

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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 UNITED STATES OF AMERICA, : 18-CR-204(NGG)
 :
 -against- : United States Courthouse
 : Brooklyn, New York
 :
 LAUREN SALZMAN, : Monday, March 25, 2019
 : 4:00 p.m.
 Defendant. :
 :
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TRANSCRIPT OF CRIMINAL CAUSE FOR GUILTY PLEA
BEFORE THE HONORABLE NICHOLAS G. GARAUFI
UNITED STATES SENIOR DISTRICT JUDGE

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

For the Government: RICHARD P. DONOGHUE, ESQ.
 United States Attorney
 Eastern District of New York
 271 Cadman Plaza East
 Brooklyn, New York 11201
 BY: MOIRA KIM PENZA, ESQ.
 TANYA HAJJAR, ESQ.
 Assistant United States Attorneys

For the Defendant: QUARLES & BRADY, LLP
 Attorneys for the Defendant -
 Lauren Salzman
 Two North Central Avenue
 Phoenix, Arizona 85004
 BY: HECTOR DIAZ, ESQ.
 ANDREA S. TAZIOLI, ESQ.

Court Reporter: Anthony D. Frisolone, FAPR, RDR, CRR, CRI
Official Court Reporter
Telephone: (718) 613-2487
Facsimile: (718) 613-2694
E-mail: Anthony_Frisolone@nyed.uscourts.gov

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1 (In open court.)

2 (Defendant present in open court.)

3 COURTRROOM DEPUTY: All rise. The United States
4 District Court for the Eastern District of New York is now in
5 session. The Honorable Nicholas G. Garaufis is now presiding.

6 (Honorable Nicholas G. Garaufis takes the bench.)

7 COURTRROOM DEPUTY: Calling criminal cause for guilty
8 plea in Docket No. 18-CR-204, *United States of America against*
9 *Lauren Salzman*.

10 Counsel, please note your appearances for the
11 record.

12 MS. PENZA: For the United States of America,
13 Assistant United States Attorney Moira Kim Penza and Tanya
14 Hajjar.

15 Good morning, your Honor.

16 MR. DIAZ: Hector Diaz for Lauren Salzman.

17 Good morning, your Honor.

18 THE COURT: Before we start with this, let me advise
19 the Government that the Court has filed on ECF a decision
20 regarding holding a suppression hearing. We also have an
21 issue with regard to counsel for Ms. Bronfman. We have to
22 have a status conference Wednesday.

23 MS. PENZA: Yes, your Honor.

24 THE COURT: In connection with Ms. Bronfman, please
25 contact Ms. Bronfman's counsel so that we can set this all up.

1 We don't have time to waste here.

2 MS. PENZA: We understand, your Honor.

3 THE COURT: Okay. Sorry to interrupt. The reason
4 we're all here today --

5 MR. DIAZ: Good afternoon, your Honor.

6 THE COURT: Appearances, please.

7 MS. HAJJAR: Tanya Hajjar and Moira Kim Penza for
8 the Government.

9 MR. DIAZ: Hector Diaz and Andrea Tazioli for
10 Ms. Salzman.

11 THE COURT: Mr. Diaz, I understand that your client
12 wishes to withdraw her previously entered pleas to Counts One
13 and Two of the indictment in which she is charged, and to
14 enter a plea of guilty pursuant to an agreement; is that
15 right?

16 MR. DIAZ: That's correct, your Honor.

17 THE COURT: Ms. Salzman, I understand from your
18 attorney that you wish to plead guilty to Counts One and Two
19 of the indictment of the superseding indictment (S-2) in
20 18-CR-204 which you are charged.

21 This is a serious decision and I must be certain
22 that you make it with a full understanding of your rights and
23 the consequences of your plea. I am going to explain certain
24 rights to you and then ask you questions. I want your answers
25 to be under oath. The deputy clerk will swear you in.

1 COURTROOM DEPUTY: Raise your right hand, please.
2 (Defendant sworn.)

3 THE DEFENDANT: I do.

4 COURTROOM DEPUTY: Thank you.

5 THE COURT: Okay. Thank you.

6 Now, Ms. Salzman, you understand that having been
7 sworn to tell the truth you must do so. If you were to
8 deliberately lie in response to any question I ask you, you
9 could face further criminal charges for perjury.

10 Do you understand that?

11 THE DEFENDANT: Yes, I do, your Honor.

12 THE COURT: Okay. If I say anything that you do not
13 understand, or if you need me to repeat anything, just ask.
14 It is important that you understand everything that goes on
15 into these proceedings.

