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PAUL K. CHARLTON
United States Attorney
District of Arizona

JOHN R. LOPEZ, IV
Assistant U.S. Attorney
Two Renaissance Square
40 N. Central Avenue, Suite 1200
Phoenix, Arizona 85004-4408
Arizona State Bar No. 019182
Telephone (602) 514-7500
john.lopez3@usdoj.gov

WILLIAM A. HALL, JR.
Trial Attorney
Criminal Division
United States Department of Justice
1400 New York Avenue, NW
Washington, DC 20530
Pennsylvania State Bar No. 85016
Telephone (202) 514-5780

RECEIVED COPY
MAR 06 2006
CLERK U.S. DISTRICT COURT
DISTRICT OF ARIZONA

UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

United States of America,

Plaintiff,

v.

Jennifer R. Clason,

Defendant.

CR-05-870-PHX-RGS
PLEA AGREEMENT

Plaintiff, United States of America, and defendant, JENNIFER R. CLASON, hereby agree to the following disposition of this matter:

PLEA

Defendant will plead guilty to Counts One through Three of the Indictment in case CR-05-870-PHX-RGS. These counts charge defendant with a violation of Title 18, United States Code, Section 371 (Conspiracy), a class D felony offense, Section 1037(a)(3) (Fraud in Connection with Electronic Mail-CAN-SPAM) (punishable under Section 1037(b)(2)), a Class E felony offense, and Section 1037(a)(4) (Fraud in Connection with Electronic Mail-CAN-SPAM) (punishable under Section 1037(b)(2)), a Class E felony offense. These are the only three counts in the Indictment in case CR-05-870-PHX-RGS in which defendant is charged.

1 **TERMS**

2 Defendant understands that the Court is required to consider the United States Sentencing
3 Guidelines (“U.S.S.G.” or “Sentencing Guidelines”), among other factors in determining
4 defendant’s sentence. Defendant understands, however, that the Sentencing Guidelines are only
5 advisory, and that after considering the Sentencing Guidelines, the Court may be free to exercise
6 its discretion to impose any reasonable sentence up to the maximum set by statute for the crimes
7 of conviction.

8
9 **1. MAXIMUM PENALTIES**

10 a. A violation of Title 18, United States Code, Section 371, is punishable by a
11 maximum fine of \$250,000, a maximum term of imprisonment of 5 years, or both, and a term
12 of supervised release of 3 years. A violation of Title 18, United States Code, Section 1037(a)
13 (punishable under Section 1037(b)(2)), is punishable by a maximum fine of \$250,000, a
14 maximum term of imprisonment of 3 years, or both, and a term of supervised release of up to
15 1 year. According to the Sentencing Guidelines issued pursuant to the Sentencing Reform Act
16 of 1984, the court shall:

17 (1) Order the defendant to make restitution to any victim of the offense unless,
18 pursuant to Title 18, United States Code, Section 3663 and Section 5E1.1 of the Guidelines, the
19 Court determines that restitution would not be appropriate in this case;

20 (2) Order the defendant to pay a fine, which may include the costs of probation,
21 supervised release or incarceration, unless, pursuant to Title 18, United States Code, Section
22 3611 and Section 5E1.2(e) of the Guidelines, the defendant establishes the applicability of the
23 exceptions found therein; and

24 (3) Order the defendant, pursuant to Title 18, United States Code, Section 3583
25 and Sections 5D1.1 and 2 of the Guidelines, to serve a term of supervised release when required
26 by statute or when a sentence of imprisonment of more than one year is imposed, and the Court
27 may impose a term of supervised release in all other cases.

1 b. Pursuant to Title 18, United States Code, Section 3013, the Court is required, for
2 each count of conviction, to impose a special assessment on the defendant of \$100. The special
3 assessment is due at the time the defendant enters the plea of guilty, but in no event shall it be
4 paid later than the time of sentencing.

5
6 **2. COOPERATION REQUIRED**

7 The defendant will cooperate with the United States on the following terms and
8 conditions.

9 a. Defendant will waive the Fifth Amendment privilege against self-incrimination
10 and will provide information in an interview and testify completely and truthfully at any time and
11 place requested by the United States, including at any state or federal grand jury proceeding,
12 forfeiture proceeding, bond hearing, pretrial hearing, civil and criminal trial, retrial, or post-trial
13 hearing.

