



CHIEF PROCUREMENT OFFICE

Ben Bagby, Higher Education

July 27, 2012

Abatement Management, Inc.
Attn: Mr. Stephen Sweet
6990 State Route 111
South Roxana, IL 62087

RE: Felony Plea Agreement
State University Contracting Suspension

Dear Mr. Sweet:

After reviewing both the information contained in the attached Plea Agreement and the requirements of the Illinois Procurement Code (30 ILCS 500/50-10 - copy attached), and based upon advice from counsel, I am writing to advise that neither you nor Abatement Management, Inc. may do business with the state universities in Illinois from the date of conviction until 5 years after the date of completion of the sentence.

During this suspension, neither you nor Abatement Management, Inc. will be able to bid directly or as a subcontractor on any projects or do business with the state universities in Illinois. I am also forwarding this letter to the other Chief Procurement Officers for possible similar action.

In relation to Southern Illinois University Edwardsville, purchase orders issued to Abatement Management, Inc. will be cancelled, including the open orders for work to be performed on an as-needed basis for the Facilities Management and Morris University Center departments. Work performed in a satisfactory manner will be considered for payment.

If you believe this suspension has been issued in error, please contact me in writing within 10 days of receipt of this letter. If you have any questions, I can be reached at (217) 558-2254.

Sincerely,

Ben Bagby
Chief Procurement Officer for Higher Education

cc: State Purchasing Officers
University Purchasing Directors
EEC Legal Counsel
Chief Procurement Officers

FILED

JUN 21 2012

CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF ILLINOIS
EAST ST. LOUIS OFFICE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,

Plaintiff,

vs.

STEPHEN KEITH SWEET,

Defendant.

No. 11-cr-30194-MJR

PLEA AGREEMENT

The attorney for the United States of America and the attorney for the Defendant have engaged in discussions and have reached an agreement pursuant to Federal Rule of Criminal Procedure 11. As a result of the Plea Agreement, the Defendant intends to plead guilty in this case.

I.

1. By pleading guilty, the Defendant fully understands that the Defendant is waiving the following rights: (a) the right to plead not guilty to the charges; (b) the right to be tried by a jury in a public and speedy trial; (c) the right to file pretrial motions, including motions to suppress or exclude evidence; (d) the right at such trial to a presumption of innocence; (e) the right to require the United States to prove the elements of the offenses charged against the Defendant beyond a reasonable doubt; (f) the right not to testify; (g) the right not to present any evidence; (h) the right to be protected from compelled self-incrimination; (i) the right at trial to confront and cross-examine adverse witnesses; (j) the right to testify and present evidence; and (k) the right to compel the attendance of witnesses.

2. The Defendant fully understands that the Defendant has the right to be represented by counsel, and if necessary, to have the Court appoint counsel at trial and at every other stage of the

proceeding. The Defendant's counsel has explained these rights and the consequences of the waiver of these rights. The Defendant fully understands that, as a result of the guilty plea, no trial will occur and that the only action remaining to be taken in this case is the imposition of the sentence.

3. The Defendant agrees that all agreements between the parties are written and that no oral promises, inducements, representations, or threats were made to induce the Defendant to enter into the Plea Agreement and Stipulation of Facts.

4. The Defendant understands that the Plea Agreement is limited to the Southern District of Illinois, and cannot bind other federal, state or local prosecuting authorities. The Defendant further understands that the Plea Agreement does not prohibit the United States, any of its agencies, or any third party from initiating or prosecuting any civil proceedings directly or indirectly involving the Defendant.

5. The Defendant understands that pursuant to Title 18, United States Code, Section 3013 and U.S.S.G. § 5E1.3, the Court will assess a "Special Assessment" of \$100 per felony count. *See* 18 U.S.C. § 3013(a)(2)(A). For the two counts, the Defendant will be assessed \$200.00. The Defendant agrees that the Defendant will pay the full amount of the special assessment prior to or at the time of sentencing.

