

STATE OF MARYLAND * IN THE
V. * CIRCUIT COURT
GILBERT SAPPERSTEIN * FOR
CASE NO.: 105077011 * BALTIMORE
* CITY

* * * * *

PLEA AGREEMENT

IT IS HEREBY AGREED, by and between the State of Maryland by Robert Rohrbaugh, State Prosecutor, and Steven Trostle, Assistant State Prosecutor, and Defendant Gilbert Sapperstein and his attorneys, Gregg L. Bernstein, Esquire and Gerard P. Martin, Esquire as follows:

1. This Plea Agreement is made pursuant to Maryland Rule 4-243 (c)(3) and shall be binding upon the Court.

2. Defendant Sapperstein will enter a plea of guilty to all eight criminal counts of the two Grand Jury indictments issued against the defendant on March 18, 2005 in Case numbers 105077010 and 105077011. The plea will be entered before the Honorable John M. Glynn. The maximum penalties are as follows:

a. Bribery in violation of § 9-201 of the Criminal Law Article,

Annotated Code of Maryland: the period of incarceration is not less than 2 nor more than 12 years incarceration and a fine of up to \$5,000.00 for each count.

b. Conspiracy to Commit Bribery in violation of the *Common Law*, the underlying offense being Bribery, § 9-201 of the Criminal Law Article,

Annotated Code of Maryland: the period of incarceration is not less than 2 or more than 12 years incarceration and a fine of up to \$5,000.00 for each count.

c. Theft, in violation of § 7-104 of the Criminal Law Article,

Annotated Code of Maryland: imprisonment not exceeding 15 years and/or a fine not exceeding \$25,000 for each count plus mandatory restitution.

d. Conspiracy to Commit Theft in violation of the *Common Law*, the underlying offence being Theft, § 7-104 of the Criminal Law Article,

Annotated Code of Maryland: imprisonment not exceeding 15 years and/or a fine not exceeding \$25,000 on each count plus mandatory restitution.

3. The Defendant acknowledges and agrees that he was involved in a theft and bribery scheme to defraud the Baltimore City Public Schools between at least as early as 1991 and continuing through 2003, that he conspired with Rajiv Dixit, Ida Marie Beran and others to achieve the goals of the theft and bribery scheme and further that he bribed Rajiv Dixit to influence him in the performance of his official duties at the Baltimore City Public Schools. In addition, the Defendant acknowledges that he was involved in a theft and bribery scheme to defraud the City of Baltimore, Department of Public Works, that between at least as early as 1999 and continuing through 2003, he conspired with Cecil Thrower, Arthur Lester Holtz, Ida Marie Beran and others to achieve the goals of the theft and bribery scheme and further that he in fact did bribe Cecil Thrower to influence him in the performance of his official duties at the Baltimore City Department of Public Works. The specific facts to support this acknowledgement by the Defendant will be set forth by the State at the time the guilty pleas are entered.

4. Defendant agrees that he will cooperate fully with State's investigation into alleged corruption within the Baltimore City Schools by providing truthful and complete information concerning any and all suspected or possible criminal activity about which he may have direct or indirect knowledge and all of his activities, as well as the activities of

any and all past and present employees, associates, government employees, private contractors and other individuals and entities. Such cooperation includes, but is not limited to, providing truthful and complete testimony at any trial or grand jury concerning all matters relating to the Baltimore City Public Schools.

5. Defendant understands that § 9-201 of the Criminal Law Article, Annotated Code of Maryland provides for transactional immunity in return for testimony concerning bribery. That section grants immunity from prosecution, trial and punishment for any acts and transactions concerning bribery about which he testifies. Defendant understands that, should he testify before a grand jury concerning these matters, the immunity conferred by § 9-201 of the Criminal Law Article, Annotated Code of Maryland *might* bar his prosecution, trial and punishment for any of the acts or transactions concerning which he testifies, including the charge to which he has agreed to plead guilty. Consequently, Defendant expressly and irrevocably waives, by his signature on this agreement, any immunity, which he might otherwise receive or become entitled to pursuant to § 9-201 of the Criminal Law Article, Annotated Code of Maryland by virtue of any information or testimony which he may provide under the terms of this agreement.

