

1 DAVID C. WEISS
Special Counsel
2 LEO J. WISE
Principal Senior Assistant Special Counsel
3 DEREK E. HINES
Senior Assistant Special Counsel
4 SEAN F. MULRYNE
CHRISTOPHER M. RIGALI
5 Assistant Special Counsels
950 Pennsylvania Avenue NW, Room B-200
6 Washington, D.C. 20530
7 Telephone: (771) 217-6091
8 E-mail: LJW@usdoj.gov, DEH@usdoj.gov
E-mail: SFM@usdoj.gov; CMR@usdoj.gov

9 Attorneys for Plaintiff

10 UNITED STATES OF AMERICA

11 UNITED STATES DISTRICT COURT

12 FOR THE CENTRAL DISTRICT OF CALIFORNIA

13 UNITED STATES OF AMERICA,

14 Plaintiff,

15 v.

16 ALEXANDER SMIRNOV,

17 Defendant.

No. 2:24-CR-00091-ODW

No. 2:24-CR-00702-ODW

PLEA AGREEMENT FOR DEFENDANT
ALEXANDER SMIRNOV

18
19 1. This constitutes the plea agreement between ALEXANDER SMIRNOV
20 (“defendant”) and the Office of Special Counsel David C. Weiss (the “SCO-W”) in the
21 above-captioned cases. This agreement is limited to the SCO-W and cannot bind any other
22 federal, state, local, or foreign prosecuting, enforcement, administrative, or regulatory
23 authorities.

24 RULE 11(c)(1)(C) AGREEMENT

25 2. Defendant understands that this agreement is entered into pursuant to Federal
26 Rule of Criminal Procedure 11(c)(1)(C). Accordingly, defendant understands that, if the
27 Court determines that it will not accept this agreement, including but not limited to the
28 sentencing agreements in paragraph 19, absent a breach of this agreement by defendant

1 prior to that determination and whether or not defendant elects to withdraw any guilty
2 pleas entered pursuant to this agreement, this agreement will, with the exception of
3 paragraph 26 below be rendered null and void and both defendant and the SCO-W will be
4 relieved of their obligations under this agreement. Defendant agrees, however, that if
5 defendant breaches this agreement prior to the Court's determination whether or not to
6 accept this agreement, the breach provisions of this agreement, paragraphs 28 and 29
7 below, will control, with the result that defendant will not be able to withdraw any guilty
8 pleas entered pursuant to this agreement, the SCO-W will be relieved of all of its
9 obligations under this agreement, and the Court's failure to follow any recommendation
10 or request regarding sentence set forth in this agreement will not provide a basis for
11 defendant to withdraw defendant's guilty pleas.

12 DEFENDANT'S OBLIGATIONS

13 3. Defendant agrees to:

14 a. At the earliest opportunity requested by the SCO-W and provided by
15 the Court, appear and plead guilty to:

16 i. Count Two of the indictment in United States v. Alexander
17 Smirnov, 2:24-CR-00091-ODW, which charges defendant with causing the creation of a
18 false and fictitious record in a federal investigation, in violation of 18 U.S.C. § 1519
19 (hereafter the "obstruction of justice indictment").

20 ii. Counts One, Five and Eight, of the indictment in United States
21 v Alexander Smirnov, 2:24-CR-00702-ODW, which charges the defendant with tax
22 evasion for tax years 2020, 2021 and 2022, in violation of 26 U.S.C. § 7201 (hereafter the
23 "tax evasion indictment").

24 b. Request that the Court sentence the defendant within 30 days of entry
25 of the entry of his guilty pleas, but not sooner than January 8, 2025.

26 c. Not contest facts agreed to in this agreement.

27 d. Abide by all agreements regarding sentencing contained in this
28 agreement.

1 e. Appear for all court appearances, surrender as ordered for service of
2 sentence, obey all conditions of any bond, and obey any other ongoing court order in this
3 matter.

4 f. Not commit any crime; however, offenses that would be excluded for
5 sentencing purposes under United States Sentencing Guidelines (“U.S.S.G.” or
6 “Sentencing Guidelines”) § 4A1.2(c) are not within the scope of this agreement.

7 g. Be truthful at all times with the United States Probation and Pretrial
8 Services Office and the Court.

9 h. Pay the applicable special assessments at or before the time of
10 sentencing unless defendant has demonstrated a lack of ability to pay such assessments.

