
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

MOSHE ALTMAN, : Mag. No. 09-8125 (MCA)
a/k/a "Michael Altman"

I, Robert J. Cooke, being duly sworn, state that the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

Count 1

In or about July 2007, in Hudson County, in the District of New Jersey and elsewhere, defendant

MOSHE ALTMAN,
a/k/a "Michael Altman"

did knowingly and willfully conspire with a Jersey City Building Inspector to obstruct, delay, and affect interstate commerce by extortion under color of official right, by assisting in arranging for corrupt cash payments to be paid by another, with that person's consent, for the JC Building Inspector's benefit in exchange for the Building Inspector's official assistance.

In violation of Title 18, United States Code, Section 1951(a) and Section 2.

Count 2

From in or about March 2007 to in or about June 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

MOSHE ALTMAN,
a/k/a "Michael Altman"

knowingly and willfully conspired with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bank fraud, bankruptcy fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

ATTACHMENT B

I, Robert J. Cooke, a Special Agent with the Federal Bureau of Investigation ("FBI"), following an investigation and discussions with other law enforcement officers, am aware of the following facts. Because this Attachment B is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Nor have I recounted every conversation involving the defendant. All conversations referred to in this attachment were recorded, unless otherwise indicated, and are related in substance and in part.

Count 1

1. At all times relevant to this Complaint, defendant Moshe Altman, a/k/a "Michael Altman" (hereinafter, "defendant Altman") was a real estate developer based in Hudson County.

2. At all times relevant to Count 1 of this Complaint, there was an individual who served as a Building Inspector for the City of Jersey City ("JC Building Inspector"). The JC Building Inspector was responsible for, among other things, performing inspections and certifying buildings for compliance with pertinent federal, state, and local standards, codes, regulations and procedures including zoning standards.

3. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as (a): a real estate developer interested in development in the greater Jersey City area and (b) the owner of a counterfeit handbag business. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

4. On or about July 10, 2007, defendant Altman met with the CW at defendant Altman's place of business in Union City, New Jersey. During this meeting, defendant Altman explained to the CW that defendant Altman had arranged for the CW and defendant Altman to make a corrupt cash payment to the JC Building Inspector in exchange for zoning approvals for properties that the CW and defendant Altman sought to develop in Jersey City. During this same meeting, defendant Altman acknowledged to the CW that defendant Altman had made corrupt cash payments to the JC Building Inspector in the past, in exchange for the JC Building Inspector's approvals and other official assistance.

5. On or about July 11, 2007, defendant Altman met with the CW at defendant Altman's place of business in Union City. During that meeting, defendant Altman explained to the CW that defendant Altman would accompany the CW to meet with the JC Building Inspector and that defendant Altman would take the JC Building Inspector to the boiler room in the building where the meeting would take place.

6. On or about July 11, 2007, defendant Altman, the JC Building Inspector, and the CW met at a building that defendant Altman owned in Jersey City. After entering the building, defendant Altman informed the JC Building Inspector that the CW was interested in developing properties in Jersey City, but was looking for a "comfort level" on "zoning" and other matters. The JC Building Inspector responded, "[y]ou're not gonna have any problem with anything with me . . . whatever we have to do, I can get it done." Then, the JC Building Inspector explained that he could help the CW gain approval for more units in a particular building: "[w]orst-case scenario . . . we have to put in for a variance . . . go before the Board of Adjustment, we present the set of plans, the whole bit, but I get the blessing from everybody up above for that to go through."

7. As defendant Altman stepped into the building's boiler room, the JC Building Inspector and the CW continued their meeting. The JC Building Inspector then accepted \$20,000 in cash from the CW with the JC Building Inspector being advised by the CW: "got there 20," meaning \$20,000. The JC Building Inspector was advised by the CW that the \$20,000 was "on deposit" and that there would be additional payments in exchange for the JC Building Inspector's future official assistance. The JC Building Inspector was further advised by the CW "[t]ake care of me. I'll take care of you." Indicating that he was comfortable with the corrupt relationship, the JC Building Inspector replied, "Absolutely." The JC Building Inspector further stated that he was "around all the time" and supplied the CW with his cell phone number. The JC Building Inspector then briefly met with defendant Altman in the boiler room. To create the pretext of an inspection, the JC Building Inspector stated, "Everything looks good here," as he began to leave the building.

Count 2

8. At all times relevant to Count 2 of this Complaint, a check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking revealed that defendant Altman did not hold a license to transmit or remit money.

9. At all times relevant to Count 2 of this Complaint:
 - A. Coconspirator Itzak Friedlander, a/k/a "Isaac Friedlander," (hereinafter "Friedlander") was a business partner of defendant Altman and an employee of defendant Altman's real estate development company.
 - B. Coconspirator Shimon Haber was a real estate developer, who worked in New York and New Jersey.
 - C. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking revealed that Friedlander and Haber did not hold a license to transmit or remit money.

10. On or about March 6, 2007, defendant Altman and Haber met with the CW at Altman's place of business in Union City. During this meeting, defendant Altman, Haber and the CW discussed the mechanics of a scheme wherein they would make corrupt payments to various public officials in Hudson County in exchange for various forms of official action and approvals. In that regard, the CW asked defendant Altman and Haber about their ability to launder money that the CW would provide in furtherance of these illicit deals. The CW stated, "Question is. If I bring in money. How many of these guys can convert it? No?" Referring to defendant Altman, Haber advised the CW, "Talk to him, he has 'washing machines'," meaning money-laundering contacts. Given the amounts and breadth of the illicit laundering scheme being discussed, Haber remarked, the CW "needs a laundromat." Referencing the fact that the first floor of the building in which Altman's place of business was located actually housed a laundromat, with a prominent sign reading "LAUNDROMAT," defendant Altman quipped that they "got one down here." As the conversation continued, the CW asked defendant Altman, "he converts from green to check . . . whatever?" Defendant Altman responded that his money-laundering contact performed such laundering and likened his contact to money-laundering "converters" based in Israel. Haber then reaffirmed the "money-laundering" scheme as he emphasized to defendant Altman, the CW "needs a converter," a reference to an individual who converts criminally derived monies into some other form of asset in order to conceal its illegal origins. Thus, in this conversation, defendant Altman and Haber discussed the prospect of Altman's utilizing his money-laundering contacts in furtherance of an overarching scheme to bribe public officials in Hudson County in exchange for their official action and influence.

11. On or about March 28, 2007, the CW met with defendant Altman and Haber at Altman's place of business in Union City. Defendant Altman, Haber and the CW discussed a money-laundering arrangement. Defendant Altman asked the CW if the CW needed a "washing machine," a reference to a money-laundering transaction. The CW replied, "Yeah, but not all in one shot." The CW continued, "I'm talking 20 to 50 now," a reference to \$20,000 to \$50,000, with more to follow. Defendant Altman asked the CW, "Which way is it going?" The CW responded, "I have checks." At this point in the conversation, the parties began to whisper and defendant Altman instructed the CW, "Do me a favor, just write," meaning communicate about the scheme in a non-audible, written manner in order to evade detection.