6. The Defendant understands that the Court will impose a term of "supervised release" to follow incarceration. *See* 18 U.S.C. § 3583; U.S.S.G. § 5D1.1.

7. The Defendant understands that the Court may impose a fine, costs of incarceration, and costs of supervision. The estimated costs of such incarceration, community confinement, and supervision, pursuant to the Administrative Office of the United States Courts, are the following: for imprisonment: \$2,407.78 per month; for community correction center: \$2,180.27 per month; and

for supervision by the Probation Office: \$286.11 per month. *See* Memorandum of Administrative Office of the United States Courts, re: Costs of Incarceration and Supervision, April 10, 2012. The Defendant will cooperate fully with the United States Probation Office in its collection of information and preparation of the Presentence Report. This cooperation will include signing all releases, as requested. The Defendant agrees that any Probation Officer may share any and all financial information with the United States Attorney's Office and the Defendant waives any rights the Defendant may have under the Right to Financial Privacy Act. The Defendant agrees to make complete financial disclosure by truthfully filling out, at the request of the United States Attorney's Office, a Financial Statement (OMB-500).

8. The Defendant understands that the Defendant is pleading guilty to a felony punishable by a term of imprisonment exceeding one year. Therefore, no matter what sentence the Court imposes (whether probation or any term of imprisonment), the Defendant will be forbidden by federal firearms laws from possessing any type of firearm in the Defendant's lifetime, unless the Defendant obtains relief pursuant to 18 U.S.C. § 925, or other appropriate federal statute.

9. The Defendant understands and agrees that if the Defendant commits any offense in violation of federal, state or local law, or violates any condition of release, or violates any term or condition of the Plea Agreement, the United States is not bound by the provisions herein and may request that the Court impose on the Defendant any penalty allowable by law, including the filing of additional charges or sentencing enhancement notices, in addition to any sanctions that may be imposed for violation of the Court's order setting the conditions of release. No action taken or recommendation made by the United States pursuant to this paragraph shall be grounds for the Defendant to withdraw the plea of guilty.

10. The Defendant has read the Plea Agreement and has discussed it with defense counsel, understands it, and agrees to be bound by it.

II.

1. The Defendant states that the Defendant waives the right to be charged by an indictment, is actually guilty, and will enter a plea of guilty to an information charging the following:

Count	Charge and Statute	Penalties - imprisonment (nmt) - fine (nmt) - supervised release (nmt) - class of felony - special assessment	Authority
1	Tax Evasion, 26 U.S.C. § 7201	5 years \$250,000 or both 3 years Class D costs of prosecution \$100	26 U.S.C. § 7201 18 U.S.C. § 3571(b)(3) 18 U.S.C. § 3583(b)(2) 18 U.S.C. § 3559(a)(4) 26 U.S.C. § 7201 18 U.S.C. § 3013(a)(2)(A)
2	Making an Illegal Payment, 18 U.S.C. § 201(c)(1)	2 years \$250,000 or both 1 year Class E \$100	18 U.S.C. § 201(c)(1) 18 U.S.C. § 3571(b)(3) 18 U.S.C. § 3583(b)(3) 18 U.S.C. § 3559(a)(5) 18 U.S.C. § 3013(a)(2)(A)

2. The United States and the Defendant agree that the following constitute the essential elements of the offenses, and the Defendant admits that the Defendant's conduct violated these essential elements of the offenses:

Count	Charge	Essential Elements
1	Tax Evasion 26 U.S.C. § 7201	<p>First, on April 15 or a date of a legal extension of the year following the tax year, federal income tax was due and owing by the defendant;</p> <p>Second, the defendant intended to evade or defeat the ascertainment, assessment, computation or payment of the tax; and</p> <p>Third, the defendant willfully did some act in furtherance of the intent to evade tax or payment of the tax.</p>
2	Making an Illegal Payment, 18 U.S.C. § 201(c)(1)	<p>First, that the defendant directly gave a thing of value personally to a public official;</p> <p>Second, that the giving of the promise or gift was not provided for by law;</p> <p>Third, that the thing of value was given for or because of an official act performed or to be performed by the public official; and</p> <p>Fourth, that the defendant acted knowingly.</p>

See Seventh Circuit Pattern Criminal Jury Instructions, 18 U.S.C. § 201 and 26 U.S.C. § 7201.

