

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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U.S. DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
LONG ISLAND OFFICE

The United States of America, . Docket #CR-19-582-8 (JMA) (ARL)
Plaintiff, .
vs. . United States Courthouse
Aventura Technologies, Inc., . Central Islip, New York
12:15 p.m.
Defendant. .

TRANSCRIPT OF CHANGE OF PLEA HEARING
BEFORE THE HONORABLE ARLENE R. LINDSAY
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

For The Plaintiff: Alexander Mindlin, Esq.
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For The Defendant: Samuel M. Braverman, Esq.
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Witnesses For The
Plaintiff:

Witnesses For The
Defendant:

EXHIBITS:

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SUMMATION BY:

THE COURT: Finding 28

1 THE CLERK: Calling 19-CR-582, The United States of
2 America against Aventura Technologies. Please state your
3 appearances.

4 MR. MINDLIN: Good afternoon, Your Honor. For the
5 United States, Alexander Mindlin --

6 THE COURT: Yes, good afternoon.

7 MR. MINDLIN: -- AUSA.

8 MR. BRAVERMAN: And good afternoon, Your Honor. For
9 the corporation, Sam Braverman at Anderson Kill at 1251 Avenue
10 of the Americas, New York, New York 10020. And standing near
11 me to my left is Ms. Fran Cabasso, president of the company.

12 THE COURT: Yes. Good afternoon. I think it's
13 afternoon. We don't have a clock in the courtroom. All
14 right. So Mr. Mindlin, I understand that the Plea Agreement
15 has been reached between the Government and Aventura
16 Technologies. Is that correct?

17 MR. MINDLIN: That's correct, Your Honor.

18 THE COURT: Ms. Cabasso, you are here on behalf of
19 the corporation Aventura. What exactly is your position with
20 the company?

21 MS. CABASSO: Presidents.

22 THE COURT: The president.

23 MS. CABASSO: President.

24 THE COURT: Okay. All right. I'm going to ask you
25 be sworn in because I will pose certain questions to you about

1 the corporation's conduct in this matter. So Rob, swear her
2 in.

3 FRANCES CABASSO, DEFENDANT'S REPRESENTATIVE, SWORN

4 THE COURT: All right. I'm advised that an
5 Agreement has been reached between the Government and the
6 Aventura company, that there will be the entry of a plea of
7 guilty to counts 1, 2, and 3 of the Indictment in which there
8 -- the Aventura company is charged with a violation of 18 USC
9 1349, counts 1 and 2 of the case -- of the Indictment and 18
10 USC 545, count 3 of the Indictment. Mr. Braverman, you are
11 representative of the corporation. Can you tell me, were you
12 retained by the board? Does it have a board? How did you
13 proceed in terms of --

14 MR. BRAVERMAN: Sure, Judge. Originally, after the
15 arraignment was entered, the corporation was assigned counsel
16 under the Criminal Justice Act about -- I think it's about
17 three-and-a-half-years ago. I was retained by the company to
18 represent the company's interest. I had the authorization of
19 the president and board to represent the company and I have
20 represented them throughout the negotiation process.

21 THE COURT: All right. And have -- has the board --
22 who is on the board right now?

23 MR. BRAVERMAN: Judge, the relevant parties on the
24 board are -- well, there are some Defendants who are
25 cooperators of the Government. They're all employees of the

1 company. And Ms. Cabasso is a member of that board.

2 THE COURT: All right. And with respect to what
3 we're -- the process of going forward to enter a plea on
4 behalf of the company, have you conferred with members of the
5 board, at least a majority of the board, and do you have their
6 authority to enter a plea on behalf of the corporation?

7 MR. BRAVERMAN: Yes, Your Honor, I do. And I have
8 actually written authorization from the company, signed by the
9 president and the board president to enter this guilty plea
10 after my conversations with them --

11 THE COURT: All right.

12 MR. BRAVERMAN: -- about that.

13 THE COURT: Okay.

14 MR. MINDLIN: Your Honor, the Government --

15 THE COURT: Yes.

16 MR. MINDLIN: -- would add that Ms. Cabasso is, I
17 believe, a 97 percent shareholder of the company --

18 THE COURT: Oh, she is. Okay.

19 MR. MINDLIN: -- and she does reflect a majority of
20 the share of the company's --

21 THE COURT: All right. And Ms. Cabasso, your
22 holdings in the company certainly give you control over the
23 operations of the company, so you've agreed to have this plea
24 entered on behalf of the company. Is that correct?

