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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

GEORGE ESPARZA,

Defendant.

CR No. 2:20-cr-00208-SVW

I N F O R M A T I O N

[18 U.S.C. § 1962(d): Racketeer
Influenced and Corrupt
Organizations Conspiracy]

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The United States Attorney charges:

INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

A. BACKGROUND ON CITY PROCESSES

1. All legislative power in the City of Los Angeles (the "City") was vested in the City Council and was exercised by ordinance subject to a veto by the Mayor. The City was divided into fifteen City Council Districts covering different geographic areas. The City Council was composed of fifteen members elected from single-member districts.

2. Under the California Political Reform Act, Cal. Gov. Code Sections 81000, et seq., every elected official and public employee

1 who made or influenced governmental decisions was required to submit
2 a Statement of Economic Interest, also known as the Form 700. The
3 Form 700 was filed annually in April for the previous year. The Form
4 700 was designed to provide transparency and accountability,
5 including by: (1) providing the public with information about an
6 official's personal financial interests to determine whether
7 officials were making decisions free from conflicts of interest; and
8 (2) reminding the public official of potential conflicts of interest
9 so the official could abstain from making or participating in
10 governmental decisions that would raise those conflicts of interest.

11 3. To prevent former City officials from exercising or
12 appearing to exercise improper influence over City decisions, the Los
13 Angeles Municipal Code, Sections 49.5.1 et seq., contained "revolving
14 door" restrictions. The restrictions imposed a lifetime ban on
15 receiving compensation to attempt to influence City action on a
16 specific matter in which the City official personally and
17 substantially participated in during their City service. The
18 restrictions also imposed a one-year ban, or "cooling-off" period,
19 during which the City official was prohibited from attempting to
20 influence action on a matter pending before the City official's
21 former City agency for compensation, regardless of participation in
22 that matter.

23 4. Within the City, large-scale development projects required
24 a series of applications and approvals prior to, during, and after
25 construction. These applications and approvals occurred in various
26 City departments, including the City Council, the Planning and Land
27 Use Management ("PLUM") Committee, the Economic Development
28 Committee, the Los Angeles Planning Department, the Los Angeles

1 Department of Building and Safety ("LADBS"), the Area Planning
2 Commission, the City Planning Commission, and the Mayor's Office.

3 5. Each part of the City approval process required official
4 actions by public officials. These included entitlements, variances,
5 general plan amendments, subsidies, incentives, public benefits,
6 scheduling agendas for the various committees, and overall approvals.
7 The process allowed for public hearings, feasibility studies,
8 environmental impact reports, and other steps in the life of
9 development projects.

10 6. Even for projects that were not going through the City
11 approval process, City officials could benefit, or take adverse
12 action against, a project by advocating for, pressuring, or seeking
13 to influence other City officials, departments, business owners, and
14 stakeholders.

15 7. Developers typically hired consultants and/or lobbyists to
16 assist in guiding projects through the development process and City
17 departments, including interfacing with the City Council office that
18 represented the district in which the project was located.

19 B. RELEVANT PERSONS AND ENTITIES

20 **City Officials**

21 8. Defendant GEORGE ESPARZA worked for the City as
22 Councilmember A's Special Assistant in a City Council District ("CD-
23 A") until on or about December 31, 2017.

24 9. Councilmember A was the Councilmember for CD-A.
25 Councilmember A was the Chair of the PLUM Committee, a body appointed
26 by the City Council President that oversaw many of the most
27 significant commercial and residential development projects in the
28

1 City. Councilmember A also served on the Economic Development
2 Committee.

3 10. Relative A-1 was a relative of Councilmember A. Beginning
4 no later than 2007, Relative A-1 received a bi-weekly payment of
5 approximately \$2,500 from Law Firm A as part of her employment with
6 Law Firm A where she was tasked with marketing and business
7 development. Between approximately July 2012 and January 2016,
8 Relative A-1 also received regular payments from High School A,
9 totaling approximately \$150,000, as a fundraiser. In or about
10 September 2018, Relative A-1 formally announced her candidacy to
11 succeed Councilmember A as Councilmember for CD-A.

12 11. City Staffer A-2 worked for the City on Councilmember A's
13 staff.

14 12. Individual 1 was the General Manager of the LADBS until in
15 or about May 2016. In or about May 2016, Individual 1 was appointed
16 by the Mayor as the City's Deputy Mayor for Economic Development. In
17 or about July 2017, Individual 1 retired from the City.

18 13. City Staffer B was a high-ranking staff member for then CD-
19 12 Councilmember Mitchell Englander, until approximately June 2017.

20 **Businesspersons/Companies/Projects**

21 14. Businessperson A operated businesses in the City relating
22 to major development projects.

23 15. Developer A was a real estate developer and architect in
24 the City who operated his own architectural, planning, and
25 development firm.

26 16. Developer C, owner of Company C, was a real estate owner
27 and developer who owned commercial properties in the City, including
28 a property located in CD-A, purchased in 2008 for \$9 million.

1 Developer C was planning on building a mixed-use development on the
2 property to include 14,000 square feet of commercial space and over
3 200 residential units ("Project C").

4 17. Company D was, according to its website, one of the top
5 real estate companies in China with projects worldwide. Company D
6 was owned by Chairman D, a Chinese national. Company D, through its
7 subsidiaries, acquired a property located in CD-A in 2014, which it
8 planned to redevelop into a mixed-use development that was to include
9 80,000 square feet of commercial space, 650 residential units, and
10 300 hotel rooms. Company D expected that the development would be
11 valued at several hundred million dollars.

12 18. Chairman E was the Chairman and President of Company E, a
13 China-based real estate development company with more than \$1 billion
14 invested in projects worldwide and, according to its website, one of
15 China's top developers. Chairman E was a Chinese national and
16 billionaire. Company E, through its subsidiaries, acquired two
17 development properties in the City in 2010 and 2011, respectively,
18 including a property located in CD-A ("Property E"). Developer E
19 planned to redevelop Property E into the tallest tower west of the
20 Mississippi River, specifically, a 77-story skyscraper featuring a
21 mix of residential and commercial uses ("Project E").

22 19. Executive Director E was the Executive Director of Company
23 E and worked directly for Chairman E in the City.

24 20. Company F, Company G, Company K, and Company L were China-
25 based real estate development companies that each owned development
26 projects located in CD-A.

1 21. Company H and Company J were domestic real estate
2 development companies that each owned development projects located in
3 CD-A.

4 22. Company I owned a real estate development project located
5 outside of CD-A that needed approvals in the PLUM and Economic
6 Development Committees in order to move forward.

