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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA,) No. 1:16-cr-00001-LCL
)
Plaintiff,)
) **PLEA AGREEMENT**
vs.)
)
DANIEL HENRY,)
)
Defendant.)
)

Unless the parties jointly inform the Court in writing of any additional agreements, this document in its entirety contains the terms of the plea agreement between the defendant and the United States. This agreement is limited to the District of Alaska; it does not bind other federal, state, or local prosecuting authorities.

I. TERMS OF AGREEMENT, FEDERAL RULE OF CRIMINAL PROCEDURE 11, WAIVER OF CLAIM FOR ATTORNEY'S FEES AND COSTS

A. Terms of Agreement

The defendant agrees to plead guilty to Counts One through Four of the Information in this case. The United States agrees not to prosecute the defendant further for any other offense related to the event that resulted in the charges contained in the Information. The parties are free to make sentencing recommendations consistent with this agreement. Any agreements the parties have on sentencing recommendations and guideline applications are set forth in Section III. The defendant will waive all rights to appeal the conviction and sentence imposed under this agreement, and will waive all rights to collaterally attack the conviction and sentence, except on the grounds of ineffective assistance of counsel or the voluntariness of the plea(s).

B. Federal Rule of Criminal Procedure 11

Unless the parties otherwise inform the Court in writing, Federal Rule of Criminal Procedure 11(c)(1)(A) and (B) will control this plea agreement. Thus, the defendant may not withdraw from this agreement or the guilty plea(s) if the Court rejects the parties' sentencing recommendations at the sentencing hearing.

C. Waiver of Claim for Attorney Fees and Costs

Because this is a negotiated resolution of the case, the parties waive any claim for the award of attorney fees and costs from the other party.

II. CHARGES, ELEMENTS, FACTUAL BASIS, STATUTORY PENALTIES AND OTHER MATTERS AFFECTING SENTENCE, FORFEITURE

A. Charges

The defendant agrees to plead guilty to the following count(s) of the Information:

Counts One through Four: Willful Failure to File Income Tax Return, a violation of Title 26 U.S.C. § 7203.

B. Elements

The elements of the charge(s) to which the defendant is pleading guilty are as follows:

Counts One through Four: Willful Failure to File Income Tax Return

1. Defendant was required to file an income tax return;
2. Defendant failed to file a timely return;
3. Defendant acted willfully, intentionally violating a known legal duty.

C. Factual Basis

The defendant admits the truth of the allegations in Counts One through Four of the Information and the truth of the following statement, and the parties stipulate that the Court may rely upon this statement to support the factual basis for the guilty plea(s) and for the imposition of the sentence:

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The defendant received gross income in the years 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, and 2012 that the defendant knew required him to file a tax return by the required date. The defendant did not, however, file an individual income tax return, Form 1040, for the said years by the last day prescribed for the filing. The gross income received by the defendant in said years included gross income from the defendant's solely owned restaurant business, Skagway Fish Company, located in Skagway, Alaska.

In addition to failing to file returns in a timely manner, Defendant engaged in conduct intended, at least in part, to conceal and mislead the IRS as to his income by causing financial institutions to fail to file required reports to the United States Department of the Treasury. Separately, Defendant wrongfully failed to disclose his income in required reports to the State of Alaska.

On or about March 11, 2010, the defendant certified an Alaska Public Offices Commission (hereafter APOC) Financial Disclosure Statement covering the calendar year 2009, wherein the total income earned by the defendant from self-employment, specifically the business Skagway Fish Company, was stricken as to be illegible. The APOC form required the defendant to disclose any amounts of income over \$1,000.

On or about March 15, 2011, the defendant certified an APOC Financial Disclosure Statement covering the calendar year 2010, wherein the defendant indicated he had no income over \$1,000 from self-employment.

On or about March 15, 2012, the defendant certified an APOC Financial Disclosure Statement covering the calendar year 2011, wherein the defendant indicated he had no income over \$1,000 from self-employment.