3. The United States and the Defendant submit that under the Sentencing Guidelines, after all factors have been considered, the Defendant will have one of the following computations for sentencing:

	United States	Defendant
Offense Level	<i>17</i>	<i>15</i>
Criminal History Category	I	I
Sentencing Range	<i>24-30 months (Zone D)</i>	<i>18-24 months (Zone D)</i>
Fine Range	<i>\$5,000-\$50,000</i> <i>See U.S.S.G. § 5E1.2 - Fine Table (for offense level of 17)</i>	<i>\$4,000-\$40,000</i> <i>See U.S.S.G. § 5E1.2 - Fine Table (for offense level of 15)</i>
Supervised Release	3 years	3 years
Special Assessment	\$200	\$200

The United States and Defendant agree that these calculations of Offense Level and Criminal History are not binding on the Court, and that the Court ultimately will determine the Guideline range after receiving the Presentence Report and giving both parties the opportunity to comment. The Defendant expressly recognizes that, regardless of the Guideline range found or the sentence imposed by the Court, the Defendant will not be permitted to withdraw the Defendant's plea of guilty. The United States agrees to recommend a sentence and fine within the range ultimately found by the Court. The United States and the Defendant reserve the right to address the sentencing factors set forth in 18 U.S.C. § 3553(a), and Defendant intends to seek by way of a variance a sentence outside the applicable Guideline range. The parties recognize that the Court may impose any sentence authorized by law. The United States specifically reserves the right to argue for, present testimony,

or otherwise support the Probation Office's or the Court's findings as to Offense Level and Criminal History Category (which may be in excess of the calculations set forth herein by the Defendant and the United States). The Defendant understands that the Sentencing Guidelines are advisory only and that the Court has the discretion to sentence the Defendant anywhere up to the statutory maximum sentence after consideration of the Sentencing Guidelines, and the factors set forth in 18 U.S.C. § 3553(a), including the nature and circumstances of the offense and the criminal history and characteristics of the Defendant.

4. The Defendant and the United States are unable to agree on the Base Offense Level for Count I. The United States contends that the Base Offense Level should commence at 18 as a result of the tax loss being \$226,988 while Defendant contends that the Base Offense Level should be 16 because the tax loss is \$173,915. Attached and marked as Exhibit A is the spreadsheet the parties agree to with the disagreements highlighted in yellow. The parties agree that no other adjustments (e.g., victim, role, obstruction) appear to apply:

Group I - Tax Evasion

Levels United States	Levels Defendant	U.S.S.G.	Basis
18	16	§ 2T1.1(a)(1), § 2T4.1 - Tax Table	offense level for tax evasion with a tax loss: <i>United States:</i> \$226,988 - table (G), 18 levels <i>Defendant:</i> \$173,915 - table (F), 16 levels
2	2	§ 2T1.1(b)(2)	offense involved sophisticated means, <i>see</i> § 2T1.1, cmt. n. 4
20	18	sub-total	—

Group II - Making an Illegal Payment

Levels	U.S.S.G.	Basis
0	§ 1B1.8	Based, in part, on proffered information
0	sub-total	—

Multiple Grouping to Determine Combined Offense Level

Units	U.S.S.G.	Basis
1	§ 3D1.4(a) - first sentence	highest offense level is 20 or 18 from Group I
0	§ 3D1.4(c) - second sentence	offense level for Group II (0 levels) is 9 or more levels less serious than the offense level from Group I (18 or 20)
1	§ 3D1.4 - table	unit total - therefore, add zero (0) levels