25 MS. CABASSO: Yes, Your Honor.

1 THE COURT: Okay. All right. So let's go forward
2 with the allocution. Let me just have the Government present
3 kind of a short summary so we have a background of the case
4 and then we'll go forward.

5 MR. MINDLIN: Certainly, Your Honor. So Your Honor,
6 is of course as familiar with this case, I'm happy to
7 summarize the case or I can summarize the plea, as Your Honor
8 prefers.

9 THE COURT: I think the plea would be -- I'm aware
10 of the case and the --

11 MR. MINDLIN: Right.

12 THE COURT: -- charges in it, so the plea.

13 MR. MINDLIN: Okay. Good. So Your Honor, the
14 charges that are being pled to reflect sort of two broad areas
15 of conduct. Counts 1 and 3 reflect Aventura's importation of
16 Chinese-made goods and resale of them as American-made. Count
17 2 reflects Aventura's fraudulent claim to be a woman-owned
18 business, in short, that Ms. Cabasso was the de facto chief
19 executive, which she was not. The plea here is a 11(c)(1)(C)
20 plea pursuant to Federal Rule 11(c)(1)(C), which means that
21 the Court will, at today's appearance, either accept or reject
22 the Plea Agreement, and if it accepts the Plea Agreement, it
23 must inform the Defendant that the agreed disposition under
24 the Plea Agreement will be included in the judgment. That's
25 in the event the Court accepts the Plea Agreement. There are

1 a few relevant terms to that Plea Agreement, Your Honor.
2 Aventura commits to a term of three years' probation. It
3 agrees to dissolve itself and a number of related companies.

4 THE COURT: How many years probation? I know the
5 statute provides for five as to each count. What was the
6 agreement on the probation?

7 MR. MINDLIN: Three.

8 THE COURT: Three?

9 MR. MINDLIN: And extendable on the Government's --
10 at the Government's instance. Aventura agrees to dissolve
11 itself and a number of related entities. That will not take
12 place before sentencing because in that case, there would be
13 no entity to sentence, but Aventura's required to present a
14 plan to the Government for how it will accomplish that and it
15 will present that plan no later than 30 days from today.

16 THE COURT: So the three years' probation is really
17 -- is protective.

18 MR. MINDLIN: Correct.

19 THE COURT: That it's intended that the company will
20 dissolve.

21 MR. MINDLIN: It's intended to ensure that the Court
22 retains jurisdiction given that the dissolution is a state law
23 matter. It's intended to keep the federal court in the game.

24 THE COURT: Okay.

25 MR. MINDLIN: So Aventura commits to forfeit

1 accounts and assets that are identified in the Plea Agreement.
2 The accounts and the assets are generally identified in
3 Paragraph 17, but Attachment A has a long list of items of
4 seized merchandise that will also be forfeited. I should note
5 that the company's interest in its headquarters, 48 Mall Drive
6 in Commack is also forfeitable, as is its interest in a yacht
7 called "The Tranquilo" (phonetic). A company agrees to
8 dismiss any litigation in which it is a Plaintiff or where it
9 has assigned its claim. It agrees that there is a factual
10 basis for the plea as stated in the Indictment and that the
11 Indictment is correct. It agrees to make restitution, both to
12 the U.S. Government and to other clients who were harmed by
13 its scheme. And I'll note, Your Honor, that the amount of
14 restitution is determinable by the judge at sentencing. It is
15 not specified in this Agreement, and as such, there is no
16 restitution term as covered by the Rule 11(c)(1)(C) provision
17 of the Plea Agreement and the company is jointly and severally
18 liable with Jack Cabasso for making restitution. Finally,
19 there will be a special assessment of \$1,200, \$400 for each
20 count, and those are the main terms to which the company has
21 agreed pursuant to 11(c)(1)(C).

