



U.S. Department of Justice

Ronald C. Machen Jr.
United States Attorney

District of Columbia

Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20001

June 2, 2011

Frederick Cooke
Rubin, Winston, Diercks, Harris & Cooke, LLP
1155 Connecticut Avenue NW
Washington, D.C. 20036

Re: Raymone Bain

Dear Mr. Cooke:

This letter sets forth the full and complete plea offer to your client, Raymone Bain, from the Criminal Division of the Office of the United States Attorney for the District of Columbia and the Department of Justice, Tax Division (hereinafter also referred to as "the Government" or "this Office"). If your client accepts the terms and conditions of this offer, please have your client execute this document in the space provided below. Upon receipt of the executed document, this letter will become the Plea Agreement. The terms of the offer are as follows:

1. Charges and Statutory Penalties:

Your client agrees to plead guilty to a two-count Criminal Information charging a violation of 26 U.S.C. § 7203 (Willful Failure to File) for the tax year 2008, and violation of DC Code § 47-4103 (Willful Failure to File a DC return), for the tax year 2008, a copy of which is attached.

Your client understands that Section 7203 carries a maximum sentence of one year of imprisonment, a fine of \$100,000 or not greater than twice the gross gain or gross loss (pursuant to 18 U.S.C. § 3571(d)), a \$100 special assessment, and a one year term of supervised release. The Court may also order your client to pay the outstanding taxes due and owing and/or costs of prosecution. The DC offense carries a maximum sentence of 180 days and/or fine of not more than \$5,000, and costs of prosecution.

In consideration of your client's plea to the above offense, your client will not be further

prosecuted criminally by this Office or the Tax Division for the conduct set forth in the attached Statement of Offense. Your client agrees that with respect to any and all dismissed charges your client is not a "prevailing party" within the meaning of the "Hyde Amendment," Section 617, P.L. 105-119 (Nov. 26, 1997), and will not file any claim under that law.

2. **Factual Stipulations:**

Your client agrees that the attached Statement of the Offense fairly and accurately describes your client's actions and involvement in the offense to which your client is pleading guilty. It is anticipated that prior to or during the plea hearing, your client will adopt and sign the Statement of the Offense as a written proffer of evidence.

3. **Sentencing Guidelines Stipulations:**

Your client understands that the sentence in this case will be determined by the Court, pursuant to the factors set forth in 18 U.S.C. § 3553(a), including a consideration of the guidelines and policies promulgated by the United States Sentencing Commission, Guidelines Manual (2010) (hereinafter "Sentencing Guidelines" or "U.S.S.G"). Pursuant to Federal Rule of Criminal Procedure 11(c)(1)(B), and to assist the Court in determining the appropriate sentence, the parties stipulate to the following:

A. **Offense Level under the U.S. Sentencing Guidelines:**

Willful Failure to File an U.S. Individual Income Tax Return:

Base Offense Level

(based upon the tax loss of greater than \$200,000 and less than \$400,000.)

Sections 2T1.1(a)(1) and 2T4.1

18

TOTAL:

18

B. **Acceptance of Responsibility: 3-level reduction:**

The Government agrees that a 2-level reduction would be appropriate, pursuant to U.S.S.G. § 3E1.1(a), provided that your client clearly demonstrates acceptance of responsibility, to the satisfaction of the Government, through your client's allocution, *adherence to every provision of this Agreement*, and subsequent conduct prior to the imposition of sentence.

Furthermore, assuming your client has accepted responsibility as described in the previous sentence, the Government agrees that an additional 1-level reduction would be appropriate, pursuant to § 3E1.1(b), U.S.S.G., because your client has assisted authorities by providing timely notice of your client's intention to enter a plea of guilty, thereby permitting the Government to avoid preparing

for trial and permitting the Court to allocate its resources efficiently.

In accordance with the above, the applicable Guidelines Offense Level is 15.

