

# UNITED STATES DISTRICT COURT

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DISTRICT \_\_\_\_\_

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**Consent to Institute a Presentence Investigation and Disclose the Report  
Before Conviction or Plea of Guilty**

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I, Gloria Harper for Computer Training & Assoc., Inc., hereby consent to a presentence investigation by the probation officers of the United States district courts. I understand and agree that the report of the investigation will be disclosed to the judge and the attorney for the government, as well as to me and my attorney, so that it may be considered by the judge in deciding whether to accept a plea agreement that I have reached with the government.

I have read, or had read to me, the foregoing consent and fully understand it.

06/04/2008  
(Date)

Gloria Harper  
(Signature of Defendant)

6/16/08  
(Date)

Wm Michael J  
(Defendant's Attorney)

# UNITED STATES DISTRICT COURT

DISTRICT OF NORTH DAKOTA

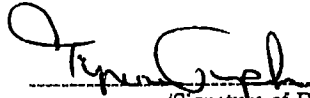
## Consent to Institute a Presentence Investigation and Disclose the Report Before Conviction or Plea of Guilty

I, GLOBAL NETWORKING TECHNOLOGY, INC., hereby consent to a presentence investigation by the probation officers of the United States district courts. I understand and agree that the report of the investigation will be disclosed to the judge and the attorney for the government, as well as to me and my attorney, so that it may be considered by the judge in deciding whether to accept a plea agreement that I have reached with the government.

I have read, or had read to me, the foregoing consent and fully understand it.

6-10-08

(Date)

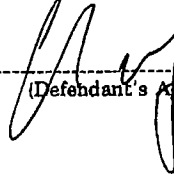


(Signature of Defendant)

GLOBAL NETWORKING TECHNOLOGY, INC.  
by: TYRONE PIPKIN, REPRESENTATIVE

6-10-08

(Date)



(Defendant's Attorney)

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NORTH DAKOTA  
SOUTHWESTERN DIVISION

UNITED STATES OF AMERICA, )  
 ) Criminal No. 1:07-cr-89  
 )  
 ) Plaintiff, )  
 ) **PLEA AGREEMENT**  
 )  
 ) -vs- )  
 )  
 )  
 ) TYRONE PIPKIN, GLORIA HARPER, )  
 ) GLOBAL NETWORKING )  
 ) TECHNOLOGY, INC., and )  
 ) COMPUTER TRAINING AND )  
 ) ASSOCIATES, INC., )  
 )  
 ) Defendant. )

Pursuant to Rule 11(c)(1)(A) and (B) of the Federal Rules of Criminal Procedure, the United States of America, by its attorneys, Drew H. Wrigley, United States Attorney for the District of North Dakota, and David L. Peterson, Assistant United States Attorney, Defendants, TYRONE PIPKIN, GLORIA HARPER, (Mr. Pipkin and Ms. Harper, as evidenced by their signatures hereto, appear in both individual and representative capacities) GLOBAL NETWORKING TECHNOLOGY, INC., and COMPUTER TRAINING AND ASSOCIATES, INC., (Global Networking Technology, Inc. and Computer Training and Associates, Inc. are collectively referred to herein as the "Defendant corporations" and they together with Mr. Pipkin and Ms. Harper are collectively referred to herein as the "Defendants") and Defendants' attorneys, Christopher R. Zaetta and William Michael, Jr., hereby agree to the following:

1. Defendants and their representatives acknowledge the Indictment charges violations of Title 18, United States Code, Sections 371, 981(a)(1)(C); 1341 and 2; Title 21, United States Code, Section 853(p); and Title 28, United States Code, Section 2461(c).

2. Defendants have read the charges, and Defendants' attorneys have fully explained the charge to Defendants.

3. Defendants fully understand the nature and elements of the charged crime.

4. Defendants GLOBAL NETWORKING TECHNOLOGY, INC. and COMPUTER TRAINING AND ASSOCIATES, INC. will voluntarily plead guilty to Count Two of the Indictment, Mail Fraud in violation of Title 18, United States Code, Section 1341.