7 23. Labor Organization A was an unincorporated association of
8 individuals and labor organizations. Its members included labor
9 unions.

10 **Consultants/Lobbyists**

11 24. George Chiang was a real estate broker and consultant with
12 multiple clients in CD-A.

13 25. Justin Kim was a real estate appraiser and consultant for
14 real estate developers with projects in the City and a major
15 fundraiser for Councilmember A.

16 26. Lobbyist B was a consultant for real estate developers with
17 projects in the City and a major fundraiser for Councilmember A.
18 Lobbyist B was a principal officer of a political action committee,
19 PAC A, which was formed to primarily benefit Relative A-1's campaign
20 for the CD-A seat.

21 27. Lobbyist C was a consultant and lobbyist for real estate
22 developers with projects in the City, including Company H, and a
23 close associate of the Executive Director of Labor Organization

24 28. These Introductory Allegations are incorporated by
25 reference into the sole count of this Information.

COUNT ONE

[18 U.S.C. § 1962(d)]

A. THE RACKETEERING ENTERPRISE

At times relevant to this Information:

29. Defendant ESPARZA, Councilmember A, Individual 1, Chiang, and others known and unknown to the United States Attorney, were members and associates of the CD-A Enterprise, a criminal organization whose members and associates engaged in, among other things, bribery, mail and wire fraud, including through the deprivation of the honest services of City officials and employees, extortion, interstate and foreign travel in aid of racketeering enterprises, money laundering, structuring, and obstruction of justice. The CD-A Enterprise operated within the Central District of California and elsewhere.

30. The CD-A Enterprise, including its leaders, members, and associates, constituted an "enterprise," as defined by Title 18, United States Code, Section 1961(4), that is, a group of individuals associated in fact. The CD-A Enterprise constituted an ongoing organization whose members functioned as a continuing unit for a common purpose of achieving the objectives of the enterprise. The CD-A Enterprise engaged in, and its activities affected, interstate and foreign commerce.

B. OBJECTIVES OF THE ENTERPRISE

31. The objectives of the CD-A Enterprise included, but were not limited to, the following:

a. enriching the members and associates of the CD-A Enterprise through means that included bribery, extortion, and mail

1 and wire fraud, including through the deprivation of the honest
2 services of City officials and employees;

3 b. advancing the political goals and maintaining the
4 control and authority of the CD-A Enterprise by elevating members and
5 associates of the CD-A Enterprise to, and maintaining those
6 individuals' placement in, prominent elected office, through means
7 that included bribery and mail and wire fraud, including through the
8 deprivation of the honest services of City officials and employees;

9 c. concealing the financial activities of the CD-A
10 Enterprise, through means that included money laundering and
11 structuring; and

12 d. protecting the CD-A Enterprise by concealing the
13 activities of its members and associates and shielding the CD-A
14 Enterprise from detection by law enforcement, the City, the public,
15 and others, through means that included obstructing justice.

16 C. RICO CONSPIRACY

17 32. Beginning on a date unknown to the United States Attorney,
18 but no later than February 2013, and continuing to in or about
19 November 2018, in Los Angeles County, within the Central District of
20 California and elsewhere, defendant ESPARZA, a person employed by and
21 associated with the CD-A Enterprise, conspired with others known and
22 unknown to the United States Attorney, including Councilmember A,
23 Individual 1, and Chiang, to unlawfully and knowingly violate Title
24 18, United States Code, Section 1962(c), that is, to conduct and
25 participate, directly and indirectly, in the conduct of the affairs
26 of the CD-A Enterprise's through a pattern of racketeering activity,
27 as that term is defined in Title 18, United States Code, Sections
28 1961(1) and 1961(5), consisting of multiple acts:

- 1 a. involving bribery, in violation of California Penal
2 Code Sections 67 and 68;
- 3 b. indictable under Title 18, United States Code,
4 Sections 1341, 1343, 1346 (Mail and Wire Fraud, including through the
5 Deprivation of Honest Services);
- 6 c. indictable under Title 18, United States Code, Section
7 1951 (Extortion);
- 8 d. indictable under Title 18, United States Code, Section
9 1952 (Interstate and Foreign Travel in Aid of Racketeering
10 Enterprises);
- 11 e. indictable under Title 18, United States Code,
12 Sections 1956 and 1957 (Money Laundering);
- 13 f. indictable under Title 18, United States Code, Section
14 1512 (Obstruction of Justice and Witness Tampering); and
- 15 g. indictable under Title 31, United States Code, Section
16 5324 (Structuring Transactions to Evade Reporting Requirement).

17 33. It was a further part of the conspiracy that defendant
18 ESPARZA agreed that a conspirator would commit at least two acts of
19 racketeering activity in the conduct of the affairs of the
20 enterprise.

21 D. MEANS BY WHICH THE OBJECT OF THE CONSPIRACY WAS TO BE
22 ACCOMPLISHED

23 34. Defendant ESPARZA and other members and associates of the
24 CD-A Enterprise agreed to conduct of the affairs of the CD-A
25 Enterprise through the following means, among others:

- 26 a. In order to enrich its members and associates, the CD-
27 A Enterprise operated a pay-to-play scheme within the City, wherein
28 public officials demanded and solicited financial benefits from

1 developers and their proxies in exchange for official acts.
2 Specifically, through a scheme that involved bribery, mail and wire
3 fraud, and extortion, defendant ESPARZA, Councilmember A, Individual
4 1 and other City officials demanded, solicited, accepted and agreed
5 to accept from developers and their proxies, including Chiang, some
6 combination of the following types of financial benefits, among
7 others: (1) cash; (2) consulting and retainer fees; (3) favorable
8 loans; (4) casino chips at casinos; (5) flights on private jets and
9 commercial airlines; (6) stays at luxury hotels; (7) expensive meals;
10 (8) spa services; (9) event tickets to concerts, shows, and sporting
11 events; (10) escort and prostitution services; and (11) other gifts.

12 b. In exchange for such financial benefits from
13 developers and their proxies, defendant ESPARZA, Councilmember A,
14 Individual 1 and other City officials agreed to perform and performed
15 the following types of official acts, among others: (1) filing
16 motions in various City committees to benefit projects; (2) voting on
17 projects in various City committees, including the PLUM Committee,
18 and City Council; (3) taking, or not taking, action in the PLUM
19 Committee to expedite or delay the approval process and affect
20 project costs; (4) exerting pressure on other City officials to
21 influence the approval process of projects; (5) negotiating with and
22 exerting pressure on labor unions to resolve issues on projects;
23 (6) exerting pressure on developers with projects pending before the
24 City to affect their business practices; and (7) taking official
25 action to enhance the professional reputation and marketability of
26 businesspersons in the City.