Calculations of Offense Levels with Plea

Levels United States	Levels Defendant	U.S.S.G.	Basis
20	18	§ 3D1.4 - table	combined offense level from Group I plus zero (0) levels.
- 3	- 3	§ 3E1.1(b)	affirmative acceptance of personal responsibility, subtracting three (3) levels (see below paragraph 5)
17	15	Total	<i>United States:</i> range: 24-30 months (Zone D) <i>Defendant:</i> range: 18-24 months (Zone D)

5. The Defendant and the United States agree that the Defendant has voluntarily demonstrated a recognition and affirmative acceptance of personal responsibility for this criminal conduct, and the United States will recommend a reduction, reducing the Offense Level. See U.S.S.G. § 3E1.1. A reduction for acceptance of responsibility is dependent on the Defendant

not committing any acts or taking any position prior to sentencing inconsistent with acceptance of responsibility, including falsely denying relevant conduct or committing any acts constituting obstruction of justice.

6. The Defendant and the United States submit that it appears that Defendant has amassed zero (0) Criminal History points and that, therefore, the Sentencing Guideline Criminal History Category is one (I).

The Defendant expressly recognizes that the final calculation will be determined by the Court after considering the Presentence Report, the views of the parties, and any evidence submitted before sentencing. The Defendant recognizes that, regardless of the criminal history found by the Court, the Defendant will not be able to withdraw the plea of guilty.

7. The Defendant understands that the United States will recommend the imposition of a fine. The Defendant understands that the United States' recommendation may be based in part on the Defendant's projected earnings through the Inmate Financial Responsibility Program. The Defendant understands that the Court may order restitution in any criminal case as provided in 18 U.S.C. § 3663(a)(3). In this case, restitution would be made to the Internal Revenue Service or its designee.

8. In summary, the United States will recommend the following sentence:

imprisonment	24-30 months
fine	\$5,000-\$50,000
supervised release	3 years
restitution	\$226,988
special assessment	\$200
special conditions	see Part IV, below

III.

1. The Defendant understands that by pleading guilty in accordance with this plea agreement, the Defendant is waiving all appellate issues, but for the Court's determination of loss that might have been available if the Defendant had exercised the right to trial. The Defendant is fully satisfied with the representation received from defense counsel. The Defendant acknowledges that the United States has provided complete discovery compliance in this case. The Defendant has reviewed the United States' evidence and has discussed the United States' case, possible defenses and defense witnesses with defense counsel.

2. The Defendant is aware that Title 18, Title 28, and other provisions of the United States Code afford every defendant limited rights to contest a conviction and/or sentence through appeal or collateral attack. However, in exchange for the recommendations and concessions made by the United States in this plea agreement, the Defendant knowingly and voluntarily waives the right to contest any aspect of this conviction and sentence that could be contested under Title 18 or Title 28, or under any other provision of federal law, but for the Court's determination of loss or if the sentence imposed is in excess of the Sentencing Guidelines as determined by the Court (or any applicable statutory minimum, whichever is greater), the Defendant reserves the right to appeal the reasonableness of the sentence. The Defendant acknowledges that in the event such an appeal is taken, the United States reserves the right to fully and completely defend the sentence imposed, including any and all factual and legal findings supporting the sentence, even if the sentence imposed is more severe than that recommended by the United States.

3. The Defendant's limited waiver of the right to appeal or bring collateral challenges shall not apply to the following: (a) any subsequent change in the interpretation of the

law by the United States Supreme Court or the United States Court of Appeals for the Seventh Circuit, that is declared retroactive by those Courts, and that renders the defendant actually innocent of the charges covered herein, and (b) appeals based upon Sentencing Guideline amendments that are made retroactive by the United States Sentencing Commission (*see* U.S.S.G. § 1B1.10). The United States reserves the right to oppose such claims for relief.