11 PAYMENT OF TAXES OWED

12 4. Defendant admits that he received unreported income in the amounts of
13 \$1,350,000 for tax year 2020, \$500,000 for tax year 2021 and \$300,000 for tax year 2022.
14 Defendant agrees that:

15 a. Nothing in this agreement forecloses or limits the ability of the Internal
16 Revenue Service to examine and make adjustments to defendant’s returns.

17 b. Defendant will not file any claim for refund of taxes, penalties, or
18 interest for amounts attributable to the to the subject matter of this plea agreement.

19 c. Defendant may be liable for the fraud penalty imposed by the Internal
20 Revenue Code, 26 U.S.C. § 6663, on the understatements of tax liabilities for 2020, 2021
21 and 2022.

22 d. Defendant gives up any and all objections that could be asserted to the
23 Examination Division of the Internal Revenue Service receiving materials or information
24 obtained during the criminal investigation of this matter, including materials and
25 information obtained through grand jury subpoenas.

26 THE SCO-W’S OBLIGATIONS

27 5. The SCO-W agrees to:

28 a. Not contest facts agreed to in this agreement.

1 a. First, the defendant owed more federal income tax for the tax years
2 2020, 2021 and 2022 than was declared due on the defendant's income tax returns for each
3 calendar year.

4 b. Second, the defendant knew that more federal income tax was owed
5 than was declared due on the defendant's income tax returns.

6 c. Third, the defendant made an affirmative attempt to evade or defeat
7 such additional tax, including at least one of the affirmative acts charged in the tax evasion
8 indictment.

9 d. Fourth, in attempting to evade or defeat such additional tax, the
10 defendant acted willfully.

11 PENALTIES AND RESTITUTION

12 8. Defendant understands that the statutory maximum sentence that the Court
13 can impose for a violation of:

14 a. 18 U.S.C. § 1519 (Count Two of the obstruction of justice indictment),
15 is: 20 years imprisonment; a 3-year period of supervised release; a fine of \$250,000; and
16 a mandatory special assessment of \$100; and

17 b. 26 U.S.C. § 7201 (Counts One, Five and Eight of the tax evasion
18 indictment), is 5 years imprisonment; a 3-year period of supervised release; a fine of
19 \$250,000 or twice the gross gain or gross loss resulting from the offense, whichever is
20 greatest; and a mandatory special assessment of \$100.

21 9. Defendant understands, therefore, that the total maximum sentence for all
22 offenses to which defendant is pleading guilty is: 35 years imprisonment; a 3-year period
23 of supervised release; a fine of \$1,000,000 or twice the gross gain or gross loss resulting
24 from the offense, whichever is greatest; and a mandatory special assessment of \$400.

25 10. Defendant understands that supervised release is a period of time following
26 imprisonment during which defendant will be subject to various restrictions and
27 requirements. Defendant understands that if defendant violates one or more of the
28 conditions of any supervised release imposed, defendant may be returned to prison for all

1 or part of the term of supervised release authorized by statute for the offense that resulted
2 in the term of supervised release, which could result in defendant serving a total term of
3 imprisonment greater than the statutory maximum stated above.

4 11. Defendant understands that, by pleading guilty, defendant may be giving up
5 valuable government benefits and valuable civic rights, such as the right to vote, the right
6 to possess a firearm, the right to hold office, and the right to serve on a jury. Defendant
7 understands that he is pleading guilty to a felony and that it is a federal crime for a
8 convicted felon to possess a firearm or ammunition. Defendant understands that the
9 convictions in this case may also subject defendant to various other collateral
10 consequences, including but not limited to revocation of probation, parole, or supervised
11 release in another case and suspension or revocation of a professional license. Defendant
12 understands that unanticipated collateral consequences will not serve as grounds to
13 withdraw defendant's guilty pleas.

14 12. Defendant agrees to pay restitution to the Internal Revenue Service for his
15 federal individual income taxes in an amount to be determined by the court, pursuant to
16 18 U.S.C. § 3663(a)(3).

17 13. Defendant agrees that restitution to the IRS is due and payable immediately
18 after the judgment is entered and is subject to immediate enforcement in full by the United
19 States. If the Court imposes a schedule of payments, Defendant agrees that the schedule
20 of payments is a schedule of the minimum payment due, and that the payment schedule
21 does not prohibit or limit the methods by which the United States may immediately enforce
22 the judgment in full.

23 14. The IRS will use the amount of restitution ordered as the basis for a civil
24 assessment under 26 U.S.C. § 6201(a)(4). Defendant does not have the right to challenge
25 the amount of this restitution-based assessment. 26 U.S.C. § 6201(a)(4)(C). Neither the
26 existence of a restitution payment schedule nor Defendant's timely payment of restitution
27 according to that schedule will preclude the IRS from immediately collecting the full
28 amount of the restitution-based assessment.