12. With the assistance of Haber, the CW wrote the following three questions on a scrap of paper for defendant Altman: 1) "Check to who"?; 2) "How much do charge 10% is fine"; and 3) "how long to wash"? In response to question one, defendant Altman wrote "Gemach Shefa Chaim."¹ Defendant Altman did not provide a written response to question two. In response to the final question concerning the laundering period, defendant Altman wrote "1 wk To 2 wks." After completing the written questions and answers, defendant Altman confirmed for the CW that charities would be utilized to launder the monies that CW would provide. Lastly, the CW stated, "Because of the bankruptcy court no one can know nothing," a reference to concealing the illicit arrangement. The CW informed defendant Altman and Haber that the ongoing bankruptcy proceedings required the CW to declare "all assets," to include anything of value, even items such as "cars," "watches," "furs," "firearms," "jewelry," and "suits." Defendant Altman and Haber indicated that they understood and that concealing these matters from the authorities was not an issue.

13. On or about May 8, 2007, defendant Altman met with the CW at defendant Altman's place of business in Union City and continued to discuss, among other things, the money-laundering arrangement. The CW asked defendant Altman, "How much can [the Gemach] handle at once for me?" Defendant Altman responded, "What's the numbers? Just tell me the numbers." When the CW discussed a "silent partner" owing the CW money from "deals" and that the partner would provide the CW with checks ranging from \$25,000 to \$100,000 for conversion to cash, defendant Altman reassured the CW that he could handle it and that he would

¹ Note that during the course of the investigation, the subjects and the CW have alternated spellings between "Gmach" and "Gemach" but there is no substantive difference.

conceal the illicit arrangement from anyone at the organizational front and all others, to include the bankruptcy trustee and the bankruptcy court. With regard to turnaround time for converting the checks to cash, defendant Altman stated that it could take "A week, 10 days, it depends. It's not all taken out right away. So it can take two weeks."

14. On or about May 21, 2007, in the morning, another individual met with the CW in Deal, New Jersey. At that meeting, this individual furnished the CW with a check in the amount of \$18,000. The check was made payable to Gmach Shefa Chaim that defendant Altman specified to the CW in the March 28th meeting.

15. On or about May 21, 2007, in the early afternoon, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman received this \$18,000 check from the CW. After providing defendant Altman with the check, the CW indicated that the CW did not need a copy of the check "because I don't keep records." Defendant Altman agreed that was best. As the conversation continued, defendant Altman was informed by the CW of the illegal source of the funds. The CW stated, "basically, guy owes me money from bank deals, 'schnookie' bank deals no one knows about and no one could know about . . . this guy's a partner of mine." Defendant Altman was further advised by the CW that the CW expected another \$50,000 check from the partner next week that the CW would need laundered into cash. Defendant Altman replied, "Okay, very good." Defendant Altman further indicated that he would launder the check into cash for return to the CW by June 12, 2007. Thus, in this conversation, defendant Altman acknowledged that he understood the illegal source and nature of the funds that the CW supplied him with for both laundering purposes and to hide assets from the CW's ongoing bankruptcy proceedings.

16. On or about June 12, 2007, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman supplied the CW with approximately \$15,300 in cash, which represented the proceeds of the \$18,000 check from May 21st less a 15% money-laundering fee. Defendant Altman stated to the CW that "he [a reference to Altman's money laundering contact] took off 15%" rather than 10% because the amount of money was low. Defendant Altman further advised the CW that his money-laundering contact asked him where the check was from, but that defendant Altman did not disclose the CW's identity as defendant Altman promised. Defendant Altman stated, "I keep my word." As before, defendant Altman and the CW also discussed the illicit nature of the CW's proceeds and the need to conceal the money-laundering arrangement from defendant Altman's

money-laundering contact, as well as from the bankruptcy court and authorities. The CW stated, "Number one, I have the bankruptcy thing. Number two, I have at least \$100,000 a month coming from money I 'schnookied' from banks for bad loans. This guy can't know nothing." In response, defendant Altman assured the CW that there would be no problem.

17. At this same meeting, defendant Altman also accepted a \$75,000 check from the CW to launder. Defendant Altman and the CW discussed the turnaround time to launder the check and defendant Altman indicated that "he'll [a reference to Altman's money-laundering contact] do it quickly." The check was made payable to the Gemach Shefa Chaim and drawn on the account of BH Property Management-- an FBI undercover company. A review of bank records indicates that on or about June 15, 2007, BH Property Management Check No. 1023, in the amount of \$75,000, was posted to an account maintained by Valley National Bank in the name of Gmach Shefa Chaim.

18. On or about June 26, 2007, Friedlander met with the CW at defendant Altman's place of business in Union City. During the meeting, Friedlander advised the CW that defendant Altman had "stepped out" and then handed the CW a white plastic bag containing approximately \$54,800 in cash. This cash amount was a partial return on the \$75,000 check that defendant Altman had accepted on or about June 12, 2007, for laundering.

19. Approximately twenty-five minutes after the CW had arrived at defendant Altman's place of business in Union City, defendant Altman arrived and met with the CW. During their meeting, defendant Altman and the CW discussed the fact that the cash that Friedlander had provided the CW was "short." Pursuant to the laundering fee arrangement that defendant Altman struck with the CW, the remaining cash due from defendant Altman was approximately \$8,950. Defendant Altman indicated to the CW that he would advise the CW in the next day or two as to whether he had the remaining \$8,950 in cash. As the conversation continued, defendant Altman accepted for laundering another \$50,000 check from the CW, which the CW characterized as further proceeds from the CW's "bank 'schnookie' deals." The check was drawn on the account of BH Property Management and made payable to Organization 1. When the CW asked defendant Altman if his money-laundering contact could convert the checks to cash more quickly, defendant Altman laughed in agreement with the CW stating, "You're right. I should teach him the business." A review of bank records indicates that on or about July 6, 2007, the \$50,000 check was posted to an account maintained by Valley National Bank in the name of the Gemach Shefa Chaim.

20. On or about July 5, 2007, defendant Altman met with the CW at Altman's place of business in Union City. At this meeting, defendant Altman gave the CW approximately \$9,050 in cash to complete the money laundering transaction of June 12, 2007. Defendant Altman mistakenly overpaid the CW \$100 on this occasion since the return due was approximately \$8,950.

21. On or about July 16, 2007, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman gave the CW approximately \$30,000 in cash. This cash amount was a partial return on the \$50,000 check that defendant Altman accepted on or about June 26, 2007 for laundering. While defendant Altman and the CW counted the cash, the CW joked about getting defendant Altman a cash-counting "machine" to make this aspect of the laundering process easier. Concerned about concealing his illicit conduct, defendant Altman responded, "See, if you have one [i.e., a cash-counting machine], it means . . . don't want somebody goes to the office, sees one, and says, hey!"