14 b. All such information and testimony shall be truthful, honest, candid and complete
15 with no knowing material false statements or omissions. Such information and testimony shall
16 include all criminal activity known to the defendant and including the criminal activities of
17 individuals and organizations involved in "spamming" about which the defendant has
18 knowledge.

19 c. Defendant will be available for interviews by attorneys and law enforcement
20 officers from the government upon request and reasonable notice.

21 d. Defendant will provide the United States with all documents, records, memoranda,
22 computer and telecommunications hardware and software and the like, at the request of the
23 United States, within the defendant's custody and control or to which the defendant has access
24 which are related to the subject matter of the investigation or case.

25 e. Defendant will neither attempt to protect any person or entity through false
26 information or omissions nor falsely implicate any person or entity.

27 f. Defendant will not reveal that defendant is cooperating, or any information derived
28 therefrom, to any third party without prior consent from the United States Attorney's Office.

1 g. Defendant agrees to notify the United States Attorney's Office of any contacts with
2 any co-defendant or subjects or targets of the investigation, or their counsel, and agrees to
3 provide prior notice of, and an opportunity for the government to be present at, any interviews
4 between the defendant and any individual not employed by the government regarding any matter
5 related to this case or any other investigation.

6 h. In the event the defendant or the defendant's family is harassed, threatened or
7 otherwise subjected to intimidation because of defendant's cooperation, the United States shall
8 in its complete discretion, take appropriate action to protect defendant and the defendant's
9 family.

10 I. Nothing in this agreement requires the United States to accept any cooperation or
11 assistance the defendant may choose to proffer. The decision whether and how to use any
12 information and/or cooperation that defendant provides is in the exclusive discretion of this
13 office.

14 j. Defendant will not violate any local, state, federal or foreign laws.

15 k. The defendant shall comply with all terms and conditions of this release, if release
16 is granted by the Court.

17 l. The defendant will also provide all information concerning all forfeitable assets.
18 Moreover, defendant will identify all assets subject to forfeiture under any applicable statute, and
19 shall transfer such property to the United States by delivery, to law enforcement agents
20 designated by this office, of all necessary and appropriate items and documents under defendants
21 custody and control before the date of her sentencing.

22 m. Defendant shall not knowingly contact any person who has been criminally
23 charged in any forum, except any family members of the defendant regarding innocent family
24 matters.

25 n. Self-incriminating information provided by the defendant during cooperation
26 involving criminal activity for which the defendant has not been or will not be charged pursuant
27 to this agreement will not be used against the defendant and in particular will not be used in
28

1 determining defendant's applicable advisory Guideline range pursuant to Section 1B1.8 of the
2 Sentencing Guidelines.

3 o. Nothing shall limit the United States' methods of verifying the truthfulness of
4 defendant's statements. The United States may confirm the accuracy of any information which
5 defendant provides under the terms of this agreement by use of any investigative means which
6 it deems appropriate and necessary. Whether there has been a complete, truthful and candid
7 disclosure by the defendant will be evaluated and decided by the United States Attorney for the
8 District of Arizona and by him alone.

9 p. The plea of guilty shall be entered as soon as practicable.

10 q. The sentencing on the guilty plea will be deferred, with consent of the Court, for
11 a period of 90 days, and, after such 90 day period, upon recommendation of the United States
12 and agreement by this Court, may be deferred for additional periods. It is the intention of the
13 parties that sentencing on the instant charges be postponed until such time as defendant's
14 cooperation has been completed. Defendant understands, however, that whether sentencing is
15 postponed will be decided and controlled by the Court within its sole discretion.

16
17 **3. AGREEMENTS REGARDING SENTENCING**

18 a. Stipulated Loss Amount. Pursuant to Fed. R. Crim. P. 11(c)(1)(c), the United
19 States and the defendant stipulate that the loss to America Online, Inc. and other Internet service
20 providers attributable to defendant's conduct is at least \$10,000.00, and agree that she shall be
21 assessed an additional 2 levels therefor, as contemplated under Section 2B1.1(b)(1) of the U.S.
22 Sentencing Guidelines (loss of more than \$5,000). Defendant understands that, pursuant to
23 paragraph 6 of this agreement, the Court may order restitution in excess of \$10,000. The parties
24 also stipulate pursuant to Fed. R. Crim. P. 11(c)(1)(c) that the Guidelines effective November
25 1, 2004, are applicable to the instant offense, as some of the acts comprising the offense took
26 place and defendant's offense was discovered while the November, 2004 Guidelines were in
27 effect.

