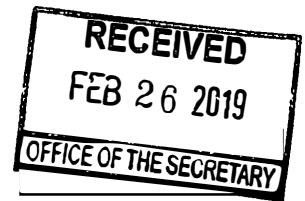


UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-18781

In the Matter of

SUSAN E. WALKER

Respondent.

**DIVISION OF ENFORCEMENT'S MOTION FOR DEFAULT JUDGMENT  
AND IMPOSITION OF SANCTIONS AGAINST RESPONDENT**

The Division of Enforcement ("Division"), pursuant to Rules 155(a) and 220(f) of the U.S. Securities and Exchange Commission's Rules of Practice and for the reasons set forth below and the Declaration of H. Norman Knickle (the "Knickle Decl."), respectfully moves the Commission for the entry of a default judgment and the imposition of sanctions against Respondent Susan E. Walker.

**MEMORANDUM IN SUPPORT**

In October 2014, Walker was convicted of one count of mail fraud and one count of tax fraud before the United States District Court for the District of Minnesota. *See United States v. Susan Elizabeth Walker*, Case No. 14-CR-305. Based on Walker's criminal convictions, on September 18, 2018, the Commission issued an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, and Notice of Hearing (the "OIP"). Walker was served with the OIP over three months ago, but she has not filed an answer. Accordingly, pursuant to Rules 155(a) and 220(f) of the Commission's Rules of

Practice, the Division submits that default judgment is appropriate and sanctions should be imposed.

## I. PROCEDURAL HISTORY

The Commission issued the OIP in this matter on September 18, 2018. The Commission's Office of the Secretary served Walker with the OIP by certified mail, a manner of service that is specifically authorized by the Commission's Rules of Practice. *See* Rule 141(a)(2)(i). The U.S. Postal Service's online tracking system indicates that the OIP was delivered to Walker on November 6, 2018. *See* Declaration of Stephan J. Schlegelmilch to Assist Secretary with Record of Service ("Schlegelmilch Decl.") at ¶ 3 and Attachment 1.<sup>1</sup> Pursuant to the Commission's Rules of Practice, Walker's Answer to the OIP was due on or before November 26, 2018, twenty (20) days from the service of the OIP. *See* Rule 220(b). However, as of the date of this Motion, she has not filed an Answer. *See* Knickle Decl. at ¶ 3. Nor has she otherwise defended this proceeding. *See id.* at ¶ 4.

## II. FACTUAL BACKGROUND

Because Walker has not timely answered, the Commission may deem true the allegations in the OIP. *See* Commission's Rules of Practice, Rule 155(a). Moreover, the Commission should accept as true the facts and legal conclusions underlying Walker's guilty pleas and convictions. *See Kornman v. SEC*, 592 F.3d 173, 187 (DC Cir. 2010) (affirming the Commission's reliance on the respondent's guilty plea when assessing sanctions).

As set forth in the OIP, Walker formerly resided in Plymouth, Minnesota. Between 2008 and 2013, she was employed as a registered representative of Ameriprise Financial Services, Inc. ("Ameriprise"). *See* Knickle Decl. at ¶¶ 5, 7, 8 and Attachment 1 (Web CRD), Attachment 2 (Amended Information), and Attachment 3 (Oct. 15, 2014 Change of Plea

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<sup>1</sup> The Schlegelmilch Decl. was filed with the Office of the Secretary on November 7, 2018.

Hearing) at 45-46; *see also* OIP at ¶ 1. Ameriprise is a broker-dealer and investment adviser registered with the Commission. *See* OIP at ¶ 1.

On October 15, 2014, Walker pleaded guilty to two felonies in the United States District Court for the District of Minnesota – one count of mail fraud in violation of 18 U.S.C. § 1341 and one count of tax fraud in violation of 26 U.S.C. § 7201. *See* Knickle Decl. at ¶ 8 at Attachment 3 (Oct. 15, 2014 Change of Plea Hearing); *see also* OIP at ¶ 2. As Walker admitted during her change of plea hearing, the charges were the result of Walker's illegal transfer money from her investment advisory clients' accounts to other accounts that Walker controlled.

Q. People used the financial services company to invest their retirement

--

A. Correct.

Q. -- for example? And as a result of that, you had access to their paperwork regarding brokerage accounts and things like that?

A. That were invested at Ameriprise, yeah.

Q. And with regard to some of those clients, you stole their money; is that also correct?

A. Correct.

Q. And you did that in a number of different ways, but one of the ways in which you did that was by creating some Fidelity accounts in the names of some of those clients; is that correct?

A. Correct.

Q. Sometimes they were created in the names of clients that had no connection to each other?

A. Correct.

Q. And even though it was created in their names, you controlled those accounts?

A. Correct.

Q. And you took money from people's Ameriprise accounts and put it into those Fidelity accounts?

A. Correct.

Q. And you took money out of those Fidelity accounts to use for your own personal spending?

A. Correct.

Q. Things like payments for school tuition, payments on your mortgage, trips, other things?

A. Correct.

Q. And we have looked through the financial records from those Fidelity accounts and we've seen where the money was going and we can see that you were just using those accounts for your own personal spending?

A. Correct.

Q. They were funded with money that was stolen from clients with Ameriprise --

A. Yes.

Knickle Decl. at ¶ 8 and Attachment 8 (Oct. 15, 2014 Change of Plea Hearing) at 49-50); *see also* OIP at ¶ 3.

On December 22, 2015, Walker was sentenced to, *inter alia*, 88 months of incarceration, and the District Court also ordered more than \$1.2 million in restitution. *See* Knickle Decl. at ¶ 9 and Attachment 4 (Amended Judgment).

### III. ARGUMENT

Walker has not filed an Answer to the Commission's OIP, despite the passage of more than three months, and the Commission should find her in default and enter judgment accordingly. Additionally, because the conduct described in the OIP and to which Walker has pleaded guilty is egregious, the Division submits that sanctions are also appropriate.

#### A. The Entry of a Default Judgment is Appropriate.

Walker received service of the OIP in this matter on November 6, 2018. *See* Schlegelmilch Decl. at ¶ 3. Her answer was, therefore, due on or before November 26, 2018, twenty days after service. *See* Commission Rules of Practice, Rule 220(b); *see also* OIP at § IV ("IT IS FURTHER ORDERED that Respondent shall file an Answer to the

allegations contained in this Order within twenty (20) days after service of this Order.”). As of the date of this Motion, Walker has not filed an answer or otherwise defended this action. *See* Knickle Decl. at ¶¶ 3-4.

Commission Rule of Practice 155(a) provides that “[a] party to a proceeding may be deemed to be in default and the Commission or the hearing officer may determine the proceeding against that party upon consideration of the record, including the order instituting proceedings, the allegations of which may be deemed to be true, if that party fails . . . [t]o answer, to respond to a dispositive motion within the time provided, or otherwise to defend the proceeding.” Here, because Walker has failed to “answer . . . or otherwise to defend the proceeding,” the Division submits that a Default Judgment should be entered against her, as is specifically contemplated by the Commission’s Rules of Practice. *See* Rules 155(a) and 220(f).

**B. Securities Exchange Act Section 15(b) and Investment Advisers Act Section 203(f) Sanctions are Appropriate.**

Exchange Act 15(b)(6)(A)(ii) authorizes the Commission to impose a permanent broker-dealer bar and penny stock bar against a respondent if at the time of the alleged misconduct, the individual was associated with a broker-dealer, was convicted of any of the offenses enumerated in the statute (which specifically includes “theft” and “misappropriation of funds”<sup>2</sup>), and it is in the public interest. *See* 15 U.S.C. § 78o(b)(6)(A)(ii). Similarly, Investment Advisers Act Section 203(f) authorizes the Commission to bar an individual “associated, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated with an investment adviser . . . from being associated with an investment adviser, broker, dealer, municipal

---

<sup>2</sup> *See* 15 U.S.C. § 78o(b)(4)(B)(iii).

securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, if the Commission finds, on the record after notice and opportunity for hearing, that such . . . bar is in the public interest and that such person has committed or omitted any act or omission enumerated in [the statute] within ten years of the commencement of the proceedings.” 15 U.S.C. § 80b-3(f).<sup>3</sup>

To determine the duration of a bar, the Commission considers the public interest factors discussed in *Steadman*, which include:

the egregiousness of the respondent’s actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the respondent’s assurances against future violations, the respondent’s recognition of the wrongful nature of his conduct, and the likelihood that the respondent’s occupation will present opportunities for future violations.

*Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff’d on other grounds*, 450 U.S. 91 (1981) (quoting *SEC v. Blatt*, 583 F.2d 1325 at 1334 n.29 (5th Cir. 1978)). The Commission also considers the deterrent effect of administrative sanctions. *In The Matter Of David R. Wulf*, Exchange Act Release No. 77411, 2016 WL 1077411, at \*4 (Mar. 21, 2016) (applying *Steadman* factors). The public interest inquiry is “flexible, and no one factor is dispositive.” *Id.*; see also *In the Matter of Allen M. Perres*, Securities Act Release No. 10287, 2017 WL 280080 (Jan. 23, 2017), *petition denied*, 695 F. App’x 980 (7th Cir. 2017); *David Henry Disraeli*, Exchange Act Release No. 57027, 2007 WL 4481515, at \*15 (Dec. 21, 2007), *petition denied*, 334 F. App’x 334 (D.C. Cir. 2009) (per curiam), *cert. denied*, 559 U.S. 1008 (2010).

Here, the Division submits that permanent bars are in the public interest. Walker does not dispute that her former employer, Ameriprise, was a registered broker-dealer and investment adviser, see OIP ¶ 1, nor can she dispute that her criminal conduct occurred

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<sup>3</sup> Again, the statute specifically enumerates “theft” and “misappropriation of funds.” See 15 U.S.C. 80b-3(e)(2)(C).

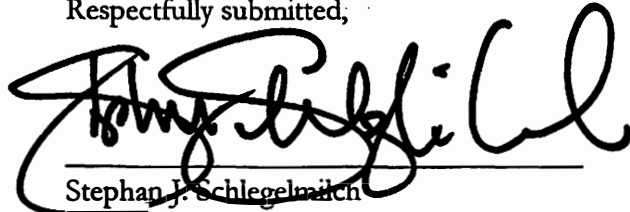
during and as a result of such employment. *See* Knickle Decl. at ¶ 7, 8 and Attachment 2 (Amended Information) and Attachment 3 (Oct. 15, 2014 Change of Plea Hearing). Her conduct was egregious and involved a high degree of scienter – as she admitted when pleading guilty, she simply stole hundreds of thousands of dollars from clients who had trusted Walker to manage their retirement and other investments. *See* Knickle Decl. at ¶ 8 and Attachment 3 (Oct. 15, 2014 Change of Plea Hearing). Despite her guilty plea, because she has failed to answer the OIP, she has done nothing to provide the Commission with any assurance that she will not engage in similar future conduct. In sum, given Walker’s failure to refute the allegations in the OIP and the egregiousness of her offenses, the Division submits that, pursuant to Exchange Act Section 15(b) and Investment Advisers Act Section 203(f), it is in the public interest that the Commission enter an Order permanently barring Walker from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization and from participating in any offering of a penny stock, including acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

#### IV. CONCLUSION

For the reasons set forth above, the Division requests that the Commission find Walker in default and impose sanctions pursuant to Exchange Act 15(b) and Investment Advisers Act 203(f).

Dated: February 26, 2019

Respectfully submitted;

A handwritten signature in black ink, appearing to read "Stephan J. Schlegelmilch", written over a horizontal line.

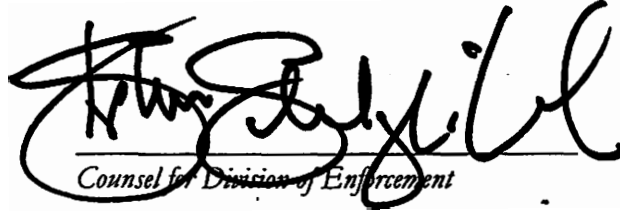
Stephan J. Schlegelmilch  
Division of Enforcement  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549  
202.551.4935 (Schlegelmilch)  
202.772.9292 (facsimile)  
SchlegelmilchS@SEC.gov

*Counsel for Division of Enforcement*



**CERTIFICATION OF COMPLIANCE WITH RULE 154(c)**

I hereby certify that the foregoing brief is fewer than fifteen (15) pages and that the Division has, therefore, complied with Rule 154(c) of the Commission's Rules of Practice.

