

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,)	Criminal
)	No. 18-204 (NGG)
Government,)	
)	PLEA HEARING
vs.)	
)	Brooklyn, New York
ALLISON MACK,)	Date: April 8, 2019
)	Time: 11:30 a.m.
Defendant.)	

TRANSCRIPT OF PLEA HEARING
HELD BEFORE
THE HONORABLE JUDGE NICHOLAS G. GARAUFGIS
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S

For the Government: Moira Kim Penza, AUSA
 Tanya Hajjar, AUSA
 Mark Lesko, AUSA
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Proceedings reported by machine shorthand, transcript produced by computer-aided transcription.

Court Reporter: Annette M. Montalvo, CSR, RDR, CRR
 Official Court Reporter
 United States Courthouse, Room N375
 225 Cadman Plaza East
 Brooklyn, New York 11201
 718-804-2711

1 (WHEREUPON, commencing at 12:03 p.m., the following
2 proceedings were had in open court, to wit:)

3 THE COURT: Please be seated in the back.

4 THE COURTROOM DEPUTY: Criminal cause for a plea.
5 Counsel, please state your appearances.

6 MS. PENZA: Moira Penza, Tanya Hajjar, and Mark
7 Lesko, for the United States. Good afternoon, Your Honor.

8 MR. BUCKLEY: Good afternoon. Sean Buckley and
9 William McGovern on behalf of Ms. Allison Mack, who is
10 standing to my left.

11 THE COURT: All right. Afternoon.

12 Mr. Buckley, I understand your client wishes to
13 withdraw her previously entered plea of not guilty to Counts 1
14 and 2 of the second superseding indictment in *United States of*
15 *America v. Allison Mack*, 18-CR-204, and to plead guilty to
16 Counts 1 and 2 pursuant to an agreement; is that right?

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

18 THE COURT: Okay. Ms. Mack, your attorney advises
19 me that you wish to plead guilty to Counts 1 and 2 of the
20 second superseding indictment in which you were charged. This
21 is a serious decision, and I must be certain that you make it
22 with a full understanding of your rights and the consequences
23 of your plea, and I am going to explain certain rights to you
24 and then ask questions. I want your answers to be under oath.
25 The deputy clerk will swear you in, ma'am.

1 THE COURTROOM DEPUTY: Raise your right hand,
2 please.

3 (WHEREUPON, the defendant was duly sworn.)

4 THE COURT: Keep your voice up, okay.

5 THE DEFENDANT: Yes.

6 THE COURT: Thank you.

7 Ms. Mack, you understand that having been sworn to
8 tell the truth, you must do so. If you were to deliberately
9 lie in response to any question I ask you, you could face
10 further criminal charges for perjury. Do you understand that?

11 THE DEFENDANT: Yes, Your Honor.

12 THE COURT: Okay. If I say anything that you do not
13 understand, or if you need me to repeat anything, just ask.
14 It is important that you understand everything that goes on in
15 these proceedings. Is that clear?

16 THE DEFENDANT: It is very clear.

17 THE COURT: All right. If at any point you wish to
18 stop and consult with your attorneys, just let me know, and we
19 can take a brief recess so that you can ask whatever questions
20 you have of your attorneys. We are in no hurry. You
21 understand that?

22 THE DEFENDANT: I understand, Your Honor.

23 THE COURT: All right. How old are you, ma'am?

24 THE DEFENDANT: I'm 36 years old.

25 THE COURT: And how far did you go in school?

1 THE DEFENDANT: I have a high school diploma.

2 THE COURT: Where did you go to high school?

3 THE DEFENDANT: Los Alamitos High School.

4 THE COURT: In California?

5 THE DEFENDANT: Yes.

6 THE COURT: Okay. And what country are you a
7 citizen?

8 THE DEFENDANT: United States.

9 THE COURT: And is English your primary language?

10 THE DEFENDANT: It is.

11 THE COURT: Okay. Mr. Buckley, have you had any
12 difficulty communicating with your client in English?

13 MR. BUCKLEY: I have not, Your Honor.

14 THE COURT: Ms. Mack, I must be certain that
15 whatever decision you make today you make with a clear head,
16 so I am going to ask you some questions about your health.