22. During the meeting, defendant Altman and the CW discussed the next money-laundering transaction and the turnaround time entailed with defendant Altman's money-laundering contact washing future checks that the CW would supply. The CW stated, "Now I have 75 more [i.e., \$75,000] from one of my bank deals there. How quickly can he turn it, this guy?" Defendant Altman replied, "it's anywhere normally two weeks to four weeks. That's how he works." Reaffirming the illicit origin of the monies that the CW was supplying to defendant Altman, the CW then explained, "The problem is the deal I have with the guy [meaning the CW's purported partner], we took money from a bank on a nonexistent property, and I have half a million coming but I don't want to take it until I know I can turn it fast." In response, defendant Altman stated, "It doesn't make any difference if its 75 or 300 [meaning \$75,000 or \$300,000] to me . . . when I give it to him there is not a lot of difference." Regarding the structuring of the next series of money-laundering transactions, defendant Altman advised the CW that his money-laundering contact uses the names of three other "Gmachs," in addition to the Gmach Shefa Chaim that defendant Altman already had the CW use in earlier transactions, as charitable fronts to launder money. Again, the CW made clear the illegal genesis of the monies that the CW was furnishing defendant Altman, as the CW stated, "I did . . . a bank deal on a million-dollar property that didn't even exist . . . the bank doesn't know nothing . . . and they don't care." Undaunted, defendant Altman advised the CW that he would ask his money-laundering contact about "the names" to use and relate that information to the CW in short order.

Near the end of the meeting, defendant Altman accepted for laundering a \$75,000 cashier's check from the CW made payable to the Gemach Shefa Chaim. A review of bank records reflects that on or about July 19, 2007, the \$75,000 cashier's check was posted to an account maintained by Valley National Bank in the name of Gmach Shefa Chaim.

23. Approximately two days later, on or about July 18, 2007, defendant Altman and Friedlander met with the CW at Altman's place of business in Union City. During this meeting, defendant Altman gave the CW three Valley National Bank envelopes containing approximately \$12,500 in cash to complete the money-laundering transaction of June 26, 2007. Shortly after he gave the CW the cash, defendant Altman, Friedlander and the CW discussed the next group of money-laundering transactions. Because it was the summertime, defendant Altman indicated that it could take up to four weeks before his money-laundering contact could convert the CW's checks to cash. Defendant Altman explained to the CW that "smaller amounts," meaning approximately \$50,000 to \$150,000 at a time were preferable, because "[t]he way he [i.e., his money-laundering contact] works. The accounts he gets it . . . from A, from B, from C." Defendant Altman continued to detail the laundering process, "If I give him everything, he puts it in the accounts and he sees how he can get it."

24. During this meeting, defendant Altman provided the CW with the written names of the following four charitable organizations for laundering purposes: (a) Sanz International; (b) Bayaner Gemilas Chesed; (c) Cong. Shefa Chaim Dehasidi Sanz; and (d) Gmach Keren Hachased. Friedlander reiterated to the CW that the money-laundering process would be delayed because "summertime . . . it's very tough." Mindful of his illicit conduct, defendant Altman twice advised the CW that defendant Altman "didn't want [his] handwriting" on the laundering note and had a secretary copy it. Defendant Altman then instructed the CW on how to structure the forthcoming checks for laundering purposes, "put[ting] the amounts" of \$150,000 for Sanz International, \$100,000 for Bayaner Gemilas Chesed, \$250,000 for Cong. Shefa Chaim Dehasidi Sanz, and \$100,000 for Gmach Keren Hachased. The CW advised defendant Altman and Friedlander that the CW would check with his "partners" and get back to them.

25. On or about July 30, 2007, defendant Altman met with the CW at Altman's place of business in Union City. At the outset of the meeting, defendant Altman entered the office-area holding a white plastic shopping bag from which defendant Altman removed stacks of cash that he placed on the desk in front of the

CW. Defendant Altman then removed from his front pants pocket a similar plastic bag, which contained additional cash, and gave it to the CW. In total, defendant Altman provided the CW with approximately \$39,500 in cash, which was a partial return on the \$75,000 check defendant Altman accepted for laundering on or about July 18, 2007. Pursuant to the laundering arrangement, defendant Altman promised to pay the CW approximately \$24,250 in cash to complete the money-laundering transaction once the funds were available.

26. On or about August 7, 2007, Friedlander met with the CW in Friedlander's car in Union City. At this meeting, Friedlander supplied the CW with the name of "Boyen Gimlas Chessed" for the purpose of laundering the CW's next check. Friedlander and the CW arranged to meet the next day, with the CW agreeing to bring a \$50,000 check made out to the "Boyen Gimlas Chessed" and with Friedlander agreeing to bring at least \$30,000 in cash soon thereafter as a return on monies owed from the last money-laundering deal. Friedlander stated, "If you bring me tomorrow [i.e., Tuesday] . . . I can have on Thursday . . . 30 for sure." Explaining that he already made arrangements with the money-laundering contact, Friedlander advised the CW, "I already called him up that I'm bringing a check . . ." Friedlander continued, "I already prepared him for 30 [meaning \$30,000] . . . that's what Michael [i.e., Altman] told me." After placing a telephone call to and speaking with the money-laundering contact in the CW's presence, Friedlander confirmed, "30, he has for sure . . . he has more coming in tomorrow." Also, during the meeting, when the CW inquired as to whether the laundering fee could be cheaper if the CW supplied approximately \$100,000, Friedlander indicated that he believed 10% was possible but that he would find out.

27. On or about August 8, 2007, Friedlander met with the CW outside on 5th Street in Union City. During the meeting, the CW provided Friedlander with a \$50,000 cashier's check that was made payable to the Boyen Gimlas Chessed, the name of the organizational front that Friedlander supplied the CW for future laundering at the August 7, 2007 meeting. The CW stated to Friedlander, "This is the \$50,000, made out to "Boyen Gimlas Chessed". Expecting the check for laundering, Friedlander replied, "Good, good . . . I'm going to see him today," a reference to the money-laundering contact who would convert the illicit check to cash for the CW. While giving Friedlander the \$50,000 check for laundering, the CW reiterated that the monies were bank fraud proceeds and that they must remain hidden from the CW's ongoing bankruptcy proceedings. The CW stated, "Just don't tell him [i.e., the money-laundering contact] my name or anything, because this is money that I . . . 'schnookied' . . .

this is from a bank, and I have the bankruptcy . . ." Assuring the CW that he would conceal the criminal activity, Friedlander raised his hand and indicated that he would not say anything. Shortly thereafter, Friedlander placed a telephone call in the CW's presence to someone Friedlander indicated to be involved in the laundering. Friedlander then advised the CW that he was working to have cash for the CW that afternoon. Friedlander told the CW, "I'm gonna push it . . . I'll call you." Bank records indicate that on or about August 9, 2007, the \$50,000 cashier's check was posted to an account maintained by North Fork Bank in the name of Boyen Oner Gemilas Chesed c/o David Goldhirsch.

28. On or about August 10, 2007, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman gave the CW approximately \$44,500 in cash. This cash amount represented \$24,500 in cash to complete the money laundering transaction of July 16, 2007 and a partial return of \$20,000 on the \$50,000 check Friedlander accepted for laundering on or about August 8, 2007. Friedlander and defendant Altman mistakenly overpaid the CW \$250 on this occasion. Haggling over the laundering fee charged, the CW stated to defendant Altman that Friedlander ". . . told me 10% with these new guys, fast turnaround, 10% he told me." Insisting that 15% was the correct fee, defendant Altman countered, "What are you talking about? . . . You misunderstood him [meaning Friedlander] . . . I made it very clear," a reference to the money laundering fee to be charged.