1 b. Mass Marketing Enhancement. The parties agree pursuant to Fed. R. Crim. P.
2 11(c)(1)(c) and defendant admits, that her offense was committed through “mass marketing,”
3 as defined under Section 2B1.1(b)(2)(A)(ii) of the Guidelines, and that she shall be assessed an
4 additional 2 levels therefor.

5 c. Acceptance of Responsibility. Assuming the defendant makes full and complete
6 disclosure to the Probation Department of the circumstances surrounding the defendant’s
7 commission of the offense and, if the defendant’s base offense level is 16 or greater, of the
8 defendant demonstrates an acceptance of responsibility for this offense up to and including the
9 time of sentencing, and provided defendant accepts the terms of this agreement no later than
10 March 6, 2006, the United States, pursuant to Fed. R. Crim. P. 11(c)(1)(c), will stipulate to a
11 three-point reduction in the applicable sentence guideline offense level, pursuant to Section
12 3E1.1 of the Guidelines. If the defendant’s base offense level is less than 16 and the other above
13 conditions are met, the government will stipulate to a two-point reduction in the offense level.

14 d. No Further Agreements. The above provisions reflect all agreements between the
15 parties regarding sentencing in this matter.

16 e. If the Court, after reviewing this plea agreement, concludes that any provision in
17 clauses (1) through (d) above is inappropriate, it may reject the plea agreement, giving
18 defendant, in accordance with Fed. R. Crim. P. 11(c)(5)(B), an opportunity to withdraw the
19 guilty plea.

20 f. Defendant understands that, pursuant to *Unites States v. Booker*, No 04-104 (U.S.
21 Jan. 12, 2005) and *United States v. Fanfan*, No 04-105 (U.S. Jan. 12, 2005), the Court must
22 consult the Guidelines and take them into account when sentencing, but is not bound to apply
23 the Guidelines. In other words, the Court has complete discretion to impose the maximum
24 sentence possible for the crimes to which defendant has pled guilty. Defendant further
25 understands that if the Court imposes a sentence different from what the Sentencing Guidelines
26 recommend, the defendant will not be permitted to withdraw the guilty plea.

27
28

1 **4. SENTENCING RECOMMENDATION BY THE GOVERNMENT**

2 a. At the conclusion of defendant's cooperation, performed in fulfillment of all
3 obligations and promises pursuant to this agreement, the United States may in its sole discretion,
4 at the time of sentencing, move pursuant to Sentencing Guidelines Section 5K1.1 that the Court
5 depart from the advisory Guidelines and impose a sentence below a level recommended by law
6 as the minimum sentence to reflect defendant's substantial assistance in the investigation and
7 prosecution. The government reserves the right, within its sole discretion, to make a written
8 recommendation to this Court, pursuant to Fed. R. Crim. P. 11(c)(1)(B), as to an appropriate
9 sentence or reduction in offense level; this agreement does not require the government to do so.

10 b. Defendant understands that while the Court may take the defendant's cooperation
11 into account in determining the sentence to be imposed, the Court is neither a party to nor bound
12 by this agreement and specifically the Court has complete discretion to impose the maximum
13 sentence possible for the crime to which defendant has pled guilty. Defendant further
14 understands that if the Court imposes a sentence different from what the United States
15 recommends, if any recommendation is forthcoming, the defendant will not be permitted to
16 withdraw the guilty plea.

17 c. The United States will bring the nature and extent of the defendant's cooperation
18 to the attention of the Court, and the Bureau of Prisons, if applicable, at sentencing and any other
19 appropriate time. The United States retains the unrestricted right to make any and all statements
20 it deems appropriate to the Probation Office and to make factual and legal responses to any
21 statements made by the defendant or defense counsel or objections to the presentence report or
22 to questions by the Court at the time of sentencing.

