

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
BEAUFORT DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

MARY MOONEY,

Defendant.

CRIMINAL ACTION NO.

9:14-cr-54

SENTENCING MEMORANDUM

Defendant Mary Mooney, through her undersigned counsel, respectfully requests this Honorable Court impose a sentence of time-served, probation, or some combination of those based on the following factors.

FACTS RELEVANT TO SENTENCING

This case began as an adoption fraud case based on “child laundering”. The primary concern from the prosecution was the existence of widespread international adoption fraud.

It arrives in this Court for sentencing as something far different. It is, essentially, a false statement case. The materiality of the false statements forming the basis for Ms. Mooney’s guilty plea do not warrant a prison sentence.¹

In January of 2015, Ms. Mooney pled guilty to making false statements intending to influence an accreditation decision. Specifically, she admitted to a 2007 statement related to an IAG employee, a 2010 statement related to substantial compliance with Hague accreditation standards, and a 2011 statement related to the functional executive running the adoption company at issue in this case. The Government, apparently recognizing there is no question Kazakhstan had not adopted the Hague Convention in 2007, concedes the 2007 statement was

¹ Defendant previously moved to withdraw her plea and that motion has been denied. While Defendant does not wish to waive any appellate rights she may have related to prior proceedings, she intends to focus on sentencing at this time. That is not intended as a waiver of any future rights based on prior rulings from the Court.

not subject to the statute to which Mooney pled guilty.²

The sentence recommended by the Presentence Report (PSR) assumes the adoptions that took place in Kazakhstan after August 10, 2008, were in some way fraudulent. This is not supported by any evidence. No adoption has been reversed, no child has been returned to Kazakhstan, and there does not appear to be any evidence or information that any Kazakhstan adoption is flawed.

PRESENTENCE REPORT ISSUES

Fourth Circuit case law forecloses a loss amount enhancement in this case

The PSR in this case lists the loss amount at \$193,646, resulting in a 10-point enhancement to the base offense level. This number does not represent a loss suffered by any party. Instead, it represents the alleged gain to International Adoption Guides (IAG) as a proxy for loss. The Fourth Circuit has made it clear in *United States v. Chatterji* this is an improper way to calculate loss in this type of factual scenario. 46 F.3d 1336 (4th Circuit 1995).

Chatterji involved a fraud case where the defendant committed two fraudulent actions to gain drug approval from the Food and Drug Administration (FDA). The first instance involved reprocessing and submitting doctored batches of a tested drug to avoid delay in the approval process. *Id.* at 1338-39. For another drug, Chatterji made a small change to the formula and concealed the change to comply with FDA standards. *Id.* at 1339.

The district court in *Chatterji* found the drugs approved by the FDA had no value to the purchasers, and used the amount paid for the drugs as a loss amount. *Id.* at 1340. The Fourth Circuit disagreed, finding there was no measurable loss. *Id.* at 1341. The critical question in *Chatterji* was whether the product sold was something other than what it was claimed to be. *Id.* It was not, and the Fourth Circuit reversed the loss enhancement. There was no actual, intended, or probable loss, so gain could not be used as an alternative basis for calculating loss. *Id.* at 1342.

² *August 4, 2015 Hearing*, DE 172, p.15, ll.6-19

Mooney's case present nearly identical circumstances. There was no formal requirement for Mooney or IAG to seek accreditation from the Counsel on Accreditation (COA) prior to Kazakhstan joining the Hague Convention. According to the Department of State, Kazakhstan implemented the Hague Adoption Convention in May of 2012.³ In fact, the Court found in an earlier hearing that Ms. Mooney never used the accreditation for which she is being charged with falsely obtaining:

13 Now, it's true that she didn't use the accreditation, but
 14 there's a difference in using it and seeking it. And I don't
 15 think 14944 allows you to tell a lie or to say -- I put it not
 16 quite in that words -- say something that isn't true in order
 17 to get accreditation. I don't think you've got to use the
 18 accreditation that you get, to make you violate a section of
 19 the Code that says you've got to do things that you say you're
 20 doing when you aren't doing them. Basically.

DE 172, p.34, ll.13-20. In other words, while the Court found a false statement to support the Defendant's plea, it did not find the false statement had any material effect on the adoptions. Without that effect, there is no loss in this case. The Fourth Circuit was clear: "...gain is only an alternative measure of some actual, probable, or intended loss; it is not a proxy for loss when there is none." *Chatterji*, 46 F.3d at 1340.

The United States Probation Office argues *Chatterji* does not apply under *United States v. Marcus*, a closely-related Fourth Circuit case. 82 F.3d 606 (4th Cir. 1996). *Marcus* supports the Defendant's argument in this case. It neither modified nor overruled *Chatterji*; it simply clarified the Fourth Circuit's bright-line rule in losses resulting from regulatory violation cases.