1 IMMIGRATION CONSEQUENCES

2 15. Defendant understands that, if defendant is not a United States citizen, the
3 felony convictions in this case may subject defendant to: removal, also known as
4 deportation, which may, under some circumstances, be mandatory; denial of citizenship;
5 and denial of admission to the United States in the future. The Court cannot, and
6 defendant's attorney also may not be able to, advise defendant fully regarding the
7 immigration consequences of the felony convictions in this case. Defendant understands
8 that unexpected immigration consequences will not serve as grounds to withdraw
9 defendant's guilty pleas.

10 FACTUAL BASIS

11 16. Defendant admits that defendant is, in fact, guilty of the offenses to which
12 defendant is agreeing to plead guilty. Defendant and the SCO-W agree to the statement
13 of facts attached as Exhibit "B" and agree that this statement of facts is sufficient to support
14 pleas of guilty to the charges described in this agreement and to establish the Sentencing
15 Guidelines factors set forth in paragraph 19 below, but is not meant to be a complete
16 recitation of all facts relevant to the underlying criminal conduct or all facts known to
17 either party that relate to that conduct.

18 SENTENCING FACTORS AND AGREED-UPON SENTENCE

19 17. Defendant understands that in determining defendant's sentence the Court is
20 required to calculate the applicable Sentencing Guidelines range and to consider that
21 range, possible departures under the Sentencing Guidelines, and the other sentencing
22 factors set forth in 18 U.S.C. § 3553(a). Defendant understands that the Sentencing
23 Guidelines are advisory only.

24 18. Defendant and the SCO-W agree that the base offense level for Count Two
25 in the obstruction indictment is 14, pursuant to U.S.S.G. § 2J1.2(a)(2) and the base offense
26 level for Counts One, Five and Eight is 20, pursuant to U.S.S.G. § 2T4.1(H). Defendant
27 and the SCO-W reserve the right to argue that additional specific offense characteristics,
28 adjustments, and departures under the Sentencing Guidelines are appropriate.

1 WAIVER OF APPEAL OF CONVICTION

2 21. Defendant understands that, with the exception of an appeal based on a claim
3 that defendant's guilty pleas were involuntary, by pleading guilty defendant is waiving
4 and giving up any right to appeal defendant's convictions on the offenses to which
5 defendant is pleading guilty. Defendant understands that this waiver includes, but is not
6 limited to, arguments that the statutes to which defendant is pleading guilty are
7 unconstitutional, and all claims that the statement of facts provided herein is insufficient
8 to support defendant's pleas of guilty.

9 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

10 22. Defendant agrees that, provided the Court imposes the sentence specified in
11 paragraph 19 above, including a sentence within the agreed upon range, the agreed upon
12 restitution, the agreed upon supervised release term and the agreement for no fine,
13 defendant gives up the right to appeal any portion of that sentence, and the procedures and
14 calculations used to determine and impose any portion of that sentence.

15 23. The SCO-W agrees that, provided the Court imposes the sentence specified
16 in paragraph 19 above, including a sentence within the agreed upon range, the agreed upon
17 restitution, the agreed upon supervised release term and the agreement for no fine, the
18 SCO-W gives up its right to appeal any portion of that sentence, and the procedures and
19 calculations used to determine and impose any portion of that sentence.

20 WAIVER OF COLLATERAL ATTACK

21 24. Defendant also gives up any right to bring a post-conviction collateral attack
22 on the convictions or sentence, including any order of restitution, except a post-conviction
23 collateral attack based on a claim of ineffective assistance of counsel, a claim of newly
24 discovered evidence, or an explicitly retroactive change in the applicable Sentencing
25 Guidelines, sentencing statutes, or statutes of conviction. Defendant understands that this
26 waiver includes, but is not limited to, arguments that the statutes to which defendant is
27 pleading guilty are unconstitutional, and any and all claims that the statement of facts
28 provided herein is insufficient to support defendant's plea of guilty.

1 follow any recommendation or request regarding the sentence set forth in this agreement
2 will not provide a basis for defendant to withdraw defendant's guilty pleas.

3 28. Following the Court's finding of a knowing breach of this agreement by
4 defendant, should SCO-W choose to pursue any charge or any civil, administrative, or
5 regulatory action that was either dismissed or not filed as a result of this agreement, then:

6 a. Defendant agrees that any applicable statute of limitations is tolled
7 between the date of defendant's signing of this agreement and the court's finding of a
8 breach.

