

FILED IN THE U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

DEC 12 2024

SEAN F. McAVOY, CLERK
SPOKANE, WASHINGTON

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9 UNITED STATES DISTRICT COURT
10 FOR THE EASTERN DISTRICT OF WASHINGTON

11 UNITED STATES OF AMERICA,

2:24-CR-00057-TOR

12 Plaintiff,

PLEA AGREEMENT

13 vs.

14 PAULS TRANS, LLC,

15 Defendant.
16

17
18 Plaintiff, United States of America, by and through Vanessa R. Waldref, United
19 States Attorney for the Eastern District of Washington and Dan Fruchter and Jacob E.
20 Brooks, Assistant United States Attorneys, and Gwendolyn Russell, Special Assistant
21 United States Attorney, and Defendant PAULS TRANS, LLC (hereinafter
22 “Defendant”) and Defendant’s counsel, Christian Phelps, agree to the following Plea
23 Agreement:

24 1. Guilty Pleas and Maximum Statutory Penalties:

25 Defendant agrees to plead guilty to Count 1 of the Indictment returned by the
26 Grand Jury on April 17, 2024, charging Defendant with Conspiracy to Violate the Clean
27 Air Act, in violation of 18 U.S.C. § 371, 42 U.S.C. § 7413(c)(2)(C), a Class D felony.
28 Defendant, PAULS TRANS, LLC, agrees to plead guilty to Count 12 of the Indictment

1 returned by the Grand Jury on April 17, 2024, charging Defendant with False, Fictitious,
2 or Fraudulent claims, in violation of 18 U.S.C. § 287, a Class D felony. Defendant
3 understands that the following potential penalties apply:

- 4 (a) not more than a 5-year term of probation;
- 5 (b) a fine not to exceed \$500,000;
- 6 (c) restitution; and
- 7 (d) a \$400 special penalty assessment.

8 2. The Court is Not a Party to the Agreement:

9 The Court is not a party to this Plea Agreement and may accept or reject it.
10 Defendant acknowledges that no promises of any type have been made to Defendant
11 with respect to the sentence the Court will impose in this matter.

12 Defendant understands the following:

- 13 a. sentencing is a matter solely within the discretion of the Court;
 - 14 b. the Court is under no obligation to accept any recommendations
15 made by the United States or Defendant;
 - 16 c. the Court will obtain an independent report and sentencing
17 recommendation from the United States Probation Office;
 - 18 d. the Court may exercise its discretion to impose any sentence it
19 deems appropriate, up to the statutory maximum penalties;
 - 20 e. the Court is required to consider the applicable range set forth in the
21 United States Sentencing Guidelines, but may depart upward or
22 downward under certain circumstances; and
 - 23 f. the Court may reject recommendations made by the United States or
24 Defendant, and that will not be a basis for Defendant to withdraw
25 from this Plea Agreement or Defendant's guilty plea.
- 26
27
28

1 3. Defendant PAULS TRANS, LLC

2 Defendant PAULS TRANS, LLC understands that this Plea Agreement is
3 intended to bind PAULS TRANS, LLC, and that if the Defendant changes names,
4 reorganizes, merges, or otherwise ceases operations in its current form, the person or
5 entity acquiring the assets or taking over the operation of Defendant's company shall
6 take over the obligations of this Plea Agreement. The Defendant further agrees to
7 provide the United States Attorney's Office for the Eastern District of Washington and
8 the United States Probation Office for the Eastern District of Washington with
9 immediate notice of any name change, business reorganization, sale or purchase of
10 assets, divestiture of assets, or similar action impacting the operation of its business.

11 No name change, change in corporate or individual control, business
12 reorganization, change in ownership, merger, change of legal status, sale or purchase of
13 assets, or similar action shall alter the Defendant's responsibilities under this Plea
14 Agreement. The Defendant shall not engage in any action to seek to avoid the
15 obligations and conditions set forth in this Plea Agreement. This Plea Agreement,
16 together with all of the obligations and terms thereof, shall inure to the benefit and shall
17 bind assignees, subsidiaries, successors-in-interest, or transferees of the Defendant.

18 4. Waiver of Constitutional Rights:

19 Defendant understands that by entering these pleas of guilty, Defendant is
20 knowingly and voluntarily waiving certain constitutional rights, including:

- 21 (a) The right to a jury trial;
- 22 (b) The right to see, hear, and question the witnesses;
- 23 (c) The right to remain silent at trial;
- 24 (d) The right to testify at trial; and
- 25 (e) The right to compel witnesses to testify.

26 While Defendant is waiving certain constitutional rights, Defendant understands
27 he retains the right to be assisted through the sentencing and any direct appeal of the
28 conviction and sentence by an attorney, who will be appointed at no cost if Defendant

1 cannot afford to hire an attorney. Defendant understands and agrees that any defense
2 motions currently pending before the Court are mooted by this Plea Agreement, and
3 Defendant expressly waives Defendant's right to bring any additional pretrial motions.