In *Marcus*, the drug at issue was modified in a significant enough way that the drug would

³<https://travel.state.gov/content/adoptionsabroad/en/country-information/learn-about-a-country/kazakhstan.html> (last accessed July 6, 2017)

require additional testing by the FDA. *Id.* at 610. In other words, the product was materially changed. In *Chatterji*, it was only the process that was “manipulated”. While a false statement that has no effect on the final product results in no loss, a false statement related to an actual change to the final product creates a very different scenario. The difference is critical.

In the instant case, there simply is no support for a loss. In fact, the Government has only produced one potential victim in any way related to a Kazakhstan adoption.⁴ That person candidly admits that it is not clear what impact came from the case against Defendant. The person does state any impact was financial and the fees paid for the adoption seemed excessive. Unfortunately, this is completely inaccurate.

The fee statement enclosed by the person reflects total fees paid for the adoption of \$28,300. This appears to be on the average cost of an adoption from Kazakhstan during the time period at issue in this case.⁵ According to the Department of State, 2011 was the last year any Kazakhstani children were adopted by American families.⁶

The only way to generate a loss in this case is the identification of a material problem with an adoption related to the false statements to which Mooney pled guilty. Absent that, her crime of conviction remains, as in *Chatterji*, related to the process and not the product. There was no loss in this case; no adoption was materially affected by Mooney’s statements. In addition, there is no evidence any family thought they were entering a Hague Convention adoption process. Nor could there be.

⁴ Due to the sensitive nature of the communication, counsel has not attached the actual statement from the alleged victim. However, counsel will be happy to produce the statement to the Court at the sentencing hearing or via e-mail.

⁵ The range of costs seems to be in line with the IAG fees: <https://www.adoptivefamilies.com/how-to-adopt/kazakhstan-adoption-fast-facts/> (average total cost between \$30,000 and \$40,000); <http://ahelpinghandadoption.org/adopt-a-child/kazakhstan/> (program fee was \$24,000); http://www.toladopt.org/uploads/1/6/4/3/16439450/tol_information_pack_2014.pdf (\$25,400 - see p.7 of PDF) (all sites last accessed August 6, 2017)

⁶ <https://travel.state.gov/content/adoptionsabroad/en/about-us/statistics.html> (selecting Kazakhstan from the drop-down menu, as well as the year, reflects this information; interestingly, the State Department website still states Kazakhstan is not a Hague Adoption Convention partner)

A Hague adoption begins with an I-800 form from U.S. Citizenship and Immigration Services. A non-Hague adoption begins with an I-600 form.⁷ There was no way for potential clients to believe they were entering a Hague adoption process instead of a non-Hague adoption, especially in light of the fact it does not appear Kazakhstan has ever allowed any Hague adoptions.

Without any loss, there can be no loss enhancement. The 10-point enhancement is inappropriate and should not be applied to Mooney's sentence.

There are not multiple victims in this case

Application Note 1 to United States Sentencing Guidelines §2B1.1 requires a "victim" to be someone who suffered loss as calculated by §2B1.1(b)(1). Based on the argument above, the Government has not shown ten victims (or any victims) and no enhancement for multiple victims is advised by the sentencing guidelines.

Defendant believes the Government has engaged in extensive efforts to contact potential "victims" from Kazakhstan adoptions and has only received the response referenced earlier. As described, that communication does not actually create a victim.

At the same time, the information to which Mooney pled guilty references two statements (disregarding the one made before the effective date of the statute); one on April 10, 2010 and one on November 21, 2011. Only two adoptions were completed after these dates, though it is very clear the application in each started long before these dates. It is impossible for Mooney's statements, and the resulting accreditation, to have had any effect at all on these families' decision to adopt from Kazakhstan through IAG.

Probation and the Government argue the families who adopted would not have contracted with IAG had they known of "fraudulently obtained accreditation." There are multiple problems with this assertion. First, "fraudulently obtained" is not accurate. As demonstrated by Exhibit 1, it is not clear at all that COA would have denied accreditation to IAG. If it had, it certainly would

⁷ <https://travel.state.gov/content/adoptionsabroad/en/adoption-process/faqs/hague-vs-non-hague-adoption-process.html> (last accessed August 7, 2017)

have been an arbitrary decision based on COA's past handling of far more egregious violations. Second, there is no evidence, from anyone, that any family would have decided not to adopt through IAG based on an accreditation that was unnecessary to the process. Such evidence would be questionable, as the statements at issue were made *after* all IAG adoptions in Kazakhstan were initiated.

The 2-point enhancement for multiple victims is inappropriate and should not be applied to Mooney's sentence.

3553(a) FACTORS

Each of the 3553(a) factors, when applied to Ms. Mooney, strongly support imposition of the requested sentence. She should not be put in jail.

NATURE AND CIRCUMSTANCES OF THE OFFENSE AND HISTORY AND CHARACTERISTICS OF THE DEFENDANT

1. Nature and circumstances of the offense.

All federal criminal offenses are serious. This is a case where, considering the materiality of the statements at issue and the statute to which Defendant pled guilty, the seriousness of the case warrants no jail time. Ms. Mooney's violation is akin to a regulatory violation. In fact, numerous instances of far more egregious conduct have resulted in no criminal action. Most of those violations have resulted in only regulatory punishment, as opposed to any criminal prosecution.

