

FILED IN THE U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

DEC 12 2024

SEAN F. McAVOY, CLERK
SPOKANE, WASHINGTON

1 Vanessa R. Waldref
2 United States Attorney
3 Eastern District of Washington
4 Dan Fruchter
5 Jacob E. Brooks
6 Assistant United States Attorneys
7 Gwendolyn Russell
8 Special Assistant United States Attorney
9 Post Office Box 1494
10 Spokane, WA 99210-1494
11 Telephone: (509) 353-2767

9 UNITED STATES DISTRICT COURT
10 FOR THE EASTERN DISTRICT OF WASHINGTON

11 UNITED STATES OF AMERICA,

2:24-CR-00057-TOR

12 Plaintiff,

PLEA AGREEMENT

13 vs.

14 SPOKANE TRUCK SERVICE, LLC,

15 Defendant.

16
17
18 Plaintiff, United States of America, by and through Vanessa R. Waldref, United
19 States Attorney for the Eastern District of Washington and Dan Fruchter and Jacob E.
20 Brooks, Assistant United States Attorneys, and Gwendolyn Russell, Special Assistant
21 United States Attorney, and Defendant SPOKANE TRUCK SERVICE, LLC
22 (hereinafter "Defendant") and Defendant's counsel, Christian Phelps, agree to the
23 following Plea Agreement:

24 1. Guilty Pleas and Maximum Statutory Penalties:

25 Defendant agrees to plead guilty to Count 1 of the Indictment returned by the
26 Grand Jury on April 17, 2024, charging Defendant with Conspiracy to Violate the Clean
27 Air Act, in violation of 18 U.S.C. § 371, 42 U.S.C. § 7413(c)(2)(C), a Class D felony.
28 Defendant, SPOKANE TRUCK SERVICE, LLC, agrees to plead guilty to Count 14 of
Plea Agreement- 1 of 24

1 the Indictment returned by the Grand Jury on April 17, 2024, charging Defendant with
2 False, Fictitious, or Fraudulent claims, in violation of 18 U.S.C. § 287, a Class D felony.

3 Defendant understands that the following potential penalties apply:

- 4 (a) not more than a 5-year term of probation;
- 5 (b) a fine not to exceed \$500,000;
- 6 (c) restitution; and
- 7 (d) a \$400 special penalty assessment.

8 2. The Court is Not a Party to the Agreement:

9 The Court is not a party to this Plea Agreement and may accept or reject it.
10 Defendant acknowledges that no promises of any type have been made to Defendant
11 with respect to the sentence the Court will impose in this matter.

12 Defendant understands the following:

- 13 a. sentencing is a matter solely within the discretion of the Court;
 - 14 b. the Court is under no obligation to accept any recommendations
15 made by the United States or Defendant;
 - 16 c. the Court will obtain an independent report and sentencing
17 recommendation from the United States Probation Office;
 - 18 d. the Court may exercise its discretion to impose any sentence it
19 deems appropriate, up to the statutory maximum penalties;
 - 20 e. the Court is required to consider the applicable range set forth in the
21 United States Sentencing Guidelines, but may depart upward or
22 downward under certain circumstances; and
 - 23 f. the Court may reject recommendations made by the United States or
24 Defendant, and that will not be a basis for Defendant to withdraw
25 from this Plea Agreement or Defendant's guilty plea.
- 26
27
28

1 3. Defendant SPOKANE TRUCK SERVICE, LLC

2 Defendant SPOKANE TRUCK SERVICE, LLC understands that this Plea
3 Agreement is intended to bind SPOKANE TRUCK SERVICE, LLC, and that if the
4 Defendant changes names, reorganizes, merges, or otherwise ceases operations in its
5 current form, the person or entity acquiring the assets or taking over the operation of
6 Defendant's company shall take over the obligations of this Plea Agreement. The
7 Defendant further agrees to provide the United States Attorney's Office for the Eastern
8 District of Washington and the United States Probation Office for the Eastern District
9 of Washington with immediate notice of any name change, business reorganization, sale
10 or purchase of assets, divestiture of assets, or similar action impacting the operation of
11 its business.

12 No name change, change in corporate or individual control, business
13 reorganization, change in ownership, merger, change of legal status, sale or purchase of
14 assets, or similar action shall alter the Defendant's responsibilities under this Plea
15 Agreement. The Defendant shall not engage in any action to seek to avoid the
16 obligations and conditions set forth in this Plea Agreement. This Plea Agreement,
17 together with all of the obligations and terms thereof, shall inure to the benefit and shall
18 bind assignees, subsidiaries, successors-in-interest, or transferees of the Defendant.

19 4. Waiver of Constitutional Rights:

20 Defendant understands that by entering these pleas of guilty, Defendant is
21 knowingly and voluntarily waiving certain constitutional rights, including:

- 22 (a) The right to a jury trial;
- 23 (b) The right to see, hear, and question the witnesses;
- 24 (c) The right to remain silent at trial;
- 25 (d) The right to testify at trial; and
- 26 (e) The right to compel witnesses to testify.

27 While Defendant is waiving certain constitutional rights, Defendant understands
28 he retains the right to be assisted through the sentencing and any direct appeal of the

1 conviction and sentence by an attorney, who will be appointed at no cost if Defendant
2 cannot afford to hire an attorney. Defendant understands and agrees that any defense
3 motions currently pending before the Court are mooted by this Plea Agreement, and
4 Defendant expressly waives Defendant's right to bring any additional pretrial motions.

5 5. Elements of the Offense:

6 The parties agree that, in order to convict Defendant of Conspiracy to Violate the
7 Clean Air Act, in violation of 18 U.S.C. § 371, 42 U.S.C. § 7413(c)(2)(C), as charged
8 in Count 1, the United States would have to prove beyond a reasonable doubt the
9 following elements:

- 10 - First, between on or about August 2, 2017 and on or about November 30,
11 2023, in the Eastern District of Washington and elsewhere, there was an
12 agreement between at least two people to violate the Clean Air Act by
13 tampering with or rendering inaccurate monitoring devices required by the
14 Clean Air Act;
- 15 - Second, Defendant became a member of the conspiracy knowing of at least
16 one of its objects and intending to help accomplish it; and
- 17 - Third, one of the members of the conspiracy performed at least one overt act.

