



**U.S. Department of Justice**

*United States Attorney  
Eastern District of New York*

EMN:AH/SPN/KDE  
F.#2013R01206

*271 Cadman Plaza East  
Brooklyn, New York 11201*

April 18, 2016

By Hand and ECF

The Honorable Raymond J. Dearie  
United States District Judge  
United States District Court  
Eastern District of New York  
225 Cadman Plaza East  
Brooklyn, New York 11201

Re: United States v. Hawit, et al.  
Criminal Docket No. 15-252 (RJD)

Dear Judge Dearie:

The government respectfully submits this letter in response to the Court's order dated April 15, 2016, directing the government to file redacted transcripts of the pleas entered by defendants Jeffrey Webb, Alejandro Burzaco, and José Margulies. See ECF

Docket Entry No 311. The redacted transcripts are attached hereto as Exhibits A (Webb), B (Burzaco) and C (Margulies).

Respectfully submitted,

ROBERT L. CAPERS  
United States Attorney  
Eastern District of New York

By:                     /s/                      
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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA, : 15-MC-2195(RD)

-against-

: United States Courthouse  
: Brooklyn, New York

: Monday, November 23, 2015

JEFFREY WEBB,

Defendant.

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S E A L E D P R O C E E D I N G S

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TRANSCRIPT OF CRIMINAL CAUSE FOR PLEA  
BEFORE THE HONORABLE RAYMOND DEARIE  
UNITED STATES SENIOR DISTRICT COURT JUDGE

A P P E A R A N C E S:

For the Government: ROBERT L. CAPERS, ESQ.  
United States Attorney  
Eastern District of New York  
271 Cadman Plaza East  
Brooklyn, New York 11201  
BY: AMANDA HECTOR, ESQ.  
EVAN NORRIS, ESQ.  
Assistant United States Attorneys

For the Defendant: CLIFFORD CHANCE US LLP  
31 West 52nd STREET  
New York, New York 10019  
BY: EDWARD C. O'CALLAGHAN, ESQ.  
ERNIE GAO, ESQ.

Court Reporter: Richard W. Barry, RPR  
Official Court Reporter  
E-mail: rwbarrycourtreporter@gmail.com

Proceedings recorded by computerized stenography.  
Transcript produced by Computer-aided Transcription.

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COURTROOM DEPUTY: We are on this morning, we have  
Mr. Webb here.

THE DEFENDANT: Yes.

COURTROOM DEPUTY: We are on this morning for a  
pleading, this is 15-CR-252, United States versus Jeffery  
Webb.

Can I ask the attorneys please to note their  
appearances, starting with counsel for the Government.

MS. HECTOR: Amanda Hector and Evan Norris for the

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1 Government.

2 MR. O'CALLAGHAN: Ed O'Callaghan and Ernie Gao for  
3 the defendant, Mr. Webb.

4 THE COURT: Good morning.

5 Mr. Webb, good morning.

6 THE DEFENDANT: Morning Your Honor.

7 THE COURT: I take it you are ready to proceed?

8 MS. HECTOR: We are.

9 MR. O'CALLAGHAN: Yes, Your Honor.

10 THE COURT: I will note for the record that a few  
11 minutes ago, I heard the Government's application to seal this  
12 proceeding and granted the request of relief, having made  
13 certain findings consistent with the Alcantara directive.

14 I was informed by Mr. Gatto, the Assistant United  
15 States Attorney at the time, Mr. O'Callaghan, that you and  
16 your client waived your presence for obvious reasons.

17 Would you just confirm that on the record.

18 MR. O'CALLAGHAN: I so confirm, Your Honor, thank  
19 you.

20 THE COURT: And we are otherwise ready to proceed  
21 with the plea?

22 MS. HECTOR: If I may, Your Honor, I believe there  
23 was also an order with respect to the closed courtroom that  
24 was provided to Your Honor.

25 THE COURT: Thank you very much.

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1 MS. HECTOR: To be entered.

2 THE COURT: I have it in front of me. The order has  
3 been signed.

4 MS. HECTOR: Thank you, Your Honor.

5 COURTROOM DEPUTY: Do you have an indictment?

6 THE COURT: Would it be fair to say, that there has  
7 been an allocution prepared, Mr. O'Callaghan?

8 MR. O'CALLAGHAN: Yes, there is.

9 THE COURT: In a narrative form, so to speak.

10 MR. O'CALLAGHAN: That's correct.

11 THE COURT: Touching at one time on all of the  
12 relevant counts.

13 MR. O'CALLAGHAN: The relevant counts, the element  
14 of each counts, yes.

15 THE COURT: Swear in the defendant.

16 JEFFREY WEBB, having been first duly sworn, testified as  
17 follows:

18 THE COURT: Mr. Webb, before we get started, I  
19 should tell you, there are a number of questions I have to ask  
20 you. Perhaps it would be easier for everyone if you came up  
21 to the podium.

22 If there is anything that I say or any question that  
23 I ask that is not entirely clear to you, don't hesitate to say  
24 so. If you wish at any time, to confer with counsel, ask me  
25 and I will rest assured, I will give you whatever time you

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1 need to confer privately with your attorney. All right.

2 THE DEFENDANT: Thank you, Judge.

3 THE COURT: You are now under oath. That means that  
4 your answers to my questions, must be truthful. If they were  
5 not in any material way, you could subject yourself to  
6 additional charges for the offense of perjury, which is lying  
7 while under oath.

8 Do you understand that?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: Would you please state your full name.

11 THE DEFENDANT: Jeffery Dione Webb.

12 THE COURT: How old are you, sir?

13 THE DEFENDANT: 51.

14 THE COURT: What schooling or formal education have  
15 you had?

16 THE DEFENDANT: High school, King High School in  
17 Tampa, Florida and attended Hillsborough Community College in  
18 Tampa, Florida.

19 THE COURT: Tell me about your health, how is your  
20 health?

21 THE DEFENDANT: Beside heart disease, heart  
22 condition, health is fine.

23 THE COURT: It is a big besides.

24 THE DEFENDANT: Yes.

25 THE COURT: Are you taking any medication?

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1 THE DEFENDANT: Yes.

2 THE COURT: Daily medication?

3 THE DEFENDANT: Yes.

4 THE COURT: Can you tell me what that is.

5 THE DEFENDANT: I take Plavix and Metoprolol.

6 THE COURT: Do you have any side effects as you  
7 stand there now?

8 THE DEFENDANT: No, Your Honor.

9 THE COURT: Are you comfortable?

10 THE DEFENDANT: Yes.

11 THE COURT: You can concentrate on what I'm saying,  
12 sir?

13 THE DEFENDANT: Yes.

14 THE COURT: Have you had any problems with alcohol  
15 or drugs or anything of that sort?

16 THE DEFENDANT: No.

17 THE COURT: In the past 24 hours, I take it you have  
18 taken your daily medication.

19 THE DEFENDANT: Yes, I have.

20 THE COURT: Your mind is clear this morning or this  
21 afternoon, I should say.

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Mr. O'Callaghan, in your discussions  
24 with your client, have you at any time had difficulty  
25 communicating with him?

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1 MR. O'CALLAGHAN: No, Your Honor.

2 THE COURT: Are you satisfied that he understands  
3 the rights he will be waiving?

4 MR. O'CALLAGHAN: Yes, Judge.

5 THE COURT: Is he in your judgment competent to  
6 proceed?

7 MR. O'CALLAGHAN: Yes, Judge.

8 THE COURT: Now, as we get started, the whole series  
9 of questions I have to put to you, which are in the first, are  
10 designed to lay out as a matter of record the rights you have  
11 Mr. Webb, and the rights that you will be giving up by  
12 offering a plea of guilty.

13 Do you understand?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: For example, you have an absolute right  
16 to continue in your plea of not guilty.

17 Do you understand that?

18 THE DEFENDANT: Yes, I do.

19 THE COURT: Even if you are guilty, you have the  
20 right to plead not guilty, and put the Government to the  
21 burden of proving your guilt to the satisfaction of a jury,  
22 beyond a reasonable doubt.

23 Do you understand that?

24 THE DEFENDANT: Yes, I do, Your Honor.

25 THE COURT: Under our constitution and laws, you are

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1 entitled to a speedy and public trial by jury, with the  
2 assistance of counsel on the charges reflected in the  
3 indictment.

4 Do you understand?

5 THE DEFENDANT: Yes, I do, Your Honor.

6 THE COURT: At trial, you would be presumed innocent  
7 of the charges, I would tell the jury that in no uncertain  
8 terms.

9 Do you understand that?

10 THE DEFENDANT: Yes, I do.

11 THE COURT: The Government would have to overcome or  
12 attempt to overcome this presumption of innocence, and prove  
13 your guilt beyond a reasonable doubt by competent evidence  
14 subject to the Court's approval.

15 Do you understand?

16 THE DEFENDANT: Yes, I do.

17 THE COURT: In the course of the trial-- that means  
18 of course, I should say, if the Government were to fail for  
19 any reasons, technical or otherwise, the jury would be  
20 required under my instructions to find you not guilty even if  
21 you committed one or more of these charges.

22 Do you understand?

23 THE DEFENDANT: Yes, I do, Your Honor.

24 THE COURT: In the course of the trial, witnesses  
25 for the Government would be required obviously to come to

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1 Court and testify under oath in your presence, presence of  
2 counsel. You would have the right therefore, to confront each  
3 of these witnesses face-to-face here in court.

4 Do you understand that?

5 THE DEFENDANT: Yes, I do.

6 THE COURT: You would have the right to cross  
7 examine, for counsel to cross examine each witness, and if  
8 appropriate, to object to evidence offered by the Government.

9 Do you understand?

10 THE DEFENDANT: Yes, I do.

11 THE COURT: You would have the right to offer  
12 evidence in your own defense and in that regard, you would  
13 have the right to compel the attendance of witnesses through  
14 the use of Court Order or subpoena.

15 Do you understand?

16 THE DEFENDANT: Yes, I do.

17 THE COURT: At trial, you would have the right to  
18 testify in your own defense.

19 Do you understand that?

20 THE DEFENDANT: Yes, I do.

21 THE COURT: You also enjoy an absolute  
22 constitutional right or privilege to not testify, to remain  
23 silent. No one can make you testify, not your lawyer, the  
24 Government's lawyer or the Court. You have an absolute and  
25 constitutional privilege to remain silent. If you choose to

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1 avail yourself of that privilege, I would instruct the jury in  
2 no uncertain terms that they could not in any way hold your  
3 decision against you.

4 Do you understand that?

5 THE DEFENDANT: Yes, I do.

6 THE COURT: Now, having said all of that, if you  
7 plead guilty and I accept your plea, you give up those rights.  
8 No trial, none of these rights that I have just outlined for  
9 you.

10 Do you understand?

11 THE DEFENDANT: Yes, I do.

12 THE COURT: You give them up for all time. Do you  
13 follow?

14 THE DEFENDANT: Yes.

15 THE COURT: With the possible exception of sentence,  
16 which I will get to in a moment, there is no right to an  
17 appeal. I would simply enter a judgement of guilty based upon  
18 what you tell me, based upon your plea of guilty.

19 Do you follow?

20 THE DEFENDANT: Yes, sir.

21 THE COURT: Finally, before I can actually accept  
22 your plea, I am required by law to satisfy myself that you are  
23 in fact guilty of the charges that are the subject of this  
24 proceeding.

25 To do that, I will ask you a few questions in a few

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1 minutes about the charges. In responding to my questions,  
2 obviously you will give up your right to remain silent. You  
3 will give up your constitutional right not to incriminate  
4 yourself and you will be called upon to acknowledge your guilt  
5 here on the record.

6 Do you understand that?

7 THE DEFENDANT: Yes, I do, Your Honor.

8 THE COURT: So then, you have had adequate time to  
9 discuss this choice with counsel?

10 THE DEFENDANT: Yes, I have.

11 THE COURT: You are satisfied this is in your best  
12 interests?

13 THE DEFENDANT: Yes, I do, Your Honor.

14 THE COURT: You are willing to give up your right to  
15 a trial and these other rights I have just discussed.

16 THE DEFENDANT: Yes, I do, Your Honor.

17 THE COURT: Now, I have a document here.

18 Do you have the original?

19 COURTROOM DEPUTY: The original plea agreement, I  
20 had just placed it in front of Mr. --

21 THE COURT: Has it been signed?

22 COURTROOM DEPUTY: Yes.

23 THE COURT: Mark the original as Court Exhibit 2.

24 COURTROOM DEPUTY: Certainly.

25 (So marked.)

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MS. HECTOR: Your Honor, if I may.

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I might have missed it, but I believe Your Honor touched upon it, but I want to make sure that the defendant understands that he would have a right to counsel, appointed if necessary, if he could not afford an attorney to represent him in every stage of the criminal process.

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THE COURT: You didn't miss it, because I didn't say it, but you are absolutely right.

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If for any reason Mr. Webb at any point in the proceedings, you are unable to afford counsel, you may apply to the Court for appointment of counsel, in which case fees and expenses associated with your defense would be paid by the Government under the authority of the Criminal Justice Act.

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Do you understand?

THE DEFENDANT: Yes, I do, Your Honor, thank you.

THE COURT: I have now before me a document, typewritten document containing 21 typewritten pages, with exhibits attached and the caption of this case, [REDACTED]

22

23

24

25

I take it Mr. Webb, you have read this document.

THE DEFENDANT: Yes, I did, Your Honor.

THE COURT: You read it carefully?

THE DEFENDANT: Yes, I have.

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1 THE COURT: You reviewed it carefully with counsel?

2 THE DEFENDANT: Yes, we have.

3 THE COURT: You feel that you understand everything  
4 that is in the agreement?

5 THE DEFENDANT: Yes, I do.

6 THE COURT: Any questions that you would like to put  
7 to me about anything in the agreement?

8 THE DEFENDANT: No, Your Honor.

9  
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A large rectangular area of the document is redacted with a solid black box, covering approximately five lines of text.

14 THE COURT: Are there any other understandings or  
15 agreements that you have arrived at that are not written down  
16 in the agreement?

