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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

U.S. DISTRICT COURT
EASTERN DISTRICT-WI
FILED

~~08 APR 9 10 07~~

UNITED STATES OF AMERICA,

Plaintiff,

v.

ALLAN K. KEHL,

Defendant.

JON W. SANFILIPPO
CLERK

Case No. 08-CR-51

PLEA AGREEMENT

1. The United States of America, by its attorneys, Steven M. Biskupic, United States Attorney for the Eastern District of Wisconsin, and Matthew L. Jacobs, Assistant United States Attorney; and the defendant, Allan K. Kehl, individually and by attorney David P. Geraghty, pursuant to Rule 11 of the Federal Rules of Criminal Procedure, enter into the following plea agreement:

CHARGES

2. The defendant has been charged in a one-count indictment, which alleges a violation of Title 18, United States Code, Section 371.

3. The defendant has read and fully understands the charge contained in the indictment and fully understands the nature and elements of the crime with which he has been charged. The charge and the terms and conditions of the plea agreement have been fully explained to him by his attorney.

4. The defendant acknowledges, understands, and agrees that he is, in fact, guilty of the offense described in the indictment. The parties acknowledge and understand that if this case were

to proceed to trial, the government would be able to prove the following facts beyond a reasonable doubt. The defendant admits to these facts and that these facts establish his guilt beyond a reasonable doubt:

Background Facts

Allan Kehl served as Kenosha County Executive, an elected governmental position in Kenosha County, Wisconsin. He was first elected to that position in 1998. In April 2002, he was elected to a four-year term with 52 percent of the vote. In April of 2006, he ran unopposed and received 99 percent of the vote.

The campaign account of Kehl is called "Friends of Allan K. Kehl" and was maintained at County Credit Union in Kenosha. According to the Kenosha County Clerk, the maximum contribution for this account was \$1,500. In addition, contributions in excess of \$20 had to be itemized on public filings with the name and address of the contributor. A contribution in excess of \$100 also was required to include the occupation and employer of the contributor. Anonymous contributions in excess of \$10 may not be accepted. Cash contributions in excess of \$50 also may not be accepted and kept by the campaign account.

During a 12-month period, overlapping with December 2005 and the other time periods of this indictment, Kenosha County received in excess of \$10,000 from the federal government under a variety of grant programs.

Also, at all times relevant to this indictment, Kenosha County and its County Executive position were involved in businesses and transactions connected with a Kenosha-area businessman, Dennis Troha. One such business endeavor and series of transactions involved an effort to bring Indian gaming to the Kenosha area. For example, as part of this effort, the Menominee Indian Tribe

of Wisconsin entered into agreements with the City of Kenosha and the County of Kenosha. One agreement was an "Intergovernmental Agreement" covering payments by the Tribe and its gaming authority to the City and County. Another agreement between the Tribe and the County of Kenosha was an "Agreement Regarding Sales Tax." The Intergovernmental Agreement was signed by Allan K. Kehl, in his official capacity as county executive, on March 28, 2005. The Agreement Regarding Sales Tax was signed by Kehl May 7, 2005.

The business and transactions described herein had a value in excess of \$5,000.

Improper Payments

According to Allan Kehl, during the time period of the indictment, he received cash payments from Dennis Troha. One such payment took place in late fall of 2005. Kehl asked Troha for money for his County Executive reelection campaign and Troha said he would think about it. Kehl said that Troha subsequently asked Kehl to come by his office. While the two were in Troha's office, Troha handed Kehl an envelope with cash in it. Kehl took the money, which totaled \$10,000. Kehl knew the receipt of the money was not proper. He then used the money, in part, for non-campaign purposes.

Also according to Kehl, another such payment took place in 2006. Kehl asked Troha to make a campaign contribution to an individual known by Kehl who was running for local political office. Later, while the two were in Troha's garage, Troha told Kehl that he had something for Kehl in Troha's car. Kehl then went into the car and saw cash stacked on the console of the car's front seats. Kehl took the money, which totaled \$5,000. Kehl gave the money to this individual, but the cash was not used for the campaign. Allan Kehl knew the money was not a proper campaign contribution.

Kehl never disclosed the receipt of cash from Dennis Troha. As a result, Kehl filed false campaign finance reports.

The cash payments from Troha to Allan Kehl were intended, at least in part, as an improper reward to Kehl for his performance as County Executive, including but not limited to, his work on the Kenosha casino project.

Acts in Furtherance

As one act in furtherance of the conspiracy, on or about January 31, 2006, in the State and Eastern District of Wisconsin. Allan Kehl caused his campaign to file a false campaign finance report.

This information is provided for the purpose of setting forth a factual basis for the plea of guilty. It is not a full recitation of the defendant's knowledge of or participation in this offense.

PENALTIES

5. The parties understand and agree that the offense in the indictment to which the defendant will enter a plea of guilty carries the following maximum penalty: five (5) years imprisonment; \$250,000 fine; a mandatory special assessment of \$100.00; and a maximum of three (3) years of supervised release.

