTERISTICS**

19 The pre-sentence report details Milsztein's history of
20 engaging in charitable endeavors. The government has no
21 information that brings these facts into question. The
22 government's only reservation is that when the defense speaks of
23 Milsztein's charitable giving, there is an obvious concern that
24 much of his philanthropy appears to have been merely a device to
25 defraud the government.

26 **V. NATURE AND CIRCUMSTANCE OF THE OFFENSE**

27 The criminal acts alleged in this case are quite serious.
28

1 This is not an isolated violation of the tax laws. Spinka
2 operates a criminal tax fraud, money laundering, and underground
3 banking organization that involved fraud in the hundreds of
4 millions of dollars. Defendant Milsztein's participation in this
5 crime was significant and sustained. He engaged in the scheme
6 for multiple years and received kickbacks, in 2005 and 2006
7 alone, totaling \$170,000 dollars.

8 **VI. NEED FOR SENTENCE TO SATISFY PURPOSES OF SENTENCING**

9 A. JUST PUNISHMENT

10 The probation officer has recommended a sentence of three-
11 years probations with six-months home confinement, 150 hours of
12 community service, and a \$30,000 fine.

13 The government believes that a sentence of four-months in a
14 community halfway house would more adequately punish the offense
15 and generally deter the public. Milsztein is an extremely
16 wealthy man. He lives in a spacious 5000-square-foot home in the
17 Encino Hills equipped with a swimming pool and other luxuries.
18 Permitting Milsztein to continue his routine of working outside
19 of the home and his ability to return home to such comforts is
20 not adequately punitive. The fine cannot be considered a
21 significant sanction, given his net worth in the amount of
22 \$147,000,000. Moreover, Milsztein already spends a large amount
23 of his time engaging in community service. Such efforts are, of
24 course, admirable, but they cannot be accurately deemed to be
25 punishment when they are routinely undertaken by choice.

26 B. DETERRENCE

27 Given the scope of this scheme, effectuating general
28

1 deterrence should be of paramount importance. There is
2 substantial evidence that this scheme is far reaching and
3 widespread. According to the informant, the tax fraud and
4 underground banking network is a tradition engaged in by a number
5 of Hasidic groups. (See Exhibit One to Government's Sentencing
6 Memorandum filed in connection with related case United States v.
7 Uri Mandelbaum, CR 08-805-JFW.) Public news reports similarly
8 indicate that this tax fraud scheme, money laundering, and hawala
9 banking network is widely engaged in by Hasidic rabbinical
10 organizations other than Spinka. See, e.g., Nurit Roth, "Chabad
11 Leaders Arrested For Alleged Theft, Money Laundering,"
12 Haaretz.com (Nov. 15, 2007) (available at
13 <http://www.haaretz.com/hasen/spages/924248.html> Rampant fraud of
14 this type needs to be addressed with significant punishment.

15 This case may represent a rare opportunity to deter this
16 type of rampant fraud. This is true largely due to the secret
17 nature of the organization. Many of its members, including
18 Milsztein, subscribe to the belief that it is a sin to inform on
19 a fellow Jew, even when engaged in the commission of a crime in a
20 free and democratic country like the United States. Under such
21 circumstances, the relatively few who are caught and convicted
22 need to provide an example to the community that such behavior
23 carries with it not only enormous profits, but serious costs.

24 C. PROPORTIONALITY OF SENTENCING

25 On March 2, 2009, the Court sentenced Hager to a term of
26 imprisonment of six months, a fine of \$30,000, and 1500 hours of
27 community service.

28

1 On March 23, 2009, the Court sentenced Mandelbaum to a term
2 of imprisonment of six months, a fine of \$50,000, and 1200 hours
3 of community service.

4 After factoring in a three-level sentencing reduction as
5 contemplated by the plea agreement, Milszstein's sentencing range
6 would be four to ten months imprisonment based upon an offense
7 level of eight.