4 5. Elements of the Offense:

5 The parties agree that, in order to convict Defendant of Conspiracy to Violate the
6 Clean Air Act, in violation of 18 U.S.C. § 371, 42 U.S.C. § 7413(c)(2)(C), as charged
7 in Count 1, the United States would have to prove beyond a reasonable doubt the
8 following elements:

- 9 - First, between on or about August 2, 2017 and on or about November 30,
10 2023, in the Eastern District of Washington and elsewhere, there was an
11 agreement between at least two people to violate the Clean Air Act by
12 tampering with or rendering inaccurate monitoring devices required by the
13 Clean Air Act;
14 - Second, Defendant became a member of the conspiracy knowing of at least
15 one of its objects and intending to help accomplish it; and
16 - Third, one of the members of the conspiracy performed at least one overt
17 act.

18 The United States and Defendant agree that in order to convict Defendant of
19 Making and Presenting a False, Fictitious, and Fraudulent Claim, in violation of 18
20 U.S.C. § 287, as charged in Count 12, the United States would have to prove the
21 following beyond a reasonable doubt.

- 22 - First, on or about June 26, 2020, in the Eastern District of Washington and
23 elsewhere, Defendant made or presented a false or fraudulent claim against
24 the Unites States Small Business Administration, an agency of the United
25 States;
26 - Second, Defendant knew that the claim was false or fraudulent at the time it
27 was made; and
28

1 - Third, the fraudulent matter was material; that is, it had a natural tendency to
2 influence, or was capable of influencing, the United States Small Business
3 Administration to part with money;

4 6. Factual Basis and Statement of Facts:

5 The parties stipulate and agree that the United States could prove the following
6 facts beyond a reasonable doubt at trial, and these facts constitute an adequate factual
7 basis for Defendant's guilty pleas. This statement of facts does not preclude either party
8 from presenting and arguing, for sentencing purposes, additional facts which are
9 relevant to the guideline computation or sentencing, unless otherwise prohibited in this
10 agreement.

11 Defendant and Co-Defendants

12 At all relevant times, Pavel Ivanovich Turlak (Turlak) was a resident of
13 Washington, and conducted business through his company, Defendant PAULS
14 TRANS, LLC, which had its principal place of business in Spokane, Washington.
15 Defendant PAULS TRANS LLC is a Spokane, Washington-based company that
16 specializes in cross-country transportation and warehousing. Defendant PAULS
17 TRANS LLC primarily utilizes semi-trailer trucks for long haul, temperature-controlled
18 transportation of goods. At all relevant times between August 2017 and November
19 2023, Ryan Hugh Milliken (Milliken) was a resident of Navarre, Florida, and operated
20 the aftermarket diesel truck tuning business Hardway Solutions, LLC d/b/a Hardway
21 Performance (Hardway Performance), which had its principal place of business in Mary
22 Esther, Florida. Hardway Performance, acting through Milliken and others, provided
23 automotive services for customers, including providing custom engine tuning software
24 for diesel engine trucks, including for Turlak and his companies.

25 The Clean Air Act and Required Pollution Controls and Monitoring Devices

26 The Clean Air Act directs the United States Environmental Protection Agency
27 (EPA) to issue regulations limiting the amount of pollutants that motor vehicles,
28 including diesel vehicles, can emit. To meet these emission standards, vehicle

1 manufacturers design and install certain hardware devices as components of an
2 emissions control system to manage and treat engine exhaust. This reduces the levels
3 of pollutants such as nitrogen oxides, particulate matter, carbon monoxide, and non-
4 methane hydrocarbons that are emitted into the air from tailpipe exhaust and keeps those
5 emissions within regulatory limits. For diesel engines, such emissions control devices
6 include diesel particulate filters (“DPF”), exhaust gas recirculation (“EGR”) systems,
7 diesel oxidation catalysts (“DOC”), and selective catalytic reduction (“SCR”) systems.
8 These hardware emissions control devices are critical components of a diesel vehicle’s
9 emissions control system and are essential to ensuring that the vehicle complies with
10 the Clean Air Act’s emissions standards.

11 EPA regulations also require manufacturers to install on-board diagnostic
12 (“OBD”) systems on vehicles and engines to ensure that emissions control systems
13 continue to operate properly. OBD systems must be capable of monitoring all emission-
14 related engine systems or components, including the EGR system, the DOC, the DPF,
15 and the SCR system.

16 The OBD system operates within a vehicle’s engine control module (“ECM”)
17 (sometimes referred to as the engine or electronic control unit or “ECU”). The OBD is
18 composed of software and sensors that monitor emissions-related engine systems and
19 components for malfunctions that may increase emissions. If an emissions-related
20 malfunction or problem occurs, the OBD system causes a malfunction indicator light
21 (“MIL”) to be illuminated on the vehicle’s dashboard to alert the driver and a diagnostic
22 trouble code (“DTC”) to be stored in the OBD’s memory. These functions facilitate the
23 detection and diagnosis of a malfunction in the emissions control system. Removal,
24 disconnection, or malfunction of certain powertrain components, including emissions
25 control hardware, may cause the control system to limit the top speed of some vehicles
26 to as low as five miles per hour (an effect commonly referred to as “limp mode” or
27 “power reduced mode”), providing an incentive for the vehicle’s operator to seek repairs
28 and to prevent damage to other components.

1 OBD systems are monitoring devices or methods required to be maintained or
2 followed under the Clean Air Act to ensure that both the emissions-monitoring
3 computer software and the hardware emissions control devices of vehicles are
4 functioning properly. Persons seeking to evade the Clean Air Act's pollution controls
5 for heavy-duty diesel vehicles have developed methods of modifying or removing
6 emissions control systems and rendering the OBDs inaccurate. These modifications
7 may be undertaken to avoid repair and maintenance costs associated with emissions
8 controls and to improve the horsepower, torque, fuel efficiency, or other characteristics
9 of diesel engines. These unlawful modifications result in a dramatic increase in multiple
10 pollutants being emitted by each vehicle.