18 The United States and Defendant agree that in order to convict Defendant of
19 Making and Presenting a False, Fictitious, and Fraudulent Claim, in violation of 18
20 U.S.C. § 287, as charged in Count 14, the United States would have to prove the
21 following beyond a reasonable doubt.

- 22 - First, on or about July 27, 2020, in the Eastern District of Washington and
23 elsewhere, Defendant made or presented a claim against the United States
24 Small Business Administration;
- 25 - Second, Defendant knew that the claim was false or fraudulent at the time it
26 was made; and

1 - Third, the fraudulent matter was material; that is, it had a natural tendency to
2 influence, or was capable of influencing, the United States Small Business
3 Administration to part with money;

4 6. Factual Basis and Statement of Facts:

5 The parties stipulate and agree that the United States could prove the following
6 facts beyond a reasonable doubt at trial, and these facts constitute an adequate factual
7 basis for Defendant's guilty pleas. This statement of facts does not preclude either party
8 from presenting and arguing, for sentencing purposes, additional facts which are
9 relevant to the guideline computation or sentencing, unless otherwise prohibited in this
10 agreement.

11 Defendant and Co-Defendants

12 At all relevant times, Pavel Ivanovich Turlak (Turlak) was a resident of
13 Washington, and conducted business through his company, Defendant SPOKANE
14 TRUCK SERVICE, LLC, which had its principal place of business in Spokane,
15 Washington. Defendant SPOKANE TRUCK SERVICE, LLC provides diesel
16 automotive repair services. Defendant's facility includes a garage, tools, and other
17 automotive equipment that Turlak utilized to disable emission control systems and
18 tamper with pollution monitoring devices on his own vehicles and customer vehicles.
19 At all relevant times between August 2017 and November 2023, Ryan Hugh Milliken
20 (Milliken) was a resident of Navarre, Florida, and operated the aftermarket diesel truck
21 tuning business Hardway Solutions, LLC d/b/a Hardway Performance (Hardway
22 Performance), which had its principal place of business in Mary Esther, Florida.
23 Hardway Performance, acting through Milliken and others, provided automotive
24 services for customers, including providing custom engine tuning software for diesel
25 engine trucks, including for Turlak and his companies.

26 The Clean Air Act and Required Pollution Controls and Monitoring Devices

27 The Clean Air Act directs the United States Environmental Protection Agency
28 (EPA) to issue regulations limiting the amount of pollutants that motor vehicles,

1 including diesel vehicles, can emit. To meet these emission standards, vehicle
2 manufacturers design and install certain hardware devices as components of an
3 emissions control system to manage and treat engine exhaust. This reduces the levels
4 of pollutants such as nitrogen oxides, particulate matter, carbon monoxide, and non-
5 methane hydrocarbons that are emitted into the air from tailpipe exhaust and keeps those
6 emissions within regulatory limits. For diesel engines, such emissions control devices
7 include diesel particulate filters (“DPF”), exhaust gas recirculation (“EGR”) systems,
8 diesel oxidation catalysts (“DOC”), and selective catalytic reduction (“SCR”) systems.
9 These hardware emissions control devices are critical components of a diesel vehicle’s
10 emissions control system and are essential to ensuring that the vehicle complies with
11 the Clean Air Act’s emissions standards.

12 EPA regulations also require manufacturers to install on-board diagnostic
13 (“OBD”) systems on vehicles and engines to ensure that emissions control systems
14 continue to operate properly. OBD systems must be capable of monitoring all emission-
15 related engine systems or components, including the EGR system, the DOC, the DPF,
16 and the SCR system.

17 The OBD system operates within a vehicle’s engine control module (“ECM”)
18 (sometimes referred to as the engine or electronic control unit or “ECU”). The OBD is
19 composed of software and sensors that monitor emissions-related engine systems and
20 components for malfunctions that may increase emissions. If an emissions-related
21 malfunction or problem occurs, the OBD system causes a malfunction indicator light
22 (“MIL”) to be illuminated on the vehicle’s dashboard to alert the driver and a diagnostic
23 trouble code (“DTC”) to be stored in the OBD’s memory. These functions facilitate the
24 detection and diagnosis of a malfunction in the emissions control system. Removal,
25 disconnection, or malfunction of certain powertrain components, including emissions
26 control hardware, may cause the control system to limit the top speed of some vehicles
27 to as low as five miles per hour (an effect commonly referred to as “limp mode” or
28 “power reduced mode”), providing an incentive for the vehicle’s operator to seek repairs

1 and to prevent damage to other components.

2 OBD systems are monitoring devices or methods required to be maintained or
3 followed under the Clean Air Act to ensure that both the emissions-monitoring
4 computer software and the hardware emissions control devices of vehicles are
5 functioning properly. Persons seeking to evade the Clean Air Act's pollution controls
6 for heavy-duty diesel vehicles have developed methods of modifying or removing
7 emissions control systems and rendering the OBDs inaccurate. These modifications
8 may be undertaken to avoid repair and maintenance costs associated with emissions
9 controls and to improve the horsepower, torque, fuel efficiency, or other characteristics
10 of diesel engines. These unlawful modifications result in a dramatic increase in multiple
11 pollutants being emitted by each vehicle.

12 One method of disabling a manufacturer-installed emissions control system is to
13 remove the portion of the vehicle's exhaust system that contains some of the emissions
14 control equipment, such as the DOC and SCR catalyst, and replace it with a section of
15 hollow exhaust tubing sometimes referred to as a "straight pipe." These "straight pipes"
16 funnel the vehicle's exhaust through the tailpipe, with no reduction in pollutants.
17 Alternatively, the DPF, DOC, and SCR can be hollowed out by removing the
18 operational internal contents (e.g., catalyst substrate), and then reconnected to the
19 exhaust pipe. This gives the appearance that the components are still intact but
20 eliminates their effective function. The EGR can be disabled through the installation
21 of "block plates" that cover the EGR valve and prevent the recirculation of exhaust.
22 Additionally, certain functions of emissions control components can be electronically
23 disabled.