8 Milszstein should receive a sentence less than that received
9 by Mandelbaum and Hager. The loss amounts involved in
10 Milszstein's case is less, and Milszstein did not solicit or bundle
11 contributions from other contributors in furtherance of the
12 scheme. In addition, unlike Mandelbaum, Milszstein has paid to
13 the IRS back taxes relating to contributions he made to non-
14 Spinka charities which was not required by the terms of the plea
15 agreement.

16 **VI. CONCLUSION**

17 A tax fraud of this scope merits significant punishment.
18 Milszstein's willingness to accept responsibility for his conduct
19 merits a significant reduction. A balance must be struck between
20 these two competing concerns.

21 The government submits that the following guideline
22 calculations are applicable:

23 Base offense level (53,550 tax loss)	= 14
24 Acceptance of responsibility	= -2
25 Extraordinary Acceptance	= -3
26 Subtotal	= 9

27 The government recommends that the Court sentence defendant
28

1 Milsztein to three years probation, with conditions that he spend
2 four-months in a community half way house, pay the costs of this
3 community confinement, perform 600 hours of community service,
4 and pay a fine of \$30,000.

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Adam Milstein

From: Jonathan Missner, AIPAC Director of National Affairs and Development
[membership@aipacmail.org]
Sent: Friday, March 20, 2009 9:15 AM
To: Adam Milstein
Subject: Join AIPAC in Israel & Jordan in November



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Tentative Itinerary*

<p>Israel</p> <p>Sunday, November 8 Morning: Arrival in Israel Evening: Welcome to Jerusalem Overnight: The David Citadel Hotel</p> <p>Monday, November 9 Morning: Opening breakfast orientation</p>	<p>Jordan</p> <p>Sunday, November 15 Morning: Depart for Jordan Late Morning: Tour Petra Evening: Casual dinner in Amman Overnight: Four Seasons Hotel in Amman</p> <p>Monday, November 16</p>
---	---

Afternoon: Meet leading defense and strategic experts. Visit Israeli-Palestinian crossings
Evening: Get to know Israel's newest leaders

Tuesday, November 10

Morning: Palestinian Perspective
Afternoon: Meet America's Ambassador to Israel
Evening: Private performance with leading Israeli entertainer

Wednesday, November 11

Morning: Meet with Israel's Prime Minister. Briefing at Ministry of Defense
Afternoon: Talk with Tel Aviv's Mayor
Evening: Taste of Israeli Culture
Late Evening: Return to Jerusalem

Thursday, November 12

Early Morning: Depart for the Negev
Mid Morning: Meet Sderot residents
Afternoon: Tour military bases
Early Evening: Arrive in the southern port city of Eilat
Overnight: Isrotel Royal Beach in Eliat

Friday, November 13

Daytime: Enjoy the sun and sea. Choose from a range of activities
Early Evening: Kabbalat Shabbat. Welcome the Sabbath

Saturday, November 14

Daytime: Private Touring Options
Evening: Special Mission Dinner

Morning: Meet Israel's Ambassador to Jordan
Afternoon: Private discussions with senior diplomatic officers
Evening: Dine with the U.S. Ambassador to Jordan

Tuesday, November 17

Morning: Tour ancient city of Jerash
Evening: Dinner at Four Seasons Hotel

Wednesday, November 18

Morning: Explore Amman before departing for Jerusalem via the Allenby Bridge
Evening: Closing Dinner in Jerusalem
Late Evening: Depart for the United States

** Itinerary subject to change*

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tentative itinerary



ISRAEL

Sunday, November 8

Arrival in Israel

Evening: Welcome to Jerusalem

Reception with the Honorable Nir Barkat, Mayor of Jerusalem

Overnight: The David Citadel Hotel

Monday, November 9

Morning: Opening Breakfast Orientation

Meet with AIPAC's Jerusalem staff for a briefing about the latest developments in Israel and around the region.

The Big Picture

A senior government minister reviews Israel's foreign policy agenda and the country's strategic concerns

Noon: Up Close

Visit the crossings between Israel and the Palestinian territories. Meet with Israeli Defense Ministry officials



responsible for operating the crossings and with Palestinian Authority (PA) officials overseeing PA economic development.