On or about March 15, 2013, the defendant certified an APOC Financial Disclosure Statement covering the calendar year 2012, wherein the defendant indicated he had no income over \$1,000 from self-employment.

From at least December 2008, and continuing through at least November 2012, the defendant, and an immediate family member acting at his direction but without criminal intent, structured or attempted to structure, at least in part, currency transactions to evade the currency transaction reporting requirements of 31 U.S.C. § 5313(a). The defendant had knowledge of the currency transaction reporting requirements; however, he, or others directed by him, conducted deposits and/or the purchase of bank checks in amounts between \$9,000 and \$9,900 for the purpose of evading the reporting requirement to include the following:

December 5, 2008	\$9,500	Cash Deposit
December 8, 2008	\$9,700	Cash Deposit
April 23, 2009	\$9,900	Cash Deposit
August 4, 2009	\$9,900	Cash Deposit
October 16, 2009	\$9,000	Cash Deposit
October 29, 2009	\$9,000	Cash Deposit
November 12, 2009	\$9,400	Cash Deposit
November 16, 2009	\$9,500	Cash Deposit
July 23, 2010	\$9,900	Cashier's Check Purchase

July 23, 2010	\$9,900	Cashier's Check Purchase
July 26, 2010	\$9,900	Cashier's Check Purchase
July 26, 2010	\$9,900	Cashier's Check Purchase
July 26, 2010	\$9,900	Cashier's Check Purchase
July 27, 2010	\$9,900	Cashier's Check Purchase
July 27, 2010	\$9,900	Cashier's Check Purchase
April 16, 2012	\$9,500	Cash Deposit
November 6, 2012	\$9,900	Cash Deposit

In failing to file his returns, the Defendant admits that he acted willfully, meaning that he intentionally violated the known legal duty to file a return, and not through ignorance, mistake, or accident, or a good faith belief that he was not required to file.

D. Statutory Penalties and Other Matters Affecting Sentence

1. Statutory Penalties

The statutory penalties applicable to the charges to which the defendant is pleading guilty, based on the facts to which the defendant will admit in support of the guilty plea(s), are as follows:

Counts One through Four: Failure to File Tax Return

- 1) 1 year of imprisonment on each count;
- 2) a maximum \$100,000 fine on each count;
- 3) a \$25 mandatory special assessment on each count; and
- 4) one year supervised release.

2. Other Matters Affecting Sentence

a. Conditions affecting the defendant's sentence

The following conditions may also apply and affect the defendant's sentence:

1) pursuant to Comment 7 of U.S.S.G. § 5E1.2, the Court may impose an additional fine to pay the costs to the government of any imprisonment and supervised release term; 2) pursuant to 18 U.S.C. § 3612(f), unless otherwise ordered, if the Court imposes a fine of more than \$2,500, interest will be charged on the balance not paid within 15 days after the judgment date; 3) upon violating any condition of supervised release, a further term of imprisonment equal to the period of the supervised release may be imposed, with no credit for the time already spent on supervised release; 4) the Court may order the defendant to pay restitution pursuant to 18 U.S.C. § 3663 and U.S.S.G. § 5E1.1.

b. Payment of Special Assessment

The defendant agrees to pay the entire special assessment in this case on the day the Court imposes the sentence. All payments will be by check or money order, and are to be delivered to the Clerk of Court, United States District Court, 222 W. 7th Ave. Box 4, Rm. 229, Anchorage, AK 99513-7564.

E. Forfeiture

There is no agreement on Forfeiture in this case.

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F. Restitution

Defendant agrees to a judgment of restitution in the amount of \$600,064 to the Internal Revenue Service, which represents the tax due and owing for the years 2004 through 2012, exclusive of interest and penalties. Defendant agrees to restitution in excess of the amounts related to the counts of conviction pursuant to Title 18, United States Code, Section 3663(a)(3). Defendant understands that the Internal Revenue Service may seek interest and penalties in excess of this amount.