24 To prevent an OBD system from detecting that the emissions controls have been
25 modified or removed, the ECM is reprogrammed to disable at least some of the OBD
26 monitoring functions and to modify other engine functions related to the operation of
27 emissions controls (e.g., turning off diesel exhaust fluid ("DEF") injection, turning off
28 DPF regenerations, and remapping other parameters to account for the removed or

1 disabled emissions controls). If an ECM is not reprogrammed after modification or
2 removal of emissions control equipment, a properly functioning OBD will detect the
3 malfunction or removal of the emissions control equipment, trigger a MIL alert, store a
4 DTC and, in certain instances, cause the vehicle to go into limp mode. For example,
5 DEF is injected into the SCR system to treat nitrogen oxides in the exhaust as the
6 exhaust flows through the SCR catalyst. DEF is used up as the engine is operated, and
7 if it is not refilled, the OBD system will notify the driver that DEF level is low. If not
8 remedied, the OBD will cause the vehicle to go into limp mode.

9 The act of tampering with, disabling, or removing emissions-related software or
10 hardware is sometimes referred to as “deletion” or “deleting.” Reprogramming the
11 ECM, including the OBD system, as part of the emissions control deletion can be
12 referred to as “tuning” or “reflashing” the vehicle. One method used to prevent the OBD
13 from detecting a malfunction in the emission control system involves connecting a
14 laptop computer to the vehicle’s OBD through the OBD port and “flashing”
15 (reprogramming) the OBD. Another common method involves installing a tune file on
16 the OBD through a tuning device (sometimes referred to as a “tuner”) that is connected
17 to the OBD through the OBD port.

18 Reprogramming an OBD to prevent it from detecting the removal or disabling of
19 emission control systems components constitutes tampering with and rendering
20 inaccurate a monitoring device required under the Clean Air Act.

21 Defendants’ Criminal Conspiracy to Violate the Clean Air Act

22 Beginning no later than August 2, 2017 and continuing until at least November
23 30, 2023, Defendant SPOKANE TRUCK SERVICE, LLC, acting through Turlak and
24 others, purchased and installed delete tune files designed to illegally tamper with OBDs,
25 which Turlak then loaded onto Defendant’s trucks. Turlak paid Milliken and Hardway
26 Performance for these delete tune files, which Milliken created for specific vehicles and
27 vehicle identification number (VINs) at Turlak’s request.
28

1 On January 10, 2020, the Environmental Appeals Board entered an
2 administrative consent agreement between the United States Environmental Protection
3 Agency and Milliken and his company, Hardway Performance. As part of the consent
4 agreement, Milliken and Hardway Performance stipulated and admitted to manufacture
5 and selling “tunes” designed to modify the programming on ECMs of diesel trucks. As
6 a further part of the consent agreement, Milliken and Hardway Performance did not
7 explicitly admit to having violated the law; however, both agreed to pay a civil penalty
8 of \$45,000, which reflected a reduced penalty because Milliken and Hardway
9 Performance “demonstrate[d] their inability to pay a higher civil penalty.” Finally,
10 Milliken, on his own behalf and on behalf of Hardway Performance, certified and
11 promised as part of the consent agreement that “they will not manufacture, sell, offer
12 for sale, or install any Defeat Device that defeats, bypasses, or otherwise renders
13 inoperative any emissions-related device or element of design on a motor vehicle or
14 motor vehicle engine subject to regulation under Title II of the [Clean Air Act]...”

15 Both before and in violation of this consent agreement, Hardway Performance,
16 acting through Milliken and others, continued to manufacture and sell defeat devices,
17 to wit, software designed to defeat, bypass and tamper with OBDS, and to render them
18 inaccurate and inoperative, to Turlak and others. Milliken and Hardway Performance
19 provided Turlak approximately 39 delete tunes between August 2017 and November
20 2023. Turlak, in turn, utilized these delete tunes to tamper with and render inoperative
21 diesel trucks utilized by customers of his business, Defendant SPOKANE TRUCK
22 SERVICE, LLC.

23 For example, on or about March 17, 2020, only two months after Milliken entered
24 into the consent agreement with EPA in which he promised to not engage in further
25 violations of the Clean Air Act through tampering with required emissions controls and
26 monitoring systems, Defendant emailed Hardway Employee 2 to place a tune order for
27 a 2014 RAM with VIN # 3C6UR5PL9EG137565. The 2014 RAM with VIN #
28 3C6UR5PL9EG137565 was registered to a “customer” of Defendant who paid

1 Defendant a fee in return for installing an illegal delete tune on the 2014 RAM vehicle
2 in order to tamper with and render inaccurate the required monitoring devices. On or
3 about March 19, 2020, Milliken emailed Defendant supplying the requested delete tune
4 file, "3C6UR5PL9EG137565_131867_QUICKSETUP.bbx." This file was a delete
5 tune file created by Ryan Hugh Milliken for the purpose of disabling and rendering
6 inaccurate the OBD and required monitoring device for the vehicle specified by Turlak.
7 On or about the following day, Defendant emailed Milliken to request alterations to the
8 tune to suit his customer's request: "Hi Ryan, last tune I received from you is showing
9 0 on DEF gauge. My customer was told it will show full because your tunes usually
10 show full def after a tune but this one isn't. Its important to him for it to show 100 on
11 the DEF. I know it doesn't effect his performance. But please help me correct this." As
12 discussed above, a DEF gauge measures the presence and quantity of diesel exhaust
13 fluid used to control emissions, and a zero DEF reading suggests that a truck's emission
14 control system and/or OBD is not functioning properly. On or about the same date,
15 Milliken responded via email to Defendant: "Likely not worth the engineering time but
16 I'll look into it. What is the vin and or what model year and trans type is your customers
17 truck?" Defendant responded by email, providing the requested information.
18 Thereafter, Milliken and Defendant continued to correspond regarding issues with the
19 tune. On or about May 26, 2020, Defendant emailed Milliken: "[T]hank you for getting
20 back to me with a updated tune but I tried the updated tune. I kept getting the code 0536.
21 But oddly enough that issue got resolved by reformatting the device. But once
22 downloaded onto the truck. Def gauge still shows 0. I double checked to make sure I
23 installed the updated tune and everything." On or about the following day, May 27,
24 2020, Milliken replied via email:

25 Sir, respectfully, if the DEF gauge doesn't read full on that file, I don't care
26 to fix it. Our business direction has changed since our dealings with that
27 certain government agency and polishing products **I'm not supposed to**
28 **even be selling** is nowhere near the top of my priority list. I don't have a
better way to put it other than what I have to offer is what I have to offer,

1 purposely there will be no further revisions, no attempts at making
2 anything any better than what it is and no further R&D will go into street
3 truck delete tuning. **Think of it like being a drug dealer and trying to**
4 **make your street product better so you can sell more of it even though**
5 **you just got out of prison for distribution.... Its exactly like that.** I
6 understand you have done a lot of business with us and I appreciate that, I
7 also understand if you choose to take your business elsewhere to those who
8 are continuing to press on with product evolution, that's the natural
9 evolution of what's happening here and completely acceptable. In the
10 mean time as long as the truck is functional and what I've sold you is
11 functioning as intended than my obligations are satisfied. Thank you for
12 your understanding. (Emphasis added).

13 Milliken copied Hardway Employee 2 and a third employee of Hardway Performance
14 (Hardway Employee 3) on this email reply to Defendant. On or about the same date,
15 May 27, 2020, Defendant responded to Milliken via email: "I completely agree with
16 you about the def showing 0. And If it was my truck I could care less. BUT this is a
17 customer. For him its very important. He specifically asked to make his truck look and
18 sound stock. He asked about his def gauge prior to dropping off his truck and i told him
19 it would be showing 100. When everything was achieved besides the def gauge. He
20 wasn't happy. So all I'm trying to do is hold up my word that his def gauge will be
21 showing 100." Between March 17, 2020 and May 27, 2020, Defendant used the delete
22 tune file supplied by Milliken to tamper with the OBD system on the 2014 RAM, VIN
23 #3C6UR5PL9EG137565, belonging to the customer who paid Defendant a fee in return
24 for Defendant deleting and tuning the required monitoring devices using the delete tune
25 file created and supplied by Milliken.

26 During the same period, on or about March 20, 2020, Defendant emailed Milliken
27 to ask about tuning for newer 2019 vehicles, writing, "Ryan I was wondering if the 5th
28 gen tunes are rolling well? If so how are the HO engines with lower compression
working out as far as tuning. I've tried 2 companies seems like their tunes are fairly
raw. Just getting a little tired of raw tunes. [Hardway Employee 2] said you started
tuning the 19s so hoping you got them figured out. What are you seeing for mpg
improvements and power gains? Also hows the aisin reacting to your tunes. Both other

1 companies made the trans do weird stuff. Thank you for your time.” On or about March
2 23, 2020, Milliken replied: “The 2019’s are a lot like the 13-18 trucks as far as tuning
3 goes so, if you like the way those run from us, that’s how the new ones run too. Until
4 EFI offers it thru their software, we don’t have any CSP or SOTF for them, not that I
5 use that on any of my trucks anyway but for some reason its important to some people.”
6 The following day, Defendant replied to the email chain, “What can you do price wise
7 for a stock deleted tune once I test it out, I would like to test the csp files once they are
8 available. If I like the stock deleted file I’ll start using them in my other 19s. But the
9 test will be for my personal truck. 19 ram 3500 aisin trans. Regular pickup. Thank you.”

10 Defendant SPOKANE TRUCK SERVICE, LLC and Turlak conspired with
11 companies other than Hardway Performance to purchase delete tune files. For example,
12 on March 3, 2021, Turlak received an email from a company that creates delete turn
13 files identified as as “Company 1” stating, “Custom tune file attached for truck:
14 3C6UR5PL7KG685320” with attached files named
15 “OPTIMAL1_3C6UR5PL7KG685320.ctz” and
16 “STOCK_3C6UR5PL7KG685320.ctz.” A 2019 RAM 2500 with VIN #
17 3C6UR5PL7KG685320 is registered to an individual that is a customer of Turlak and
18 Defendant SPOKANE TRUCK SERVICE LLC who paid a fee to Defendant
19 SPOKANE TRUCK SERVICE LLC in return for installing an illegal delete tune on the
20 customer’s 2019 RAM vehicle in order to tamper with and render inaccurate the
21 required monitoring device. On March 22, 2021, Turlak emailed Company 1 about
22 issues his customer was experiencing: “[T]he customer is complaining about his truck
23 upshifting to fast and lugging his truck. Was wondering if you could help or advise
24 something.”

25 On November 30, 2023, agents with EPA’s Criminal Investigation Division
26 executed a search warrant at Turlak’s business locations at 4207 E Rowan Ave.,
27 Spokane, Washington 99217 and 4219 E Rowan Ave., Spokane, Washington 99217, in
28 the Eastern District of Washington. EPA’s National Enforcement Investigations Center

1 (“EPA-NEIC”) provided field technical inspection of vehicles located on the properties
 2 with remote assistance from EPA contractor Eastern Research Group, Inc. EPA-NEIC
 3 performed physical inspections and digital scans of the OBD systems on eight vehicles
 4 located on the properties. EPA-NEIC observed disabling of the emissions control
 5 hardware components and illegal tampering with the OBD systems required by the
 6 Clean Air Act on seven of the eight vehicles. EPA-NEIC observed this conduct on the
 7 following seven vehicles:

NEIC Veh. No.	VIN	Vehicle Manufacturer, Year, Make	Digital Evidence of OBD tampering?	Visual Inspection
1	3C63RRJL0HG719053	2017 Fiat Chrysler Automobiles US LLC (FCA) RAM 3500	Yes	Discreet EGR block plates observed
2	3C63R3GL5FG504267	2015 Chrysler Group LLC RAM 3500	Yes	Discreet EGR block plates observed
3	3C63R3GL5JG330936	2018 FCA RAM 3500	Yes	Discreet EGR block plates observed
4	3C63R3GL9KG542515	2019 FCA RAM 3500	Yes	Discreet EGR block plates observed
5	3C63R3GL5LG272328	2020 FCA RAM 3500	Yes	Discreet EGR block plates observed
6	3C63R3GL1LG291863	2020 FCA RAM 3500	Yes	Discreet EGR block plates observed
8	3C63R3GL5KG682884	2019 FCA RAM 3500	Yes	Discreet EGR block plates observed

19 Defendant admits that between August 2, 2017 and November 30, 2023, in the Eastern
 20 District of Washington and elsewhere, Defendant SPOKANE TRUCK SERVICE,
 21 LLC, acting through Turlak and others, along with Milliken, Milliken’s company, and
 22 others, conspired and agreed to violate the Clean Air Act by tampering with and
 23 rendering inoperable required monitoring devices and methods, and that, in furtherance
 24 of that conspiracy, Defendant SPOKANE TRUCK SERVICE, LLC, Turlak, and their
 25 conspirators committed overt acts, including the above.

26 The CARES Act and the EIDL Program

1 The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was a
2 federal law enacted on March 27, 2020, designed to provide emergency financial
3 assistance to the millions of Americans who were suffering the economic effects caused
4 by the COVID-19 pandemic. The CARES act authorized COVID-19 pandemic related
5 funding for the Economic Injury Disaster Loan (EIDL) program. EIDL is a Small
6 Business Administration (SBA) program that provides low-interest funding to small
7 businesses, renters, and homeowners affected by declared disasters. The EIDL program
8 also offered Targeted EIDL Advance and Supplemental Targeted Advance grants for
9 certain qualifying businesses that did not have to be repaid.

10 In order to obtain an EIDL and advance, a qualifying business must submit an
11 application to the SBA and provide information about its operations, such as the number
12 of employees, gross revenues for the 12-month period preceding the disaster, and cost
13 of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for
14 COVID-19 relief, the 12-month period was the year preceding January 31, 2020. The
15 applicant must confirm in the application that that the applicant is not engaged in any
16 illegal activity as defined by Federal guidelines and to certify that all the information in
17 the application is true and correct to the best of the applicant's knowledge.

18 The amount of an EIDL, if the application is approved, is determined based, in
19 part, on the information provided in the application about employment, revenue, and
20 cost of goods, as set forth above. Any funds issued under an EIDL or advance are issued
21 directly by the SBA. EIDL funds can be used for payroll expenses, employee sick leave,
22 production costs, and business obligations and expenses, such as business debts, office
23 rent, and office mortgage payments.

24 Defendant's False, Fictitious, and Fraudulent Claims

25 Beginning no later than on or about March 30, 2020, and continuing through at
26 least on or about August 23, 2021, in the Eastern District of Washington and elsewhere,
27 Defendant SPOKANE TRUCK SERVICE, LLC, acting through Turlak and others,
28 knowingly submitted materially false and fraudulent claims to the United States Small

1 Business Administration in order to obtain EIDL funds. Defendant falsely stated, and
2 caused to be stated, in each EIDL application submitted for Defendant that the business
3 was not engaged in any illegal activity as defined by Federal guidelines and certified
4 that this information was true and correct. This certification was materially false and
5 fraudulent. In fact, Defendant and Turlak knew that the business was engaged in illegal
6 activity by tampering with emissions monitoring systems in violation of the Clean Air
7 Act and, therefore, was ineligible for EIDL funding.

8 On or about July 27, 2021, Turlak submitted, and caused to be submitted, to the
9 SBA an EIDL application, number 3310382579, for an EIDL under the name of his
10 company, Defendant SPOKANE TRUCK SERVICE, LLC. Turlak represented in the
11 application that Defendant SPOKANE TRUCK SERVICE LLC was not engaged in any
12 illegal activity as defined by Federal guidelines and certified this information was true
13 and correct. This information and certification were materially false and fraudulent. In
14 fact, Turlak and his company, Defendant SPOKANE TRUCK SERVICE LLC, were
15 actively engaged in a conspiracy to tamper with and render inaccurate monitoring
16 devices and methods required under the Clean Air Act, in violation of Title 42 U.S.C.
17 § 7413(c)(2)(C). Defendant SPOKANE TRUCK SERVICE LLC's participation in a
18 then-ongoing criminal scheme and conspiracy to tamper with the emissions monitoring
19 devices of "customer" diesel trucks as well as diesel trucks owned and used by Turlak
20 and his companies, made Defendant SPOKANE TRUCK SERVICE LLC ineligible for
21 any EIDL funding.

22 Based on the Defendant's representation that Defendant SPOKANE TRUCK
23 SERVICE LLC was not engaged in illegal activity, on or about August 23, 2021, SBA
24 electronically transferred a \$10,000 EIDL targeted advance to an Umpqua bank account
25 associated with Defendant SPOKANE TRUCK SERVICE LLC.

26 7. The United States Agrees:

27 (a) To Dismiss Counts:

1 At the time of sentencing, the United States agrees to move to dismiss as to
2 Defendant Counts 2 through 6 of the Indictment, which charge Tampering with Clean
3 Air Act Monitoring Device, in violation of 42 U.S.C. § 7413(c)(2)(C), 18 U.S.C. § 2.
4 The United States agrees to move to dismiss as to Defendant Count 11, which charges
5 Wire Fraud, in violation of 18 U.S.C. § 1343.

6 (b) Not to File Additional Charges:

7 The United States Attorney's Office for the Eastern District of Washington
8 agrees not to bring any additional charges against Defendant based upon information in
9 its possession at the time of this Plea Agreement and arising out of Defendant's conduct
10 involving illegal activity charged in the Indictment, unless Defendant breaches this Plea
11 Agreement any time before sentencing.

12 8. Statutory Authority:

13 Defendant understands and acknowledges that the United States Sentencing
14 Guidelines (hereinafter "Sentencing Guidelines" or "USSG") are applicable to this case
15 and that the Court will determine Defendant's applicable sentencing guideline range at
16 the time of sentencing. Defendant further understands that the Court, after consultation
17 and consideration of the Sentencing Guidelines, must impose a sentence that is
18 reasonable in light of the factors set forth in 18 U.S.C. § 3553(a).