29. On or about August 23, 2007, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman supplied the CW with approximately \$22,500 in cash to complete the money-laundering transaction of August 8, 2007. Eager to continue profiting by way of laundering the CW's illicit proceeds, defendant Altman told the CW that his money-laundering contact advised him that if the CW needed more checks laundered, the money-laundering contact would be able to return cash to the CW more quickly. When the CW complained to defendant Altman that other money-launderers charge the CW 10% with a quick turnaround time and that Friedlander also quoted the CW a 10% fee, defendant Altman replied, "When he [i.e., the money-laundering contact] gave me this [i.e., the cash] he told me that he can get . . . money he can get it the same day . . . or something like that." Near the end of this money-laundering discussion, defendant Altman asked the CW about how much defendant Altman should request from his laundering contact in connection with the next transaction. The CW replied, "I don't know, 50, 75, [meaning \$50,000 to \$75,000] whatever he can do . . . the more he can do the better, I don't care."

30. On or about September 11, 2007, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman accepted for laundering a \$25,000 cashier's check from the CW, which the CW described to defendant Altman as coming "from one of my bank schnookie deals." Consistent with defendant Altman's previous instructions, the check was made payable to the Gmach Shefa Chaim, one of the charitable organizations that defendant Altman used to launder funds. Defendant Altman indicated that he would return the cash to the CW to complete the money laundering transaction the next week. A review of bank records reflects that on or about September 12, 2007, the \$25,000 cashier's check was posted to an account maintained by Valley National Bank in the name of Gmach Shefa Chaim.

31. On or about September 25, 2007, defendant Altman and Friedlander met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman and Friedlander supplied the CW with approximately \$21,250 in cash to complete the money laundering transaction commenced on or about September 11, 2007.

32. On or about October 9, 2007, defendant Altman met with the CW at Altman's place of business in Union City. At this meeting, defendant Altman accepted a \$30,000 cashier's check from the CW as part of a money-laundering transaction. The check was made payable to the Gmach Shefa Chaim, and defendant Altman agreed to return cash to the CW in exchange for the 15% laundering fee. Bank records show that on or about October 18, 2007, the \$30,000 cashier's check was posted to an account maintained by Valley National Bank in the name of the Gmach Shefa Chaim.

33. On or about October 15, 2007, defendant Altman met with the CW at Altman's place of business in Union City. At this meeting, defendant Altman returned to the CW approximately \$25,800 in cash to complete the laundering transaction of October 9, 2007. Since defendant Altman should have returned only \$25,500 pursuant to the money-laundering fee arrangement that he struck with the CW, defendant Altman mistakenly overpaid the CW \$300 on this occasion.

34. On or about December 18, 2007, defendant Altman and Friedlander met with the CW at Altman's place of business in Union City. During this meeting, defendant Altman accepted another \$25,000 cashier's check from the CW to launder consistent with their preexisting arrangement. Again making clear the monies were bank-fraud proceeds, the CW told defendant Altman,

"This is \$25,000. The thing is this guy owes me a hundred-thousand. It's a cousin of mine and we took a loan on a property with Amboy Bank. Remember?" Defendant Altman replied, "Yeah." Noting that the loan was obtained on a non-existent property and that the CW previously engaged in other such bank frauds, the CW quipped to defendant Altman, "The property wasn't exactly there. Those were the good 'ole days' three years ago." Upon learning from the CW that the \$25,000 check was purportedly obtained in such an illegal manner, defendant Altman laughed and responded, "I should have met you four years ago." At the conclusion of this money-laundering conversation, defendant Altman indicated to the CW that he would accept another \$75,000 from the CW for laundering the next week and that "two weeks [was] enough" time to launder the \$25,000 check and return the cash to the CW. As before, the check was made payable to the Gemach Shefa Chaim, defendant Altman's charitable organization front. A review of bank records indicates that on or about December 21, 2007, the \$25,000 cashier's check was posted to an account maintained by Valley National Bank in the name of the Gmach Shefa Chaim.

35. On or about January 7, 2008, defendant Altman met with the CW at Altman's place of business in Union City. During this meeting, defendant Altman returned to the CW approximately \$21,250 in cash to complete the laundering transaction of December 19, 2007.

36. On or about February 14, 2008, defendant Altman met with the CW at Altman's place of business in Union City. During this meeting, defendant Altman and the CW touched upon their next money-laundering transaction. Defendant Altman advised the CW that defendant Altman would be able to convert checks to cash that the CW expected to have in the coming weeks.

37. On or about July 10, 2008, defendant Altman and Friedlander met with the CW at Altman's place of business in Union City. Before defendant Altman arrived at the meeting, Friedlander and the CW discussed the illicit sources of the CW's money and the turnaround time necessary for defendant Altman and Friedlander to launder the money. During this meeting, the CW explained to Friedlander that he had profits from a counterfeit, "knock-off" pocketbook business and bank-fraud profits, "just like all the checks" that defendant Altman and Friedlander previously accepted from the CW for laundering. Inquiring as to the amount of illicit monies to be washed, Friedlander asked the CW, "so how much do you have to turn over?" Friedlander indicated that he would check on the turnaround time and instructed the CW to "write him [a reference to an unspecified

money-laundering contact] a few checks and let him start working on them."

38. At this same meeting, upon defendant Altman's arrival, defendant Altman and the CW also discussed the illegal origins of the CW's funds for laundering. The CW explained that "between the profits from [the CW's false label business] and the profits from the PNC money [i.e., bank-fraud proceeds], we got some money." Defendant Altman asked the CW "how much do you need" and "what period of time"? After confirming that approximately \$200,000 to \$300,000 in illicit monies needed to be laundered, defendant Altman indicated that he would be "going to the mountains," where he would learn from his money-laundering co-schemers how much time would be involved." Indicating that no cash was readily available at the time, defendant Altman advised the CW that "the guy didn't want to leave the bag here when he left for the mountains." At the meeting, defendant Altman accepted a \$25,000 check from the CW to launder consistent with the pre-existing arrangement.

39. On or about July 24, 2008, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman removed a large stack of cash from his pants pocket and handed the CW approximately \$15,250 in cash in furtherance of the laundering transaction of July 10, 2008. Referring to defendant Altman's money-laundering connection, defendant Altman explained that "he's short six," meaning that an additional \$6,000 in cash would be needed to complete the money-laundering transaction of July 10, 2008. The CW explained to defendant Altman that "between my PNC profits and my profits from my bag money, you know, my label thing. All the money that I gave you until now and all my future money is from the profits from these two deals." Defendant Altman indicated that he understood and, gesturing with his hand in a breaking motion, further advised the CW that his money-laundering connection could wash \$100,000 for the CW so ". . . long as you break it down into . . . smaller checks." Defendant Altman further advised the CW that he spoke with his money-laundering contact and that "he says he can do up to 300 [meaning \$300,000] no problem" but that he would not do it, as the CW, inquired "in one shot." Again gesturing with his hands to explain the laundering process, defendant Altman stated that "he breaks it up . . . it doesn't go into one account."