Importantly, COA accreditation is based on a "substantial compliance" system requiring a grade of 85% or higher to obtain and maintain accreditation. When found out of compliance, agencies can correct problems to regain compliance. IAG should have only been subject to corrective action based on the examples in Exhibit 1.

Ms. Mooney pled guilty to making three false statements, one of which is arguably not a violation of any law. The statements are relatively minor. All of them involved misstatements of fact the Government contends allowed IAG to obtain accreditation from the COA when it was not

entitled to that accreditation. As Judge Blott pointed out in the hearing cited earlier, Ms. Mooney may have sought the accreditation, but did not actually need or use the accreditation.

The Government has produced no victims or complaints related to Kazakhstan adoptions. It does not appear any adoptions were affected by the misstatements. The effect of the charged crime should carry great weight in determining the seriousness of the offense, which should in turn carry great weight in determining an appropriate punishment for the charged conduct.

Because the crime of conviction caused no demonstrable harm, this factor weighs heavily in favor of the requested sentence.

2. History and characteristics of the Defendant.

Ms. Mooney has a long history of positive contributions to society. She has never been in trouble with the law. Ms. Mooney is well-educated, with a bachelor's degree from Elon College in North Carolina. She was awarded the Order of the Long Leaf Pine by Governor of North Carolina, a prestigious award given to those with a record of extraordinary service to the State of North Carolina. It is one of the most valued awards in North Carolina.⁸

In addition to contributions to society in general, Ms. Mooney has made significant contributions to the international adoption world. She has served the Council on Accreditation as a Volunteer Site Evaluator for Hague Accreditation and as a Volunteer Hague Evaluator. She was a founder of a website, www.theadoptionguide.com, that has led the fight against adoption fraud.⁹ This prosecution has been particularly devastating, as it has called her life's work into question.

Ms. Mooney has maintained steady employment for most of her life, serving in various positions including a counselor, director of victim services for a rape and domestic violence center, a home study company, and numerous roles related to international adoption.

Ms. Mooney is not a good person who has strayed from the path of a law-abiding citizen.

⁸ Information on this award, including Ms. Mooney's name on the recipient list, can be found at <http://longleafpinesociety.org/order-of-the-long-leaf-pine/> (last accessed July 6, 2017)

⁹ <https://www.forbes.com/forbes/2000/0911/6607244a.html> (last accessed July 6, 2017)

She is simply a good person, with a history of doing good for the community. The activity she pled to does not change that history. Her history and characteristics warrant a merciful sentence.

SERIOUSNESS OF THE OFFENSE, RESPECT FOR THE LAW, AND JUST PUNISHMENT

1. Seriousness of the offense.

As stated earlier, this offense is far less serious than a typical federal crime, both in substance and effect. It does not appear Ms. Mooney intended any fraud with the statements underlying her guilty plea. It is unclear whether the three statements she made were determinative of IAG's accreditation, and it remains unclear whether the Kazakhstan adoptions required accreditation prior to that country's adoption of the Hague Convention governing international adoption procedure.

Because the statements to which she pled guilty are of limited materiality, this case is not nearly as serious as the heartland of federal criminal offenses. It should be viewed as a regulatory violation, rather than a truly criminal offense. In addition, contrary to the PSR, no loss occurred and there is no basis for restitution in this case. Each person adopting a child from Kazakhstan received exactly what they bargained and paid for: an adopted child. Nothing Ms. Mooney may have said changed that.

The attached chart demonstrates the typical response to regulatory violations like the ones at issue in this case.¹⁰ In general, there are not federal prosecutions related to this class of violation. The cases are usually handled by a regulatory action, ranging from no action to suspension. It appears only 6 agencies actually lost their accreditation, out of over 50 reported by the Council on Accreditation. Many of the violations were far more serious than what Ms. Mooney has pled guilty to.

In addition to the unwarranted disparity a jail sentence would create, the materiality of the statements are relevant to the seriousness of this conduct. Each Kazakhstan adoption listed

¹⁰ See attached Exhibit 1 – chart explaining actions related to international adoption agencies

as relevant is attached as Exhibit 2. All adoption applications were sent to Kazakhstan prior to the May 25, 2010 deadline announced by Kazakhstan as it decided to become a member of the Hague Convention.¹¹ All cases prior to that were considered non-Hague cases.¹²

It is not clear why the PSR Addendum argues Kazakhstan required COA accreditation, because no evidence of that fact has been produced. But the 2nd Revised Addendum in this case concedes Kazakhstan did not require Hague compliant adoption dossiers prior to March 12, 2010. All IAG adoptions were initiated well before that date. The idea that adoptions after 2008 were affected by 2010 and 2011 false statements is not supported by any evidence. Nor is there any evidence that any adoption was in any way flawed, materially or otherwise.

