

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

ALEXANDER IGOLNIKOV

No. 14 CR 484

Judge Edmond E. Chang

**PLEA AGREEMENT**

1. This Plea Agreement between the United States Attorney for the Northern District of Illinois, ZACHARY T. FARDON, and defendant ALEXANDER IGOLNIKOV, and his attorney, EDWARD M. GENSON, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure and is governed in part by Rule 11(c)(1)(A), as more fully set forth below. The parties to this Agreement have agreed upon the following:

**Charges in This Case**

2. The indictment in this case charges defendant with conspiracy to transport in interstate commerce any falsely made, forged, altered, and counterfeited security, in violation of Title 18, United States Code, Section 2314, and to receive and possess any falsely made, forged, altered, and counterfeited security, moving as part of interstate commerce, in violation of Title 18, United States Code, Section 2315, all in violation of Title 18, United States Code, Section

371 (Count 1); transportation in interstate commerce of a falsely made, forged, altered, and counterfeited security, in violation of Title 18, United States Code, Section 2314 (Counts 2 and 4); and receipt and possession of a falsely made, forged, altered, and counterfeited security, moving as part of interstate commerce, in violation of Title 18, United States Code, Section 2315 (Counts 3 and 5).

3. Defendant has read the charges against him contained in the indictment, and those charges have been fully explained to him by his attorney.

4. Defendant fully understands the nature and elements of the crimes with which he has been charged.

#### **Charge to Which Defendant Is Pleading Guilty**

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the following count of the indictment: Count 1, which charges defendant with conspiracy to transport in interstate commerce any falsely made, forged, altered, and counterfeited security, in violation of Title 18, United States Code, Section 2314, and to receive and possess any falsely made, forged, altered, and counterfeited security, moving as part of interstate commerce, in violation of Title 18, United States Code, Section 2315, all in violation of Title 18, United States Code, Section 371. In addition, as further provided below, defendant agrees to the entry of a forfeiture judgment.

#### **Factual Basis**

6. Defendant will plead guilty because he is in fact guilty of the charge contained in Count 1 of the indictment. In pleading guilty, defendant admits the

following facts and that those facts establish his guilt beyond a reasonable doubt, and establish a basis for forfeiture of the property described elsewhere in this Plea Agreement: Beginning no later than in or about 2007, and continuing until in or about April 2010, at Chicago, in the Northern District of Illinois, and elsewhere, IGOLNIKOV conspired with Individual A, Individual B, Individual C, and others, to:

(a) with unlawful and fraudulent intent, transport in interstate commerce any falsely made, forged, altered, and counterfeited security, knowing the security to have been falsely made, forged, altered, and counterfeited, in violation of Title 18, United States Code, Section 2314; and

(b) receive and possess any falsely made, forged, altered, and counterfeited security, moving as, and which are a part of, and which constitute interstate commerce, knowing the security to have been so falsely made, forged, altered, and counterfeited, in violation of Title 18, United States Code, Section 2315;

all in violation of Title 18, United States Code, Section 2315.

Specifically, from 2007 through April 2010, IGOLNIKOV agreed with Individual A, Individual B, Individual C, and others to purchase vehicles with salvage titles – which titles were issued to vehicles that had sustained significant damage -- from online auction sites, obtain clean and rebuilt Indiana titles for those vehicles by submitting false paperwork to the Indiana Bureau of Motor Vehicles, and then use those clean and rebuilt Indiana titles to obtain clean Illinois titles,

thus concealing that the vehicles were previously issued salvage titles. IGOLNIKOV and his business associates then used these vehicles as taxicabs in the City of Chicago, in violation of a City of Chicago prohibition on using as a taxicab any vehicle that had previously been issued a salvage or rebuilt title.