23

24 **5. BREACH OF THE AGREEMENT**

25 If the defendant fails to comply with any obligation or promise pursuant to this
26 agreement, the United States:

27

28

1 a. May, in its sole discretion, declare any provision of this agreement null and void
2 in accordance with clause (f) below and the defendant understands that the defendant will not
3 be permitted to withdraw the plea of guilty made in connection with this agreement;

4 b. May prosecute the defendant for any offense known to the United States for which
5 the defendant is responsible, and defendant waives any statute of limitations, Speedy Trial Act,
6 and constitutional restrictions for bringing charges after the execution of this agreement;

7 c. May argue for a maximum statutory sentence for the offenses to which defendant
8 has pled guilty;

9 d. May use in any prosecution any information, statements, documents and evidence
10 provided by defendant both before and after the plea agreement including derivative evidence;
11 and

12 e. May advise the Bureau of Prisons that defendant is no longer a cooperating
13 witness, and recommend redesignation of defendant to a higher custodial level.

14 f. If there is a dispute regarding the obligations of the parties under this agreement,
15 the United States District Court shall determine whether the United States or the defendant has
16 failed to comply with this agreement, including whether the defendant has been truthful.

17
18 **6. AGREEMENT TO MAKE RESTITUTION**

19 Defendant specifically agrees to make restitution to victims in this matter in an amount
20 to be determined by the Court at sentencing.

21
22 **7. AGREEMENT TO DISMISS OR NOT TO PROSECUTE**

23 a. The United States Attorney for the District of Arizona and the Child Exploitation
24 and Obscenity Section of the Criminal Division of the United States Department of Justice agree
25 pursuant to Fed. R. Crim. P. 11(c)(1)(A) that they will not prosecute the defendant for any other
26 offenses committed by her, and known by the government, in connection with the operations of
27 Ganymede Marketing Ltd., JLM Media, and The Compliance Company out of Phoenix, Arizona,
28 Los Angeles, California, Amsterdam, The Netherlands, and Port Louis, Mauritius from January

1 1, 2004 through April 12, 2005. This includes the offenses described in Counts Four through
2 Nine of the Indictment in case CR-05-870-PHX-RGS.

3 b. This agreement does not, in any manner, restrict the actions of the United States
4 Attorney's Office or any other section or component of the Criminal Division of the United
5 States Department of Justice.

6 c. The United States is not presently aware of any other federal or state
7 investigations or charges involving the defendant.

8
9 **8. WAIVER OF DEFENSES AND APPEAL RIGHTS**

10 a. The defendant waives any right to raise an appeal or collaterally attack any matter
11 pertaining to this prosecution and sentence, including any "reasonableness" claims concerning
12 sentencing pursuant to *United States v. Booker*, No 04-104 (U.S. Jan. 12, 2005) and *United*
13 *States v. Fanfan*, No 04-105 (U.S. Jan. 12, 2005), if the sentence imposed is consistent with the
14 terms of this agreement.

15 b. The Government likewise waives its right to appeal in this matter if the sentence
16 imposed is consistent with the terms of this agreement.

17
18 **9. PERJURY AND OTHER FALSE STATEMENT OFFENSES OR OTHER**
19 **OFFENSES**

20 Nothing in this agreement shall be construed to protect the defendant in any way from
21 prosecution for perjury, false declaration or false statement, or any other offense committed by
22 defendant after the date of this agreement. Any information, statements, documents, and
23 evidence which defendant provides to the United States pursuant to this agreement may be used
24 against the defendant in all such prosecutions.

25
26 **10. REINSTITUTION OF PROSECUTION**

27 If defendant's guilty plea is rejected, withdrawn, vacated, or reversed at any time, the
28 United States will be free to prosecute the defendant for all charges of which it has knowledge,

1 and any charges that have been dismissed because of this plea agreement will be automatically
2 reinstated. In such event, defendant waives any objections, motions, or defenses based upon the
3 Statute of Limitations, the Speedy Trial Act or constitutional restrictions in bringing of the later
4 charges or proceedings. The defendant understands that any statements made at the time of the
5 defendant's change of plea or sentencing may be used against the defendant in any subsequent
6 hearing, trial or proceeding as permitted by Fed. R. Crim. P. 11(f).

7
8 **11. DISCLOSURE OF INFORMATION TO U.S. PROBATION OFFICE**

9 Defendant understands the United States' obligation to provide all information in its file
10 regarding defendant to the United States Probation Office.

