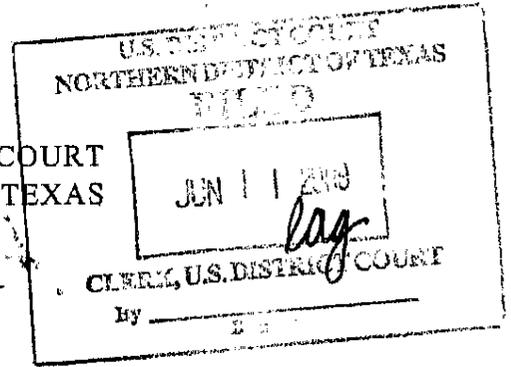
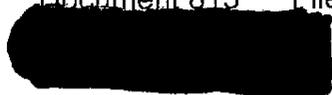


*City M*



IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

UNITED STATES OF AMERICA

v.

CHERYL L. POTASHNIK (05)  
a/k/a Cheryl L. Geiser"

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Criminal No. 3:07-CR-289-M

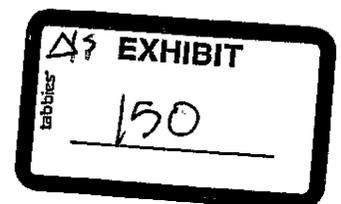
FACTUAL RESUME

It is hereby agreed by and between the defendant, Cheryl L. Potashnik, her attorney, Matthew D. Orwig, and the United States, that the following is true, correct, and can be used in support of the defendant's plea of guilty:

ELEMENTS OF THE OFFENSE

In order to prove the offense alleged in Count 7 of the indictment, the government must prove each of the following elements beyond a reasonable doubt:

- First:* that Gladys E. Hodge was an agent of state government;
- Second:* the defendant corruptly gave, offered, or agreed to give something of value to Gladys E. Hodge in connection with a business, transaction, or series of transactions regarding Tax Credit Affordable Housing developments in the city of Dallas or elsewhere;
- Third:* the business, transaction or series of transactions involved something of value of \$5,000.00 or more; and
- Fourth:* the State of Texas received benefits in <sup>OP 2015 MB NOT</sup> ~~an~~ excess of \$10,000.00 in the one-year period alleged pursuant to a federal program involving grants or other forms of assistance.



STIPULATED FACTS

Defendant Cheryl L. Potashnik, whose maiden name was Cheryl L. Geiser, served in multiple roles in Southwest Housing management and development, including the chief operating officer and a principal of Southwest Housing Development Company, Inc.

("SWH"). ~~\_\_\_\_\_~~

~~\_\_\_\_\_~~ Gladys E. Hodge, also known as Terri Hodge ("Hodge"), was elected to the Texas House of Representatives, District 100, in 1996, and re-elected to the same position in years 1998, 2000, 2002, 2004, 2006 and 2008.

*SJS  
MB  
CP*  
*UPD*

On or before February 27, 2002, Potashnik agreed that it was in SWH's interest to ensure the continuing goodwill of Hodge. Hodge had in the past supported SWH developments which, among others, included affordable housing developments in Dallas, Texas. On or before February 27, 2002, Hodge asked SWH for assistance in the form of affordable housing for herself within the geographical boundaries of her political district. She indicated that she had financial problems and could not afford to pay the full rate for housing.

SWH wanted to ensure Hodge's continuing support for, and lack of opposition to, further developments in Dallas or elsewhere. Potashnik recognized the goodwill and intangible benefits that might come to SWH by virtue of having an elected official living at an affordable housing development in which SWH had an interest. SWH thus made

arrangements beginning in April 2002 to provide Hodge with housing in one of its market-rate affordable housing development units. The unit was located at Rosemont at Arlington Park in District 100. The market rate for this unit was \$899.00 per month.

Hodge moved into Apartment 1126 (the "Apartment") on or about April 1, 2002, and renewed her lease thereafter on or about November 6, 2002, and again on March 23, 2003, at the same rental rate. She paid rent at the rate of \$200.00 per month.

Defendant facilitated Hodge's placement in the market rate unit, and further facilitated her payment of a reduced rent by supplementing Hodge's agreed-to reduced payments with payments from Defendant's own funds. By signing various checks and obtaining various money orders payable to Rosemont of Arlington Park, Defendant caused payments to be made for the benefit of Hodge, as set forth in the indictment, in the approximate total sum of \$27,869.00. Potashnik understands that it is the government's position that the value of benefits provided to Hodge exceeds that sum. During the time of the rent payments, Hodge continued to support SWH affordable housing projects.