6. The defendant acknowledges, understands, and agrees that he has discussed the relevant statutes as well as the applicable sentencing guidelines with his attorney.

ELEMENTS

7. The parties understand and agree that in order to sustain the charge set forth in the indictment, the government must prove each of the following propositions beyond a reasonable doubt:

First, that a conspiracy involving two or more persons existed for the purpose of providing improper rewards to a Kenosha County official in violation of Title 18, United States Code, Section 666;

Second, that the defendant knowingly and willfully joined the conspiracy; and

Third, that an act was taken in furtherance of the conspiracy.

SENTENCING PROVISIONS

8. The parties agree to waive the time limits in Fed. R. Crim. P. 32 relating to the presentence report, including that the presentence report be disclosed not less than 35 days before the sentencing hearing, in favor of a schedule for disclosure, and the filing of any objections, to be established by the court at the change of plea hearing.

9. The parties acknowledge, understand, and agree that any sentence imposed by the court will be pursuant to the Sentencing Reform Act, and that the court will give due regard to the Sentencing Guidelines when sentencing the defendant.

10. The parties acknowledge and understand that prior to sentencing the United States Probation Office will conduct its own investigation of the defendant's criminal history. The parties further acknowledge and understand that, at the time the defendant enters a guilty plea, the parties may not have full and complete information regarding the defendant's criminal history. The parties acknowledge, understand, and agree that the defendant may not move to withdraw the guilty plea solely as a result of the sentencing court's determination of defendant's criminal history.

Guideline Calculations

11. The parties acknowledge, understand, and agree that, pursuant to Sentencing Guidelines Manual § 1B1.3, the sentencing judge may consider relevant conduct in calculating the

sentencing guidelines range, even if the relevant conduct is not the subject of the offense to which defendant is pleading guilty.

12. The government asserts that under section 2C1.2 of the guidelines, the defendant faces a base offense level of 11.

13. The government further asserts that under section 2C1.2(b)(1), an enhancement of two levels is required because the offense involved more than one improper gratuity.

14. The government further asserts that under section 2C1.2(b)(2), an enhancement of four levels is required because the total amount of the gratuities was more than \$10,000.

15. The government further asserts that under section 2C1.2(b)(3), an enhancement of four levels is required because the offense involved a high-level public official.

16. The parties agree that the defendant is free to challenge any and all of these guideline calculations.

17. The parties further agree that, under section 3E1.1, the defendant is entitled to a three-level reduction for acceptance of responsibility. Under this agreement, the defendant is free to request at sentencing any other sentencing guideline reductions.

Sentencing Recommendations

18. Both parties reserve the right to apprise the district court and the probation office of any and all information which might be pertinent to the sentencing process, including but not limited to any and all conduct related to the offense as well as any and all matters which might constitute aggravating or mitigating sentencing factors.

19. Both parties reserve the right to make any recommendation regarding the fine to be imposed; and any other matters not specifically addressed by this agreement.

20. The United States Attorney agrees to recommend a sentence of not more than two years imprisonment.

Court's Determinations at Sentencing

21. The parties acknowledge, understand, and agree that neither the sentencing court nor the United States Probation Office is a party to or bound by this agreement. The United States Probation Office will make its own recommendations to the sentencing court. The sentencing court will make its own determinations regarding any and all issues relating to the imposition of sentence and may impose any sentence authorized by law up to the maximum penalties set forth in paragraph 5 above. The parties further understand that the sentencing court will be guided by the sentencing guidelines but will not be bound by the sentencing guidelines and may impose a reasonable sentence above or below the calculated guideline range.

22. The parties acknowledge, understand, and agree that the defendant may not move to withdraw the guilty plea solely as a result of the sentence imposed by the court.

Special Assessment

23. The defendant agrees to pay the special assessment in the amount of \$100.00 prior to or at the time of sentencing.

DEFENDANT'S COOPERATION AND FURTHER AGREEMENTS

24. The defendant, by entering into this agreement, further agrees to fully and completely cooperate with the government in its investigation of this and related matters, and to testify truthfully and completely before the grand jury and at any subsequent trials or proceedings if asked to do so by the prosecution. The government agrees that this testimony will be under a grant of immunity to be memorialized in a separate document. The government agrees to advise the sentencing judge

of the nature and extent of the defendant's cooperation. The parties acknowledge, understand and agree that if the defendant provides substantial assistance to the government in the investigation or prosecution of others, the government, in its discretion, may recommend a downward departure from any applicable statutory mandatory minimum and the applicable sentencing guideline range. The defendant acknowledges and understands that the court will make its own determination regarding the appropriateness and extent to which such cooperation should affect the sentence.