22 THE COURT: All right. So Ms. Cabasso, on behalf of
23 the company, I want to review a couple questions with you to
24 make sure that to the extent that you have agreed to have the
25 company, Aventura Technologies, Incorporated, enter a plea to

1 counts 1, 2, and 3 on the Indictment that you understand what
2 the consequences are and have been properly advised. First
3 thing I'll ask -- I'm sure, Mr. Braverman, you've discussed
4 this matter with Mrs. Cabasso and any other officials of the
5 company?

6 MR. BRAVERMAN: Yes, Your Honor. And I know that
7 Ms. Cabasso's also represented by competent counsel and he and
8 I have discussed this and he provided the Agreements directly
9 to her and through that, so she's had it from two different
10 sources.

11 THE COURT: All right.

12 DIRECT EXAMINATION

13 BY THE COURT:

14 Q. And I want to make sure that, Ms. Cabasso, you're aware
15 that the corporation as well as individuals within the
16 corporation have certain rights that they would be -- and in
17 this case, the corporation would have certain rights that they
18 would be waiving by pleading guilty to the counts that have
19 been described. Do you understand that?

20 A. Yes, Your Honor.

21 Q. I mean, even though the corporation is a company, it still
22 is treated as an individual for purposes of criminal
23 proceedings and does have a right to a trial. Do you
24 understand that?

25 A. Yes.

1 Q. And if you go forward with your plea of guilty or the plea
2 of guilty on behalf of the corporation, the corporation would
3 be giving up a right -- their right to a trial. A judgment of
4 guilty would be entered as a consequence of this Plea
5 Agreement, and the consequences flowing from that guilty plea
6 would apply to the corporation. Do you understand that?

7 A. Yes, Your Honor.

8 Q. All right. So as described by Mr. Mindlin on behalf of
9 the Government, the count 1349, to which there are two counts
10 to which the corporation's pleading guilty, those counts carry
11 penalties as follows. They're the same for each count, but it
12 doesn't mean that the Court couldn't double them up, as it
13 were. But as to each count, the penalty could be as much as
14 \$500,000 or twice the gross gain in this case from the alleged
15 scheme, and that's something that the Court would calculate.
16 And the Court in this case is -- that's Judge Azrack.
17 Correct?

18 ALL: Correct, Your Honor.

19 THE COURT: Yes.

20 BY THE COURT:

21 Q. There's also -- and it's described by the Government -- a
22 special assessment, a mandatory special assessment of \$400 as
23 to each count. And there's a term of probation, five years
24 maximum, for each of the 1349 counts. So in your case, it
25 would be counts 1 and 3, to which the corporation is pleading

1 guilty. With respect to the count 545, as to which the
2 corporation wants to plead guilty, it's also a \$500,000
3 sanction or twice the gross profit that Aventura gained as a
4 consequence of the scheme. Similarly, there's a \$400
5 mandatory special assessment, and this count also carries a
6 five-year probationary period. You understand as represented
7 by the Government that notwithstanding the fact that there's a
8 five-year probationary period, the Plea Agreement provides for
9 three years' probation. Is that correct?

10 A. Okay.

11 Q. Okay. Well -- if you're --

12 A. I'm not --

13 Q. -- not understanding some of the things I'm saying --

14 A. What I'm not understanding if the corporation is over,
15 what is five years' probation? I don't know what that means.

16 Q. The five years' probation that I'm telling you is what
17 that count provides for. It's not what has been imposed.
18 What you've agreed to in the Plea Agreement is three years'
19 probation. That's the Agreement that you have with the
20 Government on behalf of Aventura Technologies. As described
21 by Mr. Mindlin, the reason that the Government asked for the
22 imposition of a three-year probationary period is because
23 they're concerned that although there's an Agreement to
24 dissolve the company, it may take a while, and until such time
25 as the company's actually dissolved, they want to make sure

1 they have control through the courts of the operations of the
2 business.

3 A. Okay.

4 Q. Okay?

5 A. Okay.

6 Q. So that's what that's about.

7 A. Okay.

8 MR. BRAVERMAN: And Judge, just one more thing, if I
9 might. One of the concerns that Ms. Cabasso had, which I've
10 been talking to her about, but it's been a very emotional
11 concern, is that the company's effectively dead anyway, has
12 been dead for some period of time.