40. On or about August 5, 2008, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman returned to the CW approximately \$6,000 in cash to complete the laundering transaction of July 10, 2008.

Defendant Altman indicated to the CW that his money-laundering contact could wash up to \$100,000 of the CW's bank-fraud and counterfeit-bag proceeds "quickly in a week . . . maybe less." Defendant Altman further instructed the CW to let defendant Altman know soon about the next money-laundering transaction because "I told the guy to hold 100 back," meaning that \$100,000 in cash was then available for laundering purposes.

41. On or about September 4, 2008, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman accepted for laundering two checks from the CW. Pursuant to defendant Altman's instructions, one check in the amount of \$25,000 was made payable to Boyen Gemilas Chesed, one of the organizations that defendant Altman used to launder funds. The other check, which was in the amount of \$75,000, was made payable to VS Development.

42. On or about October 29, 2008, defendant Altman met with the CW at Altman's place of business in Union City. At this recorded meeting, defendant Altman retrieved a black plastic bag containing bundles of cash from a room in the office and then returned to the CW approximately \$42,500 in U.S. currency to complete the laundering transaction of September 4, 2008. At this same meeting, defendant Altman accepted another \$50,000 check from the CW for laundering. Taking the check, which was made payable to Boyen Gemilas Chesed, defendant Altman asked the CW, "same as usual" to which the CW responded, "Yeah, 50 [meaning \$50,000]." Defendant Altman was reminded by the CW that the \$50,000 were "profits" from the CW's "knock-off" bag business. At the conclusion of the meeting, defendant Altman indicated to the CW that there was no shortage of cash for laundering purposes and that in a week or two defendant Altman would be able to wash more checks.

43. On or about February 5, 2009, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman supplied the CW with approximately \$21,250 in cash to complete an earlier money-laundering transaction. Handing several bank envelopes to the CW, Altman advised the CW that four of the envelopes contained \$5,000 in cash and that one of the envelopes contained \$1,250 in cash. At this meeting, defendant Altman also accepted another \$25,000 check from the CW, who represented the monies to be profits from the CW's counterfeit bag business, to launder consistent with the ongoing money-laundering arrangement.

44. On or about March 31, 2009, defendant Altman met with the CW at Altman's place of business in Union City. At this

meeting, defendant Altman took four checks from the CW in order to convert them into cash less the set laundering fee. Pursuant to Altman's earlier instructions, one check in the amount of \$10,000 was made payable to Boyen Gemilas Chesed, and three checks, each in the amount of \$5,000, was made payable to "Holtzer." Defendant Altman placed the four checks in the inside, upper pocket of his jacket. For his part, defendant Altman gave the CW an envelope containing approximately \$21,000 in cash further to the money-laundering transaction of February 5, 2009.

45. On or about May 4, 2009, defendant Altman faxed the CW a handwritten note, in which Altman supplied the CW with the names of the laundering fronts and the particular amounts of illicit proceeds to make payable to each front in order to conduct the next money-laundering transaction. The note stated the following:

Make contracts ² To	
SHEFA CHAIM	9500
GEMRAS CHESEO	8000
" "	7500

As revealed by the telephone number appearing as part of the fax header, defendant Altman faxed this document to the CW from Altman's place of business in Union City.

46. On or about May 7, 2009, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman accepted three checks totaling \$25,000 from the CW for laundering. Pursuant to Altman's faxed instructions of May 4, 2009, one check in the amount of \$9,500 was made payable to Shefa Chaim, and two checks in the respective amounts of \$8,000 and \$7,500 were made payable to Gemras Cheseo. At the meeting, Altman gave the CW a bank envelope containing approximately \$5,000 in cash as a partial return on the \$25,000 money laundering transaction of March 31, 2009. Confirming that he still owed the CW approximately \$16,250 in cash, Altman stated, "Yeah, 16 and change" and showed the CW a calculator bearing the numbers "16,250" on the screen.

² During the course of his dealings with the CW, defendant Altman used the word "contracts" as a coded-reference for the illicit proceeds Altman understood he was converting into cash for the CW in order to conceal their criminal origin.

47. Toward the end of the meeting on or about May 7, 2009, Altman and the CW also discussed the CW's counterfeit hand-bag business and an additional \$25,000 in illicit "profits" Altman agreed to accept for laundering the following week. The CW stated, "We made a new bag . . . a copy of a Prada-thing . . . April was slow . . . now the profits are coming back." Agreeing to continue to launder the CW's represented criminal proceeds, defendant Altman impressed upon the CW the importance of getting advance notice so that Altman could make arrangements with his money-laundering contact that assisted in the washing process. Defendant Altman stated, "Just give me a heads-up before . . . I can't tell him and not show up, he gets pissed off at me."

48. On or about May 13, 2009, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman returned to the CW approximately \$14,900 in cash as part of the \$16,250 in cash owed from the money laundering transaction of May 7, 2009. Removing a bundle of bills from his pocket, defendant Altman first handed the CW approximately \$5,000 in cash. The CW asked defendant Altman, "You carry everything on you?" Altman affirmed, "Yeah . . . I have no choice." While continuing their discussion, Altman next removed a bank envelope containing cash from his jacket pocket, which he gave to the CW, and then handed the CW another stack of cash. The three stacks of cash Altman handed the CW totaled approximately \$14,900. Defendant Altman verified that he still owed the CW approximately \$16,250 in cash to complete the most recent money-laundering transaction. Indicating that he did not then have all the washed money, Altman stated that he was "a little bit short" and affirmed that the balance still owed was approximately \$1,350.

49. On or about June 18, 2009, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, defendant Altman accepted two checks, one in the amount of \$40,000, and one in the amount of \$30,000, from the CW for laundering. Noting that they were made payable to Organization 3, Altman stated, "both to BGC." Altman was reminded by the CW that the \$70,000 were "profits" from the CW's "knock-off" bag business. Regarding the money-laundering arrangement and ongoing scheme to assist the CW in obtaining approvals for development projects in exchange for corrupt payments, defendant Altman was informed by the CW that he would be paid approximately \$10,000 a month for his assistance with the development work and would be supplied with approximately \$25,000 to \$100,000 in "contracts," meaning illicit proceeds to be washed in exchange for a 15% laundering free. Defendant Altman agreed to the arrangement. Defendant Altman made copies of the checks and then left the CW

at Altman's place of business. Altman advised the CW that he needed to meet with "a guy" in "Union City" in order to pick-up the cash. Approximately 13 minutes after leaving to retrieve the cash, Altman returned to Altman's place of business and advised the CW that he gave his money-laundering contact the checks but that "I'm gonna have it [meaning the washed cash] Monday."

50. Later that same day, on or about June 18, 2009, an individual ("the individual") picked up approximately \$40,000 in cash for the CW from another individual connected with Altman's money-laundering ring in Borough Park, New York as a partial return on the last money-laundering transaction. On or about June 19, 2009, the individual met with the CW at the individual's residence in Brooklyn, New York and supplied the CW with the \$40,000 in cash.