6. In return for Defendant's pleas of guilty as set forth above his full, complete and continuing cooperation in the Baltimore City School investigation and prosecution of those involved in the above-described offenses, the State agrees to not charge the Defendant with any other charges arising directly out of the facts and circumstances now known to the State related to All State Boiler Company and its involvement with the Baltimore City Public Schools and the Baltimore City Department of Public Works. To the extent that the Defendant voluntarily discloses any information in the future about non-violent criminal offenses, the State will not file any additional criminal charges or

refer the matter to any other law enforcement office for prosecution of this Defendant based upon such truthful, voluntary disclosures. This does not, however, preclude the State from pursuing charges against other putative defendants based upon information derived from this Defendant.

7. The parties further agree:

a. As a part of the sentence, pursuant to Maryland Rule 4-243 (c)(2) and (3), the Court will bind itself to impose the full maximum fine on each count, the total of which is \$120,000 and such amount is to be paid, in full, on the sentencing date.

b. As a part of the sentence, pursuant to Maryland Rule 4-243 (c)(2) and (3), the Court will bind itself to require that the defendant pay restitution on the day of sentencing in the amount of \$3,657,451.78 which amount includes simple interest at the rate of six percent per annum (6%). The restitution shall be paid as follows: \$138,084.93 payable to The City of Baltimore, and \$3,519,366.85 payable to The New Board of Baltimore City School Commissioners. It is expressly understood and agreed that, at least (2) days prior to the date of sentencing, the Defendant shall deposit into his attorney's client trust account the full restitution and fine amount and the Defendant's counsel shall confirm to the State Prosecutor that the money has been deposited. In the event that the full restitution and fine amount is not deposited into the attorney's client trust account at least two (2) days prior to the date of sentencing, then the Defendant irrevocably consents to having his guilty pleas stricken and the Court agrees to strike the guilty pleas. In such event, the cases will be scheduled for

trial and the Defendant expressly and irrevocably waives any speedy trial and *Hicks* defenses.

c. In addition to sub-paragraphs (a) and (b) of this paragraph, the Court will bind itself to sentence the defendant to a period of incarceration of eighteen (18) months, no part of which will be suspended. Both parties may produce any evidence at sentencing as may be permitted by the Court. However, neither party shall be permitted to disclose or use any preliminary plea negotiations which occurred prior to the execution of this Agreement. It is specifically understood by the Defendant that the Court is not limited by the parameters of the Maryland Sentencing Guidelines and the Court may, pursuant to this agreement, depart from the Guidelines, especially considering the length of the scheme, the amount of money involved and the nature of the victim.

8. Pursuant to paragraph Three (3) above, the Defendant agrees to present himself at The Office of the State Prosecutor no later than three (3) business days after the execution of the Plea Agreement for the purpose of submitting to an interview with investigators to discuss the facts and circumstances regarding the Defendant's involvement in the criminal activity that he has been charged with. In the event that the State determines that the Defendant has failed to provide complete and truthful information, the State will notify the Court within five (5) business days of the conclusion of the entire interview. If the State makes such determination, or determines that the Defendant has breached any term or condition of this agreement, upon due notification by the State, the Court shall schedule a hearing to determine, by a preponderance of the evidence, whether the Defendant has breached any term of this

agreement. In the event that the Court determines that the Defendant has breached the Agreement, the Defendant's guilty pleas will be stricken and the matter will be scheduled promptly for trial. In such event, the Defendant irrevocably waives any *Hicks* or speedy trial defense. Notwithstanding that the Defendant may be permitted to withdraw his guilty plea, the State shall be permitted to use, at any trial or other proceeding, any statements made by the Defendant during any interview.

9. In order to permit the Defendant ample time to obtain the restitution funds prior to sentencing, the date of the sentencing shall be continued for a period not to exceed ninety (90) days from the date of the entry of the guilty plea.

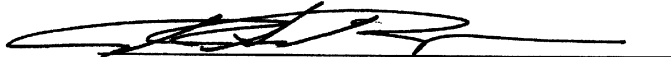
10. The Defendant shall forthwith be taken into custody at the time of sentencing to begin serving his eighteen (18) month sentence. The Defendant specifically waives all post-conviction motions, including the filing of any motions to stay the execution of the sentence, for reconsideration or review by a panel, all appeals and all Public Information Act requests.