13 THE COURT: Right.

14 MR. BRAVERMAN: This is going to be the legal
15 death --

16 THE COURT: Correct.

17 MR. BRAVERMAN: -- of the company --

18 THE COURT: That's correct.

19 MR. BRAVERMAN: -- which is a different sort of
20 thing.

21 THE COURT: Yes.

22 MR. BRAVERMAN: And so the fact that the company
23 hasn't done anything for five years, it still has to be
24 declared dead.

25 THE COURT: Right.

1 MR. BRAVERMAN: Right? Like any of them.

2 THE COURT: You're not dead until you're declared
3 dead.

4 MR. BRAVERMAN: Right.

5 THE COURT: As a corporation.

6 MR. BRAVERMAN: And that's what this is going to do.

7 THE COURT: Okay. And so it may be a formality, but
8 it's a formality that must be taken and a step that must be
9 taken, and as I explained, the Government wants to make sure
10 that -- because things don't move quickly in the government --
11 that they have enough time to get -- to make sure that that
12 happens.

13 MS. CABASSO: Thank you.

14 THE COURT: Okay. Did I explain it correctly, Mr.
15 Mindlin?

16 MR. MINDLIN: Yes, Your Honor.

17 BY THE COURT:

18 Q. Okay. All right. So you understood, Ms. Cabasso, that
19 the company that -- I'll call it the company, although it's a
20 corporation -- that it had the right to plead not guilty and
21 go to trial. Do you understand that?

22 A. Yes. I do.

23 Q. All right. And as I described that there -- if there had
24 been a plea of not guilty, there would have been a trial, a
25 public trial.

1 THE COURT: Would the corporation have been entitled
2 to a jury trial? I believe so. Mr. Mindlin?

3 MR. MINDLIN: I believe so, Your Honor.

4 THE COURT: Okay.

5 BY THE COURT:

6 Q. And that would have been -- of course, Mr. Braverman or
7 whatever attorney the company would have chosen would have
8 been available to defend the corporation in that case. Do you
9 understand?

10 A. Yes, Your Honor.

11 Q. All right. Do you also understand that if there were a
12 trial, the Government would have the obligation and the burden
13 to prove their claims beyond a reasonable doubt and if they
14 failed in that proof, then a jury would have the duty to find
15 the corporation not guilty? Do you understand?

16 A. Yes, I do.

17 Q. Okay. And I'm also -- I want to advise you that if it got
18 to the point where there were a trial, the attorney for the
19 corporation, which might be Mr. Braverman or some other
20 lawyer, they would have the right to cross examine witnesses
21 that the Government would bring, they could object to evidence
22 that the Government might want to introduce. They could even,
23 on behalf of the corporation, subpoena witnesses to appear at
24 that trial in defense of the corporation. Do you understand?

25 A. Yes. I understand.

1 Q. Okay. So I want to make it clear that if you go forward
2 on behalf of the corporation with this plea of guilty, that
3 right to a trial will be given up and there would be no
4 further trial of any kind. What happens is the Court simply
5 enters a judgment of guilty to counts 1, 3, and 5, as though
6 there had actually been a trial. Do you understand that?

7 A. Yes. I understand, Your Honor.

8 Q. All right. And I just want to add that once that judgment
9 of guilty's entered, there's no going back from it. In other
10 words, you can't say, down the road, a month from now or
11 whenever, that, "You know what? Maybe I shouldn't have done
12 that and Aventura should not have entered a plea." Do you
13 understand?

14 A. Yes. I understand.

15 Q. Okay. Furthermore, on behalf -- and as the president of
16 the company, in order to ensure myself and you know, the Court
17 that your -- that the corporation's guilty of the charges to
18 which they seek -- to which you seek to plead guilty on behalf
19 of the corporation, I'm going to be asking questions so that
20 on behalf of the corporation, you'll be acknowledging their
21 guilt of the charges involved. Do you understand that?

22 MR. BRAVERMAN: Judge, on that respect, I'd ask that
23 you direct the questions to me as the spokesperson for the
24 company's -- counsel for the company. And particularly, since
25 we have stipulated to the facts that are in the Plea Agreement

1 itself --

2 THE COURT: Okay.

3 MR. BRAVERMAN: -- Ms. Cabasso has no additional
4 facts to add and they've already been stipulated within the
5 Plea Agreement. So that is what we would propose is the
6 factual allegation as to what the facts that makes the company
7 guilty of that.