17 Are you currently or have you recently been under
18 the care of a doctor or a psychiatrist for any reason?

19 THE DEFENDANT: No, Your Honor.

20 THE COURT: In the past 24 hours, have you taken any
21 pills or drugs or medicine of any kind?

22 THE DEFENDANT: No, Your Honor.

23 THE COURT: In the past 24 hours, have you drunk any
24 alcoholic beverages?

25 THE DEFENDANT: I had one beer last night.

1 THE COURT: Okay. Have you ever been hospitalized
2 or treated for any drug related problem?

3 THE DEFENDANT: No, Your Honor.

4 THE COURT: Is your mind clear as you stand here
5 today?

6 THE DEFENDANT: Yes, Your Honor.

7 THE COURT: You understand everything being said to
8 you?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: Okay. Mr. Buckley, have you discussed
11 the question of a guilty plea with your client?

12 MR. BUCKLEY: I have, Your Honor.

13 THE COURT: In your view, does she understand the
14 rights she would be waiving by pleading guilty?

15 MR. BUCKLEY: She does, Judge.

16 THE COURT: Do you have any question as to your
17 client's competence to proceed today?

18 MR. BUCKLEY: I do not, Your Honor.

19 THE COURT: Okay. All right. Ms. Mack, you have a
20 right to be represented by counsel at trial and at every other
21 stage of the proceedings in this case. You understand that?

22 THE DEFENDANT: Yes, Your Honor.

23 THE COURT: If at any time in the future it becomes
24 necessary to do so, the Court will appoint counsel for you.
25 You understand that?

1 THE DEFENDANT: I do.

2 THE COURT: Okay. Ms. Mack, are you satisfied with
3 the assistance that your attorneys have given you thus far in
4 this matter?

5 THE DEFENDANT: Very much so.

6 THE COURT: Do you feel you need any more time to
7 discuss with them the question of a guilty plea?

8 THE DEFENDANT: No, Your Honor.

9 THE COURT: Now, Ms. Mack, you are pleading guilty
10 to Counts 1 and 2 of the superseding indictment in 18-CR-204,
11 and Count 1 charges you in a racketeering conspiracy and Count
12 2 charges you with racketeering. I am going to ask the
13 government to set forth in more detail the charges against you
14 and the elements of the crimes that the government would have
15 to prove to a jury beyond a reasonable doubt in order to
16 convict you of Counts 1 and 2 of that superseding indictment.

17 MS. PENZA: Yes, Your Honor.

18 Your Honor, if we were to proceed to trial, the
19 government would prove that in or about and between 2003 and
20 March 2018, in the Eastern District of New York and elsewhere,
21 that, first, that an enterprise existed. Here, the government
22 would prove that the enterprise was a group of individuals
23 associated in fact, and was an ongoing organization that
24 operated in the Eastern District of New York and elsewhere,
25 whose members functioned as a continuing unit for the common

1 purpose of achieving the objectives of the enterprise, which
2 included obtaining financial and personal benefits from
3 members of the -- for members of the enterprise, by promoting
4 Keith Raniere and recruiting others into pyramid organizations
5 he created as alleged in the second superseding indictment.

6 Second, the government would prove that the
7 enterprise or its activity affected interstate or foreign
8 commerce. Here, the enterprise engaged in various types of
9 conduct that affected interstate and foreign commerce,
10 including selling horses to individuals in Brooklyn, Queens,
11 other states, and outside the United States, that promoted
12 Raniere's teachings and recruiting individuals who traveled in
13 interstate commerce from other states and countries to reach
14 Albany, New York, including through John F. Kennedy
15 International Airport in Queens, to join the pyramid
16 organizations as described in the second superseding
17 indictment.

18 Third, that the defendant was associated with or
19 employed by that enterprise. And, here, the government would
20 prove that the defendant was, in fact, a member of the
21 enterprise.