19 Defendant understands and acknowledges that the Sentencing Guidelines,
20 including Chapter Eight that provides guidance for the sentencing of corporate
21 defendants, will be considered by the court except that pursuant to USSG §§ 8C2.1 and
22 8C2.10, the Guidelines that pertain to the sentencing of organizations do not determine
23 the fine range in cases involving environmental crimes. Instead, the fine is to be
24 determined under 18 U.S.C. §§ 3553 and 3572. All other sections of Chapter Eight of
25 the Sentencing Guidelines that are applicable to corporate defendants are applicable to
26 this case, including provisions for probation.

27 9. Criminal Fine:

1 The United States and Defendant may make any recommendation concerning
2 the imposition of a criminal fine. Defendant acknowledges that the Court's decision
3 regarding a fine is final and non-appealable; that is, even if Defendant is unhappy with
4 a fine ordered by the Court, that will not be a basis for Defendant to withdrawal from
5 this guilty plea, or appeal Defendant's conviction, sentence, or fine.

6 10. Restitution and Forfeiture:

7 The United States and the Defendant hereby stipulate and agree that, pursuant to
8 18 U.S.C. §§ 3663, 3663A and 3664, the Court should order the Defendant to pay
9 restitution to the United States Small Business Administration. Pursuant to 18 U.S.C.
10 § 3663A(a)(3), the United States and Defendant agree that the appropriate amount of
11 restitution should be at least \$10,000 an EIDL advance awarded to Defendant. The
12 United States and Defendant agree and stipulate that this restitution amount is reflected
13 in the total restitution amount (\$317,388.46) assessed against owner and co-defendant
14 Pavel Ivanovich Turlak, and that Defendant is jointly and severally liable for this
15 restitution amount with co-defendant Pavel Ivanovich Turlak and his companies. The
16 United States reserves the right to request additional restitution for any amounts owed
17 to SBA relating to these two PPP loans, including but not limited to, loan origination
18 fees, recording fees, accrued interest, and other loan costs.

19 With respect to restitution, the United States and the Defendant agree to the
20 following:

21 (a) Restitution Amount and Interest

22 The United States and Defendant stipulate and agree that, pursuant to 18 U.S.C.
23 §§ 3663, 3663A and 3664, the Court should order restitution in an amount of at least
24 \$10,000 and that any interest on this restitution amount, if any, should be waived. The
25 United States and Defendant stipulate and agree that this restitution amount is included
26 within the total restitution amount assessed to co-defendant Pavel Ivanovich Turlak.

1 (b) Payments

2 The parties agree the Court will set a restitution payment schedule based on
3 Defendant's financial circumstances. *See* 18 U.S.C. § 3664(f)(2), (3)(A). That being
4 said, Defendant agrees to pay not less than 10% of Defendant's net monthly income
5 towards restitution.

6 (c) Joint and Several Liability

7 The United States and Defendant agree and stipulate that Defendant, along with
8 owner and co-defendant Pavel Ivanovich Turlak and his co-defendant companies,
9 Pauls Trans, LLC and PT Express, LLC, will be jointly and severally liable for the
10 restitution amount of at least \$317,388.46.

11 (d) Treasury Offset Program and Collection

12 Defendant understands the Treasury Offset Program (TOP) collects delinquent
13 debts owed to federal agencies. If applicable, the TOP may take part or all of
14 Defendant's federal tax refund, federal retirement benefits, or other federal benefits and
15 apply these monies to Defendant's restitution obligations. *See* 26 U.S.C. § 6402(d); 31
16 U.S.C. § 3720A; 31 U.S.C. § 3716.

17 Defendant also understands the United States may, notwithstanding the Court-
18 imposed payment schedule, pursue other avenues to ensure the restitution obligation is
19 satisfied, including, but not limited to, garnishment of available funds, wages, or assets.
20 *See* 18 U.S.C. §§ 3572, 3613, and 3664(m).

21 Nothing in this acknowledgment shall be construed to limit Defendant's ability
22 to assert any specifically identified exemptions as provided by law, except as set forth
23 in this Plea Agreement.

24 Until Defendant's fine and restitution obligations are paid in full, Defendant
25 agrees fully to disclose all assets in which Defendant has any interest or over which
26 Defendant exercises control, directly or indirectly, including those held by an owner,
27 spouse, nominee or third party.

28 Until Defendant's fine and restitution obligations are paid in full, Defendant
Plea Agreement- 18 of 24

1 agrees to provide waivers, consents, or releases requested by the U.S. Attorney's Office
2 to access records to verify the financial information.

3 (e) Obligations, Authorizations, and Notifications

4 Defendant agrees to truthfully complete the Financial Disclosure Statement that
5 will be provided by the earlier of 30 days from Defendant's signature on this plea
6 agreement or the date of the Defendant's entry of a guilty plea, sign it under penalty of
7 perjury and provide it to both the United States Attorney's Office and the United States
8 Probation Office. The parties agree that Defendant's failure to timely and accurately
9 complete and sign the Financial Disclosure Statement, and any update thereto, may, in
10 addition to any other penalty or remedy, constitute Defendant's failure to accept
11 responsibility under U.S.S.G §3E1.1.

12 Defendant expressly authorizes the United States Attorney's Office to obtain a
13 credit report on Defendant upon the signing of this Plea Agreement. Until the fine or
14 restitution order is paid in full, Defendant agrees to provide waivers, consents or
15 releases requested by the United States Attorney's Office to access records to verify the
16 financial information.

17 Defendant agrees to notify the Financial Litigation Unit of the United States
18 Attorney's Office before Defendant transfers any interest in property with a value
19 exceeding \$1,000 owned directly or indirectly, individually or jointly, by Defendant,
20 including any interest held or owned under any name, including trusts, partnerships and
21 corporations. Further, pursuant to 18 U.S.C. § 3664(k), Defendant shall notify the Court
22 and the United States Attorney's Office within a reasonable period of time, but no later
23 than 10 days, of any material change in Defendant's economic circumstances that might
24 affect defendant's ability to pay restitution, including, but not limited to, new or
25 changed employment, increases in income, inheritances, monetary gifts or any other
26 acquisition of assets or money.