4. The Defendant's limited waiver of the appeal and collateral review rights shall not affect the United States' right to appeal the Defendant's sentence pursuant to Title 18, United States Code, Section 3742(b). This is because United States Attorneys lack any right to control appeals by the United States, through plea agreements or otherwise; that right belongs to the Solicitor General. *See* 28 C.F.R. § 0.20(b).

5. The Defendant hereby waives all rights, whether asserted directly or by a representative, to request or receive from any Department or Agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation, any records that may be sought under the Freedom of Information Act, Title 5, United States Code, Section 552, or the Privacy Act of 1974, Title 5, United States Code, Section 552a.

6. The Defendant waives all claims under the Hyde Amendment, Title 18, United States Code, Section 3006A, for attorney's fees and other litigation expenses arising out of the investigation or prosecution of this matter.

7. For purposes of this plea, the Defendant has waived any statute of limitations defense with respect to the count regarding tax evasion of tax year 2005.

IV.

The United States and the Defendant agree to the following Special Conditions of Supervision:

1. Defendant has posted a bond in the amount of \$400,000.00 with the Internal Revenue Service, which may exceed the amount owed by the Defendant for any tax loss. From these funds, Defendant agrees to pay whatever other tax financial penalties assessed against him by the Court at the time of sentencing.

2. The Defendant shall provide the probation officer and the Financial Litigation Unit of the United States Attorney's Office with any requested financial information. The Defendant is advised that the probation office may share financial information with the Financial Litigation Unit.

3. The Defendant shall not incur new credit charges or open additional lines of credit without the approval of the probation officer.

4. The Defendant shall cooperate fully with the Internal Revenue Service in determining and paying any tax liabilities. The Defendant shall also provide to the Internal Revenue Service all requested documents and information for purposes of any civil audits, examinations, collections, or other proceedings. The Defendant shall file amended income tax returns and pay any taxes, interest, and penalties due and owing by the Defendant to the Internal Revenue Service.

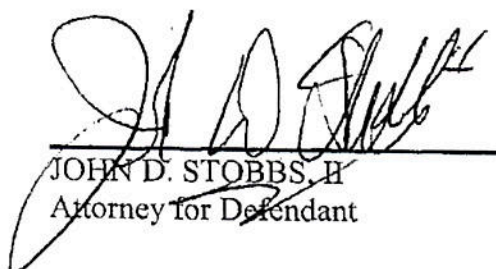
V.

No matters are in dispute.

STEPHEN R. WIGGINTON
United States Attorney



WILLIAM E. COONAN
Assistant United States Attorney

STEPHEN KEITH SWEET
Defendant

JOHN D. STOBBS, II
Attorney for Defendant

Date: 6/21, 2012

Date: 6-21, 2012

Summary of Criminal Adjustments

Taxable Income as filed	2004		2005		2006		2007		2008		2009	
	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures
?	(82,427)	(82,427)	14,859	14,859	(153,594)	(153,594)	(130,842)	(130,842)	(256,273)	(256,273)		

Criminal Adjustments

Qualified Div - LEI	150,000	350,000	350,000	191,298	538,784	0	0	0	183,031	183,031
Sch E AMI Net Gain/Loss				145,443	145,443	(47,616)	(47,616)	61,350	0	0
AMI Sec 465 Limit						0	47,616	0	(47,616)	0
AMI Cap Gain Distribution				(12,198)	(12,198)	0	0	0	0	0
AMI Sec 179 Deduction						%	99,000	99,000		
AMI 0 Cap Gain Distribution							(47,616)			
Additional NOL Carryforward										

Statutory Adjustments

Capital Gain			1,500	1,500							
Itemized deductions	5,696	8,391	5,613	6,231		(537)	127	(1,116)			
Exemptions	3,200	3,200	2,200	2,200				0			
Standard Deduction		(5,000)									
Corrected Taxable Income	no change	276,469	274,164	348,715	696,819	(201,210)	(153,594)	(18,645)	(17,981)	(74,358)	(73,242)