17 THE DEFENDANT: No, Your Honor.

18 THE COURT: As far as you know.

19 THE DEFENDANT: No, Your Honor.

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[REDACTED]

THE COURT: Does that summarize it, Mr. O'Callaghan?

MR. O'CALLAGHAN: It does, Your Honor. [REDACTED]

[REDACTED]

THE COURT: Okay. I appreciate that.

All right. I think you have signed the agreement in the presence of counsel Mr. Webb?

THE DEFENDANT: Yes, I have, Your Honor.

THE COURT: We will get back to this in just a few moments.

I take it counsel you waive reading of the charges?

MR. O'CALLAGHAN: Yes, Your Honor.

THE COURT: Let me go back to this one second.

There are any number of terms and provisions in this agreement, need less to say, I'm not going to review them all. You have assured me, Mr. Webb that you have with counsel. You have declined my invitation to put any questions to me, probably a prudent decision. [REDACTED]

[REDACTED]

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- SEALED PLEA -

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1 THE DEFENDANT: Yes, I do.

2 THE COURT: I will dispense with the charges.

3 You have discussed with counsel, each of the  
4 charges?

5 THE DEFENDANT: Yes, I did Your Honor.

6 THE COURT: You are fully confident, you understand  
7 what you are charged with in each of the counts?

8 THE DEFENDANT: Yes, I do.

9 THE COURT: Fair to say?

10 THE DEFENDANT: Yes.

11 THE COURT: I take it Count One is a conspiracy  
12 count.

13 MS. HECTOR: Yes, Your Honor, racketeering  
14 conspiracy.

15 THE COURT: Among other things, you are charged with  
16 conspiracy. What is your understanding Mr. Webb, what is a  
17 conspiracy?

18 THE DEFENDANT: Conspiracy, Your Honor, is an  
19 agreement amongst a group of individuals to carry out an  
20 illegal act.

21 THE COURT: A plus. It is the agreement itself.

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Regardless of whether you do anything  
24 about it. If you in good faith, poor choice of words, if you  
25 intentionally agree with another person to commit a crime,

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1 okay, it is that agreement that constitutes the crime alleged  
2 in Count One or for that matter any conspiracy alleged in the  
3 indictment.

4 Do you understand that?

5 THE DEFENDANT: Yes, I do.

6 THE COURT: Now, let me return to your plea  
7 agreement and discuss as I am required to, important  
8 information relative to sentencing.

9 Laid out in the initial portions of the agreement  
10 are the statutory penalties, you will see them there under  
11 paragraph one that you face, as a result of your conviction on  
12 these various counts. All right. Pages one, two, three, and  
13 onto page four.

14 You have reviewed them I take it, needless to say  
15 with counsel, fair enough?

16 THE DEFENDANT: Yes, I have, Your Honor.

17 THE COURT: For example under Count One, you face a  
18 maximum term of 20 years in prison. You face a period of up  
19 to three years supervised release, if sentenced to a period of  
20 custody. Supervised release Mr. Webb is a period of  
21 supervision that begins to run the moment you are released  
22 from federal custody. If you were to violate the terms or  
23 conditions of your supervised release at any time during the  
24 period of supervision, you could under the terms of any  
25 sentence in this case, be returned to prison, for up to

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19

1 two years, without any credit being given to you for the time  
2 you have spent at liberty under supervision.

3 Do you follow?

4 THE DEFENDANT: Yes, Your Honor.

5 THE COURT: You face a fine of, again, with respect  
6 to Count One, of up to \$250,000 or twice the gross profits of  
7 the enterprise which could be a sizable sum of money no doubt.

8 Restitution is mandatory in the case. I'm not sure  
9 what the Government's thoughts are on that. But I have  
10 little, if any, discretion with respect to restitution. It is  
11 a subject matter that we will have to address at or prior to  
12 the time of sentencing. But you will be required to make  
13 restitution.

14 Do you understand that?

15 THE DEFENDANT: Yes, I do.

16 THE COURT: For each count of conviction I impose  
17 what is called a special assessment. For each count it is in  
18 the amount of \$100. There are criminal forfeitures which I--  
19 which you no doubt are aware of by virtue of your agreement,  
20 correct?

21 THE DEFENDANT: Yes, Your Honor.

22 THE COURT: And, the penalty of removal, that is a  
23 fancy word for-- not a fancy word, but a different word for  
24 deportation. Following the custodial portion of your sentence  
25 you could be removed from the United States.

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1 Do you understand that?

2 THE DEFENDANT: Yes.

3 THE COURT: It is not a decision I make. It is a  
4 decision made by other authorities, immigration folks. But, I  
5 bring it to your attention because it is a likely consequence  
6 of your conviction.

7 Do you understand that?

8 THE DEFENDANT: Yes, I do.

9 THE COURT: That is Count One, Counts 25, you will  
10 see on page two, 25, 33, and 39, are similar penalties, up to  
11 20 years; again up to three years of supervised release, the  
12 same fine. All these penalties could be legally, could be  
13 piled one on top of the other and imposed consecutively.

14 Do you understand that?

15 THE DEFENDANT: Yes, I do, Your Honor.

16 THE COURT: Counts 29, 37 and 40. Again, similar  
17 provisions, there the fine is a greater, \$500,000 or twice the  
18 value of the monetary instrument or funds involved with  
19 respect to each of those three counts.

20 Again restitution, special assessment and so forth.

21 Now, those are the kind of statutory penalties that  
22 you face. The worst case, if you will.

23 There is also as you undoubtedly know in the federal  
24 system what we call, sentencing guidelines. These guidelines  
25 address where within this rather broad range of sentencing,

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1 you will be sentenced. [REDACTED]

2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 Have you discussed at all among yourselves with  
10 counsel, the likely calculation of a guidelines advisory  
11 guideline range?

12 MS. HECTOR: We have not discussed a particular  
13 calculation, but I believe that defense counsel is aware of  
14 the underlining facts that would go into such a calculation.

15 THE COURT: I have no doubt he is aware of it.  
16 Needless to say, this advisory guidelines range, given the  
17 fact scope of this, consecutive case, could be quite sizable.  
18 Okay.

19 I am not required to sentence you within that range.  
20 I am however required as a first step in the sentencing  
21 process to consider the advisory guidelines range.

22 I then am required to consider, as I say, the  
23 statutory factors about you personally, about the case in  
24 particular, about other values that go into the judgment or  
25 sentencing process, and any other information that your

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22

1 attorney or the government's attorney bring to my attention  
2 prior to sentencing.

3 Ultimately, what the law requires of me is, that I  
4 impose under all of these circumstances, a reasonable  
5 sentence.

6 THE DEFENDANT: Okay.

7 THE COURT: And at the end of the day, Mr. Webb, if  
8 you think that I have imposed an unreasonable sentence, you  
9 may seek review of that sentence at a higher court. Okay.

10 THE DEFENDANT: Okay.

11 THE COURT: If at that time, you can no longer  
12 afford the fees and expenses associated with counsel, once  
13 again, those fees and expenses will be paid by the Court upon  
14 appropriate application under the authority of the Criminal  
15 Justice Act.

16 Do you understand?

17 THE DEFENDANT: Yes.

18 THE COURT: The Government is an equal partner,  
19 equal participant I should say, in the sentencing process. So  
20 if they feel that I have imposed an unreasonable sentence on  
21 the lenient side perhaps or whatever the case maybe, they too  
22 have an opportunity to seek review of the sentence and should  
23 that happen, your interests in that proceeding will of course  
24 be represented by counsel of your choosing or counsel  
25 appointed by the Court, if indeed you are eligible for that

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23

1 relief.

2 Do you understand that?

3 THE DEFENDANT: Yes, Your Honor.

4 THE COURT: Are there any other aspects to this  
5 rather lengthy agreement that I should focus on more  
6 specifically?

7 MS. HECTOR: No, Your Honor. I believe that is  
8 sufficient.

9 THE COURT: Mr. O'Callaghan, are you confident that  
10 Mr. Webb understands all these features as he has assured me?

11 MR. O'CALLAGHAN: Yes, Your Honor.

12 THE COURT: All right. Then Mr. Webb, are we ready  
13 to plead?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Mr. O'Callaghan, do you know of any  
16 reason why Mr. Webb should not plead guilty?

17 MR. O'CALLAGHAN: No, Your Honor.

18 THE COURT: Are you aware of any legal defense to  
19 the charges?

20 MR. O'CALLAGHAN: No, Your Honor.

21 THE COURT: Mr. O'Callaghan, with respect to -- I  
22 will take them one at a time if you don't mind.

23 With respect to Count One, what is your plea, guilty  
24 or not guilty?

25 THE DEFENDANT: Guilty, Your Honor.

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24

1 THE COURT: Count 25?

2 THE DEFENDANT: Guilty, Your Honor.

3 THE COURT: Count 29?

4 THE DEFENDANT: Guilty.

5 THE COURT: Count 33?

6 THE DEFENDANT: Guilty.

7 THE COURT: Count 37?

8 THE DEFENDANT: Guilty, Your Honor.

9 THE COURT: Count 39?

10 THE DEFENDANT: Guilty, Your Honor.

11 THE COURT: Count 40?

12 THE DEFENDANT: Guilty, Your Honor.

13 THE COURT: You are making these pleas of guilty  
14 voluntarily of your own free will?

15 THE DEFENDANT: Yes.

16 THE COURT: Anybody forced you to plead guilty?

17 THE DEFENDANT: No, Your Honor.

18 THE COURT: Other than the agreement that we have  
19 discussed, Court Exhibit 2, any other agreements,  
20 understandings, no matter how slight, that I should be aware  
21 of before accepting these pleas? Relative to sentence? Any  
22 agreement at all?

23 THE DEFENDANT: No, Your Honor.

24 THE COURT: So tell me what you did.

25 THE DEFENDANT: Your Honor, respect to Count One, in

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1 1991, I became president of the Cayman Island Football  
2 Association which is a member of the Caribbean Football Union.  
3 CFU, which in turn is a constituent organization of CONCACAF,  
4 the Football Confederation that represents North America,  
5 Central America and Caribbean before FIFA, the world governing  
6 body of football.

7 And the year since then, I attained high level  
8 positions within these football organization bodies, first at  
9 the CFU, then later at CONCACAF and FIFA.

10 I was elected president of CONCACAF in May of 2012  
11 and also served as a vice president of FIFA executive  
12 committee from May of 2012.

13 For most of this time CONCACAF had its headquarters  
14 here in New York, CONCACAF moved their headquarters to Miami  
15 soon after I became president.

16 FIFA, CONCACAF, CFU and FIFA as well as other soccer  
17 related organizations were engaged in promoting and regulating  
18 the sport of football, worldwide as part of an ongoing  
19 organization. The activities of that organization -- sorry.  
20 The activities of that ongoing organization, effected both  
21 interstate and foreign commerce.

22 While I held the position of CIFA president, and  
23 then CONCACAF president, I abused my position to personally  
24 enrich myself, through various means. For example, upon  
25 attaining these leadership positions, I began to exercise

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1 significant influence over the awarding of commercial rights  
2 associated with football tournaments, organized by CONCACAF or  
3 CFU.

4 In this capacity, I abused my position to obtain  
5 bribes and kickbacks for my personal benefit. Among other  
6 things, I agreed to commit at least two counts of racketeering  
7 activity, together with other coconspirators to accept bribes  
8 from sports marketing companies, to favor them when awarding  
9 sponsorship and media rights for football tournaments.

10 For example, in or about 2012, a coconspirator told  
11 me that sports marketing companies would offer us side  
12 payments in exchange for awarding them commercial rights to  
13 World Cup qualify matches for the CFU nations. At the time I  
14 understood this to be a bribe offer, and I believed that such  
15 offers were common in this business.

16 Because I wanted to enrich myself, I agreed to  
17 receive, and share bribes with coconspirators, in connection  
18 with the sale of commercial rights for the 2018 and 2022 World  
19 Cup qualifying matches from the CFU member associations.

20 Later in 2012, and 2013, I agreed with  
21 coconspirators to accept bribes in connection with the sale of  
22 commercial rights to the Gold Cup, and champion league,  
23 CONCACAF Club Tournament.

24 Then in 2013, and 2014, I agreed with  
25 coconspirators, that we would accept bribes in connection with

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1 the sale of commercial rights to the Copa America Centenario  
2 tournament, which is a special centennial edition of the  
3 tournament that would be hosted in the United States.

4 I also abused my position of trust, and otherwise  
5 including among others, by embezzling funds intended for the  
6 benefit of football organizations that I represented and by  
7 soliciting and accepting bribes and kickbacks related to other  
8 agreements between for example, CONCACAF and third party  
9 vendors, for services and equipment.

10 I understood at the time that it was unlawful to  
11 accept bribes and embezzle funds in connection with my duties  
12 as a high level official of FIFA, CONCACAF or CFU. I deeply  
13 regret my participation in this illegal conduct.

14 MR. O'CALLAGHAN: Your Honor, there are additional  
15 counts that Mr. Webb is prepared to allocute to the elements  
16 of. [REDACTED]

17 THE COURT: Yes.

18 MR. O'CALLAGHAN: And grouped them with the wire  
19 fraud conspiracy counts. Then the money laundering counts.

20 So Mr. Webb is prepared to continue with those so  
21 the next would be with respect to Counts 25, 33, and 39.

22 THE COURT: All right. Please.

23 THE DEFENDANT: Thank you, Your Honor.

24 With respect to my participation in the bribery  
25 schemes related to the three football tournaments that I just

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1 referred, I also knowingly disregarded my duties to FIFA,  
2 CONCACAF and CFU, as a high official in each of these  
3 organizations, by conspiring to defraud them under  
4 constituents of their right to be honest service, even though  
5 I knew, it was unlawful to do so.

6 For example, in or about and between 2012 and 2014,  
7 I agreed to participate in schemes to defraud these  
8 organizations, and their constituents by accepting undisclosed  
9 bribes from sports marketing companies to secretly play favor,  
10 these companies when awarding commercial rights for the  
11 football tournaments that I mentioned before.

12 In or about and between 2012, and 2014, I also  
13 agreed with my coconspirators, that we would use wire  
14 transfers, E-mails and telephone calls, all in interstate and  
15 foreign commerce, to further these unlawful schemes to  
16 defraud. I knew at the time I participated in these schemes,  
17 that the funds obtained by these wire transfers were unlawful  
18 proceeds of bribes and sports marketing companies.