22 And, finally, that the defendant agreed to
23 participate and did participate in the enterprise through a
24 pattern of racketeering activity, with the knowledge and
25 intent that she or other coconspirators would commit at least

1 two predicate acts in furtherance of the enterprise.

2 Among other things, the government would show that
3 Ms. Mack agreed to commit and committed racketeering acts 10
4 and -- racketeering act 10 and racketeering act 13, as
5 described in the second superseding indictment, which we
6 anticipate the defendant will allocute to today.

7 I will go through the elements as to those
8 racketeering acts as well.

9 As to racketeering act 10, state law extortion, in
10 or about and between January 2016 and June 2017, in the
11 Northern District of New York and elsewhere, the defendant
12 compelled and induced Jane Does 5 and 8 to deliver personal
13 property by instilling in them a fear that if the property
14 were not so delivered, one or more persons would, one, expose
15 a secret or publicize an asserted fact, whether true or false,
16 tending to subject some person to hatred, contempt, or
17 ridicule. And, two, perform an act which would not in itself
18 materially benefit the defendants, but which was calculated to
19 harm other persons materially with respect to their health,
20 safety, business, calling, career, financial condition,
21 reputation, and personal relationships.

22 Here, the government would prove that the defendant
23 obtained property, including nude photographs and other things
24 of value, from her lower ranked DOS slaves, having instilled
25 in them the fear that if they did not, she or others would

1 release their collateral, thereby, exposing a secret, whether
2 true or false, tending to subject them to hatred, contempt,
3 and ridicule, or to harm them materially with respect to,
4 among other things, their reputation and personal
5 relationships.

6 As to racketeering act 13, forced labor, the
7 government would show that in or about and between January
8 2016 and June 2017, in the Northern District of New York and
9 elsewhere, the defendant provided or obtained the labor and
10 services of Jane Does 5 and 8, by means of serious harm or
11 threats of serious harm to those persons or other persons or
12 by means of any scheme, plan, or pattern, intended to cause
13 Jane Does 5 and 8 to believe that if they did not perform such
14 labor or services, they would suffer serious harm.

15 Here, the government would prove that the defendant
16 required her DOS slaves, including Jane Does 5 and 8, to
17 perform labor and services, including tasks that would
18 otherwise be compensable under threat of serious harm,
19 including release of their collateral.

20 The government would also prove that as part of the
21 racketeering conspiracy, that there was an agreement to commit
22 acts of wire fraud. The government would prove that in or
23 about and between January 2016 and June 2017, within the
24 Eastern District of New York and elsewhere, that there was a
25 scheme or artifice to defraud and to obtain money and property

1 from lower ranking DOS slaves by materially false and
2 fraudulent pretenses, representations or promises, that the
3 defendant knowingly and willfully participated in the scheme
4 or artifice to defraud, with knowledge of its fraudulent
5 nature, and with specific intent to defraud, and that in
6 execution of this scheme, the defendant used or caused the use
7 of interstate wires.

8 Here, the government would prove that the defendant
9 received property and other things of value from lower ranking
10 DOS slaves by falsely representing that DOS was an
11 organization comprised of women alone and by deliberately
12 concealing Keith Raniere's role in DOS, and that the scheme
13 involved the sending of electronic messages over cell phones.

14 THE COURT: Ms. Mack, do you understand the charges
15 against you in Counts 1 and 2 of the superseding indictment
16 S-2?

17 THE DEFENDANT: Yes.

18 THE COURT: And do you understand the elements of
19 the crimes that the government would have to prove to a jury,
20 unanimously, and beyond a reasonable doubt in order to convict
21 you of those crimes?

22 THE DEFENDANT: Yes.

23 THE COURT: Okay. You have certain rights.

24 Mr. Buckley, have you discussed the defendant's
25 rights with her?

1 MR. BUCKLEY: I have, Your Honor.

2 THE COURT: In your view, does she understand her
3 rights?

4 MR. BUCKLEY: Yes, Your Honor.

5 THE COURT: Okay. Well, I am going to discuss your
6 rights with you as well, Ms. Mack.

7 You have a right to plead not guilty to these
8 charges. No one can be forced to plead guilty. Do you
9 understand that?