Afternoon: The Threat from Iran

A panel of leading defense and strategy experts discuss Israel's response options to a nuclear Iran.

Evening: New Names to Know

Enjoy dinner with Israel's rising political stars who represent the country's governing coalition as well as opposition parties.

Tuesday, November 10

Morning: Palestinian Perspective

A senior official from the Palestinian Authority discusses his private thoughts and hopes for the future.

Touring Tutorials

Choose from among several visits to unique cultural sites with the scholars who study them closest to gain an in-depth understanding and new knowledge of the history of the land.

Afternoon: Future Shock

Choose among several fascinating examples of Israeli innovation to learn how the country has become the world's incubator of discovery.

Diplomatic Discussion

America's ambassador to Israel hosts us for coffee and conversation about the latest news shaping the U.S.-Israel relationship.

Evening: Comic Relief

Unwind and enjoy gourmet fare, vintage wines and a truly memorable evening with the country's leading philosopher/comic as he offers his own unique insights about life in Israel.



Wednesday, November 11

Morning: Head of State

Meet with Israel's Prime Minister for a closed-door briefing and candid discussion.

Noon: Power Lunch

Travel to the Ministry of Defense in Tel Aviv for lunch with senior defense establishment officials as they share their perspective on regional threats to Israel and American interests abroad.

Afternoon: Toast the Town

Tel Aviv's mayor hosts a celebration marking the city's 100th anniversary.

Evening: Taste of Israeli Culture

Choose between a behind the scenes tour of the Tel Aviv Museum or a concert at Habima National Theatre.

Late Evening: Return to Jerusalem

Thursday, November 12

Depart for the Negev

Mid-Morning: Within Range

Meet with residents of Sderot to hear how they withstood Hamas terror and what life is like today.

Afternoon: Boots on the Ground

Meet with members of the IDF and tour the military bases where sophisticated technology and brave soldiers keep the country safe.

Early evening: Arrive in the southern port city of Eilat

Enjoy a festive dinner and entertainment.

Overnight: Isrotel Royal Beach in Eilat

Friday, November 13

Sun and Sea

Choose from a host of activities, including a half-day hike, a visit to a nearby kibbutz, a tour of Timna National Park or enjoy the



beaches and explore some of the area's shops and cafés.

Early evening: Kabbalat Shabbat

Welcome the Sabbath

Followed by a seaside dinner with special guests.

Saturday, November 14

Shabbat

Private Touring Options Available

Evening: Dine and Discuss

Relax among friends and recount your favorite moments from the mission so far.

JORDAN

Sunday, November 15

Morning: Depart for Jordan

Head to the border crossing between Israel and Jordan for the next segment of our trip.

Late Morning: Tour Petra

This ancient Nabatean city is one of the oldest sites in the world and among the most stunning settings imaginable.

Evening: Casual Dinner in Amman

Overnight: Four Seasons Hotel in Amman

Monday, November 16

Morning: Diplomatic Discussion

Meet with Israel's ambassador to Jordan to gain a deeper understanding of the relationship between the two countries.

In Memory

Participate in a private wreath-laying ceremony at the graveside of Jordan's King Hussein.

Afternoon: Information and Insights

Take part in off-the-record discussions with senior officials at the Foreign and Defense Ministries.

Evening: The Ambassador's Dinner

Join us for an elegant evening with the United States' ambassador to Jordan.

Tuesday, November 17

Morning: Looking to the Future

Engage in meetings with senior Jordanian government officials.

Afternoon: Tour of Jerash

From colonnaded streets to grand plaza theatres, Jerash is home to one of the largest and most well-preserved sites of Roman architecture in the world.

Evening: Dinner at Four Seasons Hotel

Wednesday, November 18

Explore Amman before departing for Jerusalem via the Allenby Bridge.

Closing Dinner in Jerusalem

Depart for the United States



*Itinerary subject to change.