27 c. In order to protect and hide the financial payments
28 that flowed from the developers and their proxies to the public

officials, the CD-A Enterprise engaged in money laundering and other activities to conceal monetary transactions and bribe payments. Specifically, members and associates of the CD-A Enterprise engaged in the following activities, among others: (1) storing large amounts of cash in one's residence; (2) providing cash to family members and associates; (3) directing payments to family members, associates, and entities to avoid creating a paper trail between the developers, their proxies and public officials; (4) using family members and associates to pay expenses; (5) depositing cash at ATMs and banks in amounts under \$10,000 to avoid bank reporting requirements; and (6) failing to disclose payments and benefits received on Form-700s and on tax returns.

d. In order to maintain its power and control, members and associates of the CD-A Enterprise used their positions and relationships to illicitly ensure a political power base filled with only their allies and to monopolize significant official City positions, resources, and financial support. Specifically, through bribery, members and associates of the CD-A Enterprise raised funds from developers and their proxies with projects in CD-A for the following, among others: (1) Councilmember A's re-election campaigns and officeholder accounts; (2) Relative A-1's election campaign for the CD-A seat; and (3) Political Action Committees designed to benefit Relative A-1's election campaign.

e. In order to protect the CD-A Enterprise and avoid detection by law enforcement, the City, the public, and others, members and associates of the CD-A Enterprise engaged in the following types of obstructive conduct: (1) lying to law enforcement in an effort to impede the investigation into criminal conduct of the

1 CD-A Enterprise; (2) attempting to corruptly influence the statements
2 of others to law enforcement; and (3) using encrypted messaging
3 applications, including those utilizing a self-destructing message
4 system, to communicate about the affairs of the CD-A Enterprise.

5 E. OVERT ACTS

6 35. In furtherance of the conspiracy and to accomplish the
7 object of the conspiracy, on or about the following dates, defendant
8 ESPARZA and others known and unknown to the United States Attorney,
9 committed and caused to be committed various overt acts within the
10 Central District of California, and elsewhere, including the
11 following:

12 (1) **Project E Bribery Scheme**

13 36. In or around February 2013, Individual 1, then the Interim
14 General Manager of LADBS, introduced defendant ESPARZA and
15 Councilmember A to Chairman E at a dinner in Los Angeles, California.
16 Chairman E owned Company E, one of China's leading real estate
17 development companies. Chairman E also owned Property E, located in
18 CD-A, and another property located in a different City district.

19 37. Between March 2013 and November 2018, Chairman E, aided and
20 abetted by Individual 1 and others, provided financial benefits
21 directly and indirectly to defendant ESPARZA and Councilmember A, in
22 exchange for defendant ESPARZA's and Councilmember A's assistance to
23 Chairman E and Company E in Councilmember A's official capacity on an
24 ongoing and as-needed basis and related to specific matters.
25 Defendant ESPARZA, Councilmember A, Chairman E, Individual 1, and
26 others established a mutually beneficial agreement to exchange a
27 stream of benefits for official acts and to further the CD-A
28 Enterprise's goals. Specifically, Chairman E provided defendant

ESPARZA and Councilmember A financial benefits in over a dozen trips to casinos in Las Vegas and Australia. After Councilmember A filed a motion to help save Individual 1's job as General Manager of LADBS, Chairman E, at Individual 1's urging, provided \$600,000 to help Councilmember A resolve a sexual harassment lawsuit filed by a former CD-A employee. In exchange, Chairman E asked for a series of favors from Councilmember A over time. Ultimately, Chairman E provided over \$1 million in bribes to Councilmember A so that Councilmember A would benefit Chairman E's plans to redevelop his property in CD-A and build the tallest building west of the Mississippi River.

38. Between June 2014 and February 2017, defendant ESPARZA and Councilmember A traveled to Las Vegas casinos with Chairman E and Executive Director E on at least the following dates, and accepted benefits in the form of expenses including flights on private jets, hotel rooms, spa services, meals, alcohol, prostitution/escort services, and casino gambling chips in the following approximate amounts:

No.	Date(s)	Casino(s)	Expenses (group)	Gambling chips (Councilmember A)	Gambling chips (ESPARZA)
1	06/14/2014 to 06/15/2014	Casino 1	\$7,300	\$10,000	\$2,000
2	08/22/2014 to 08/25/2014	Casino 1	\$10,660	\$10,000	\$2,000
3	03/13/2015 to 03/14/2015	Casino 1	\$7,300	\$10,000	\$2,000
4	03/28/2015 to 03/30/2015	Casino 1	\$10,974	\$10,000	\$2,000
5	07/07/2015 to 07/08/2015	Casino 1	\$13,204	\$65,000	\$2,000

No.	Date(s)	Casino(s)	Expenses (group)	Gambling chips (Councilmember A)	Gambling chips (ESPARZA)
6	10/28/2015 to 10/30/2015	Casino 2	\$46,681	\$10,000	\$2,000
7	12/11/2015 to 12/13/2015	Casino 3	\$70,270	\$10,000	\$2,000
8	02/12/2016 to 02/13/2016	Casino 2	\$47,298	\$10,000	\$2,000
9	02/26/2016 to 02/28/2016	Casino 3	\$53,995	\$10,000	\$2,000
10	04/30/2016 to 05/02/2016	Casino 2/ Casino 4	\$48,203	\$10,000	\$2,000
11	05/05/2016 to 05/07/2016	Casino 3	\$24,975	\$10,000	\$2,000
13	07/14/2016 to 07/17/2016	Casino 3	\$205,684	\$10,000	\$2,000
14	08/05/2016 to 08/07/2016	Casino 2	\$83,473	\$10,000	\$2,000
16	02/04/2017 to 02/05/2017	Casino 2/ Casino 3	\$15,424	\$10,000	\$2,000
	TOTAL:		\$645,441	\$215,000	\$32,000

39. Defendant ESPARZA, Councilmember A, and Chairman E attempted to conceal their relationship, their trips to Las Vegas, and the benefits provided and accepted in Las Vegas. For example, on February 28, 2016, defendant ESPARZA and Councilmember A had a conversation via text messages regarding avoiding documentation of their joint trip to Las Vegas and the money they received there. Defendant ESPARZA wrote: "No need to book flight. You can take plane back with chairman [E]." Councilmember A asked: "They don't check id?" Defendant ESPARZA responded: "No Id." Later that day,

1 Councilmember A instructed defendant ESPARZA: "When u have a chance,
2 go and cash chips little by little bc if [Chairman E] loses, u won't
3 be able to cash." Defendant ESPARZA responded: "Yes. That's what I'm
4 doing."