8 THE COURT: Okay. So I will allow you to answer on
9 behalf of the corporation since you've been authorized to do
10 so.

11 MR. BRAVERMAN: Thank you, Judge.

12 THE COURT: But I want the record to be clear that
13 your -- that the corporation is acknowledging guilt, and I'm
14 going to ask specific questions in that regard.

15 MR. BRAVERMAN: Of course, Judge.

16 THE COURT: Although, feel free, if you feel more
17 comfortable to read from whatever script you have to -- when I
18 ask, you know, what's -- what did the corporation do that it -
19 - that accounts or amounts to the --

20 MR. BRAVERMAN: Of course, Judge.

21 THE COURT: -- claim that -- the guilty crimes that
22 are charged.

23 BY THE COURT:

24 Q. So on behalf of the corporation, Ms. Cabasso, since you
25 are the, you know -- the main shareholder are you willing to

1 give up your right to -- the company's right to a trial and
2 these other rights I've just discussed with you?

3 A. Yes, Your Honor.

4 Q. Okay.

5 THE COURT: The Government has described the Plea
6 Agreement on the record. Was there any indication of a waiver
7 of appeal?

8 MR. MINDLIN: Yes, Your Honor. No appeal is
9 possible regardless of the sentence imposed.

10 THE COURT: Okay. And I described the counts. So
11 let me just go to the question that I want to review with you
12 and counsel, Mr. Braverman, on page 8 of the allocution form.
13 I don't know if you have it there.

14 MR. BRAVERMAN: Of the Plea Agreement, Judge, or the
15 standard plea form?

16 THE COURT: Does he have the allocution form, Rob?

17 THE CLERK: Standard plea form.

18 MR. BRAVERMAN: Standard plea form. Yes, Judge.

19 THE COURT: Okay. These are statutory factors that
20 you know, Judge Azrack will consider in imposing sentence in
21 this case. These factors, Mr. Braverman, have you reviewed
22 those with your client?

23 MR. BRAVERMAN: Yes, Your Honor.

24 THE COURT: Oh, okay. Ultimately, Ms. Cabasso and
25 Mr. Braverman, are you satisfied that the -- that there was an

1 understanding of what the penalties are with respect to the
2 pleas that are being entered?

3 MR. BRAVERMAN: Yes, Your Honor.

4 THE COURT: Ms. Cabasso, do you have any other
5 questions you need to ask me at this time?

6 MS. CABASSO: No, ma'am.

7 THE COURT: Okay. And is there any legal reason why
8 I should not allow the plea as proposed by the Government and
9 agreed to in writing -- why I should not allow that to go
10 further.

11 MR. BRAVERMAN: No, Your Honor.

12 BY THE COURT:

13 Q. All right. Just to clarify, Ms. Cabasso, I know you're
14 here on behalf of the company. The company retained Mr.
15 Braverman as well as other lawyers, but Mr. Braverman is here.
16 Are you satisfied with your legal representation up to this
17 point?

18 A. Yes, Your Honor.

19 Q. You believe that the lawyers --

20 THE COURT: -- and I assume that, Mr. Braverman,
21 there's another lawyer involved in this as well?

22 MR. BRAVERMAN: Well, there's a lawyer who
23 represents Ms. Cabasso in her personal capacity.

24 THE COURT: In her personal capacity.

25 MR. BRAVERMAN: I'm the only lawyer for the company.

1 THE COURT: Okay.

2 BY THE COURT:

3 Q. So only with respect to Mr. Braverman is this question
4 posed. Do you believe he's doing a good job for the company?

5 A. Yes, ma'am.

6 Q. All right. All right. Then I'll move onto the plea,
7 which is that with respect to count -- we'll call it counts 1
8 and 3, since they parallel each other --

9 MR. MINDLIN: Your Honor, may I interrupt before
10 there's a plea?

11 THE COURT: Yes.

12 MR. MINDLIN: I would just ask that the Court advise
13 the company of the fact that because this is a plea pursuant
14 to Rule 11(c)(1)(C), the provisions that are in the Plea
15 Agreement will be part of the judgment automatically if Your
16 Honor accepts the plea.