11. The Defendant has agreed to make a donation in the amount of \$250,000 to "CollegeBound Foundation," which is a non-profit organization dedicated to providing underprivileged Baltimore school children with college scholarships and financial aid. The Foundation is located at 300 Water Street, Suite 300, Baltimore, Maryland 21202. It is the intent of the parties that the school children of Baltimore should be direct beneficiaries and the State has duly considered this donation by the Defendant when negotiating the terms of this Agreement. The funds for the donation will be placed in Mr. Sapperstein's attorney's client trust account at least two days prior to the date of sentencing. In the event the donation funds have not been so placed as agreed, the Defendant expressly and irrevocably consents to have the guilty pleas stricken and the Court agrees to strike the guilty pleas. In such event the cases will be scheduled

promptly for trial and the Defendant irrevocably waives any *Hicks* or speedy trial defense. The Defendant's counsel agree to transfer the funds to "CollegeBound Foundation" immediately following Defendant's sentencing.

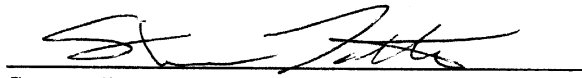
12. No provision of this agreement is binding unless and until executed by all of the parties hereto.

Date: 5/11/05



Robert A. Rohrbaugh
State Prosecutor

Date: 5/11/05



Steven L. Trostle
Assistant State Prosecutor

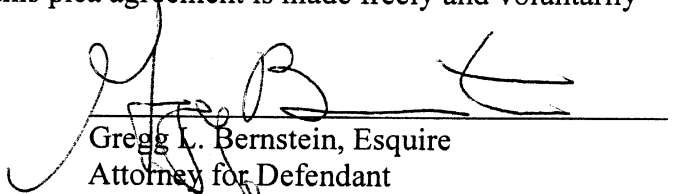
I, **Gilbert Sapperstein**, the Defendant herein, have read the foregoing Plea Agreement and reviewed its terms with my attorneys, Gregg L. Bernstein, Esquire and Gerard P. Martin, Esquire. I thoroughly understand the terms of the agreement and freely and voluntarily agree to its terms.

Date: 5/11/05




Gilbert Sapperstein
Defendant

We, Gregg L. Bernstein, Esquire and Gerard P. Martin, Esquire, are the attorneys for Gilbert Sapperstein, the Defendant herein. We certify that we have thoroughly reviewed the terms of the foregoing Plea Agreement with our client. To the best of our knowledge, his decision to enter into this plea agreement is made freely and voluntarily with full understanding of its terms.



Gregg L. Bernstein, Esquire
Attorney for Defendant
Gilbert Sapperstein



Gerard P. Martin, Esquire
Attorney for Defendant
Gilbert Sapperstein

CIRCUIT COURT FOR BALTIMORE CITY

CASE NO. 105077010 / CALVERT & FAYETTE STS.
STATE OF MARYLAND BALTIMORE, MD. 21202

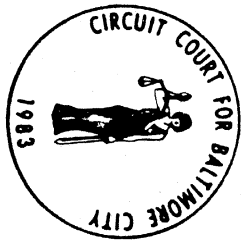
Gilbert VS. Suppistera

IN PART 8 ROOM 236 CLARENCE M. MITCHELL, JR. COURTHOUSE
IN PART _____ ROOM _____ COURT HOUSE EAST

WITNESS FOR STATE DEFENSE AT 9:30 AM ON 5-19-05

RECEIVED BY [Signature] DATE 5/19/05

YOU ARE HEREBY SUMMONED TO APPEAR IN COURT DAILY UNTIL DULY DISCHARGED. FAILURE TO APPEAR ON TIME MAY CAUSE YOU TO BE CHARGED WITH CONTEMPT OF COURT OR A WARRANT TO BE ISSUED FOR YOUR ARREST. BRING THIS SUMMONS WITH YOU TO COURT BY ORDER OF COURT



[Signature]

Frank M. Conaway
CLERK, CIRCUIT COURT FOR BALTIMORE CITY

DATE ISSUED 5/19/05