5 40. On January 1, 2016, defendant ESPARZA, Councilmember A,
6 Chairman E, and Executive Director E traveled to Australia (the
7 "January 2016 Australia trip"), where defendant ESPARZA and
8 Councilmember A accepted financial benefits from Chairman E,
9 including private jet flights for defendant ESPARZA, a \$10,980
10 commercial airline ticket for Councilmember A, hotels, meals,
11 alcohol, and other expenses. In addition, Chairman E provided
12 defendant ESPARZA and Councilmember A casino chips, which defendant
13 ESPARZA and Councilmember A cashed out in Australian dollars.

14 41. After the January 2016 Australia trip, defendant ESPARZA
15 and Councilmember A discussed evading bank reporting requirements by
16 converting Australian dollars to American dollars in an effort to
17 conceal their financial relationship with Chairman E, to avoid law
18 enforcement detection, and to protect the CD-A Enterprise.
19 Specifically, on February 8, 2016 and February 9, 2016, defendant
20 ESPARZA and Councilmember A had a conversation via text message
21 regarding evading bank reporting requirements when converting
22 Australian dollars they received from Chairman E. Defendant ESPARZA
23 told Councilmember A about the exchange rate, adding: "They are
24 asking me for my drivers license and social security for IRS record.
25 Do you think it's fine to leave my info?" Councilmember A responded:
26 "No. Maybe we can change a little at a time...under 10 k in future."
27 Councilmember A also wrote: "Don't exchange if they are asking u for
28 all that info." Councilmember A later instructed defendant ESPARZA

1 by text message: "Go to the other place tomorrow and take 9 k. See if
2 they change 9 k without getting your social security number."
3 Councilmember A added: "Even if they take your social security, it
4 doesn't mean that they will report to irs. They probably will just
5 keep it for their records but not do anything with tax reporting."
6 Defendant ESPARZA responded: "Ok cool. I'll go tomorrow." Defendant
7 ESPARZA later wrote: "I exchanged 10k today. Will do another
8 tomorrow. If it's under 10k, they will not report."

9 42. Between approximately July 2014 and September 2014,
10 Chairman E, at Individual 1's urging and with defendant ESPARZA's
11 knowledge, facilitated the payment of \$600,000 to help
12 Councilmember A confidentially resolve a sexual harassment lawsuit
13 filed against Councilmember A during the time Councilmember A was
14 facing re-election. Specifically, on June 7, 2013, a sexual
15 harassment lawsuit was filed against Councilmember A by a former CD-A
16 employee. Thereafter, Councilmember A, Chairman E, and Individual 1
17 orchestrated an arrangement whereby Chairman E secured \$600,000 in
18 collateral for Councilmember A to obtain a personal loan from a bank
19 for \$570,000 to privately pay the sexual harassment settlement and
20 legal fees and resolve it without publicly disclosing details.
21 Defendant ESPARZA and Executive Director E, on behalf of Chairman E,
22 facilitated the execution of the arrangement.

23 43. On December 12, 2018, after Councilmember A failed to make
24 interest payments on his personal loan for three consecutive months,
25 the bank carrying his \$600,000 loan applied the collateral provided
26 by Chairman E to the amount Councilmember A owed on the loan,
27 totaling \$575,269.61, which meant that Councilmember A would no
28 longer have to pay this amount to the bank.

1 44. In exchange for financial benefits from Chairman E,
2 Councilmember A routinely assisted Chairman E at Chairman E's
3 request. Before asking for Councilmember A's assistance on Project
4 E, Chairman E established a pattern of utilizing Councilmember A's
5 official position for Chairman E's personal benefit.

6 45. For example, between June 2013 and December 2013, Chairman
7 E, through Individual 1, enlisted Councilmember A's help to negotiate
8 and resolve a dispute with the owners of a plot of land adjacent to
9 Chairman E's property in CD-A, Property E.

10 46. In 2014, to benefit Chairman E's reputation in the City's
11 business community, Councilmember A introduced and signed a
12 resolution before the City Council recognizing Chairman E for his
13 achievements and contributions to the economy of CD-A, which the City
14 Council signed and adopted.

15 47. Most significantly, Chairman E provided bribes to defendant
16 ESPARZA and Councilmember A because, as the Chair of the PLUM
17 Committee and CD-A Councilmember, Councilmember A was poised to
18 significantly benefit Chairman E's desire and plans to redevelop
19 Property E. Project E would require official acts from Councilmember
20 A at various stages of the City approval process.

21 48. On August 4, 2016, Councilmember A, Individual 1, senior
22 officials from the Planning Department, and senior CD-A staff members
23 met with Chairman E and his team to discuss Project E, including
24 Chairman E's interest in pursuing Transient Occupancy Tax rebates,
25 Transfer of Floor Area Rights, and other incentives from the City.

26 49. In or around August 2016, on a private jet flight back from
27 Las Vegas, Chairman E requested Councilmember A's assistance in
28 hiring a consultant on Project E. Thereafter, on August 15, 2016,

1 defendant ESPARZA texted Councilmember A regarding Project E:
2 "Reminder boss to decide what land use expediters you want to
3 recommend to the Chairman [E]."

4 50. On October 19, 2016, Executive Director E forwarded an e-
5 mail and attachment prepared by Chairman E to Councilmember A
6 regarding Project E. The attachment was a draft letter from
7 Councilmember A to Chairman E on Councilmember A's official
8 letterhead, referencing Chairman E's "application for the Los Angeles
9 Highest Building Project [Project E]" and a recent meeting attended
10 by Councilmember A, Individual 1, and other City officials regarding
11 Project E.

12 51. On October 20, 2016, Councilmember A signed the official
13 letter after revising it to remove the reference to Individual 1 and
14 noting: "The proposed project may result in one of the largest
15 buildings in the City of Los Angeles."

16 52. On December 16, 2016, defendant ESPARZA forwarded an e-mail
17 to Councilmember A from City Staffer A-2, listing a number of
18 consultants, writing: "Hi Boss, Here is the list of land use
19 consultants per [City Staffer A-2]'s past recommendations. Chairman
20 [E] would like us to schedule interviews on Monday."

21 53. On April 27, 2017, in a telephone call between defendant
22 ESPARZA and Executive Director E, the two discussed a proposed
23 consultant for Project E. Defendant ESPARZA stated: "So, remember,
24 the Chairman [E] was gonna hire [a specific consultant]? ...
25 [Councilmember A] wanted me to tell the Chairman [E] not to hire him
26 anymore." When Executive Director E asked why, defendant ESPARZA
27 responded: "Because, ah, [Councilmember A] can't trust him ... he's
28 too loyal to another elected official.... So [Councilmember A]

1 doesn't think it's a good idea, it's not a good idea to, to put him
2 on the project."