19 MR. O'CALLAGHAN: Your Honor, the last group of  
20 offenses are the conspiracy to commit money laundering  
21 offenses charged in Counts 29, 37, and 40.

22 THE COURT: All right.

23 THE DEFENDANT: Finally, from in or about 2012 to  
24 2014, in connection with the bribery schemes I just referred,  
25 I and others agreed to and did transmit funds by wire

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1 transfer, or other means from within the United States to bank  
2 accounts located outside of the United States, knowing that  
3 the purpose of these transfers was to promote and conceal my  
4 receipt of these funds, that I knew to be unlawful proceeds of  
5 bribes from sports marketing companies.

6 For example, to facilitate the payments and  
7 concealment of the nature of these funds, I agreed with my  
8 coconspirators, that they would make wire transfer of these  
9 funds from the United States to bank accounts located in  
10 Panama, the Cayman Islands and elsewhere, that were owned by  
11 front companies.

12 THE COURT: Purporting to be payments in the normal  
13 course?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: How about the subject of venue?

16 MS. HECTOR: Your Honor, yes, venue is in the  
17 Eastern District of New York for each of these charges. If  
18 called upon to do so, the Government would prove at trial,  
19 that the venue lies in the Eastern District of New York for  
20 each of these charges.

21 My understanding, the defendant is prepared to  
22 stipulate to that fact on the record.

23 MR. O'CALLAGHAN: We are so prepared to stipulate,  
24 Your Honor.

25 THE DEFENDANT: Yes, Your Honor.

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1 THE COURT: Any questions Mr. Webb before we  
2 conclude these proceedings?

3 THE DEFENDANT: No, Your Honor.

4 THE COURT: Would you like to confer with counsel  
5 before we conclude these proceedings?

6 THE DEFENDANT: No, Your Honor.

7 THE COURT: Anything further, Mr. O'Callaghan?

8 MR. O'CALLAGHAN: We do have a couple of further  
9 points.

10 MS. HECTOR: If I can do one thing.

11 If I can do one thing initially. I believe if the  
12 defendant could represent that he is satisfied with counsel up  
13 to this point.

14 THE COURT: Up to this point? Mr. Webb? So far so  
15 good?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: Mr. O'Callaghan.

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: That is comforting.

20 MR. O'CALLAGHAN: Thank you, Your Honor.

21 MS. HECTOR: Your Honor, there is a preliminary  
22 order of forfeiture.

23 THE COURT: All right. Counsel has seen this, I  
24 assume. Consistent with the agreement, with no objection if I  
25 sign it?

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1 MR. O'CALLAGHAN: No, Your Honor.

2 MS. HECTOR: No.

3 THE COURT: Anything else?

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THE COURT: Any questions Mr. Webb?

THE DEFENDANT: No, Your Honor.

THE COURT: I notice the Assistant giving the Reporter terms and conditions. This is a sealed proceeding and I will seal the record of this proceeding, any notes and so forth, with the understanding that counsel for Mr. Webb, the United States Attorney's office can be provided copies. In consideration of that, I would urge you, at your earliest moment collectively to review the transcript of this

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1 proceeding so it is precise, it is not the easiest subject  
2 matter to take down with all the acronyms and so forth.

3 MR. O'CALLAGHAN: Your Honor, there are a couple of  
4 bail modifications that I have agreed with the Government, I  
5 would propose for Your Honor's consideration.

6 One is now Mr. Webb has accepted responsibility by  
7 pleading guilty, the Government has agreed that the security  
8 detail is no longer a necessary requirement of the bond. He  
9 is on GPS electronic monitoring, and the coordination between  
10 the Northern District of Georgia and Eastern District of New  
11 York Pretrial Services with respect to that has actually gone  
12 seamlessly so far as I can tell Your Honor.

13 So we would make that request that the security  
14 detail be removed as of this proceeding.

15 THE COURT: Confirm that?

16 MS. HECTOR: Yes, Your Honor.

17 THE COURT: Anything else?

18 MR. O'CALLAGHAN: Your Honor, the next one is that  
19 Mr. Webb is at home. Thankfully his wife has been able to get  
20 a job. She is a practicing physician in the Atlanta area, but  
21 that means Mr. Webb now is responsible for the-- solely  
22 responsible for the care of their child, 18 month old child.

23 THE COURT: He is a busy man.

24 MR. O'CALLAGHAN: Necessitating Your Honor, some  
25 errands during the course of the day. So, with the

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1 Government's agreement, we would propose that Mr. Webb be  
2 allowed to leave his home from 8:00 a.m. to 5:00 p.m., for the  
3 purpose of running errands related to the care of his 18-month  
4 old son.

5 THE COURT: Don't abuse that privilege.

6 MS. HECTOR: And Your Honor, I think it is probably  
7 simplest to indicate, and I believe we have an agreement on  
8 this, the modification would actually allow Mr. Webb to be out  
9 of the house, within a 20-mile radius of his home between  
10 8:00 a.m. and 5:00 p.m., those seven days per week.

11 THE COURT: All right. Fair enough.

12 MS. HECTOR:   


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19 I will also note that I have spoken to the defense  
20 counsel who represented to me, and I'm sure can represent to  
21 the Court, that he spoke to the other suretors on the bond,  
22 and that they are comfortable remaining on the bond even in  
23 light of those changes.

24 THE COURT: You can confirm that Mr. O'Callaghan.

25 MR. O'CALLAGHAN: I can, Your Honor. I can add that

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1 I have actually, one additional piece, just to cover.

2           There were certain assets that were also used  
3 originally to secure the bond. Those assets, some of which  
4 are now subject to either the forfeited assets provisions of  
5 the agreement or the liquidated assets portion of the  
6 agreement, once those transfer over, you know, they are -- no  
7 longer appropriately considered as bond security. We have  
8 discussed that, myself and my colleagues have discussed that  
9 with each of the cosigners and all have expressed no objection  
10 to those modifications and have agreed to remain as cosigners.

11           THE COURT: All right.

12           Anything else?

13           MS. HECTOR: I think the only thing left Your Honor,  
14 is for Your Honor to indicate that you accept the plea.

15           THE COURT: I'm about to do just that.

16           Anything else?

17           MR. O'CALLAGHAN: Nothing from the defense.

18           MS. HECTOR: No.

19           THE COURT: Based on the information given to me, I  
20 find that the defendant is acting voluntarily, and he fully  
21 understands his rights, the consequences and possible  
22 consequences of his pleas, and that there are factual basis  
23 for the pleas of guilty.

24           I therefore accept the pleas of guilty to Counts 1,  
25 25, 29, 33, 37, 39, and 40 of indictment, number bearing

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1 docket number 15-CR-252.

2 Anything else?

3 MS. HECTOR: No, Your Honor.

4 MR. O'CALLAGHAN: No.

5 COURTROOM DEPUTY: Just to make clear, as far as Mr.  
6 Webb to leave from 8:00 a.m. to 5:00 p.m., he is on the  
7 electronic bracelet, 

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25 COURTROOM DEPUTY: Judge Dearie, I will set this

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1 down as a control date, June 3rd, at 10:00 a.m..

2 THE COURT: With that, we will wish you a good day.

3 See you next time.

4 COURTROOM DEPUTY: I am returning the original  
5 agreement back to the Government.

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9 I CERTIFY that the foregoing  
10 is a correct transcript from  
11 the record of proceedings  
12 in the above entitled matter.

s/ Richard W. Barry

Richard W. Barry, RPR

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1 UNITED STATES DISTRICT COURT  
2 EASTERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA

4 versus

5 ALEJANDRO BURZACO,

6 Defendant.

15 CR 252 (RML)

U.S. Courthouse  
225 Cadman Plaza East  
Brooklyn, NY 11201  
November 16th, 2015

7 SEALED TRANSCRIPT OF CRIMINAL CAUSE FOR GUILTY PLEA  
8 BEFORE THE HONORABLE ROBERT LEVY  
9 UNITED STATES MAGISTRATE JUDGE

10 APPEARANCES

11 For the Government: ROBERT CAPERS  
12 UNITED STATES ATTORNEY  
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17 EVAN NORRIS, ESQ.  
18 TANYA HAJJAR, ESQ.  
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23 BY: SEAN CASEY, ESQ.  
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BY: JOHN COURIEL, ESQ.

26 Court Reporter: LISA SCHMID, CCR, RMR  
27 Official Court Reporter  
28 225 Cadman Plaza East  
29 Brooklyn, New York 11201  
30 Phone: 718-613-2644  
31 Fax: 718-613-2379

32 Proceedings recorded by mechanical stenography. Transcript  
33 produced by computer-aided transcription.

LISA SCHMID, CCR, RMR

1 MR. CASEY: Hi, Your Honor.

2 THE COURT: Did you need an interpreter?

3 THE DEFENDANT: No. No, sir.

4 THE CLERK: Criminal cause for pleading, United  
5 States v. Alejandro Burzaco, Case Number 15 CR 252. Please  
6 state your appearances for the record.

7 MR. NITZE: Sam Nitze, Evan Norris and Tanya Hajjar  
8 for the United States. Good evening, Your Honor.

9 THE COURT: Good evening.

10 MR. CASEY: Sean Casey and John Couriel for  
11 Mr. Burzaco. Good evening, Your Honor.

12 THE COURT: Good evening.

13 MR. CASEY: Good evening.

14 THE COURT: Good evening.

15 THE DEFENDANT: Alejandro Burzaco, Your Honor. Good  
16 evening.

17 THE COURT: Good evening.

18 THE CLERK: Mr. Burzaco, please right your right  
19 hand.

20 (Defendant sworn.)

21 THE DEFENDANT: Yes, I do.

22 THE CLERK: Thank you.

23 MR. NITZE: Judge, if I could just before we begin,  
24 note for the record that the prior courtroom closure  
25 proceedings, as Your Honor knows, was held ex parte, and that

1 was done with the consent of the defendant and his counsel.  
2 So I wanted the record to reflect that.

3 MR. CASEY: That's correct.

4 THE COURT: Thank you. So what is Mr. Burzaco going  
5 to do today?

6 MR. CASEY: He's going to plead guilty today, Your  
7 Honor.

8 THE COURT: And what is he going to plead guilty to?

9 MR. CASEY: He's going to plead guilty to three  
10 counts of the indictment: Count 1, which is the racketeering  
11 conspiracy; Count 39 and Count 40.

12 THE COURT: Okay. All right. I have a consent to  
13 have a plea taken before a United States Magistrates Judge. I  
14 see it appears to have been signed by counsel and the  
15 defendant, is that correct?

16 MR. CASEY: That's correct, Your Honor.

17 THE COURT: Are you satisfied that Mr. Burzaco's  
18 consent is knowing and voluntary?

19 MR. CASEY: I am, Your Honor.

20 THE COURT: Mr. Burzaco, did you sign this consent  
21 form?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: Before you signed it, did you discuss it  
24 with your lawyer?

25 THE DEFENDANT: Yes, Your Honor.

1           THE COURT: Did he explain to you that you have the  
2 right to have Judge Dearie, the district judge who is  
3 supervising the case, hear your plea?

4           THE DEFENDANT: Yes, Your Honor.

5           THE COURT: And that there no one would be upset  
6 with you if you chose to have him hear the plea rather than  
7 me?

8           THE DEFENDANT: I understood, Your Honor, and I  
9 agree, Your Honor.

10          THE COURT: Okay. Are you making this decision  
11 voluntarily?

12          THE DEFENDANT: Yes, Your Honor.

13          THE COURT: Do you have any questions?

14          THE DEFENDANT: No, Your Honor.

15          THE COURT: I'm going to ask you a lot of questions.  
16 You'll be answering them under oath. You need to answer them  
17 fully and honestly. If you don't do that, you could be  
18 prosecuted for perjury. Do you understand?

19          THE DEFENDANT: Yes, Your Honor.

20          THE COURT: If there's anything that you don't  
21 understand or that you'd like to discuss with your lawyers,  
22 feel free to speak with them privately or to ask me.

23          THE DEFENDANT: Yes, Your Honor.

24          THE COURT: Okay. So what is your full name?

25          THE DEFENDANT: Alejandro Burzaco, B-U-R-Z-A-C-O.

1 THE COURT: How old are you?

2 THE DEFENDANT: Fifty-one.

3 THE COURT: What is the last level of schooling that  
4 you finished?

5 THE DEFENDANT: I studied economics, a degree in  
6 economics in Argentina -- in New York City and Argentina.

7 THE COURT: And tell me about your language ability.  
8 Have you been able to communicate with your lawyers in  
9 English?

10 THE DEFENDANT: Yeah. I've been studying in  
11 Argentina English since kindergarten. I work 15 years for  
12 Citibank, so I practice my English, and I've been dealing with  
13 U. S. companies very often, so I had a good chance to  
14 practice. I understood what my lawyer explained me, and I'm  
15 perfectly aware of the decision I'm taking here.

16 THE COURT: Okay. And do you believe that your  
17 lawyers understood what you said to them?

18 THE DEFENDANT: Yeah, I am. He speaks Spanish  
19 perfectly (indicating Mr. Couriel), and still, both in Spanish  
20 and English, we communicated to each other perfectly.

21 THE COURT: And so would you describe yourself as  
22 fluent in English?

23 THE DEFENDANT: I describe myself as fluent in  
24 English, maybe with an Argentine accent, but fluent in  
25 English.

1 THE COURT: Not a problem.

2 Counsel?

3 MR. CASEY: Yes. I've understood Mr. Burzaco at  
4 every stage and my impression is, he understands a hundred  
5 percent of what I tell him.

6 THE COURT: Okay.

7 MR. COURIEL: I share that, Your Honor. Yes.

8 THE COURT: You speak to him in Spanish, as well?

9 MR. COURIEL: Whenever the occasion seems to require  
10 even the slightest bit of bilingual support, Your Honor, I've  
11 been able to provide it.

12 THE COURT: Good. All right. So there's no need  
13 for an interpreter, correct?

14 THE DEFENDANT: Correct, Your Honor.

15 MR. CASEY: We agree, Your Honor.

16 THE COURT: So Mr. Burzaco, are you now or have you  
17 presently -- recently been under the care of a doctor or a  
18 psychiatrist?