III. ADVISORY UNITED STATES SENTENCING GUIDELINES; GUIDELINE APPLICATION AGREEMENTS; SENTENCING RECOMMENDATIONS

A. Advisory United States Sentencing Guidelines

The Court must consult the advisory United States Sentencing Commission Guidelines [U.S.S.G.] as well as the factors set forth in 18 U.S.C. § 3553(a) when considering the sentence to impose. The U.S.S.G. do not establish the statutory maximum or minimum sentence applicable to the offenses to which the defendant is pleading guilty. The U.S.S.G. are not mandatory and the Court is not bound to impose a sentence recommended by the U.S.S.G.

B. Guideline Application Agreements

The parties have no agreements on any guideline applications unless set forth below in this section.

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1. Acceptance of responsibility

If the United States concludes that the defendant has satisfied the criteria set out in U.S.S.G. § 3E1.1 and the applicable application notes, the United States agrees to recommend the defendant for a two level downward adjustment for acceptance of responsibility and, if U.S.S.G. § 3E1.1(b) applies, to move for the additional one level adjustment for acceptance of responsibility. If, at any time prior to imposition of the sentence, the United States concludes that the defendant has failed to fully satisfy the criteria set out in U.S.S.G. § 3E1.1, or has acted in a manner inconsistent with acceptance of responsibility, the United States will not make or, if already made, will withdraw this recommendation and motion.

2. Relevant Conduct

The parties agree that the relevant conduct for sentencing purposes is \$600,064. USSG § 2T4.1(H)(Revised Nov. 1, 2015).

3. Specific Offense Characteristics

The parties agree that the income that the defendant failed to report was legal source income, pursuant to USSC 2T1.1(b)(1), and that the offense did not involve sophisticated means, pursuant to USSG §2T1.1(b)(2).

C. Sentencing Recommendations

The United States Probation Office will prepare the defendant's pre-sentence report in which it will include a recommended calculation of the defendant's sentence range under the U.S.S.G. Both the United States and the defendant will

have the opportunity to argue in support of or in opposition to the guideline sentence range calculation the U.S.P.O. recommends, as well as present evidence in support of their respective sentencing arguments. In this case, the United States agrees to recommend a sentence of not more than 24 months of imprisonment, which is anticipated to be the low end to the advisory USSG range. The Defendant agrees to recommend not less than eight months of imprisonment. These recommendations are not binding on the Court. Otherwise, the parties are free to recommend to the Court their respective positions on the appropriate sentence to be imposed in this case based on the stipulated facts set forth in Section II C, any additional facts established at the imposition of sentence hearing, the applicable statutory penalty sections, the advisory U.S.S.G., and the sentencing factors set forth in 18 U.S.C. § 3553.

IV. WAIVER OF TRIAL, APPELLATE RIGHTS, AND COLLATERAL ATTACK RIGHTS

A. Trial Rights

Being aware of the following, the defendant waives these trial rights:

- If pleading to an information, the right to have the charges presented to the grand jury prior to entering the guilty plea;
- The right to a speedy and public trial by jury on the factual issues establishing guilt or any fact affecting the mandatory minimum and

statutory penalties, and any issue affecting any interest in any assets subject to forfeiture;

- The right to object to the composition of the grand or trial jury;
- The right to plead not guilty or to persist in that plea if it has already been made;
- The right to be presumed innocent and not to suffer any criminal penalty unless and until the defendant's guilt is established beyond a reasonable doubt;
- The right to be represented by counsel at trial and if necessary to have a counsel appointed at public expense to represent the defendant at trial -- the defendant is not waiving the right to have counsel continue to represent the defendant during the sentencing phase of this case;
- The right to confront and cross examine witnesses against the defendant, and the right to subpoena witnesses to appear in the defendant's behalf;
- The right to remain silent at trial, with such silence not to be used against the defendant, and the right to testify in the defendant's own behalf;

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- The right to contest the validity of any searches conducted on the defendant's property or person.