16 Is that clear?

17 THE DEFENDANT: Yes.

18 THE COURT: Okay. Ms. Salzman, how old are you?

19 THE DEFENDANT: 42.

20 THE COURT: How far did you go in school?

21 THE DEFENDANT: I have a Bachelor of Arts Degree.

22 THE COURT: Where did you go to school?

23 THE DEFENDANT: SUNY Oswego.

24 THE COURT: Okay. And what country are you a
25 citizen?

1 THE DEFENDANT: The United States.

2 THE COURT: And is English your primary language?

3 THE DEFENDANT: It is, yes.

4 THE COURT: Mr. Diaz, have you had any difficulty
5 communicating with your client in English?

6 MR. DIAZ: None, your Honor.

7 THE COURT: All right. Ms. Salzman, I must be
8 certain that whatever decision you make today you make with a
9 clear head, so I'm going to ask you some questions about your
10 health.

11 Are you currently, or have you recently been, under
12 the care of a doctor or psychiatrist for any reason?

13 THE DEFENDANT: No, sir.

14 THE COURT: In the past 24 hours, have you taken any
15 pills or drugs or medicine of any kind?

16 THE DEFENDANT: I have not.

17 THE COURT: In the past 24 hours, have you drunk any
18 alcoholic beverages?

19 THE DEFENDANT: I had one glass of wine almost
20 24 hours ago.

21 THE COURT: Have you ever been hospitalized or
22 treated for any drug-related problem?

23 THE DEFENDANT: I have not.

24 THE COURT: Is your mind clear as you stand here
25 today?

1 THE DEFENDANT: Yes, it is.

2 THE COURT: And do you understand everything being
3 said to you?

4 THE DEFENDANT: Yes, I do.

5 THE COURT: All right.

6 Mr. Diaz, have you discussed the question of a
7 guilty plea with your client?

8 MR. DIAZ: We have, your Honor.

9 THE COURT: All right. In your view, does she
10 understand the rights she would be waiving by pleading guilty?

11 MR. DIAZ: She absolutely does, your Honor.

12 THE COURT: Do you have any question as to your
13 client's competency to proceed?

14 MR. DIAZ: I have none.

15 THE COURT: All right.

16 Ms. Salzman, you have a right to be represented by
17 counsel at trial and at every other stage of the proceedings
18 in this case.

19 Do you understand?

20 THE DEFENDANT: Yes, I do.

21 THE COURT: If at any time in the future it becomes
22 necessary to do so, the Court will appoint counsel for you.

23 Do you understand that?

24 THE DEFENDANT: Yes, I do.

25 THE COURT: Ms. Salzman, are you are satisfied with

1 the assistance your attorneys have you given you thus far in
2 this matter?

3 THE DEFENDANT: Yes, I am.

4 THE COURT: Do you feel you need any more time to
5 discuss with them the question of a guilty plea?

6 THE DEFENDANT: No thank you.

7 THE COURT: Okay. Now, you are pleading guilty to
8 Counts One and Two of the indictment, superseding indictment
9 (S-2), in 18-CR-204.

10 Count One charges you with a racketeering conspiracy
11 and Count Two charges you with racketeering. What I'm going
12 to do is I'm going to ask the Government to set forth the
13 charge in Count One as it relates to this defendant and to
14 provide the defendant with the elements of the crime that the
15 Government would have to prove to a jury beyond a reasonable
16 doubt and unanimously in order to convict her if she decided
17 to go to trial.

18 So why don't we hear from the Government on that.
19 Please listen carefully, ma'am.

20 MS. HAJJAR: Yes, your Honor.

21 For Counts One and Two, that's racketeering
22 conspiracy and racketeering, the Government would prove as set
23 forth in the second superseding indictment that in or about
24 and between 2003 and March 2018, in the Eastern District of
25 New York and elsewhere:

1 First, that an enterprise existed. And for this
2 element, the Government would prove that the enterprise was a
3 group of individuals associated-in-fact and was an ongoing
4 organization that operated in the Eastern District of New York
5 and elsewhere. Whose members functioned as a continuing unit
6 for the common purpose of achieving the objectives of the
7 enterprise which included obtaining financial and personal
8 benefits from members of the enterprise by promoting Keith
9 Ranieri and recruiting others into pyramid organizations he
10 created as alleged in the second superseding indictment.

11 The second element is that the enterprise or its
12 activities affected interstate or foreign commerce. And here,
13 the Government would prove that the enterprise engaged in
14 various types of conduct that affected enterprise and foreign
15 commerce including offering classes to individuals in
16 Brooklyn, Queens, other states and outside the United States
17 that promoted Ranieri's teachings and recruiting individuals
18 who traveled in interstate commerce to reach Albany, New York
19 including through JFK International Airport in Queens as
20 described in the second superseding indictment.