19 THE DEFENDANT: No, Your Honor.

20 THE COURT: In the past 24 hours, have you taken any  
21 narcotic drugs?

22 THE DEFENDANT: No, Your Honor.

23 THE COURT: Alcoholic beverages?

24 THE DEFENDANT: No, Your Honor.

25 THE COURT: Medicine or pills of any kind?

1           THE DEFENDANT: Cholesterol, to reduce cholesterol  
2 levels.

3           THE COURT: Okay. Do those pills have any side  
4 effects at all?

5           THE DEFENDANT: No, they don't have any side effect.  
6 It's just very low dose and I take it regularly.

7           THE COURT: Okay.

8           MR. NORRIS: Your Honor, I'm sorry to interrupt. If  
9 I could just step out of the courtroom --

10          THE COURT: Sure.

11          MR. NORRIS: -- if that's all right? Thank you.  
12 (Exits courtroom.)

13          THE COURT: All right. So I'm just going to go  
14 through those questions again. In the past 24 hours, have you  
15 taken any narcotic drugs, alcoholic beverages or medicine or  
16 pills of any kind, other than the cholesterol medication?

17          THE DEFENDANT: No, Your Honor.

18          THE COURT: Have you ever been hospitalized or  
19 treated for a narcotic addiction?

20          THE DEFENDANT: No, Your Honor.

21          THE COURT: Alcoholism?

22          THE DEFENDANT: No, Your Honor.

23          THE COURT: A mental or emotional problem?

24          THE DEFENDANT: No, Your Honor.

25          THE COURT: Is your mind clear now?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: Do you understand why you're here and  
3 what's happening here today?

4 THE DEFENDANT: I understand perfectly, Your Honor.

5 THE COURT: Okay. I have a few questions for your  
6 lawyer, then I'll come back to you.

7 Have you discussed this matter fully with  
8 Mr. Burzaco?

9 MR. CASEY: We have, Your Honor.

10 THE COURT: Does he understand the rights that he  
11 would be waiving by pleading guilty?

12 MR. CASEY: That's my understanding, Your Honor,  
13 yes.

14 THE COURT: Is he capable of understanding the  
15 nature of these proceedings?

16 MR. CASEY: Yes, Your Honor.

17 THE COURT: Do you have never doubt as to his  
18 competence to plead at this time?

19 THE DEFENDANT: I have no doubt.

20 THE COURT: Have you advised him of the possible  
21 maximum and minimum sentence and fine that he would face?

22 MR. CASEY: I have, Your Honor.

23 THE COURT: Have you explained to him the effect of  
24 the Sentencing Guidelines?

25 MR. CASEY: Yes, we've gone through the Guidelines,

1 Your Honor.

2 THE COURT: Have you advised him that if he's not a  
3 citizen of the United States, he would face possible  
4 deportation proceedings after he serves his sentence?

5 MR. CASEY: Yes, Your Honor. I have.

6 THE COURT: Have you explained to him that there's  
7 no guarantee what his sentence will be or even what his  
8 Guideline range will be?

9 MR. CASEY: Absolutely, Your Honor.

10 THE COURT: And do you believe he understands the  
11 Guidelines?

12 MR. CASEY: I do, Your Honor.

13 THE COURT: Did you hear everything that your lawyer  
14 has said?

15 THE DEFENDANT: Yeah. I understood what --

16 THE COURT: And do you agree with him?

17 THE DEFENDANT: Yes, I agree, Your Honor.

18 THE COURT: Have you discussed your case with him  
19 fully?

20 THE DEFENDANT: I discuss it fully, Your Honor.

21 THE COURT: Is there anything else you would like to  
22 ask him at this time?

23 THE DEFENDANT: No, Your Honor.

24 THE COURT: Are you satisfied to have him represent  
25 you?

1 THE DEFENDANT: Very satisfied.

2 THE COURT: All right. So I have here a copy of the  
3 indictment. And have you had a chance to look over the  
4 charges against you in the indictment?

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: Have you discussed them with your  
7 lawyer?

8 THE DEFENDANT: I discussed them with my lawyers.

9 THE COURT: And specifically, Counts 1, 39 and 40,  
10 are you familiar with those?

11 THE DEFENDANT: Yes. I discuss it fully. I learned  
12 and I'm perfectly aware, Your Honor.

13 THE COURT: Okay. And would you like me to explain  
14 them again to you or do you understand them?

15 THE DEFENDANT: I understand, Your Honor.

16 THE COURT: Counsel, are you satisfied your client  
17 understands?

18 MR. CASEY: Yes, Your Honor. We have been through  
19 them several times and I'm fully confident he understands the  
20 nature of the charges.

21 THE COURT: For my benefit, what's the government  
22 prepared to prove in those three counts?

23 MR. NITZE: Your Honor, Count 1 of the indictment  
24 alleges a racketeering conspiracy, and the government would be  
25 prepared to prove that -- prepared to prove that conspiracy.

1           It alleges an enterprise that comprises a number of  
2 entities that are responsible for the governance and promotion  
3 of soccer across the globe, and those entities include FIFA,  
4 which is the global governing body; a number of continental  
5 confederations that fall under the FIFA umbrella; and then  
6 below that, regional and national federations, as well as a  
7 set of sports marketing companies whose role was to further  
8 promote the sport. Those entities together are alleged as an  
9 association-in-fact enterprise.

10           The defendant and several coconspirators are charged  
11 with conspiring to corrupt that enterprise through wire fraud,  
12 money laundering and other crimes.

13           The defendant is a sports marketing executive who,  
14 in the context of this charged conspiracy, participated in a  
15 number of schemes to bribe -- pay bribes or kickbacks to  
16 soccer officials in exchange for the marketing rights to  
17 soccer tournaments, including the Copa Libertadores and the  
18 Copa América, which are two prominent tournaments played  
19 chiefly in South America. That is the crux of the  
20 racketeering conspiracy.

21           Count 39 alleges a wire fraud conspiracy, and that  
22 relates specifically to the rights to the Copa América  
23 tournament, specifically, that the defendant and others  
24 conspired to deprive FIFA and some of these other soccer  
25 entities of their right to the honest services of their

1 employees, those employees being the soccer officials who were  
2 the bribed recipients. This scheme also contemplated the use  
3 of, and did in fact use the wire facilities of the United  
4 States.

5 And relatedly, Count 40 alleges a money laundering  
6 conspiracy in which the defendant agreed essentially to the  
7 movement of money in furtherance of the scheme I've just  
8 described, and that money did, in fact, come into and out of  
9 the United States.

10 THE COURT: Thank you.

11 Any questions?

12 THE DEFENDANT: No questions.

13 THE COURT: Okay. The next section of my  
14 questioning concerns your rights. You have a number of rights  
15 under the Constitution and laws of the United States. If you  
16 plead guilty, you will be giving them up. So listen  
17 carefully. If you have any questions, let me know. I'm sure  
18 your lawyer has gone over this with you many times.

19 You have a right to plead not guilty. Do you  
20 understand?

21 THE DEFENDANT: I understand, Your Honor.

22 THE COURT: If you continue to plead not guilty,  
23 it's your right under the Constitution and laws of the United  
24 States to a speedy public trial by jury, with the help of your  
25 lawyers on the charges contained in the indictment against

1 you. Do you understand?

2 THE DEFENDANT: I understand, Your Honor.

3 THE COURT: If at any time in this process you  
4 cannot afford to retain an attorney, the Court will appoint a  
5 lawyer to represent you at all stages of the proceedings all  
6 the way through trial and if you're convicted, through an  
7 appeal process and at no cost to you. Do you understand?

8 THE DEFENDANT: Yes, Your Honor.

9 THE COURT: At your trial, you would be presumed  
10 innocent. The government would have to prove your guilt by  
11 competent evidence that's admissible in court, and convince a  
12 jury beyond a reasonable doubt of any charges it wishes to  
13 convict you of. Do you understand?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: You have no burden or obligation to  
16 prove that you're innocent. You don't even have to present  
17 any evidence. The entire burden is on the government. Do you  
18 understand?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: Even if you did everything that the  
21 government has accused you of, if the government cannot  
22 convince a jury beyond a reasonable doubt that you're guilty,  
23 the jury would have the duty to find you not guilty. Do you  
24 understand?

25 THE DEFENDANT: Yes, Your Honor.

1           THE COURT: During your trial, the government's  
2 witnesses would have to come to court. They would have to  
3 testify in your presence. Your lawyer would have the right to  
4 cross-examine them, to object to the government's evidence and  
5 to present evidence in your defense. Do you understand?

6           THE DEFENDANT: Yes, Your Honor.

7           THE COURT: You also would have the right to compel  
8 witnesses who you wish to testify at trial to appear before  
9 the Court at trial on your behalf. Do you understand?

10          THE DEFENDANT: Yes, Your Honor.

11          THE COURT: At your trial, you would have a choice  
12 whether or not to testify. You have the right to testify, but  
13 no one can force you to do so. You have a Fifth Amendment  
14 privilege which gives you the right to remain silent and not  
15 to incriminate yourself. Do you understand how that works?

16          THE DEFENDANT: Yes, Your Honor.

17          THE COURT: So if you decided to go to trial but not  
18 to testify, Judge Dearie would instruct the jurors that they  
19 could not hold that against you or assume that you're guilty  
20 because you didn't testify in your own defense. Do you  
21 understand?

22          THE DEFENDANT: Yes. Yes, Your Honor.

23          THE COURT: Any questions so far?

24          THE DEFENDANT: No. No questions, Your Honor.

25          THE COURT: So if you plead guilty and if the Court

1 accepts your guilty plea, you will be giving up your right to  
2 a trial and the other rights that I just explained. Do you  
3 understand that?

4 THE DEFENDANT: Yes, Your Honor.

5 THE COURT: You will not have a trial. You will not  
6 have the right to appeal from the judgment of guilty. The  
7 Court will simply enter a judgment that you're guilty based on  
8 what you said here today.

9 THE DEFENDANT: I understand, Your Honor.

10 THE COURT: And if you do plead guilty, I'm going to  
11 ask you some questions. I have to be sure that you really are  
12 guilty. You'll have to answer them, admit your guilt, and  
13 when you do that, you'll be giving up your right to remain  
14 silent and not to incriminate yourself. Do you understand?

15 THE DEFENDANT: Yes. Yes, I understand, Your Honor.

16 THE COURT: Any questions so far?

17 THE DEFENDANT: No, no questions.

18 THE COURT: Are you willing to give up your right to  
19 a trial and the other rights that I've just discussed?

20 THE DEFENDANT: Yes, Your Honor.

21 THE COURT: Now, I have Court Exhibit 1, which is an  
22 agreement. Is this the only agreement between the parties at  
23 this time?

24 MR. CASEY: It is, Your Honor.

25 MR. NITZE: Yes, Judge, it is.

1 THE COURT: On the last before Exhibit A -- that's  
2 page 20 -- there is a signature page. It's not dated,  
3 however. Would you like me to fill the date in or would you  
4 like to do it?

5 MR. NITZE: Please.

6 THE COURT: Okay. Is the date today?

7 MR. NITZE: It is.

8 THE COURT: Okay. I see a signature above your  
9 name, Mr. Burzaco.

10 MR. CASEY: He has asked --

11 THE COURT: Do you want to see?

12 THE CLERK: (Showing document to the defendant.)

13 THE DEFENDANT: It's my name, Your Honor.

14 THE COURT: Okay. Thank you.

15 All right. I'm going to go through the agreement,  
16 through parts of the agreement, if you have a copy and would  
17 like to follow along, starting at paragraph one on page one.

18 In paragraph one, you have agreed to plead guilty to  
19 Counts 1, 39 and 40, the counts that were discussed a few  
20 minutes ago. If you do that, you'll be facing the following  
21 possible penalties for each count.

22 Starting with the racketeering conspiracy in Count  
23 1, you are facing a minimum of zero years in prison and a  
24 maximum of 20 years in prison. Do you understand that?

25 THE DEFENDANT: Yes, Your Honor.

1 THE COURT: And do you understand what a conspiracy  
2 is?

3 THE DEFENDANT: Yes, I understand what a conspiracy  
4 is.

5 THE COURT: Okay. So it's an agreement between two  
6 or more people to do something illegal?

7 THE DEFENDANT: And the agreement itself, it's a  
8 charge, whether the act is committed or not.

9 THE COURT: The agreement to do it, yes. Okay.

10 MR. CASEY: Yes, Your Honor. I mean --

11 THE COURT: I just saw you were smiling.

12 MR. CASEY: Oh, no, no, no. He's been studying up.

13 THE COURT: Yeah. It looks like the pride of a good  
14 professor.

15 MR. CASEY: Thank you, Your Honor.

16 THE COURT: Okay. So yes, the agreement itself, the  
17 agreement to do something illegal is what's charged, as  
18 opposed to the illegal act, which would be somewhat later.

19 All right. So 1(c) on page two describes the period  
20 of supervised release. Do you understand what supervised  
21 release is?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: All right. So if you're sentenced to  
24 prison, when you are released, you could be placed on a period  
25 of supervised release for a term of up to these years maximum,

1 and that would carry with it possible penalties if you violate  
2 any condition of your release.

3 So for example, if you violate a condition of your  
4 release, the maximum penalty is up to two years in prison  
5 without credit for the time you've been on supervised release  
6 or in prison on that charge. Do you understand that?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: In paragraph (d), there's a maximum fine  
9 of the greater of \$250,000 or twice the gross profits of the  
10 enterprise. Do you understand that?

11 THE DEFENDANT: Yes, Your Honor.

12 THE COURT: Restitution, paragraph (e), is mandatory  
13 in the full amount of each victim's losses as determined by  
14 the Court. So we don't know exactly how much that would be at  
15 this time. Do you understand?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: Paragraph (f) speaks to a \$100 Special  
18 Assessment, which is a fee that you have to pay at the time of  
19 sentencing.