9 b. Defendant waives and gives up all defenses based on the statute of
10 limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to
11 any such action, except to the extent that such defenses existed as of the date of defendant's
12 signing this agreement or as a result of the additional time lapse after the court's finding
13 of a breach.

14 c. Except in the event that the plea is withdrawn under Federal Rule of
15 Criminal Procedure 11(c)(1)(C), defendant agrees that: (i) any statements made by
16 defendant, under oath, at the guilty plea hearing (if such a hearing occurred prior to the
17 breach); (ii) the agreed to factual basis statement in this agreement; and (iii) any evidence
18 derived from such statements, shall be admissible against defendant in any such action
19 against defendant, and defendant waives and gives up any claim under the United States
20 Constitution, any statute, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of the
21 Federal Rules of Criminal Procedure, or any other federal rule, that the statements or any
22 evidence derived from the statements should be suppressed or are inadmissible.

23 COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES

24 OFFICE NOT PARTIES

25 29. Defendant understands that the Court and the United States Probation and
26 Pretrial Services Office are not parties to this agreement and need not accept any of the
27 parties' agreements to facts, sentencing factors, or sentencing. Defendant understands that
28 the Court will determine the facts, sentencing factors, and other considerations relevant to

1 sentencing and will decide for itself whether to accept and agree to be bound by this
2 agreement.

3 30. Defendant understands that both defendant and the SCO-W are free to:
4 (a) supplement the facts by supplying relevant information to the United States Probation
5 and Pretrial Services Office and the Court, and (b) correct any and all factual
6 misstatements relating to the Court's Sentencing Guidelines calculations and
7 determination of sentence. While this paragraph permits both the SCO-W and defendant
8 to submit full and complete factual information to the United States Probation and Pretrial
9 Services Office and the Court, this paragraph does not affect defendant's and the SCO-
10 W's obligations not to contest the facts agreed to in this agreement.

11 NO ADDITIONAL AGREEMENTS

12 31. Defendant understands that, except as set forth herein, there are no promises,
13 understandings, or agreements between the SCO-W and defendant or defendant's
14 attorney, and that no additional promise, understanding, or agreement may be entered into
15 unless in a writing signed by all parties or on the record in court.

16 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

17 32. The parties agree that this agreement will be considered part of the record of
18 defendant's guilty plea hearing as if the entire agreement had been read into the record of
19 the proceeding.

20 //

21 //

22 //

23

24

25

26

27

28

1 AGREED AND ACCEPTED:

2 OFFICE OF SPECIAL COUNSEL
3 UNITED STATES DEPARTMENT OF
4 JUSTICE

5 DAVID C. WEISS
6 Special Counsel

7
8 
9 _____

10 LEO J. WISE
11 Principal Senior Assistant Special Counsel
12 DEREK E. HINES
13 Senior Assistant Special Counsel
14 SEAN F. MULRYNE
15 CHRISTOPHER M. RIGALI
16 Assistant Special Counsels

_____ Date

17 

18 ALEXANDER SMIRNOV
19 Defendant

_____ 12/16/2024
Date

20 
21 RICHARD A. SCHONFELD
22 DAVID Z. CHESNOFF
23 Attorneys for Defendant Alexander Smirnov

_____ 12/10/24
Date

24 CERTIFICATION OF DEFENDANT

25 I have read this agreement in its entirety. I have had enough time to review and
26 consider this agreement, and I have carefully and thoroughly discussed every part of it
27 with my attorney. I understand the terms of this agreement, and I voluntarily agree to
28 those terms. I have discussed the evidence with my attorney, and my attorney has advised
me of my rights, of possible pretrial motions that might be filed, of possible defenses that
might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C.


1 § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of
2 entering into this agreement. No promises, inducements, or representations of any kind
3 have been made to me other than those contained in this agreement. No one has threatened
4 or forced me in any way to enter into this agreement. I am satisfied with the representation
5 of my attorney in this matter, and I am pleading guilty because I am guilty of the charges
6 and wish to take advantage of the promises set forth in this agreement, and not for any
7 other reason.