51. On or about June 24, 2009, defendant Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman and the CW discussed future money-laundering business. Inquiring as to the cash available for laundering the proceeds the CW represented to be derived illegally from his counterfeit-handbag profits, the CW asked Altman, "How's the money coming along? Is it tight this week or is it good?" Noting that the CW expressed discontent at the June 19th meeting that Altman furnished his money-laundering contact with \$70,000 in checks without immediately returning any cash that day to the CW, Altman advised the CW that "you gave me a hard time last week." Still, interested in laundering more monies he understood to be illegally obtained, Altman asked the CW when "the next checks [would be] coming" and clarified with the CW that "a hundred," meaning \$100,000 in illegal profits, would be ready for Altman's washing between on or about July 13, 2009 and on or about August 1, 2009.

52. Between approximately May 2007 and June 2009, defendant Altman engaged in money laundering transactions with the CW totaling approximately \$668,000 in funds represented by the CW to involve criminal activities.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 CHARLES AMON, :
 a/k/a "Shaul Amon" : Mag. No. 09-8126

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about April 2007 to at least in or about May 2007, in Ocean County, in the District of New Jersey and elsewhere, defendant

CHARLES AMON, a/k/a "Shaul Amon"

did knowingly and willfully conspire with a Lakewood Housing Inspector to obstruct, delay, and affect interstate commerce by extortion under color of official right, by assisting in arranging for corrupt cash payments to be paid by another, with that person's consent, for the Lakewood Housing Inspector's benefit in exchange for the Lakewood Housing Inspector's official assistance.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this complaint, defendant Charles Amon, a/k/a "Shaul Amon," resided in Lakewood, New Jersey and previously worked for the CW identified below, managing properties that the CW owned in and around Lakewood Township.
2. At all times relevant to this complaint:
 - A. There was an individual who served as a Housing Inspector for Lakewood Township in Ocean County, New Jersey (the "Lakewood Inspector"). The Lakewood Inspector was responsible for, among other things, performing inspections and certifying housing units for compliance with pertinent federal, state, and local standards, codes, regulations and procedures. The Lakewood Inspector also was a 2007 candidate for the New Jersey General Assembly's 30th legislative district, which covered parts of Burlington, Monmouth, Mercer, and Ocean Counties.
 - B. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in several areas of New Jersey, including the Ocean County area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.
 - C. There was an individual who was a real estate developer based in Ocean County ("OC Developer") who maintained an office in Lakewood Township. OC Developer owned properties and interests in and around Lakewood Township.

- D. There was an individual who was a property manager for the CW in Lakewood Township ("R.N.").
3. On or about April 19, 2007, defendant Charles Amon met with the CW at a restaurant in Lakewood, New Jersey. During this meeting, defendant Charles Amon and the CW discussed a scheme wherein the CW would make corrupt payments to a public official in Lakewood Township in exchange for permitting the CW to illegally utilize a residence in Lakewood as a commercial office. When the CW first raised the subject of using a residentially-zoned dwelling as an office, defendant Charles Amon immediately responded, "like [OC Developer] did?," a reference to OC Developer's illegal use of a residence in Lakewood Township as a commercial office. As the conversation continued, defendant Charles Amon indicated that the Lakewood Inspector would use his official position to assist others in exchange for corrupt payments, and proceeded to detail defendant Charles Amon's own history of corrupt dealings with the Lakewood Inspector.
 4. Defendant Charles Amon advised the CW, "I used to take care of him [meaning pay the Lakewood Inspector] and sometimes he'd go crazy." Defendant Charles Amon explained, "I tried every inspection he failed me . . . so I gave him 50 bucks, 100 bucks, but if I knew I had something that would have failed, I gave him 100." Regarding the prospect of the Lakewood Inspector accepting a corrupt payment directly from the CW, defendant Charles Amon stated that "[the Lakewood Inspector's] gonna be extra, extra precautious with you."
 5. Defendant Charles Amon further recounted for the CW how the Lakewood Inspector accepted corrupt payments from defendant Charles Amon for inspections, with defendant Charles Amon falsely indicating to the Lakewood Inspector that the payment was for a "holiday," when the nearest holiday was at least three months away. Defendant Charles Amon also described for the CW the Lakewood Inspector's method of obtaining corrupt cash payments from him in connection with various inspections. Verifying that the Lakewood Inspector implicitly, rather than explicitly, demanded corrupt payments, the CW asked, "Who, [the Lakewood Inspector], he didn't want to ask you point-blank . . . he was 'shaking you down'?" Defendant Charles Amon replied, "Right."
 6. To illustrate this point, defendant Charles Amon detailed one specific incident of the Lakewood Inspector using his official position to obtain a corrupt cash payment from defendant Charles Amon. Defendant Charles Amon explained

that the Lakewood Inspector failed defendant Charles Amon once on an inspection, after defendant Charles Amon had already paid the Lakewood Inspector, and that the Lakewood Inspector wanted more money. Defendant Charles Amon stated, "he kept saying 'so this issue . . . that issue,' he was like stalling." Defendant Charles Amon further explained defendant Charles Amon's thinking on the occasion, "I paid him a hundred [dollars] for this, I'm not doing it again . . . I'm gonna become a sickness" [meaning defendant Charles Amon was resistant because he thought the Lakewood Inspector would demand multiple cash payments from him for a single inspection in the future]. Defendant Charles Amon then explained, "I didn't say anything . . . I pulled out a 20 [dollars] and [the Lakewood Inspector] took it like an insult." Defendant Charles Amon said that the Lakewood Inspector then had said, "Should I tell [the chief Lakewood Housing Inspector] that you're bribing me?" Reciting his response to the Lakewood Inspector's question, defendant Charles Amon recounted that he had said, "Should I tell [the chief Lakewood Inspector] that you took bribes before?" After that exchange of words, defendant Charles Amon advised the CW that the Lakewood Inspector "passed me" and did not take the \$20 payment from him.

7. At the conclusion of the meeting, defendant Charles Amon advised the CW that defendant Charles Amon personally never paid the Lakewood Inspector more than \$100 in cash in connection with an inspection or a review and that the Lakewood Inspector routinely accepted corrupt cash payments for inspections from members of the Lakewood community. Defendant Charles Amon estimated that the Lakewood Inspector performed approximately 15 to 20 inspections a day and that he accepted corrupt cash payments for "half of them."
8. On or about April 20, 2007, defendant Charles Amon met with the CW in the CW's car. During the meeting, defendant Charles Amon recounted for the CW a meeting that he recently had with the Lakewood Inspector. Defendant Charles Amon indicated that he inadvertently ran into the Lakewood Inspector at a local pharmacy, where the Lakewood Inspector was soliciting campaign contributions for his candidacy for the New Jersey General Assembly. After the Lakewood Inspector asked him for a "donation," defendant Charles Amon asked the Lakewood Inspector how much he wanted, and the Lakewood Inspector responded that many people were contributing approximately \$250. Jokingly referring to his previous corrupt dealings with the Lakewood Inspector, defendant Charles Amon advised the CW that he said to the

Lakewood Inspector, " . . . do you accept cash?" and that the Lakewood Inspector responded by "[giving] me the eyes, like the bribe days." Continuing, defendant Charles Amon told the CW that he said to the Lakewood Inspector, "we go way back, of course I'll give you cash."