20 Subparagraph (g) relates to criminal forfeiture, and  
21 the agreement says that you consent to criminal forfeiture as  
22 explained in paragraphs seven through 14 of the agreement. Do  
23 you understand that?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: And do you understand what's written in

1 paragraphs seven through 14?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: Would you like to go through that any  
4 further or do you feel you understand it well enough?

5 THE DEFENDANT: I'm pretty comfortable. I don't  
6 think we need to go over it.

7 THE COURT: Okay. And counsel, are you satisfied,  
8 as well?

9 MR. CASEY: I am. Thank you.

10 THE COURT: Subparagraph (h), as described earlier,  
11 there's a penalty of removal or deportation from the country,  
12 and that's explained in paragraph 18. Do you understand that?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: So any questions about Count 1?

15 THE DEFENDANT: No, Your Honor. No questions.

16 THE COURT: Count 39, the wire fraud conspiracy,  
17 again, a conspiracy, the minimum term is zero years in prison.  
18 The maximum is 20 years in prison. Do you understand?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: The supervised release term is similar  
21 or identical to that I've just described above for Count 1, a  
22 maximum of three years of supervised release following any  
23 term of imprisonment.

24 The penalty for a violation of a condition of  
25 supervised release is a maximum of two years in prison without

1 credit for the time you have been on pre-release supervised  
2 release -- I'm sorry, pre-release imprisonment or post-release  
3 supervision.

4 The maximum fine, again, is the greater of \$250,000  
5 or twice the gross gain or gross loss. The restitution,  
6 again, is mandatory in the full amount of each victim's losses  
7 as will be determined by the Court. There is, again, a \$100  
8 Special Assessment. There's a penalty of criminal forfeiture,  
9 again, as described in paragraphs seven through 14, and  
10 there's a penalty of removal as described in paragraph 18. Do  
11 you have any questions about the penalties in Count 39?

12 THE DEFENDANT: No, Your Honor.

13 THE COURT: Count 40 is a money laundering  
14 conspiracy count, again, a conspiracy charge. Again, the  
15 minimum term of imprisonment is zero years. The maximum is 20  
16 years. Do you understand?

17 THE DEFENDANT: Yes, Your Honor.

18 THE COURT: The supervised release term is exactly  
19 the same as I mentioned earlier. Would you like me to repeat  
20 that again or do you understand it?

21 THE DEFENDANT: I understand, Your Honor.

22 THE COURT: The maximum fine is the greater of  
23 \$500,000 or twice the value of the monetary instrument of  
24 funds involved. That's different from the fines that I  
25 discussed earlier. Do you understand?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: Restitution is mandatory, again, in the  
3 full amount of each victim's losses as determined by the  
4 Court. There is a \$100 Special Assessment. Again, there's  
5 one for each one of these counts, a separate assessment.  
6 There is a criminal forfeiture provision, again, as described  
7 in paragraphs seven through 14, and a removal penalty as  
8 described in paragraph 18. Any questions about Count 40?

9 THE DEFENDANT: No, Your Honor.

10 THE COURT: Now, the next sentence is very  
11 important. It says, "The sentence imposed on each count may  
12 run consecutively." Do you see that?

13 THE DEFENDANT: Yeah.

14 THE COURT: And do you understand what that means?

15 THE DEFENDANT: Yes, Your Honor.

16 THE COURT: Okay. So it means that you would serve  
17 your sentence on Count 1 first, and once you have completed  
18 that sentence, then you would begin the sentence on Count 39  
19 and once you complete the sentence on Count 39, you would  
20 begin your sentence on Count 40.

21 THE DEFENDANT: I understand, Your Honor.

22 THE COURT: Do you have any questions at all about  
23 how that works?

24 THE DEFENDANT: No questions, Your Honor. Thank  
25 you.

1 THE COURT: Okay. Mr. Casey, are you satisfied  
2 that Mr. Burzaco understands how consecutive sentences work?

3 MR. CASEY: I am, Your Honor.

4 THE COURT: Okay. Thanks.

5 Paragraph two on page four describes sentencing, and  
6 it talks about the Sentencing Guidelines. And do you  
7 understand what the Guidelines are?

8 THE DEFENDANT: I understand, Your Honor.

9 THE COURT: All right. So they're rules that help  
10 Judge Dearie decide how to sentence you. They're not binding.  
11 They're advisory. So that means that Judge Dearie has to  
12 calculate the Guideline range, but then after he's calculated  
13 the range, he will decide whether that range is fair or  
14 whether a fair sentence would be above the Guideline range or  
15 below the Guideline range. So it could either be within,  
16 above or below the range.

17 There's no guarantee at this time what your  
18 Guideline range will be. Do you understand that?

19 THE DEFENDANT: I understand, Your Honor.

20 THE COURT: And there's no guarantee at this time  
21 what your sentence will be.

22 THE DEFENDANT: I understand, Your Honor.

23 THE COURT: Okay. Is there anything that should be  
24 placed on the record with respect to the Guidelines, any of  
25 your agreements? Is that not necessary at this time?

1 MR. NITZE: I think it's sufficient that counsel has  
2 reviewed, as I believe he has, the applicable Guidelines and  
3 how they work, including the applicable loss tables and so on  
4 with his client.

5 MR. CASEY: And we have, in fact, reviewed the  
6 Guidelines, their operation to the facts of the case, and  
7 Mr. Burzaco seems to understand them completely.

8 THE COURT: Okay. Is that correct?

9 THE DEFENDANT: That's correct, Your Honor.

10 THE COURT: So any estimates that you have been  
11 given either by the government or by your attorneys would just  
12 be estimates. Judge Dearie makes the final decision with your  
13 input, of course. But even Judge Dearie does not know what  
14 your Guideline range will be today.

15 THE DEFENDANT: I understand, Your Honor.

16 THE COURT: Okay. So there are other factors that  
17 go into sentencing, and they are enunciated in 18 U. S. Code,  
18 3553(a), and they include not only the Guidelines, but the  
19 Court also must consider such other things as the  
20 circumstances of the offense, your background, your respect  
21 for the law, just or fair punishment, deterrence, protecting  
22 the public from further crimes, and your personal or  
23 individual need for effective correctional treatment. Do you  
24 understand?

25 THE DEFENDANT: Yes, Your Honor.

1 THE COURT: And as I said, there's no guarantee that  
2 you will be sentenced within the Guideline range, and you will  
3 not be able to take back your guilty plea if you're not  
4 sentenced within the Guideline range. Do you understand?

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: Any questions so far?

7 THE DEFENDANT: No. No questions, Your Honor.

8 THE COURT: Now this is a -- this agreement has many  
9 pages. Is there anything else in the agreement that either  
10 party would like have placed on the record?

11 MR. NITZE: No, Your Honor.

12 MR. CASEY: No, Your Honor.

13 THE COURT: Is there anything else in the agreement  
14 you would like to go through?

15 THE DEFENDANT: No, Your Honor.

16 THE COURT: If you're sentenced to prison, there's  
17 no early release on parole in federal court. Do you know what  
18 parole is?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: Okay. We have that in state court, but  
21 not in federal court. It's not applicable here.

22 THE DEFENDANT: Okay.

23 THE COURT: Okay. Do you have any questions you  
24 would like to ask your lawyer confidentiality?

25 THE DEFENDANT: No, Your Honor.

1 THE COURT: Anything you would like to ask me at  
2 this time?

3 THE DEFENDANT: No thank you, Your Honor.

4 THE COURT: Anything else that counsel would like me  
5 to inquire into before I ask him whether he's ready to plead?

6 MR. NITZE: Not from the government, Judge.

7 MR. CASEY: Nothing from us, Your Honor.

8 THE COURT: Okay. So are you ready to plead?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: Okay. Mr. Casey, do you know any reason  
11 why Mr. Burzaco should not plead guilty to Counts 1, 39 and  
12 40?

13 MR. CASEY: I do not, Your Honor.

14 THE COURT: Mr. Burzaco, how do you plead to Counts  
15 1, 39 and 40, guilty or not guilty?

16 THE DEFENDANT: Guilty, Your Honor.

17 THE COURT: Are you pleading guilty voluntarily?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: Has anyone forced you or threatened you  
20 to make you agree to plead guilty?

21 THE DEFENDANT: No, Your Honor.

22 THE COURT: Has anyone promised you anything that  
23 was not in the agreement that made you agree to plead guilty?

24 THE DEFENDANT: No, Your Honor.

25 THE COURT: Has anyone promised you what your

1 sentence will be?

2 THE DEFENDANT: No, Your Honor.

3 THE COURT: All right. So I'm going to ask you to  
4 explain to me in your own words, either -- and if you have a  
5 statement, feel free to read it.

6 MR. CASEY: Your Honor -- go ahead. I'm sorry.  
7 Mr. Burzaco prepared a statement with John and I. He'd like  
8 to read from that, if that's possible.

9 THE COURT: Sure.

10 THE DEFENDANT: My name is Alejandro Burzaco.

11 In 2005, I acquired a minority interest in a company  
12 called Torneos y Competencias, Torneos. We will call it  
13 Torneos going forward. Torneos is a sports TV production  
14 company that owns a local sports channel in Argentina and  
15 employees 800 people in Argentina. In October 2006, I became  
16 Chief Executive Officer of Torneos.

17 Around 2005, a founding owner of Torneos informed me  
18 that a joint venture in which Torneos participated, obtained  
19 the television rights to broadcast South American soccer  
20 tournaments in part by making bribe payments and kickbacks to  
21 officials of the South American Football Confederation.

22 One of FIFA's six continental confederations, that  
23 it's commonly known as CONMEBOL, C-O-N-M-E-B-O-L, Conmebol.

24 I was informed that the agreement had been in place  
25 for sometime. I know that I should have walk away at that

1 point, but instead, I agreed to work for Torneos, and agreed  
2 to take an active role in the bribery schemes. I regret the  
3 decision. I was wrong.

4 At various times starting in 2005 and continuing to  
5 2015, I agreed to pay and did pay bribe and kickbacks to  
6 multiple CONMEBOL, FIFA and other officials affiliated with  
7 the sport of soccer to obtain and maintain the marketing  
8 rights to various tournaments, including the Copa  
9 Libertadores. Libertadores is L-I-B-E-R-T-A-D-O-R-E-S. The  
10 Copa Libertadores, Copa Sudamericana, Copa América, and the  
11 2018, 2022, 2026, and 2030 editions of the World Cup, and to  
12 various friendly matches. I knew that these officials were  
13 using their positions of authority and trust to enrich  
14 themselves.

15 During this period, FIFA, CONMEBOL, CONCACAF --  
16 CONCACAF, which is the U. S.-based confederation, and other  
17 related soccer organizations and sports marketing companies  
18 were engaged in promoting and regulating the sport of soccer  
19 worldwide as part of an ongoing organization. Among other  
20 things, these organizations held sports-related events and  
21 conducted business in the United States and used financial  
22 institutions based in the United States. The bribery and  
23 kickback schemes were not disclosed to FIFA, CONCACAF or  
24 CONMEBOL.

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[REDACTED]

[REDACTED] The federation presidents agreed to endorse the Copa Libertadores, Sudamericana, and Recopa Sudamericana contracts, so long as they received yearly bribe payments or kickbacks in exchange for their loyalty.

I agreed to continue these payments into 2015. I also agreed to pay and did pay bribes to other CONMEBOL officials in connection with these tournaments.

Torneos and I profited from these payments directly and indirectly by securing these rights in a company of which Torneos was a shareholder. That company was able to commercialize, and Torneos was able to successfully produce the tournaments covered by these rights.

To give another example, in or around 2011 and 2012, I, on behalf of Torneos, came together with members of two other sports marketing companies to form a new joint venture. In 2013, the newly-formed company was awarded the contract with CONMEBOL for the 2015, 2019 and 2023 editions of the Copa América tournament. To secure the contract, I agreed with executives from the other two companies to pay multiple bribes or kickbacks totaling tens of millions of dollars to CONMEBOL and FIFA officials in exchange for their endorsement of the new contract.

I knew that a special edition of the Copa América

1 tournament was to be played in the United States in 2016.  
2 That edition was jointly organized by CONMEBOL and CONCACAF.  
3 Officials who held positions of authority and trust within  
4 CONMEBOL and CONCACAF approached our joint venture and  
5 demanded that we and members of our companies pay a bribe or  
6 kickback in connection with the rights to this special edition  
7 of the tournament.

8           Ultimately, I decide not to pay a bribe or kickback  
9 to CONMEBOL and CONCACAF officials in connection with the 2016  
10 tournament because of fear of law enforcement scrutiny.  
11 Nonetheless, I know that it was wrong to agree with the bribe  
12 payment itself, and it will make a difference, given what my  
13 understanding of conspiracy.

14           As to all this conduct, I knew that the United  
15 States banking system would be involved in transferring  
16 payments related to the contracts secured through bribery and  
17 through exploitation of the commercial rights to the  
18 tournaments. I also knew that the United States banking  
19 systems would be used to receive and transfer payments into  
20 and out of the United States to promote the rights that were  
21 secured through bribery I have described today and the  
22 underlying schemes, also. I also knew it was highly likely  
23 that the United States banking system would be used to  
24 facilitate bribe payments, as well, especially because the  
25 transactions involved often were denominated in United States

1 dollars.

2 In addition, I traveled to the United States on  
3 several occasions to advance the schemes alleged in Counts 1,  
4 39 and 40, including trips to New York and Miami.

5 That's it. Thank you, Your Honor.

6 THE COURT: Venue?

7 MR. NITZE: Yes. The government would be prepared  
8 to prove at trial that venue properly lies on all three counts  
9 in the Eastern District of New York, and the defendant, I  
10 understand it, is stipulating that the government could prove  
11 venue at trial. It would just ask that the Court inquire of  
12 the defendant himself whether he is, in fact, stipulating to  
13 venue.

14 MR. CASEY: The government's representation is  
15 correct, Your Honor. We're prepared to stipulate to venue  
16 here.

17 THE COURT: All right. Do you understand what your  
18 lawyer said?

19 THE DEFENDANT: Yes. I understand, Your Honor.

20 THE COURT: All right. So you're agreeing to venue  
21 here in the New York Eastern District of New York?

22 THE DEFENDANT: (Nods head affirmatively.)

23 THE COURT: And I think understood from your  
24 allocution that some of the illegal activities took place --  
25 may have taken place in the Eastern District of New York or

1 that you may have arrived in the -- I'll speak to your lawyer.