10 THE DEFENDANT: I do.

11 THE COURT: If you plead not guilty to these charges
12 or persist in your plea of not guilty, you have a right under
13 the Constitution and laws of the United States to a speedy and
14 public trial before a jury with the assistance of your
15 attorneys. Do you understand that?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: At any trial you would be presumed to be
18 innocent, you would not have to prove that you were innocent.
19 This is because under our system of law, it is the government
20 that must come forward with proof that establishes beyond a
21 reasonable doubt that you are guilty of the crimes charged.
22 If the government failed to meet this burden of proof, the
23 jury would have the duty to find you not guilty. Do you
24 understand that?

25 THE DEFENDANT: I do, Your Honor.

1 THE COURT: In the course of the trial, witnesses
2 for the government would have to come here to court and
3 testify in your presence. Your attorneys would have the right
4 to cross-examine these witnesses, they could raise legal
5 objections to evidence the government sought to offer against
6 you, they could offer evidence on your behalf and compel
7 witnesses to come to court and testify, if you or your
8 attorneys thought there was evidence that might help you in
9 this case. Do you understand that?

10 THE DEFENDANT: Yes, Your Honor.

11 THE COURT: At a trial you would have the right to
12 testify in your own behalf, if you wished to do so. On the
13 other hand, you cannot be forced to be a witness at your
14 trial. This is because under the Constitution and laws of the
15 United States, no person can be compelled to be a witness
16 against herself. If you wish to go to trial and choose not to
17 testify, I would instruct the jury that they could not hold
18 that against you. Do you understand that?

19 THE DEFENDANT: Yes, Your Honor.

20 THE COURT: If instead of going to trial you plead
21 guilty to the crimes charged, and if I accept your pleas of
22 guilty, you will be giving up your right to a trial and all
23 the other rights I have just discussed. There will be no
24 trial in this case as far as you are concerned. There will be
25 no appeal and question of whether you did or did not commit

1 these crimes. The only reason that you could appeal would be
2 if you thought I did not properly follow the law in sentencing
3 you. Otherwise, I will simply enter a judgment of guilty,
4 based upon your plea of guilty. Do you understand that?

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: If you do plead guilty, I will have to
7 ask you certain questions about what you did in order to
8 satisfy myself that you are guilty of these charges. You will
9 have to answer my questions and acknowledge your guilt. If
10 you do this, you will be giving up your right not to
11 incriminate yourself. You understand that?

12 THE DEFENDANT: Yes, Your Honor.

13 THE COURT: All right. Ms. Mack, are you willing to
14 give up your right to a trial and all the other rights I have
15 just discussed with you?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: I have in front of me an agreement in
18 *United States of America against Allison Mack*, 18-CR-204
19 (S-2), marked as Court's Exhibit 1, dated today, April 8,
20 2019, consisting of ten pages, and attaching an Exhibit A. I
21 am going to hand it to the defendant and her attorneys and ask
22 a few questions.

23 Ms. Mack, have you read this document?

24 THE DEFENDANT: Yes, Your Honor.

25 THE COURT: Have you discussed it with your

1 attorneys?

2 THE DEFENDANT: Yes, Your Honor.

3 THE COURT: Have they answered any and all questions
4 that you had about the document?

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: And, Mr. Buckley, are you satisfied that
7 your client understands her rights and obligations under this
8 agreement?

9 MR. BUCKLEY: Yes, Your Honor. We have reviewed the
10 agreement carefully with her.

11 THE COURT: All right. Turn to page 10 of the
12 agreement, please. On page 10, Ms. Mack, is that your
13 signature by your name?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Did you sign the agreement today?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: All right. And counsel has so executed
18 the agreement?