17 THE COURT: Is there any issue with that, Mr.
18 Braverman?

19 MR. BRAVERMAN: No, Your Honor.

20 THE COURT: Okay.

21 MR. MINDLIN: Thank you, Your Honor.

22 THE COURT: So that is on the record and will be the
23 recommendation to Judge Azrack as well. All right. So Mr.
24 Braverman -- is it Brah-ver-man or Bray-ver-man?

25 MR. BRAVERMAN: It's -- probably was made up at

1 Ellis Island, so I can't be sure, Judge, but I'm happy to go
2 with either one.

3 THE COURT: All right. So Mr. Braverman, with
4 respect to count 1, the conspiracy to commit mail and wire
5 fraud which charges that in or about and between August 1st,
6 2006 and November of 2019, within the Eastern District of New
7 York and elsewhere, and which charges of the Defendants Jack
8 Cabasso, Frances Cabasso, and others knowingly and
9 intentionally conspired to devise a scheme and artifice to
10 defraud the U.S. Government and contractors in order to obtain
11 money and property by means of materially false and fraudulent
12 representations, that is falsely stating that merchandise was
13 made in the United States and falsely stating that merchandise
14 was made by Aventura Technologies, and in order to execute
15 that scheme and artifice through fraud, they caused or placed
16 in a post office, an authorized depository for mail, mail
17 matter which was sent and delivered by the U.S. Postal Service
18 in order to effectuate the scheme, some of those mailings
19 constituting such other things as shipments of merchandise,
20 and that they were transmitted in interstate commerce in order
21 to effectuate the scheme. With respect to that count, how
22 does the corporation plead?

23 MR. BRAVERMAN: It pleads guilty, Your Honor.

24 THE COURT: And with respect to count 3, which
25 charges that between August 1, 2006 and November of 2019, also

1 within the Eastern District of New York and elsewhere, that
2 Jack Cabasso or Frances Cabasso and others knowingly and
3 intentionally and fraudulently imported into the United States
4 merchandise which was imported contrary to law and did
5 receive, conceal, buy, sell, and facilitate that
6 transportation and conceal the sale of such merchandise after
7 importation, knowing that the merchandise to have been
8 imported and brought into the United States was brought in
9 contrary to law, the merchandise constituting or consisting of
10 security cameras and other network surveillance cameras,
11 automated turnstiles, and related equipment and which
12 importation was in violation of Title 19 Section 1304 which
13 required that every article of that type of foreign origin be
14 imported into the United States -- that was going to be
15 imported into the United States had to be conspicuously marked
16 to display the ultimate purchaser in the United States, the
17 English name of the country of origin of the article, and not
18 withstanding that -- and the purpose of that statute being to
19 identify the country of origin. Nonetheless, it appears that
20 count 3, it's charged that had steps were taken intentionally
21 and knowingly by the named parties that I've already
22 identified, including Aventura Technology, to alter the
23 letters or names in a way that were meant to deceive who the
24 ultimate purchaser was or the actual country of origin of the
25 products that were being brought into the country, all of

1 which would have been in violation of Title 18, USC Section
2 545. Did I describe that count accurately, Mr. Mindlin?

3 MR. MINDLIN: Yes, Your Honor.

4 THE COURT: All right. And with respect to count 3,
5 then, on behalf of the company, Aventura Technologies, Mr.
6 Braverman, how does the company plead?

7 MR. BRAVERMAN: Company pleads guilty.

8 THE COURT: And finally, with respect to count 5 --
9 I'm sorry -- count 2, in which it is alleged that on or about
10 or between August of 2006 and November of 2019, within the
11 Eastern District of New York, the Defendants; Cabasso, Frances
12 and Jack, and Aventura Technologies, together with others
13 knowingly and intentionally conspired to devise a scheme and
14 artifice to defraud the U.S. Government and to obtain money
15 and property from them by means of materially false and
16 fraudulent representations in the following fashion where
17 Aventura Technologies falsely represented that it was a woman-
18 owned business and that in the execution of that scheme and
19 artifice to defraud, it caused to be placed in a post office
20 mail matter which was sent by the U.S. Post Office in
21 interstate commerce -- shipments of merchandise were
22 transmitted in interstate commerce, writings were transmitted
23 in interstate commerce, all of which were in furtherance of
24 that scheme to defraud the Government. With respect to that
25 count, how does the company plead?