9. Defendant Charles Amon went on to tell the CW about a subsequent meeting with the Lakewood Inspector at defendant Charles Amon's office later that day, April 20, 2007. Defendant Charles Amon advised the CW that he discussed with the Lakewood Inspector the CW's desire to utilize a residentially-zoned property as a commercial office. Defendant Charles Amon stated that the Lakewood Inspector expressed his willingness to assist the CW and that the Lakewood Inspector would discuss it with defendant Charles Amon and the CW over lunch. Drawing on defendant Charles Amon's previous corrupt dealings with the Lakewood Inspector, defendant Charles Amon explained that the Lakewood Inspector's asking "why don't we do lunch" was "[the Lakewood Inspector's] famous bribe line." Defendant Charles Amon also advised the CW that the Lakewood Inspector would be "expecting two-fifty to five-hundred," meaning a \$250 to \$500 corrupt cash payment. Of the Lakewood Inspector, defendant Charles Amon stated, "He's ready. He knows what it's about" and stated that the Lakewood Inspector asked that they bring a list of proposed properties to the meeting and that the Lakewood Inspector said he would bring his own.
10. On or about April 24, 2007, defendant Charles Amon and the Lakewood Inspector met with the CW at a restaurant in Lakewood. During the meeting, defendant Charles Amon, the Lakewood Inspector and the CW discussed the subject of the CW utilizing a residential property as a commercial office. Referencing OC Developer's illegal use, the Lakewood Inspector stated, "problem it is . . . you need to do it in an area where you're not . . . like, for example, where [OC OC Individual 3] is, nobody knows about, nobody bothers him." Further counseling the CW on where illegally to establish an office, the Lakewood Inspector advised the CW that "if it's a corner lot [in a residential area], you might be able to get away with it." After showing the CW a Lakewood Township file containing the CW's properties, the Lakewood Inspector instructed the CW on how best to perpetrate this scheme, stating "so my recommendation is this . . . if you decide on one [meaning house to use as commercial office], we [meaning the Lakewood Inspector and the CW] go in there with a regular C.O. [meaning certificate

of occupancy], except . . . say you're going to rent it out." To further avoid detection, the Lakewood Inspector recommended that, in illegally converting the home to a commercial office, the CW not make changes that would be "too dramatic."

11. Toward the end of the conversation, the Lakewood Inspector met with the CW in the unoccupied women's bathroom at the restaurant and accepted a \$500 cash payment from the CW. The CW stated, "this is for the holiday coming, you know, whatever . . . did you know, that's just to start. It's \$500, but you can count on me for whatever it is, don't worry." The Lakewood Inspector stated that the payment was not necessary, but he kept the payment and said, "I do what I gotta do. . . ." Referencing the Lakewood Inspector's corrupt dealings with defendant Charles Amon and others, the CW replied, "your reputation supersedes [sic] you. You don't gotta say anything. Don't worry about it." When the CW asked the Lakewood Inspector about meeting at night to maintain secrecy, the Lakewood Inspector replied, "I would probably prefer that." From this date through at least in or about January 2009, the Lakewood Inspector participated in a corrupt relationship with the CW where the Lakewood Inspector accepted numerous cash payments of between approximately \$500 to \$1,000 per occurrence in exchange for his official assistance on behalf of the CW as specific opportunities arose, as captured in recordings made through the CW under the supervision of FBI agents.
12. During the course of the arrangement between the Lakewood Inspector and the CW, defendant Charles Amon continued to confirm the Lakewood Inspector's willingness to be corrupted by recounting information relating to defendant Charles Amon's and others' corrupt relationships with the Lakewood Inspector. For instance, on or about May 9, 2007, at a restaurant in Lakewood, defendant Charles Amon disclosed to the CW that another individual had to pay \$50 to \$100 payments to the Lakewood Inspector in exchange for the Lakewood Inspector's official assistance. Moreover, on or about March 5, 2008, defendant Charles Amon met with the CW at a restaurant in Long Branch, New Jersey. During this meeting, defendant Charles Amon and the CW discussed the Lakewood Inspector's regular acceptance of corrupt cash payments in connection with his official position as a Lakewood Inspector for the Township of Lakewood. Defendant Charles Amon estimated that the Lakewood Inspector performed approximately 25 inspections a day and that the Lakewood Inspector accepted cash in connection with many of the

inspections. Referencing payments by R.N., defendant Charles Amon stated, "I know [R.N.] gave him [i.e., gave the Lakewood Inspector] a lot." Regarding the Lakewood Inspector's disposition of the illicit cash, defendant Charles Amon stated that the Lakewood Inspector was careful so as not to arouse suspicion. Defendant Charles Amon told the CW that the Lakewood Inspector "can't live like the [another Lakewood public official] because people will ask questions . . . pay you 20 grand, where you getting all this money?" Defendant Charles Amon further indicated, by way of example, that the Lakewood Inspector purchased a car via a home equity loan, rather than using the cash, in furtherance of his scheme to conceal the proceeds.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 JACK M. SHAW, :
 EDWARD CHEATAM, and :
 LEONA BELDINI : **Mag. No. 09-8127 (MCA)**

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARELO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

COUNT 1

From in or about January 2009 to in or about July 2009, in Hudson County, in the District of New Jersey and elsewhere, defendants

LEONA BELDINI,
EDWARD CHEATAM, and
JACK M. SHAW

and others, did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept structured political contributions and other benefits that were given and to be given by another, with that person's consent, in exchange for defendant LEONA BELDINI'S and JC Official 2's official assistance in Jersey City Government matters.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

COUNT 2

From in or about December 2008 to in or about February 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

EDWARD CHEATAM

did knowingly and willfully attempt to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were given by another, with that person's consent, for defendant EDWARD CHEATAM'S benefit in exchange for his official assistance as specific opportunities arose.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

ATTACHMENT B

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant Leona Beldini ("defendant Beldini") was the Deputy Mayor of Jersey City, New Jersey and a real estate broker in Jersey City.

2. At times relevant to this Complaint, defendant Edward Cheatam ("defendant Cheatam") was the affirmative action officer for Hudson County and a Commissioner on the Jersey City Housing Authority (the "JCHA"). As a member of the JCHA, defendant Cheatam's duties included voting on JCHA resolutions regarding the awarding of JCHA service contracts, the selection of real estate developers for various redevelopment projects, and rules, policies and procedures governing redevelopment projects. Until in or about May, 2009, defendant Cheatam served as the Vice President of the Jersey City Board of Education ("BOE"), where his duties included administering the Jersey City school system, establishing policies and procedures under which the Jersey City schools operated, and voting regarding Jersey City personnel matters and the approval of various BOE service contracts.

3. At all times relevant to this Complaint, defendant Jack M. Shaw ("defendant Shaw") was the owner of a consulting firm based in Jersey City.

4. At all times relevant to this Complaint:

(A) There was an individual who was a high-ranking elected official in Jersey City, New Jersey ("JC Official 4"). JC Official 4 was seeking re-election on or about May 12, 2009.