3 54. On May 9, 2017, in a telephone call, defendant ESPARZA and
4 Executive Director E discussed the financial relationship between
5 Chairman E and Councilmember A. Specifically, Executive Director E
6 stated that Chairman E expected to lay out "everything in front of"
7 Councilmember A at an upcoming trip to Cabo San Lucas, which
8 defendant ESPARZA understood to refer to the assistance Chairman E
9 expected from Councilmember A on Project E. Executive Director E
10 stated that "otherwise Chairman [E] ask [Councilmember A] to ... pay
11 back that \$600,000 already." When defendant ESPARZA stated that
12 "[Councilmember A]'s not going to do that either," Executive Director
13 E responded: "Chairman [E] will push him."

14 55. On May 9, 2017, in a telephone call between defendant
15 ESPARZA and another CD-A staffer, defendant ESPARZA stated: "Chairman
16 [E] should have all the leverage in the world [be]cause of what
17 [Councilmember A] owes [Chairman E]."

18 56. In June 2018, Company E filed an application with the
19 Planning Department for Project E.

20 (2) Project C Bribery Scheme

21 57. In the summer of 2016, Labor Organization A filed an appeal
22 requesting to suspend all activity to implement one of Developer C's
23 development projects, Project C, that required City approval until
24 Project C was brought into compliance with the requirements of the
25 California Environmental Quality Act by correcting certain
26 deficiencies (the "appeal"). The appeal prevented Project C from
27 progressing through the rest of the City approval processes,
28 including approvals by the PLUM Committee and City Council.

1 58. Between August 2016 and July 2017, Developer C agreed to
2 fund a \$500,000 cash bribe designed to benefit Councilmember A,
3 through defendant ESPARZA and Kim, in exchange for Councilmember A's
4 assistance on Project C. Developer C, through Kim, initially
5 provided \$400,000 in cash that Developer C intended for Councilmember
6 A between February and March 2017. Councilmember A directed
7 defendant ESPARZA to hide \$200,000 of the total bribe payment for
8 Councilmember A. Defendant ESPARZA and Kim each kept a portion of
9 the remaining \$200,000 bribe payment for themselves as kickbacks for
10 facilitating the bribe. In exchange, Developer C, through Kim and
11 defendant ESPARZA, sought to use Councilmember A's influence as the
12 Councilmember of CD-A and Chair of the PLUM Committee to pressure
13 Labor Organization A to withdraw, abandon, or otherwise lose its
14 appeal opposing Project C, thereby allowing the project to move
15 forward in its City approval process.

16 59. On September 1, 2016, defendant ESPARZA, Kim, and
17 Councilmember A had dinner together and then visited a Korean karaoke
18 establishment in Los Angeles. During the karaoke meeting, Kim asked
19 Councilmember A for assistance with the appeal on Project C, and
20 Councilmember A agreed to help. Kim then called Developer C and
21 asked him to join the group at karaoke, which Developer C did.

22 60. On September 2, 2016, defendant ESPARZA and Kim met for
23 lunch in Los Angeles. At Councilmember A's direction, defendant
24 ESPARZA expressed to Kim that Councilmember A would not help Project
25 C for free and that Councilmember A's help would require a financial
26 benefit in exchange for his help ensuring Project C moved forward
27 through the City approval process.

1 61. On January 17, 2017, defendant ESPARZA, Councilmember A,
2 Kim, and Developer C's business associates met at Councilmember A's
3 City Hall office to discuss, among other things, Project C. During a
4 private meeting that included only defendant ESPARZA, Councilmember
5 A, and Kim, Kim again asked Councilmember A for assistance with the
6 appeal, and Councilmember A responded that he could help.

7 62. In or around January 2017, at the direction of
8 Councilmember A, defendant ESPARZA learned that resolving the appeal
9 on Project C would save Developer C an estimated \$30 million on
10 development costs.

11 63. In or around January 2017, based on his conversations with
12 Councilmember A and Lobbyist C, defendant ESPARZA told Kim that it
13 would cost approximately \$1.2 million to \$1.4 million to get
14 Councilmember A to resolve the appeal and allow Project C to move
15 forward in the City approval process.

16 64. Between February 2, 2017 and February 10, 2017, defendant
17 ESPARZA had individual text message conversations with Councilmember
18 A and Kim, discussing the negotiation of the bribe payment and the
19 amount of the bribe payment from Developer C to Councilmember A.

20 65. In approximately February 2017, defendant ESPARZA and Kim
21 had discussions regarding the negotiation of the bribe amount. Kim
22 conveyed a counteroffer of \$500,000 cash from Developer C for
23 Councilmember A. Defendant ESPARZA then conveyed this counteroffer
24 to Councilmember A.

25 66. In approximately February 2017, defendant ESPARZA and Kim
26 met at a restaurant in Los Angeles to discuss the bribe amount.
27 Defendant ESPARZA and Kim discussed that Developer C agreed to pay
28 \$500,000 in cash in exchange for Councilmember A's assistance.

1 Thereafter, defendant ESPARZA conveyed this agreed-upon bribe payment
2 amount to Councilmember A, stating specifically that Councilmember A
3 would get \$300,000 total and Kim would get \$200,000 total for
4 facilitating the bribery scheme.

5 67. In approximately February and March 2017, defendant ESPARZA
6 and Councilmember A discussed the appeal. Councilmember A instructed
7 defendant ESPARZA to speak to Lobbyist C, a close associate of the
8 Executive Director of Labor Organization A. Subsequently,
9 Councilmember A told defendant ESPARZA that he discussed the appeal
10 with Lobbyist C. Councilmember A conveyed to Lobbyist C that
11 Councilmember A would oppose the appeal in the PLUM committee.
12 Lobbyist C agreed to discuss the issue with the Executive Director of
13 Labor Organization A.

14 68. On February 14, 2017, defendant ESPARZA had a text message
15 conversation with Lobbyist C about setting up a private meeting
16 between Lobbyist C and Councilmember A. Specifically, defendant
17 ESPARZA wrote: "My boss [Councilmember A] asked if you guys can have
18 a one on one on Tuesday at 830am?... Just you and the Councilman."

19 69. On February 22, 2017, defendant ESPARZA had a text message
20 conversation with Lobbyist C about another private meeting at
21 Councilmember A's request. Specifically, defendant ESPARZA wrote:
22 "Hi [Lobbyist C], free tomorrow to meet? Councilman asked me to meet
23 with you." Lobbyist C responded: "Yea." Defendant ESPARZA then
24 wrote: "I still need to talk to you one on one per my bosses
25 [Councilmember A] request." Lobbyist C responded: "No problem."