11 One method of disabling a manufacturer-installed emissions control system is to
12 remove the portion of the vehicle's exhaust system that contains some of the emissions
13 control equipment, such as the DOC and SCR catalyst, and replace it with a section of
14 hollow exhaust tubing sometimes referred to as a "straight pipe." These "straight pipes"
15 funnel the vehicle's exhaust through the tailpipe, with no reduction in pollutants.
16 Alternatively, the DPF, DOC, and SCR can be hollowed out by removing the
17 operational internal contents (e.g., catalyst substrate), and then reconnected to the
18 exhaust pipe. This gives the appearance that the components are still intact but
19 eliminates their effective function. The EGR can be disabled through the installation
20 of "block plates" that cover the EGR valve and prevent the recirculation of exhaust.
21 Additionally, certain functions of emissions control components can be electronically
22 disabled.

23 To prevent an OBD system from detecting that the emissions controls have been
24 modified or removed, the ECM is reprogrammed to disable at least some of the OBD
25 monitoring functions and to modify other engine functions related to the operation of
26 emissions controls (e.g., turning off diesel exhaust fluid ("DEF") injection, turning off
27 DPF regenerations, and remapping other parameters to account for the removed or
28 disabled emissions controls). If an ECM is not reprogrammed after modification or

1 removal of emissions control equipment, a properly functioning OBD will detect the
2 malfunction or removal of the emissions control equipment, trigger a MIL alert, store a
3 DTC and, in certain instances, cause the vehicle to go into limp mode. For example,
4 DEF is injected into the SCR system to treat nitrogen oxides in the exhaust as the
5 exhaust flows through the SCR catalyst. DEF is used up as the engine is operated, and
6 if it is not refilled, the OBD system will notify the driver that DEF level is low. If not
7 remedied, the OBD will cause the vehicle to go into limp mode.

8 The act of tampering with, disabling, or removing emissions-related software or
9 hardware is sometimes referred to as “deletion” or “deleting.” Reprogramming the
10 ECM, including the OBD system, as part of the emissions control deletion can be
11 referred to as “tuning” or “reflashing” the vehicle. One method used to prevent the OBD
12 from detecting a malfunction in the emission control system involves connecting a
13 laptop computer to the vehicle’s OBD through the OBD port and “flashing”
14 (reprogramming) the OBD. Another common method involves installing a tune file on
15 the OBD through a tuning device (sometimes referred to as a “tuner”) that is connected
16 to the OBD through the OBD port.

17 Reprogramming an OBD to prevent it from detecting the removal or disabling of
18 emission control systems components constitutes tampering with and rendering
19 inaccurate a monitoring device required under the Clean Air Act.

20 Defendants’ Criminal Conspiracy to Violate the Clean Air Act

21 Beginning no later than August 2, 2017 and continuing until at least November
22 30, 2023, Defendant PAULS TRANS, LLC, acting through Turlak and others,
23 purchased and installed delete tune files designed to illegally tamper with OBDs, which
24 Turlak then loaded onto Defendant’s trucks. Turlak paid Milliken and Hardway
25 Performance for these delete tune files, which Milliken created for specific vehicles and
26 vehicle identification number (VINs) at Turlak’s request.

27 On January 10, 2020, the Environmental Appeals Board entered an
28 administrative consent agreement between the United States Environmental Protection

1 Agency and Milliken and his company, Hardway Performance. As part of the consent
2 agreement, Milliken and Hardway Performance stipulated and admitted to manufacture
3 and selling “tunes” designed to modify the programming on ECMs of diesel trucks. As
4 a further part of the consent agreement, Milliken and Hardway Performance did not
5 explicitly admit to having violated the law; however, both agreed to pay a civil penalty
6 of \$45,000, which reflected a reduced penalty because Milliken and Hardway
7 Performance “demonstrate[d] their inability to pay a higher civil penalty.” Finally,
8 Milliken, on his own behalf and on behalf of Hardway Performance, certified and
9 promised as part of the consent agreement that “they will not manufacture, sell, offer
10 for sale, or install any Defeat Device that defeats, bypasses, or otherwise renders
11 inoperative any emissions-related device or element of design on a motor vehicle or
12 motor vehicle engine subject to regulation under Title II of the [Clean Air Act]...”

13 Both before and in violation of this consent agreement, Hardway Performance,
14 acting through Milliken and others, continued to manufacture and sell defeat devices,
15 to wit, software designed to defeat, bypass and tamper with OBDs, and to render them
16 inaccurate and inoperative, to Turlak and others. Milliken and Hardway Performance
17 provided Turlak approximately 39 delete tunes between August 2017 and November
18 2023. Turlak, in turn, utilized these delete tunes to tamper with and render inoperative
19 diesel trucks utilized by his companies, including Defendant PAULS TRANS, LLC.