19 MR. BUCKLEY: That's correct, Your Honor.

20 THE COURT: And the government has also executed the
21 agreement, correct?

22 MS. PENZA: Yes, Your Honor.

23 THE COURT: Okay. Please return the agreement.

24 MR. BUCKLEY: Your Honor, I apologize. May I just
25 have a moment to confer with government counsel very quickly?

1 THE COURT: Of course.

2 MR. BUCKLEY: Thank you, Judge.

3 THE COURT: Go ahead.

4 (Short pause; conference between government
5 attorneys and defense attorneys.)

6 MR. BUCKLEY: Thank you, Your Honor.

7 THE COURT: All right. Shall I proceed?

8 MR. BUCKLEY: Please, Your Honor. Thank you again
9 for the time.

10 THE COURT: That's fine.

11 Ms. Mack, I have an important question to ask you.
12 Is there any other promise that's been made to get you to
13 plead guilty that is not contained in this agreement?

14 THE DEFENDANT: No, Your Honor.

15 THE COURT: I am going to go over the statutory
16 penalties associated with pleading guilty to Counts 1 and 2,
17 which charge you with racketeering conspiracy and
18 racketeering.

19 Maximum term of imprisonment is 20 years. There's
20 no minimum term of imprisonment. The maximum supervised
21 release term is three years now to follow any term of
22 imprisonment. If you violate any of the conditions of your
23 supervision, you could be sentenced up to two years in jail
24 without credit for the time you previously served in jail or
25 the time you previously served on supervised release.

1 The maximum fine is the greater of \$250,000, or
2 twice the gross profits or other proceeds of the enterprise.

3 Restitution is an amount -- is mandatory, and it
4 would be in the full amount of each victim's losses as
5 determined by the Court. There's a 100 dollar special
6 assessment for pleading guilty to each count. You are also
7 subject to criminal forfeiture as set forth in paragraphs 8
8 through 13 of your agreement. In addition, the sentence
9 imposed on each count may run consecutively, that is, one
10 after the other.

11 So do you understand the statutory penalties
12 associated with pleading guilty to these two counts?

13 THE DEFENDANT: Yes, Your Honor.

14 THE COURT: Now, Mr. Buckley, have you discussed
15 with your client the way sentencing would work in her case?
16 In other words, the procedures for sentencing?

17 MR. BUCKLEY: Yes, Your Honor. We discussed the
18 procedures, the role that the guidelines play, and the Court's
19 obligation to calculate the guidelines and as well as Title
20 18, United States Code, Section 3553(a) factors.

21 THE COURT: Those factors. Have you had that
22 discussion with your attorneys?

23 THE DEFENDANT: Yes, Your Honor.

24 THE COURT: Have your attorneys answered all your
25 questions that you could think of about those issues?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: Okay. I am going to discuss it with you
3 as well. And as I said before, if at any point you want me to
4 stop so that you can consult with your attorneys, just let me
5 know.

6 THE DEFENDANT: Thank you.

7 THE COURT: It is a little complicated, all right?

8 All right. Ms. Mack, in sentencing you, I am
9 required to take into consideration a number of things about
10 you and the crimes to which you are pleading guilty. When I
11 do that, I will be directed to a guideline that will provide a
12 sentencing range. I am not required to sentence you within
13 the range provided by the guideline, but I am required to
14 carefully consider the guideline recommendation, among other
15 things, in deciding what would constitute a reasonable
16 sentence in your case. It is my experience that a sentence
17 within the guideline range is often reasonable and
18 appropriate, but this is not always the case. In determining
19 an appropriate sentence for your case, I will consider
20 possible departures from that range under the sentencing
21 guidelines, as well as other statutory sentencing factors.

22 I may ultimately decide to impose a sentence that is
23 more lenient or more severe than the one recommended by the
24 guidelines. If I do so, I will explain the reasons for the
25 sentence that I have selected. Do you understand that?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: Okay. It is important to understand
3 that no one knows today what your exact guideline range will
4 be. You understand that?

5 THE DEFENDANT: Yes, Your Honor.

6 THE COURT: Before I impose sentence, I will receive
7 a report prepared by the probation department, which will
8 calculate a particular guideline range. You and your
9 attorneys will have the opportunity to see that report. If
10 you think it is mistaken or incomplete in any way, you will
11 have the opportunity to bring that to my attention.

