

## **ATTACHMENT A**

### **FACTUAL BASIS FOR THE PLEA OF ITALIA FEDERICI**

This statement is submitted to provide the Court with a factual basis for my plea of guilty to the charges filed against me in this matter.

#### **Introduction**

1. At all relevant times, the defendant, ITALIA FEDERICI, was the founder and President of the Council of Republicans for Environmental Advocacy (“CREA”), a non-profit organization originally founded in Colorado in 1997 as the “Coalition of Republicans for Environmental Activists.” After initially operating from proceeds FEDERICI received from an inheritance, CREA thereafter operated primarily through donations.

2. In 1998, FEDERICI relocated CREA to Washington, D.C., with the substantial assistance of J. Steven Griles, who was then a Washington, D.C., lobbyist. Griles took an active interest in CREA and thereafter assisted FEDERICI in raising funds for CREA. In 1998, FEDERICI and Griles developed a close, personal relationship which lasted through 2004.

3. CREA was formally incorporated in Washington, D.C., on September 14, 2000, as an Internal Revenue Code Section 501(c)(4) organization. Since that time, CREA has also had a vice president, whose responsibilities included overseeing CREA’s day-to-day financial management. Between March 2001 and May 2003, CREA received approximately \$723,500 through donations and advocacy work.

#### **Federici’s Communications with Jack A. Abramoff and J. Steven Griles**

4. On March 8, 2001, Griles was nominated to be the Deputy Secretary of the United States Department of the Interior (“DOI”), the Federal agency responsible for, among

other things, such Native American matters as tribal recognition, gaming compacts and applications to place land into trust for gaming purposes, and distributing Federal program funds.

5. On March 1, 2001, one week before Griles' nomination, FEDERICI introduced Griles to Jack A. Abramoff, a Washington, D.C., lobbyist whose client list included Native American tribal governments operating, or interested in operating, gaming operations on designated Federal land, and others seeking Federal recognition and program funds. Abramoff also represented other entities subject to DOI oversight. At the time, Abramoff and his clients had a substantial and recurring interest in decisions made by DOI and its officials. During this meeting, the three discussed a variety of issues, including Griles' impending nomination, Abramoff's interests in DOI issues and recommending colleagues for high-level DOI positions, and CREA's funding.

6. Shortly after the above-described March 1, 2001 meeting, Abramoff, personally and through his clients, became a substantial contributor to CREA. In fact, Abramoff and his clients donated approximately \$500,000 to CREA between March 2001 and May 2003.

7. Griles was confirmed by the United States Senate on July 12, 2001, and upon being sworn in on July 17, 2001, served as the second-highest ranking official within DOI until he resigned effective January 31, 2005. During much of Griles' tenure as DOI Deputy Secretary, FEDERICI served as a conduit for information between Abramoff and Griles in order to foster Abramoff's and his client's interests. In such a role, FEDERICI would communicate in-depth with Abramoff about his clients and the issues and concerns applicable to Abramoff's clients, and then communicate in-depth with Griles about these issues and/or forward to Griles white papers and other information and documents Abramoff supplied. FEDERICI also met with

Abramoff and Griles in order to speak substantively and directly about these issues. FEDERICI admits that her involvement as a conduit between Abramoff and Griles hindered DOI's official record-keeping about Griles' contacts with lobbyists such as Abramoff and DOI's ability internally to measure the level of Abramoff's access to Griles.

8. Griles was receptive to the above-described communications and took certain actions within DOI and/or provided Abramoff with advice and internal DOI information – both directly and through FEDERICI – on several issues pending before DOI that directly affected Abramoff's clients. The following list exemplifies some of the DOI issues about which FEDERICI, Abramoff, and Griles communicated in-depth between in or about March 2001 and May 2003, and where FEDERICI served as a conduit for information between Abramoff and Griles in order to foster Abramoff's and his clients' interests:

A. In March 2001, FEDERICI, Abramoff, and Griles discussed in-depth candidates for specific high-level DOI positions whom Abramoff recommended.

B. In September 2001, FEDERICI, Abramoff, and Griles planned and attended a CREA-sponsored dinner event at a private Washington, D.C., home which gave Abramoff and some of his Native American tribal clients the opportunity to meet and discuss their interests with select, high-ranking DOI officials.

C. In October 2001, FEDERICI, Abramoff, and Griles communicated in-depth about having Griles inquire into the status of DOI's alleged failure to release \$1.3 million in appropriated funds earmarked as payment for a negotiated settlement the United States purportedly reached with one of Abramoff's clients, the Coushatta Tribe of Louisiana, in connection with a land dispute.