1 MR. BRAVERMAN: The company pleads guilty, Your
2 Honor.

3 THE COURT: All right. And let me just add with
4 respect to that count that the representation that it was a
5 woman-owned business was a false representation. Is that
6 correct?

7 MR. BRAVERMAN: That is the allegation of the
8 Government and the company concedes the allegation.

9 THE COURT: All right. Okay. Can you, Mr.
10 Braverman, with respect to each of those counts, do you have
11 any statement to make on behalf of the company as to what
12 actually happened here?

13 MR. BRAVERMAN: Sure, Judge. First, by
14 incorporating by reference, I'd incorporate into this portion
15 the Plea Agreement itself, which outlines the actual factual
16 Agreement between the two parties and specifically, it itself
17 refers to the Indictment. So the charges and the allegations
18 that are contained in the Indictment are adopted here as
19 factual basis. But in a sufficient, I think, nutshell for the
20 Court, the company imported -- over the period of time
21 outlined between 2006 and 2019 imported items from foreign
22 countries, including specifically China. Some of these items
23 that were imported, it was impermissible to import them.
24 Those items were either at some point sold as made in the
25 United States, relabeled as made in the United States, or

1 reconstituted and identified as made in the United States.
2 Sometimes, those items were then sold in violation of United
3 States Statutes which precluded the sale of those items or
4 sale of those items without disclosing the appropriate country
5 of origin. These items transferred in both interstate and
6 international commerce. The failure to do so caused harm and
7 it was known in advance before the harm was done that the
8 fraudulent display would cause harm and was a violation of
9 law. In the end, the people who were defrauded were the
10 purchasers of these items because they were ultimately not
11 given items that they contractually requested, paid for, as
12 well as under state statute or federal statute, were required
13 to purchase items that were in conformity of the law, and by
14 buying the items that were not in conformity of the law, they
15 therefore were in a damaged position vis-a-vis their purchase
16 of these items.

17 THE COURT: All right. So there's no question then
18 -- and you can tell me if there is -- that the company allowed
19 its officers and personnel, employees to conduct the actions
20 you've described -- that is the alteration of markings on
21 products so that it would appear as though they were coming
22 from different countries of origin. Is that right?

23 MR. BRAVERMAN: Yes. The corporation was aware of
24 that and took steps to make that happen.

25 THE COURT: And this was being done to benefit the

1 corporation. Correct?

2 MR. BRAVERMAN: Yes, Your Honor.

3 THE COURT: Okay. All right. I believe the
4 allocution is sufficient. Mr. Mindlin, is there anything else
5 you believe that should be covered in this allocution?

6 MR. MINDLIN: Your Honor, I believe that the
7 allocution serves sufficient as to the country of origin
8 scheme. I don't know if Mr. Braverman addressed count 2, the
9 woman-owned small business scheme.

10 THE COURT: Oh, yes. That's a good point. Go
11 ahead.

12 MR. BRAVERMAN: Oh, in terms of that, Your Honor,
13 Ms. Cabasso was the nominal owner of the company, but
14 factually, it is that the company was owned by another, and
15 though she was in a position that nominally she was the woman
16 owner of the company, it was a fraudulent display and meant to
17 obtain other benefits available to her and that the use of
18 interstate commerce on behalf of a woman-owned business
19 allowed the company to obtain benefits it otherwise would not
20 have been able to obtain or other things that --

21 THE COURT: All right. So it was known then by
22 other company officials other than Ms. Cabasso that she was
23 there only as the nominal employee. Correct?

24 MR. BRAVERMAN: That's correct, Your Honor.

25 THE COURT: And that was done in order to benefit

1 the corporation so it could get contracts for woman-owned
2 businesses. Is that the --

3 MR. BRAVERMAN: Yes, Your Honor.

4 THE COURT: Okay.

5 MR. BRAVERMAN: One of the things, Judge, that I did
6 not mention before. These took place within the Eastern
7 District of New York and other areas.

8 THE COURT: All right. Anything else?

9 MR. MINDLIN: No, Your Honor. It's sufficient.

10 THE COURT: Okay. All right. Then I'd say that
11 based on -- well, let me hear from the Government on this
12 outline of proof so I'm clear on what the Government would
13 have shown on behalf of the corporation, were it required to
14 go to trial.