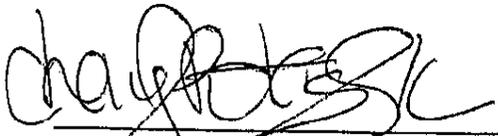
Cheryl L. Potashnik admits and acknowledges that, in the Dallas Division of the Northern District of Texas, in a transaction or series of transactions, she corruptly offered, gave or agreed to give something of value of \$5,000.00 or more to a person, namely, Gladys E. Hodge, also known as Terri Hodge, in connection with a business, transaction, or series of transactions of the State of Texas, with the intent to influence or reward Hodge, an agent of the State of Texas, a state government that received federal benefits in

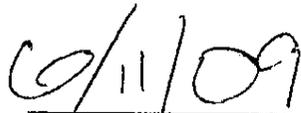
excess of \$10,000.00 under a federal program involving a grant and other forms of federal assistance during the one period beginning on October 1, 2002.

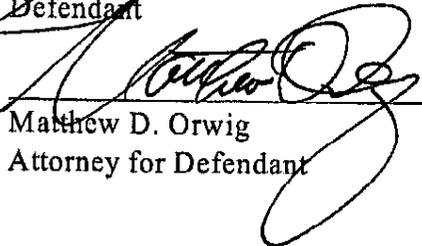
Potashnik further admits and acknowledges that her conduct violated 18 U.S.C. § 666(a)(2).

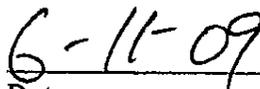
The above facts are true and correct.

  
MARCUS BUSCH  
Assistant United States Attorney  
Texas State Bar No. 03493300  
1100 Commerce Street, Third Floor  
Dallas, Texas 75242  
Telephone: 214.659.8600  
Facsimile: 214.767.4104

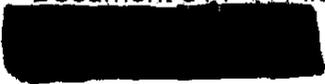
  
Cheryl L. Potashnik  
Defendant

  
Date

  
Matthew D. Orwig  
Attorney for Defendant

  
Date

*CFM*



U.S. DISTRICT COURT  
 NORTHERN DISTRICT OF TEXAS  
 FILED  
 JUN 11 2009  
 CLERK, U.S. DISTRICT COURT  
 By \_\_\_\_\_ Deputy

IN THE UNITED STATES DISTRICT COURT  
 FOR THE NORTHERN DISTRICT OF TEXAS  
 DALLAS DIVISION

UNITED STATES OF AMERICA

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v.

No. 3:07-CR-289-M  
ECF

CHERYL L. POTASHNIK (S)  
a/k/a "Cheryl L. Geiser"

PLEA AGREEMENT

Cheryl L. Potashnik (Potashnik), the defendant, Matthew D. Orwig, the defendant's attorney, and the United States of America (the government), agree as follows:

1. **Rights of the defendant:** Potashnik understands that she has the right:
  - a. to plead not guilty;
  - b. to have a trial by jury;
  - c. to have her guilt proven beyond a reasonable doubt;
  - d. to confront and cross-examine witnesses and to call witnesses in her defense; and
  - e. against compelled self-incrimination.

2. **Waiver of rights and plea of guilty:** Potashnik waives these rights and pleads guilty to the offense alleged in Count 7 of the indictment, charging a violation of 18 U.S.C. § 666(a)(2). Potashnik understands the nature and elements of the crime to which she is pleading guilty, and agrees that the factual resume she has signed is true and will be submitted as evidence.

3. **Sentence:** The maximum penalties the Court can impose under the statute includes:

- a imprisonment for a period not to exceed 10 years;
- b. a fine not to exceed \$250,000.00, or twice the pecuniary gain to the defendant or loss to the victim(s);
- c. a mandatory term of supervised release of not more than 3 years, which may follow any term of imprisonment. If Potashnik violates the conditions of supervised release, she could be imprisoned for the entire term of supervised release;
- d. a mandatory special assessment of \$100.00;
- e. restitution to victims or to the community, which is mandatory under the law, and which Potashnik agrees may include restitution arising from all relevant conduct, not limited to that arising from the offense of conviction alone; and
- f. costs of incarceration and supervision.

4. **Sentencing agreement.** Pursuant to Rule 11(c)(1)(C), FED. R. CRIM. P., the parties agree that the appropriate sentence in this case is based upon a total offense level of 12, and that the Court may depart downward from this range within the Court's discretion. If the Court accepts this plea agreement, this provision is binding on the Court. Other than the agreed total offense level, the Court remains free to determine the sentence it deems appropriate, under the advisory United States Sentencing Guidelines.

5. **Rejection of agreement.** Pursuant to Rule 11(c)(5), FED. R. CRIM. P., if the Court rejects this plea agreement, Potashnik will be allowed to withdraw her guilty plea. If Potashnik declines to withdraw her guilty plea, the disposition of the case may be less favorable than that contemplated by this agreement.

6. **Mandatory special assessment:** Prior to sentencing, Potashnik agrees to pay to the U.S. District Clerk the amount of \$100.00, in satisfaction of the mandatory special assessment in this case.

7. **Defendant's cooperation:** Potashnik shall give truthful and complete information and/or testimony concerning her participation in the offense of conviction. Upon demand, Potashnik shall submit a personal financial statement under oath and submit to interviews by the government and the U.S. Probation Office regarding her capacity to satisfy any fines or restitution.