To accomplish this, IGOLNIKOV purchased damaged vehicles with salvage titles from online auto auctions sites using accounts in the name of Seven Amigos Used Cars. These vehicles were then towed to the business address for Chicago Carriage Taxi Company, which was also used by Seven Amigos Used Cars, in Chicago, Illinois, to be repaired. Individual A, Individual B, and Individual C then obtained clean or rebuilt title for the vehicles that had previously been issued salvage titles and then sold those vehicle titles to defendant IGOLNIKOV, who purchased them in the names of Seven Amigos Used Cars, Chicago Elite Cab Corporation, and other related business entities.

As a means to obtain clean titles for the vehicles, Individual A, Individual B, and Individual C and others submitted applications for rebuilt titles to the Indiana Bureau of Motor Vehicles, supported by false "Affidavits of Restoration for a Salvage Motor Vehicle," in which an Indiana law enforcement officer purportedly certified that the officer had examined the vehicle and that the vehicle had been repaired such that the salvage restoration of the vehicle conformed with Indiana law. In reality, no officer had examined the vehicle, and the Affidavit of Police Officer had been signed without any inspection of the vehicle. Based on the false Affidavits of Restoration for a Salvage Motor Vehicle, the Indiana Bureau of Motor

Vehicles issued rebuilt titles for vehicles that had previously been issued salvage titles. Individual A, Individual B, and Individual C would then place a sticker, usually one purporting to be from an online auction, over the rebuilt brand on the Indiana title to conceal the fact that the title had a rebuilt brand, giving the impression that the title was clean.

Individual A, Individual B, and Individual C then caused the Indiana Bureau of Motor Vehicles to mail the clean and rebuilt Indiana titles from Indiana to business addresses for Auto Broker A, Auto Broker B, and Auto Broker C in the Northern District of Illinois.

After obtaining either a clean or rebuilt title for the vehicles that had previously been issued salvage titles, IGOLNIKOV and his business associates then used the clean Indiana titles and the rebuilt Indiana titles on which the rebuilt brand had been obscured by a sticker to apply to the Illinois Secretary of State for a clean Illinois title for the vehicles. IGOLNIKOV knew that the City of Chicago Medallion Owner Rules stated that no vehicle that had been issued the title class of either "salvage" or "rebuilt" in any jurisdiction would be approved for use as a taxicab in Chicago. Nonetheless, once a clean Illinois title was obtained for the previously salvage vehicles, IGOLNIKOV and his business associates had these vehicles operate as taxicabs in Chicago, Illinois, by concealing from the City of Chicago that the vehicles had previously been issued salvage and rebuilt titles.

In furtherance of this conspiracy, on October 22, 2009, IGOLNOKOV, using an account in the name of Seven Amigos Used Cars, purchased a vehicle with

Vehicle Identification Number 2FAFP71V98X176167 through an auto auction for \$4,300. IGOLNIKOV subsequently had Company B obtain a clean Indiana title for the vehicle. The clean Indiana title was mailed from Indiana to Company B at an address in the Northern District of Illinois. IGOLNIKOV, through Seven Amigos Used Cars, purchased the vehicle and clean Indiana title from Company B on December 14, 2009. On January 4, 2009, IGOLNIKOV, on behalf of Chicago Elite Cab Corporation, applied to the Illinois Secretary of State for a clean Illinois title for the vehicle. The Illinois Secretary of State subsequently issued the vehicle a clean Illinois title and Chicago Elite Cab Corporation then operated the vehicle as a taxicab in the City of Chicago.

It is the government's position that IGOLNIKOV caused at least approximately 180 vehicles to illegally obtain clean titles from Indiana and Illinois and, as a result, to illegally operate as licensed and registered taxicabs in Chicago, Illinois. Defendant reserves the right to dispute the number of vehicles at sentencing.

#### **Maximum Statutory Penalties**

7. Defendant understands that the charge to which he is pleading guilty carries the following statutory penalties:

a. A maximum sentence of 5 years' imprisonment. This offense also carries a maximum fine of \$250,000, or twice the gross gain or gross loss resulting from that offense, whichever is greater. Defendant further understands that the judge also may impose a term of supervised release of not more than three years.

b. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on the charge to which he has pled guilty, in addition to any other penalty imposed.