12 You must understand that no one can make any promise
13 to you as to the sentence I will impose. Your attorneys or
14 the prosecutors may have made predictions to you and may make
15 recommendations to the Court concerning the sentence I should
16 impose, and I listen carefully to whatever they say. But you
17 must clearly understand that the final responsibility for
18 sentencing you is mine alone.

19 While I may view this case identically to the
20 attorneys, I may also view the case differently. If so, I may
21 not impose the sentence that they have predicted or
22 recommended. Even if I sentence you differently from what the
23 attorneys or anyone else has estimated or predicted, you would
24 still be bound by your guilty plea and you will not be allowed
25 to withdraw. Do you understand that?

1 THE DEFENDANT: Yes, Your Honor.

2 THE COURT: If after I impose sentence you or your
3 attorneys think I have not properly followed the law in
4 sentencing you, you can appeal your sentence to the United
5 States Court of Appeals, to the Second Circuit.

6 Do you understand that?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: Okay. So do you have any questions you
9 would like to ask me about the charges or rights, or anything
10 else related to this matter that may not be clear?

11 THE DEFENDANT: No, Your Honor.

12 THE COURT: Mr. Buckley, is there anything you would
13 like me to discuss with your client in further detail before I
14 proceed to formal allocution?

15 MR. BUCKLEY: No, Your Honor.

16 THE COURT: Do you know of any reason why your
17 client should not enter pleas of guilty to these two charges?

18 MR. BUCKLEY: I do not, Judge.

19 THE COURT: Are you aware of any viable legal
20 defense to these charges?

21 MR. BUCKLEY: No, Judge.

22 THE COURT: All right. Ms. Mack, are you ready to
23 plead?

24 THE DEFENDANT: I am, Judge.

25 THE COURT: Okay. How do you plead to the charge

1 contained in Count 1 of the superseding indictment, charging
2 you with racketeering conspiracy; guilty or not guilty?

3 THE DEFENDANT: Guilty, Your Honor.

4 THE COURT: How do you plead to the charge contained
5 in Count 2 of the superseding indictment charging you with
6 racketeering; guilty or not guilty?

7 THE DEFENDANT: Guilty, Your Honor.

8 THE COURT: Are you making these pleas of guilty
9 voluntarily and of your own free will?

10 THE DEFENDANT: I am, Your Honor.

11 THE COURT: Has anyone threatened or forced you to
12 plead guilty?

13 THE DEFENDANT: No, Your Honor.

14 THE COURT: Other than the agreement with the
15 government, has anyone made you any promise that caused you to
16 plead guilty?

17 THE DEFENDANT: No, Your Honor.

18 THE COURT: Has anyone made you any promise about
19 the sentence that you will receive?

20 THE DEFENDANT: No, Your Honor.

21 THE COURT: So at this time, I'd like you to tell me
22 what you did to commit these crimes. And if you are reading a
23 prepared allocution, I would like you to do so slowly. Are
24 you reading --

25 THE DEFENDANT: Yes, Your Honor.

1 THE COURT: -- your allocution?

2 THE DEFENDANT: Yes.

3 THE COURT: Have you discussed your allocution with
4 your attorneys?

5 THE DEFENDANT: I have, Your Honor.

6 THE COURT: You viewed it with them?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: All right. And you are satisfied that
9 it represents your best statement about what you did; is that
10 right?

11 THE DEFENDANT: Yes, Your Honor.

12 THE COURT: Okay. Why don't you go ahead and read
13 your allocution.

14 THE DEFENDANT: I am here to plead guilty before
15 Your Honor.

16 THE COURT: Do you want to take a moment?

17 THE DEFENDANT: I'm fine. No. Thank you. Thank
18 you, Joe.

19 This past year has been one of introspection and
20 self-examination, but, also, a year of understanding and
21 acceptance. It has been a year of looking at what I had done
22 for the past ten years, looking at my relationships with other
23 members of NXIVM, friends, family, and associates, looking
24 closely at the decisions I made, the people I trusted, and,
25 more importantly, those who placed their trust in me. And

1 having done so, I am prepared to take responsibility for acts
2 in which I was involved, some of which I now recognize were
3 wrong.