Based on the dates in this case, the statements made by Ms. Mooney could not have had any material effect on any of the Kazakhstan adoptions. While the Court has previously found the statements were not true, the statements only applied to accreditation necessary for Hague Convention adoptions. None of the Kazakhstan adoptions IAG processed were Hague adoptions. Ms. Mooney's statements had little, if any, effect on those adoptions or the Council on Accreditation.

The relative seriousness of Ms. Mooney's offense counsels the sentence requested by the defense.

2. Respect for the law.

There is no need for jail time to instill respect for the law in this case. In fact, the opposite is true in a case of this nature. The actual conduct at issue in this case does not demand a sentence of incarceration.

To promote respect for the law, a sentence of incarceration must consider the defendant's actual conduct. The United States Supreme Court has approved a district court's recognition that "a sentence of imprisonment may work to promote not respect, but derision, of the law if the law

¹¹ See Exhibit 3 – Kazakhstan Adoption Alert

¹² See Exhibit 4 – State Department announcement on Kazakhstan adoptions

is viewed as merely a means to dispense harsh punishment without taking into account the real conduct and circumstances involved in sentencing.” *Gall v. United States*, 552 U.S. 38, 54 (2007).

Ms. Mooney’s actual conduct warrants neither a sentence of 33 to 41 months as suggested by the PSR or a sentence of 51 to 60 months as requested by the Government. The undue harshness of a prison sentence would promote derision of the law.

3. Just punishment.

“Just” punishment is an elusive concept. The idea of justice in sentencing should take into account a defendant’s conduct, as well as the overarching goal of federal sentencing; a sentence that is sufficient but not greater than necessary to punish the defendant. Incarceration does not serve this purpose. The sentence requested by Ms. Mooney does.

TO AFFORD ADEQUATE DETERRENCE TO CRIMINAL CONDUCT

Deterrence always involves two parts; general and specific. General deterrence relates to the public’s understanding of the violation of the law at issue and the potential punishment. This case has already served that purpose. As discussed elsewhere, there are numerous similar and more serious violations reported to the COA on a regular basis. Nearly all of them result in regulatory penalties. Federal criminal prosecution is almost unheard of. Until now. There is no question this case has demonstrated the dangers of not explicitly following all rules and regulations related to international adoptions.

Specific deterrence has also been accomplished in this case. Ms. Mooney will likely never work in the adoption industry again. If she were to, there is no doubt she has learned a harsh and lengthy lesson on the punishment associated with failing to scrupulously follow the rules related to accreditation.

TO PROTECT THE PUBLIC FROM FURTHER CRIMES OF THE DEFENDANT

There is little need to consider a jail sentence to accomplish this goal. Ms. Mooney’s history alone makes it unlikely she will reoffend. This felony on her record will prevent her from much involvement in international adoption.

NEED FOR EDUCATIONAL/VOCATIONAL TRAINING, MEDICAL CARE, OR OTHER CORRECTIVE TREATMENT

This factor has no weight in determining a sentence in this case. Ms. Mooney is a well-educated, highly-skilled woman who has garnered success in a variety of different roles. She needs no further training.

RESTITUTION

Restitution is not appropriate in this case. The request is based on the plea agreement, which calls for restitution to “each and every identifiable victim who may have been harmed by her scheme or pattern or criminal activity, pursuant to 18 U.S.C. § 3663.”¹³ The word “victim” as used in restitution, has a statutory meaning. 18 U.S.C. § 3663(a)(2) defines a victim as “a person directly and proximately harmed as a result of the commission of an offense for which restitution may be ordered...”

No direct, proximate harm occurred in this case. No one who adopted from IAG got anything other than exactly what they bargained for: a new child. To claim such a result is somehow equated to a harm is simply not the case. In fact, it does not appear a single person has come forward to argue they were harmed by IAG or Mary Mooney.

In addition, this Court should decline further restitution proceedings under 18 U.S.C. §3663(a)(B)(II)(ii). That subsection allows the Court to decline restitution when the determination of restitution would complicate and prolong the sentencing process, outweighing the need for restitution. There is no need for restitution in this case. Yet the complexity of investigating each alleged victim would continue to prolong sentencing. At the end of that process, it seems impossible to imagine finding victims who wish they had not adopted their Kazakhstani child.

No restitution should be ordered in this matter.

CONCLUSION

¹³ See *Plea Agreement*, DE 132, p.3, ¶B

Mary Mooney was now been on pretrial supervision for approximately 44 months. Based on Mooney's valid objections, the total offense level in this case should be 8, with a criminal history category of I. The advisory guideline range is 0 to 6 months.

A total offense level of 20 (or the higher sentence requested by the Government) fails to meet the goals of federal sentencing and is legally flawed. Such a sentence would be far greater than necessary to punish Ms. Mooney for the conduct she, with the Government's approval, pled guilty to.

Defendant Mary Mooney respectfully requests the Court grant her objections and impose a sentence of time-served or probation as suggested by the advisory sentencing guidelines. In the alternative, Defendant respectfully requests the Court grant a downward variance to a total offense level of 8 or below and impose a sentence not involving incarceration.