20 For example, on or about April 12, 2023, Turlak emailed Ryan Hugh Milliken
21 to request a tune file: “I got a 2020 Ram 3500. Aisin trans. regular pickup. Needs a
22 s[tock] d[elete]. Vin 3C63R3GL5LG272328.” On or about April 13, 2023, Ryan
23 Hugh Milliken responded by email to Turlak, attaching the file
24 “SD_20Aisin_V10_3C63R3GL5LG272328.ctz.” This file was a delete tune file
25 created by Ryan Hugh Milliken for the purpose of disabling and rendering inaccurate
26 the OBD and required monitoring device for the vehicle specified by Turlak. Turlak
27 used the delete tune file supplied by Ryan Hugh Milliken to disable emissions system
28 hardware and to tamper with and render inaccurate the OBD system on the 2020 RAM

1 3500, VIN #3C63R3GL5LG272328, registered to Turlak’s company Defendant
 2 PAULS TRANS, LLC.

3 Additionally, on December 27, 2021, Turlak placed an order on Company 1’s
 4 website for a tune for a vehicle with VIN # 3C63R3GL1LG291863. Turlak indicated
 5 that the vehicle had the following modification: “stright.” On December 28, 2021, an
 6 employee of Company 1 emailed Turlak and responded, “Here are your tunes!”
 7 Attached to the email were files named “ECONOMY.ctz” and “STOCK.ctz.” On or
 8 about December 28, 2021, Turlak disabled the emissions system hardware and
 9 tampered with the OBD system on a 2020 RAM, VIN # 3C63R3GL1LG291863,
 10 registered to Defendant PAULS TRANS LLC.

11 On November 30, 2023, agents with EPA’s Criminal Investigation Division
 12 executed a search warrant at Turlak’s business locations at 4207 E Rowan Ave.,
 13 Spokane, Washington 99217 and 4219 E Rowan Ave., Spokane, Washington 99217, in
 14 the Eastern District of Washington. EPA’s National Enforcement Investigations Center
 15 (“EPA-NEIC”) provided field technical inspection of vehicles located on the properties
 16 with remote assistance from EPA contractor Eastern Research Group, Inc. EPA-NEIC
 17 performed physical inspections and digital scans of the OBD systems on eight vehicles
 18 located on the properties. EPA-NEIC observed disabling of the emissions control
 19 hardware components and illegal tampering with the OBD systems required by the
 20 Clean Air Act on seven of the eight vehicles. Relevant here, EPA-NEIC observed this
 21 conduct on the following two vehicles, each vehicle registered to Defendant PAULS
 22 TRANS, LLC:

NEIC Veh. No.	VIN	Vehicle Manufacturer, Year, Make	Digital Evidence of OBD tampering?	Visual Inspection
5	3C63R3GL5LG272328	2020 FCA RAM 3500	Yes	Discreet EGR block plates observed
6	3C63R3GL1LG291863	2020 FCA RAM 3500	Yes	Discreet EGR block plates observed

1 Defendant admits that between August 2, 2017 and November 30, 2023, in the
2 Eastern District of Washington and elsewhere, Defendant PAULS TRANS, LLC, acting
3 through Turlak and others, along with Milliken, Milliken's company, and others,
4 conspired and agreed to violate the Clean Air Act by tampering with and rendering
5 inoperable required monitoring devices and methods, and that, in furtherance of that
6 conspiracy, Defendant PAULS TRANS, LLC, Turlak, and their conspirators committed
7 overt acts, including the above.

8 The CARES Act and the EIDL Program

9 The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was a
10 federal law enacted on March 27, 2020, designed to provide emergency financial
11 assistance to the millions of Americans who were suffering the economic effects caused
12 by the COVID-19 pandemic. The CARES act authorized COVID-19 pandemic related
13 funding for the Economic Injury Disaster Loan (EIDL) program. EIDL is a Small
14 Business Administration (SBA) program that provides low-interest funding to small
15 businesses, renters, and homeowners affected by declared disasters. The EIDL program
16 also offered Targeted EIDL Advance and Supplemental Targeted Advance grants for
17 certain qualifying businesses that did not have to be repaid.

18 In order to obtain an EIDL and advance, a qualifying business must submit an
19 application to the SBA and provide information about its operations, such as the number
20 of employees, gross revenues for the 12-month period preceding the disaster, and cost
21 of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for
22 COVID-19 relief, the 12-month period was the year preceding January 31, 2020. The
23 applicant must confirm in the application that that the applicant is not engaged in any
24 illegal activity as defined by Federal guidelines and to certify that all the information in
25 the application is true and correct to the best of the applicant's knowledge.

26 The amount of an EIDL, if the application is approved, is determined based, in
27 part, on the information provided in the application about employment, revenue, and
28 cost of goods, as set forth above. Any funds issued under an EIDL or advance are issued

1 directly by the SBA. EIDL funds can be used for payroll expenses, employee sick leave,
2 production costs, and business obligations and expenses, such as business debts, office
3 rent, and office mortgage payments.

4 Defendant's False, Fictitious, and Fraudulent Claims

5 Beginning no later than on or about June 26, 2020, and continuing through at
6 least on or about July 31, 2020, in the Eastern District of Washington and elsewhere,
7 Defendant PAULS TRANS LLC, acting through Turlak and others, knowingly
8 submitted materially false and fraudulent claims to the United States Small Business
9 Administration in order to obtain EIDL funds. Defendant falsely stated, and caused to
10 be stated, in each EIDL application submitted for Defendant that the business was not
11 engaged in any illegal activity as defined by Federal guidelines and certified that this
12 information was true and correct. This certification was materially false and fraudulent.
13 In fact, Defendant and Turlak knew that the business was engaged in illegal activity by
14 tampering with emissions monitoring systems in violation of the Clean Air Act and,
15 therefore, was ineligible for EIDL funding.