4 As Your Honor is aware, I dedicated years of my life
5 to an organization in which I and others truly believed,
6 NXIVM. In the course of my time with NXIVM, I became close
7 with many individuals, many of whom are wonderful people, and
8 some of whom I now realize are not.

9 But relevant here, I became close with Keith
10 Raniere. I joined NXIVM first to find purpose. I was lost
11 and I wanted to find a place, a community in which I would
12 feel comfortable. Over time, I truly believed that I had
13 found a group of individuals who believed, as I did, and who
14 were interested in trying to become better people and in doing
15 so make those around them better. And when I came to that
16 realization, misguided though it was, my purpose shifted from
17 trying to help myself to helping other people. Through it
18 all, I believed that Keith Raniere's intentions were to help
19 people, and that my adherence to his system of beliefs would
20 help empower others and help them.

21 I was wrong. And I now realize that I and others
22 engaged in criminal conduct. My misguided beliefs and
23 dedication of what I believed were the principles underlying
24 NXIVM, Keith Raniere's teachings, resulted in my agreeing to
25 support the criminal enterprise that is alleged in the

1 indictment.

2 The goal of the enterprise that I joined was to
3 further and promote the objectives of Keith Raniere. Between
4 August 2015 and April 2018, I was aware of and participated in
5 some of the criminal objectives of the enterprise, and I
6 conspired and agreed with others to commit certain
7 racketeering in furtherance of this enterprise.

8 Specifically, from in or about August 2015 through
9 June 2017, within the Northern District of New York, Eastern
10 District New York and elsewhere, I was a member of secret
11 society founded by, developed by, and ultimately led by
12 Raniere. At Raniere's direction, I and other women sought to
13 recruit other women to join DOS. As part of my association in
14 DOS, I knowingly and intentionally took and withheld property
15 from Jane Doe 5 and Jane Doe 8, two women who were known to me
16 and who were involved as DOS members.

17 This property was referred to as collateral, which
18 consisted of material or information that belonged to these
19 DOS members and which those DOS members would not want
20 revealed because it would be personally damaging or ruinous.

21 I encouraged Jane Doe 5 and Jane Doe 8 to deliver
22 this collateral to me, through my participation in a scheme
23 that was designed to instill in them a fear that if the
24 property was not delivered, we would expose collateral
25 previously given to the organization, which could have been

1 embarrassing and personally damaging to themselves or others,
2 if released.

3 From in or about October 2015 to June 2017, within
4 the Northern District of New York, the Eastern District of New
5 York, and elsewhere, I knowingly and intentionally obtained
6 the labor and services in the form of so called acts of care
7 from Jane Doe 5 and Jane Doe 8.

8 Acts of care included having these women perform
9 services for me. I obtained these labor and services from
10 Jane Doe 5 and Jane Doe 8 through, among other things, being
11 part of a scheme, namely DOS, designed to make them believe
12 that if they did not perform the requested acts of care, they
13 could suffer serious harm. The serious harm in this case
14 would be the specter of the release of their collateral, which
15 they had pledged in order to join the organization.

16 From October 2015 to June 2017, within the Eastern
17 District of New York and elsewhere, I knowingly and
18 intentionally worked with others and devised a scheme to make
19 materially false representations and admissions regarding DOS
20 in order to obtain property from DOS members. Specifically, I
21 concealed Keith Raniere's role as the head of DOS and
22 characterized DOS as a women's only organization, knowing that
23 Keith Raniere was the head of the organization.

24 The property obtained, which was considered
25 collateral, included credit card authorizations, false

1 accusations against family members and friends, explicit
2 photos and videos, and rights to assess -- rights to assets
3 and property. The collateral that I just described was
4 transmitted in interstate and foreign commerce via e-mail,
5 telephone text messages, and telegram.