Respectfully Submitted,

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August 7, 2017
Greenville, South Carolina

EXHIBIT 1

CHART OF COA COMPLAINTS AGAINST OTHER ADOPTION AGENCIES

	Agency Name	Date	Action	Standard	COA Action	Violations
1	Chrysalis House, CA	10/23/12	Corrective action	96.35a	no action	Failed to oversee foreign contractors who as a result violated China's adoption procedures.
2	One World Adoption Services, GA	12/6/13* 11/27/13** 2/14/14*** 12/6/13****	Corrective action Suspension 6/25/14 to Voluntarily withdrew Accreditation	96.35a* 96.35a* 96.35a** 96.35a*** 96.41b*** 96.41c*** 96.35a*** 96.35a**** 96.35a****	Suspension & Correction adverse action	Egregious unethical conduct. Referred children for adoption who had not yet been relinquished by their parents or declared abandoned by a court. Made payments to a government official believed to be a bribe. Provided documents with false information to a government office for official use. Requested parents send overseas \$2000 to motivate public officials.
3	Homestudies and Adoption Placement Services, NJ	1/9/15	Corrective action	96.30b	adverse action	Did not follow their state's licensing rendering them out of compliance.
4	Christian World Adoption, NC	7/9/12	Corrective action	96.39a 96.40a 96.40b 96.40g	adverse action	Charged fees that were not disclosed prior to commencing services.
5	Dove Adoptions International, OR	7/7/16* 7/1/16**	COA Cancelled Accreditation 8/9/16	96.41e* 96.32d** 96.32c** 96.44b** 96.33d** 96.33a** 96.33e** 96.37d** 96.37e** 96.37f** 96.37g** 96.32a**	adverse action	Hid complaints to the agency from COA. Did not report on Annual Attestation. CEO was not qualified under Hague standards. Failed to demonstrate that it keeps permanent records. Staff was not qualified as required by Hague standards. Agency social worker not qualified under Hague standards. Failed to demonstrate financial stability.
6	Adopt-A-Child, Inc, PA	3/13/15	COA Canceled Accreditation 9/8/15	93.39e, 96.41f, 96.42e	Cancellation	Failed to submit required reports to COA. Failed to cooperate with COA when asked to produce required information.
7	International Assistance Group, PA	1/16/15	COA Cancelled Accreditation 1/15/15	96.33e 96.33a 96.34e 96.35a 96.39e	adverse action Accreditation Cancelled	Agency could not demonstrate financial stability, yet its director's salaries were unreasonable high. Failed to cooperate with COA when asked for information.
8	International Families, DC	5/2/14	COA Cancelled Accreditation 3/27/14	96.33a 96.35a	Accreditation Cancelled	Submitted a self-study that was determined to be falsified.
9	European Adoption Consultants, Inc, OH	6/22/16* 12/16/16**	Corrective action	96.40f Temporarily debarred for three years.	no action	Requested that adopted parents to take large amounts of cash to China, violating Hague standards.
10	Children of Africa Interprises, MO	9/14/12* 9/21/12**	COA Cancelled Accreditation 11/8/2012	96.35a* 96.35a* 96.32a* 96.44b* 96.35a* 96.35e* 96.35c* 96.35e* 96.25a* 96.39e* 96.35a**	adverse action Accreditation Cancelled	Referred to families, children who were not available for adoption. Operated as a nonexistent agency in USA. Failed to report investigation by a state licensing board. Failed to report change in CEO. Obstructed investigation by giving false information. Did not provide correct information on children's paperwork. Did not demonstrate capacity to act as