26 70. On March 1, 2017, defendant ESPARZA had a text message
27 conversation with Lobbyist C regarding the appeal. Specifically,
28 defendant ESPARZA asked: "Everything good?" Lobbyist C then replied:

1 "Think so, You?" Defendant ESPARZA responded: "Yes sir.. just
2 checking in."

3 71. On March 3, 2017, Lobbyist C sent defendant ESPARZA a text
4 message regarding the appeal on Project C, writing: "Appeal dropped
5 today." Defendant ESPARZA then informed Kim that Councilmember A had
6 held up his end of the bargain and helped resolve the appeal.

7 72. In approximately February or March 2017, Kim met with
8 Developer C at a commercial building in Los Angeles and received a
9 paper bag from Developer C containing \$400,000 in cash, which was
10 intended to be a bribe Developer C agreed to pay for Councilmember
11 A's assistance in resolving the appeal. After receiving \$400,000 in
12 cash from Developer C, Kim met with defendant ESPARZA in a car in Los
13 Angeles and gave defendant ESPARZA cash to deliver to
14 Councilmember A. Kim kept some cash for himself for facilitating the
15 bribe payment.

16 73. On March 14, 2017, at 4:48 p.m., defendant ESPARZA sent a
17 text message to Councilmember A, asking: "Are you home?"
18 Councilmember A responded: "Yes." Defendant ESPARZA then wrote: "Can
19 I stop by? Just finished meeting with Justin [Kim]."

20 74. On March 14, 2017, at approximately 5:15 p.m.,
21 Councilmember A and defendant ESPARZA met at Councilmember A's
22 residence. Defendant ESPARZA told Councilmember A that Developer C
23 had provided \$400,000 in cash to date, and that Developer C would
24 provide the remaining \$100,000 later. Defendant ESPARZA stated that
25 Kim had provided \$200,000 of that cash to defendant ESPARZA. At the
26 meeting, defendant ESPARZA showed Councilmember A a liquor box filled
27 with approximately \$200,000 cash. Councilmember A told defendant
28 ESPARZA to hold on to and hide the money at defendant ESPARZA's

1 residence until Councilmember A asked for it. Councilmember A told
2 defendant ESPARZA that defendant ESPARZA could have \$100,000 of the
3 \$300,000 total amount Councilmember A expected to receive from
4 Developer C.

5 75. On December 28, 2017, defendant ESPARZA and Councilmember A
6 met at City Hall and, in Councilmember A's private bathroom,
7 discussed various topics, including defendant ESPARZA's interviews
8 with the FBI and the cash bribe defendant ESPARZA was holding for
9 Councilmember A. Specifically, during that conversation,
10 Councilmember A stated: "And secondly, um, look, uh, I have a lot of
11 expenses now that with [Relative A-1] running, [Relative A-1]'s not
12 going to be working anymore. I'm gonna need money. Um, that is mine,
13 right? That is mine." Defendant ESPARZA affirmed the \$200,000 cash
14 bribe money was Councilmember A's. Defendant ESPARZA and
15 Councilmember A agreed to wait until April 1, 2018, for defendant
16 ESPARZA to provide the \$200,000 cash owed to Councilmember A, to
17 allow some cooling off period after defendant ESPARZA's interviews
18 with the FBI in hopes that it would decrease the likelihood of law
19 enforcement discovering the cash. However, defendant ESPARZA never
20 gave Councilmember A his outstanding \$200,000 cash because defendant
21 ESPARZA was concerned about the federal corruption investigation, so
22 instead defendant ESPARZA gave the money to Executive Director E to
23 hide, as discussed below.

24 **(3) Businessperson A Retainer Payment Scheme**

25 76. Defendant ESPARZA and Councilmember A met Businessperson A
26 in approximately 2016 or 2017 through Chairman E and Executive
27 Director E. Businessperson A requested assistance from defendant
28 ESPARZA and Councilmember A to enhance Businessperson A's financial

1 prospects. Specifically, Businessperson A asked defendant ESPARZA
2 and Councilmember A to use their official positions to make
3 introductions to developers and advocate that such developers use
4 Businessperson A's business.

5 77. In order to facilitate this scheme, Businessperson A
6 provided defendant ESPARZA retainer payments for his services.
7 Specifically, from approximately January 2017 to June 2017, defendant
8 ESPARZA accepted approximately \$8,000 to \$10,000 in cash from
9 Businessperson A on a monthly basis, in addition to luxury gifts such
10 as expensive suits, in exchange for defendant ESPARZA arranging
11 meetings for Businessperson A with developers in the City. On
12 several occasions, Businessperson A provided the cash to defendant
13 ESPARZA in the bathroom during meetings in restaurants.

14 **(4) Businessperson A Funds June 2017 Las Vegas Trip**

15 78. On or around June 1, 2017, defendant ESPARZA traveled to
16 Las Vegas with, among others, Businessperson A, then CD-12
17 Councilmember Englander, City Staffer B, Lobbyist A, and Developer A
18 (the "June 2017 Las Vegas trip"). During the June 2017 Las Vegas
19 trip, defendant ESPARZA, Englander, City Staffer B, and others each
20 received at least the following benefits directly or indirectly (via
21 hotel "comps") from Businessperson A: a hotel room at a Las Vegas
22 Casino and Hotel, transportation to and from the hotel, casino chips
23 to gamble, dinner and drinks at the hotel restaurant totaling
24 approximately \$2,481 (for the group), bottle service at a nightclub
25 for which Businessperson A paid approximately \$25,000 and Developer A
26 paid an additional approximately \$10,000 (for the group and others).

27 79. After the group returned to their hotel in the early
28 morning of June 2, 2017, Businessperson A told defendant ESPARZA and

1 Englander that Businessperson A was going to order female escorts to
2 come to their hotel. When two escorts arrived to the hotel,
3 Businessperson A paid approximately \$300-400 in cash for the escorts'
4 services for Businessperson A and defendant ESPARZA and instructed
5 one of the escorts to go to Englander's hotel room to provide him
6 escort services.

7 80. On or about June 5, 2017, defendant ESPARZA and
8 Councilmember A discussed the June 2017 Las Vegas trip in a telephone
9 call. Specifically, Councilmember A asked about the use of escorts
10 during the trip, referring to "girls" that defendant ESPARZA and
11 Businessperson A sent to Englander. Defendant ESPARZA confirmed the
12 use of escorts during the trip.