  
Counsel for Division of Enforcement

**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing was served on the following, this 26<sup>th</sup> day of February 2019, in the manner indicated below:

By U.S. mail:

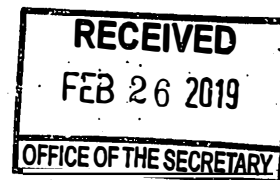
Susan E. Walker

Register No. [REDACTED]

P.O. Box [REDACTED]  
Bryan, TX [REDACTED]

  
Counsel for Division of Enforcement

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-18781

In the Matter of

SUSAN E. WALKER

Respondent.

DECLARATION OF H. NORMAN KNICKLE

H. Norman Knickle, pursuant to 28 U.S.C. § 1746, declares as follows:

1. I am a Senior Counsel with the Securities and Exchange Commission's Division of Enforcement ("Division"), and I am co-counsel for the Division in the above-captioned administrative proceeding. I am submitting this Declaration in support of the Division's Motion for Default Judgment and Imposition of Sanctions Against Respondent Susan E. Walker.

2. Respondent Walker was served with a copy of the Commission's Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, and Notice of Hearing (the "OIP") on November 6, 2018.

3. As of the date of this Declaration, Respondent Walker has not filed an Answer to the OIP.

4. I am not aware of any action by Respondent Walker to defend this action or to refute the allegations in the OIP.

5. Between December 17, 2008 and April 5, 2013, Respondent Walker was registered with the Financial Industry Regulatory Authority (FINRA) as a registered representative of a broker-dealer, Ameriprise Financial Services, Inc. (CRD#6363). A true and accurate copy of the Registrations Summary from FINRA's central registration depository, Web CRD, for Respondent Walker (CRD# 1823041), which the Division staff obtained from FINRA's Web CRD, is attached hereto as **Attachment 1**.

6. Based on the public docket for *United States v. Susan Elizabeth Walker*, District of Minnesota Case No. 14-CR-305, Respondent Walker was charged by Information on September 22, 2014.

7. On October 8, 2014, the Department of Justice filed an Amended Information setting forth the amended charges against Respondent Walker. A true and accurate copy of the Amended Information, which the Division staff obtained from the United States District Court for the District of Minnesota's public docket, is attached hereto as **Attachment 2**.

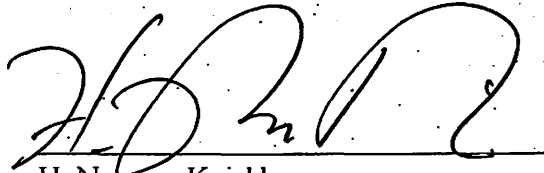
8. On October 15, 2014, Respondent Walker pleaded guilty to the charges set forth in the Amended Information. A true and accurate copy of the transcript of Respondent Walker's Change of Plea Hearing, which the Division staff obtained from the United States District Court for the District of Minnesota's public docket, is attached hereto as **Attachment 3**.

9. On December 23, 2015, the United States District Court for the District of Minnesota entered a Second Amended Judgment against Respondent Walker, sentencing her to, inter alia, 88 months' imprisonment and imposing restitution in the amount of \$1,233,951.48. A true and accurate copy of the Second Amended Judgment, which the

Division staff obtained from the United States District Court for the District of Minnesota's public docket, is attached hereto as Attachment 4.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: February 26, 2019



H. Norman Knickle  
Division of Enforcement  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

### CERTIFICATE OF SERVICE

26<sup>th</sup> I hereby certify that a true copy of the foregoing was served on the following, this day of February 2019, in the manner indicated below:

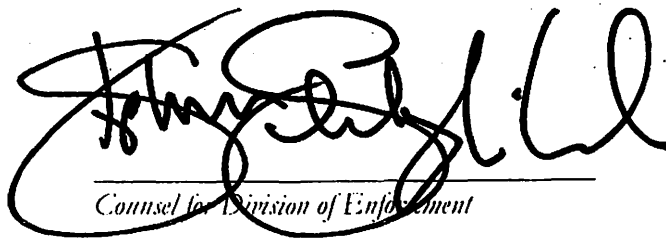
By U.S. mail:

Susan E. Walker

Register No. [REDACTED]

P.O. Box [REDACTED]

Bryan, TX [REDACTED]



Counsel for Division of Enforcement

**ATTACHMENT 1**

## Registrations Summary

Individual CRD#: 1823041

Individual Name: WALKER, SUSAN E

Current Firm(s):

### Registrations Summary With Current Employers

 No Current Employers Found.

Prior Firm(s):

### Registrations Summary With Prior Employers

Firm Name	Firm CRD	Start Date	End Date	IARD Regs.	CRD Regs.	SFG Member	Disciplined Firm
<u>AMERICAN EXPRESS FINANCIAL ADVISORS INC.</u>	<u>6363</u>	10/2008	03/2013	N	N	N	N
<u>MUTUAL SERVICE CORPORATION</u>	<u>4806</u>	03/1999	10/2008	N	N	N	N
<u>TITAN/VALUE EQUITIES GROUP, INC.</u>	<u>6359</u>	06/1998	03/1999	N	N	N	N
<u>AMERICAN EXPRESS FINANCIAL ADVISORS INC.</u>	<u>6363</u>	06/1993	11/1996	N	N	N	N
<u>IDS LIFE INSURANCE COMPANY</u>	<u>6321</u>	06/1993	11/1996	N	N	N	N
<u>INVEST FINANCIAL CORPORATION</u>	<u>12984</u>	03/1991	10/1992	N	N	N	N
<u>AMERICAN EXPRESS FINANCIAL ADVISORS INC.</u>	<u>6363</u>	01/1988	01/1991	N	N	N	N
<u>IDS LIFE INSURANCE COMPANY</u>	<u>6321</u>	03/1988	01/1991	N	N	N	N

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### Registrations with Prior Employers

Firm CRD # : 6363

Firm Name : AMERIPRISE FINANCIAL SERVICES, INC.

<b>Employment Start Date</b>	10/17/2008
<b>Employment End Date</b>	03/22/2013
<b>Reason for Termination</b>	Discharged
<b>Termination Comment</b>	REGISTERED REPRESENTATIVE'S REGISTRATION WAS SUSPENDED ON MARCH 7, 2013 AND TERMINATED ON MARCH 22, 2013 AFTER THE FIRM CONCLUDED CLIENT FUNDS WERE MISAPPROPRIATED.
<b>Firm Name at Termination</b>	AMERIPRISE FINANCIAL SERVICES, INC.

Regulatory Authority	Registration	Filing Date	Status Date	Registration Status	Approval Date
----------------------	--------------	-------------	-------------	---------------------	---------------

	Category				
FINRA	GS	12/17/2008	04/05/2013	TERMED	12/17/2008
MN	AG	12/17/2008	04/05/2013	TERMED	12/17/2008

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## Registrations with Prior Employers

Firm CRD # : 4806

Firm Name : MUTUAL SERVICE CORPORATION

Employment Start Date	03/31/1999
Employment End Date	10/13/2008
Reason for Termination	Voluntary
Termination Comment	
Firm Name at Termination	MUTUAL SERVICE CORPORATION

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date
FINRA	GS	07/05/1999	10/30/2008	TERMED	03/31/1999
MN	AG	07/05/1999	10/30/2008	TERMED	03/31/1999

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## Registrations with Prior Employers

Firm CRD # : 6359

Firm Name : TITAN/VALUE EQUITIES GROUP, INC.

Employment Start Date	06/18/1998
Employment End Date	03/31/1999
Reason for Termination	Administrative Termination
Termination Comment	Administrative Termination
Firm Name at Termination	TITAN/VALUE EQUITIES GROUP, INC.

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date
FINRA	GS	07/05/1999	03/31/1999	TERMED	06/22/1998
MN	AG	07/05/1999	03/31/1999	TERMED	06/22/1998

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## Registrations with Prior Employers

Firm CRD # : 6363

Firm Name : AMERIPRISE FINANCIAL SERVICES, INC.

Employment Start Date	06/21/1993
Employment End Date	11/12/1996
Reason for Termination	Voluntary
Termination Comment	
Firm Name at Termination	AMERICAN EXPRESS FINANCIAL ADVISORS INC.

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date
----------------------	-----------------------	-------------	-------------	---------------------	---------------

	Category				
FINRA	GS	07/05/1999	11/15/1996	TERMED	05/12/1994
MN	AG	07/05/1999	11/15/1996	TERMED	05/16/1994

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## Registrations with Prior Employers

Firm CRD # : 6321

Firm Name : IDS LIFE INSURANCE COMPANY

Employment Start Date	06/21/1993
Employment End Date	11/12/1996
Reason for Termination	Voluntary
Termination Comment	
Firm Name at Termination	IDS LIFE INSURANCE COMPANY

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date
FINRA	GS	07/05/1999	11/15/1996	TERMED	05/12/1994

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## Registrations with Prior Employers

Firm CRD # : 12984

Firm Name : INVEST FINANCIAL CORPORATION

Employment Start Date	03/14/1991
Employment End Date	10/31/1992
Reason for Termination	Voluntary
Termination Comment	Voluntary
Firm Name at Termination	INVEST FINANCIAL CORPORATION

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date
FINRA	GS	07/05/1999	11/05/1992	TERMED	05/29/1991

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date
CA	AG	07/05/1999	11/05/1992	TERMED	05/29/1991

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## Registrations with Prior Employers

Firm CRD # : 6363

Firm Name : AMERIPRISE FINANCIAL SERVICES, INC.

Employment Start Date	01/01/1988
Employment End Date	01/18/1991
Reason for Termination	Voluntary
Termination Comment	
Firm Name at Termination	AMERICAN EXPRESS FINANCIAL ADVISORS INC.



Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date
FINRA	GS	07/05/1999	01/29/1991	TERMED	05/25/1988
MN	AG	07/05/1999	01/29/1991	TERMED	06/01/1988

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## Registrations with Prior Employers

Firm CRD # : 6321

Firm Name : IDS LIFE INSURANCE COMPANY

Employment Start Date	03/30/1988
Employment End Date	01/18/1991
Reason for Termination	Voluntary
Termination Comment	
Firm Name at Termination	IDS LIFE INSURANCE COMPANY

Regulatory Authority	Registration Category	Filing Date	Status Date	Registration Status	Approval Date
FINRA	GS	07/05/1999	01/29/1991	TERMED	05/25/1988

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**ATTACHMENT 2**

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA  
Crim. File No. 14-305 (MJD)

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	<b>AMENDED INFORMATION</b>
	)	
v.	)	18 U.S.C. § 1341
	)	18 U.S.C. § 981(a)(1)(C)
SUSAN ELIZABETH WALKER,	)	26 U.S.C. § 7201
	)	28 U.S.C. § 2461(c)
Defendant.	)	
	)	

THE UNITED STATES ATTORNEY CHARGES THAT:

INTRODUCTION

1. At all times relevant to this Information, Defendant Susan Elizabeth Walker, a resident of Minnesota, was a securities agent registered with the Minnesota Department of Commerce and a financial advisor registered with FINRA. Walker has worked in the financial services industry since 1988.

2. From 2008 through in or about March 2013, Walker was affiliated with Ameriprise Financial Inc., where she and her mother provided financial planning and tax preparation services to several clients.

3. From in or about 2008 through in or about March 2013, using a variety of tactics, defendant defrauded at least 24 financial services clients out of at least \$980,000.

SCANNED
OCT - 8 2014
U.S. DISTRICT COURT MPLS

**THE SCHEME TO DEFRAUD**

4. From at least in or about 2008 and continuing through at least March 2013, in the State and District of Minnesota and elsewhere, the defendant,

**SUSAN ELIZABETH WALKER,**

knowingly and intentionally devised and executed a scheme and artifice to defraud and to obtain money and property from investment advisory clients by means of material false and fraudulent pretenses, representations, and promises.

5. It was part of the scheme to defraud that between at least 2008 and March 2014, Walker diverted over \$980,000 in client funds for her own use and benefit.

6. It was further part of the scheme to defraud that Walker opened investment brokerage accounts in her own name and the name of several victim-clients, without the victim-clients' knowledge or authorization. The defendant then withdrew money out of those accounts which she used to pay personal expenses or for other purposes that did not benefit the victim-clients, including expensive vacation travel and private school tuition.

7. In furtherance of the scheme to defraud, the defendant utilized the instrumentalities of interstate commerce, including the mails, telephone, and email.

**COUNT 1**  
**(Mail Fraud)**

8. Paragraphs 1 through 7 are incorporated by reference as if fully set forth herein.

9. For the purpose of executing the scheme to defraud, the defendant knowingly caused to be sent, delivered, and moved by the United States Postal Service

and interstate commercial carrier various mailings, items and things, including on or about September 18, 2009,

**SUSAN ELIZABETH WALKER,**

knowingly caused a check to be issued from the account of victim L.M. at Sun Life Financial in the amount of \$75,000, which was sent by United States Postal Service or interstate commercial carrier and deposited into an account controlled by defendant at Fidelity Investments, which defendant then diverted for her personal use.