				96.32a** 96.44b**		a primary provider (manage an adoption case).
1 1	Illien Adoptions International, GA	12/19/13* 12/18/14** 5/17/16***	Suspension 11/7/14 to 12/5/14 COA Cancelled Accreditation 8/5/16	96.35a* 96.36b* 96.34a* 96.34c* 96.33e** 96.33e*** 96.33b*** 96.39e***	Suspension & Correction adverse action	Made referrals to families based on their donations. Failed to respond to concerns about insufficient policies and procedures. Provided inadequate training. Failed to demonstrate financial stability.
1 2	Alaska International Adoption, AK	8/22/2014	Closed instead of Corrective action	96.33b 96.39e	adverse action	Failed to submit financial reports to COA as required by Hague Standards
1 3	Small World Adoption Foundation, MO	8/13/10* 11/16/12**	Corrective action Closed before action	96.32a* 96.32b* 96.33b* 96.33e* 96.37d* 96.35a** 96.35a**	adverse action	CEO unqualified, did not have education and management credentials. Failed to demonstrate board preformed oversight duties. Failed to demonstrate financial stability. Failed to demonstrate it had a qualified supervisor. Charged fees that were not listed.
1 4	Across The World Adoptions, CA	10/24/14	Corrective action	93.33e	no action	Failed to demonstrate financial stability.
1 5	Adoption Ark, IL	6/18/10* 7/16/10** 4/13/12***	Corrective Action	96.35a* 96.35a* 96.32e* 96.30b* 96.30b* 96.30c* 96.30b* 96.35a** 96.41b** 96.41c** 96.41e***	adverse action	Working in Pakistan in violation of Pakistan's laws and regulations. Operated an office without proper authorization. Was out of compliance with state licensing regulations. Failed to disclose fees. Failed to disclose employee information when asked. Provided false information. Discouraged a client from filing a complaint.
1 6	Adoption Associates, MI	11/09/10	Corrective Action	96.40g 96.40g	adverse action	Charged fees that were not disclosed
1 7	Adoption Avenues, OR	3/29/13	Corrective Action	96.35a 96.36b 96.36b 96.35a	adverse action	Hid money. Payed bribes. Lacked insufficient protections for monitoring money. Failed to verify foster homes before placing children.
1 8	Heartsent Adoptions, CA	10/14/11	Corrective action	96.35a	adverse action	Child safety concerns were NOT reported in a timely manner to ensure safety.
1 9	Faith International Adoption, WA	12/19/13* 6/17/14**	Suspend 1/6/15 to 1/30/15 Corrective action	96.35a* 96.39e* 96.39e** 96.41e** 96.41c** 96.35a** 96.49f** 96.35e** 96.35c** 96.35c**	adverse action Suspension	Serious violations. Unethical conduct. Provided false information to COA. Discouraged clients from filing complaints. Children were referred to families who were not eligible for adoption. Failed to notify COA of Director's external disciplinary proceedings. Failed to inform COA that a senior manager had two felony convictions for acts involving financial irregularities.
2 0	Adoption Advocates, Inc, FL	9/29/13	Corrective action Suspension 1/9/14 to 3/29/14	96.35a, 96.36b, 96.41f, 96.36a	Suspension	Payment for release of a child. Failed to disclose complaint.
2 1	Villa Hope International Adoption, AL	9/4/15* 3/18/16**	Corrective action Suspension	96.32b* 96.33a* 96.33b*	Suspension & Correction	Board did not perform oversight. Agency did not submit internal reviews.

			2/12/16 to 3/18/16	96.39e* 96.33e**		Did not cooperate with COA's request for information. Failure to demonstrate financial stability.
2 2	Huminska's Anioly, GA	8/16/10* 7/20/10** 8/13/10*** 9/11/11****	Completed action Suspend 3/6/12 to 4/12/12	96.41c* 96.41c** 96.41c*** 96.35a**** 96.44a**** 96.42c**** 96.40a**** 96.40b**** 96.40c**** 96.40g**** 96.35a**** 96.49a**** 96.49b**** 96.49d**** 96.49f**** 96.49g**** 96.49k****	adverse action Suspension & Correction	Did not resolve complaint in timely manner. Failed to consider best interests of child. Failed to disclose fees. Accepted money unrelated to legitimate adoption fees. Failed to provide children's medical records. Did not give family time to consider needs of children that were referred to them.
2 3	New Hope Christian Services, NH	3/28/14* 9/5/14**	Corrective action Suspended 3/18/15 to 10/9/15	96.32a* 96.37c* 96.37d* 96.44b* 96.41f** 96.39e** 96.33e**	Suspension & Correction Adverse Action	Agency did not have any supervisors who meet standards. Failed to submit annual attestation reports to COA. CEO unqualified. Failed to demonstrate financial stability.
2 4	Michael S. Goldstein, Esquire, NY	10/24/14	Suspended 5/21/16 to 6/14/16	96.32d 96.45b 96.53c 96.36b 96.32d 96.45b 96.35a 96.32d 96.45a	Suspension & Correction	Failure to oversee attorneys acting as supervised providers. Failed to ensure money being paid by PAPs was not intended to induce children's release for adoption. Knowledge of misrepresentation contained on homestudies.
2 5	Saint Mary International Adoption, NC	6/24/11* 3/23/15**	Corrective action Suspended 9/2/11 to 10/2/11 and 11/19/15 to 12/10/15	96.41b* 96.41f* 96.49d* 96.49g* 96.35a** 96.47b** 96.41e** 96.47a**	Suspension & Correction	Failed to report complaint. Failed to demonstrate efforts to obtain medical and social information. Provided USCIS with documentation not in compliance with state law. Discouraged client's complaints.
2 6	CASI Foundation For Children, ID	1/21/14	Voluntarily Withdrew Accreditation	96.33b 96.33c 96.33e	adverse action	Did not turn in audits. Failed to demonstrate financial stability.
2 7	The Datz Foundation, VA	5/5/11	Corrective action	96.40g	no action	Charged fees that were not disclosed in adoption contract.
2 8	Adoption Advocates International, WA	6/24/11	Corrective action	96.35a	adverse action	Failed to cooperate with COA investigation
2 9	Bay Area Adoptions Services, CA	12/05/14	Corrective action	96.30b 96.50b	no action	Did not follow state licensing requirements. Did not sufficiently monitor child placement.
3 0	Bethany Christian Services, MI	6/18/10	no action	96.47a	no action	Failed to include information on homestudy.
3 1	Building Arizona Families, AZ	5/25/10	no action	96.47a	no action	Failed to include information on homestudy.
3 2	DRC Adoption Service, KY	5/1/15* 3/16/15** 5/1/15***	Corrective action	96.41e* 96.35a** 96.36b** 96.36b** 96.35a***	adverse action	Attempted to discourage complainant. Unethical conduct. Misappropriating fees. Lack of protocols to ensure child care. Payment to induce a child's release for adoption.