21 Third, that the defendant was associated with or
22 employed by that enterprise. And for this element, the
23 Government would prove the defendant was a member of the
24 charged enterprise.

25 And finally, that the defendant agreed to

1 participate, and did participate, in the enterprise through a
2 pattern of racketeering activity with the knowledge and intent
3 that she and other co-conspirators would commit at least two
4 predicate acts in furtherance of the enterprise.

5 Among other things, the defendant agreed to commit
6 and committed Racketeering Acts 9, Racketeering 10, and 13 of
7 the second superseding indictment which we anticipate the
8 defendant will allocute to today.

9 In addition, to the elements that I have already set
10 forth, the Government would prove the elements in each of
11 those racketeering acts.

12 With respect to Racketeering Act 9, trafficking in
13 document servitude of Jane Doe 4. The Government would prove
14 that in or about and between March 2010 and April 2012, in the
15 Northern District of New York and elsewhere, the defendant did
16 knowingly recruit, harbor, transport, provide, or obtain a
17 person for labor and services and aid and abet the same; and
18 that such labor and services were to be obtained in violation
19 of 18 U.S.C. 1589 and 18 U.S.C. 1592. That's forced labor and
20 document servitude.

21 Here, the Government will prove the defendant
22 knowingly participated in a scheme to confine Jane Doe 4 to a
23 room in order for, among other reasons, to require her to
24 perform labor and services including book reports and various
25 writings for Keith Ranieri knowing that Jane Doe 4 was

1 instructed that if she left the room she would be taken to
2 Mexico without her consent.

3 With respect to Racketeering Act 10, state law
4 extortion, the Government would prove that in or about and
5 between January 2016 and June 2017, in the Northern District
6 of New York and elsewhere, the defendant compelled and induced
7 Jane Does 6 and 10 to deliver personal property by instilling
8 in them a fear that if the property were not so delivered, one
9 or more persons would expose secret or publicize an asserted
10 fact whether true or false tending to subject some person to
11 hatred, contempt, or ridicule and perform an act which would
12 not in itself materially benefit the defendant but which was
13 calculated to harm other persons materially with respect to
14 their health, safety, business, calling, career, financial
15 condition, reputation, and personal relationships.

16 And here, the Government would prove the defendant
17 obtained property, include sexually explicit photographs and
18 videos, credit card authorizations, and rights to assets from
19 her lower-ranked DOS slaves including Jane Does 6 and 11.
20 Having instilled in them the fear that if they did not, she
21 and others would release their collateral thereby exposing
22 secrets about themselves and loved ones whether true or false
23 tending to subject them to hatred, contempt, or ridicule or
24 harm them materially with respect to, among other things,
25 their reputation and personal relationships.

1 With respect to Racketeering Act 13, the Government
2 would prove that in or about and between January 2016 and June
3 2017, in the Northern District of New York and elsewhere, the
4 defendant provided or obtained the labor and services of Jane
5 Doe 6 and 11 by means of serious harm or threats of serious
6 harm to those persons or other persons by means of any scheme,
7 plan, or pattern intended to cause Jane Does 6 and 11 to
8 believe that if they did not perform such labor and services,
9 they would suffer serious harm.

10 And here, the Government would prove the defendant
11 required those lower-ranking DOS slaves including Jane Does 6
12 and 11 to perform labor and services including tasks that
13 would otherwise be compensable under theft serious harm
14 including the release of their collateral.

15 And lastly, the Government would prove that in or
16 about and between January 2016 and June 2017, within the
17 Eastern District of New York and elsewhere, that there was a
18 scheme or artifice to defraud and to obtain money and property
19 from lower-ranking DOS members by materially false and
20 fraudulent pretenses, representations, and promises; that the
21 defendant knowingly and willfully participated in the scheme
22 or artifice to defraud with knowledge of its fraudulent nature
23 and with specific intent to defraud. And that in the
24 execution of the scheme, the defendant used or caused to be
25 used the interstate wires, or caused the use of the interstate

1 wires.

2 And here, the Government would prove the defendant
3 received property and other things of value from lower-ranking
4 DOS members by falsely representing that DOS was an
5 organization comprised of women and by deliberately concealing
6 Keith Ranieri's role in DOS and that the scheme involved the
7 sending of electronic messages.