16 On or about June 26, 2020, Turlak submitted, and caused to be submitted, to the
17 SBA an EIDL application, number 3306793829, for an EIDL under the name of his
18 company, Defendant PAULS TRANS LLC. Turlak signed for and submitted, and
19 caused to be submitted, the final application via interstate wires on or about July 30,
20 2020.

21 Turlak represented in the application that Defendant PAULS TRANS LLC was
22 not engaged in any illegal activity as defined by Federal guidelines and certified this
23 information was true and correct. This information and certification were materially
24 false and fraudulent. In fact, Turlak and his company, Defendant PAULS TRANS LLC,
25 were actively engaged in a conspiracy to tamper with and render inaccurate monitoring
26 devices and methods required under the Clean Air Act, in violation of Title 42 U.S.C.
27 § 7413(c)(2)(C) for motor vehicles registered to Defendant PAULS TRANS LLC and
28 otherwise used in the transportation business for Defendant PAULS TRANS LLC.

1 Defendant PAULS TRANS LLC's participation in a then-ongoing criminal scheme and
2 conspiracy with respect to trucks registered to and owned and used by Turlak and his
3 company, Defendant PAULS TRANS LLC, made Defendant PAULS TRANS LLC
4 ineligible for any EIDL funding.

5 Based on Defendant's false and fraudulent representation that Defendant PAULS
6 TRANS LLC was not engaged in illegal activity, on or about June 29, 2020, SBA
7 electronically transferred a \$1,000 EIDL advance to an Umpqua bank account
8 associated with Defendant PAULS TRANS LLC.

9 Based on Defendant's false and fraudulent representation that the applicant was
10 not engaged in illegal activity, the SBA approved EIDL application 3306793829 under
11 the name of Defendant PAULS TRANS LLC, which was assigned SBA EIDL number
12 1637438210. As a result of the materially false and fraudulent representations and
13 certifications made by Defendant, on or about July 31, 2020, the SBA disbursed
14 \$150,000 in EIDL funds to Defendant PAULS TRANS LLC's Umpqua bank account.

15 7. The United States Agrees:

16 (a) To Dismiss Counts:

17 At the time of sentencing, the United States agrees to move to dismiss as to
18 Defendant Counts 4 and 5 of the Indictment, which charge Tampering with Clean Air
19 Act Monitoring Device, in violation of 42 U.S.C. § 7413(c)(2)(C), 18 U.S.C. § 2. The
20 United States agree to move to dismiss as to Defendant Counts 7 and 8, which charge
21 Wire Fraud, in violation of 18 U.S.C. § 1343.

22 (b) Not to File Additional Charges:

23 The United States Attorney's Office for the Eastern District of Washington
24 agrees not to bring any additional charges against Defendant based upon information in
25 its possession at the time of this Plea Agreement and arising out of Defendant's conduct
26 involving illegal activity charged in the Indictment, unless Defendant breaches this Plea
27 Agreement any time before sentencing.

28 8. Statutory Authority:

1 Defendant understands and acknowledges that the United States Sentencing
2 Guidelines (hereinafter “Sentencing Guidelines” or “USSG”) are applicable to this case
3 and that the Court will determine Defendant’s applicable sentencing guideline range at
4 the time of sentencing. Defendant further understands that the Court, after consultation
5 and consideration of the Sentencing Guidelines, must impose a sentence that is
6 reasonable in light of the factors set forth in 18 U.S.C. § 3553(a).

7 Defendant understands and acknowledges that the Sentencing Guidelines,
8 including Chapter Eight that provides guidance for the sentencing of corporate
9 defendants, will be considered by the court except that pursuant to USSG §§ 8C2.1 and
10 8C2.10, the Guidelines that pertain to the sentencing of organizations do not determine
11 the fine range in cases involving environmental crimes. Instead, the fine is to be
12 determined under 18 U.S.C. §§ 3553 and 3572. All other sections of Chapter Eight of
13 the Sentencing Guidelines that are applicable to corporate defendants are applicable to
14 this case, including provisions for probation.

15 9. Criminal Fine:

16 The United States and Defendant may make any recommendation concerning
17 the imposition of a criminal fine. Defendant acknowledges that the Court’s decision
18 regarding a fine is final and non-appealable; that is, even if Defendant is unhappy with
19 a fine ordered by the Court, that will not be a basis for Defendant to withdrawal from
20 this guilty plea, or appeal Defendant’s conviction, sentence, or fine.

21 10. Restitution:

22 The United States and the Defendant hereby stipulate and agree that, pursuant to
23 18 U.S.C. §§ 3663, 3663A and 3664, the Court should order the Defendant to pay
24 restitution to the United States Small Business Administration. Pursuant to 18 U.S.C.
25 § 3663A(a)(3), the United States and Defendant agree that the appropriate amount of
26 restitution should be at least \$156,496.14, which consists of the principal, interest, and
27 a \$1,000 EIDL advance for EIDL 1637438210. The United States and Defendant agree
28 and stipulate that this restitution amount is reflected in the total restitution amount

1 (\$317,388.46) assessed against owner and co-defendant Pavel Ivanovich Turlak, and
2 that Defendant is jointly and severally liable for this restitution amount with co-
3 defendant Pavel Ivanovich Turlak and his companies. The United States reserves the
4 right to request additional restitution for any amounts owed to SBA relating to this EIDL
5 loan, including but not limited to, loan origination fees, recording fees, accrued interest,
6 and other loan costs.