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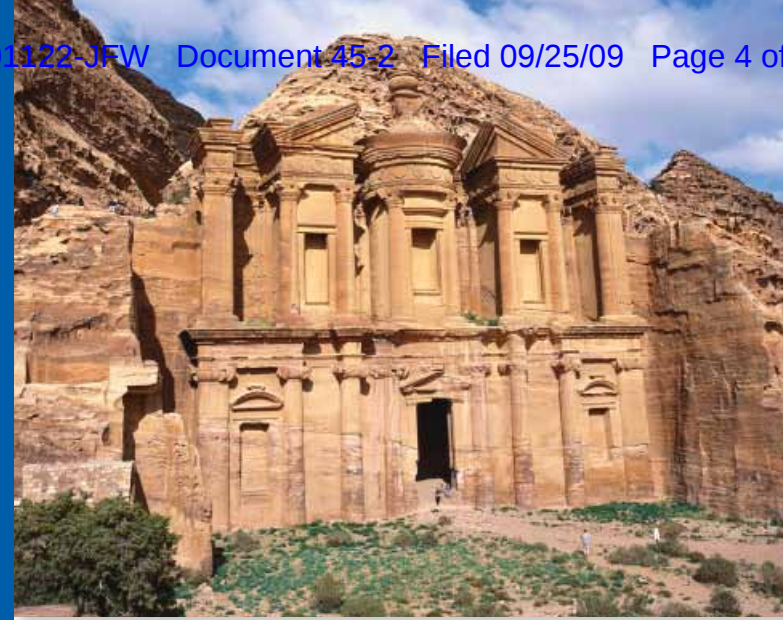
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TRAVEL REQUEST FORM

This form must be fully completed and submitted to the Probation Officer with all necessary travel documentation. Unless it is authorized by your conditions of release, traveling out of the district while on supervision is a privilege, not a right. All travel is subject to the prior approval of the Probation Officer. **Travel will not be approved if you are participating in a drug aftercare program or if you have an outstanding Court-ordered financial obligation such as a fine and/or restitution.** A written request for travel within the United States and its territories must be submitted at least two weeks prior to departure. Travel outside the United States requires a written request four weeks prior to departure. Travel restrictions imposed by other districts will be honored by the Central District of California.

Assigned Officer: Isaiah Muro

Date of Request: 05/11/2010 Name: Adam Milstein aka Tuvia Milsztein

Address: 4224 Hayvenhurst Drive, Encino, CA 91436

Telephone Number: (818) 995-4252

Destination: Italy

Departure Date: 07/11/2010 Return date: 07/21/2010

Purpose of Trip: Vacation

Person(s) Traveling With You/Relation: Gila Milstein; wife

ACCOMMODATIONS

Name/Hotel: this is a tour* package through Abercrombie & Kent - confirmation #USA7736 - and has been paid in full Relationship: _____
Address: 1411 Opus Place, #300, Downers Grove, IL 60515

Telephone Number: (630) 725-3400 *destinations include stops in Venice, Florence, Pisa and Rome.

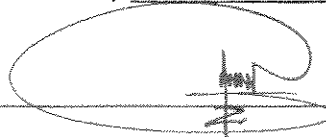
TRANSPORTATION

Vehicle (Make/Model/Color): N/A Plate No.: _____

Name of Registered Owner: _____

Name of Airline/Train: AlItalia Airlines (Booking #YHH6TC)

Flight No. (Departure/Arrival): Flight #621 / Flight #620

Signature:  Date: 05/11/2010

Abercrombie & Kent

Abercrombie & Kent USA, LLC
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 Tel: 630 725 3400 Fax: 630 725 3401
 abercrombiekent.com

CLIENT INVOICE

TRAVEL AGENT: Henry Tzour
 E.T. Travel Inc.
 18981 Ventura Blvd #100A
 Tarzana, CA 91356-3237
 United States

RESERVATION NO: USA7736
 Date Issued: 5/10/2010

TOUR NAME: An Italian Adventure

RESERVED FOR: Mr. Adam Milstein
 Mrs. Gila Milstein

INVOICE SUMMARY		
Price of Services:		\$ 18081.20
Less Payments Received:		
5/10/2010	Credit Card*****3026	\$ 16396.40
Final Payment Due:		
4/12/2010		\$ 1684.80
Balance Due:		\$ 1684.80
Note: All prices in US Dollars Please be advised that this reservation may automatically cancel if payments are not received by the due dates.		