2 That he may have arrived in the Eastern District of  
3 New York.

4 MR. CASEY: It is possible that he may have arrived  
5 at JFK Airport, Your Honor, but that's not going to form the  
6 basis of our consent to the venue.

7 THE COURT: Got it.

8 MR. NITZE: (Nods head affirmatively.)

9 THE COURT: Anyway. You've consented?

10 MR. CASEY: We consent to venue. Yes, Your Honor.

11 THE COURT: Do you have any questions about what  
12 you're doing?

13 THE DEFENDANT: No, Your Honor. I understand and I  
14 consent. Yes.

15 THE COURT: Any other issues with respect to the  
16 allocution?

17 MR. NITZE: No, Judge. I believe that allocution  
18 covers all three of the charged offenses.

19 THE COURT: Anything else today?

20 MR. CASEY: Nothing, Your Honor.

21 THE COURT: Okay. All right. Mr. Burzaco, I find  
22 that you're acting voluntarily. You fully understand your  
23 rights, the charges against you, the consequences of your  
24 guilty plea, including the possible sentence, fine,  
25 restitution, deportation and other penalties, that you fully

1 understand the charges and the complexity of the charges, and  
2 that you understand that there's no guarantee what your  
3 sentence will be. So I therefore recommend -- and I'll also  
4 find that there's a factual basis for the plea, that you did,  
5 in fact, do what's charged in Counts 1, 39 and 40 of the  
6 indictment. So therefore, I recommend that Judge Dearie  
7 accept your plea of guilty for those three counts.

8 THE DEFENDANT: (Nods head affirmatively.)

9 MR. CASEY: Thank you, Your Honor.

10 THE DEFENDANT: Thank you, Your Honor.

11 MR. CASEY: Your Honor, we have one application to  
12 make.

13 THE COURT: Uh-hum (affirmative response)?

14 MR. CASEY: When the defendant was arrested --  
15 actually, sorry. When the defendant surrendered, he was  
16 placed under a bond and the bond is here. It's a \$20 million  
17 bond secured by multiple assets, multiple sureties.

18 We'd ask for two parts of the bond to be changed.  
19 The first part is, the defendant has to be under house arrest  
20 with electronic monitoring. And the second application is,  
21 the defendant, as a requirement of the bond, is employing a  
22 team of security professionals to watch him 24 hours a day,  
23 seven days a week.

24 We'd like to ask that those two provisions be  
25 amended or be removed from the bond, which would allow the

1 bond to then -- the defendant to then be free to travel within  
2 the Eastern District of New York and the Southern District of  
3 New York, and he would report to Pretrial as directed by  
4 Pretrial. So just to summarize, it would be remove the  
5 monitoring, remove the house arrest and remove the requirement  
6 of the 24 hour security.

7 MR. NITZE: The government consents to that  
8 application, Your Honor, in light of the defendant's  
9 acceptance of responsibility here, but also the remaining  
10 provisions which are still quite -- it's a large bond amount,  
11 and it is partially secured and there are a number of sureties  
12 who consent to that modification.

13 And if Your Honor is inclined to grant it, we would  
14 further ask that the modification order just remain oral and  
15 under seal as part of the transcript, with the exception that  
16 I be permitted to communicate the changes to Pretrial  
17 Services, so that they can arrange to cut off the electronic  
18 monitoring and set up a reporting schedule for Mr. Burzaco.

19 THE COURT: So Mr. Burzaco is under the supervision  
20 of Pretrial Services at this time, is that correct?

21 MR. NITZE: He is.

22 THE COURT: Is anyone from Pretrial Services here?  
23 I don't think so.

24 MR. NITZE: I don't believe so either. I did speak  
25 with Anna Lee, who is handling -- is overseeing the electronic

1 monitoring and she is aware that there's at least a  
2 possibility that this modification would be made.

3 THE COURT: Right.

4 MR. NITZE: And she just asks that I communicate  
5 with her after today's proceedings in the event that there is  
6 a change to report.

7 THE COURT: Okay. And where does Mr. Burzaco need  
8 to travel? I understand Southern and Eastern Districts. New  
9 York City, Long Island, all New York state or just wherever  
10 the Southern District ends?

11 MR. CASEY: I think the important parts are  
12 Westchester County, all of Manhattan and Brooklyn.

13 THE COURT: Okay. Do you understand the travel  
14 restrictions?

15 THE DEFENDANT: Yes, I understand and I learned what  
16 the Southern and Eastern District of New York's area compound,  
17 and I will thank you if I can get this.

18 THE COURT: Sure. And you'll get a map from  
19 Pretrial Services, so you won't make a mistake.

20 THE DEFENDANT: Yes.

21 THE COURT: So you don't need to go to New Jersey,  
22 Connecticut, anywhere. It's just these areas, correct?

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MR. CASEY: Thank you very much.

THE COURT: And this is an oral modification.  
Pretrial Services will be notified.

MR. NITZE: Thank you, Judge.

THE COURT: I take it you'll be doing the  
notification today. Are you going down to see them today to  
get the electronic monitoring removed or is it too late?

MR. CASEY: I believe they may be closed for the  
day.

MR. NITZE: I believe they'll switch it off, but in  
terms of removing the physical apparatus, that will have to  
happen another time.

THE COURT: All right. Mr. Burzaco will come back  
to Pretrial Services.

THE DEFENDANT: Yes, Your Honor.

THE COURT: Okay. Is that the only other  
application.

MR. NITZE: That is the only application, yes,  
Judge.

THE CLERK: Judge Dearie has set a sentencing  
control date of June 24th, 2016 at 10:00 a.m.

MR. CASEY: Thank you.

1 THE COURT: Thank you.

2 MR. NITZE: Thank you, Judge.

3 THE DEFENDANT: Thank you, Your Honor.

4 (Proceedings concluded.)

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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, : 15-CR-0252

v. : U. S. Courthouse

JOSE MARGULIES, : Brooklyn, New York

Defendant. : November 25, 2105

: 9: 30 o' clock a. m.

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TRANSCRIPT OF PLEA  
BEFORE THE HONORABLE ROBER M. LEVY  
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

For the Government:

ROBERT L. CAPERS  
United States Attorney  
By: KEITH EDELMAN  
SAMUEL NITZE  
Assistant U. S. Attorneys  
225 Cadman Plaza East  
Brooklyn, New York 11201

For the Defendant:

ANDRES RIVERO, ESQ.  
JORGE MESTRE, ESQ.  
DANIEL SOX, ESQ.

Court Reporter:

Anthony M. Mancuso  
225 Cadman Plaza East  
Brooklyn, New York 11201  
(718) 613-2419

Proceedings recorded by mechanical stenography, transcript  
produced by CAT.

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1 (Case called; both sides ready.)

2 MR. EDELMAN: Keith Edelman and Samuel Nitze on  
3 behalf of the United States. Good morning your Honor.

4 THE COURT: Good morning.

5 MR. RIVERO: Good morning, your Honor. Andres  
6 Rivero, George Mestre and Daniel Sox on behalf of  
7 Mr. Margulies.

8 THE COURT: Good morning.

9 THE CLERK: Would the interpreter state your name  
10 and the language you are interpreting for the record.

11 THE INTERPRETER: James Hontoria.

12 (Interpreter sworn.)

13 THE COURT: You're interpreting Spanish, is that  
14 correct?

15 THE INTERPRETER: Yes, your Honor.

16 THE COURT: Swear in the defendant.

17 (Defendant sworn.)

18 THE COURT: You have to say yes or no.

19 THE DEFENDANT: Yes.

20 THE COURT: What is Mr. Margulies going to do today.

21 MR. RIVERO: Your Honor, he's going to enter a plea  
22 of guilty.

23 THE COURT: He's pleading guilty to counts in the  
24 indictment, is that correct?

25 MR. RIVERO: Yes, your Honor.

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1 THE COURT: I have here a consent form which appears  
2 to be signed by counsel for both sides as well as the  
3 defendant. Mr. Margulies, have you read this consent form and  
4 signed it?

5 THE DEFENDANT: Yes.

6 THE COURT: Do you understand that it's your right  
7 if you wish to have Judge Dearie, district judge who  
8 supervises this case, hear your plea allocution?

9 THE DEFENDANT: Yes.

10 THE COURT: And if you choose to do so, no one will  
11 be upset, there will be no prejudice to you.

12 THE DEFENDANT: Yes.

13 THE COURT: I understand you wish to have me, a  
14 Magistrate Judge, hear your plea and make a recommendation to  
15 Judge Dearie whether to accept it.

16 THE DEFENDANT: Yes.

17 THE COURT: Did you make this decision voluntarily?

18 THE DEFENDANT: Exactly, yes.

19 THE COURT: Do you have any questions about what you  
20 are doing?

21 THE DEFENDANT: No, none.

22 THE COURT: I'm going to ask you a lot of questions.  
23 If there's anything that I say that you don't understand, just  
24 ask me and I'll explain.

25 THE DEFENDANT: Okay, yes.

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1 THE COURT: And you should feel free to discuss  
2 anything you wish privately with your lawyers at any time.

3 THE DEFENDANT: Okay, yes.

4 THE COURT: You're under oath. You need to answer  
5 each question honestly and completely. If you don't, you  
6 could be prosecuted for perjury.

7 THE DEFENDANT: Okay, yes.

8 THE COURT: Do you have any questions?

9 THE DEFENDANT: No.

10 THE COURT: What is your full name?

11 THE DEFENDANT: Jose Natalio, Margulies.

12 THE COURT: How old are you?

13 THE DEFENDANT: Seventy-six years old.

14 THE COURT: What is the last level of schooling that  
15 you finished?

16 THE DEFENDANT: I didn't complete architectural  
17 college, what I studied.

18 THE COURT: Do you speak any English?

19 THE DEFENDANT: Very little.

20 THE COURT: Did you communicate with your lawyers in  
21 Spanish?

22 THE DEFENDANT: Exactly.

23 THE COURT: Are you satisfied that each of you  
24 understood each other?

25 THE DEFENDANT: Yes, sir.

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1 THE COURT: Counsel agree?

2 MR. RIVERO: Yes, your Honor.

3 THE COURT: Have you now or have you recently been  
4 under the care of a doctor or a psychiatrist?

5 THE DEFENDANT: Not a psychiatrist, but several  
6 doctors, yes.

7 THE COURT: In the past 24 hours have you taken any  
8 medicine or pills?

9 THE DEFENDANT: Yes.

10 THE COURT: Could you briefly explain what you have  
11 taken.

12 THE DEFENDANT: Medicine by the name of Janumet for  
13 diabetes. And another one called Farxiga, also for diabetes.  
14 And I took for gastric issues medicine by the name of Nexium.  
15 And another one by the name of Uroproft for the prostate. And  
16 Allopurinol for the uric THE COURT: Do any of these  
17 medications have side effects?

18 THE DEFENDANT: No.

19 THE COURT: In the past 24 hours have you drunk any  
20 alcoholic beverages?

21 THE DEFENDANT: No.

22 THE COURT: Or taken any narcotic drugs?

23 THE DEFENDANT: None, never.

24 THE COURT: Have you ever been hospitalized or  
25 treated for alcoholism, narcotics addiction or a mental or

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1 emotional problem?

2 THE DEFENDANT: No.

3 THE COURT: Is your mind clear now?

4 THE DEFENDANT: Yes, exactly.

5 I forgot from the medicines one that I take for the  
6 blood pressure called Moduretic.

7 THE COURT: Again, does that have any side effects?

8 THE DEFENDANT: No.

9 THE COURT: So, is your mind clear now?

10 THE DEFENDANT: Perfectly.

11 THE COURT: And you understand why you are here and  
12 what's happening here today?

13 THE DEFENDANT: Exactly.

14 THE COURT: I have a few questions for your lawyer  
15 and then I'll return to you.

16 Have you discussed this matter fully with your  
17 client?

18 MR. RIVERO: I have, your Honor.

19 THE COURT: Does he understand the rights he would  
20 be waiving by pleading guilty?

21 MR. RIVERO: He does, your Honor.

22 THE COURT: Is he capable of understanding the  
23 nature of these proceedings?

24 MR. RIVERO: Yes, your Honor.

25 THE COURT: Do you have any doubts as to his

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1 competency to plead at this time?

2 MR. RIVERO: None whatsoever.

3 THE COURT: Have you advised him of the possible  
4 penalties he faces, including the maximum and minimum  
5 sentences and fines that can be imposed on each count?

6 MR. RIVERO: I have, your Honor.

7 THE COURT: Have you discussed with him the effect  
8 of the sentencing guidelines?

9 MR. RIVERO: I have, sir.

10 THE COURT: Have you explained to him the possible  
11 immigration consequences that he would face if he pleads  
12 guilty?

13 MR. RIVERO: We have discussed immigration  
14 consequences, your Honor.

15 THE COURT: Have you explained to him the  
16 restitution and criminal forfeiture penalties as well?

17 MR. RIVERO: Yes, I have.

18 THE COURT: Have you discussed with him the effect  
19 of the sentencing guidelines and advised him that there's no  
20 guarantee what his guideline range will be, whether he will be  
21 sentenced within the guidelines or what his ultimate sentence  
22 will be?

23 MR. RIVERO: Yes, I have.

24 THE COURT: Do you think he understood all of your  
25 discussions?

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1 MR. RIVERO: Yes, judge.

2 And understanding that these things when you're  
3 talking to a layperson takes some effort, we have taken the  
4 effort.

5 THE COURT: Mr. Margulies, did you hear what your  
6 lawyer said?

7 THE DEFENDANT: Yes.

8 THE COURT: Do you agree with him?

9 THE DEFENDANT: I'm in agreement.

10 THE COURT: Have you discussed your case with him as  
11 fully as you wish?

12 THE DEFENDANT: Yes.

13 THE COURT: Are you satisfied with him as your  
14 attorney and with the representation he has provided you?

15 THE DEFENDANT: Yes, sir.

16 THE COURT: You have a number of rights which you  
17 will give up if you plead guilty. We're going to go through  
18 those in just a moment. But first I want to be sure you  
19 understand the charges against you.