7 With respect to restitution, the United States and the Defendant agree to the
8 following:

9 (a) Restitution Amount and Interest

10 The United States and Defendant stipulate and agree that, pursuant to 18 U.S.C.
11 §§ 3663, 3663A and 3664, the Court should order restitution in an amount of at least
12 \$156,496.14 and that any interest on this restitution amount, if any, should be waived.
13 The United States and Defendant stipulate and agree that this restitution amount is
14 included within the total restitution amount assessed to co-defendant Pavel Ivanovich
15 Turlak.

16 (b) Payments

17 The parties agree the Court will set a restitution payment schedule based on
18 Defendant's financial circumstances. *See* 18 U.S.C. § 3664(f)(2), (3)(A). That being
19 said, Defendant agrees to pay not less than 10% of Defendant's net monthly income
20 towards restitution.

21 (c) Joint and Several Liability

22 The United States and Defendant agree and stipulate that Defendant, along with
23 owner and co-defendant Pavel Ivanovich Turlak and his co-defendant companies, PT
24 Express, LLC and Spokane Truck Service, LLC, will be jointly and severally liable
25 for the restitution amount of at least \$317,388.46.

26 (d) Treasury Offset Program and Collection

27 Defendant understands the Treasury Offset Program (TOP) collects delinquent
28 debts owed to federal agencies. If applicable, the TOP may take part or all of

1 Defendant's federal tax refund, federal retirement benefits, or other federal benefits and
2 apply these monies to Defendant's restitution obligations. *See* 26 U.S.C. § 6402(d); 31
3 U.S.C. § 3720A; 31 U.S.C. § 3716.

4 Defendant also understands the United States may, notwithstanding the Court-
5 imposed payment schedule, pursue other avenues to ensure the restitution obligation is
6 satisfied, including, but not limited to, garnishment of available funds, wages, or assets.
7 *See* 18 U.S.C. §§ 3572, 3613, and 3664(m).

8 Nothing in this acknowledgment shall be construed to limit Defendant's ability
9 to assert any specifically identified exemptions as provided by law, except as set forth
10 in this Plea Agreement.

11 Until Defendant's fine and restitution obligations are paid in full, Defendant
12 agrees fully to disclose all assets in which Defendant has any interest or over which
13 Defendant exercises control, directly or indirectly, including those held by an owner,
14 spouse, nominee or third party.

15 Until Defendant's fine and restitution obligations are paid in full, Defendant
16 agrees to provide waivers, consents, or releases requested by the U.S. Attorney's Office
17 to access records to verify the financial information.

18 (e) Obligations, Authorizations, and Notifications

19 Defendant agrees to truthfully complete the Financial Disclosure Statement that
20 will be provided by the earlier of 30 days from Defendant's signature on this plea
21 agreement or the date of the Defendant's entry of a guilty plea, sign it under penalty of
22 perjury and provide it to both the United States Attorney's Office and the United States
23 Probation Office. The parties agree that Defendant's failure to timely and accurately
24 complete and sign the Financial Disclosure Statement, and any update thereto, may, in
25 addition to any other penalty or remedy, constitute Defendant's failure to accept
26 responsibility under U.S.S.G §3E1.1.

27 Defendant expressly authorizes the United States Attorney's Office to obtain a
28 credit report on Defendant upon the signing of this Plea Agreement. Until the fine or
Plea Agreement- 16 of 22

1 restitution order is paid in full, Defendant agrees to provide waivers, consents or
2 releases requested by the United States Attorney's Office to access records to verify the
3 financial information.

4 Defendant agrees to notify the Financial Litigation Unit of the United States
5 Attorney's Office before Defendant transfers any interest in property with a value
6 exceeding \$1,000 owned directly or indirectly, individually or jointly, by Defendant,
7 including any interest held or owned under any name, including trusts, partnerships and
8 corporations. Further, pursuant to 18 U.S.C. § 3664(k), Defendant shall notify the Court
9 and the United States Attorney's Office within a reasonable period of time, but no later
10 than 10 days, of any material change in Defendant's economic circumstances that might
11 affect defendant's ability to pay restitution, including, but not limited to, new or
12 changed employment, increases in income, inheritances, monetary gifts or any other
13 acquisition of assets or money.

14 Until the fine or restitution order is paid in full, Defendant agrees to disclose all
15 assets in which Defendant has any interest or over which Defendant exercises control,
16 directly or indirectly, including those held by a spouse, nominee or third party.

17 Pursuant to 18 U.S.C. § 3612(b)(F), Defendant understands and agrees that until
18 a fine or restitution order is paid in full, Defendant must notify the United States
19 Attorney's Office of any change in the mailing address or residence address within 30
20 days of the change.

21 Defendant acknowledges that the Court's decision regarding restitution is final
22 and non-appealable; that is, even if Defendant is unhappy with the amount of
23 restitution ordered by the Court, that will not be a basis for Defendant to withdraw
24 Defendant's guilty plea, withdraw from this Plea Agreement, or appeal Defendant's
25 conviction, sentence, or restitution order.