CONFIRMED SERVICES:	QTY	PER PERSON	TOTAL
7/12/2010 to 7/19/2010 An Italian Adventure 12 Jul 2010 Double Occupancy	2	\$ 7540.00	\$ 15080.00
7/19/2010 to 7/21/2010 Grand Hotel Parco Dei Principi - Extra Service Deluxe Double/Twin On Request	2	\$ 390.00	\$ 1560.00
7/21/2010 to 7/21/2010 Departure Transfer (Italy) Transfer On Request	2		\$ 0.00

SERVICES PER PERSON:			
Mr. Adam Milstein	Tour Arrangements	1	\$ 7540.00
	insurance	1	\$ 720.60
	Extra Services	1	\$ 780.00
Mrs. Gila Milstein	Tour Arrangements	1	\$ 7540.00
	insurance	1	\$ 720.60
	Extra Services	1	\$ 780.00

PRICE OF SERVICES: \$ 18081.20

PER PERSON TOTAL:
 Mr. Adam Milstein \$ 9040.60
 Mrs. Gila Milstein \$ 9040.60

Abercrombie & Kent

REMARKS:

IMPORTANT INSURANCE INFORMATION: The initial deposit does not include the insurance premium. If you wish to be covered by our insurance policy, please remit the relevant premium prior to or with final payment. Your insurance premium will be calculated at 8% of the total cost of your tour including any extra services that you may require.

IMPORTANT PRIMARY MEDICAL INSURANCE INFORMATION: The optional primary medical upgrade of \$35.00 per person is included in the premium shown above.

IMPORTANT PRIMARY BAGGAGE INSURANCE INFORMATION: The optional primary baggage upgrade of \$20.00 per person is included in the premium shown above.

An Italian Adventure Cancellation Policy:

90 days or more prior to departure:	\$500 per person
89 to 60 days prior:	20% of the tour price
59 to 30 days prior:	50% of the tour price
29 days or less:	100% of the tour price

Any payment constitutes your acceptance of these terms and conditions as outlined at abercrombiekent.com or in our brochure. Thank you for travelling with Abercrombie & Kent.

Adam Milstein

To: E.T. TRAVEL, INC. (AGENTID01388549)
 Subject: MILSTEIN/GILA & ADAM 11JUL LAX

From: E.T. TRAVEL, INC. (AGENTID01388549) [mailto:emailserver2@pop3.amadeus.net]
 Sent: Monday, May 10, 2010 12:52 PM
 To: Adam Milstein
 Subject: MILSTEIN/GILA 11JUL LAX

MILSTEIN/GILA & ADAM 11JUL LAX

This document is automatically generated.
 Please do not respond to this mail.

INVOICE 0000021044
 DATE 10MAY10
 BOOKING REF YHH6TC
 AGENT LE/LE

MILSTEIN/GILA
 MILSTEIN/ADAM

SERVICE	DATE	FROM	TO	DEPART	ARRIVE
ALITALIA S.P.A.	11JUL	LOS ANGELES CA	ROME	325P	1215P
AZ 621	SUNDAY	INTL	FIUMICINO		12JUL
I BUSINESS		AIRCRAFT:	BOEING 777-200/200ER		
		SEATS 02L/02J	CONFIRMED		
<u>CLICK HERE FOR ROME CITY INFO, TRANSFERS & EVENTS</u>					

ALITALIA S.P.A.	12JUL	ROME	VENICE	120P	225P
AZ 1475	MONDAY	FIUMICINO	MARCO POLO		
Y ECONOMY		AIRCRAFT:	BOEING (DOUGLAS) MD-82		
		SEATS 06A/06C	CONFIRMED		
<u>CLICK HERE FOR VENICE CITY INFO, TRANSFERS & EVENTS</u>					