C. Criminal History Category:

Based upon the information now available to this Office (including representations by the defense), your client's **Criminal History Category is I.**

D. Applicable Guideline Range

Based upon the calculations set forth above, your client's stipulated **Sentencing Guidelines range is 18 to 24 months** (the "Stipulated Guidelines Range").

4. Financial Arrangements

Your client agrees that prior to or at the time of the sentencing, she will deliver to the Clerk's Office, United States District Court, a certified check in the amount of \$100.00, to cover the special assessment, as required in Title 18, United States Code, Section 3013. Your client also agrees to provide a full and complete accounting of all assets, real or tangible, held by her or in any other name for her benefit, and, to that end, to submit a standard Form 500 (Financial Statement of Debtor).

By the date of sentencing, your client agrees to file complete and accurate Federal and D.C. individual income tax returns with the Internal Revenue Service and the D.C. Office of Tax and Revenue. Your client further agrees to cooperate with the Internal Revenue Service and the D.C. Office of Tax and Revenue in resolving any issues that may arise regarding these filed returns and to pay all taxes, interest and penalties due and owing.

5. Agreement as to Sentencing Allocation

The parties further agree that a sentence within the Stipulated Guidelines Range would constitute a reasonable sentence in light of all of the factors set forth in Title 18, United States Code, Section 3553(a). However, the parties agree that either party may seek a sentence outside of the Stipulated Guidelines Range and suggest that the Court consider a sentence outside of the Stipulated Guidelines Range, based upon the factors to be considered in imposing a sentence pursuant to Title 18, United States Code, Section 3553(a).

Nothing in this Agreement limits the right of the Government to seek denial of the adjustment for acceptance of responsibility, *see* U.S.S.G. §3E1.1, and/or imposition of an adjustment for obstruction of justice, *see* U.S.S.G. §3C1.1, regardless of any stipulation set forth above, should your client move to withdraw your client's guilty plea once it is entered, or should it be determined that your client has either (i) engaged in conduct, unknown to the Government at the time of the signing of this Agreement, that constitutes obstruction of justice or (ii) engaged in additional

criminal conduct after signing this Agreement.

6. **Court Not Bound by the Plea Agreement**

It is understood that pursuant to Federal Rules of Criminal Procedure 11(c)(1)(B) and 11(c)(3)(B) the Court is not bound by the above stipulations, either as to questions of fact or as to the parties' determination of the applicable Guidelines range, or other sentencing issues. In the event that the Court considers any Guidelines adjustments, departures, or calculations different from any stipulations contained in this Agreement, or contemplates a sentence outside the Guidelines range based upon the general sentencing factors listed in Title 18, United States Code, Section 3553(a), the parties reserve the right to answer any related inquiries from the Court.

7. **Court Not Bound by the Non-Mandatory Sentencing Guidelines**

It is understood that the sentence to be imposed upon your client is determined solely by the Court. It is understood that the Sentencing Guidelines are not binding on the Court. Your client acknowledges that your client's entry of a guilty plea to the charged offense authorizes the sentencing court to impose any sentence, up to and including the statutory maximum sentence, which may be greater than the applicable Guidelines range. The Government cannot, and does not, make any promise or representation as to what sentence your client will receive. Moreover, it is understood that your client will have no right to withdraw your client's plea of guilty should the Court impose a sentence outside the Guidelines range.

8. **Restitution**

Your client agrees to make restitution to the Internal Revenue Service and the District of Columbia for all years in which she has failed to file returns and/or accurately report her income, regardless of the fact that she only plead guilty to failing to file a federal individual income tax returns for the 2008 calendar year. Accurate income tax returns will be filed for 2004, 2005, 2006, 2007, and 2008 with the IRS and the District of Columbia's Office of Tax and Revenue ("DC OTR") prior to sentencing. Restitution will be calculated prior to sentencing based upon your client's truthful representations on the returns she is required to file with the Internal Revenue Service and the DC OTR, and the government's computations.