8. **Government's agreement:** The government will not bring any additional charges against Potashnik based upon the conduct underlying and related to Potashnik's plea of guilty, and any other offenses known to the government. The government will file a Supplement in this case, as is routinely done in every case, even though there may or may not be any additional terms. The government will dismiss, after sentencing, the remaining charges in the indictment against Potashnik. This agreement is limited to the United States Attorney's Office for the Northern District of Texas and does not bind any other federal, state, or local prosecuting authorities, nor does it prohibit any civil or administrative proceeding against Potashnik or any property.

9. **Violation of agreement:** Potashnik understands that if she violates any provision of this agreement, or if her guilty plea is vacated or withdrawn, the government will be free from any obligations of the agreement and free to prosecute her for all offenses of which it has knowledge. If this happens, Potashnik waives any objections based upon delay in prosecution. If the plea is vacated or withdrawn for any reason other

than a finding that it was involuntary, Potashnik also waives objection to the use against her of any information or statements she has provided to the government, and any resulting leads.

10. **Voluntary plea:** This plea of guilty is freely and voluntarily made and is not the result of force or threats, or of promises apart from those set forth in this plea agreement. There have been no guarantees or promises from anyone as to what sentence the Court will impose.

11. **Waiver of right to appeal or otherwise challenge sentence:** Potashnik waives her rights, conferred by 28 U.S.C. § 1291 and 18 U.S.C. § 3742, to appeal from her conviction and sentence. She further waives her right to contest her conviction and sentence in any collateral proceeding, including proceedings under 28 U.S.C. § 2241 and 28 U.S.C. § 2255. Potashnik, however, reserves the right to bring (a) a direct appeal of (i) a sentence exceeding the statutory maximum punishment, (ii) an arithmetic error at sentencing, and (b) to challenge the voluntariness of her guilty plea or this waiver, and (c) a claim of ineffective assistance of counsel.

12. **Representation of counsel:** Potashnik has thoroughly reviewed all legal and factual aspects of this case with her lawyer and is fully satisfied with that lawyer's legal representation. Potashnik has received from her lawyer explanations satisfactory to her concerning each paragraph of this plea agreement, each of her rights affected by this agreement, and the alternatives available to her other than entering into this agreement. Potashnik concedes that she is guilty of the offense and facts to which she is pleading, and after conferring with her lawyer, Potashnik has concluded that it is in her best interest

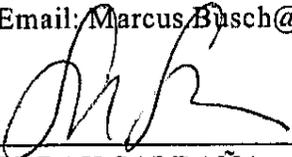
to enter into this plea agreement and all its terms, rather than to proceed to trial in this case.

13. **Entirety of agreement:** This document is a complete statement of the parties' agreement and may not be modified unless the modification is in writing and signed by all parties.

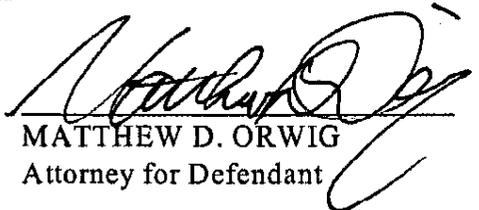
AGREED TO AND SIGNED this 11<sup>th</sup> day of June, 2009.

JAMES T. JACKS  
ACTING UNITED STATES ATTORNEY

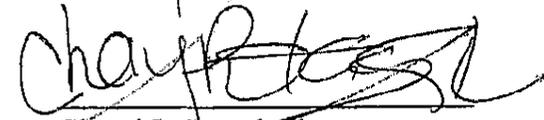
  
\_\_\_\_\_  
MARCUS BUSCH  
Assistant United States Attorney  
Texas State Bar No. 03493300  
1100 Commerce Street, Third Floor  
Dallas, Texas 75242  
Telephone: 214.659.8600  
Facsimile: 214.767.4104  
Email: Marcus.Busch@usdoj.gov

  
\_\_\_\_\_  
SARAH SALDAÑA  
Deputy Criminal Chief

  
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CHERYL L. POTASHNIK  
Defendant

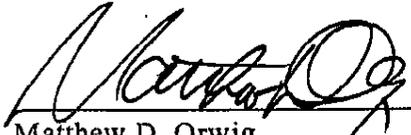
  
\_\_\_\_\_  
MATTHEW D. ORWIG  
Attorney for Defendant

I have read this Plea Agreement and have carefully reviewed every part of it with my attorney. I fully understand it and voluntarily agree to it.

  
Cheryl L. Potashnik  
Defendant

6/11/09  
Date

I am the defendant's counsel. I have carefully reviewed every part of this Plea Agreement with the defendant. To my knowledge and belief, my client's decision to enter into this Plea Agreement is an informed and voluntary one.

  
Matthew D. Orwig  
Attorney for Defendant

6-11-09  
Date