5. The parties agree this Plea Agreement shall be filed and become a part of the Court record and be governed by Federal Rule of Criminal Procedure 11(c). The parties specifically agree that Rule 11(c)(1)(C) does not apply. If the United States makes the non-binding recommendations specified in this Plea Agreement, then Defendant corporations acknowledge this agreement will have been fulfilled. Except as provided in Rule 11(c)(5), the Court's refusal to accept any or all terms of the Plea Agreement does not give Defendant corporations a right to withdraw their guilty plea.

6. Defendant corporations will plead guilty to Count Two of the Indictment because Defendant corporations are in fact guilty of the charge. In pleading guilty to this charge, Defendant corporations acknowledge that:

Between the dates of January 2000 and December 2006, in the State and District of North Dakota, and elsewhere, Defendants GLOBAL NETWORKING TECHNOLOGY, INC. and COMPUTER TRAINING AND ASSOCIATES, INC., acting through their representatives as set forth in paragraph 7 below, did knowingly defraud and obtain money from federal Universal Service Fund administered for the Federal Communications Commission (FCC) by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC), through materially false representations and the concealment of material facts, by depositing and causing to be deposited matters and things to be sent to SLD and USAC by private and commercial interstate carrier and the United States Post Office in furtherance of the scheme to defraud, in violation of Title 18, United States Code, Section 1341, all of which documents were related to an application for E-Rate funds for the Twin Buttes School located in the District of North Dakota.

The Defendant corporations did further (a) violate the rules of the E-Rate Program by soliciting the Twin Buttes school to select the Defendant corporations as the service providers under the E-Rate Program; (b) cause the Twin Buttes school to enter into unnecessarily large contracts for infrastructure enhancements under the E-Rate program;

(c) submit materially false and fraudulent invoices and other documents to SLD and USAC claiming that certain work had been performed and goods supplied to the school which either had not been performed or not been supplied or had been done so at grossly inflated amounts; and (d) received payment from SLD and USAC for goods and services that Defendant corporations fraudulently claimed had been provided to the school.

After Twin Buttes' representatives indicated an interest in the E-Rate Program funding, the Defendant corporations, subverted the E-Rate Program application process by taking over the school's role in completing and submitting the school's E-Rate Program application materials.

Defendant corporations also submitted invoices to Twin Buttes School by way of the United States Postal Service requesting payment from Twin Buttes School and in some instances Twin Buttes School, in response to the request for payment, issued checks to the Defendants, which checks were sent by way of the United States Postal Service.

7. Tyrone Pipkin acknowledges that during the period of January 2000-December 2006, he was a part owner of GLOBAL NETWORKING TECHNOLOGY, INC. Gloria Harper acknowledges that during this same time period she became part owner of GLOBAL NETWORKING TECHNOLOGY, INC. and that throughout this period she was the sole owner of COMPUTER TRAINING AND ASSOCIATES, INC. Gloria Harper and Tyrone Pipkin agree that the Defendant corporations that they owned and represented participated in the conduct set forth in

paragraph 6 of this Plea Agreement, to which GLOBAL NETWORKING TECHNOLOGY, INC. and COMPUTER TRAINING AND ASSOCIATES, INC. will plead guilty.

8. Both Defendant corporations understand that the statutory maximum penalty which may be imposed upon conviction for a violation of 18 U.S.C. § 1341 is a fine in an amount equal to the greatest of:

(a) \$500,000 (18 U.S.C. § 3571(c)(3)); or

(b) twice the gross pecuniary gain from the offense (18 U.S.C. § 3571(d)); or

(c) twice the gross pecuniary loss caused to the victims of the crime (18 U.S.C. § 3571(d)).

9. In addition, both Defendant corporations understand that:

(a) pursuant to 18 U.S.C. § 3561(c)(1), the Court may impose a term of probation of at least one year, but not more than five years;

(b) pursuant to 18 U.S.C. § 3663, the Court may order them to pay restitution to the victims of the offense; and

(c) pursuant to 18 U.S.C. § 3013(a)(2)(B), the Court is required to order each Defendant to pay a \$400 special assessment upon conviction for the charged crime.

SENTENCING GUIDELINES

10. The Defendant corporations understand that the Sentencing Guidelines are advisory, not mandatory, but that the court must consider the Guidelines in effect on the date of sentencing, along with other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing sentence. The Defendant corporations understand that the Guidelines determinations will be made by the Court by a preponderance of the evidence standard. The Defendant corporations understand that although the Court is not ultimately bound to impose a sentence within the applicable Guidelines range, their sentences must be reasonable based upon consideration of all relevant sentencing factors set forth in 18 U.S.C. § 3553(a).