B. Appellate Rights

The defendant waives the right to appeal the conviction(s) resulting from the entry of guilty plea(s) to the charges set forth in this agreement. The defendant further agrees that if the Court imposes a sentence that does not exceed the statutory maximum penalties – as set forth in Section II D above in this agreement, the defendant waives without exception the right to appeal on all grounds contained in 18 U.S.C. § 3742 the sentence the Court imposes– including forfeiture (if applicable) or terms or conditions of probation (if applicable) or supervised release, and any fines or restitution.

C. Collateral Attack Rights

The defendant agrees to waive all rights to collaterally attack the resulting conviction(s) and/or sentence – including forfeiture (if applicable) or terms or conditions of probation (if applicable) or supervised release, and any fines or restitution – the Court imposes. The only exceptions to this collateral attack waiver are as follows: 1) any challenge to the conviction or sentence alleging ineffective assistance of counsel -- based on information not now known to the defendant and which, in the exercise of reasonable diligence, could not be known by the defendant at the time the Court imposes sentence; and 2) a challenge to the voluntariness of the defendant's guilty plea(s).

V. ADDITIONAL AGREEMENTS BY UNITED STATES

In exchange for the defendant's guilty plea(s) and the Court's acceptance of the defendant's plea and the terms of this agreement, the United States agrees that it will not prosecute the defendant further for any other offense -- now known -- arising out of the subject of the investigation related to the charges brought in the Information in this case and the defendant's admissions set forth in Section II C. Provided, however, if the defendant's guilty plea(s) is/are rejected, withdrawn, vacated, reversed, or set aside, or if the defendant's conviction or sentence is vacated, reversed, set aside, or modified, at any time, in any proceeding, for any reason, the United States will be free to prosecute the defendant on all charges arising out of the investigation of this case including any charges dismissed pursuant to the terms of this agreement, which charges will be automatically reinstated as well as for perjury and false statements.

VI. ADEQUACY OF THE AGREEMENT

Pursuant to Local Criminal Rule 11.2 (d)(7) and (8), this plea agreement is appropriate in that it conforms with the sentencing goals that would otherwise be applicable to the defendant's case if the defendant had gone to trial and had been convicted on all counts in the charging instrument.

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VII. THE DEFENDANT'S ACCEPTANCE OF THE TERMS OF THIS PLEA AGREEMENT

I, Daniel Henry, the defendant, affirm this document contains all of the agreements made between me – with the assistance of my attorney – and the United States regarding my plea(s). There are no other promises, assurances, or agreements the United States has made or entered into with me that have affected my decision to enter any plea of guilty or to enter into this agreement. If there are any additional promises, assurances, or agreements, I and the United States will jointly inform the Court in writing before I enter my guilty plea(s).

I understand that no one, including my attorney, can guarantee the outcome of my case or what sentence the Court may impose if I plead guilty. If anyone, including my attorney, has done or said anything other than what is contained in this agreement, I will inform the Court when I stand before it to enter my plea. If there were, I would so inform the Court.

I enter into this agreement understanding and agreeing that the conditions set forth herein are obligatory and material to this agreement and that any failure on my part to fulfill these obligations will constitute a material breach of this agreement. If I breach this agreement, I agree the United States, in its sole discretion, may withdraw from this agreement and may reinstate prosecution against me on any charges arising out of the investigation in this matter. If my compliance with the terms of this plea agreement becomes an issue, at an appropriate hearing, during

which I agree any of my disclosures will be admissible, the Court will determine whether or not I have violated the terms of this agreement. I understand the government's burden to prove a breach will be by a preponderance of the evidence.