D. In October 2001, Abramoff learned that the Republican candidate in the Commonwealth of the Northern Mariana Islands (“CNMI”) governor’s race was scheduled to meet with the then-DOI Secretary for a “photo-op.” Abramoff believed that the candidate would use the meeting and photograph to suggest to voters that he had received the endorsement of the DOI Secretary and/or the Administration. FEDERICI, Abramoff, and Griles communicated in-depth about having the candidate’s meeting with the DOI Secretary canceled. FEDERICI, Abramoff, and Griles also communicated in-depth about arranging a meeting with the DOI Secretary for another CNMI gubernatorial candidate, whom Abramoff supported.

E. In mid-December 2002, FEDERICI, Abramoff, and Griles communicated in-depth about how to derail the land-into-trust application of the Match-e-be-nash-she-wish Band of Pottawatomis Indians (of Michigan) – commonly known as the Gun Lake Tribe. Abramoff’s concern was that the location of the planned casino would harm the interests/market share of one of Abramoff’s clients, the Saginaw Chippewa Indian Tribe (of Michigan), which already had a casino in the area.

F. From in or about January 2002, through May 2003, FEDERICI, Abramoff, and Griles periodically communicated in-depth about how to prevent the Jena Band of Choctaw Indians (“Jena Band”), based in Louisiana, from placing land-into-trust for gaming purposes in Louisiana and Mississippi. Abramoff’s concern was that two of his clients – the Coushatta Tribe of Louisiana and the Mississippi Band of Choctaw Indians – already operated casinos in the proposed sites of the Jena Band casino and he wanted to stifle competition.

G. In January 2003, while Abramoff was considering whether to represent the Mashpee Wampanoag Tribe of Massachusetts in its quest to obtain tribal recognition from DOI, FEDERICI, Abramoff, and Griles communicated in-depth about how to win DOI recognition for the Tribe.

H. In March/April 2003, FEDERICI, Abramoff, and Griles communicated in depth about how to overcome DOI's alleged refusal to release approximately \$3 million in appropriated funds to Abramoff's client, the Saginaw Chippewa Indian Tribe (of Michigan), in connection with the Tribal School Construction Demonstration Program (a/k/a School Cost Share Program).

9. In May 2003, FEDERICI decided that she no longer wished to serve as the conduit for information between Abramoff and Griles. Fearing that Abramoff would not take "no" for an answer, FEDERICI sought Griles' advice. Griles told FEDERICI to simply inform Abramoff that Griles was no longer dealing with Native American tribal matters at DOI. With that, Abramoff stopped communicating with FEDERICI and, concomitantly, both Abramoff and his clients stopped contributing to CREA.

#### CREA's Financial Operation and Business Practices

10. FEDERICI and the other officer of CREA relied primarily on cash, including ATM transactions, to handle the finances of CREA. As a result, CREA failed to maintain proper financial books and records of its bank and business accounts. This extensive use and reliance on cash by CREA continued throughout the prosecution years of 2001-2003, despite admonitions to CREA from CREA's accountants who were engaged to prepare CREA's Forms 990.

11. During the years 2001 through 2003, CREA was operated in such a manner that the personal finances of the officers and the finances of CREA were not properly segregated. In lieu of taking a regular salary, FEDERICI and CREA's vice president obtained funds from CREA by directly withdrawing cash from CREA's bank account through ATM and teller transactions. FEDERICI and the vice president also received checks from CREA.

12. CREA's accountant issued Forms 1099 to FEDERICI and the vice president of CREA in an effort to account for the money the officers withdrew from CREA's bank accounts. The improper issuance of Forms 1099 to report compensation to officers, instead of Forms W-2 and payroll reporting, continued throughout the prosecution years despite the admonitions to CREA from CREA's accountant.

13. For Tax Year 2001, \$51,613 in income from CREA was reported to FEDERICI on a Form 1099.

14. On or about April 15, 2002, a request for an extension of time within which to file the U.S. Individual Income Tax Return for 2001 was filed on behalf of FEDERICI, to extend the filing deadline for FEDERICI's 2001 tax return to August 15, 2002. FEDERICI did not include payment of taxes due and owing with the extension request as required by law.

15. On or about August 15, 2002, FEDERICI willfully failed to timely file a U.S. Individual Income Tax Return, or pay the taxes due and owing, of \$16,614.