26 11. Probation:

27 The parties agree to recommend that the Court impose a 5-year term of
28 probation. *See* 18 U.S.C. § 3561(c)(1) and USSG §§ 8D1.1 and 8D1.2. Additionally,

1 the parties agree that the terms of probation or supervised release shall include the
2 following special conditions, in addition to the Court's standard conditions:

3 A. No Further Violations: The Defendant will commit no further
4 violations of the Clean Air Act, or other federal, state, or local law,
5 and he and his business shall conduct all operations in accordance
6 with EPA regulations and with other federal, state, and local
7 environmental regulations.

8 B. Environmental Compliance: Defendant PAULS TRANS, LLC
9 shall follow the compliance program attached to this Plea Offer.

10 The parties are free to advocate for any additional special conditions they believe are
11 appropriate.

12 12. Mandatory Special Penalty Assessment:

13 Defendant agrees to pay the \$400 mandatory special penalty assessment per
14 count (\$800 total) to the Clerk of Court for the Eastern District of Washington. *See* 18
15 U.S.C. § 3013.

16 13. Additional Violations of Law Can Void Plea Agreement:

17 The parties agree that the United States may at its option and upon written
18 notice to Defendant, withdraw from this Plea Agreement or modify its
19 recommendation for sentence if, before sentencing, Defendant is charged or convicted
20 of any criminal offense whatsoever.

21 14. Waiver of Appeal

22 In return for the concessions that the United States has made in this Plea
23 Agreement, Defendant agrees to waive Defendant's right to appeal Defendant's
24 conviction and sentence.

25 Defendant expressly waives Defendant's right to appeal any fine, term of
26 probation, or restitution order imposed by the Court.

27 Defendant expressly waives the right to file any post-conviction motion
28 attacking Defendant's conviction and sentence, including a motion pursuant to 28

1 U.S.C. § 2255, except one based on ineffective assistance of counsel arising from
2 information not now known by Defendant and which, in the exercise of due diligence,
3 Defendant could not know by the time the Court imposes sentence.

4 Nothing in this Plea Agreement shall preclude the United States from opposing
5 any post-conviction motion for a reduction of sentence or other attack upon the
6 conviction or sentence, including, but not limited to, writ of habeas corpus
7 proceedings brought pursuant to 28 U.S.C. § 2255.

8 15. Withdrawal or Vacatur of Defendant's Plea

9 Should Defendant successfully move to withdraw from this Plea Agreement or
10 should Defendant's conviction be set aside, vacated, reversed, or dismissed under any
11 circumstance, then:

- 12 a. The United States' obligations under this Plea Agreement shall
13 become null and void;
- 14 b. the United States may prosecute Defendant on all available
15 charges;
- 16 c. The United States may reinstate any counts that have been
17 dismissed, have been superseded by the filing of another charging
18 instrument, or were not charged because of this Plea Agreement;
19 and
- 20 d. the United States may file any new charges that would otherwise
21 be barred by this Plea Agreement.

22 The decision to pursue any or all of these options is solely in the discretion of
23 the United States Attorney's Office.

24 Defendant agrees to waive any objections, motions, and/or defenses Defendant
25 might have to the United States' decisions to seek, reinstate, or reinitiate charges if a
26 count of conviction is withdrawn, set aside, vacated, reversed, or dismissed, including
27 any claim that the United States has violated Double Jeopardy.

1 Defendant agrees not to raise any objections based on the passage of time,
2 including but not limited to, alleged violations of any statutes of limitation or any
3 objections based on the Speedy Trial Act or the Speedy Trial Clause of the Sixth
4 Amendment.

5 16. Waiver of Attorney Fees and Costs:

6 Defendant agrees to waive all rights Defendant may have under the “Hyde
7 Amendment,” Section 617, P.L. 105-119 (Nov. 26, 1997), to recover attorneys’ fees or
8 other litigation expenses in connection with the investigation and prosecution of all
9 charges in the above-captioned matter and of any related allegations (including, without
10 limitation, any charges to be dismissed pursuant to this Plea Agreement or any charges
11 previously dismissed or not brought as a result of this Plea Agreement).

12 17. Owner Approval:

13 The Defendant represents, and will state to the Court on the record, that its
14 owners, directors, and/or duly authorized corporate officers authorize Defendant to
15 plead guilty to the Indictment in this case, and to enter into and comply with all the
16 provisions of this Plea Agreement.

17 18. Integration Clause:

18 The parties acknowledge that this document constitutes the entire Plea
19 Agreement between the parties, and no other promises, agreements, or conditions exist
20 between the parties concerning this case’s resolution. This Plea Agreement is binding
21 only upon the United States Attorney’s Office for the Eastern District of Washington,
22 and cannot bind other federal, state, or local authorities. The parties agree that this
23 agreement cannot be modified except in writing that is signed by the United States and
24 Defendant.

Approval and Signature

Agreed and submitted on behalf of the United States Attorney's Office for the Eastern District of Washington.