				96.36b***		
3 3	Great Wall of China, TX	7/31/12	Corrective action	96.35a 96.35a	adverse action	Appearance of buying accreditation from Rwanda. Allowed family to pay for adoption from Rwanda despite the fact the prohibited international adoption.
3 4	International Adoption Services, INC, MN	7/10/14	Corrective action	96.33e	adverse action	Failed to demonstrate financial stability.
3 5	International Family Services, TX	1/31/14* 7/24/14**	Suspended 7/3/14 to 8/4/14 Completed action	96.35a* 96.33e** 96.33b**	Suspension & Correction adverse action	Serious concerns with Serbia Program. Failure to investigate concerns raised. Unethical conduct. Failed to demonstrate financial stability.
3 6	Joshua Tree Adoptions, FL	6/23/11* 11/14/14**	Suspension 8/27/11 to 9/26/11	96.44a* 96.52b* 96.52c* 96.44a* 96.39a* 96.50f* 96.51b* 96.35a* 96.44a* 96.33e**	Suspension & Correction adverse action	Provided adoption services in a convention case without accreditation. Provided referral before family was deemed suitable to adopt. Failed to demonstrate financial stability.
3 7	Life Adoption Services, CA	8/29/14	Corrective action	96.33e	no action	Failed to demonstrate financial stability.
3 8	Lifeline Children's Services, AL	4/25/14	Corrective action	96.48e	adverse action	Did not provide sufficient counselling.
3 9	Little Miracles International, TX	11/18/13	Corrective action	96.35a 96.36b	adverse action	Referred a child to a family who was not available for adoption. Eggregious unethical conduct.
4 0	About a Child, CA	1/29/16		96.35a	adverse action	Serious concerns about the agency's Ghanaian facilitator
4 1	American World Adoption, VA	10/12/12* 3/31/16**	Corrective action	96.35b* 96.35e** 96.48e**	adverse action	Failed to report complaints on Attestations to COA. Did not provide counseling to families.
4 2	Embracing Children Adoption Services, MN	1/6/17	No action	96.41e	adverse action	Discouraged client from filing complaints.
4 3	Living Hope Adoption Agency, PA	6/17/13	Corrective action	96.38a 96.38b	no action	Training is out of compliance with the standards.
4 4	Love Basket, MO	8/17/12	Corrective action	96.35a 96.35a	adverse action	Operated a Zambia adoption Program in violation of Zambia law. Potentially paying illegal monies in Zambia.
4 5	MLJ Adoptions, INC, IN	6/13/14	Corrective action	96.35a	adverse action	Fees were not utilized for proper care of children. Did not monitor money paid in country to ensure fees were spent on legitimate adoption costs.
4 6	New Beginnings Family and Children's Services, NY	11/7/14	Corrective action	96.33e	adverse action	Failure to show financial stability
4 7	The Open Door Adoption Agency, GA	3/18/16	Corrective Action	96.41f	adverse action	Failed to report complaints on Attestations to COA
4 8	Vista Del Mar Child and Family Services, CA	6/18/10	Corrective action	96.44a 96.47a	no action	Did not ensure adoption services were provided in accordance with the Hague convention.
4 9	WACAP (world Association for Children and Parents), WA	6/20/11	Corrective action	96.41a	no action	Did not provide copy of complaint policies to families.
5 0	Wasatch International Adoptions, UT	10/23/12* 11/8/13** 2/7/14***	Corrective action	96.35a* 96.35a** 96.44a**	adverse action	Violated China's procedures. Failure to ensure best interest of child. Eggregious unethical conduct. Failure

		4/25/14****		96.35a*** 96.48e****		to ensure correct child was brought to USA from adoptive country. Did not provide proper counselling
5 1	Wide Horizons for Children, MA	6/8/12	Corrective action	96.41a	adverse action	Misleading families about complaint procedures.

Agencies with dates with * show multiple investigations

Information compiled using “Hague Accreditation and Approval Substantiated Complaint and Adverse Action Report Last Updated 4/7/2017”.

Link:

<http://coanet.org/accreditation/hague-accreditation-and-approval/monitoring-and-oversight/>

NOTE: International Adoption Guides, Inc. had never received a substantiated complaint or adverse action from COA during it's accreditation from April 2008 to it closed in Feb. 2014.