16. For Tax Year 2002, \$92,201 in income from CREA was reported to FEDERICI on a Form 1099.

17. On or about April 15, 2003, a request for an extension of time within which to file the U.S. Individual Income Tax Return for 2002 was filed on behalf of FEDERICI, to extend the

filing deadline for FEDERICI's 2002 tax return to August 15, 2003. FEDERICI did not include payment of taxes due and owing with the extension request as required by law.

18. On or about August 15, 2003, FEDERICI willfully failed to timely file a U.S. Individual Income Tax Return, or pay the taxes due and owing, of \$32,846.

19. For Tax Year 2003, \$90,145 in income from CREA was reported to FEDERICI on a Form 1099.

20. On or about April 15, 2004, a request for an extension of time within which to file the U.S. Individual Income Tax Return for 2003 was filed on behalf of FEDERICI, to extend the filing deadline for FEDERICI's 2003 tax return to August 15, 2004. FEDERICI did not include payment of taxes due and owing with the extension request as required by law.

21. On or about August 15, 2004, a second request for an extension of time within which to file the U.S. Individual Income Tax Return for 2003 was filed on behalf of FEDERICI, to extend the filing deadline for FEDERICI's 2003 tax return to October 15, 2004. FEDERICI did not include payment of taxes due and owing with the extension request as required by law.

22. On or about October 15, 2004, FEDERICI willfully failed to timely file a U.S. Individual Income Tax Return, or pay the taxes due and owing, of \$31,178.

23. The total tax loss resulting from FEDERICI's willful evasion of U.S. Individual Income Taxes for the Tax Years 2001 through 2003 is \$77,243.

#### Federici's Obstruction of United States Senate Proceedings

24. On October 7, 2005, Federici submitted to a voluntary interview conducted by investigators for the United States Senate Committee on Indian Affairs ("Senate Committee"), which was investigating allegations of misconduct by Abramoff and others made by several

Native American tribes. During the October 7, 2005 interview, the Senate investigators focused on, among other things, the extent to which FEDERICI, Abramoff, and Griles communicated about issues pending before DOI that directly affected Abramoff's clients while Griles served as DOI Deputy Secretary. FEDERICI was aware of the scope of the Senate Committee's inquiry prior to the commencement of her interview.

25. During her October 7, 2005 Senate interview, in an effort to conceal her role as a conduit for information between Abramoff and Griles while Griles served as DOI Deputy Secretary, FEDERICI did not testify fully and truthfully when questioned by Senate investigators. Instead, by way of example, when asked the following questions, and after being shown relevant e-mail messages, FEDERICI gave the following answers, knowing the underscored declarations to be materially false statements about the extent of the communications involving her, Abramoff, and Griles:

Q: With this e[-]mail in front of you, Italia [Federici], does this refresh your recollection about any conversations you may have had with Mr. Abramoff . . . during the period, about [the Tribal School Construction Demonstration Program (a/k/a School Cost Share Program)]?

A: No. No, and to the best of my recollection I really didn't have a lot of contact with Jack about this. This, I had no contact with him as far as I can recall about . . . .

\* \* \*

Q: To what extent are you aware or were you aware of any direct communications that Mr. Abramoff had with Mr. Griles about his clients [, the Saginaw Chippewa Indian Tribe (of Michigan), in connection with the School Cost Share Program]?

A: I am not aware.

\* \* \*



Q: . . . . Perhaps we can talk about a couple of other projects and with your best recollection if you [re]call tell me what Jack [Abramoff] told you about it, whether or not he'd asked you, to what extent [t] he asked you to talk to Mr. Griles about it and what, if anything, Mr. Griles did.

A: About what?

Q: About other projects regarding the Saginaw[]Chippewa. In particular, the Gun Lake Band of the Potowatomie?

A: I have no idea. To the best of my recollection, I never talked to Steve [Griles] about that . . . .

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26. On November 17, 2005, FEDERICI testified in public hearings held before the Senate Committee in furtherance of the Senate Investigation. The then-Chairman and Vice Chairman of the Committee presided. Among other things, these Senators questioned FEDERICI about the extent of the communications involving her, Abramoff, and Griles while Griles served as DOI Deputy Secretary. The Senators also questioned Federici about CREA's financial operations and business practices.

27. During her November 17, 2005 Senate testimony, in a further effort to conceal her role as a conduit for information between Abramoff and Griles while Griles served as DOI Deputy Secretary, FEDERICI did not testify fully and truthfully when questioned by the Senators. Instead, by way of example, when asked the following questions, and after being shown relevant e-mail messages, FEDERICI gave the following answers, knowing the underscored declarations to be materially false statements about the extent of the communication involving her, Abramoff, and Griles:

Q: Did you ever provide documents to Mr. Griles that you received from Mr. Abramoff or his associates?