All in violation of Title 18, United States Code, Section 1341.

**COUNT 2**  
**(Tax Evasion)**

10. Paragraphs 1 through 7 are incorporated by reference as if fully set forth herein.

11. Walker failed to report or pay taxes on any of the money fraudulently obtained from the victims of the fraud scheme set forth above. Walker took steps to conceal this income from the IRS and she provided false information and fraudulent documents to the IRS when her returns were audited by the IRS.

12. During the calendar year 2009, Walker fraudulently obtained at least \$200,000.00 from victim-clients, and upon said income there was owing to the United States of America income taxes exceeding \$68,000.

13. Well knowing and believing the facts set forth in the preceding paragraph, the defendant,

**SUSAN ELIZABETH WALKER,**

in the State and District of Minnesota and elsewhere, did willfully attempt to evade and defeat the assessment of the income tax due and owing by her to the United States of America on such income by the following affirmative actions by (a) placing fraudulently obtained funds into accounts she opened in the names of third parties and (b) willfully filing a false and fraudulent United States Income Tax Return, Form 1040, for the year 2009 in which she failed to report the fraudulently obtained funds.

All in violation of Title 26, United States Code, Section 7201.

**FORFEITURE ALLEGATIONS**

Paragraphs 1 through 9 of this Information are incorporated herein by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

As the result of the offense alleged in Count 1, the defendant shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the violation of Title 18, United States Code, Section 1341.

If any of the above-described forfeitable property is unavailable for forfeiture, the United States intends to seek the forfeiture of substitute property as provided for in Title

21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All in violation of Title 18, United States Code, Sections 1341 and 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

Dated: October 8, 2014

ANDREW M. LUGER  
United States Attorney



*For* BY: TIMOTHY C. RANK  
Assistant U.S. Attorney

**ATTACHMENT 3**



UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

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United States of America,                     )  
  ) File No. 14-CR-305  
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BEFORE THE HONORABLE MICHAEL J. DAVIS  
UNITED STATES DISTRICT COURT JUDGE

**(FIRST APPEARANCE, ARRAIGNMENT, AND  
CHANGE OF PLEA HEARING)**

APPEARANCES

For the Plaintiff:                     U.S. Attorney's Office  
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  Minneapolis, Minnesota 55415

For the Defendant:                     Bruno Law, PLLC  
  FREDERIC K. BRUNO, ESQ.  
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  Minneapolis, Minnesota 55416

Court Reporter:                     LORI A. SIMPSON, RMR-CRR  
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Proceedings recorded by mechanical stenography;  
transcript produced by computer.

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## P R O C E E D I N G S

## I N O P E N C O U R T

1 THE COURT: Let's call this matter.

2 THE CLERK: The United States of America vs. Susan  
3 Elizabeth Walker, Criminal Case No. 14-CR-305. Counsel,  
4 will you please state your appearances for the record.  
5

6 MR. RANK: Good morning, Your Honor. United  
7 States Attorney Timothy Rank appearing on behalf of the  
8 United States.  
9

10 THE COURT: Good morning. Good to see you,  
11 Mr. Rank.

12 MR. RANK: Thank you, Your Honor.

13 MR. BRUNO: Good morning, Your Honor. Fred Bruno,  
14 CJA-appointed counsel, representing Ms. Walker.

15 THE COURT: Good to see you too, Mr. Bruno.

16 Please step forward. My understanding this is for  
17 a first appearance, arraignment, and change of plea. Is  
18 that correct?

19 MR. RANK: Yes, Your Honor.

20 MR. BRUNO: Yes, Your Honor.

21 THE COURT: Let's swear the defendant in, please.

22 THE CLERK: Please raise your right hand.

23 (Defendant sworn.)

24 THE COURT: Good morning. Would you state your  
25 true and correct name for the record, please.

1 THE DEFENDANT: Susan Elizabeth Walker.

2 THE COURT: And your date of birth?

3 THE DEFENDANT: [REDACTED] [REDACTED]

4 THE COURT: And how old are you?

5 THE DEFENDANT: 50.

6 THE COURT: And how far have you gone in school?

7 THE DEFENDANT: I graduated from the University of  
8 Wisconsin-Madison.

9 THE COURT: And you can read and write the English  
10 language?

11 THE DEFENDANT: I'm sorry?

12 THE COURT: You can read and write the English  
13 language?

14 THE DEFENDANT: Yes.

15 THE COURT: Mr. Bruno, will you go over the waiver  
16 that we need here, the waiver of the indictment.

17 MR. BRUNO: Thank you, Your Honor.

18 **EXAMINATION**

19 BY MR. BRUNO:

20 Q. Ms. Walker, I'm showing you a document entitled Waiver  
21 of Indictment. And have you had a chance to review this  
22 document today?

23 A. Yes.

24 Q. Up at the very top there where the actual caption is it  
25 says, "Waiver of Indictment." And do you understand that by

1 signing this document you're giving up your right to have  
2 this case presented to a grand jury, which would be composed  
3 of I believe between 16 and 23 people and they would have to  
4 return an indictment by a minimum number of 12, meaning  
5 there would be probable cause to find that you committed the  
6 crimes that you've been charged with -- accused of in this  
7 case; do you understand that?

8 A. Yes, I do.

9 Q. So you're agreeing that the case may proceed with what's  
10 called by information and an information means it's signed  
11 by the United States Attorney's Office and not by a formal  
12 grand jury. Do you understand that?

13 A. Yes.

14 Q. And you do waive your right to be indicted by a grand  
15 jury?

16 A. Yes, I do.

17 Q. I would ask you to sign and date this document.

18 A. (Indicating.)

19 MR. BRUNO: Your Honor, I'm now signing The Waiver  
20 of Indictment.

21 MR. RANK: May I tender it to the Court, Your  
22 Honor?

23 THE COURT: Let's go over the Plea Agreement and  
24 Sentencing Stipulations for the record.

25 MR. RANK: Would you like me to cover that with --

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THE COURT: Please.

**EXAMINATION**

BY MR. RANK:

Q. Ms. Walker, good morning.

A. Good morning.

Q. Ma'am, I'm showing you a document entitled Plea Agreement and Sentencing Stipulations. Do you see that?

A. Yes.

Q. And it's a document, ma'am, that you had a chance to go over; is that also correct?

A. Yes, it is.

Q. And, in fact, ma'am, there's a version of it that's in front of you and you can follow along if you would like. And before I get to the details of it, I'm going to take you to the last page. This is page 9 of the plea agreement. Do you see that, ma'am?

A. Yes.

Q. And there are some signatures that are on that page; is that correct?

A. Yes.

Q. Is one of those signatures yours?

A. The second one.

Q. And is it dated today's date?

A. Yes.

Q. Have you had a chance to go through this entire plea

1 agreement before you came into court here today?

2 A. Multiple times.

3 Q. Multiple times with your attorney?

4 A. Yes.

5 Q. And, in fact, ma'am, have you had a chance to ask him  
6 questions about it?

7 A. Yes.

8 Q. Have you had a chance to have him ask me questions about  
9 it?

10 A. Yes.

11 Q. Have you had a chance, in fact, to make some suggested  
12 changes to the plea agreement?

13 A. Yes.

14 Q. And have all of those requests or questions that you had  
15 been answered?

16 A. Yes.

17 Q. And, in fact, have there been some changes made to the  
18 plea agreement based on your inquiry through your attorney?

19 A. Yes, thankfully.

20 Q. Let me walk through, ma'am, what's in the plea agreement  
21 for the record.

22 First of all, this plea agreement indicates that  
23 it is a plea agreement between you and the United States.

24 Do you see that?

25 A. Yes.

1 Q. And one thing that -- when you looked at the signature  
2 page, there are signatures on there for you, for your  
3 lawyer, and for me. This is a plea agreement between the  
4 United States and you, ma'am. Do you understand that?

5 A. Yes.

6 Q. This is not an agreement that the Court is signing off  
7 on. We are providing it, presenting it to the Court. And  
8 if the Court believes that there's a basis for this plea  
9 agreement, he can either accept or reject it. Do you  
10 understand that?

11 A. Yes.

12 Q. You are agreeing today to plead guilty to the two  
13 charges in the information; is that also correct?

14 A. Yes.

15 Q. The charges are one count of mail fraud, in violation of  
16 18 U.S.C. Section 1341, correct?

17 A. Yes.

18 Q. And one count of tax evasion, in violation of Title 26  
19 U.S.C. Section 7201?

20 A. Yes.

21 Q. And have you been advised of what those are and what  
22 those charges consist of?

23 A. Yes.

24 Q. Now, I'm not going to talk about the factual basis right  
25 now, but I will ask you, ma'am: The factual basis that is

1 in the plea agreement that you signed here today, is that an  
2 accurate -- factually accurate factual basis?

3 A. Yes.

4 Q. You've had a chance to read through it and it contains a  
5 truthful statement of the facts of this case?

6 A. Yes.

7 Q. Let me take you, ma'am, to paragraph 3 on page 3 of the  
8 plea agreement. This simply covers what you just signed off  
9 on in open court, that you've agreed here today to be  
10 charged by way of information and waive your right to be  
11 charged by indictment. Do you understand that?

12 A. Yes.

13 Q. You are also -- this begins at the bottom of page 3,  
14 paragraph 4 -- waiving any rights to pretrial motions. You  
15 understand that in a criminal case you have the ability to  
16 file motions to challenge certain things, statements made,  
17 evidence gathered against you, and by entering into this  
18 plea agreement you're waiving the ability to do so?

19 A. Yes.

20 Q. And you're doing that understanding what that means; is  
21 that correct?

22 A. Yes.

23 Q. Ma'am, paragraph 5 on page 4 of the plea agreement  
24 contains a recitation of the statutory penalties for the two  
25 charges that you intend to plead guilty to today, the first



1 of which goes through sort of the maximum punishment for  
2 Count 1 of the information. Have you had a chance to review  
3 that before you came in here today?

4 A. Yes.

5 Q. So you understand, ma'am, that a conviction on Count 1  
6 of the information could carry with it a maximum of 20 years  
7 in prison, a maximum supervised release term of up to five  
8 years, a fine of \$250,000 or twice the gross gain or loss  
9 from the crime, a mandatory special assessment of \$100, a  
10 payment of mandatory restitution in an amount to be  
11 determined by the Court, and assessment to you of costs of  
12 prosecution as they're defined by statute?

13 A. Yes.

14 Q. Anything that I just told you there not make sense to  
15 you?

16 A. No.

17 Q. You understand?

18 A. Yes.

19 Q. And then with regard to Count 2 of the information, do  
20 you also understand that it carries with it a maximum  
21 possible punishment of five years imprisonment, a maximum  
22 supervised release term of up to three years, a fine of up  
23 to \$250,000, a mandatory special assessment of \$100, and  
24 possibly the assessment to you of the costs of prosecution?

25 A. Yes.

1 Q. And, again, all of those things were explained to you by  
2 your attorney?

3 A. Yes.

4 Q. And you are satisfied with that explanation?

5 A. Yes.

6 Q. I mentioned supervised release in the statutory  
7 penalties. There's a provision on the bottom of page 4,  
8 paragraph 6, that deals with supervised release in  
9 particular. Do you understand, ma'am, that if you're  
10 sentenced to a term of imprisonment, when you are released  
11 from prison there will be a time of what's called supervised  
12 release; do you understand that?

13 A. Where I meet with someone?

14 Q. Where you are under some form of supervision.

15 A. Sure.

16 Q. You will also be on certain conditions during that time  
17 period and if you violate those conditions, you could have  
18 additional prison time imposed upon you.

19 A. Yes.

20 Q. Do you understand that?

21 A. Yes.

22 Q. And that's what that says in paragraph 6; is that right?

23 A. Yep.

24 Q. Now, paragraph 7 -- this is on page 5 -- deals with  
25 guidelines calculations. And, ma'am, again, as I mentioned

1 earlier, this is an agreement between the government and  
2 you. The Court is not agreeing to these calculations, but  
3 these are the calculations of the guidelines that we think,  
4 based upon our assessment of the facts, are applicable in  
5 this case.