8 THE COURT: So, Ms. Salzman, do you understand the
9 charges in Counts One and Two of the racketeering conspiracy
10 in Count One and racketeering in Count Two as they apply to
11 you in this indictment?

12 THE DEFENDANT: Yes, I do.

13 THE COURT: Okay. And do you understand the
14 elements of the crimes that the Government would have to prove
15 to a jury beyond a reasonable doubt and unanimously if you
16 decided to go to trial in order to convict you of these
17 crimes?

18 THE DEFENDANT: Yes, I do.

19 THE COURT: Okay. Anything else?

20 MR. DIAZ: No, your Honor.

21 THE COURT: So, at this point, I'm going to go over
22 your rights. I'm sure that your attorneys have gone over your
23 rights with you, but I'm going to go over them as well.

24 You have a right to plead not guilty to these
25 charges. No one can be forced to plead guilty.

1 Do you understand that?

2 THE DEFENDANT: Yes, I do.

3 THE COURT: If you do plead not guilty to these
4 charges, or persist in your plea of not guilty, you have a
5 right under the constitution and laws of the United States to
6 a speedy and public trial before a jury with the assistance of
7 your attorneys.

8 Do you understand that?

9 THE DEFENDANT: Yes, I do.

10 THE COURT: At any trial, you would be presumed to
11 be innocent. You would not have to prove that you were
12 innocent. This is because under our system law, it is the
13 Government that must come forward with proof that establishes
14 beyond a reasonable doubt that you were guilty of the crimes
15 charged. If the Government failed to meet this burden of
16 proof, the jury would have a duty to find you not guilty.

17 Do you understand that?

18 THE DEFENDANT: Yes, I do.

19 THE COURT: In the course of a trial, witnesses for
20 the Government would have to come here to court and testify in
21 your presence. Your attorneys would have the right to
22 cross-examine these witnesses. They could raise legal
23 objections to evidence the Government sought to offer against
24 you. They could offer evidence on your behalf and compel
25 witnesses to come to court and testify if you or your

1 attorneys thought there was evidence that might help you in
2 this case.

3 Do you understand that?

4 THE DEFENDANT: Yes, I do.

5 THE COURT: At a trial, you would have the right to
6 testify in your own behalf if you wished to do so. On the
7 other hand, you could not be forced to be a witness at your
8 trial. This is because under the constitution and laws of the
9 United States, no person can be compelled to be a witness
10 against yourself. If you wish to go to trial, or chose not to
11 testify, I would instruct the jury that they could not hold
12 that against you.

13 Do you understand that?

14 THE DEFENDANT: Yes, I do.

15 THE COURT: If instead of going to trial you plead
16 guilty to the crimes charged, and if I accept your pleas of
17 guilty, you will be giving up your right to a trial and all
18 the other rights I've just discussed. There will be no trial
19 in this case as far as you are concerned. There will be no
20 appeal on the question of whether you did or did not commit
21 these crimes. The only reason that you could appeal if you
22 thought I did not properly follow the law in sentencing you.
23 Otherwise, I will simply enter a judgment of guilty based on
24 your plea of guilty.

25 Do you understand that?

1 THE DEFENDANT: Yes, I do.

2 THE COURT: If you do plead guilty, I would have to
3 ask you questions about what you did in order to satisfy
4 myself that you were guilty of these charges. You'll have to
5 answer my questions and acknowledge your guilty and if you do
6 this, you will be giving up your right not to incriminate
7 yourself.

8 Do you understand that?

9 THE DEFENDANT: Yes, I do.

10 THE COURT: Okay. Ms. Salzman, are you willing to
11 give up your right to a trial and all the other rights that
12 I've just discussed with you?

13 THE DEFENDANT: Yes, your Honor, I am.

14 THE COURT: Okay. Now, I have in front of me a
15 [REDACTED] agreement in the United States District Court
16 Eastern District of New York. The case of United States of
17 America against Lauren Salzman, 18-CR-204 (S-2). It is marked
18 as Court Exhibit Number 1 dated today March 25, 2019. The
19 agreement consists of ten pages plus a one-page Exhibit A
20 attached to it.

21 And I just want you to initial when I give this to
22 initial as everyone should initial Exhibit A as well, all
23 right? But I'm going to hand this document to you and ask you
24 some questions. Just initial the exhibit.