A: I cannot recall having given Mr. Griles documents. I mean, I might have shown him a newspaper article or something like that . . . .

Q: But you do not recall if you ever provided any documents that were given to you by Mr. Abramoff or his associates to Mr. Griles?

A: I recall newspaper articles, Senator. . . .

Q: All that you did was provide newspaper articles, nothing more?

A: Not that I can recall. . . .

28. The underscored declarations identified above in Paragraphs 25 and 27 were not true, as FEDERICI then and there well knew, for the reasons stated in Paragraphs 7 and 8. These underscored declarations were material to the October 7, 2005 Senate interview, the November 17, 2005 Senate hearing, and the ongoing Senate investigation into Abramoff and others in that it was material that the Senators and Senate investigators who questioned FEDERICI learned the truth about the extent to which FEDERICI, Abramoff, and Griles communicated about DOI-related matters while Griles served as DOI Deputy Secretary.

29. FEDERICI admits that the materially false and misleading statements and testimony described herein may have or had the effect of, or were capable of, influencing the Senate Committee's assessment of Griles' credibility overall and the following conclusions drawn by the Senate Committee in its September 5, 2006 Final Report:

Based on the information in its possession, the Committee cannot definitively conclude what, if anything, Griles did to assist Abramoff's clients on matters then pending at Interior. In its totality, the information described above supports relatively modest propositions, namely, that Abramoff believed that he had influence over Griles, either directly or through Federici; that Abramoff told others that he had a robust relationship with Griles or had some influence

over decision-making at Interior; and that it was likely on that basis that he may have directed his Tribal clients to “contribute” to CREA. However, it must be carefully said that, without more evidence, it is plausible that, in fact relying on his relationship with Federici, Abramoff may have simply exaggerated his access to Griles to his clients.

In any event, given the paucity of evidence in the Committee’s possession, the Committee is unable to arrive at any definitive conclusions as to the veracity of Griles’ testimony on his relationship, and interaction, with Abramoff during all times relevant. And, without a good faith basis for concern that Griles may have been untruthful with the Committee, further exploration is beyond the scope of the investigation. . . .

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. . . Unfortunately, the extent to which Federici actually sought to influence Interior on pending matters affecting Abramoff’s clients remains unclear. Also unclear is what, if anything, Griles (who Abramoff believed was Federici’s contact at Interior) might have done on behalf of Abramoff’s clients at Interior and (if Griles did anything) what his motives for doing so might have been.


“Gimme Five” – Investigation of Tribal Lobbying Matters, S. Rep. No. 109-325, at 244-45 (2006) (Final Report Before the United States Senate Committee on Indian Affairs (emphasis in original). Federici also admits that had she been truthful in her October 7, 2005 Senate interview and her November 17, 2005 Senate testimony, the Committee may have explored further and found that Griles was untruthful and that Abramoff was, in fact, lobbying Griles through Federici.

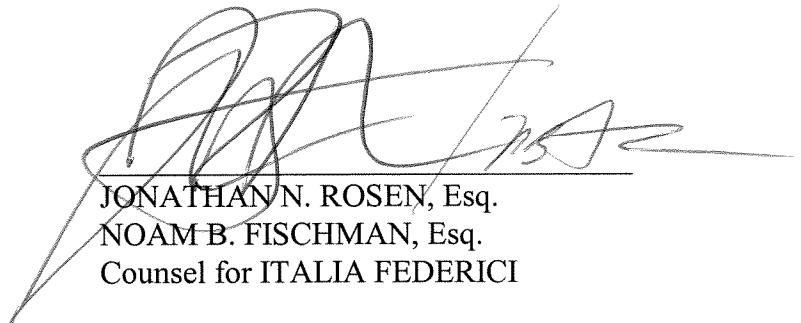
The preceding statement is a summary, made for the purpose of providing the Court with a factual basis for my guilty plea to the charges filed in the criminal Information against me. I am competent to make this statement and I do so knowingly and voluntarily and because I am in fact guilty of the crimes charged. I have discussed this factual basis with my attorneys, and

I understand that this statement is admissible as evidence against me if I fail to comply with the plea agreement.

Dated: June 5<sup>th</sup>, 2007

FOR ITALIA FEDERICI:

  
ITALIA FEDERICI  
Defendant

  
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