13 **(5) Additional Pay-to-Play Conduct**

14 CD-A Developers/Proxies' PAC Contributions to Benefit

15 Relative A-1 Campaign and CD-A Enterprise

16 81. Beginning no later than June 2016, Councilmember A and
17 others planned to have Relative A-1 succeed him as Councilmember for
18 CD-A when his term ended and he was no longer eligible for re-
19 election in 2020, in order to maintain a political stronghold in the
20 City and perpetuate the pay-to-play scheme he and others had
21 implemented to further the objectives of the CD-A Enterprise. In
22 furtherance of this plan, Councilmember A, defendant ESPARZA,
23 Lobbyist B, and others established PAC A that publicly was purported
24 to benefit a broad array of candidates and causes but was, in fact,
25 primarily intended to benefit Relative A-1's campaign. Councilmember
26 A, defendant ESPARZA, Lobbyist B, and others thereafter pressured
27 developers with projects in CD-A to contribute to PAC A in exchange
28 for favorable treatment of their projects, including in the PLUM

1 Committee, Economic Development Committee, and City Council. In
2 addition, Councilmember A and defendant ESPARZA sought to convey to
3 developers and their proxies that those who did not contribute as
4 requested by Councilmember A and defendant ESPARZA would risk adverse
5 action in the City process taken against their projects.

6 82. On April 19, 2017, in a telephone call, defendant ESPARZA
7 and Kim discussed the mutually beneficial relationship between
8 Chinese developers and Councilmember A and Councilmember A's desire
9 to monopolize that relationship for the benefit of the CD-A
10 Enterprise. Defendant ESPARZA stated: "The Chinese want
11 [Councilmember A] to stay here for the long term too, you know."
12 Defendant ESPARZA went on to say that "[the Chinese] don't want to,
13 you know, cause any, any problems ... they already know they are
14 taking care of the Councilman [A] and whatever his ... needs are."
15 Defendant ESPARZA referred to Relative A-1's campaign for CD-A as
16 "[Councilmember A] spitting in everyone's eye" and Councilmember A
17 saying "I'm not gonna play with the boys" and not "share the wealth"
18 with others. Kim agreed that Councilmember A just wanted to keep it
19 in the "family."

20 83. On May 10, 2017, in a telephone call, defendant ESPARZA and
21 Chiang discussed how Councilmember A was using PAC A to obtain
22 additional financial benefits from developers in exchange for not
23 taking adverse action against them. Specifically, defendant ESPARZA
24 told Chiang: "[Councilmember A's] approach is that he's going to um,
25 strong arm everyone ... to the PAC [A]. [Company D], [Company F].
26 'This is what I want right now. This is my wife, this is what we are
27 doing.' So his idea in his mind is that okay, people are going to
28

1 support us because they don't want people to fuck with projects, you
2 know."

3 84. On May 11, 2017, in a telephone call, defendant ESPARZA and
4 Executive Director E discussed punishing a developer who was not
5 providing financial benefits to Councilmember A by withholding
6 approvals for the developer's project. Specifically, defendant
7 ESPARZA said: "[Company G] has not come through with any other
8 commitments to us, to you, so you know, why even be helpful to them,
9 you know, that's my thing... So I'm going to tell [Councilmember A]
10 that I spoke to you and let's just continue to ignore them, you know.
11 We are not going to help them." Executive Director E then added:
12 "And even [Individual 1] doesn't want you guys to work with [Company
13 G]."

14 85. On June 2, 2017, in a telephone call, Councilmember A,
15 Relative A-1, and Lobbyist B discussed establishing a PAC to support
16 Relative A-1's campaign. Lobbyist B explained: "the PAC ... that's
17 going to be strictly political money and, you know, two years from
18 now, or three years, there'll be a million dollars in there. You
19 won't be able to direct it, but there'll be people, you know, [who]
20 are like minded."

21 86. On September 14, 2017, Councilmember A and defendant
22 ESPARZA had a text message conversation regarding compiling a list of
23 donors to target for fundraising for Relative A-1's campaign, which
24 they referred to as the "Executive 2" strategy meetings, focusing on
25 developers with upcoming hearings before the PLUM Committee.
26 Councilmember A texted ESPARZA: "Please get the [City Staffer A-2]
27 list that he gave u about projects going to cpc and plum and let's
28

1 discuss me and u at every Thursday exec.#2 meeting." Defendant
2 ESPARZA responded: "Sounds good boss."

3 87. On October 18, 2017, a political account supervisor sent an
4 initial Statement of Organization for PAC A to the California
5 Secretary of State by U.S. mail. Lobbyist B was listed as an
6 "additional principal officer" of the PAC.

7 88. On October 20, 2017, Councilmember A and defendant ESPARZA
8 had another conversation about targeting developers with projects
9 pending before committees on which Councilmember A sat in order to
10 obtain financial benefits from them. Defendant ESPARZA understood
11 that Councilmember A intended to capitalize on the developers' fear
12 that Councilmember A would take adverse action against those pending
13 projects if they failed to contribute as requested. Specifically,
14 Councilmember A texted defendant ESPARZA: "[Company H] is on economic
15 development committee on Tuesday for tot [Transient Occupancy Tax
16 rebates]. Have u spoken with those guys?" Defendant ESPARZA
17 responded: "Hey boss, here is a quick update. Just had my last
18 meeting. [Company I]/[Lobbyist I]- good. [Company H]/[Lobbyist C]-
19 good. [Company J]/[Consultant J]- good. All commitments have been
20 made."

21 89. On October 24, 2017, Councilmember A again sought to
22 confirm with defendant ESPARZA that certain developers and
23 consultants committed to contribute to the Relative A-1 campaign and
24 PAC A before taking favorable actions on the projects in the Economic
25 Development and PLUM Committees. Specifically, Councilmember A
26 texted defendant ESPARZA: "[Company H] is in committee today..."
27 Councilmember A then followed up: "Everything being handled?"
28 Defendant ESPARZA responded: "Yes sir." Councilmember A then texted:

1 "The [Company I] sign district is in committee today." Defendant
2 ESPARZA responded: "Yes. Being handled as well."

3 90. On December 4, 2017, Councilmember A created a spreadsheet
4 titled "Initial Commitments to PAC," listing companies and
5 consultants and contribution amounts, totaling \$500,000. Several of
6 those listed had pending projects in Councilmember A's district,
7 which Councilmember A deliberately targeted in order to secure the
8 requested contributions by exploiting their concern that adverse
9 action would be taken against their projects without the requested
10 contributions, including the following:

Company	Commitment	Notes
George Chiang	\$100,000	George Chiang
[Company H]	\$25,000	[Lobbyist C]
[Company I]	\$25,000	[Lobbyist I]
[Company J]	\$50,000	[Consultant J]

16 91. On March 26, 2018, Company H followed through with its
17 commitment to Councilmember A and made a contribution of \$10,000 to a
18 PAC, at Councilmember A's request and Lobbyist C's direction.