25 THE DEFENDANT: (Initialing).

1 THE COURT: At the bottom.

2 Ms. Salzman, have you read this agreement?

3 THE DEFENDANT: Yes, I have.

4 THE COURT: Have you discussed it with your
5 attorneys?

6 THE DEFENDANT: Yes.

7 THE COURT: Have they answered any and all questions
8 that you had about it?

9 THE DEFENDANT: Yes, they have.

10 THE COURT: Do you understand your rights and your
11 obligations under this agreement?

12 THE DEFENDANT: I believe I do, yes.

13 THE COURT: Okay. Turn to Page 10 which is the last
14 page of the agreement.

15 Now, is that your signature by your name.

16 THE DEFENDANT: Yes, it is.

17 THE COURT: (Signing) it today?

18 THE DEFENDANT: Yes, I did.

19 THE COURT: Counsel has also executed the agreement?

20 MR. DIAZ: I have, your Honor.

21 THE COURT: And as has the Government?

22 MS. HAJJAR: Yes, your Honor.

23 THE COURT: Please return the agreement to me.

24 I have an important question for you, ma'am. Is
25 there any other promise that's been made to you to get you to

1 plead guilty that is not contained in this agreement?

2 THE DEFENDANT: No, sir.

3 THE COURT: I'm going to go over the statutory
4 penalties associated with pleading guilty to Counts One and
5 Two, racketeering conspiracy and racketeering. And they're
6 set forth in Paragraph 1 on Page 2 of the agreement. Maximum
7 term of imprisonment is 20 years. There is no minimum term of
8 imprisonment.

9 The maximum supervised release term is three years
10 which would follow any term of imprisonment. If a condition
11 of release is violated, you could be sentenced to up to two
12 years in jail without credit for the time you previously
13 served in jail or the time you previously served on supervised
14 release.

15 The maximum fine is the greater of \$250,000 or twice
16 the gross profits or other proceedings of the enterprise.

17 Restitution is mandatory in the full amount of each
18 victim's losses as determined by the Court.

19 There is a \$100 special assessment for each of the
20 two counts which is a total of \$200.

21 And you're also subject to criminal forfeiture as
22 set forth elsewhere in the agreement in Paragraphs 8 through
23 13.

24 In addition, the sentence imposed on each count may
25 run consecutively, that is, one after the other.

1 So do you understand the statutory penalties
2 associated with pleading guilty to these two crimes?

3 THE DEFENDANT: Yes, I do.

4 THE COURT: Okay. Mr. Diaz, have you discussed the
5 sentencing process with your client?

6 MR. DIAZ: I have, your Honor.

7 THE COURT: And, in your view, does your client
8 understand how sentencing would work in her case basically?

9 MR. DIAZ: Basically, your Honor, she does.

10 THE COURT: Okay. Ms. Salzman, have you had a
11 discussion with your attorneys about sentencing?

12 THE DEFENDANT: Yes, I have.

13 THE COURT: Are you satisfied that you have a basic
14 understanding about how sentencing would work in your case?

15 THE DEFENDANT: Yes, I am.

16 THE COURT: Well, I'm going to discuss it with you
17 as well as I'm required to.

18 THE DEFENDANT: Thank you.

19 THE COURT: In sentencing you, I'm required to take
20 into consideration a number of things about you and about the
21 crimes to which you are pleading guilty.

22 Oh, by the way, if at any time I discuss this with
23 you, you wish to stop and talk to your attorneys about
24 something you might not understand that I'm telling you, just
25 let me know.

1 THE DEFENDANT: Great. Thank you.

2 THE COURT: We have plenty of time here.

3 So when I do that, I will be directed to a guideline
4 that will provide a sentencing range. I'm not required to
5 sentence you within the range provided by the guideline, but I
6 am required to carefully consider the guideline
7 recommendation, among other things, in deciding what would
8 constitute a reasonable sentence in your case.

9 It is my experience that a sentence within the
10 guideline range is often reasonable and appropriate but this
11 is not always the case. In determining an appropriate
12 sentence for your case, I will consider possible departures
13 from that range under the sentencing guidelines as well as
14 other statutory sentencing factors. I may ultimately decide
15 to impose a sentence that is more lenient or more severe than
16 the one recommended by the guidelines. If I do so, I will
17 explain the reasons for the sentence that I have selected.

18 Do you understand that?

19 THE DEFENDANT: Yes, I do.

20 THE COURT: It is important to understand that no
21 one knows today what your exact guidelines range will be. [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED] [REDACTED]

25 [REDACTED]

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[REDACTED]

THE COURT: Okay. Before I impose sentence, I will receive a report prepared by the probation department which will calculate a particular guideline range. You and your attorneys will have the opportunity to see that report. If you think it is mistaken or incomplete in any way, you'll have the opportunity to bring that to my attention. You must understand that no one can make a promise to you as to the sentence I will impose.