1 Until the fine or restitution order is paid in full, Defendant agrees to disclose all
2 assets in which Defendant has any interest or over which Defendant exercises control,
3 directly or indirectly, including those held by a spouse, nominee or third party.

4 Pursuant to 18 U.S.C. § 3612(b)(F), Defendant understands and agrees that until
5 a fine or restitution order is paid in full, Defendant must notify the United States
6 Attorney's Office of any change in the mailing address or residence address within 30
7 days of the change.

8 Defendant acknowledges that the Court's decision regarding restitution is final
9 and non-appealable; that is, even if Defendant is unhappy with the amount of
10 restitution ordered by the Court, that will not be a basis for Defendant to withdraw
11 Defendant's guilty plea, withdraw from this Plea Agreement, or appeal Defendant's
12 conviction, sentence, or restitution order.

13 11. Probation:

14 The parties agree to recommend that the Court impose a 5-year term of
15 probation. *See* 18 U.S.C. § 3561(c)(1) and USSG §§ 8D1.1 and 8D1.2. Additionally,
16 the parties agree that the terms of probation or supervised release shall include the
17 following special conditions, in addition to the Court's standard conditions:

18 A. No Further Violations: The Defendant will commit no further
19 violations of the Clean Air Act, or other federal, state, or local law,
20 and he and his business shall conduct all operations in accordance
21 with EPA regulations and with other federal, state, and local
22 environmental regulations.

23 B. Environmental Compliance: Defendant SPOKANE TRUCK
24 SERVICE, LLC shall follow the compliance program attached to
25 this Plea Offer.

26 The parties are free to advocate for any additional special conditions they believe are
27 appropriate.

28 12. Mandatory Special Penalty Assessment:

1 Defendant agrees to pay the \$400 mandatory special penalty assessment per
2 count (\$800 total) to the Clerk of Court for the Eastern District of Washington. *See* 18
3 U.S.C. § 3013.

4 13. Additional Violations of Law Can Void Plea Agreement:

5 The parties agree that the United States may at its option and upon written
6 notice to Defendant, withdraw from this Plea Agreement or modify its
7 recommendation for sentence if, before sentencing, Defendant is charged or convicted
8 of any criminal offense whatsoever.

9 14. Waiver of Appeal

10 In return for the concessions that the United States has made in this Plea
11 Agreement, Defendant agrees to waive Defendant's right to appeal Defendant's
12 conviction and sentence.

13 Defendant expressly waives Defendant's right to appeal any fine, term of
14 probation, or restitution order imposed by the Court.

15 Defendant expressly waives the right to file any post-conviction motion
16 attacking Defendant's conviction and sentence, including a motion pursuant to 28
17 U.S.C. § 2255, except one based on ineffective assistance of counsel arising from
18 information not now known by Defendant and which, in the exercise of due diligence,
19 Defendant could not know by the time the Court imposes sentence.

20 Nothing in this Plea Agreement shall preclude the United States from opposing
21 any post-conviction motion for a reduction of sentence or other attack upon the
22 conviction or sentence, including, but not limited to, writ of habeas corpus
23 proceedings brought pursuant to 28 U.S.C. § 2255.

24 15. Withdrawal or Vacatur of Defendant's Plea

25 Should Defendant successfully move to withdraw from this Plea Agreement or
26 should Defendant's conviction be set aside, vacated, reversed, or dismissed under any
27 circumstance, then:
28

- 1 a. The United States' obligations under this Plea Agreement shall
2 become null and void;
- 3 b. the United States may prosecute Defendant on all available
4 charges;
- 5 c. The United States may reinstate any counts that have been
6 dismissed, have been superseded by the filing of another charging
7 instrument, or were not charged because of this Plea Agreement;
8 and
- 9 d. the United States may file any new charges that would otherwise
10 be barred by this Plea Agreement.

11 The decision to pursue any or all of these options is solely in the discretion of
12 the United States Attorney's Office.

13 Defendant agrees to waive any objections, motions, and/or defenses Defendant
14 might have to the United States' decisions to seek, reinstate, or reinitiate charges if a
15 count of conviction is withdrawn, set aside, vacated, reversed, or dismissed, including
16 any claim that the United States has violated Double Jeopardy.

17 Defendant agrees not to raise any objections based on the passage of time,
18 including but not limited to, alleged violations of any statutes of limitation or any
19 objections based on the Speedy Trial Act or the Speedy Trial Clause of the Sixth
20 Amendment.

21 16. Waiver of Attorney Fees and Costs:

22 Defendant agrees to waive all rights Defendant may have under the "Hyde
23 Amendment," Section 617, P.L. 105-119 (Nov. 26, 1997), to recover attorneys' fees or
24 other litigation expenses in connection with the investigation and prosecution of all
25 charges in the above-captioned matter and of any related allegations (including, without
26 limitation, any charges to be dismissed pursuant to this Plea Agreement or any charges
27 previously dismissed or not brought as a result of this Plea Agreement).

28 17. Owner Approval:

1 The Defendant represents, and will state to the Court on the record, that its
2 owners, directors, and/or duly authorized corporate officers authorize Defendant to
3 plead guilty to the Indictment in this case, and to enter into and comply with all the
4 provisions of this Plea Agreement.

5 18. Integration Clause:

6 The parties acknowledge that this document constitutes the entire Plea
7 Agreement between the parties, and no other promises, agreements, or conditions exist
8 between the parties concerning this case's resolution. This Plea Agreement is binding
9 only upon the United States Attorney's Office for the Eastern District of Washington,
10 and cannot bind other federal, state, or local authorities. The parties agree that this
11 agreement cannot be modified except in writing that is signed by the United States and
12 Defendant.