6 A. Okay.

7 Q. And, ma'am, there is some disagreement in these  
8 guidelines calculations, is that correct --

9 A. Correct.

10 Q. -- that we have agreed to submit evidence on and have  
11 the Court determine at sentencing?

12 A. Yes.

13 Q. So what this is -- do you understand what the sentencing  
14 guidelines are?

15 A. Yes.

16 Q. And you've had those explained to you by your counsel?

17 A. From the book.

18 Q. Yes, ma'am. And based on the count of conviction in  
19 this case for mail fraud, you understand there's a base  
20 offense level of 7, that we have agreed in this case that  
21 there is a loss amount in this case of somewhere north of  
22 \$400,000 but south of a million dollars, and based on that,  
23 that's where there's a 14-level increase for loss based on  
24 that?

25 A. Yes.

1 Q. Do you understand that?

2 A. Yes.

3 Q. And we'll talk about this in a little bit. There's some  
4 dispute as to what the actual loss is, but that's something  
5 we agree we'll be proving up at sentencing?

6 A. Yes.

7 Q. You also understand that there's an agreement of the  
8 parties that the offense level should be increased by  
9 another two levels because it involved ten or more victims?

10 A. Yes.

11 Q. And that it should be increased by four levels because  
12 it involved a violation of the securities law and at the  
13 time of the offense you were a person associated with an  
14 investment advisor?

15 A. Yes.

16 Q. Now, this is the area where we have some disagreement on  
17 and we contend, the government contends that this offense  
18 should be increased by two levels because it involved  
19 sophisticated means. And basically there are a number of  
20 reasons that that's contended, one of which is the fact that  
21 you created false Fidelity accounts to run some of the loss  
22 amounts through. Do you understand that, that that's the  
23 government's contention?

24 A. Um-hmm.

25 Q. And you plan on arguing that sophisticated means should

1 not apply?

2 A. Yes.

3 Q. And the government also contends that the offense level  
4 should be increased by two because this offense involved  
5 vulnerable victims?

6 A. Yes.

7 Q. And you understand that the government will be  
8 presenting evidence at sentencing, as well as argument, that  
9 that enhancement should apply?

10 A. Yes.

11 Q. You're going to likely oppose that enhancement?

12 A. Yes.

13 Q. And that's what the rest of this paragraph says, is that  
14 the government will present evidence and argument at  
15 sentencing proceedings in support of the application of the  
16 enhancements. And we agree that no other specific  
17 enhancements apply?

18 A. Yes.

19 Q. Ma'am, this is in paragraph sub (c) of paragraph --  
20 excuse me. On page 5 is acceptance of responsibility. And  
21 in exchange for your plea of guilty here today, the  
22 government has agreed that at the time of sentencing that it  
23 will move for a three-level reduction of your guidelines  
24 amount?

25 A. Yes.

1 Q. Now, to do that there are certain things that have to --  
2 that you have to do in order to get that acceptance of  
3 responsibility. One is that you have to testify truthfully  
4 at the change of plea hearing today. Do you understand  
5 that?

6 A. Yes.

7 Q. You want to also provide complete and truthful  
8 information to the Probation Office in connection with your  
9 presentence investigation.

10 A. I did that.

11 Q. And that you have to -- you cannot commit any further  
12 acts inconsistent with acceptance of responsibility between  
13 now and sentencing.

14 A. Sure.

15 Q. Do you understand that?

16 A. Yes.

17 Q. And then based on that, we agree that there no other  
18 Chapter 3 adjustments that apply.

19 Paragraph -- subparagraph (d) on page 6 refers to  
20 criminal history category and it indicates that we have  
21 concluded, based on what information is available to us,  
22 that you have the lowest criminal history category.

23 Now, if it turns out that there's additional  
24 criminal history out there on you that we're unaware of and  
25 the presentence investigation comes back with a higher

1 criminal history category, that is not going to be a basis  
2 for you to withdraw from the plea agreement.

3 A. Sure.

4 Q. Do you understand that?

5 A. Yes.

6 Q. So in subparagraph (e) it refers to the total offense  
7 level in this case. And if the total offense level is 28,  
8 and that is if all of the enhancements apply that the  
9 government believes apply, you could be sentenced to as high  
10 as a level 28, which has a guidelines range of between 78  
11 and 97 months. Do you understand that?

12 A. Yes, I do.

13 Q. Now, ma'am, the guidelines -- sentencing guidelines are  
14 not mandatory. Judge Davis has the ability to take those as  
15 factors in consideration when coming up with your sentence,  
16 but you understand that this is the possible guidelines  
17 range which could be recommended and advised to the Court --

18 A. Yes.

19 Q. -- at the time of sentencing?

20 A. I understand that.

21 Q. It also -- the plea agreement also indicates that if the  
22 offense level is 28, your fine range could be between  
23 \$12,500 and \$125,000.

24 A. Okay.

25 Q. And that a term of supervised release is required to be

1 imposed of at least two years, but no more than five years.

2 Do you understand that?

3 A. Yeah.

4 Q. The guidelines calculation for the tax evasion charged  
5 in Count 2 is lower than the guidelines calculation for the  
6 mail fraud and so based on that, it is the mail fraud  
7 guidelines that actually drive the guidelines calculation.

8 Do you understand that?

9 A. Sure.

10 Q. You've had that explained to you?

11 A. Yes.

12 Q. Then finally, ma'am -- this is in subparagraph (i) --  
13 the parties have reserved the right to make motions for  
14 departures from the applicable guidelines range and to  
15 oppose departures made by the other side and to argue for a  
16 sentence outside of the guidelines range. So that means  
17 that you can argue for a sentence below the guidelines range  
18 and the government can argue for a sentence above the  
19 guidelines range.

20 A. Okay.

21 Q. Do you understand that?

22 A. Yes.

23 Q. And this paragraph 7 at the bottom of page 6 kind of  
24 goes through what I've mentioned a couple of times, which is  
25 the stipulations that we just came up with are not binding



1 on Judge Davis. He is going to review the presentence  
2 investigation report and make an independent determination  
3 as to which of the guidelines enhancements apply and what  
4 the correct guidelines calculation is.

5 A. Okay.

6 Q. Now, paragraph 8 on page 7 refers to a special  
7 assessment. Do you understand that for each one of the  
8 counts of conviction you're required to pay a \$100 special  
9 assessment?

10 A. Well, I know now.

11 Q. All right. And that is something that has to be paid  
12 prior to sentencing. Do you understand that?

13 A. No.

14 Q. Okay. So part of what we went through before with the  
15 statutory maximum penalties, when I referred you to those on  
16 page 4, was that there is a mandatory special assessment of  
17 \$100 --

18 A. Right.

19 Q. -- for each one of the two counts. That is -- and I  
20 understand given the nature of the other facts in this case  
21 you may not have focused on that, but for each count of  
22 conviction you are required to pay \$100.

23 A. Oh, okay.

24 Q. Do you understand that?

25 A. Yeah.

1 Q. Knowing that, does that change your mind as to whether  
2 you want to --

3 A. No.

4 Q. -- enter into a guilty plea here today?

5 A. No.

6 Q. Paragraph 9 on page 7 refers to restitution. And you  
7 understand that and you agree that the mandatory Victim  
8 Restitution Act applies to the count of conviction, the mail  
9 fraud count, and that the Court is required to order you to  
10 make restitution to the victim of your crimes?

11 A. Yes.

12 Q. And there's no agreement at this point to the amount of  
13 restitution. You understand that you are -- there's going  
14 to be some proof at sentencing which will support the  
15 restitution amount. Do you understand that?

16 A. Sure. Yes.

17 Q. And you also understand, ma'am, that restitution is  
18 going to be based on relevant conduct or conduct that isn't  
19 necessarily specifically charged in the information. Do you  
20 understand that?

21 A. No.

22 Q. So there is a specific mail fraud count in the  
23 indictment referring to a \$75,000 check.

24 A. Okay.

25 Q. Do you remember that?

1 A. Oh, yes. Yes.

2 Q. You understand that the government is going to put on  
3 evidence of losses much beyond the \$75,000?

4 A. Okay.

5 Q. And that for purposes of mail fraud, the government  
6 needs to allege a specific mailing and that's why that  
7 \$75,000 --

8 A. Oh, okay. That makes sense.

9 Q. Do you understand that?

10 A. Now I do.

11 Q. You understand that there will be additional evidence at  
12 sentencing about the total loss amount?

13 A. Sure. Yes.

14 Q. And that you could be ordered to pay restitution for  
15 that entire loss amount?

16 A. Sure.

17 Q. Any questions about that?

18 A. No. No. That does explain that first thing, though.

19 Q. Okay. There are also -- as part of the restitution  
20 provision you are agreeing that you will fully and  
21 completely disclose to the United States Attorney's Office  
22 the existence and location of any assets which you have an  
23 interest in and to assist the United States in identifying,  
24 locating, returning, and transferring assets for the use in  
25 payments of restitution?

1 A. Yes.

2 Q. Now, there is also a charge for tax evasion in this  
3 case.

4 A. Yes.

5 Q. And the restitution statute with regard to tax evasion  
6 is different than the mail fraud statute. It is not a  
7 mandatory restitution statute. It is, however, something  
8 that the Court can order in this case.

9 A. Okay.

10 Q. Do you understand you may be required to pay the taxes  
11 for the tax losses in this case --

12 A. Yes.

13 Q. -- based on the evasion?

14 A. Yes.

15 Q. And as part of that, there's a provision in here that  
16 you agree to also cooperate with the IRS in identifying and  
17 paying any delinquent taxes?

18 A. Yes.

19 Q. All right. Paragraph 10 on page 8 deals with the waiver  
20 of appeal and a waiver of collateral attack. Have you had a  
21 chance to discuss this with your attorney?

22 A. I'm sure I have.

23 Q. This is where you are -- ordinarily you have a right not  
24 only to make the pretrial motions that we talked about  
25 before, but you also have a right to appeal your conviction

1 after trial and you have a right also to appeal your  
2 sentence after you are sentenced. You are giving up the  
3 right to do that as a result of this plea agreement.

4 A. Okay. Yes.

5 Q. Do you understand that?

6 A. Yes.

7 Q. And there is also a provision in here which you are  
8 agreeing to waive that's called collateral attack. So after  
9 a direct appeal is over, you have a right to come back and  
10 attack your conviction and sentence in another proceeding,  
11 usually called a 2255 proceeding. So it's another way to  
12 challenge your conviction and your sentence. Do you  
13 understand that?

14 A. But I'm not going to be able to do that.

15 Q. As a result of this, that's correct.

16 A. Then that doesn't matter.

17 Q. The only proviso for that is that I can't make you give  
18 up your right to challenge ineffective assistance of counsel  
19 and so that's the only issue, is that you still retain the  
20 right to file for ineffective assistance of counsel.

21 A. If you think -- if I don't believe Mr. Bruno did a good  
22 job?

23 Q. Exactly.

24 A. Oh, okay. Yes.

25 Q. And we've talked about that before. Do you believe

1 Mr. Bruno has --

2 A. A fantastic job.

3 Q. Every question you have had --

4 A. Yes. And you have too.

5 Q. Okay. So you understand that you have those rights and

6 by this plea agreement you are giving up both the right to

7 appeal your conviction and sentence and a right to

8 collaterally attack your conviction and sentence?

9 A. Yes.

10 Q. Last page. This is page 9 and paragraph 11 deals with

11 forfeiture. Do you understand that the government, as a

12 result of Count 1 of the information, has the ability to

13 seek forfeiture of assets tied to the fraud; do you

14 understand that?

15 A. Um-hmm.

16 Q. And that the government retains those rights even

17 through this plea agreement?

18 A. Yes.

19 Q. And there may be forfeiture proceedings to go after

20 assets specifically tied to the fraud.

21 A. Yes.

22 Q. You understand that?

23 A. Um-hmm.

24 Q. And lastly, and this is an important provision,

25 paragraph 12, this states this is the entire agreement and

1 understanding between the United States and you. Is that  
2 correct?

3 A. Yes.

4 Q. There are no other agreements, promises,  
5 representations, or understandings?

6 A. Yes.

7 Q. No one -- has anybody threatened you to come in here and  
8 enter into this guilty plea today?

9 A. No.

10 Q. Has anybody promised you something that's not in the  
11 plea agreement?

12 A. No.

13 Q. Are you pleading guilty or do you intend to plead guilty  
14 here for any other reason than the fact that you are guilty?