ALITALIA S.P.A.	21JUL	ROME	LOS ANGELES CA 925A	135P	
AZ 620	WEDNESDAY	FIUMICINO	INTL		
I BUSINESS		AIRCRAFT:	BOEING 777-200/200ER		
		SEATS 03L/03J	CONFIRMED		
<u>CLICK HERE FOR LOS ANGELES CITY INFO, TRANSFERS & EVENTS</u>					

MISCELLANEOUS 30DEC LOS ANGELES CA
 THURSDAY THANK YOU FOR CHOOSING ET TRAVEL-HAIM;RIET
 TRAVEL WILL CHARGE 400.00 USD PER PERSON FOR
 CHANGES;RIOR CANCEL IN ADDITION TO AIRLINE
 PENALTY OF NON REFUNDABLEUSD.

AIR FARE 5576.00	TAX 829.38	AIR TOTAL USD	6405.38
		MISCELANEOUS	494.62
		INVOICE TOTAL USD	6900.00

PAYMENT: AX XXXXXXXXXXXX3026

RESERVATION NUMBER(S) AZ/LAZISZ

ETKT:AZ 055 7862004981 MILSTEIN/GILA
ETKT:AZ 055 7862004982 MILSTEIN/ADAM

*****AIRPORT CHECKIN*****
DOMESTIC 2 HOURINTERNATIONAL 3 HOURS***

FOR YOUR PROTECTION WE RECOMMEND TRAVEL INSURANCE

CLICK THE FOLLOWING LINK TO ACCESS YOUR ONLINE ITINERARY:

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WWW.CHECKMYTRIP.COM/CMTSERVLET?R=YHH6TC&L=US&N=MILSTEIN

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
PROBATION OFFICE

LORETTA S. MARTIN
CHIEF PROBATION OFFICER

600 U. S. COURTHOUSE
312 N. SPRING STREET
LOS ANGELES 90012-4708

PLEASE REPLY TO:

21041 BURBANK BLVD.
SUITE 200
WOODLAND HILLS, CA 91367-6806

TRAVEL REQUEST FORM

This form must be fully completed and submitted to the Probation Officer with all necessary travel documentation. Unless it is authorized by your conditions of release, traveling out of the district while on supervision is a privilege, not a right. All travel is subject to the prior approval of the Probation Officer. Travel will not be approved if you are participating in a drug aftercare program or if you have an outstanding Court-ordered financial obligation such as a fine and/or restitution. A written request for travel within the United States and its territories must be submitted at least two weeks prior to departure. Travel outside the United States requires a written request four weeks prior to departure. Travel restrictions imposed by other districts will be honored by the Central District of California.

Assigned Officer: Isaiah Muro

Date of Request: 08/18/2010 Name: Adam Milstein aka Tuvia Milsztein

Address: 4224 Hayvenhurst Drive, Encino, CA 91436

Telephone Number: (818) 995-4252

Destination: Israel and Egypt

Departure Date: 11/04/2010 * Return date: 11/17/2010

Purpose of Trip: Visiting family in Israel and The Washington Institute For Near East Policy's Trustee Study Tour of Israel and Egypt.

Person(s) Traveling With You/Relation: Gila Milstein; wife

*The Institute's tour begins on 11/07/2010. However, I'm leaving for Israel on 11/04/2010
ACCOMMODATIONS to visit my elderly parents and family in Israel prior to the tour.

Name/Hotel: Tour organized and run thru The Washington Institute For Near East Policy Relationship: SEE ATTACHED ITINERARY AND FLIGHT RESERVATIONS

Address: 1828 L. St., NW, Suite 1050 Washington, DC 20036

Telephone Number: (202) 452-0650

TRANSPORTATION

Vehicle (Make/Model/Color): _____ Plate No.: _____

Name of Registered Owner: _____

Name of Airline/Train: El Al Israel Airlines

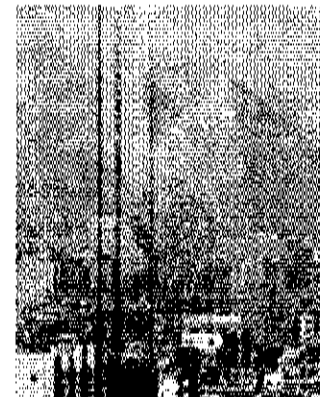
Flight No. (Departure/Arrival): 11/04/10 #6 / 11/16/10 #5

Signature:  Date: August 19, 2010

THE
WASHINGTON INSTITUTE
for Near East Policy

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2010 Study Tour: Notional Itinerary



Trustee Study Tour to Egypt and Israel November 7-16, 2010

We are pleased to announce the proposed schedule for this unique travel opportunity, a trustee-only immersion in Middle East politics and U.S. policy.