11. The Defendant corporations stipulate that the Sentencing Guidelines would be calculated, pursuant to Chapter 8, as follows:

For Mail Fraud:

a.	Base Offense Level pursuant to Section 8C2.3 (USSG § 2B1.1):	6
b.	Specific offense characteristics (USSG § 2B1.1(b)(1)(G))	+ 12
c.	Adjusted offense level:	<u>18</u>
d.	Base Fine pursuant to Section 8C2.4:	\$350,000
e.	Culpability Score pursuant to Section 8C2.5	5
f.	Minimum and maximum Multipliers pursuant to 8C2.6	1.0 2.0

g. Guideline Fine Range pursuant to \$350,000  
Section 8C2.7 \$700,000

12. Defendant corporations and their representatives understand that by pleading guilty Defendant corporations surrender rights, including:

(a) The right to a speedy public jury trial and related rights

pertaining thereto, as follows:

(i) A jury would be composed of 12 lay persons selected at random. Defendant corporations and their attorneys would help choose the jurors by removing prospective jurors “for cause,” where actual bias or other disqualification is shown; or by removing jurors without cause by exercising peremptory challenges. The jury would be instructed that defendants are presumed innocent and that it could not return a guilty verdict unless it found them guilty beyond a reasonable doubt.

(ii) If trial were held without a jury then the judge would find the facts and determine whether Defendant corporations were guilty beyond a reasonable doubt.

(iii) At a trial, whether by a jury or judge, the United States is required to present witness testimony and other evidence against Defendant corporations. Defendant corporations’ attorneys can confront and examine them. In turn, the defense can present witness testimony and other evidence. If witnesses for Defendant corporations refuse to appear

voluntarily, Defendants can require their attendance through the subpoena power of the Court.

(b) Pipkin and Harper have a right to remain silent. However, under terms of the Plea Agreement, the Judge will likely ask Defendant corporations' representatives questions about Defendant corporations' criminal conduct, to ensure that there is a factual basis for Defendants' plea.

13. Defendants understand that by pleading guilty the Defendant corporations give up all of the rights set forth in the prior paragraph, and there will be no trial. Defendants' attorneys have explained these rights, and the consequences of Defendants' waiver.

14. The Court shall impose a sentence sufficient to comply with the purposes set forth in the Sentencing Reform Act. In doing so, the Court shall consider factors set forth in 18 U.S.C. Section 3553(a), and must consult and take into account the United States Sentencing Commission, Guidelines Manual (Nov. 2007) (USSG). Defendants and their representatives understand that the United States Attorney's Office will fully apprise the District Court and the United States Probation and Pretrial Services Office of the nature, scope, and extent of Defendant corporations' conduct, including all matters in aggravation and mitigation relevant to the issue of sentencing. The United States and Defendant corporations expressly reserve the right to appeal from an unreasonable sentence.

15. This Plea Agreement is binding only upon the United States Attorney for the District of North Dakota. It does not bind any United States Department of Justice Attorney or United States Attorney outside the District of North Dakota, nor does it bind any state or local prosecutor. They remain free to prosecute Defendants for any offenses within their jurisdiction. This Plea Agreement also does not bar or compromise any civil or administrative claim, including debarment.

16. Defendant corporations and their representatives understand that the United States Attorney reserves the right to notify any local, state, or federal agency by whom the Defendant corporations are licensed, or with whom they do business, of Defendant corporations' conviction.

17. Neither the Court nor the Probation Office is a party to the Plea Agreement. Neither the Court nor the Probation Office is bound by the Plea Agreement as to determining the guidelines range. The Court may impose a reasonable sentence anywhere within the statutory range. The Court may depart from the applicable guidelines range if the Court, on the record, states factors not contemplated by the Sentencing Guidelines Commission to justify the departure. Both parties reserve the right to object to any departure. See USSG § 1B1.1, comment.(n.1) (defines "departure"). There may be other adjustments the parties have not agreed upon.