Vanessa R. Waldref
United States Attorney

Dan Fruchter
Assistant United States Attorney

Jacob E. Brooks
Assistant United States Attorney

Gwendolyn Russell
Special Assistant United States Attorney

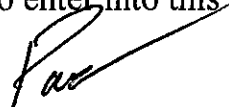
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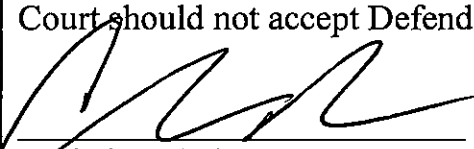
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1 I have read this Plea Agreement and have carefully reviewed and discussed
2 every part of the agreements with my attorney. I understand and voluntarily enter into
3 the Plea Agreement. Furthermore, I have consulted with my attorney about my rights,
4 I understand those rights, and I am satisfied with the representation of my attorney in
5 this case. No other promise or inducements have been made to me, other than those
6 contained in this Plea Agreement and no one has threatened or forced me in any way
7 to enter into this Plea Agreement. I am agreeing to plead guilty because I am guilty.

8 
9 _____
10 Pavel Ivanovich Turlak
11 Corporate Representative for
12 Pauls Trans, LLC

12-12-24
Date

13 I have read the Plea Agreement and have discussed the contents of the
14 agreement with my client. The Plea Agreement accurately and completely sets forth
15 the entirety of the agreement between the parties. I concur in my client's decision to
16 plead guilty as set forth in the Plea Agreement. There is no legal reason why the
17 Court should not accept Defendant's plea of guilty.

18 
19 _____
20 Christian Phelps
21 Attorney for Defendant

12-12-24
Date

ATTACHMENT A

COMPLIANCE PROGRAM

Pauls Trans LLC, and its subsidiaries or affiliates (“the defendant”), through its authorized representative, agrees to the following monitoring and compliance measures during the term of Probation:

Definitions:

- a. “Vehicle” means any (1) “motor vehicle” as defined under the Clean Air Act, 42 U.S.C. § 7550(2), which includes any self-propelled truck, semi-truck, car, van, camper, bus, or any other vehicle used to transport persons or property on streets or highways; and (2) “nonroad vehicle” as defined under the Clean Air Act, 42 U.S.C. § 7550(11), which includes any engine-powered vehicle such as construction, agricultural, or recreational equipment that is not designed for use on streets or highways.
- b. “Vehicle tampering” means any steps taken to remove, render inoperable, override, modify, or alter any component of any vehicle’s emissions control system, including but not limited to the selective catalytic reduction (SCR), exhaust gas recirculation (EGR), periodic trap oxidizer (PTOX), diesel particulate filter (DPF), diesel oxidation catalyst (DOC), or engine control module (ECM), or the onboard diagnostic (OBD) system.
- c. “Defeat device” includes, but is not limited to, an “EGR delete,” “DPF delete,” “delete kit,” “upgrade kit,” “conversion kit,” “tuner,” “tune,” “programmer,” “block plate,” “straight pipe,” or any other device designed to override, modify, alter, or allow the removal of any component of a vehicle’s emissions control system.
- d. “Tampered vehicle” means any vehicle that has been modified pursuant to “vehicle tampering.”

Terms:

- 1. The defendant agrees not to manufacture or sell, or offer to sell, or install any defeat device.
- 2. The defendant agrees not to engage in, or aid and abet, or conspire to, or cause others to engage in, vehicle tampering.
- 3. The defendant agrees to immediately cease operating any tampered vehicles it owns or operates (or that a subsidiary or affiliate owns or operates). The defendant will not sell or otherwise transfer any such vehicle intact or in a condition that allows the vehicle to be driven, unless it is restored. Within six months of Court approval of the Plea Agreement, the defendant agrees to

restore, scrap or recycle any tampered vehicle it owns or operates. If any other vehicles are later identified as being tampered vehicles that are owned or operated by the defendant or its subsidiaries or affiliates, the defendant agrees to immediately cease operating and to restore, scrap or recycle those vehicles.

- a. For any tampered vehicles that are restored to stock, the defendant shall obtain and present a certification (attached) from a mechanic or dealership licensed by the vehicle's Original Equipment Manufacturer (OEM) that the vehicle has been restored to its certified configuration.
 - b. For any tampered vehicles that are not restored to stock, the "long block" may be removed and sold for scrap, parts, or recycling, so long as the intake and exhaust manifolds are removed. The manifolds must be sold for scrap or otherwise disposed of. Any other emission control components that have been tampered with must be sold for scrap or otherwise disposed of. The remainder of the vehicle can be sold for scrap, parts, or recycling.
4. For any tampered vehicle, the defendant agrees not to work on, repair, or service (1) the OBD system or (2) any hardware relating to the emissions control system, including the SCR, EGR, PTOX, DPF, and DOC, except for the purpose of restoring the emissions control system on the tampered vehicle to its certified configuration, that is, restoring it to stock.
5. The defendant agrees to permit unrestricted entry to federal, state, and local officials to inspect premises, including hard copy and electronic documents, at any time and without advance notice, for violations of the Clean Air Act, 42 U.S.C. §§ 7413(c)(2) and 7522(c)(3).
6. The defendant agrees to submit to the U.S. Attorney's Office an annual report detailing the company's compliance measures and including a certification signed by a responsible corporate officer confirming, if true, that the company has not knowingly engaged in any violations of the Clean Air Act, 42 U.S.C. §§ 7413(c)(2) and 7522(c)(3). The first certification shall be submitted one year from the date on which the Information is filed and shall be filed annually on that date until the Term of the Agreement is concluded.