15 A. No.

16 Q. Do you understand my question?

17 A. Yes.

18 Q. You're pleading here because you're guilty --

19 A. Correct.

20 Q. -- of the offenses charged?

21 A. Correct.

22 Q. Not because of some other reason?

23 A. Correct.

24 Q. Do you feel like you've been adequately represented by  
25 your attorney?

1 A. Yes.

2 Q. And you've had enough time to consider the plea  
3 agreement and the charges?

4 A. Yes.

5 MR. RANK: I have nothing further on the  
6 stipulations. I have not yet done the factual basis, Your  
7 Honor, but --

8 THE COURT: Mr. Bruno, any questions or comments  
9 dealing with the Plea Agreement and Sentencing Stipulations?

10 MR. BRUNO: Your Honor, if I may, I do have just  
11 about a dozen short questions I would like to ask, given the  
12 history of this case --

13 THE COURT: Please.

14 MR. BRUNO: -- before my client goes forward.  
15 Thank you.

16 THE COURT: Would you pull the microphone closer  
17 to you so I can hear you.

18 MR. BRUNO: I'm sorry, Your Honor.

19 **EXAMINATION**

20 BY MR. BRUNO:

21 Q. Ms. Walker, you are now taking [REDACTED];  
22 is that right?

23 A. Yes.

24 Q. And that's [REDACTED]; is that true?

25 A. Yes.



1 Q. [REDACTED]?

2 A. Yes.

3 Q. [REDACTED]

4 [REDACTED]

5 [REDACTED]?

6 A. Yes.

7 Q. [REDACTED] [REDACTED]

8 [REDACTED] or it's okay to go on with life as usual?

9 A. Well --

10 Q. In other words, are you clearheaded right now?

11 A. Yes, I'm clearheaded.

12 Q. [REDACTED]

13 A. Yes.

14 Q. [REDACTED]

15 A. No. [REDACTED]. No.

16 Q. Just have to make sure of that.

17 You understand that while you are under  
18 indictment, which you are now, and assuming that you are  
19 convicted here and this plea goes through and a judgment and  
20 conviction enters, there will be a lifetime prohibition  
21 against the use of firearms or dangerous weapons or  
22 explosives; do you understand that?

23 A. Yes.

24 Q. And do you understand that there are going to be travel  
25 restrictions while you are incarcerated, needless to say,

1 and also while you're on supervised release two to five  
2 years you may not be able to travel without permission from  
3 the Probation Department or from the Court; do you  
4 understand that?

5 A. Yes, I understand.

6 Q. And you also understand that many countries, such as  
7 Canada and China, for example, will not allow you into their  
8 country if you have a felony conviction? Do you understand  
9 that that's a collateral consequence that you're assuming?

10 A. Yes.

11 Q. Also -- this is important -- you're waiving your right  
12 in this case to get the complete discovery in this case.  
13 We've talked about that, correct?

14 A. Yes.

15 Q. In other words, you're not getting from the state [sic]  
16 the discovery that you would get had this proceeded by  
17 indictment and proceeded in another fashion without this  
18 early disposition, so you're not getting the evidence that  
19 the state [sic] has concerning your guilt. Do you  
20 understand that?

21 A. Yes, I do.

22 Q. And conversely, the government does not have documents  
23 that we have which could be useful in your defense or not.  
24 Do you understand that?

25 A. Yes, I do.

1 Q. So this plea of guilty that you're going to be entering  
2 today is sort of based on like the Battleship game where we  
3 know what's on our side, they know what's on their side, but  
4 we don't mutually know what the other side has. Would that  
5 be a correct understanding of where we are now?

6 A. Yes.

7 Q. And so you're giving up your right to get that  
8 discovery?

9 A. Yes, I am.

10 Q. And you understand no motions will be filed except  
11 sentencing motions? And so you could move to exclude  
12 evidence, to have the charges dismissed, to cause the state  
13 to -- government to produce exculpatory evidence and the  
14 like and you understand that those motions will not be filed  
15 and will never be filed?

16 A. Yes, I understand that.

17 Q. We talked about the fact that there could be possible  
18 exculpatory evidence held by a third party in this case,  
19 namely, Ameriprise. There are files there that you feel  
20 could contain exculpatory evidence. And you understand that  
21 by entering this plea, that you're not going to be able to  
22 force the production of those documents and give up the  
23 right to look at that evidence that could be in your favor,  
24 correct?

25 A. Yes.

1 Q. And specifically you and I have talked about the fact  
2 that there could be a possible defense in this case of a fee  
3 subsuming the amounts that were taken, but you're abandoning  
4 that defense by putting in this plea of guilty?

5 A. Correct.

6 Q. And you're pleading guilty because you are guilty,  
7 right?

8 A. Yes.

9 Q. And you and I have spent many, many hours talking about  
10 the pros and cons of accepting this negotiation; is that  
11 right?

12 A. Yes.

13 Q. And I've expressed to you my hesitancy at your entering  
14 this plea of guilty?

15 A. Yes.

16 Q. But it is your decision and you're pleading guilty  
17 because you are guilty?

18 A. Yes.

19 Q. And you and I have gone through -- I'm not going to file  
20 this, but I'm showing you a chart that we developed in the  
21 office that shows plea possibilities and trial  
22 possibilities, all the different permutations going to trial  
23 versus pleading, and this contains notes in it and you and I  
24 have had plenty of time to discuss that?

25 A. Yes.

1 Q. And do you understand that there's no guarantee that  
2 you're going to prevail on the sophisticated means or  
3 the vulnerable victim enhancements and if we don't, the  
4 presumptive advisory sentence to Judge Davis is 78 to 97  
5 months; do you understand that?

6 A. Yes.

7 Q. If we were to prevail on both of them, the presumptive  
8 sentence would be 51 to 63 months?

9 A. Yes.

10 Q. If we prevailed on one, the presumptive advisory  
11 sentence would be 63 to 78 months; is that right?

12 A. Yes.

13 Q. And then you and I talked about the trial risks.  
14 Essentially if you went to trial and you were to be  
15 convicted, we would guess that the range would be somewhere  
16 between 168 and 210 months; is that right?

17 A. Correct.

18 Q. Now, finally and importantly, your decision here to  
19 plead guilty is not based on finances, in other words, my  
20 lawyer's fees are provided by the government, so if you  
21 wanted to go to trial, money is not an issue, correct?

22 A. Correct.

23 Q. That it wouldn't cost you any more whether you pleaded  
24 guilty or whether you went to trial and had an appeal all  
25 the way to the United States Supreme Court, it would

1 probably be paid for by the government. Do you understand  
2 that?

3 A. Yes, I do.

4 Q. So you're not taking money into an issue as a factor;  
5 you're pleading guilty, number one, because you are guilty  
6 and, number two, because the risks of a conviction at trial  
7 are untenable, unacceptable to you?

8 A. Correct.

9 MR. BRUNO: Thank you, Your Honor.

10 THE COURT: Thank you.

11 Swear the defendant in.

12 THE CLERK: I did.

13 THE COURT: You already did?

14 THE CLERK: I did.

15 THE COURT: You did already, yes. I apologize.

16 **EXAMINATION**

17 BY THE COURT:

18 Q. Susan Elizabeth Walker, it's my opportunity to ask you a  
19 series of questions. Can you hear me?

20 A. Yes.

21 Q. I have a soft voice and so if you can't hear me or  
22 understand me, make sure that you interrupt me and ask me to  
23 repeat it. It's not unusual. It's been that way for most  
24 of my life and so I try to have the microphone up so people  
25 can hear me.

1 A. I have had a lot of [REDACTED] in my life, so I  
2 don't have great [REDACTED], so I will [REDACTED] extra [REDACTED] to [REDACTED]  
3 at [REDACTED].

4 Q. Right. [REDACTED]  
5 microphone, [REDACTED].

6 You understand that you're here to enter a plea of  
7 guilty to an information charging you with one count of mail  
8 fraud; is that right?

9 A. Yes, I do.

10 Q. Now, you understand that you could have the grand jury  
11 look at this matter and see whether or not the government  
12 can present probable cause to them to have you charged by  
13 indictment; do you understand that?

14 A. Yes, I do, Your Honor.

15 Q. And you're giving that up. Do you understand that?

16 A. Yes, I am.

17 Q. In any event, if you went the grand jury route, then you  
18 would be entitled to a jury trial of 12 persons. Do you  
19 understand that?

20 A. Yes, I do.

21 Q. You would enter a plea of not guilty and be entitled to  
22 a trial of 12 persons. Do you understand that?

23 A. Yes, I do, Your Honor.

24 Q. Now, do you also understand that at your trial you would  
25 be presumed innocent of any and all charges against you?

1 A. Yes, I do.

2 Q. Our system is a little different than normally what  
3 happens in real life. Everyone -- do you have children?

4 A. Yes, I do.

5 Q. All right. I'm sure as a good mother you always wanted  
6 to presume your children to be innocent in whatever they  
7 did, but at some point there's some activity you would  
8 believe that they were guilty and they would have to show  
9 that they were innocent, right?

10 A. Yes.

11 Q. In our system you would be presumed innocent of all  
12 charges. Do you understand that?

13 A. Yes, I do.

14 Q. And it's a hard concept for the jury to understand and  
15 it's my job to explain it to them and it's the job -- for  
16 the attorneys, also it's their job to explain it to the  
17 jury, that in our system the defendant is presumed innocent  
18 of any and all charges against them. Do you understand  
19 that?

20 A. Yes, I do.

21 Q. The burden of proof is on the government, the United  
22 States Attorney's Office. Mr. Rank is representing the  
23 U.S. Attorney and his job is to carry that burden to show  
24 that you're guilty. Do you understand that?

25 A. Yes, I do.



1 Q. And there's a burden that he has to meet before you  
2 could ever be found guilty of a crime. Do you understand  
3 that?

4 A. Yes, Your Honor.

5 Q. And that is proof beyond a reasonable doubt, which is  
6 one of the highest standards that we have in the criminal  
7 justice system. Do you understand that?

8 A. Yes, I do.

9 Q. And the government understands that that's their burden.  
10 They can't subvert that. They can't do anything to try to  
11 get around it. They know that when they come into court,  
12 they have to try to prove that to a jury. Do you understand  
13 that?

14 A. Yes, I do, Your Honor.

15 Q. And the way the government would try to do that is by  
16 calling witnesses into open court and witnesses would be  
17 placed under oath and they would give testimony against you.  
18 Do you understand that?

19 A. Yes, I do.

20 Q. You would have a right through Mr. Bruno, who -- as you  
21 well know, he is a well-respected attorney in the country  
22 and he will do his best to cross-examine those witnesses and  
23 bring out evidence favorable to you. Do you understand  
24 that?

25 A. Yes, I do.

1 Q. You would -- at your trial you would have a right to  
2 testify. Do you understand that?

3 A. Yes, I do.

4 Q. That is your right. Mr. Bruno could not keep you off  
5 the stand. I could not keep you off the stand. Mr. Rank  
6 could not keep you off the stand. Your husband, your  
7 mother, your relatives couldn't keep you off the stand.  
8 They could pound on the table, shout at you and all that  
9 kind of stuff, but it would be your right to testify. Do  
10 you understand that?

11 A. Yes, I do, Your Honor.

12 Q. And if you testified at your trial, you would be sworn  
13 in like any other witness, treated like all witnesses, and  
14 Mr. Bruno would ask you questions and then Mr. Rank or his  
15 assistant would have a right to confront you and  
16 cross-examine you on the evidence. Do you understand that?

17 A. Yes, I do.

18 Q. Now, also at your trial you would have a right to use  
19 the court's power, my power -- it's really not my power,  
20 it's the court's power of subpoena to bring in witnesses or  
21 any documents necessary for your defense. Do you understand  
22 that?

23 A. Yes, I do.

24 Q. So that means you're not handicapped in bringing in  
25 witnesses that are reluctant to testify for you. Mr. Bruno

1       could slap a subpoena on them and they would have to show up  
2       in court.  If they didn't show up in court, then Mr. Bruno  
3       would come to me and we would have a hearing and if there  
4       was good cause, I would have them arrested and brought into  
5       court.  Do you understand?

6       A.  Yes, I do.

7       Q.  Also at your trial you would have a right not to  
8       testify.  That's the constitutional right of remaining  
9       silent.  No one could force you to give evidence against  
10      yourself.  Do you understand that?

11      A.  Yes, I do, Your Honor.

12      Q.  The government has the burden of proving you guilty.  So  
13      no one could force you to get on the stand to give evidence  
14      against yourself.  Do you understand that?

15      A.  Yes, I do.

16      Q.  And so even at this hearing if all of a sudden you  
17      decided you don't want to plead guilty, you know, you make  
18      sure that you don't say anything that would incriminate you  
19      and you tell Mr. Bruno let's go to trial.  Do you understand  
20      that?

21      A.  Yes, I do, Your Honor.

22      Q.  Now, if we were at trial, again, you would have the  
23      absolute right not to testify at your trial.  Do you  
24      understand that?