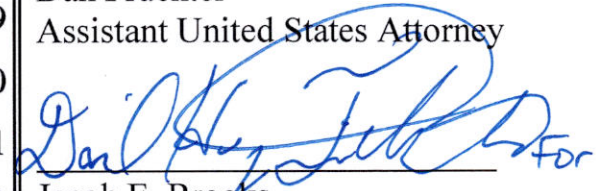
13 Approval and Signature

14 Agreed and submitted on behalf of the United States Attorney's Office for the
15 Eastern District of Washington.

16 Vanessa R. Waldref
17 United States Attorney

18 
19 Dan Fruchter
20 Assistant United States Attorney

12/12/24
Date

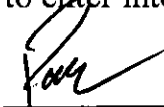
21 
22 Jacob E. Brooks
23 Assistant United States Attorney

12/12/24
Date

24 
25 Gwendolyn Russell
26 Special Assistant United States Attorney

12/12/24
Date

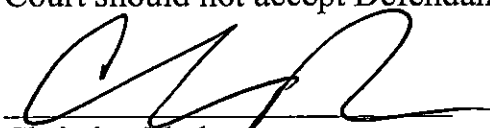
1 I have read this Plea Agreement and have carefully reviewed and discussed
2 every part of the agreements with my attorney. I understand and voluntarily enter into
3 the Plea Agreement. Furthermore, I have consulted with my attorney about my rights,
4 I understand those rights, and I am satisfied with the representation of my attorney in
5 this case. No other promise or inducements have been made to me, other than those
6 contained in this Plea Agreement and no one has threatened or forced me in any way
7 to enter into this Plea Agreement. I am agreeing to plead guilty because I am guilty.

8 
9 _____
10 Pavel Ivanovich Turlak
11 Corporate Representative for
12 SPOKANE TRUCK SERVICE, LLC

12-12-24

Date

11 I have read the Plea Agreement and have discussed the contents of the
12 agreement with my client. The Plea Agreement accurately and completely sets forth
13 the entirety of the agreement between the parties. I concur in my client's decision to
14 plead guilty as set forth in the Plea Agreement. There is no legal reason why the
15 Court should not accept Defendant's plea of guilty.

16 
17 _____
18 Christian Phelps
19 Attorney for Defendant

12-12-24

Date

ATTACHMENT A

COMPLIANCE PROGRAM

Spokane Truck Service LLC, and its subsidiaries or affiliates (“the defendant”), through its authorized representative, agrees to the following monitoring and compliance measures during the term of Probation:

Definitions:

- a. “Vehicle” means any (1) “motor vehicle” as defined under the Clean Air Act, 42 U.S.C. § 7550(2), which includes any self-propelled truck, semi-truck, car, van, camper, bus, or any other vehicle used to transport persons or property on streets or highways; and (2) “nonroad vehicle” as defined under the Clean Air Act, 42 U.S.C. § 7550(11), which includes any engine-powered vehicle such as construction, agricultural, or recreational equipment that is not designed for use on streets or highways.
- b. “Vehicle tampering” means any steps taken to remove, render inoperable, override, modify, or alter any component of any vehicle’s emissions control system, including but not limited to the selective catalytic reduction (SCR), exhaust gas recirculation (EGR), periodic trap oxidizer (PTOX), diesel particulate filter (DPF), diesel oxidation catalyst (DOC), or engine control module (ECM), or the onboard diagnostic (OBD) system.
- c. “Defeat device” includes, but is not limited to, an “EGR delete,” “DPF delete,” “delete kit,” “upgrade kit,” “conversion kit,” “tuner,” “tune,” “programmer,” “block plate,” “straight pipe,” or any other device designed to override, modify, alter, or allow the removal of any component of a vehicle’s emissions control system.
- d. “Tampered vehicle” means any vehicle that has been modified pursuant to “vehicle tampering.”

Terms:

1. The defendant agrees not to manufacture or sell, or offer to sell, or install any defeat device.
2. The defendant agrees not to engage in, or aid and abet, or conspire to, or cause others to engage in, vehicle tampering.
3. The defendant agrees to immediately cease operating any tampered vehicles it owns or operates (or that a subsidiary or affiliate owns or operates). The defendant will not sell or otherwise transfer any such vehicle intact or in a condition that allows the vehicle to be driven, unless it is restored. Within six months of Court approval of the Plea Agreement, the defendant agrees to

restore, scrap or recycle any tampered vehicle it owns or operates. If any other vehicles are later identified as being tampered vehicles that are owned or operated by the defendant or its subsidiaries or affiliates, the defendant agrees to immediately cease operating and to restore, scrap or recycle those vehicles.

- a. For any tampered vehicles that are restored to stock, the defendant shall obtain and present a certification (attached) from a mechanic or dealership licensed by the vehicle's Original Equipment Manufacturer (OEM) that the vehicle has been restored to its certified configuration.
 - b. For any tampered vehicles that are not restored to stock, the "long block" may be removed and sold for scrap, parts, or recycling, so long as the intake and exhaust manifolds are removed. The manifolds must be sold for scrap or otherwise disposed of. Any other emission control components that have been tampered with must be sold for scrap or otherwise disposed of. The remainder of the vehicle can be sold for scrap, parts, or recycling.
4. For any tampered vehicle, the defendant agrees not to work on, repair, or service (1) the OBD system or (2) any hardware relating to the emissions control system, including the SCR, EGR, PTOX, DPF, and DOC, except for the purpose of restoring the emissions control system on the tampered vehicle to its certified configuration, that is, restoring it to stock.
 5. The defendant agrees to permit unrestricted entry to federal, state, and local officials to inspect premises, including hard copy and electronic documents, at any time and without advance notice, for violations of the Clean Air Act, 42 U.S.C. §§ 7413(c)(2) and 7522(c)(3).
 6. The defendant agrees to submit to the U.S. Attorney's Office an annual report detailing the company's compliance measures and including a certification signed by a responsible corporate officer confirming, if true, that the company has not knowingly engaged in any violations of the Clean Air Act, 42 U.S.C. §§ 7413(c)(2) and 7522(c)(3). The first certification shall be submitted one year from the date on which the Information is filed and shall be filed annually on that date until the Term of the Agreement is concluded.