### Sentencing Guidelines Calculations

8. Defendant understands that in imposing sentence the Court will be guided by the United States Sentencing Guidelines. Defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in determining a reasonable sentence.

9. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points, except as otherwise noted:

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the November 2014 Guidelines Manual.

b. **Offense Level Calculations.**

i. The base offense level is 6, pursuant to Guideline § 2X1.1(a) and § 2B1.1(a)(2).

ii. It is the government's position that the offense level is increased by 14 levels, pursuant to Guideline § 2B1.1(b)(1)(H) and application note 3(F)(v), because the offense involved goods for which regulatory approval by a government agency was obtained by fraud and for which approximately a total of

\$540,000 was paid, which is more than \$400,000 and less than \$1,000,000. Defendant disagrees with the government's loss calculation and reserves the right to contest that this enhancement applies.

iii. It is the government's position that the offense level is increased by 2 levels, pursuant to Guideline § 2B1.1(b)(10)(C), because the offense involved sophisticated means. Defendant reserves the right to contest that this enhancement applies.

iv. If the Court determines at the time of sentencing that defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct within the meaning of Guideline § 3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested financial information relevant to his ability to satisfy any fine that may be imposed in this case, a two-level reduction in the offense level will be appropriate. The government reserves the right to take whatever position it deems appropriate at the time of sentencing with respect to whether defendant has accepted responsibility within the meaning of Guideline § 3E1.1(a).

v. If the Court determines that defendant has fully accepted responsibility within the meaning of Guideline § 3E1.1(a), and that the offense level is 16 or higher prior to the application of any reduction for acceptance of responsibility pursuant to § 3E1.1(a), the government will move for an additional one-level reduction in the offense level pursuant to Guideline § 3E1.1(b) because

defendant has timely notified the government of his intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently.

c. **Criminal History Category.** With regard to determining defendant's criminal history points and criminal history category, based on the facts now known to the government, defendant's criminal history points equal zero and defendant's criminal history category is I.

d. **Anticipated Advisory Sentencing Guidelines Range.** Therefore, based on the facts now known to the government, it is the government's position that the anticipated offense level is 19, which, when combined with the anticipated criminal history category of I, results in an anticipated advisory sentencing guidelines range of 30 to 37 months' imprisonment, in addition to any supervised release and fine the Court may impose.

e. Defendant and his attorney and the government acknowledge that the above guidelines calculations are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands that further review of the facts or applicable legal principles may lead the government to conclude that different or additional guidelines provisions apply in this case. Defendant understands that the Probation Office will conduct its own investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the

probation officer's or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw his plea on the basis of the Court's rejection of these calculations.

10. Both parties expressly acknowledge that this Agreement is not governed by Fed. R. Crim. P. 11(c)(1)(B), and that errors in applying or interpreting any of the sentencing guidelines may be corrected by either party prior to sentencing. The parties may correct these errors either by stipulation or by a statement to the Probation Office or the Court, setting forth the disagreement regarding the applicable provisions of the guidelines. The validity of this Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw his plea, nor the government the right to vacate this Agreement, on the basis of such corrections.

#### **Agreements Relating to Sentencing**

11. Each party is free to recommend whatever sentence it deems appropriate.

12. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Agreement and may impose a sentence up to the maximum penalties as set forth above. Defendant further acknowledges that if the Court does not accept the sentencing recommendation of the parties, defendant will have no right to withdraw his guilty plea.

13. Defendant agrees to pay the special assessment of \$100 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

14. After sentence has been imposed on the count to which defendant pleads guilty as agreed herein, the government will move to dismiss the remaining counts of the indictment as to defendant.

### **Forfeiture**

15. Defendant understands that by pleading guilty, he will subject to forfeiture to the United States all right, title, and interest that he has in any property constituting or derived from proceeds obtained, directly or indirectly, as a result of the offense.

16. Defendant agrees to the entry of a personal money judgment in an amount to be determined at his sentencing hearing, which represents the total amount of proceeds traceable to the offense.