18. At sentencing, the parties will jointly recommend that the Court order:

(a) that the Defendant corporations are jointly and severally liable for payment of and shall pay USAC restitution in the amount of \$241,000 to the FCC and USAC as set out in paragraph 18(j);

(b) that the Defendant corporations will not be allowed to claim any credit against the restitution ordered in Paragraph 18(a) for the \$57,150 that was repaid to USAC in 2006;

(c) that neither the Defendant corporations, nor Gloria Harper or Tyrone Pipkin will make any further demand for payment from Twin Buttes School of \$38,000 for which they have previously billed Twin Buttes School but not been paid;

(d) that the Defendants will not make any further request for payment by USAC for invoices submitted by them to USAC on any of Defendant corporations E-rate projects and hereby release any such claims;

(e) that the Defendant corporations will not ever assist any applicant in preparing or submitting any part of another E-Rate Application to USAC or SLD on behalf of any applicant;

(f) that this agreement only relates to Defendant corporations projects in North Dakota and does not have any effect on any other of their E-Rate projects in any other jurisdiction other than as set forth in Paragraphs 18(d), 18(e), and 19;

- (g) that no fine be assessed in accordance with USSG § 8C3.3;
- (h) that each corporate Defendant pay a \$400 special assessment;
- (i) that the Indictment and all charges against Pipkin and Harper, personally, will be dismissed;
- (j) (1) that \$120,500 of the restitution amount will be paid to the clerk of court on the day of sentencing;
  - (2) that the \$25,000 currently (plus interest accrued from date of payment) on deposit with the clerk of court be used to partially satisfy the restitution amount as of the day of sentencing;
  - (3) that the remaining restitution amount will be paid to the clerk of court within 5 business days of the release of the currently existing restraining order; and
- (k) (1) that the currently existing restraining order be terminated;
  - (2) that the United States remove the lis pendens that are in place against the real and personal property of the defendants within 5 business days following receipt of the full restitution amount.

19. It is further agreed that:

- (a) Tyrone Pipkin and Gloria Harper each agrees that neither he nor she, individually or through any other business entity, will for a period of three (3) years following the execution date of this Plea Agreement: (1)

bid on or perform any work related to any contracts that are funded under the E-Rate program, or (2) participate in any other activities associated with or related to the E-Rate program, including, but not limited to any consulting with, assisting, or advising applicants or service providers regarding the E-Rate program, or (3) seek or receive any funds or discounted services provided under the E-Rate program. Further, Tyrone Pipkin and Gloria Harper agree that their commitment not to participate in the E-Rate program will be a matter of public record and that their names will be listed on the Federal Communications Commission's (FCC) website list of Universal Service Fund Suspension and Debarment Actions at <http://www.fcc.gov/eb/usfc/> and on USAC's list of persons debarred at <http://www.usac.org/sl/about/suspensions-debarments.aspx>. Tyrone Pipkin and Gloria Harper agree that they will not challenge this disqualification or its publication on the FCC and USAC websites.

(b) Should Tyrone Pipkin and Gloria Harper, individually or through any other business entity, violate the non-participation commitment in Paragraph 19(a) (knowingly, inadvertently, or otherwise, and whether acting as a prime contractor, subcontractor, consultant, or in any other capacity), then neither USAC nor the FCC shall be obligated to make any payments in connection with any such contract or participation,

and any funds he, she or the business entity may have received for or in connection with any such contract or participation shall be subject to recovery by USAC, and if such funds are not repaid, they shall be considered a debt due and owing to the FCC.

(c) If, following expiration of the non-participation commitment in Paragraph 19(a) and any voluntary exclusion and debarment imposed by any federal agency under Paragraph 19(d), Tyrone Pipkin or Gloria Harper, individually or through any other business entity, seeks to participate in any manner whatsoever in the E-Rate program, including but not limited to acting as a service provider or consultant, or assisting an applicant by submitting any part of an E-Rate application or providing advice on any part of an E-rate application, he or she shall give prior written notice to USAC, including a reference to this plea agreement and the disclosure of the names of the business entity or entities. Such notice shall be sent to USAC's General Counsel and to USAC's Vice President for Schools and Libraries at the following address: Universal Service Administrative Company, 2000 L Street, NW, Suite 200, Washington, DC 20036.

(d) Tyrone Pipkin and Gloria Harper further acknowledge that they had reason to know of the improper conduct and therefore there