Your attorneys or the prosecutor may have made predictions to you and may make recommendations to the Court concerning the sentence I should impose and I will listen carefully to whatever they say. But you must clearly understand that the final responsibility for sentencing you is mine alone. While I might view this case identically to the attorneys, I may also view this case differently.

If so, I may not impose sentence they have predicted or recommended. Even if I sentence you differently from what the attorneys or anyone else has estimate order predicted, you would still be bound by your guilty pleas and you will not be

1 allowed to withdraw them.

2 Do you understand?

3 THE DEFENDANT: Yes, your Honor.

4 THE COURT: If after I impose sentence, you or your
5 attorneys think I have not properly the followed the law in
6 essential you, you can appeal your sentence to the
7 United States Court of Appeals for the Second Circuit.

8 Do you understand that?

9 THE DEFENDANT: Yes, your Honor.

10 THE COURT: Okay. Anything else on sentencing from
11 the Government?

12 MS. HAJJAR: No, your Honor. Thank you.

13 THE COURT: From the defense?

14 MR. DIAZ: No, your Honor.

15 THE COURT: Okay. Do you have any questions you
16 would like to ask me with the charges, your rights, or
17 anything else related to this matter that might not be clear?

18 THE DEFENDANT: No thank you.

19 THE COURT: Mr. Diaz, is there anything you would
20 like me to discuss with your client in further detail before I
21 proceed to formal allocution?

22 MR. DIAZ: None, your Honor.

23 THE COURT: Do you know of any reason why your
24 client should not enter a plea of guilty to these two charges?

25 MR. DIAZ: I do not.

1 THE COURT: Are you aware any viable legal defense
2 to the charges?

3 MR. DIAZ: I am not, your Honor.

4 THE COURT: Okay. Ms. Salzman, are you ready to
5 plead?

6 THE DEFENDANT: I am.

7 THE COURT: How do you plead to the charge contained
8 in Count One of the superseding indictment (S-2) charging with
9 you racketeering procedure guilty or not guilty?

10 THE DEFENDANT: I plead guilty.

11 THE COURT: How do you plead to the charge contained
12 as Count Two of the superseding indictment charging you with
13 racketeering, guilty or not guilty?

14 THE DEFENDANT: I plead guilty.

15 THE COURT: Are you pleading guilty voluntarily and
16 of your own free will?

17 THE DEFENDANT: Yes, your Honor I am.

18 THE COURT: Had gone anyone threatened or forced you
19 to you plead guilty?

20 THE DEFENDANT: No, sir.

21 THE COURT: Other than the agreement with the
22 Government, has anyone made you a promise that caused you to
23 plead guilty?

24 THE DEFENDANT: No, sir.

25 THE COURT: Has anyone made you a promise about the

1 sentence that you will receive?

2 THE DEFENDANT: No.

3 THE COURT: So, at this time, I would like you to
4 tell me in your own words what you did to commit these crimes.
5 If you're reading from a prepared statement, please do so
6 slowly.

7 I take it the statement is the statement that you
8 prepared in consultation with your attorneys; correct?

9 THE DEFENDANT: Yes, correct.

10 THE COURT: Okay. So just read slowly so that we
11 can get it all down. And if the Court has any additional
12 questions, or if the Government asks that I ask you additional
13 questions, we can do so at the end of your prepared
14 conclusion.

15 MR. DIAZ: Your Honor, if I might?

16 Just in terms of her statement, we're also
17 stipulating to the Government's statement in terms of the
18 enterprise. Her allocution is going to touch on it, but I
19 think we stipulated to the statement that was put on the
20 record.

21 THE COURT: The existence of the enterprise --

22 MR. DIAZ: The existence of the enterprise yes, your
23 Honor.

24 THE COURT: -- in which she was a member and
25 participant?

1 MR. DIAZ: Correct.

2 THE COURT: Is that satisfactory?

3 MS. HAJJAR: Yes, your Honor.

4 THE COURT: Okay. All right. I'm accepting that as
5 part of -- is that right, ma'am?

6 THE DEFENDANT: Yes, correct.

7 THE COURT: You have to say yes.

8 So I'm accepting that portion of your allocution
9 based upon the description of the enterprise and your
10 involvement in the enterprise as a member and participant. So
11 that part of your allocution is taken care of so let's move on
12 to the specifics all right.

13 Go ahead. Slowly.

14 THE DEFENDANT: I am pleading guilty today after a
15 careful and thorough review of the criminal allegations
16 against me. The conclusion of this review was acknowledging
17 that I committed acts which I knew or should have known were
18 absolutely wrong.