8 
9 ALEXANDER SMIRNOV
10 Defendant

12/10/2024
Date

11 CERTIFICATION OF DEFENDANT'S ATTORNEY

12 I am ALEXANDER SMIRNOV's attorney. I have carefully and thoroughly
13 discussed every part of this agreement with my client. Further, I have fully advised my
14 client of his rights, of possible pretrial motions that might be filed, of possible defenses
15 that might be asserted either prior to or at trial, of the sentencing factors set forth in 18
16 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences
17 of entering into this agreement. To my knowledge: no promises, inducements, or
18 representations of any kind have been made to my client other than those contained in this
19 agreement; no one has threatened or forced my client in any way to enter into this
20 agreement; my client's decision to enter into this agreement is an informed and voluntary
21 one; and the factual basis set forth in this agreement is sufficient to support my client's
22 entry of a guilty plea pursuant to this agreement.

23
24  * counsel
25 RICHARD A. SCHONFELD - counsel
26 DAVID Z. CHESNOFF - discussed
27 Attorneys for Defendant Alexander Smirnov and I can firm
the remainder

12/10/24
Date

1 **EXHIBIT “B”**

2 **STATEMENT OF FACTS IN SUPPORT OF PLEA AGREEMENT FOR**
3 **DEFENDANT ALEXANDER SMIRNOV**

4 Defendant ALEXANDER SMIRNOV was a resident of Los Angeles, California
5 and a self-described “consultant.”

6 Defendant was born in the U.S.S.R. and was naturalized as a U.S. citizen on July
7 21, 2015.

8 *United States v. Alexander Smirnov*, No. 2:24-CR-00091-ODW

9 Defendant was a confidential human source (“CHS”) with the Federal Bureau of
10 Investigation (“FBI”). As a CHS, Defendant was assigned a handling agent (hereafter “the
11 Handler”) who was a special agent on an FBI squad that investigated violations of federal
12 criminal law.

13 As a CHS, Defendant provided information to the Handler that was then used in
14 various criminal investigations conducted by the FBI. Defendant knew that information
15 he provided was used in criminal investigations because, among other reasons, the Handler
16 advised him that he might have to testify in court based on the information he provided on
17 multiple occasions, including, but not limited to: 10/1/2010, 5/17/2011, 11/28/2012,
18 04/12/2013, 8/29/2013, 7/10/2015, and 3/11/2020. Defendant also knew the information
19 he provided was used in criminal investigations because Defendant participated in a
20 number of operations where he was authorized to engage in criminal activity as part of an
21 ongoing criminal investigation.

22 Defendant was admonished by the Handler that he must provide truthful
23 information to the FBI when he first became a CHS in 2010 and on multiple occasions
24 thereafter, including, but not limited to: 10/1/2010, 1/20/2011, 5/17/2011, 9/14/2011,
25 8/29/2012, 11/28/2012, 4/12/2013, 8/29/2013, 1/22/2014, 7/9/2014, 7/10/2015,
26 9/29/2016, 9/26/2017, 9/26/2018, 9/27/2019, 3/11/2020, 2/19/2021, 10/28/2021,
27 10/17/2022, and 9/29/2023.

1 In addition, when Defendant was authorized to engage in illegal activity for
2 investigative purposes, he was further admonished that: “Under no circumstances may the
3 CHS ... Participate in an act that constitutes obstruction of justice (e.g., perjury, witness
4 tampering, witness intimidation, entrapment, or fabrication, alteration, or destruction of
5 evidence, unless such illegal activity has been authorized).” When Defendant was given
6 this admonishment, he signed an FBI form that contained this statement, including on
7 10/8/2014, 1/18/2017, 10/8/2018, 1/10/2019, and 8/7/2020.

8 Despite repeated admonishments that he must provide truthful information to the
9 FBI and that he must not fabricate evidence, Defendant provided false derogatory
10 information to the FBI about Public Official 1, an elected official in the Obama-Biden
11 Administration who left office in January 2017, and Businessperson 1, the son of Public
12 Official 1, in 2020, after Public Official 1 became a candidate for President of the United
13 States of America.

14 In March 2017, Defendant reported to the Handler that he had had a phone call with
15 the owner of Ukrainian industrial conglomerate Burisma Holdings, Limited (hereafter
16 “Burisma Official 1”) concerning Burisma’s interest in acquiring a U.S. company and
17 making an initial public offering (“IPO”) on a U.S.-based stock exchange. In reporting
18 that conversation to the Handler, Defendant also noted that Businessperson 1, Public
19 Official 1’s son, was a member of Burisma’s Board, a fact that was publicly known.
20 Notably, Defendant did not report in 2017 that in the preceding two years, Burisma
21 Official 1 admitted to Defendant that he had paid Public Official 1 \$5 million when Public
22 Official 1 was still in office, as Defendant later claimed. That information was
23 memorialized in an official record of the FBI on a Form 1023 (hereafter the “2017 1023”).