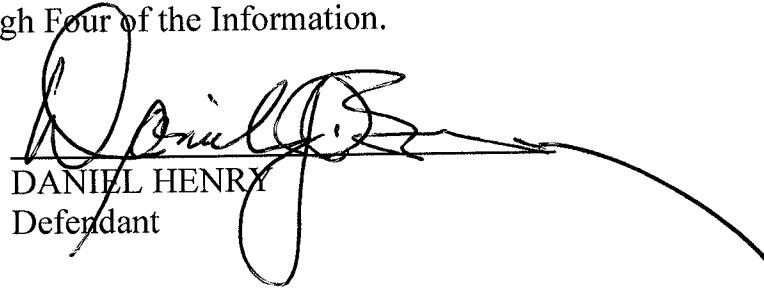
I understand the Court will ask me under an oath to answer questions about the offense(s) to which I am pleading guilty and my understanding of this plea agreement. I understand that I may be prosecuted if I make false statements or give false answers and may suffer other consequences set forth in this agreement.

I have read this plea agreement carefully and understand it thoroughly. I know of no reason why the Court should find me incompetent to enter into this agreement or to enter my plea(s). I enter into this agreement knowingly and voluntarily. I understand that anything that I discuss with my attorney is privileged and confidential, and cannot be revealed without my permission. Knowing this, I agree that this document will be filed with the Court.

I am fully satisfied with the representation given me by my attorney and am prepared to repeat this statement at the time I stand before the Court and enter my guilty plea(s). My attorney and I have discussed all possible defenses to the charges to which I am pleading guilty. My attorney has investigated my case and followed up on any information and issues I have raised to my satisfaction. My attorney has taken the time to fully explain the legal and factual issues involved in my case to my satisfaction. We have discussed the statutes applicable to my offense and sentence as well as the possible effect the U.S.S.G. may have on my sentence.

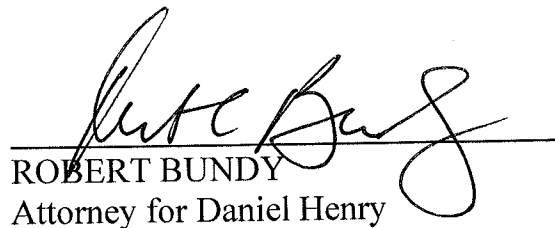
Based on my complete understanding of this plea agreement, I therefore wish to enter a plea of guilty to Counts One through Four of the Information.

DATED: 1/28/16


DANIEL HENRY
Defendant

As counsel for the defendant, I have conveyed all formal plea offers. I have discussed with the terms of this plea agreement with the defendant, have fully explained the charge(s) to which the defendant is pleading guilty and the necessary elements, all possible defenses, and the consequences of a guilty plea to a misdemeanor. I have communicated all plea offers to my client. Based on these discussions, I have no reason to doubt that the defendant is knowingly and voluntarily entering into this agreement and entering a plea of guilty. I know of no reason to question the defendant's competency to make these decisions. If, prior to the imposition of sentence, I become aware of any reason to question the defendant's competency to enter into this plea agreement or to enter a plea of guilty, I will immediately inform the court.

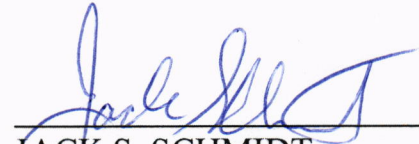
DATED: 2/1/16


ROBERT BUNDY
Attorney for Daniel Henry

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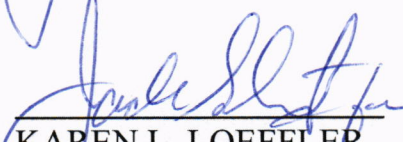
On behalf of the United States, the following accept the defendant's offer to plead guilty under the terms of this plea agreement.

DATED: February 1, 2016



JACK S. SCHMIDT
United States of America
Assistant U.S. Attorney

DATED: February 1, 2016



KAREN L. LOEFFLER
United States of America
United States Attorney