11 The defendant will cooperate fully with the United States Probation Office. Such
12 cooperation will include truthful statements in response to any questions posed by the Probation
13 Department including, but not limited to:

14 (1) All criminal history information, i.e., all criminal convictions as defined
15 under the Sentencing Guidelines;

16 (2) All financial information, e.g., present financial assets or liabilities that
17 relate to the ability of the defendant to pay a fine or restitution;

18 (3) All history of drug abuse which would warrant a treatment condition as part
19 of sentencing; and

20 (4) All history of mental illness or conditions which would warrant a treatment
21 condition as a part of sentencing.

22
23 **12. CRIMINAL FORFEITURE PROVISIONS**

24 a. Prior to or immediately after the entry of a plea of guilty, the defendant shall be
25 required to make full and complete disclosure of all assets the defendant owns, whether in the
26 defendant's name or the names of others, which the defendant possesses and/or over which the
27 defendant exercises control. Further, the defendant shall disclose any assets obtained as a result
28 of the criminal activity that is the basis of this agreement and disclose who owns such property

1 at this time and the circumstances under which such property was obtained. Further, as of the
2 date of this agreement, the defendant shall not transfer, secrete or otherwise dissipate any assets
3 the defendant owns, possesses or over which the defendant exercises control without the
4 permission of the government. A breach of this subparagraph will be given the same effect as
5 a breach of paragraph 5 in this agreement.

6 b. As a condition of the plea, the defendant agrees to immediately criminally forfeit
7 to the United States all of the defendant's right, title and interest to any and all assets which are
8 subject to forfeiture pursuant to Title 18, United States Code, Section 1037(c) which are in the
9 possession and control of defendant or the defendant's nominees.

10 c. The defendant also agrees that said property is properly forfeitable to the United
11 States pursuant to Title 18, United States Code, Section 1037(c). The defendant further agrees
12 to fully assist the government in the forfeiture of the listed assets and to take whatever steps are
13 necessary to pass clear title to the United States, including, but not limited to surrender of title
14 and execution of any documents necessary to transfer the defendant's interest in any of the above
15 property to the United States, as deemed necessary by the government.

16 d. After the acceptance of the Plea Agreement and pursuant to Fed. R. Crim. P.
17 32(d)(2), the government will request a Preliminary Order of Forfeiture covering the items listed
18 in subparagraph (b) above. The defendant hereby waives any right to notice of such Preliminary
19 Order of Forfeiture. The defendant further waives any right to notice of entry of a Final Order
20 of Forfeiture of the assets set forth above.

21 e. The defendant agrees to waive any claim or defense under Fed. R. Crim. P. 41(e)
22 and the Eighth Amendment to the United States Constitution, including any claim of excessive
23 fine regarding the forfeiture of assets.

24 f. The defendant agrees that forfeiture of the aforementioned assets as set forth in
25 this agreement shall not be deemed an alteration of the defendant's sentence. Forfeiture of the
26 defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of
27 imprisonment, or any other penalty the Court may impose upon the defendant in addition to
28 forfeiture.

1 g. The defendant waives any right to appeal or collaterally attack any matter in
2 connection with the forfeiture of assets as provided in this agreement.

3
4 **13. CIVIL FORFEITURE, CIVIL AND ADMINISTRATIVE PROCEEDINGS**

5 a. Nothing in this agreement shall be construed to protect the defendant from civil
6 forfeiture proceedings or prohibit the United States from proceeding with and/or initiating an
7 action for civil forfeiture.

8 b. In accordance with subparagraph 12(a) above, the defendant will identify all assets
9 and identify the source of income used to obtain the assets. Defendant will identify all assets
10 used to facilitate the commission of any crime charged in this information. Defendant will
11 testify truthfully in any civil forfeiture proceeding.

12 c. Further, this agreement does not preclude the United States from instituting any
13 civil or administrative proceedings as may be appropriate now or in the future.

14
15 **FACTUAL BASIS**

16 The defendant understands that the government would be required to prove at trial the
17 following essential elements of the offense to which she is pleading, as of the date of the offense
18 charged:

19 *18 U.S.C. §371 - Conspiracy to Commit Fraud in Connection with Electronic Mail*

20 *First*, between on or about January 1, 2004, and April 12, 2005, within the District of
21 Arizona and elsewhere, the defendant conspired and agreed with at least one other person to
22 violate Title 18, United States Code, Section 1037(a); and

23 *Second*, defendant or one of her co-conspirators did some act to effect that agreement, in
24 other words, to further their agreement to violate Title 18, United States Code, Section 1037(a).