EXHIBIT 2

CHART OF IAG KAZAKHSTAN ADOPTIONS

Victims post August 2008 without payment record (Kazakhstan)

Client Name	Child(ren) Adopted	Complete Date application date
KR	FI	9/1/2008
CC & HC	AM	9/30/2008
SC&AR	AZ	10/3/2008
MW & MW	NM	10/8/2008
DD & SD	VF	10/8/2008
DC & MC (2nd Adoption)	EB	10/17/2008
DR & KR	ZD	10/23/2008
SY & TY	GA	10/29/2008
TH & DG	DA & DA	11/5/2008
BW & DW	SK	11/7/2008
SC & SC (2nd Adoption)	KK	11/7/2008
KC	SB	11/24/2008
BK & GE	RZ	11/25/2008
MK & LK (2nd Adoption)	ZS	11/25/2008
KH & CH (2nd Adoption)	AT	11/28/2008
JB & MB	YC	12/5/2008
GT & ST	VG	12/13/2008
BP & AM-P	NS	12/22/2008
JM & KB	OM	12/22/2008
BR & AR	EM	1/14/2009
JB & SB	AZ	1/16/2009
SM & JM	AP	2/13/2009
MG & JG	MZ	2/17/2009
RM & TM	BI & Gi	2/23/2009
EC & MC (2nd Adoption)	NG	3/1/2009
BN & RR	AB	3/11/2009
KD & MD	BS	3/18/2009
JK	RS	3/20/2009
BP & CP	RR	3/20/2009
RP & TP	ME	7/10/2009
JP & NC	EB	11/3/2009
JL & AC	SK	11/4/2009
KI & JI (2nd Adoption)	NA	10/29/2010 12/7/09
AS	MK	1/24/2011 1/29/08

Date Dossier sent to Kaz

5/19/09
8/22/08

EXHIBIT 3

9/9/10 KAZAKHSTAN ADOPTION ALERT

Kazakhstan Country Information



- **View** - [KAZAKHSTAN ADOPTION ALERT](#) - 9/09/10

Kazakhstan is not a member of the *Hague Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption* ([Hague Adoption Convention](#)).

At this time, prospective adoptive parents should not attempt to initiate any new adoptions in Kazakhstan.

Following a decision by Kazakhstan to become a Convention member, its Embassy in Washington and Consulate General in New York have stopped accepting new intercountry adoption dossiers until the Convention enters into force for Kazakhstan. Similarly, the U.S. Citizenship and Immigration Service cannot process a



Form I-800A (Application for Determination of Suitability to Adopt a Child from a Convention Country), that indicates an intention to adopt a child from Kazakhstan, until the Convention has entered into force for Kazakhstan.

The Kazakhstani government has announced it will continue to process any pending adoption cases if the Kazakhstani Embassy or Consulate General sent the dossier to the Ministry of Foreign Affairs by May 25, 2010. These will be considered transition (non-Hague or Form I-600) cases; the policy on new cases will not affect the processing of these adoptions.

Information regarding adoption requirements and procedures in Kazakhstan will be available after the new legislation has been approved and procedures for implementation have been announced.

Updated: September 2010

[DISCLAIMER](#)

Statistics

EXHIBIT 4

6/29/10 KAZAKHSTAN ADOPTION ALERT

INTERNET ARCHIVE
Wayback Machine 181 captures
21 Dec 2008 - 28 Feb 2017

http://adoption.state.gov/news/kazakhstan.html Go

JUL AUG OCT
12
2009 2010 2011 About this capture

Kazakhstan

Adoption Alert

U.S. DEPARTMENT OF STATE
Bureau of Consular Affairs
Office of Children's Issues

June 29, 2010

In May 2010, the Kazakhstani Embassy in Washington and Consulate General in New York stopped accepting new intercountry adoption dossiers. The Kazakhstani government said this policy on new adoption cases will remain in effect until the Hague Adoption Convention (the Convention) enters into force for Kazakhstan. Kazakhstan has indicated that it intends to enact its implementing legislation by September 2010. Kazakhstan will then need to issue Convention regulations before the Convention enters into force, so it is unclear when new adoptions will be processed there.

The Kazakhstani government has informed the Department of State that it will continue to process any cases for which the Kazakhstani Embassy or Consulate General had sent the prospective adoptive parents' dossiers to the Ministry of Foreign Affairs by May 25, 2010. These will be considered transition ("non-Hague" or Form I-600) cases; the policy on new cases will not affect the processing of these adoptions. For more information, you may wish to check the [Kazakhstani Embassy's adoption Web pages](#).

At this time, prospective adoptive parents should not attempt to initiate any new adoptions in Kazakhstan. The Kazakhstani government will not process any new "non-Hague" or Form I-600 cases. Additionally, since the Convention has not entered into force for Kazakhstan, USCIS cannot process a Form I-800A, *Application for Determination of Suitability to Adopt a Child from a Convention Country*, where the applicants indicate their intention to adopt a child from Kazakhstan.