20 Has the indictment been translated in Spanish for  
21 you?

22 THE DEFENDANT: Yes.

23 THE COURT: Have you read it and discussed it with  
24 your lawyer?

25 THE DEFENDANT: Yes, exactly.

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1 THE COURT: Do you understand all the charges?

2 THE DEFENDANT: Yes.

3 THE COURT: Are you satisfied your client  
4 understands the charges?

5 MR. RIVERO: I am.

6 THE COURT: Will the government briefly explain what  
7 it's prepared to prove if this case goes to trial?

8 MR. EDELMAN: Yes, your Honor.

9 Before I get to the nature of the charges, I would  
10 just like the defendant and his counsel to confirm on the  
11 record that the previous proceeding that was just held in  
12 which the government moved ex parte to close the courtroom,  
13 that the defendant consents to that proceeding having been  
14 done ex parte and waives his appearance for those purposes.

15 MR. RIVERO: Your Honor, I have explained to my  
16 client and we do consent.

17 THE COURT: Mr. Margulies, do you understand what  
18 your lawyer said?

19 THE DEFENDANT: Perfectly.

20 THE COURT: And do you agree that your decision is  
21 knowing and voluntary?

22 THE DEFENDANT: Exactly.

23 MR. EDELMAN: Thank you, your Honor.

24 The defendant is charged in four counts of the  
25 indictment, one charge of racketeering conspiracy, two charges

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1 of money laundering conspiracy and one charge of wire fraud  
2 conspiracy.

3 Count one, which charges the racketeering  
4 conspiracy, alleges and the government would prove through  
5 witness testimony and other documentary evidence that there  
6 was an enterprise comprising of a number of entities  
7 associated in fact that were responsible for the governance  
8 and promotion of the sport of the soccer across the world.  
9 These entities included FIFA, six continental confederations  
10 that fall under the FIFA umbrella, affiliated regional and  
11 national federations along with various sports marketing  
12 companies.

13 The defendant and several coconspirators are charged  
14 with conspiring to corrupt that enterprise through wire fraud,  
15 money laundering and other racketeering acts. The defendant  
16 specifically is charged with being a broadcasting executive  
17 who in the context of the racketeering conspiracy participated  
18 in a number of schemes to pay bribes and kickbacks to soccer  
19 officials in exchange for the rights to soccer tournaments,  
20 including the Copa America, and Copa American Centenario.  
21 Specifically, the defendant is alleged to have facilitated  
22 millions of dollars in bribes in connection with these  
23 tournaments.

24 Count five charges a money laundering conspiracy  
25 relating to the Copa America tournament. In this count the

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1 indictment alleges that the defendant and others agreed to the  
2 movement of money into and out of the United States to promote  
3 a scheme to deprive FIFA and the other soccer entities of the  
4 right to the honest services of their employees through the  
5 payment of bribes and kickbacks.

6 Counts 39 and 40 relate to a scheme regarding the  
7 Copa America Centenario tournament, which is a special edition  
8 of the Copa America tournament to be played in the United  
9 States next year. Specifically count 39 alleges that the  
10 defendant and others conspired to deprive FIFA and the other  
11 soccer entities of their right to the honest services through  
12 the payment of bribes and kickbacks to their employees. That  
13 scheme also contemplated the use of and did in fact use wire  
14 facilities of the United States. And finally count 40 is a  
15 money laundering conspiracy relating to the wire fraud  
16 conspiracy charged in count 39 in that the defendant agreed  
17 with others to the movement of money into and out of the  
18 United States to promote that bribery and kickback scheme  
19 described in count 39.

20 THE COURT: Do you have any questions about the  
21 charges?

22 THE DEFENDANT: No.

23 THE COURT: And do you understand that these are  
24 conspiracy charges and that a conspiracy is an agreement  
25 between two or more people to do something illegal?

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1 THE DEFENDANT: Yes.

2 MR. RIVERO: May I have one moment, your Honor?

3 (Counsel confers with the defendant.)

4 THE COURT: Any further questions?

5 THE DEFENDANT: No.

6 THE COURT: So turning to your rights: You have a  
7 right to plead not guilty.

8 Do you understand?

9 THE DEFENDANT: I understand.

10 THE COURT: And if you continue to plead not guilty  
11 you have the right under the constitution and laws of the  
12 United States to a speedy public trial by jury with the help  
13 of the lawyers who you have retained on the charges contained  
14 in the indictment.

15 Do you understand?

16 THE DEFENDANT: I understand.

17 THE COURT: If at any time in this process you  
18 cannot afford to retain an attorney, the court will appoint a  
19 lawyer to represent you at all phases of the criminal  
20 proceeding, including all the way through trial and on appeal  
21 if you are convicted.

22 Do you understand?

23 THE DEFENDANT: I understood.

24 THE COURT: At your trial you would be presumed  
25 innocent. The government would have to overcome that

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1 presumption and prove you guilty by competent evidence that's  
2 admissible in court and persuade the jury beyond a reasonable  
3 doubt of any charge it wishes to convict you of. You would  
4 not have any duty or burden to prove your innocence.

5 Do you understand?

6 THE DEFENDANT: I understand.

7 THE COURT: Even if you did everything the  
8 government has accused you of, if the government can't  
9 convince a jury beyond a reasonable doubt of your guilt the  
10 jurors would have a duty to find you not guilty.

11 Do you understand?

12 THE DEFENDANT: Yes.

13 THE COURT: During your trial the government's  
14 witnesses would have to come to court. They would testify in  
15 your presence. Your lawyer would have the right to  
16 cross-examine the government's witnesses, to object to the  
17 government's evidence, to offer evidence in your defense and  
18 to compel witnesses whom you wish to call to appear at trial.

19 Do you understand?

20 THE DEFENDANT: Yes.

21 THE COURT: At your trial you would have a choice  
22 whether or not to testify. No one could force you to testify.  
23 You have a Fifth Amendment privilege to remain silent and not  
24 to incriminate yourself. If you chose to go to trial but not  
25 to testify the court would instruct the jurors not to hold

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1 that against you or assume that you're guilty because you did  
2 not testify in your own defense. If you plead guilty, and the  
3 court accepts your plea, you'll be giving up your right to a  
4 trial and the other constitutional rights I've just discussed.  
5 There will be no trial, no right to appeal from the judgment  
6 of guilty. The court will simply enter a judgment that you're  
7 guilty based on what you say here today.

8 THE DEFENDANT: Okay. I understand.

9 THE COURT: And if you do plead guilty I'll have to  
10 ask you questions to be sure you really are guilty. You will  
11 have to answer and admit your guilt. In doing that you will  
12 give up your right to remain silent and not incriminate  
13 yourself.

14 THE DEFENDANT: I understand.

15 THE COURT: Are you willing to give up your right to  
16 a trial and the other rights I just explained?

17 THE DEFENDANT: Yes, sir.

18 THE COURT: All right. Let's turn to the agreement.  
19 Do you have a copy?

20 MR. RIVERO: Yes, your Honor.

21 THE COURT: Is this agreement the only agreement  
22 between the government and the defense at this time?

23 MR. RIVERO: Yes, your Honor, that is.

24 MR. EDELMAN: Yes, your Honor.

25 THE COURT: And looking at the last page I see that

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1 my copy is not signed. So I'm wondering do you have a signed  
2 copy somewhere?

3 I have the copy. I have now located the signed  
4 copy. It appears to be signed by all the attorneys and by  
5 you, Mr. Margulies.

6 Did you sign this today?

7 THE DEFENDANT: A few minutes ago.

8 THE COURT: And before signing it did you read it  
9 carefully and discuss it with your lawyer?

10 THE DEFENDANT: Exactly.

11 THE COURT: Was it translated into Spanish for you?

12 THE DEFENDANT: Yes.

13 THE COURT: Do you have any questions at all about  
14 the agreement?

15 THE DEFENDANT: No.

16 THE COURT: All right. Turning to count one, on  
17 page one, paragraph one: If you plead guilty to count one,  
18 which is a racketeering conspiracy charge, you face a minimum  
19 of zero years in prison and a maximum of 20 years in prison.

20 Do you understand?

21 THE DEFENDANT: Yes.

22 THE COURT: There is a maximum period of supervised  
23 release of three years, following any term of imprisonment.  
24 There is a separate penalty for a violation of any condition  
25 of your supervised release, which is that you could be

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1 sentenced to prison for up to two years without credit for the  
2 time you have been in prison on this case or on supervised  
3 release.

4 Do you understand?

5 THE DEFENDANT: I understand.

6 THE COURT: There's a maximum fine of the greater of  
7 \$250,000 or twice the gross profits of the enterprise and a  
8 mandatory provision for restitution in the full amount of each  
9 victim's losses as determined by the court.

10 Do you understand?

11 THE DEFENDANT: I understand.

12 THE COURT: There's a fee called a special  
13 assessment of \$100 to be paid for this count, as well as a  
14 penalty of criminal forfeiture and you have consented to  
15 criminal forfeiture as explained in paragraphs seven through  
16 14 of the agreement.

17 Do you understand?

18 THE DEFENDANT: Yes.

19 THE COURT: Finally, there's a penalty of removal or  
20 deportation as explained in paragraph 18, after you serve your  
21 term or sentence.

22 Any questions?

23 THE DEFENDANT: No.

24 THE COURT: All right. Counts five and 40 are money  
25 laundering conspiracy charges. The penalties are similar in

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1 many ways. The minimum term of imprisonment is zero years.  
2 The maximum is 20 years for each count.

3 Do you understand?

4 THE DEFENDANT: Yes.

5 THE COURT: The maximum supervised release term is  
6 three years. And, again, the penalty for a violation of any  
7 condition of release is a maximum of two years in prison,  
8 again, without credit for the time you have been in prison on  
9 this case or on supervised release.

10 THE DEFENDANT: Okay.

11 THE COURT: Do you understand?

12 THE DEFENDANT: Yes.

13 THE COURT: The maximum fine is the greater of  
14 \$500,000 or twice the value of the monetary instrument or  
15 funds involved. And, again, these penalties that I am  
16 reciting apply separately to counts five and 40.

17 Do you understand that?

18 THE DEFENDANT: Yes.

19 THE COURT: There's a mandatory restitution in the  
20 full amount of each victim's losses as determined by the  
21 court, a separate 100 dollar special assessment for each  
22 count, a penalty of criminal forfeiture as explained again in  
23 paragraphs seven through 14 and a penalty of removal or  
24 deportation as explained in paragraph 18, as I mentioned  
25 earlier.

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1 THE DEFENDANT: Yes.

2 THE COURT: Any questions about anything so far?

3 THE DEFENDANT: No.

4 THE COURT: Finally, count 39, which is a wire fraud  
5 conspiracy, carries with it a minimum term of imprisonment of  
6 zero years and a maximum of 20 years.

7 Do you understand?

8 THE DEFENDANT: Yes.

9 THE COURT: The maximum supervised release term is  
10 three years. Again, the penalty for a violation of any  
11 condition of supervised release is up to two years in prison,  
12 again, without credit for the time you have been in prison on  
13 this charge or on supervised release. There's a maximum fine  
14 of the greater of \$250,000 or twice the gross gain or gross  
15 loss. There's a mandatory restitution in the full amount of  
16 each victim's losses as determined by the court. There is a  
17 separate 100 dollar special assessment for this count.  
18 There's a provision for criminal forfeiture to which you have  
19 again consented as in paragraphs seven through 14 and there is  
20 a penalty of removal from the country as described in  
21 paragraph 18 as we discussed earlier.

22 THE DEFENDANT: That's clear.

23 THE COURT: Now, this is important: The court may  
24 impose a sentence on each count that runs consecutively.

25 THE DEFENDANT: Accumulative?

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1 THE COURT: Yes.

2 What that means is the first sentence would begin  
3 and then end before you would your sentence on the second  
4 count and the sentence on the second count would begin and end  
5 before you would begin serving your sentence on the third  
6 count. So each sentence would be started and completed before  
7 the next sentence begins. And that's a possibility. We don't  
8 know what Judge Dearie will do, but you have to be prepared  
9 for that possibility.

10 THE DEFENDANT: I understand.

11 THE COURT: Any questions about anything so far?

12 THE DEFENDANT: No.

13 THE COURT: All right. Let's talk a little bit  
14 about sentencing. You and your lawyer have discussed the  
15 sentencing guidelines and you told me that you understood  
16 those discussions.

17 Is that correct?

18 THE DEFENDANT: Exactly.

19 THE COURT: So the guidelines are rules that will  
20 help Judge Dearie decide how to sentence you. Those are  
21 advisory, not binding. Judge Dearie will calculate your  
22 guideline range and then decide whether to sentence you within  
23 that range, above it or below it. There's no guarantee at  
24 this time what your sentence will be or what your guideline  
25 range will be.

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1 Do you understand?

2 THE DEFENDANT: I understand.

3 THE COURT: In addition to the guidelines, the court  
4 must also consider other things such as the circumstances of  
5 the offense, your background, your respect for the law, fair  
6 or just punishment, deterrence, protecting the public from  
7 further crimes, and your individual need for effective  
8 correctional treatment. This is all within 18 United States  
9 Code 3553(a).

10 As I said, there's no guarantee you will be  
11 sentenced within the guideline range. You will not be able to  
12 take back your guilty plea even if the sentence is not within  
13 the guideline range.

14 Do you have any questions about anything that I have  
15 said so far?

16 THE DEFENDANT: Yes.

17 THE COURT: Do you understand everything that I have  
18 said?

19 THE DEFENDANT: Yes.

20 THE COURT: Is there anything you do not understand?

21 THE DEFENDANT: No.

22 THE COURT: We do not have parole in the federal  
23 system. If you are sentenced to prison you will not be  
24 released early on parole.

25 Before I ask the defendant whether he's ready to

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1 plead, is there anything else the government or the defense  
2 would like to put on the record or ask?