To join us, complete the registration form. Space is limited, so please sign up today!

Please Note: The notional schedule below is intended to provide you with an outline of the trip. None of the meetings are confirmed at this time. We will update you as the itinerary develops.

Sunday, November 7 - Monday, November 8

- Participants travel to the region, arriving in Tel Aviv's Ben Gurion Airport on Monday, November 8, in time for the provided charter flight to Egypt
- Arrive in Egypt around 10:00 p.m., Monday, November 8. Wreath-laying at Anwar Sadat's tomb on the way to the Grand Hyatt Cairo

Tuesday, November 9 (Egyptian election day)

- Meeting with U.S. ambassador, Margaret Scobey
- Site visits to polling stations in small groups
- Lunch in Giza, followed by tour of the Great Pyramids and Sphinx
- Return to Grand Hyatt for a special panel discussion with Egyptian liberal activists
- Home hospitality dinners hosted by Egyptian businessmen



Wednesday, November 10

- Meetings and briefings with Egyptian politicians and cabinet members, possibly to include: President Hosni Mubarak, Prime Minister Ahmed Nazif, Foreign Minister Ahmed Aboul Ghait, Arab League secretary-general Amr Mousa, and former director general of the IAEA and Egyptian opposition leader Mohamed ElBaradei
- Evening reception at the American Embassy

Thursday, November 11

- Additional meeting with Egyptian officials
- Panel discussion with students and/or briefing on Egypt's strategy at the Gaza border
- Charter flight to Israel in time for a special dinner; arrive at the David Citadel Hotel

Friday, November 12

- Breakfast with the U.S. ambassador to Israel, James Cunningham
- Site visit to Israeli Palmachim Air Force Base and Urban Warfare Center

**Saturday, November 13**

- Morning briefing with Lafer International Fellow Ehud Yaari (left)
- Late lunch at the American Colony Hotel with Palestinian analysts, including public opinion expert Khalif Shikaki
- Afternoon walking tour of the Old City
- Dinner with Israeli journalists

Sunday, November 14

- Breakfast at the hotel
- Travel to Ramallah for meetings with Palestinian leaders, possibly to include: President Mahmoud Abbas, Prime Minister Salam Fayad, Education Minister Lamis al-Alami, and Religious Affairs Minister Jamal Bawatna
- Dinner with President Shimon Peres



Monday, November 15

- Meetings with high-ranking Israeli officials, possibly to include: Prime Minister Benjamin Netanyahu, Vice Prime Minister Moshe Yaalon, Deputy Prime Minister Dan Meridor, Defense Minister Ehud Barak, and Kadima Party Chairman Tzipi Livni; economic briefing with Stanley Fischer, governor of the Bank of Israel
- Visit to the Knésset
- Site visit to the Kirya, headquarters of the Israel Defense Forces, in Tel Aviv
- Additional Israeli government meetings and evening with former Institute experts

Tuesday, November 16

- Early morning (1:00 a.m.) departure from Tel Aviv to return to the United States

For our reserved seats on roundtrip flights to Tel Aviv, please contact Mosaic Travel directly at 800-524-7726. For more information, visit the trip resource page or contact Kayvan at kayvanc@washingtoninstitute.org or 202-452-0650.