25      A.  Yes.

1 Q. And the jury would be told that they could not hold that  
2 against you. Do you understand that?

3 A. Yes, I do.

4 Q. And on top of that, neither the government nor the court  
5 could make any kind of arguments or disparaging comments  
6 about you not testifying. Do you understand that?

7 A. Yes, I do.

8 Q. You have a right to a speedy trial. That means we can't  
9 hold you or keep your case in abeyance for years and years  
10 and years. You have a right by statute and by the  
11 Constitution to have a speedy trial. Do you understand  
12 that?

13 A. Yes, I do, Your Honor.

14 Q. And within 70 days of your first appearance you have a  
15 right to have a trial. Do you understand that?

16 A. Yes, I do.

17 Q. If we went to trial and all the evidence was submitted  
18 to the jury and they began their deliberations, do you  
19 understand that they could not come back with a verdict of  
20 guilty unless all 12 members of the jury agreed that you  
21 were guilty beyond a reasonable doubt to that count of the  
22 indictment; do you understand that?

23 A. Yes, I do.

24 Q. That means the verdict would have to be unanimous on  
25 each count. Do you understand that?

1 A. Yes, I do, Your Honor.

2 Q. Now, if I accept your plea of guilty and sentence you,  
3 do you understand that you will not have a trial, you will  
4 not have a jury trial of 12 persons; do you understand that?

5 A. Yes, I do.

6 Q. And if you waived your jury trial, gave up your jury  
7 trial and said I want Judge Davis to try the case, if I  
8 accepted your plea of guilty and sentenced you, you would  
9 not have a trial to me. Do you understand that?

10 A. Yes, I do, Your Honor.

11 Q. And so if you're sitting in prison and you say, hey, I  
12 wanted a trial and I didn't get one, you understand that  
13 you're giving up your right to a trial?

14 A. Yes, I do.

15 Q. Do you also understand that you have a right to appeal  
16 your sentence to a higher court normally; do you understand  
17 that?

18 A. Yes, I do.

19 Q. And that would be based on my sentence and my sentence  
20 alone. Do you understand that?

21 A. Yes, I do, Your Honor.

22 Q. Now, I would ask you to turn to page 8 of the plea  
23 agreement, paragraph 10, and paragraph 10 outlines your  
24 waiver of appeal and collateral attack upon your sentence  
25 and whether or not you're innocent of the charges. Do you

1 understand that?

2 A. Yes, I do.

3 Q. Have you gone over that with Mr. Bruno?

4 A. Yes, I have.

5 Q. This is very important for you to understand. Do you  
6 understand that you're giving up your right to appeal my  
7 sentence to the higher court, which is the Eighth Circuit  
8 Court of Appeals, which reviews all of my criminal  
9 sentencings?

10 A. Yes, Your Honor.

11 Q. All right. Now, have there been any threats made to you  
12 by anyone, any of the investigative agents, family members,  
13 any other officers, your attorney, or any investigators or  
14 anyone that's threatened you to get you to enter a plea of  
15 guilty here today?

16 A. No, Your Honor.

17 Q. Have there been any promises made to you? Has anyone  
18 talked to you and said, hey, we know Judge Davis and we can  
19 slip him a note and you'll end up with probation or  
20 something of that sort? Has anyone tried to influence you  
21 in a way saying that they know Judge Davis and they can get  
22 a better deal than what's prescribed in the Plea Agreement  
23 and Sentencing Stipulations that you've signed?

24 A. No, Your Honor.

25 Q. Now, are you under the care of a doctor, healthcare

1 practitioner, or nurse at this time?

2 A. For the [REDACTED] that [REDACTED]

3 Q. All right. And you're taking [REDACTED]?

4 A. Yes.

5 Q. What [REDACTED]?

6 A. [REDACTED], I think.

7 Q. [REDACTED]?

8 A. Yes.

9 Q. Morning or evening?

10 A. [REDACTED] because [REDACTED]

11 Q. Okay. And you [REDACTED]?

12 A. Yes.

13 Q. [REDACTED]

14 A. [REDACTED].

15 Q. [REDACTED]

16 [REDACTED] So

17 [REDACTED]

18 A. [REDACTED]

19 Q. Okay. [REDACTED]?

20 A. Yes.

21 Q. [REDACTED] so I have to  
22 ask you this. [REDACTED] [REDACTED]

23 gr [REDACTED] [REDACTED] [REDACTED]

24 A. No, not at all, Your Honor.

25 Q. And so because [REDACTED] [REDACTED]

1 [REDACTED]  
2 [REDACTED] concepts. [REDACTED]  
3 [REDACTED]?

4 A. No. No, Your Honor.

5 Q. Have you had any [REDACTED] or alcohol within the  
6 last 48 hours?

7 A. No, Your Honor.

8 Q. [REDACTED] [REDACTED]  
9 [REDACTED] [REDACTED] [REDACTED]  
10 [REDACTED]

11 A. [REDACTED]

12 Q. Prior to this event?

13 A. Yes. [REDACTED]  
14 [REDACTED] [REDACTED] [REDACTED]  
15 [REDACTED]  
16 [REDACTED]

17 Q. For what?

18 A. Just general, you know, [REDACTED]. [REDACTED]  
19 [REDACTED] [REDACTED]  
20 [REDACTED]

21 Q. (Indicating.)

22 A. That was big and so [REDACTED] with  
23 that, and [REDACTED] background. So I feel  
24 like my whole life has kind of been in a [REDACTED]

25 Q. That's the '70s.



1 A. Very much so. It's [REDACTED], all that stuff.

2 Q. Right. Anything about that [REDACTED] that would keep  
3 you from thinking that you can think straight and understand  
4 what's going on here today?

5 A. No. I'm of sound mind.

6 Q. Mr. Bruno has asked you a number of questions, but that  
7 was him asking the questions and now I'm going to ask you  
8 questions, sort of separating you from him, because I have  
9 to know whether or not you feel that he has represented you  
10 in a manner that you feel that has been fair and that you  
11 understand what is going on here and what evidence the  
12 government has against you, what defenses that you may have,  
13 what your options may be.

14 Has he answered any and all questions that you may  
15 have or do you have questions that are out there or just a  
16 feeling of really not knowing what's going on?

17 A. No. I think Mr. Bruno has been very thorough, Your  
18 Honor.

19 Q. And are you satisfied with his representation of you?

20 A. Very much so.

21 (Discussion off the record between  
22 the courtroom deputy and the Court.)

23 THE COURT: I'm appointing Mr. Bruno as your  
24 attorney.

25 MR. BRUNO: Thank you, Your Honor.

1 THE DEFENDANT: I thought he was.

2 THE COURT: He is, but I have to say those magic  
3 words.

4 THE DEFENDANT: Okay.

5 THE COURT: That's part of this robe, you get to  
6 say the magic words and it happens.

7 BY THE COURT:

8 Q. Now, you understand that I'm not a party to the plea  
9 agreement that you've entered into?

10 A. Yes, I do.

11 Q. And the reason why I am taking quite a bit of time with  
12 you is because it's very seldom that I see a female  
13 defendant coming into court that's looking at a substantial  
14 amount of time in prison.

15 A. Yes, sir.

16 Q. And so I want to make sure that you understand --

17 A. Yes, I do.

18 Q. -- what's going on.

19 Now, you've had an opportunity to go over your  
20 constitutional rights with Mr. Bruno?

21 A. Yes, I have.

22 Q. And the rights that I've gone over with you here today  
23 do you understand?

24 A. Yes, I do, Your Honor.

25 Q. You understand that to enter a plea of guilty to the

1 information, Count 1, the one count of mail fraud, you have  
2 to tell me that you understand your constitutional rights  
3 and that you knowingly, voluntarily, and intelligently give  
4 up those rights; do you --

5 A. Yes, I do, Your Honor.

6 Q. Well, let me finish first.

7 A. Okay.

8 Q. That's what you have to tell me. First, do you  
9 understand your constitutional rights?

10 A. Yes, I do.

11 Q. And do you still wish to enter a plea of guilty to the  
12 information charging you with mail fraud?

13 A. Yes, I do, Your Honor.

14 Q. And do you knowingly, voluntarily, and intelligently  
15 give up those rights to enter a plea of guilty?

16 A. Yes, I do, Your Honor.

17 Q. To Count --

18 THE COURT: Is it Count 1, Mr. Rank?

19 MR. RANK: Count 1 is the mail fraud, Your Honor.

20 BY THE COURT:

21 Q. To Count 1 of the information charging you with mail  
22 fraud, in violation of Title 18, United States Code,  
23 Section 1341, and one count of tax evasion, in violation of  
24 Title 26, United States Code, Section 7201 --

25 THE COURT: So pleading to two counts?

1 MR. RANK: Yes, Your Honor.

2 BY THE COURT:

3 Q. Count 1 of mail fraud, in violation of Title 18, United  
4 States Code, Section 1341, how do you plead to that?

5 A. I plead guilty, Your Honor.

6 Q. And to the second count of tax evasion, in violation of  
7 Title 26, United States Code, Section 7201, how do you plead  
8 to that?

9 A. I plead guilty, Your Honor.

10 Q. Now, just because you've pled guilty doesn't mean that  
11 you are guilty of the offense and I will have to hear from  
12 you a factual basis why you think you are guilty of the  
13 offense, because then I will take the facts, apply it to the  
14 law and see whether or not you are, in fact, guilty of the  
15 offense. And so Mr. Rank or Mr. Bruno will be asking you a  
16 series of questions to see whether or not there is a factual  
17 basis for your plea of guilty.

18 I cannot accept a plea of guilty from someone that  
19 is innocent or someone that says they're not guilty of the  
20 offense just to get over the trauma of being charged or  
21 taking a good deal. In fact, you have to be guilty of the  
22 offense before I will accept the plea of guilty. Do you  
23 understand that?

24 A. Yes, I do, Your Honor.

25 THE COURT: Who is asking the questions?

1 MR. RANK: I believe I am, Your Honor.

2 THE COURT: All right.

3 MR. RANK: May I, Your Honor?

4 THE COURT: You may.

5 MR. RANK: Thank you.

6 **EXAMINATION**

7 BY MR. RANK:

8 Q. Ms. Walker, we talked about this briefly a while ago,  
9 but there are some written portions of the plea agreement  
10 entitled Factual Basis. It starts at the bottom of page 1,  
11 paragraph 2, and goes on until the middle of page 3. Is  
12 that correct?

13 A. Yes, it is.

14 Q. And, ma'am, have you had a chance to read every word of  
15 that factual basis?

16 A. Yes.

17 Q. And as it is written in the plea agreement, is that  
18 truthful?

19 A. Yes.

20 Q. And accurate?

21 A. Yes.

22 Q. I'm going to go and ask you a few things about this.  
23 You, ma'am, were a registered representative with Ameriprise  
24 Financial; is that correct?

25 A. They held my license, yes.

1 Q. And so what that meant was that you had a financial  
2 services business and you had some clients that you provided  
3 financial services to; is that correct?

4 A. Yes.

5 Q. If I use terminology incorrectly, please correct me.

6 A. No, no, no. You're using it correctly. They were not  
7 actually my clients, but yes, that is the case.

8 Q. It was a financial services business that your mother  
9 ran; is that correct?

10 A. Yes, it is.

11 Q. And that you worked for your mother?

12 A. Correct.

13 Q. And you had a lot of interaction with the clients of  
14 that business?

15 A. Correct.

16 Q. You had a lot of sort of the nuts-and-bolts  
17 communications with them?

18 A. Yes, I did.

19 Q. And dealt with a lot of the paperwork that those clients  
20 had?

21 A. Yes.

22 Q. And in addition to that business providing financial  
23 services to those clients, there were some other things that  
24 you did, including tax preparation?

25 A. Yes.

1 Q. And you, in fact, did prepare tax returns for a number  
2 of the clients of the business?

3 A. Yes.

4 Q. And the license for that financial service business, as  
5 you corrected me a little while ago, was held by Ameriprise  
6 Financial?

7 A. Correct.

8 Q. That meant that Ameriprise Financial provided some  
9 products and services that you then provided to the clients;  
10 is that right?