25
26 *18 U.S.C. § 1037(a)(3) - Fraud in Connection with Electronic Mail (CAN-SPAM)*

1 *First*, between on or about January 30, 2004 and November 10, 2004, within the District
2 of Arizona and elsewhere, the defendant and her co-conspirators materially falsified header
3 information in multiple commercial electronic mail messages;

4
5 *Second*, defendant and her co-conspirators intentionally initiated the transmission of those
6 messages;

7 *Third*, defendant and her co-conspirators knowingly took all of the above steps; and

8 *Fourth*, either:

9 (1) The volume of electronic mail messages transmitted in furtherance of the
10 offense exceeded 2,500 during any 24 hour period, 25,000 during any 30-day period, or 250,000
11 during any 1-year period;

12 (2) The offense caused loss to one or more persons aggregating \$5,000 or more
13 in value during any 1-year period; *or*

14 (3) As a result of the offense any individual committing the offense obtained
15 anything of value aggregating \$5,000 or more during any 1-year period.

16
17 *18 U.S.C. § 1037(a)(4) - Fraud in Connection with Electronic Mail (CAN-SPAM)*

18 *First*, between on or about January 30, 2004, and November 10, 2004, within the District
19 of Arizona and elsewhere, the defendant and her co-conspirators knowingly registered, using
20 information that materially falsified the identity of the actual registrant, for two or more domain
21 names which were utilized in the transmission of multiple commercial electronic mail messages;

22 *Second*, defendant and her co-conspirators intentionally initiated the transmission of those
23 messages;

24 *Third*, defendant and her co-conspirators knowingly took all of the above steps; and

25 *Fourth*, either:

26 (1) The volume of electronic mail messages transmitted in furtherance of the
27 offense exceeded 2,500 during any 24 hour period, 25,000 during any 30-day period, or 250,000
28 during any 1-year period;

1 (2) The offense caused loss to one or more persons aggregating \$5,000 or more
2 in value during any 1-year period; *or*

3 (3) As a result of the offense any individual committing the offense obtained
4 anything of value aggregating \$5,000 or more during any 1-year period.

5
6 The defendant agrees that the government would be able to prove at trial each of those
7 elements. The defendant further agrees that if this matter were to proceed to trial the United
8 States could prove the following facts beyond a reasonable doubt:

9
10 In or about 1999, I began managing the content of a series of adult pornographic websites
11 for James R. Schaffer, who at the time operated and partially owned a company known as
12 Diamond International. I continued to work for Schaffer through the end of 2003, managing and
13 maintaining a series of pornographic websites. From in or about January 2001 through the end
14 of 2003, Schaffer conducted business through companies known variously as Matab Marketing
15 and JLM Media, along with his business partner, Jeffrey A. Kilbride.

16 In or about January 2004, Schaffer trained me to use a computer interface developed for
17 the transmission of bulk unsolicited commercial electronic mail messages, commonly known as
18 "spam messages." This interface controlled computer equipment at a colocation facility in
19 Amsterdam, The Netherlands. This equipment included computers to transmit spam messages,
20 as well as computers for the storage of pornographic images that would be embedded in these
21 spam messages.

22 Between on or about January 30, 2004, and November 10, 2004, Kilbride and Schaffer
23 transmitted tens of millions of spam messages from some of the computers in Amsterdam, using
24 domain names they had registered to an entity named Ganymede Marketing at an address in
25 Mauritius. These messages also advertised pornographic commercial Internet websites, and
26 included embedded pornographic images that were downloaded from other computers in
27 Amsterdam.