24 Three years later, in May 2020, Defendant sent the Handler a series of messages
25 expressing bias against Public Official 1, who was then a candidate for President of the
26 United States of America and the presumptive nominee of one of the two major American
27 political parties.
28

1 One month later, in June 2020, Defendant reported, for the first time, two meetings
2 in 2015 and/or 2016, during the Obama-Biden Administration, in which he claimed
3 executives associated with Burisma, including Burisma Official 1, admitted to him that
4 they hired Businessperson 1 to “protect us, through his dad, from all kinds of problems,”
5 and later that they had specifically paid \$5 million each to Public Official 1 and
6 Businessperson 1, when Public Official 1 was still in office, so that “[Businessperson 1]
7 will take care of all those issues through his dad,” referring to a criminal investigation
8 being conducted by the then-Ukrainian Prosecutor General into Burisma and to “deal with
9 [the then-Ukrainian Prosecutor General].” Defendant was in Los Angeles, California, at
10 the time he made these statements to the Handler.

11 Defendant also reported in June 2020 two purported phone calls between himself
12 and Burisma Official 1 wherein Burisma Official 1 stated that he had been forced to pay
13 Public Official 1 and Businessperson 1 and that it would take investigators 10 years to find
14 records of illicit payments to Public Official 1.

15 The information Defendant provided the Handler was memorialized on a Form 1023
16 (hereafter the “2020 1023”), an official record of the FBI, which was finalized on June 30,
17 2020.

18 The events Defendant first reported to the Handler in June 2020 were fabrications.
19 In truth and fact, Defendant had contact with executives from Burisma in 2017, after the
20 end of the Obama-Biden Administration and after the then-Ukrainian Prosecutor General
21 had been fired in February 2016 — in other words, when Public Official 1 could not
22 engage in any official act to influence U.S. policy and when the Prosecutor General was
23 no longer in office. Defendant transformed his routine and unextraordinary business
24 contacts with Burisma in 2017 and later into bribery allegations against Public Official 1,
25 the presumptive nominee of one of the two major political parties for President, after
26 expressing bias against Public Official 1 and his candidacy.

27 When he was interviewed by FBI agents in September 2023, Defendant repeated
28 some of his false claims, changed his story as to other of his claims, and promoted a new

1 false narrative about the son of Public Official 1 after he met with Russian intelligence
2 officials.

3 *United States v. Alexander Smirnov*, No. 2:24-CR-00702-ODW

4 Defendant received more than two million dollars in income from multiple sources
5 in 2020, 2021 and 2022. He used these funds to pay personal expenses for himself and
6 his Domestic Partner, a woman that he has referred to as his girlfriend and at other times
7 his wife, although they are not married. These expenditures included a \$1.4 million Las
8 Vegas condominium, a Bentley, and hundreds of thousands of dollars of clothes, jewelry
9 and accessories for himself and Domestic Partner purchased at high-end retailers in Los
10 Angeles and Las Vegas. Defendant directed the payors to wire the money to:

- 11 a. a Bank of America (hereafter “BoA”) account ending in 3928 held in the
12 name of Avalon Group Inc. (hereafter” Avalon Account”), which the
13 defendant controlled;
- 14 b. a Wells Fargo account ending in 1356 held in the name of Domestic Partner,
15 (“Domestic Partner Account”) which the defendant controlled and into which
16 the defendant also transferred approximately \$1.8 million from the Avalon
17 Account; and
- 18 c. a Wells Fargo account ending in 1299 held in the name of Goldman
19 Investments Group, which the defendant controlled and into which he also
20 transferred \$150,000 from the Avalon Account.

21 Avalon Group Inc. (“Avalon”) is the defendant’s alter ego. Avalon was incorporated
22 in the State of Delaware on January 22, 2020. The defendant identified himself in a State
23 of Delaware Annual Franchise Tax Report as the CEO of Avalon and its only officer and
24 director. According to bank account applications, the defendant identified himself as the
25 president of Avalon. On a business credit card application dated June 18, 2022, Smirnov
26 listed \$60,000 in total annual income and \$250,000 in gross business income, identified
27 investment income as the source of his income, and listed his current position as real estate.
28

1 Despite having an IRS tax filing requirement, Avalon never filed a U.S. Corporation
2 Income Tax Return on Form 1120.

3 I. Sources of Income

4 A. *Company 1*

5 In 2020, 2021 and 2022, Defendant received into the Avalon Account, \$1,534,000
6 from Company 1.

7

DATE	PAYOR	AMOUNT
9/22/2020	Wire – Company 1	\$600,000
12/14/2020	Wire – Company 1	\$750,000
8/31/2021	Wire – Company 1	\$60,000
9/29/2021	Wire – Company 1	\$60,000
10/27/2021	Wire – Company 1	\$64,000
TOTAL		\$1,534,000

8
9
10
11

12
13 B. *BCG, LLC and Payor 1*

14 In 2021 and 2022, Defendant received into the Avalon Account, \$800,000 from
15 Payor 1 and BCG, LLC (“BCG”), an entity owned and controlled by Payor 1, including
16 the payments listed below.