19 Over the years, through my association with Nexium,
20 I formed many relationships with members of this organization.
21 Through these associations, I truly believed that I was
22 helping to empower people to live their left lives.

23 However, I and others engaged in criminal conduct,
24 which I blindly followed and rationalized as furthering the
25 underlying principles in which Nexium was formed. This

1 rationalization led to my agreement to associate with an
2 enterprise of individuals as alleged in the second superseding
3 indictment.

4 The common purpose of the enterprise included
5 obtaining financial and personal benefits for its members for
6 members of the enterprise including myself by furthering and
7 promoting the objectives of Keith Ranieri and recruiting
8 others into organizations created by Keith Ranieri.

9 Between 1999 and 2017, I was aware of and
10 participated in some of the criminal objectives of the
11 enterprise and I conspired and agreed that others who were
12 also part of our conspiracy would commit at least two acts of
13 racketeering in furtherance of this enterprise.

14 Between 1999 and 2017, I also knowingly and
15 intentionally conducted and participated directly and
16 indirectly in the conduct of the enterprise through a pattern
17 of racketeering acts which affect interstate and foreign
18 commerce.

19 Specifically, I committed the following acts.

20 On or about March 2010 through April 2012, I
21 knowingly and intentionally harbored Jane Doe 4, a woman whose
22 identity is known to me, in a room in the home in the Northern
23 District of New York and threatened to deport Jane Doe 4 back
24 to Mexico if she did not complete labor requested by myself
25 and others.

1 On or about January 2017 through June 2017, within
2 the Northern District of New York and elsewhere, I was a
3 member of a secret organization developed by Nexium members
4 that has been identified in the indictment as DOS.

5 Pursuant to my association in DOS, I knowingly and
6 intentionally took and withheld property from Jane Doe 6 and
7 Jane Doe 11, two women who are known to me and who were
8 enrolled as lower-ranking DOS members.

9 This property was referred to by members in DOS as
10 "collateral" which consisted of material or information that
11 belonged to these lower-ranking DOS members and which such
12 lower-ranking DOS members would not want revealed because it
13 could be personally damaging or ruinous.

14 I induced Jane Doe 6 and Jane Doe 11 to deliver this
15 collateral to me by instilling them a fear that if the
16 property was not delivered, I could expose this collateral
17 which could have been embarrassing and personally damaging to
18 themselves or others if released.

19 From January 2017 to June 2017, within the Northern
20 District of New York and elsewhere, I knowingly and
21 intentionally obtained the labor and services in the form of
22 acts of care from Jane Doe 6 and Jane Doe 11 who were
23 lower-ranking DOS members.

24 Acts of care included having these women perform
25 services for me that would have otherwise been compensable. I

1 obtained these labor and services from Jane Doe 6 and Jane Doe
2 11 by causing them to believe that if they did not perform
3 requested acts of care, then they could suffer serious harm.
4 The serious harm in this case would be the threat of the
5 release of their collateral.

6 From January 2017 to June 2017, within the Eastern
7 District of New York and elsewhere, I knowingly and
8 intentionally worked with others and devised a scheme to make
9 materially false representations and omissions regarding DOS
10 in order to obtain property from lower-ranking DOS members.
11 Specifically, I concealed Keith Ranieri's role as the head of
12 DOS and characterized DOS as a women's organization knowing
13 that Keith Ranieri was the head of this organization.

14 The property obtained which was considered
15 collateral included credit card authorizations, sexually
16 explicit photos and videos, and rights to assets and property.
17 Such property was transmitted in interstate and foreign
18 commerce via e-mail, telephone, text messages and telegram.

19 Your Honor, in light of reviewing all the discovery
20 and having many months to reflect, I came to the conclusion
21 that the most moral and the most just course of action for me
22 was to take full responsibility for my conduct and that is why
23 I am plead guilty today and I'm very sorry far my poor
24 decision-making and decisions that result in the harm to
25 others and not the just victims in this case but to hundreds

1 of members of our community and their friends and families as
2 well.

3 THE COURT: Thank you very much. Are there other
4 questions for the defendant?

5 MS. HAJJAR: No, your Honor. Thank you.

6 THE COURT: Anything else?

7 MR. DIAZ: No, your Honor. Thank you.

8 THE COURT: All right. Ms. Salzman, I find you were
9 acting voluntarily. That you fully understand rights and
10 consequences of your pleas. There is, moreover, a factual
11 basis for your pleas. I, therefore, accept your pleas of
12 guilty to Counts One and Two of the second superseding
13 indictment.