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Adam Milstein

From: ITS A TRIP TRAVEL INC (AGENTID00906399) [emailserver2@pop3.amadeus.net]
Sent: Friday, August 06, 2010 8:14 AM
To: Adam Milstein
Subject: MILSTEIN/ADAM 04NOV LAX

MILSTEIN/ADAM 04NOV LAX

DATE 06AUGUST10
AGENT LC/LC BOOKING REF YKTXZ5

MILSTEIN/ADAM

SERVICE DATE FROM TO DEPART ARRIVE

EL AL ISRAEL AIRLINES 04NOV LOS ANGELES CA TEL AVIV YAFO 230P 150P
LY 6 THURSDAY INTL BEN GURION IN 05NOV
R BUSINESS TERMINAL B TERMINAL 3
NON SMOKING BREAKFAST/DINNER NON STOP
RESERVATION CONFIRMED 14:20 DURATION
LY FREQUENT FLYER

TY445602/CN-17241872/41933071 MILSTEIN/ADAM
AIRCRAFT: BOEING 777-200/200ER
SEAT 13A NO SMOKING CONFIRMED

[CLICK HERE FOR TEL AVIV YAFO CITY INFO, TRANSFERS & EVENTS](#)

EL AL ISRAEL AIRLINES 16NOV TEL AVIV YAFO LOS ANGELES CA 110A 645A
LY 5 TUESDAY BEN GURION IN INTL
R BUSINESS TERMINAL 3 TERMINAL B
NON SMOKING BREAKFAST/DINNER NON STOP
RESERVATION CONFIRMED 15:35 DURATION

AIRCRAFT: BOEING 777-200/200ER
SEAT 13H NO SMOKING CONFIRMED

[CLICK HERE FOR LOS ANGELES CITY INFO, TRANSFERS & EVENTS](#)

RESERVATION NUMBER(S) LY/YKTXZ5

ETKT:LY 114 7866138091

ETKT: 114 7866138091

PHOTO ID REQUIRED AT CHECK-IN
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CLICK THE FOLLOWING LINK TO ACCESS YOUR ONLINE ITINERARY:

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1 EDWARD M. ROBBINS, JR., ESQ.
 2 CA State Bar No. 82696
 HOCHMAN, SALKIN, RETTIG, TOSCHER & PEREZ, P.C.
 3 9150 Wilshire Boulevard, Suite 300
 4 Beverly Hills, CA 90212
 5 Phone: (310) 281-3247
 Fax: (310) 859-5129
 6 Robbins@taxlitigator.com
 7 **Attorney for Defendant**

8
 9
 10
 11 **UNITED STATES DISTRICT COURT**
 12 **CENTRAL DISTRICT OF CALIFORNIA**

13
 14 **UNITED STATES OF AMERICA,**)
)
 15 **Plaintiff,**) **Case No. CR 08-1122 - JFW**
)
 16)
 17 **v.**) **[PROPOSED] ORDER**
) **PERMITTING TRAVEL BY**
 18) **DEFENDANT**
)
 19 **TUVIA MILSZTEIN aka**)
)
 20 **ADAM MILSTEIN,**)
)
 21 **Defendant.**)

22 IN ACCORDANCE WITH THE STIPULATION between the United States of
 23 America and Defendant Tuvia Milsztein, aka Adam Milstein, through their attorneys, that
 24 the Court’s August 25, 2010 Order allowing defendant Adam Milstein to travel outside
 25 the jurisdiction of California from November 4, 2010 through November 16, 2010, be
 26 modified,
 27
 28

1 IT IS ORDERED THAT the Court's August 25, 2010 Order is modified to allow
2 defendant on or about Thursday, November 11, 2010, to fly to Jordan to meet with King
3 Abdullah of Jordan and later with the Jordanian Prime Minister Samir al-Rifai,
4 intelligence chief, General Muhammad Raqqad and U.S. ambassador, Steve Beecroft.
5

6
7 IT IS SO ORDERED.
8

9
10 _____
JOHN F. WALTER
United States District Judge

11
12 Presented by:

13
14
15 /s/ Edward M. Robbins, Jr.
EDWARD M. ROBBINS, JR., ESQ.
16 Hochman Salkin Rettig Toscher & Perez, P.C.
Attorneys for Defendant,
17 Tuvia Milsztein Aka Adam Milstein
18

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