17

DATE	PAYOR	AMOUNT
12/1/2021	Wire – BCG	\$500,000
3/30/2022	Wire – Payor 1	\$250,000
8/29/2022	Wire – BCG	\$50,000
TOTAL		\$800,000

18
19
20

21 II. Transfers to the Domestic Partner Wells Fargo Account

22 In 2020, 2021 and 2022, the defendant transferred more than \$1.8 million from the
23 Avalon Account to the Domestic Partner Account.

24 The defendant co-mingled these funds with other funds in the Domestic Partner
25 Account.

26
27
28

1 III. Defendant Used His Unreported Income to Pay His and Domestic Partner's
2 Personal Expenses

3 The defendant used unreported income he received in the Avalon Account and the
4 Domestic Partner Account to pay various personal expenses for the defendant and for
5 Domestic Partner.

6 The largest personal expense was the purchase of a million-dollar condominium
7 where he and Domestic Partner lived in Las Vegas in 2022.

8 The second largest single expense occurred on October 11, 2022, when the
9 defendant leased a Bentley using \$122,360 in funds from the Domestic Partner Account.
10 The defendant signed the check made out to Bentley Financial Services for the lease.

11 From 2021 to 2024, more than \$400,000 in personal credit card debt on the
12 defendant's Citi credit card was paid off from funds from the Domestic Partner Account.

13 IV. False and Fictitious Tax Returns

14 In order to conceal the millions of dollars he received in income in 2020, 2021 and
15 2022, the defendant created and filed false Forms 1040, U.S. Individual Income Tax
16 Returns, for himself and in Domestic Partner's name that included false and fictitious
17 income and expenses. The defendant used a professional tax return preparer to create
18 these returns. The professional tax return preparer, who worked in Los Angeles, used a
19 tax preparation software to create returns for the defendant. The defendant provided the
20 professional tax return preparer with the income and expense figures included in the
21 returns filed on his own behalf and the ones filed in Domestic Partner's name. The
22 defendant did not provide any documents that substantiated any of these figures. As a
23 result, the professional tax return preparer refused to sign the returns. The defendant told
24 the professional tax return preparer that he would not disclose how he earned any income
25 and that the professional tax return preparer should not inquire about how he earned his
26 income. The defendant also instructed the tax return preparer to delete any emails or
27 messages with the defendant, which the professional tax return preparer did. The
28 professional tax return preparer advised the defendant that the Schedule C to an U.S.

1 Individual Income Tax Return was the most audited part of a tax return because it was
2 often used to cheat on taxes and that, as a result, the defendant should collect and maintain
3 records that supported all the income and expenses he instructed the professional tax return
4 preparer to include on Schedule C. The defendant provided income and expense numbers
5 to the professional tax return preparer both for his Form 1040 and the Form 1040 that he
6 submitted in Domestic Partner's name. The professional tax return preparer never spoke
7 to or interacted with Domestic Partner in 2020, 2021 or 2022.

8 In addition, on or about March 19, 2021, the defendant prepared and filed a false
9 Form 1120-S, U.S. Income Tax Return for an S Corporation, for Goldman Investments
10 Group in 2020. This return included false and fictitious income and expenses for Goldman
11 Investments Group. The Defendant did not use the services of the professional tax return
12 preparer in the creation of this return.

13 *A. Alexander Smirnov Forms 1040*

14 Defendant filed false Forms 1040, U.S. Individual Income Tax Returns, for himself
15 where he falsely claimed on the Schedules C attached to each return that he received:

- 16 a. \$40,000, in gross receipts for "consulting" in 2020,
- 17 b. \$40,000 in gross receipts for "consulting" in 2021, and
- 18 c. \$50,000 in gross receipts for "consulting" in 2022.