3 MR. EDELMAN: No, your Honor.

4 MR. RIVERO: No, your Honor.

5 THE COURT: Mr. Margulies, are you ready to plead?

6 THE DEFENDANT: Yes.

7 THE COURT: Is there any reason why Mr. Margulies  
8 should not plead guilty?

9 MR. RIVERO: No, your Honor.

10 THE COURT: All right. As to counts one, five, 40  
11 and 39, how do you plead? Guilty or not guilty.

12 Sir, do you plead guilty or not guilty to these  
13 charges?

14 THE DEFENDANT: Guilty.

15 THE COURT: Are you pleading guilty voluntarily?

16 THE DEFENDANT: Exactly.

17 THE COURT: Has anybody forced you or threatened you  
18 to make you plead guilty?

19 THE DEFENDANT: No.

20 THE COURT: Other than what's in the agreement, has  
21 anyone promised you anything that induced you to plead guilty?

22 THE DEFENDANT: No.

23 THE COURT: Has anyone promised you what your  
24 sentence will be?

25 THE DEFENDANT: No.

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1 THE COURT: All right.

2 MR. RIVERO: Your Honor, Mr. Margulies has a  
3 statement to make with regard to the plea.

4 THE COURT: Please.

5 MR. RIVERO: Please translate. He asked: May I  
6 make it now?

7 THE DEFENDANT: Judge, may I make it now?

8 THE COURT: Of course.

9 THE DEFENDANT: My name is Jose Natalio Margulies.  
10 In the mid 70's, I helped to administer an event enterprise by  
11 the name of Socram and I started buying and selling commercial  
12 rights for several soccer events, including the Americas  
13 Libertadores Cup. Around 1989, I became the senior director  
14 of a recently formed enterprise called Spoart. And I also  
15 assisted in the transmission of several soccer events and I  
16 also formed enterprises Somerton and Valente that were  
17 contracting with companies dedicated to sports marketing to  
18 deliver several services.

19 Around 1986, I helped a Mr. Jose Hawilla, who was  
20 the owner of Traffic, a sports marketing company, to obtain  
21 the commercial rights to the Americas Cup, some of the  
22 classifying games for the Olympic games and the Libertadores  
23 Cup. Starting about 1991, I helped to make bribe payments in  
24 the name of Traffic to several officers of the South American  
25 Soccer Federation, one of the six continental soccer

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1 confederations commonly known as CONMEBOL. I knew that these  
2 officers were using their authority positions -- utilizing  
3 their trust and authority positions to enrich themselves. I  
4 also knew that these bribe payments were made in order for  
5 Traffic to get and retain the commercial rights for such  
6 events, soccer events, as well as some games for several  
7 editions for the classification in the world cup. Although I  
8 did not receive any commission for these payments, I made them  
9 in order to maintain -- to keep my relationship with Traffic.  
10 I did these payments in a regular fashion in the name of  
11 Traffic until around 2007.

12 I also had a business relationship with Torneos y  
13 Competencias, better known as Torneos. And in the same  
14 fashion as I did for Traffic, I sold some rights and helped  
15 Torneos in the retransmission -- in the production of  
16 retransmission of certain soccer events. Beginning about the  
17 year 2000 and until 2015 I periodically made money transfers  
18 in the name and at the request of a company known as T and T.  
19 T and T was originally a joint venture between Traffic and  
20 Torneos and later became a joint venture between Torneos and  
21 other investors which was administered by the Torneos  
22 executives. I deducted that a lot of these payments that were  
23 made in the name of T and T were the bribe payments to soccer  
24 officers so that they will grant contracts to Torneos or to T  
25 and T. I knew that T and T had the rights for the Libertadores

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1 Cup, among other tournaments and that it was subject to the  
2 support of the authorities of CONMEBOL to guarantee such  
3 rights. I also knew that Torneos got a portion of the rights  
4 for a special edition of the Copa America tournament to take  
5 place in the United States in 2016. Such edition was jointly  
6 organized by CONMEBOL and CONCACAF, the regional confederation  
7 for North American Soccer, Central America and the Caribbean.  
8 Approximately beginning in 2013, I agreed to receive a  
9 commission of -- a one percent commission for certain amounts  
10 that I transferred on behalf of T and T. Before that, I had  
11 not received any commission for the payments I was doing on  
12 behalf of T and T, but I did all these payments and those that  
13 were included in the agreement in order to maintain or to keep  
14 my relationship with Torneos and its executives.

15 I used two foreign companies that I controlled,  
16 Valente Corp. and Somerton Ltd., to make many of these  
17 payments, the above-described payments, on behalf of Traffic  
18 and Torneos and their executives. Starting about 1986 to the  
19 present time, Valente and/or Somerton -- they kept their bank  
20 accounts in the United States. When an executive from sports  
21 marketing would ask that I would make some payment on behalf  
22 of his company, the company will transfer electronically the  
23 funds from an account outside of the U.S. to the accounts of  
24 Valente or Somerton in the United States. Valente and  
25 Somerton would later make the payment or payments to the

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1 accounts and the quantities specified by the executive of  
2 sports marketing.

3 For sometime as an executive of the communication  
4 industry, FIFA, CONMEBOL and CONCACAF, and other organizations  
5 related to soccer and to sports marketing companies were  
6 involved in the promotion and regulation of the soccer sport  
7 in all the world as part of a permanent organization. Among  
8 other things, these companies will sponsor and will have  
9 events related with the sport and will do some businesses in  
10 the United States and they would use financial institutions in  
11 the United States. The planning for the bribe payments were  
12 not revealed to FIFA, CONCACAF or CONMEBOL.

13 I would like to add that this statement: I am  
14 remorseful for the problems I have caused for my family, the  
15 world of soccer and the United States. With my acceptance of  
16 guilt, I am taking the first step to repair these problems.

17 THE COURT: Thank you, Mr. Margulies.

18 MR. EDELMAN: Your Honor, if I may just ask or have  
19 your Honor ask some follow-up questions?

20 THE COURT: Go ahead.

21 MR. EDELMAN: I believe through translation the  
22 defendant referred to a Americas Liberation Cup or something  
23 to that effect. I would ask that he just clarify that's  
24 commonly known as the Copa de Libertadores.

25 THE DEFENDANT: There was a tournament until 1999,

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1 the champion and the second will play, from each country will  
2 play in South America.

3 MR. RIVERO: May I, your Honor?

4 THE COURT: Yes.

5 MR. RIVERO: Mr. Margulies, is that tournament known  
6 in Spanish as the Copa Libertadores?

7 THE DEFENDANT: Americas Libertadores Cup.

8 MR. RIVERO: Say it in Spanish for this purpose  
9 because I want that on the record.

10 THE DEFENDANT: Copa Libertadores America.

11 MR. RIVERO: Please just translate what he said.

12 THE WITNESS: Copa Libertadores.

13 And after 2000 when they purchased the tournament, T  
14 and T, there were 38 teams that started participating --

15 MR. RIVERO: Mr. Margulies, I'm going to ask you  
16 only to answer the questions that are being asked. This is a  
17 very serious proceeding.

18 He asked the name.

19 THE DEFENDANT: Okay.

20 THE COURT: Thank you.

21 Any other questions?

22 MR. EDELMAN: The only other thing I would ask your  
23 Honor to clarify is that Mr. Margulies referred to making  
24 certain payments in the name of Traffic or T and T, that they  
25 were made on behalf of those companies through his companies,

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1 not necessarily in their name, that is, Traffic or T and T.

2 THE COURT: Do you understand the question?

3 THE DEFENDANT: No. I didn't understand the  
4 question.

5 MR. EDELMAN: I would ask Mr. Margulies to clarify  
6 that the payments he made were not in the name of Traffic or T  
7 and T.

8 THE INTERPRETER: Interpreter needs a clarification.  
9 (Pause.)

10 THE COURT: So the clarification was whether it was  
11 in the name of or for the benefit of.

12 MR. EDELMAN: Exactly, your Honor.

13 THE COURT: Do you understand?

14 THE INTERPRETER: Yes.

15 THE DEFENDANT: Following the instructions of.

16 MR. RIVERO: He said: For the benefit of and  
17 following the instructions of. That's actually what the  
18 statement was in Spanish.

19 THE COURT: Could you repeat your statement, please?

20 THE DEFENDANT: I was making the payments following  
21 the instructions of Traffic and T and T.

22 MR. EDELMAN: That's fine, your Honor.

23 THE DEFENDANT: And for some of them there is proof  
24 of the orders.

25 MR. EDELMAN: Thank you, your Honor.

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1           The only other thing I would note is that the  
2 government would prove venue in the Eastern District of New  
3 York as to counts one, 39, and 40; venue in count five is  
4 lodged in the Southern District of New York. And I would ask  
5 the defendant to waive venue as to count five and acknowledge  
6 that the government can prove venue for the other counts.

7           MR. RIVERO: We do, your Honor. And we do  
8 acknowledge that the government can do so.

9           THE COURT: Do you understand what your lawyer said?

10          THE DEFENDANT: Yes.

11          THE COURT: And do you agree to waive venue for  
12 count -- which is it, 40?

13          MR. EDELMAN: Five.

14          THE COURT: -- five?

15          THE DEFENDANT: I am accepting that everything is  
16 done here.

17          MR. RIVERO: Your Honor, I have one small point of  
18 clarification.

19          THE COURT: Yes.

20          MR. RIVERO: I think it's also related to the  
21 translation.

22               Mr. Margulies, with regard to Valente and Somerton,  
23 is it a correct statement that their principal bank accounts  
24 were in the United States?

25          THE DEFENDANT: Only in the U.S.

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1 MR. RIVERO: Thank you, your Honor.

2 THE COURT: Anything else?

3 MR. EDELMAN: No, your Honor.

4 MR. RIVERO: No, your Honor.

5 THE COURT: All right.

6 Mr. Margulies, I find that you are acting  
7 voluntarily, you fully understands your rights, the charges  
8 against you, the rights you are giving up by pleading guilty,  
9 the consequences of your guilty plea, including all the  
10 possible penalties that you are facing, as well as the fact  
11 that the sentence on each of counts one, five, 39 and 40 could  
12 run consecutively.

13 THE DEFENDANT: I understand.

14 THE COURT: That you understand there's no guarantee  
15 what your sentence will be or what your guideline range will  
16 be, that you will not be able to take back your guilty plea if  
17 the sentence is not within the guideline range and that there  
18 is a factual basis for your plea in that you did commit the  
19 acts alleged in counts one, five, 39 and 40. I, therefore,  
20 recommend that Judge Dearie accept your plea of guilty to each  
21 of those charges.

22 THE CLERK: Judge Dearie has set a sentencing  
23 control date of June 24, 2016 at 10:00 a.m.

24 THE COURT: Just to clarify, I also find that you  
25 understand that you cannot take back your guilty plea or

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1 appeal your conviction at this point once you have pled guilty  
2 for all but a very, very limited set of circumstances.

3 Do you have any questions?

4 THE DEFENDANT: No. I just wanted to know what June  
5 24 meant.

6 THE COURT: Okay. I understand there's a bond.

7 MR. EDELMAN: Yes, your Honor.

8 THE COURT: It's been agreed to by counsel?

9 MR. RIVERO: Yes, your Honor.

10 THE COURT: The bond is for \$10 million?

11 MR. RIVERO: Yes, your Honor.

12 THE COURT: Mr. Margulies, you need to adhere to all  
13 the conditions of the bond. If you don't, the government  
14 could come to court and ask that the bond be revoked and ask  
15 that you be placed in detention as long as this case is still  
16 ongoing and ask that \$10 million be taken from you. If you  
17 don't have \$10 million the government can take any assets,  
18 savings or other property that you have or garnishee any wages  
19 or other incomes that you receive until it has the full \$10  
20 million.

21 Do you understand?

22 THE DEFENDANT: Yes.

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Do you understand?

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THE DEFENDANT: Yes.

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THE COURT: You will not directly or indirectly  
associate with or have contact with any codefendants or any  
individual employed by or associated with any sports marketing  
company identified in the indictment in this case, including  
without limitation Torneos y Competencias, Full Play SA and  
the Traffic Group or any subsidiary or affiliates of the  
foregoing companies with CONCACAF and any affiliated or  
constituent entity with CONMEBOL and any affiliated or  
constituent entity and FIFA and any affiliated or constituent  
entity.

17

Do you understand?

18

THE DEFENDANT: I understand.

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THE COURT: You agree to post your right, title and  
interest in the funds that are deposited in the accounts  
listed in attachment B, subparagraphs A through E.

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1 Do you see those?

2 THE DEFENDANT: Yes.

3 THE COURT: And you understand and agree?

4 THE DEFENDANT: Yes.

5 THE COURT: Finally, you further agree that the  
6 amount forfeited to the United States from these accounts,  
7 less \$9,270,000 in U.S. dollars, shall be wired to the clerk  
8 of the court to secure the bond. Such amount shall be at  
9 least five million U.S. dollars.

10 Do you understand?

11 THE DEFENDANT: Yes.

12 THE COURT: All right. You have to come to court  
13 every time you're supposed to. If you miss any court  
14 appearances --

15 THE DEFENDANT: That's correct.

16 THE COURT: -- you could be arrested and charged  
17 with bail jumping.

18 MR. RIVERO: Your Honor, can I see if there's any  
19 question?

20 THE COURT: Sure.

21 (Counsel confers with defendant.)

22 MR. RIVERO: We're fine, judge.

23 THE COURT: Obviously, you cannot commit any crimes  
24 while you are on release and there are other conditions on the  
25 back of the bond that you are about to sign.

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1 Do you have any questions?

2 THE DEFENDANT: No.

3 THE COURT: All right. I'm going to hand this down  
4 for you to sign.

5 Anything else from the government?

6 MR. EDELMAN: The government would just move to seal  
7 the bond in connection with the current proceeding that's also  
8 under seal.

9 MR. RIVERO: Your Honor, we would agree and ask,  
10 just to be sure, that everything is sealed. I understand the  
11 proceeding is sealed.

12 THE COURT: Yes. We'll make sure.

13 MR. RIVERO: Thank you, your Honor.

14 I'm handing this back, judge.

15 THE COURT: Thank you.

16 Okay. The bond is now approved.

17 Do you have any questions, Mr. Margulies?

18 THE DEFENDANT: No.

19 THE COURT: All right. Thank you.

20 MR. EDELMAN: Thank you, your Honor.

21 MR. RIVERO: Thank you, your Honor.

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