14 I'm going to set a sentencing date for Wednesday,
15 September 11, 2019, at 11:00 a.m. You're going to be contacted
16 by a probation officer eventually for a presentence interview.
17 Your attorneys will want to be present for that interview.
18 The purpose of this interview is for the probation officer to
19 prepare a presentence investigation report of which we'll
20 memorialize your background, your education, your family
21 background, your health, and other details that the Court will
22 want to know about at the time of your sentencing. And please
23 assist the probation officer with the information.

24 In addition, once you have the presentence report,
25 you and your attorneys will have the opportunity to review it.

1 If there's anything in the report that's erroneous, or if
2 there is anything about you that I should know about that
3 isn't found in the report, your attorneys will provide that
4 information and any corrections will provide that in writing
5 to the probation officer to the Government and to the Court.

6 When you come to court, I will have read all the
7 materials. Your attorneys will have an opportunity to make a
8 submission. The Government will have an opportunity to make a
9 submission. And then, at the sentencing, you will have the
10 opportunity along with your attorneys and the Government to
11 speak to the Court.

12 If, for any reason, you remember something at the
13 last minute that you think would be important for me to know
14 at sentencing please tell your attorneys first before you tell
15 me.

16 All right?

17 THE DEFENDANT: Thank you.

18 THE COURT: And I'm going to give the agreement to
19 the Government and request a photostatic copy for the Court.

20 MS. HAJJAR: Yes, your Honor.

21 THE COURT: And now it may be that the sentencing
22 will not take place at exactly that time, but I need to set
23 down a marker so we know that we have a date and that we may
24 decide after you consult with both sides that the date should
25 be changed. You'll let me know about that as well, okay?

1 Is there anything else from the Government for
2 today?

3 MS. HAJJAR: Not from the Government.

4 THE COURT: From the defense?

5 MR. DIAZ: Not from the defense.

6 MS. TAZIOLI: Your Honor, we move to seal the
7 proceedings today.

8 THE COURT: Sure. You may move. Are you moving?

9 MS. TAZIOLI: I am moving, yes. Thank you, your
10 Honor.

11 THE COURT: All right. Motion is granted.

12 MR. DIAZ: There was something else, I apologize.

13 THE COURT: I'm just wondering if there was anything
14 else because.

15 MS. HAJJAR: Your Honor, we'll provide the Court --
16 we can provide a redacted copy of today's transcript.

17 THE COURT: If you're required to provide the
18 transcript in connection with the discovery rights of anyone
19 else involved in this case, you're at liberty to do so.

20 MS. HAJJAR: Thank you, your Honor.

21 THE COURT: Notwithstanding that I've sealed the
22 transcript.

23 MS. HAJJAR: Thank you, your Honor.

24 THE COURT: All right. But this proceeding took
25 place in open court as you know. So I just want you to

1 understand that it took place in open court. I couldn't close
2 the courtroom for there unless there was a motion made and we
3 conducted an entire proceeding under the appropriate
4 Second Circuit precedent.

5 MS. HAJJAR: Yes, your Honor. We understand.

6 THE COURT: Okay. Good to know. All right.

7 Anything more?

8 MS. PENZA: We just wanted to clarify, your Honor,
9 for Wednesday. Did you want us to just set a time, find times
10 with Ms. Bronfman's counsel, and I wanted to clarify if you
11 wanted us to include her Curcio counsel.

12 THE COURT: I want everybody. Curcio counsel is --

13 MS. PENZA: Donna Newman.

14 THE COURT: If she's available. I think we may need
15 Curcio counsel.

16 MS. PENZA: I think we may.

17 THE COURT: But the mission is that you need to talk
18 to everybody and come up with a time when everyone can be
19 there.

20 MS. PENZA: Just to clarify as to Ms. Bronfman or
21 all parties?

22 THE COURT: Ms. Bronfman, her attorneys, her Curcio
23 counsel.

24 MS. PENZA: Yes.

25 THE COURT: And you.

1 MS. PENZA: Yes, your Honor.

2 THE COURT: All right. Sorry to impose on the
3 discussion here.

4 MS. PENZA: Thank you, your Honor.

5 THE COURT: Things come up.

6 MR. DIAZ: Thank you.

7 MS. TAZIOLI: Thank you.

8 THE COURT: Thank you everyone see you in September.
9 Thank you.

10 (WHEREUPON, this matter was adjourned.)

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CERTIFICATE OF REPORTER

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I certify that the foregoing is a correct transcript of the
record of proceedings in the above-entitled matter.

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Anthony D. Frisolone

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Anthony D. Frisolone, FAPR, RDR, CRR, CRI
Official Court Reporter

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