17. Defendant admits that because the directly forfeitable property is no longer available for forfeiture as described in Title 21, United States Code, Section 853(p)(1), the United States is entitled to seek forfeiture of any other property of defendant, up to the value of the personal money judgment, as substitute assets pursuant to Title 21, United States Code, Section 853(p)(2).

18. Defendant understands that forfeiture shall not be treated as satisfaction of any fine, cost of imprisonment, or any other penalty the Court may impose upon defendant in addition to the forfeiture judgment.

19. Defendant agrees to waive all constitutional, statutory, and equitable challenges in any manner, including but not limited to direct appeal or a motion brought under Title 28, United States Code, Section 2255, to any forfeiture carried out in accordance with this agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment.

### **Acknowledgments and Waivers Regarding Plea of Guilty**

#### **Nature of Agreement**

20. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 14 CR 484.

21. This Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver, or release by the United States or any of its agencies of any administrative or judicial civil claim, demand, or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, except as expressly set forth in this Agreement.

#### **Waiver of Rights**

22. Defendant understands that by pleading guilty he surrenders certain rights, including the following:

a. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charges against him, and if he does, he would have the right to a public and speedy trial.

i. The trial could be either a jury trial or a trial by the judge sitting without a jury. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and his attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not convict him unless, after hearing all the evidence, it was persuaded of his guilt beyond a reasonable doubt and that it was to consider each count of the indictment separately. The jury would have to agree unanimously as to each count before it could return a verdict of guilty or not guilty as to that count.

iv. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, and considering

each count separately, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

v. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and his attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in his own behalf. If the witnesses for defendant would not appear voluntarily, he could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

vii. At a trial, defendant would have a privilege against self-incrimination so that he could decline to testify, and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify in his own behalf.

b. **Appellate rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial, and may only appeal the validity of this plea of guilty and the sentence imposed. Defendant understands that any appeal must be filed within 14 calendar days of the entry of the judgment of conviction.

23. Defendant understands that by pleading guilty he is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights

specifically preserved above. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights.

**Presentence Investigation Report/Post-Sentence Supervision**

24. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall fully apprise the District Court and the Probation Office of the nature, scope, and extent of defendant's conduct regarding the charges against him, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

25. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of his financial circumstances, including his recent income tax returns as specified by the probation officer. Defendant understands that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline § 3E1.1 and enhancement of his sentence for obstruction of justice under Guideline § 3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

26. For the purpose of monitoring defendant's compliance with his obligations to pay a fine during any term of supervised release or probation to which defendant is sentenced, defendant further consents to the disclosure by the IRS to

the Probation Office and the United States Attorney's Office of defendant's individual income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release or probation to which defendant is sentenced. Defendant also agrees that a certified copy of this Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

#### Other Terms

27. Defendant agrees to cooperate with the United States Attorney's Office in collecting any unpaid fine for which defendant is liable, including providing financial statements and supporting records as requested by the United States Attorney's Office.

28. Defendant understands that, if convicted, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

#### Conclusion

29. Defendant understands that this Agreement will be filed with the Court, will become a matter of public record, and may be disclosed to any person.

30. Defendant understands that his compliance with each part of this Agreement extends throughout the period of his sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the event he violates this Agreement, the government, at its

option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to resentence defendant or require defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecutions.

31. Should the judge refuse to accept defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound to it.

32. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement, to cause defendant to plead guilty.

33. Defendant acknowledges that he has read this Agreement and carefully reviewed each provision with his attorney. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: \_\_\_\_\_

\_\_\_\_\_  
ZACHARY T. FARDON  
United States Attorney

\_\_\_\_\_  
ALEXANDER IGOLNIKOV  
Defendant

\_\_\_\_\_  
MARGARET J. SCHNEIDER  
STEVEN J. DOLLEAR  
Assistant U.S. Attorneys

\_\_\_\_\_  
EDWARD M. GENSON  
Attorney for Defendant