Credit Reduction												
Tax - Sched D	38,500	38,155	65,768	118,009	0	0					0	0
AMT	3,111	4,468	11,591	11,411								
Total Tax	41,611	42,623	77,359	129,420								
Less Tax per Return	0	0	(743)	(743)								
Additional Tax	41,611	42,623	76,616	128,677	0	0	0	0	0	0	0	0

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Lake Environmental, Inc.
1120-C

Summary of Changes

	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures
	2005		2006		2007		2008	
Fraudulent Deductions per Gov't								
COGS - T&E Rental			95,298	95,298				
COGS - T&E Rental			63,612	63,612				
COGS - Thomas Co	150,000	150,000						
COGS - Thomas Co			96,000	96,000				
COGS - Asbestos Material			34,598	34,598				
Operating Costs - Boat Payments			10,280	10,280				
False Asset #66 Trackhoe Depre			28,789	28,789	74,108	74,108	43,230	43,230
NOL C/O 2005					50,236	50,236	54,664	54,664
NOL C/O 2006							119,772	119,772

Modifications needed

T&E Rental not deducted on return (67,711) (67,711) (95,298) (95,298)

Thomas Construction not deducted Depreciation @ (67,711) (67,711)

Reduction in COGS on return by acct ? (127,000) (127,000)

NOL C/O 2005 (22,611) (22,611)

NOL C/O 2006 (13,493) (13,493)

Accrual to cash conversion adjustment

Modified Adjustment Amount	82,289	82,289	106,279	106,279	88,240	88,240	97,878	97,878	0	0
Taxable Income per return	(104,900)	(104,900)	(119,772)	(119,772)	0	0	375,404	375,404	197,268	197,268
Corrected Taxable Income	(22,611)	(22,611)	(13,493)	(13,493)	88,240	88,240	473,282	473,282	197,268	197,268
Additional tax	0	0	0	0	18,252	18,252	33,279	33,279	0	0

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Abatement Management, Inc
1120-S
Summary of Charges

	2004		2005		2006		2007		2008		2009
	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	Defense Figures	Gov't Figures	
Fraudulent Deductions per Govt											
COGS - T&E Rental	58,420	58,420									
COGS - T&E Rental	26,704	26,704									
Boat Payments	110,249	110,249									
Accrual to Cash Error					(47,616)	(47,616)			61,350	61,350	
Personal Divorce Fees											
Adjustments	195,373	195,373			(47,616)	(47,616)			61,350	61,350	
Modifications needed											
T&E Rental not deducted on return	(49,930)	(49,930)									
Corrected adjustment amount	145,443	145,443			(47,616)	(47,616)			61,350	61,350	
Ordinary Income/Loss per Return	(26,315)	(26,315)			(166,754)	(166,754)			(23,230)	(23,230)	
Corrected Income/Loss	119,128	119,128			(214,370)	(214,370)			38,120	38,120	

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AMI 0 LLC

1120-C

Summary of Changes

	Defense Figures	Gov't Figures
	2009	
Fraudulent Deductions per Govt		
False Asset Depre	32,409	32,409
Adjustments	32,409	32,409
Taxable income per return	(4,696)	(4,696)
Corrected Taxable Income	27,713	27,713
Additional tax	<u>4,157</u>	<u>4,157</u>

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Summary of Additional Tax
Based on Criminal Calculation
2005-2009

	<u>Defense Figures</u>	<u>Gov't Figures</u>
Lake Environmental		
2006	0	0
2007	18,252	18,252
2008	33,279	33,279
AMI 0		
2009	4,157	4,157
Steve Sweet		
2005	41,611	42,623
2006	76,616	128,677
Grand Total	<u>173,915</u>	<u>226,988</u>
Cash Bond	400,000	400,000
Overpayment	<u>(226,085)</u>	<u>(173,012)</u>

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John G. Hill

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