DEFENDANT'S WAIVER OF RIGHTS

25. In entering this agreement, the defendant acknowledges and understands that in so doing he surrenders certain rights which include the following:

- a. If the defendant persisted in a plea of not guilty to the charge against him, he would be entitled to a speedy and public trial by a court or jury. The defendant has a right to a jury trial. However, in order that the trial be conducted by the judge sitting without a jury, the defendant, the government and the judge all must agree that the trial be conducted by the judge without a jury.
- b. If the trial is a jury trial, the jury would be composed of twelve citizens selected at random. The defendant and his attorney would have a say in who the jurors would be by removing prospective jurors for cause where actual bias or other disqualification is shown, or without cause by exercising peremptory challenges. The jury would have to agree unanimously before it could return a verdict of guilty. The court would instruct the jury that the defendant is presumed innocent until such time, if ever, as the government establishes guilt by competent evidence to the satisfaction of the jury beyond a reasonable doubt.
- c. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all of the evidence, whether or not he was persuaded of defendant's guilt beyond a reasonable doubt.
- d. At such trial, whether by a judge or a jury, the government would be required to present witnesses and other evidence against the defendant. The defendant would be able to confront witnesses upon whose testimony the government is relying to obtain a conviction and he would have the right to cross-examine

those witnesses. In turn the defendant could, but is not obligated to, present witnesses and other evidence on his own behalf. The defendant would be entitled to compulsory process to call witnesses.

- e. At such trial, defendant would have a privilege against self-incrimination so that he could decline to testify and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify on his own behalf.

26. The defendant acknowledges and understands that by pleading guilty he is waiving all the rights set forth above. The defendant further acknowledges the fact that his attorney has explained these rights to him and the consequences of his waiver of these rights. The defendant further acknowledges that as a part of the guilty plea hearing, the court may question the defendant under oath, on the record, and in the presence of counsel about the offense to which the defendant intends to plead guilty. The defendant further understands that the defendant's answers may later be used against the defendant in a prosecution for perjury or false statement.

GENERAL MATTERS

27. The parties acknowledge, understand, and agree that this agreement does not require the government to take, or not to take, any particular position in any post-conviction motion or appeal.

28. The parties acknowledge, understand, and agree that this plea agreement will be filed and become part of the public record in this case.

29. The parties acknowledge, understand, and agree that the United States Attorney's office is free to notify any local, state, or federal agency of the defendant's conviction.

30. The defendant understands that pursuant to the Victim and Witness Protection Act and the regulations promulgated under the Act by the Attorney General of the United States, the

victim of a crime may make a statement describing the impact of the offense on the victim and further may make a recommendation regarding the sentence to be imposed. The defendant acknowledges and understands that comments and recommendations by a victim may be different from those of the parties to this agreement.

EFFECT OF DEFENDANT'S BREACH OF PLEA AGREEMENT

31. The defendant acknowledges and understands if he violates any term of this agreement at any time, engages in any further criminal activity prior to sentencing, or fails to appear for sentencing, this agreement shall become null and void at the discretion of the government. If this plea agreement is revoked or if the defendant's conviction ultimately is overturned, then the government retains the right to file any and all charges which were not filed because of this agreement. The defendant hereby knowingly and voluntarily waives any defense based on the applicable statute of limitations for any charges filed against the defendant as a result of his breach of this agreement. The defendant understands, however, that the government may elect to proceed with the guilty plea and sentencing.

VOLUNTARINESS OF DEFENDANT'S PLEA

32. The defendant acknowledges, understands, and agrees that he will plead guilty freely and voluntarily because he is in fact guilty. The defendant further acknowledges and agrees that no threats, promises, representations, or other inducements have been made, nor agreements reached, other than those set forth in this agreement, to induce the defendant to plead guilty.

ACKNOWLEDGMENTS

I am the defendant. I am entering into this plea agreement freely and voluntarily. I am not now on or under the influence of any drug, medication, alcohol, or other intoxicant or depressant, whether or not prescribed by a physician, which would impair my ability to understand the terms and conditions of this agreement. My attorney has reviewed every part of this agreement with me and has advised me of the implications of the sentencing guidelines. I have discussed all aspects of this case with my attorney and I am satisfied that my attorney has provided effective assistance of counsel.

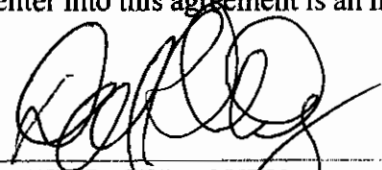
Date: April 8, 2008



ALLAN K. KEHL
Defendant

I am the defendant's attorney. I carefully have reviewed every part of this agreement with the defendant. To my knowledge, my client's decision to enter into this agreement is an informed and voluntary one.

Date: April 8, 2008



DAVID P. GERAGHTY
Attorney for Defendant

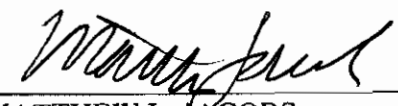
For the United States of America:

Date: April 9, 2008



STEVEN M. BISKUPIC
United States Attorney

Date: April 8, 2008



MATTHEW L. JACOBS
Assistant United States Attorney