Your client understands that this agreement does not limit the Internal Revenue Service's and the District of Columbia Office of Tax and Revenue's rights to collect whatever taxes either concludes she owes, including any applicable penalties and interest.

9. **Appeal Waiver:**

It is agreed (i) that your client will not file a direct appeal of any sentence within or below the Stipulated Guidelines Range set forth above and (ii) that the Government will not appeal any sentence within or above the Stipulated Guidelines Range. It is further agreed that any sentence

within the Stipulated Guidelines Range is reasonable. This provision is binding on the parties even if the Court employs a Guidelines analysis different from that stipulated to herein.

10. **Release/Detention:**

Your client acknowledges that while the Government will not seek a change in your client's release conditions pending sentencing, the final decision regarding your client's bond status or detention will be made by the Court at the time of your client's plea of guilty. Should your client engage in further criminal conduct prior to sentencing, however, the Government may move to change your client's conditions of release.

11. **Breach of Agreement:**

Your client understands and agrees that if, after entering this Plea Agreement, your client fails specifically to perform or to fulfill completely each and every one of your client's obligations under this Plea Agreement, or engages in any criminal activity prior to sentencing, your client will have breached this Plea Agreement. In the event of such a breach: (a) the Government will be free from its obligations under the Agreement; (b) your client will not have the right to withdraw the guilty plea; (c) your client shall be fully subject to criminal prosecution for any other crimes, including perjury and obstruction of justice; and (d) the Government will be free to use against your client, directly and indirectly, in any criminal or civil proceeding, all statements made by your client and any of the information or materials provided by your client, including such statements, information and materials provided pursuant to this Agreement or during the course of any debriefings conducted in anticipation of, or after entry of this Agreement, including your client's statements made during proceedings before the Court pursuant to Fed. R. Crim. P. 11.

Your client acknowledges discussing with you Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410, rules which ordinarily limit the admissibility of statements made by a defendant in the course of plea discussions or plea proceedings if a guilty plea is later withdrawn. Your client knowingly and voluntarily waives the rights which arise under these rules.

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

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

client will not be allowed to withdraw this guilty plea.

12. **Waiver of Statute of Limitations:**

It is further agreed that should the conviction following your client's plea of guilty pursuant to this Agreement be vacated for any reason, then any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement (including any counts that the Government has agreed not to prosecute or to dismiss at sentencing pursuant to this Agreement) may be commenced or reinstated against your client, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement or reinstatement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed.

13. **Complete Agreement:**

No other agreements, promises, understandings, or representations have been made by the parties or their counsel than those contained in writing herein, nor will any such agreements, promises, understandings, or representations be made unless committed to writing and signed by your client, defense counsel, and an Assistant United States Attorney for the District of Columbia.

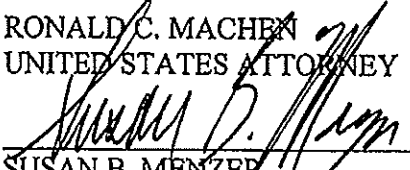
Your client further understands that this Agreement is binding only upon the Criminal Division of the United States Attorney's Office for the District of Columbia and the United States Department of Justice, Tax Division. This Agreement does not bind the Civil Division of this Office or any other United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

If the foregoing terms and conditions are satisfactory, your client may so indicate by signing the Agreement in the space indicated below and returning the original to me once it has been signed by your client and by you or other defense counsel.