6 Your Honor, having reviewed the charges against
7 Keith Raniere in the most recent indictment and having many
8 months to reflect on my own actions and motivations of others,
9 I have come to the conclusion that I must take full
10 responsibility for my conduct. And that is why I am pleading
11 guilty today.

12 I am very sorry for the victims of this case. I am
13 also very sorry for the harm that I caused to my family. They
14 are good people who I have hurt through my misguided adherence
15 to Keith Raniere's teachings. I apologize to them from the
16 bottom of my heart, and I am truly very sorry for what I have
17 done. Through this plea and the help of others, I have begun
18 the process of healing and repairing the relationships in my
19 life.

20 I wish to thank the Court, Your Honor, the
21 prosecutors, my lawyers, and, most importantly, my family for
22 their role in this process. I know that I am and will be a
23 better person as a result of this.

24 THE COURT: Thank you.

25 THE DEFENDANT: Thank you.

1 THE COURT: Is there anything else from the
2 government?

3 MS. PENZA: No, Your Honor.

4 THE COURT: All right. Ms. Mack, based on the
5 information you have given to me, I find you are acting
6 voluntarily, that you fully understand the charges, your
7 rights and the consequences of your pleas. There is,
8 moreover, a factual basis for your pleas. I, therefore,
9 accept your pleas of guilty to Counts 1 and 2 of superseding
10 indictment S-2, and I am going to set a date for sentencing.

11 I am scheduling Wednesday, September 11, 2019, at
12 12-noon for sentencing. You will be contacted by a probation
13 officer for a pre-sentence interview. You will want your
14 attorneys to be present at the interview. The probation
15 officer will need to receive information about your
16 background, your education, for instance, your finances, your
17 family, and other information that is relevant to my
18 consideration of the appropriate sentence for you.

19 You will -- once you have met with the probation
20 officer, the probation officer will prepare a pre-sentence
21 report, and you will receive a copy of that report in writing,
22 as will the government and the Court. You will have the
23 opportunity to review the report with your attorneys, and if
24 there's anything in the report that's mistaken, or if there's
25 anything about you that you think the Court should know for

1 sentencing purposes, you can add whatever you think would be
2 appropriate after discussing that with your attorneys.

3 In addition, once your attorneys, I expect, will be
4 providing the Court with a memorandum in support of your
5 position on sentencing, the government will also write a
6 statement to the Court, and I will have read everything that's
7 provided before you come to court to be sentenced. Also, if
8 there's something that you think of at the last minute that
9 you believe should be considered by the Court, discuss it with
10 your attorneys first, and then you will have the opportunity
11 to bring it to my attention at the time of sentencing. I will
12 also hear from the government and from your attorneys at that
13 time.

14 Do you understand all of that?

15 THE DEFENDANT: I do. Thank you.

16 THE COURT: Do you have any questions about it?

17 THE DEFENDANT: No, Your Honor.

18 THE COURT: On the issue of bail, bail continues
19 without -- on the same terms and conditions; is that right?

20 MS. PENZA: Yes, Your Honor.

21 THE COURT: All right. I agree to that.

22 And then I am going to provide the agreement to the
23 government and request a photostatic copy in the Court's file.

24 MS. PENZA: Thank you.

25 THE COURT: So is there anything else from the

1 government for this afternoon?

2 MS. PENZA: Not for now, Your Honor.

3 THE COURT: Anything else from the defense?

4 MR. BUCKLEY: No. Thank you, Your Honor.

5 THE COURT: All right. We are adjourned. Thank
6 you.

7 (WHEREUPON, at 12:41 p.m., the proceedings were
8 concluded.)

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REPORTER'S CERTIFICATE

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13 I, ANNETTE M. MONTALVO, do hereby certify that the
14 above and foregoing constitutes a true and accurate transcript
15 of my stenographic notes and is a full, true and complete
16 transcript of the proceedings to the best of my ability.

17 Dated this 8th day of April, 2019.

18 /s/Annette M. Montalvo
19 Annette M. Montalvo, CSR, RDR, CRR
20 Official Court Reporter
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