15 MR. MINDLIN: Your Honor, the Government would
16 present evidence and witness testimony demonstrating that
17 Aventura was a pervasive fraud, that although its products
18 said "Made in the USA" and its products and its trade shows
19 and its marketing materials were decked out with U.S. flags,
20 Aventura was a front for products manufactured in China. The
21 company's executives spent their time working with
22 manufacturers in China to get Chinese letters out of computer
23 code and remove identifying marks from circuit boards. The
24 warehouse employees spent their time receiving boxes from
25 China, removing the incoming shipping labels, and applying new

1 labels destined for U.S. recipients, including dozens of U.S.
2 agencies and military branches. Customers who inquired about
3 the origin of Aventura's products were shown fake pictures of
4 the U.S. factory actually taken at an assembly line in China.
5 Visitors were shown fake lab, complete with white coats left
6 on chairs for supposed lab employees. Visitors were even
7 shown a supposed building where allegedly secret government
8 work took place, which in fact was an unrelated structure that
9 Aventura did not even own. The Government would prove this
10 through the testimony of employees who lied to customers on
11 Aventura's behalf and worked with Aventura's China-based
12 suppliers to "Aventurize" their products, as Aventura called
13 it. The Government will provide records showing that
14 Aventura's products came into the U.S. from China, were
15 covertly marked at the border by government officials with
16 invisible ink, and then went out again to United States
17 government purchasers unchanged except that they were branded
18 as U.S. made. The Government would provide phone recordings
19 where Aventura employees lied to a U.S. government undercover
20 agent about the origin of its products and extensive
21 electronic communications among Aventura employees where they
22 discussed concealing the origin of their products and lying to
23 their customers. We would present import records showing
24 extensive imports from Chinese equipment manufacturers,
25 including a company that Mr. Cabasso was, at that same time,

The Court - Finding

28

1 denouncing to the U.S. government as a Chinese government
2 outfit with vulnerable cyber products, and finally,
3 communications where Ms. Cabasso prepared for sham interviews
4 with a certifying company that interviewed her as the supposed
5 chief executive of Aventura as well as e-mails that Mr.
6 Cabasso wrote while pretending to be Ms. Cabasso and records
7 from the certifying company reflecting lengthy made-up stories
8 that Ms. Cabasso told them about her own leadership and
9 founding of Aventura.

10 THE COURT: All right. Based on the information
11 that I've been given, I find that Aventura Technologies is
12 acting -- has been fully advised of their rights as a
13 corporation, they're aware of the consequences of their plea.
14 There's no reason to believe they're not acting voluntarily,
15 and in fact, it's conceded that the actions that were taken by
16 employees of the company, including its, you know, management
17 team and members of ownership -- that they acted on behalf and
18 for the benefit of the corporation. There is a factual basis
19 for the plea. I accept the -- Aventura's plea of guilty to
20 the counts you've defined, which is 1, 3, and 2. I will
21 recommend that Judge Azrack accept the plea as well. Is there
22 anything else I have to address?

23 MR. MINDLIN: Not for the Government, Your Honor.

24 MR. BRAVERMAN: Not for the Defense, Your Honor.

25 THE COURT: What is --

1 MR. BRAVERMAN: We have a date for sentence.

2 THE COURT: Do you have that? I don't know if we
3 have a date.

4 MR. BRAVERMAN: We do have a date. Judge Azrack's
5 chamber set a date for us. I want to say it's late July.

6 MR. MINDLIN: Yes, Your Honor.

7 THE COURT: All right. You know the date then --

8 MR. BRAVERMAN: We do.

9 THE COURT: -- because I don't.

10 MR. MINDLIN: We do.

11 THE COURT: Okay. All right. All right, then.

12 Thank you, all.

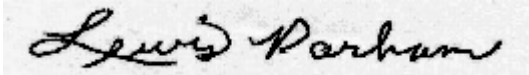
13 MR. BRAVERMAN: Thank you very much.

14 MR. MINDLIN: Thank you, Your Honor.

15

16 CERTIFICATION
17 I, Lewis Parham, certify that the foregoing is a correct
18 transcript from the electronic sound recording of the
19 proceedings in the above-entitled matter.
20

21

22 

4/17/24

23

24

25 _____
Signature of Transcriber

Date