Sincerely yours,

RONALD C. MACHEN
UNITED STATES ATTORNEY

By:


SUSAN B. MENZER
Assistant United States Attorney
(202) 514-6968

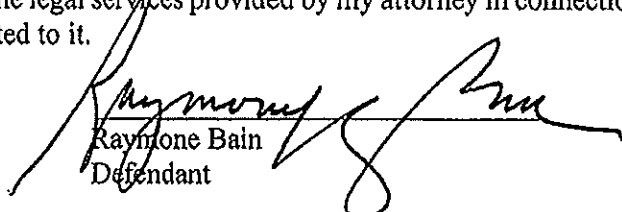
KAREN E. KELLY
Assistant Chief
Northern Criminal Enforcement Section
Tax Division U.S. Dept of Justice
(202) 616-3864

DEFENDANT'S ACCEPTANCE

I have read this Plea Agreement and have discussed it with my attorney, Frederick Cooke, Esquire. I fully understand this Agreement and agree to it without reservation. I do this voluntarily and of my own free will, intending to be legally bound. No threats have been made to me nor am I under the influence of anything that could impede my ability to understand this Agreement fully. I am pleading guilty because I am in fact guilty of the offense identified in this Agreement.

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

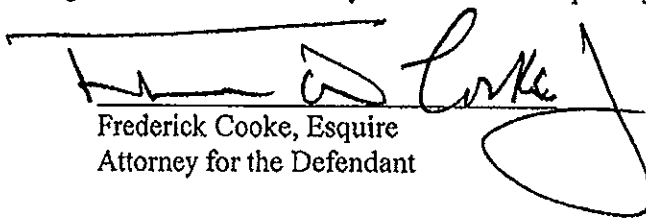
Date: 6/7/2011


Raymone Bain
Defendant

ATTORNEY'S ACKNOWLEDGMENT

I have read each of the pages constituting this Plea Agreement, reviewed them with my client, and discussed the provisions of the Agreement with my client, fully. These pages accurately and completely sets forth the entire Plea Agreement. I concur in my client's desire to plead guilty as set forth in this Agreement.

Date: 7 June 2011


Frederick Cooke, Esquire
Attorney for the Defendant

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA	:	
	:	
v.	:	Criminal No.
	:	
RAYMONE BAIN,	:	
Defendant	:	
	:	
	:	
	:	

STATEMENT OF OFFENSE

Pursuant to Fed. R. Crim. P. 11, defendant RAYMONE BAIN ("BAIN"), and the United States agree and stipulate as follows:

1. During the prosecution years, BAIN was a resident of the District of Columbia. She graduated with a BS from Spellman College. Thereafter, she received a law degree from Georgetown University. BAIN was not a licensed attorney. BAIN worked as a manager in the sports and entertainment industry. She founded Davis, Bain & Associates a public relations firm in the District of Columbia.

2. In approximately 2006, BAIN was personal general manager for Michael Jackson, and president/Chief Operating Officer for the Michael Jackson Company. As such, she was responsible for daily operations of all aspects of the Michael Jackson Company, including financial, public relations and marketing.

3. As general manager and president respectively, BAIN was compensated for her services in the amount of \$30,000 per month.

4. For tax years 2006, 2007, and 2008, BAIN had gross income well above the minimum filing requirements as set forth by the IRS, specifically at least \$8,450 for tax year 2006, \$8,750 for tax year 2007 and \$8,950 for tax year 2008. This income was subject to taxation and, as a

result, BAIN was required to file a personal income tax returns (Form 1040) with the Internal Revenue Service and D.C. income tax returns (D-40) with the D.C. Office of Tax and Revenue.

5. Although the income in each of these years was subject to reporting and payment of tax, BAIN failed to timely file a federal or DC income tax returns for any of those years by April 15th of the following year.

6. BAIN filed requests for extension to file U.S. Income Tax Returns (Forms 4868) for tax year 2007 and tax year 2008. Accordingly, for those tax years, BAIN failed to file income tax returns by October 15th of the following year.

7. BAIN failed to file a tax return (Form 1040 and D-40) for tax year 2006, 2007, and 2008.

8. BAIN well knew, and was fully aware that the law required she file federal tax returns and DC tax returns each year, but nevertheless failed to file.

Date: _____

RAYMONE BAIN
Defendant