19 The Defendant did not pay taxes on this fictitious income. Instead, on those
20 Schedules C, he claimed fictitious expenses in the following amounts in the following tax
21 years:

- 22 a. In 2020, \$31,980;
- 23 b. In 2021, \$39,878; and
- 24 c. In 2022, \$26,768.

25 As a result, the defendant falsely self-assessed owing the U.S. Treasury:

- 26 a. In 2020, only \$1,133 in taxes; defendant further reduced his tax obligations
27 by falsely claimed a \$600 COVID-19 pandemic rebate for persons who

1 earned \$75,000 or less, and \$538 in earned income credit (EIC) which he
2 falsely claimed entitled him to a refund of \$5;

3 b. In 2021, \$0 in taxes; defendant again further reduced his tax obligations by
4 falsely claiming a \$1,400 COVID-19 pandemic rebate for persons who
5 earned less than \$80,000, and \$19 in EIC, which he then claimed entitled him
6 to a refund in the amount of \$1,419; and

7 c. In 2022, only \$4,136 in taxes.

8 *B. Domestic Partner Forms 1040*

9 To further conceal the millions of dollars in income he received and used to pay his
10 and Domestic Partner's personal expenses, including income deposited into the Domestic
11 Partner Account from which his personal expenses were paid, defendant also prepared and
12 filed false Forms 1040 in the name of Domestic Partner in 2020, 2021 and 2022 where he
13 falsely claimed on the Schedules C attached to each return that Domestic Partner received:

- 14 a. \$40,000, in gross receipts for "consulting" in 2020;
15 b. \$40,000 in gross receipts for "consulting" in 2021; and
16 c. \$60,000 in gross receipts for "consulting" in 2022.

17 Like his own Form 1040, defendant claimed on those Schedules C similar fictitious
18 expenses in the following amounts in the following tax years:

- 19 a. In 2020, \$31,314;
20 b. In 2021, \$36,689; and
21 c. In 2022, \$31,553.

22 As a result, the defendant falsely assessed that Domestic Partner owed the U.S.
23 Treasury:

- 24 a. In 2020, \$1,228 in taxes; the defendant further reduced any tax obligations
25 by falsely claiming that Domestic Partner was entitled to a \$538 EIC which
26 he claimed resulted in Domestic Partner owing the U.S. Treasury only \$690;

- 1 b. In 2021, \$468 in taxes; the defendant again further reduced any tax
2 obligations by falsely claiming that Domestic Partner was entitled to \$470
3 EIC, which he then claimed entitled her to a refund in the amount of \$2; and
4 c. In 2022, \$5,933 in taxes.

5 *C. Goldman Investments Group Forms 1120*

6 To further conceal the millions of dollars in income he received into a bank account
7 held in the name of Goldman Investments Group, the defendant filed a Form 1120-S, U.S.
8 Income Tax Return for an S Corporation, in the name of Goldman Investments Group in
9 2021. The defendant falsely reported that Goldman had \$89,282 in gross sales and
10 \$92,300 in total deductions.

11 *D. Defendant Signed the False Returns*

12 In 2021, the defendant signed his own false return and the false returns he prepared
13 in the name of Domestic Partner and Goldman Investments Group for tax year 2020.

14 In 2022, the defendant signed his own false Form 1040 and signed the false Form
15 1040 that he prepared for Domestic Partner for tax year 2021

16 In 2023, the defendant prepared a false and fictitious Form 1040 for Domestic Partner
17 and while he signed his own false and fictitious Form 1040, his signature did not appear
18 on Domestic Partner's return for tax year 2022.

CERTIFICATION OF DEFENDANT

I have read this STATEMENT OF FACTS IN SUPPORT OF PLEA AGREEMENT (“statement of facts”) in its entirety. I have had enough time to review and consider this statement of facts, and I have carefully and thoroughly discussed every part of it with my attorney. I agree that this statement of facts is accurate and correct, and is sufficient to support a plea of guilty to the charges described in the plea agreement and to establish the Sentencing Guidelines factors forth in paragraph 19 of the plea agreement.




ALEXANDER SMIRNOV
Defendant

12/10/2024

Date

CERTIFICATION OF DEFENDANT’S ATTORNEYS

We are ALEXANDER SMIRNOV’s attorneys. We have carefully and thoroughly discussed every part of this statement of facts with my client and agree that it is sufficient to support a plea of guilty to the charges described in the plea agreement and to establish the Sentencing Guidelines factors set forth in paragraph 19 of the plea agreement.



RICHARD A. SCHONFELD
DAVID Z. CHESNOFF
Attorneys for Defendant ALEXANDER SMIRNOV

12/10/24

Date