28

1 Beginning in or about April 2004, I began to assist in the transmission of these spam
2 messages on behalf of Kilbride and Schaffer, relying upon the computer interface training I had
3 received in or about January 2004. Specifically, my responsibility was to create new spam
4 messages on the computer interface using templates that had been created by Schaffer, and
5 transmit them at the direction of Schaffer. I knew that the headers of these messages were
6 intentionally falsified, as (1) the "From:" lines indicated that the messages were being sent from
7 individuals that did not, in fact, exist; and (2) the IP addresses and domain names sending the
8 messages were located in the Netherlands and Mauritius, respectively, even though the senders
9 of the messages were located in the United States. The domain names from which the messages
10 purported to be sent had previously been registered by Kilbride and Schaffer in a manner that
11 falsified the identity of the actual registrant, also because the senders of the messages were
12 located in the United States. I have since learned that these spam messages prompted 642,406
13 complaints from the users of Internet service provider America Online between January 30, 2004
14 and June 9, 2004, causing a loss to America Online of at least \$10,000.

15 Throughout this period, I communicated regularly with Schaffer about business related
16 to the transmission of the spam messages using secure methods such as Interned services named
17 Internet Relay Chat ("IRC") and Hushmail.

18 On at least seven occasions between on or about April 16, 2004, and November 16, 2004,
19 I used my personal checking account to receive wire transfer payments from Kilbride, Schaffer
20 and a third individual ("Person A"), totaling at least \$30,000.00, originating from offshore bank
21 accounts under their control. I believed that these payments constituted proceeds from
22 commissions earned for directing Internet traffic to the pornographic websites advertised in the
23 spam messages.

24 I understand that I will have to swear under oath to the accuracy of this statement, and if
25 I should be called upon to testify about this matter in the future, any intentional material
26 inconsistencies in my testimony may subject me to additional penalties of perjury or false
27 swearing which may be enforced by the United States under this agreement.

28

1 act on my part, rather than at the direction of or because of the recommendation of any other
2 person, and I agree to be bound according to its provisions.

3 I fully understand that, if I am granted probation or placed on supervised release by the
4 court, the terms and conditions of such probation/supervised release are subject to modification
5 at any time. I further understand that, if I violate any of the conditions of my
6 probation/supervised release, my probation/supervised release may be revoked and upon such
7 revocation, notwithstanding any other provision of this agreement, I may be required to serve
8 a term of imprisonment or my sentence may otherwise be altered.

9 I agree that this written plea agreement contains all the terms and conditions of my plea
10 and that promises made by anyone (including my attorney), and specifically any predictions as
11 to the guideline range applicable, that are not contained within this written plea agreement are
12 without force and effect and are null and void.

13 I am satisfied that my defense attorney has represented me in a competent manner.

14 I am fully capable of understanding the terms and conditions of this plea agreement. I
15 am not now on or under the influence of any drug, medication, liquor, or other intoxicant or
16 depressant, which would impair my ability to fully understand the terms and conditions of this
17 plea agreement.

18
19 3-6-06
20 Date



21
22 JENNIFER R. CLASON
23 Defendant

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DEFENSE ATTORNEY'S APPROVAL

29 I have discussed this case and the plea agreement with my client, in detail and have
30 advised the defendant of all matters within the scope of Fed. R. Crim. P. 11, the constitutional
31 and other rights of an accused, the factual basis for and the nature of the offense to which the
32 guilty plea will be entered, possible defenses, and the consequences of the guilty plea including
33 the maximum statutory sentence possible. I have further discussed the concept of the advisory
34 sentencing guideline with the defendant. No assurances, promises, or representations have been

1 given to me or to the defendant by the United States or by any of its representatives which are
2 not contained in this written agreement. I concur in the entry of the plea as indicated above and
3 on the terms and conditions set forth in this agreement as in the best interests of my client. I
4 agree to make a bona fide effort to ensure that the guilty plea is entered in accordance with all
5 the requirements of Fed. R. Crim. P. 11.

6
7 3/6/06
Date



GERALD A. WILLIAMS
Attorney for Defendant

10 **UNITED STATES' APPROVAL**


11 I have reviewed this matter and the plea agreement. I agree on behalf of the United States
12 that the terms and conditions set forth are appropriate and are in the best interests of justice.

13
14
15
16
17 3/6/06
Date

PAUL K. CHARLTON
United States Attorney
District of Arizona


JOHN R. LOPEZ, IV
Assistant U.S. Attorney

18
19
20 3/6/06
Date


WILLIAM A. HALL, JR.
Trial Attorney, United States Department of Justice

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23 **COURT'S ACCEPTANCE**

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Date

ROGER G. STRAND
United States District Judge