11 A. That Barbara would provide.

12 Q. Okay. That the business provided?

13 A. Correct.

14 Q. You facilitated a lot of that, providing the financial  
15 services through Ameriprise, by doing the nuts and bolts  
16 of --

17 A. The nuts and bolts, yes.

18 Q. And that's also true with regard to providing tax  
19 services and preparing tax returns?

20 A. Yes.

21 Q. So how many clients, approximately, during that time  
22 period of 2008 through 2013 did the business have?

23 A. 140.

24 Q. Okay. And during that time you also held some licenses;  
25 is that correct?

1 A. No.

2 Q. Were you registered with the Minnesota Department of  
3 Commerce?

4 A. No, I never was.

5 Q. The business was?

6 A. The what?

7 Q. The business was?

8 A. Barbara was. It's individual, I believe.

9 Q. And were you registered as a financial advisor with  
10 FINRA?

11 A. That's part of the broker-dealer being held by  
12 Ameriprise, yes.

13 Q. So you essentially had a vicarious registration with  
14 FINRA?

15 A. Right. I think it happens automatically when you have a  
16 broker-dealer hold your license.

17 Q. I see. However, you've worked in the financial services  
18 industry, it's fair to say, since about 1988?

19 A. Correct.

20 Q. And so during this time period, again, you had a lot of  
21 contact with the clients of the business?

22 A. Yes.

23 Q. And you had provided them with paperwork for things like  
24 putting money into investments?

25 A. Correct.



1 Q. People used the financial services company to invest  
2 their retirement --

3 A. Correct.

4 Q. -- for example?

5 And as a result of that, you had access to their  
6 paperwork regarding brokerage accounts and things like that?

7 A. That were invested at Ameriprise, yeah.

8 Q. And with regard to some of those clients, you stole  
9 their money; is that also correct?

10 A. Correct.

11 Q. And you did that in a number of different ways, but one  
12 of the ways in which you did that was by creating some  
13 Fidelity accounts in the names of some of those clients; is  
14 that correct?

15 A. Correct.

16 Q. Sometimes they were created in the names of clients that  
17 had no connection to each other?

18 A. Correct.

19 Q. And even though it was created in their names, you  
20 controlled those accounts?

21 A. Correct.

22 Q. And you took money from people's Ameriprise accounts and  
23 put it into those Fidelity accounts?

24 A. Correct.

25 Q. And you took money out of those Fidelity accounts to use

1 for your own personal spending?

2 A. Correct.

3 Q. Things like payments for school tuition, payments on  
4 your mortgage, trips, other things?

5 A. Correct.

6 Q. And we have looked through the financial records from  
7 those Fidelity accounts and we've seen where the money was  
8 going and we can see that you were just using those accounts  
9 for your own personal spending?

10 A. Correct.

11 Q. They were funded with money that was stolen from clients  
12 with Ameriprise --

13 A. Yes.

14 Q. -- is that correct?

15 A. Um-hmm.

16 Q. And in connection with this, do you agree that what you  
17 did was a scheme to defraud the clients of the business?

18 A. Correct.

19 Q. You understand what that means?

20 A. Um-hmm.

21 Q. And that's a technical --

22 THE COURT: You have to answer out loud.

23 Q. -- term, it's a statutory term that --

24 THE COURT: She has to answer out loud and not

25 "um-hmm."

1 BY MR. RANK:

2 Q. Do you understand what I mean by that?

3 A. Yes.

4 Q. Have you talked to Mr. Bruno about what a scheme to  
5 defraud is?

6 A. Yes.

7 Q. And you did this and took money from your clients by  
8 doing things like creating the fake Fidelity accounts,  
9 correct?

10 A. Correct.

11 Q. By forging signatures on paperwork?

12 A. Correct.

13 Q. By directing brokerage services to send checks to those  
14 Fidelity accounts that you then used?

15 A. Correct.

16 Q. By forging endorsements on those checks?

17 A. Correct.

18 Q. And that, you understand, is the term of art -- the  
19 legal term is a scheme to defraud?

20 A. Okay. Yes.

21 Q. Do you understand that?

22 A. Yes.

23 Q. And as part of executing that scheme to defraud, did you  
24 use the mails, meaning did you use the mail, did you send  
25 things back and forth in the mail --

1 A. Yes.

2 Q. -- or cause things to be sent in the mail?

3 A. Yes.

4 Q. And, in fact, we've got one of those listed in the  
5 information; is that correct?

6 A. Correct.

7 Q. That's an example of a check from Sun Trust, from a  
8 brokerage account at Sun Trust?

9 A. Sun Life.

10 Q. Thank you. Sun Life. In the name of a person  
11 identified in the information with the initials L.M.?

12 A. Correct.

13 Q. Do you know who L.M. is?

14 A. Um-hmm, yes.

15 Q. That's one of the victims in this case?

16 A. Correct.

17 Q. And you know who that person is?

18 A. Yes.

19 Q. That was a real person?

20 A. Yes.

21 Q. And a client of the business?

22 A. Yes.

23 Q. She had an account at Sun Life, a brokerage account at  
24 Sun Life?

25 A. Correct.

1 Q. You caused a check to be issued out of that Sun Life  
2 account which was deposited into a Fidelity account?

3 A. Correct.

4 Q. One of those Fidelity accounts we talked about?

5 A. The joint account with me and L.M.

6 Q. Which you then used to spend on your personal expenses?

7 A. Correct.

8 Q. And you agree that that check was sent by U.S. mail?

9 A. Yes.

10 Q. Do you understand why I have to ask you that?

11 A. I think it was sent directly from Sun Life to Fidelity.

12 Q. Do you understand why I'm asking you that question?

13 A. For the mail fraud.

14 Q. Exactly.

15 A. Yes, I figured that out.

16 Q. That's a jurisdictional element?

17 A. Yes.

18 Q. And that wasn't the only time that you used the mail in  
19 connection with the scheme to defraud, was it?

20 A. No.

21 Q. In addition to -- and, again, we covered this a little  
22 while ago. That \$75,000 check, that's the one check that is  
23 enumerated in the information, but there was more money that  
24 you stole from clients; is that correct?

25 A. Correct.

1 Q. And we, again, will be providing you with some  
2 additional information on the loss and we'll have to prove  
3 up at sentencing precisely what that amount was. The  
4 government believes it's pretty close to a million dollars.  
5 You've agreed that it's in excess of \$400,000?

6 A. Correct.

7 Q. In addition to that, ma'am -- that's the mail fraud  
8 count -- I'm going to ask you about the tax evasion count.

9 A. Um-hmm.

10 Q. You also failed to report any of the money that you  
11 stole from the clients, is that correct --

12 A. Correct.

13 Q. -- on your tax returns?

14 A. Correct.

15 Q. And you were able to do that primarily because you were  
16 running it through those Fidelity accounts, so there was no  
17 reporting of income to the IRS in other ways. Do you  
18 understand what I'm saying?

19 A. It was in my Social Security number.

20 Q. But you --

21 A. But yes.

22 Q. -- those accounts?

23 A. Yes, but under my Social Security number.

24 Q. Right. But were there any tax forms generated as a  
25 result of the money?

1 A. There was investments in those accounts at one point.

2 Q. And did they get 1099s or other --

3 A. Sure, when they got sold.

4 Q. Did you report any of that income?

5 A. Yes.

6 Q. Was there other income that went through the Fidelity  
7 accounts that did not get reported?

8 A. Well, that never got invested, I guess that would be  
9 income.

10 Q. That would be things that you just spent?

11 A. Right.

12 Q. And that money you did not report?

13 A. No.

14 Q. And you also knew that, because it was going through the  
15 Fidelity accounts, there was going to be no other way that  
16 that money would automatically get reported to the IRS?

17 A. Are you saying I willfully did that?

18 Q. Well, did you know that that --

19 A. I didn't think about that.

20 Q. You just spent the money?

21 A. Right, I didn't think about the tax part of it.

22 Q. Okay.

23 A. Because I think they still generated a 1099 for interest  
24 that's made in a money market, but at that point rates were  
25 so low, it wasn't generating anything.

1 Q. You did, though, file a tax return every year?

2 A. Yes.

3 Q. And when you filed the tax return every year, you knew  
4 you had additional income beyond what was in your tax  
5 return?

6 A. Correct.

7 Q. There's no question about that?

8 A. Right.

9 Q. And that for every year that you were stealing money  
10 from clients, you were also not putting that money on the  
11 tax return --

12 A. Correct.

13 Q. -- true?

14 A. Correct.

15 Q. Okay.

16 A. I'm just talking about the 1099 that you were talking  
17 about before.

18 Q. Sure. You knew also -- you prepared tax returns?

19 A. Yes.

20 Q. You knew you had an obligation to report that?

21 A. Correct.

22 Q. And you knew that when you were signing those tax  
23 returns under penalty of perjury, that you were not  
24 including income that you were getting?

25 A. For myself, you're saying?



1 Q. That's what I'm saying.

2 A. Correct.

3 Q. Is that true?

4 A. Correct.

5 Q. And so that was true for each of the years that we've  
6 charged for the mail fraud, 2008 through 2013?

7 A. Correct.

8 Q. You also understand, ma'am, that you are charged in  
9 Count 2 of the amended information with just one of the  
10 calendar years of tax evasion, 2009; do you understand that?

11 A. Oh. It's not all of them?

12 Q. So the count that's in here, the same way that the mail  
13 fraud count only includes that \$75,000 check --

14 A. Oh, okay. This is just the -- I understand.

15 Q. Do you understand that?

16 A. Yes.

17 Q. You understand you're pleading guilty to tax evasion for  
18 the calendar year 2009?

19 A. Um-hmm.

20 Q. I should say the tax year 2009. But you also agreed in  
21 the plea agreement that as relevant conduct for the tax  
22 charge, you're responsible for all of the unreported income  
23 and unpaid taxes?

24 A. Correct.

25 Q. You understand that?

1 A. Yes, I do.

2 Q. And you understand that your conduct violated Title 26,  
3 United States Code, Section 7201?

4 A. Yes.

5 MR. RANK: Your Honor, I have no further questions  
6 at this time.

7 THE COURT: Mr. Bruno, any questions?

8 MR. BRUNO: No, Your Honor.

9 THE COURT: All right. Before I accept the plea  
10 of guilty, I have to know a little bit more.

11 **EXAMINATION**

12 BY THE COURT:

13 Q. This started in 2008; is that correct?

14 A. Correct, Your Honor.

15 Q. Tell me why.

16 A. In 2008 we moved from -- and I apologize if I cry -- we  
17 moved from Investors Financial Group, which was a different  
18 broker-dealer, and mom selected to go to Ameriprise. And  
19 when we moved over to Ameriprise -- we had a fee-based  
20 program that we used since the year 1999 where we charged  
21 fees for clients, and we had some difficulty implementing  
22 that under the new Ameriprise platform and so we -- I  
23 implemented the fee structure on my own and used the  
24 Fidelity account to send money over to the Fidelity account  
25 for the fees that I felt were viable that the clients were

1 not aware of.

2 Q. Okay. That doesn't make any sense to me.

3 A. It's complicated. I know it's complicated.

4 Q. I understand what you said, but the question is: Why  
5 did you steal the money?

6 A. Because we weren't getting -- Ameriprise didn't have a  
7 fee structure set up that was appropriate for the -- dealing  
8 with the clients and their assets. And so we used to get  
9 2 percent of the client assets, all of their assets, as a  
10 fee structure that we had implemented in 1999. When we  
11 moved to Ameriprise we couldn't move all of the assets over  
12 at that time, so we had to implement our own and we bypassed  
13 Ameriprise, I bypassed Ameriprise. And that's why the money  
14 was stolen, because it was the same fees and structure that  
15 we had had before and I implemented it myself.

16 Q. All right. Let's back up.

17 A. Okay. I'm sorry. It's --

18 Q. No, I understand. Mr. Bruno understands what I'm  
19 getting at. The question is you changed brokerage houses,  
20 correct?

21 A. Correct, Your Honor.

22 Q. And you have a B.A. from one of the top public  
23 universities in the country and you have been doing this  
24 business for a number of years and so you read the contract  
25 before you signed it and you knew what the fee structure

1 was, right?

2 A. Correct.

3 Q. Now, my question is: With you knowing what the fee  
4 structure was, which would mean that you would get less  
5 money, why did you steal the money?

6 A. Because -- the only thing I can say is because the work  
7 that went along with the clients and the situations and  
8 the -- deemed to be more than the fees that we were getting  
9 at the time under Ameriprise.

10 Ameriprise was hoping we would move many of the  
11 assets over and we -- and I say "we" just because it is my  
12 mother and I, and she as my advisor didn't feel comfortable  
13 moving all of those assets and we would have -- by keeping  
14 the assets where they were, the fee structure allowed us to  
15 get paid for the work that we did with the clients that we  
16 were not getting paid for.

17 Q. Okay. I'm going to ask one more time.

18 A. Okay. Maybe I'm not understanding.

19 Q. You knowing what the fee structure was, and even if you  
20 didn't know at the time that you signed the contract, once  
21 you got into the contract and started collecting fees, you  
22 had a choice of either going along with that and having less  
23 money or stealing. Now, the question is: Why did you  
24 steal?