19 92. On June 19, 2018, Company J followed through with its
20 commitment to Councilmember A and made a contribution of \$25,000 to
21 PAC A, at Councilmember A's request and Consultant J's direction.

22 CD-A Developers/Proxies' Contributions to
23 Councilmember A Campaigns and Officeholder Accounts

24 93. On May 18, 2015, at Councilmember A's direction, defendant
25 ESPARZA created a document titled "[Councilmember A] Debt Finance
26 Plan," which documented Councilmember A's solicitation efforts of
27 contributions from developers, consultants, and allies towards
28 Councilmember A's 2015 re-election campaign debt. Many of the

1 developers and consultants had projects in CD-A and/or were going
2 through the City approval process and were targeted by Councilmember
3 A and defendant ESPARZA for that reason. The plan included:
4 (1) \$40,000 from Justin Kim; (2) \$20,000 from Chairman E; (3) \$20,000
5 from Company G through Executive Director E; (4) \$10,000 from Company
6 D; and (5) \$10,000 from Individual 1.

7 CD-A Developers/Proxies' Contributions to School that Employed
8 Relative A-1 as a Fundraiser

9 94. Beginning in or around March 2015, at Councilmember A's
10 direction, defendant ESPARZA solicited donations to High School A's
11 annual gala event from developers and consultants with projects
12 pending in Councilmember A's district. Part of the money raised from
13 the gala event was used to pay salaried employees, including Relative
14 A-1.

15 95. Consistent with this plan, on May 18, 2015, defendant
16 ESPARZA created a document titled "[High School A] Fundraising Plan."
17 The document included commitments from: (1) Company D for \$10,000;
18 (2) Chairman E for \$20,000; (3) Company F for \$10,000; and
19 (4) Company L for \$30,000.

20 96. In or around September 2015, at Councilmember A's request,
21 the following companies, among others, made contributions to High
22 School A's annual gala: (1) \$25,000 by Company L; (2) \$10,000 by
23 Company D; (3) \$10,000 by Company F; and (4) \$5,000 by Company K.

24 Steering CD-A Developers to Hire Law Firm that Paid Relative A-1

25 97. In or around 2016, Councilmember A directed defendant
26 ESPARZA to schedule meetings between Councilmember A, Relative A-1,
27 partners of Law Firm A, and developers with projects pending in
28 Councilmember A's district. At these meetings, Councilmember A

1 encouraged developers to hire Law Firm A, which paid Relative A-1 a
2 bi-weekly salary of \$2,500. For example, on February 25, 2016,
3 Councilmember A instructed defendant ESPARZA by text message: "Please
4 work it out with George [Chiang] ... to set up a meeting with
5 [Developer K] and [Law Firm A partner] ... Let them know that
6 [Relative A-1] works at [Law Firm A] and we want to make introduction
7 to see if [the company] ever needs legal defense. Please keep me
8 posted." Defendant ESPARZA responded: "Ok. Will do."

9 **(6) FBI's Interviews of Defendant ESPARZA**

10 98. On June 20, 2017, the FBI interviewed defendant ESPARZA
11 regarding a public corruption investigation. At the beginning of
12 this interview, defendant ESPARZA was advised that lying to the FBI
13 was a crime. During the interview, defendant ESPARZA falsely stated
14 that he had no knowledge of any City official helping on a project in
15 exchange for money, gifts, or campaign contributions. During the
16 interview, the FBI told defendant ESPARZA there was a Grand Jury
17 investigation and asked defendant ESPARZA not to reveal the interview
18 to others because it may negatively impact the federal investigation.
19 Defendant ESPARZA told the FBI he understood he should not reveal
20 such information to others.

21 99. Nevertheless, on June 20, 2017, the same day as his first
22 FBI interview, and in the days shortly thereafter, defendant ESPARZA
23 disclosed to numerous associates, including Councilmember A, Kim, and
24 Executive Director E, that he was interviewed by the FBI. For
25 example, on June 20, 2017, defendant ESPARZA told Councilmember A
26 about his interview with the FBI. Councilmember A responded that he
27 was worried that the FBI would ask questions about Businessperson A
28 and Chairman E. Councilmember A instructed defendant ESPARZA not to

1 tell anyone that defendant ESPARZA disclosed information to
2 Councilmember A about the FBI interview.

3 100. On July 1, 2017, the FBI again interviewed defendant
4 ESPARZA. At the beginning of this interview, defendant ESPARZA was
5 again advised that lying to the FBI was a crime. During the second
6 FBI interview, defendant ESPARZA falsely stated that: (1) other than
7 the June 2017 Las Vegas trip with then-Councilmember Englander,
8 defendant ESPARZA was not aware of any chip sharing with any other
9 councilmember in Las Vegas; (2) Councilmember A told defendant
10 ESPARZA to be cooperative with and not hide information from the FBI;
11 (3) Executive Director E had no City business with defendant ESPARZA;
12 (4) Kim did not have City business with defendant ESPARZA; and
13 (5) defendant ESPARZA did not know of anyone paying money to City
14 officials.

15 101. On July 12, 2017, defendant ESPARZA and Kim met in person
16 in a car near defendant ESPARZA's residence and then drove around in
17 the car. During this meeting, defendant ESPARZA and Kim discussed
18 the content of their recent respective FBI interviews, in which both
19 defendant ESPARZA and Kim lied to the FBI and deliberately failed to
20 disclose information regarding the Project C bribery scheme. During
21 this meeting, Kim asked if defendant ESPARZA wanted the remaining
22 \$100,000 from Developer C. Due to defendant ESPARZA's concern that
23 the FBI investigation was closing in on him and Councilmember A,
24 defendant ESPARZA declined to take possession of the outstanding
25 bribery money at that time.

26 **(7) Defendant ESPARZA's Concealment of Benefits**

27 102. In or around July 2017, defendant ESPARZA asked Executive
28 Director E to hold on to approximately \$250,000 in cash for defendant

1 ESPARZA because defendant ESPARZA feared that law enforcement would
2 search his residence and find the cash. This cash was composed of
3 the cash provided by Kim as part of the Project C bribery scheme for
4 Councilmember A and defendant ESPARZA and additional cash defendant
5 ESPARZA received from Chairman E and Businessperson A. Executive
6 Director E agreed to hide the cash for defendant ESPARZA.

7 103. Defendant ESPARZA did not report any of the financial
8 benefits from Chairman E, Developer C, Kim, or Businessperson A as
9 gifts or income on his applicable Form 700s or on his applicable tax
10 returns.

11
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14 

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