25 A. Because at the time I think the deal we had with

1 Ameriprise was bad and I wrongfully decided to compensate  
2 myself for dealing with monitoring the clients' assets. Is  
3 that a little clearer?

4 Q. I've been dealing with white-collar criminals for a long  
5 period of time and it's quite clear.

6 THE COURT: I will accept the plea of guilty and I  
7 will order a presentence investigation report returnable to  
8 this Court within a reasonable amount of time.

9 Within seven days of today's date you will have an  
10 interview with the probation officer, or a date that's  
11 convenient for Mr. Bruno and you to be there. That  
12 interview will consist of the probation officer asking you a  
13 series of questions, and as part of the plea agreement you  
14 are to answer those questions truthfully.

15 The probation officer will continue to do the  
16 investigation on your case and finish the presentence  
17 investigation report. And once that report is completed, a  
18 copy of that report will be sent to your attorney and also  
19 to the government.

20 You will have an opportunity to read that report  
21 and if there's anything in that report that you think is  
22 inaccurate or that you object to, you make sure that you  
23 tell that to Mr. Bruno so he can transmit that information  
24 to the probation officer.

25 Mr. Rank or his assistant will have the same

1 opportunity to read the report and if there's anything that  
2 the government objects to or thinks is inaccurate, they can  
3 transmit that information to the probation officer.

4 Once the report is completed, the report will be  
5 sent to me. I will read the report and then I will sit down  
6 with my courtroom deputy and we will set a date for your  
7 sentencing.

8 At your sentencing Mr. Bruno will have an  
9 opportunity to argue and advocate for a certain sentence for  
10 you. You will have an absolute right to talk to me. The  
11 Constitution gives you an absolute right to talk to me and  
12 to tell me anything that you want to tell me about yourself,  
13 about this offense, or anything else that you think I should  
14 know before I sentence you.

15 Mr. Rank or his assistant, whoever shows up, will  
16 be able to respond to anything that you have said or  
17 anything that Mr. Bruno has said and then also advocate for  
18 a certain sentence that the government feels is appropriate  
19 in this case. Then I will sentence you.

20 Do you have any questions about the procedures  
21 that we'll be using from now on?

22 THE DEFENDANT: No, Your Honor.

23 THE COURT: Do you have any questions about what  
24 has occurred here today?

25 THE DEFENDANT: No.

1 THE COURT: And can you tell me what you've done  
2 here today?

3 THE DEFENDANT: I pleaded guilty to mail fraud,  
4 tax evasion, and a scheme to defraud clients of money.

5 THE COURT: And are you, in fact, guilty of that?

6 THE DEFENDANT: Yes, I am.

7 THE COURT: I'll accept the Waiver of Indictment  
8 and the Plea Agreement and Sentencing Stipulations.

9 MR. RANK: May I approach, Your Honor?

10 THE COURT: You may. Anything further for -- we  
11 have to set her conditions of release. I have the Pretrial  
12 Services report and I've reviewed that, and I hope counsel  
13 has too.

14 The recommendation is that she be released on a  
15 \$25,000 unsecured bond with the following special  
16 conditions: That she surrender her passport even though it  
17 has expired and that she obtain no new passport and that she  
18 follow all the other reasonable conditions that are set  
19 forth in the release of -- conditions of release, which  
20 includes that she reports to the Probation Office at the  
21 appropriate times and that she not obtain a passport or  
22 other international travel documents.

23 Any other conditions the government wishes?

24 MR. RANK: No, Your Honor.

25 THE COURT: Any other conditions the defense

1 wishes --

2 MR. BRUNO: Your Honor --

3 THE COURT: -- or not wish?

4 MR. BRUNO: Your Honor, we concur with the  
5 recommendations. I might note for the record that I have my  
6 client's passport here and it is active until January of  
7 2019.

8 THE COURT: So it's not expired. It is an active  
9 passport and that will be turned over to the probation  
10 officer as she leaves.

11 Does she have to be processed?

12 THE CLERK: She will have to be processed.

13 MR. BRUNO: We showed up at Pretrial Services. I  
14 don't know if it was --

15 THE DEFENDANT: What's processed?

16 MR. BRUNO: Booking.

17 THE DEFENDANT: Not that I know of. No, I  
18 didn't -- I don't even know what that is.

19 THE COURT: Processed is fingerprinted and your  
20 photograph taken. Your mug shot, that's what they call it  
21 in street parlance.

22 THE DEFENDANT: Oh, my God.

23 (Pause.)

24 MR. BRUNO: Your Honor, my client has executed the  
25 appearance bond as well as the order setting conditions of



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release. May I approach?

THE COURT: Just give it to the probation officer  
and then they'll file it.

Anything further for the government?

MR. RANK: No, Your Honor.

THE COURT: For the defense?

MR. BRUNO: No, Your Honor.

(Court adjourned at 12:25 p.m.)

\* \* \*

I, Lori A. Simpson, certify that the foregoing is a  
correct transcript from the record of proceedings in the  
above-entitled matter.

Certified by: s/ Lori A. Simpson

Lori A. Simpson, RMR-CRR

**ATTACHMENT 4**

**United States District Court**  
**District of Minnesota**

UNITED STATES OF AMERICA  
v.  
**Susan Elizabeth Walker**

**SECOND AMENDED JUDGMENT IN A  
CRIMINAL CASE**  
(For Offenses Committed On or After November 1, 1987)  
Case Number: 14-cr-305 (1) (MJD)  
USM Number: [REDACTED]  
Social Security Number: [REDACTED]  
Date of Birth: [REDACTED]

Samantha Foertsch  
Defendant's Attorney

**THE DEFENDANT:**

- pleaded guilty to count 1s and 2s of the Amended Information.
  - pleaded nolo contendere to count(s) which was accepted by the court.
  - was found guilty on count(s) after a plea of not guilty.
- The defendant is adjudicated guilty of these offenses:

<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
18:1341	MAIL FRAUD	9/18/09	1s
26:7201	TAX EVASION	2009	2s

The defendant is sentenced as provided in pages 2 through 6 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- The defendant has been found not guilty on count(s).
- Count(s) (is)(are) dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of any material change in the economic circumstances.

December 22, 2015  
Date of Imposition of Judgment

s/Michael J. Davis  
Signature of Judge

**MICHAEL J. DAVIS, United States District Judge**  
Name & Title of Judge

December 23, 2015  
Date

AO 245B (Rev. 10/11) Sheet 2 - Imprisonment

DEFENDANT: SUSAN ELIZABETH WALKER  
CASE NUMBER: 14-CR-305 (1) (MJD)

**IMPRISONMENT**

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of 88 months. This consists of 88 months on Count 1s and 60 months on Count 2s, to be served concurrently.

The court makes the following recommendations to the Bureau of Prisons: The defendant be placed at the women’s facility in Bryan, TX located at 1100 Ursuline Avenue, Bryan, Texas, 77803. The defendant be interviewed and if eligible enter in and successfully complete the Residential Drug and Alcohol Program.

The defendant is remanded to the custody of the United States Marshal.

The defendant shall surrender to the United States Marshal for this district.  
 at on .  
 as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:  
 on December 2, 2015 by noon. If the placement has not yet been made for the defendant, she shall report to the U.S. Marshal located in Minneapolis, MN on December 2, 2015 by noon.  
 as notified by the United States Marshal.  
 as notified by the Probation or Pretrial Services Office.

**RETURN**

I have executed this judgment as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_

a \_\_\_\_\_, with a certified copy of this judgment.

\_\_\_\_\_  
United States Marshal

By \_\_\_\_\_  
Deputy United States Marshal

AO 245B (Rev. 10/11) Sheet 3 - Supervised Release

DEFENDANT: SUSAN ELIZABETH WALKER  
CASE NUMBER: 14-CR-305 (1) (MJD)

### SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of 3 years.

The defendant must report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.

- The above drug testing condition is suspended, based on the court's determination that the defendant poses a low risk of future substance abuse. (Check, if applicable.)
- The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon. (Check, if applicable.)
- The defendant shall cooperate in the collection of DNA as directed by the probation officer. (Check, if applicable.)
- The defendant shall register with the state sex offender registration agency in the state where the defendant resides, works, or is a student, as directed by the probation officer. (Check, if applicable.)
- The defendant shall participate in an approved program for domestic violence. (Check, if applicable.)

If this Judgment imposes a fine or restitution, it is a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this court as well as any additional conditions on the attached page.

### STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without permission of the court or probation officer;
- 2) the defendant shall report to the probation officer in a manner and frequency directed by the court or probation officer;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependants and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court; and
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

AO 245B (Rev. 10/11) Sheet 3A - Supervised Release

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DEFENDANT: SUSAN ELIZABETH WALKER  
CASE NUMBER: 14-CR-305 (1) (MJD)

### **SPECIAL CONDITIONS OF SUPERVISION**

- a If not employed at a regular lawful occupation, as deemed appropriate by the probation officer, the defendant may be required to perform up to 20 hours of community service per week until employed. The defendant may also participate in training, counseling, daily job search, or other employment-related activities, as directed by the probation officer.
- b The defendant shall provide the probation officer access to any requested financial information, including credit reports, credit card bills, bank statements, and telephone bills.
- c The defendant shall be prohibited from incurring new credit charges or opening additional lines of credit without approval of the probation officer.
- d The defendant shall make restitution to the Internal Revenue Service and cooperate with the Internal Revenue Service to pay all outstanding taxes, interest, and penalties.
- e The defendant shall not hold employment with fiduciary responsibilities without prior approval from the probation officer.

AO 245B (Rev. 10/11) Sheet 5 - Criminal Monetary Penalties

DEFENDANT: SUSAN ELIZABETH WALKER  
CASE NUMBER: 14-CR-305 (1) (MJD)

**CRIMINAL MONETARY PENALTIES**

The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
Totals:	\$200.00		\$1,233,951.48

The determination of restitution is deferred until . An Amended Judgment in a Criminal Case (AO 245C) will be entered after such determination.

The defendant shall make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. §3664(i), all nonfederal victims must be paid before the United States is paid.

Name and Address of Payee	**Total Loss	Restitution Ordered	Priority or Percentage
Individual victim lists to be filed under seal. (First Priority) (Amended Version to be Filed)		\$634,874.10	
Ameriprise Financial 5221 Ameriprise Financial Center H275221 Minneapolis, MN 55474 (Second Priority)		\$599,077.38	
<b>TOTALS:</b>	<b>\$0.00</b>	<b>\$1,233,951.48</b>	<b>0.00%</b>
<b>Payments are to be made to the Clerk, U.S. District Court, for disbursement to the victim.</b>			

Restitution amount ordered pursuant to plea agreement \$.

The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of judgment, pursuant to 18 U.S.C. §3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. §3612(g).

The court determined that the defendant does not have the ability to pay interest and it is ordered that:

the interest requirement is waived for the  fine  restitution.

the interest requirement for the:  fine  restitution is modified as follows:

\*\* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994 but before April 23, 1996.

AO 245B (Rev. 10/11) Sheet 6 - Schedule of Payments

DEFENDANT: SUSAN ELIZABETH WALKER  
CASE NUMBER: 14-CR-305 (1) (MJD)

### SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties are due as follows:

- A  Lump sum payment of **\$1,233,951.48** due immediately, balance due  
 not later than , or  
 in accordance  C,  D,  E, or  F below; or
- B  Payment to begin immediately (may be combined with  C,  D, or  F below); or
- C  Payment in equal (e.g., weekly, monthly, quarterly) installments of \$ over a period of (e.g. months or years), to commence (e.g. 30 or 60 days) after the date of this judgment; or
- D  Payment in equal (e.g., weekly, monthly, quarterly) installments of \$ over a period of (e.g. months or years), to commence (e.g. 30 or 60 days ) after the release from imprisonment to a term of supervision; or
- E  Payment during the term of supervised release will commence within (e.g. 30 or 60 days ) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F  Special instructions regarding the payment of criminal monetary penalties: Payments of not less than \$150 per month are to be made over a period of 3 years commencing 30 days after release from confinement. Payments are to be made payable to the Clerk, U.S. District Court, for disbursement to the victim. Over a period of incarceration, the defendant shall make payments of either quarterly installments of a minimum of \$25 if working non-UNICOR or a minimum of 50 percent of monthly earnings if working UNICOR. It is recommended the defendant participate in the Inmate Responsibility Program while incarcerated. The interest requirement is waived in accordance with 18 U.S.C. §3612(f)(3).

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are to be made to the clerk of court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

- Joint and Several  
Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate:
- The defendant shall pay the cost of prosecution.
- The defendant shall pay the following court cost(s):
- The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including costs of prosecution and court costs.