(B) There was an individual who served as an official with Jersey City Department of Health and Human Services ("HHS") ("JC Official 2").

(C) There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as (a) a real estate developer interested in development in the greater Jersey City area and (b) the owner of a tiling company interested in developing tiling business in the Jersey City schools. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

COUNT 1

5. On or about January 7, 2009, defendant Cheatam met with the CW at a restaurant in Jersey City. During the meeting, after defendant Cheatam and the CW had discussed Cheatam exerting official influence to assist the CW in securing approvals relating to development issues in Jersey City and relating to tile contracts at the BOE, defendant Cheatam explained to the CW that defendant Cheatam would seek to introduce the CW to other government officials or politicians who could assist the CW with the CW's business interests. In this regard, defendant Cheatam explained to the CW that he would introduce the CW to "the right people" and agreed with the CW that such people had to be people that defendant Cheatam and the CW could trust. Defendant Cheatam further explained, in substance, that depending on the outcome of the Jersey City mayoral election, incumbent JC Official 4 or a specific opponent of JC Official 4 would be important for the CW to work with in Jersey City. In addition, defendant Cheatam explained that defendant Cheatam also would introduce the CW to defendant Shaw.

6. On or about February 17, 2009, defendant Shaw, defendant Cheatam and the CW met at a restaurant in Jersey City. During this meeting, defendant Shaw explained to the CW that defendant Shaw had a "very good relationship" with JC Official 4 and that defendant Shaw would set up a meeting between JC Official 4 and the CW in the next "2 weeks." Defendant Shaw further explained that the CW had "to meet" JC Official 4 to further the CW's real estate development interests in Jersey City, and that defendant Shaw could arrange a similar meeting with an opponent of JC Official 4 (the "Opponent") on the CW's behalf because such a meeting could be "insurance" in the event that the Opponent prevailed.

7. Defendant Shaw agreed that defendant Shaw could help the CW, and according to the CW, "deal with [JC Official 4]" with

"the green" [meaning cash payments according to the CW and the context of this and other recordings] to "stay under the radar" and to take the CW's money to pay JC Official 4. Defendant Shaw then agreed with defendant Cheatam who stated that they could do the "same thing with [the Opponent]." Defendant Shaw stated this arrangement could be "set up, no problem." Defendant Shaw and defendant Cheatam then agreed to accept an equal amount in cash from the CW for themselves as the CW paid to JC Official 4 and the Opponent. As the meeting continued, defendant Shaw further discussed how the CW should handle the CW's dealings with JC Official 4. Defendant Shaw explained that when the CW met with JC Official 4, the CW should not "mention any money" because defendant Shaw would "deal with" that. Instead, defendant Shaw explained, the CW should "tell [JC Official 4] you want to contribute." Defendant Shaw then agreed that, in exchange, JC Official 4 would help the CW with the approvals relating to the CW's purported development initiatives in Jersey City.

8. At the end of the meeting, defendant Shaw accepted an envelope containing \$10,000 in cash from the CW. When accepting this envelope, defendant Shaw was advised by the CW that the envelope contained "\$10,000" and that this payment was "just the beginning." In response, defendant Shaw thanked the CW and stated that defendant Shaw hoped that defendant Shaw and the CW would have a long "relationship" that would be "good for" the CW and "good for us." Defendant Cheatam also accepted \$5,000 in cash, among other monies, from the CW for introducing the CW to defendant Shaw, among other things.

9. On or about March 11, 2009, defendant Shaw, defendant Cheatam, and the CW met at a restaurant in Weehawken, New Jersey. During this meeting, defendant Shaw confirmed that defendant Shaw had arranged a meeting between JC Official 4 and the CW for on or about March 13, 2009, at a restaurant in Jersey City. Defendant Shaw further stated that defendant Shaw would sit down with defendant Beldini to discuss contributions. Defendant Shaw indicated that JC Official 4 would help the CW with the CW's approvals. Defendant Shaw further confirmed for the CW that defendant Beldini operate[d] the way they liked to "operate." Defendant Shaw then suggested that the CW pay \$10,000 in "contributions" for the benefit of JC Official 4 in exchange for real estate "approvals" in Jersey City.

10. On or about March 13, 2009, at approximately 11:53 a.m., FBI agents intercepted an outgoing call from defendant Shaw's cell phone to defendant Beldini. During this call, defendant Beldini confirmed that defendant Shaw and the CW would attend a meeting later that day with defendant Beldini and JC

Official 4. Defendant Beldini expressed concern that defendant Cheatam would be at the meeting because, she explained, JC Official 4 may not be "comfortable talking finances" in front of defendant Cheatam. Defendant Beldini further stated that there are "too many snakes around" and asked defendant Shaw several times whether defendant Shaw "understood" what Beldini was saying.

11. On or about March 13, 2009, at approximately 12:15 p.m., FBI agents intercepted an outgoing call from defendant Shaw's cell phone to defendant Beldini. During this call, defendant Shaw explained to defendant Beldini that defendant Cheatam would attend the meeting, but would arrive a bit late to allow JC Official 4 to meet with the CW without defendant Cheatam. As the conversation continued, defendant Shaw explained to defendant Beldini that defendant Cheatam's presence for part of the meeting was important because Cheatam had "a lot to say about" the CW "giving money to [JC Official 4]."

12. On or about March 13, 2009, defendant Beldini, defendant Shaw, defendant Cheatam, JC Official 4 and the CW met at a luncheonette in Jersey City. During this meeting, defendant Shaw advised JC Official 4 that the CW had an "option on some property" in Jersey City, and that the CW wanted to meet JC Official 4 in connection with the CW's purported real estate development interests in Jersey City. Defendant Shaw further indicated to JC Official 4 that defendant Shaw previously had advised the CW about the "race" and that "you [meaning JC Official 4] were the place to put the money [meaning campaign contributions or other payments based on the context of this and other recorded conversations]." As the meeting continued, defendant Cheatam advised JC Official 4 that the CW was ready to develop real estate with JC Official 4's "help" and "assistance," and JC Official 4 was further advised by the CW that "approvals are key."

13. After JC Official 4 left the meeting, defendant Beldini advised the CW that she understood what the CW was "trying to do," and cautioned the CW that "we have to be very cautious." Defendant Beldini then was assured by the CW that anything the CW "did" [meaning making payments, based on the context of this and other recorded conversations] with JC Official 4, the CW would do "through" defendant Shaw. In response, defendant Beldini assured the CW that she and JC Official 4 could "help move" the CW's Jersey City real estate "approvals" along. Defendant Beldini then indicated that she agreed with the CW that it would be better if the CW's name did not "show up" in connection with any campaign contributions or payments that the CW provided to JC

Official 4. After defendant Beldini departed, defendant Shaw, defendant Cheatam and the CW discussed how to compensate defendant Beldini and JC Official 4 for their assistance, with defendant Shaw informing the CW that they would figure out what the "campaign thing" was (meaning how much to contribute to JC Official 4's campaign) and then if the CW wanted to do anything for defendant Beldini herself, the CW could "include" her "down the road" on some deal, such as making her the realtor on the project. Identifying that it could be a conflict for defendant Beldini to accept such an engagement, defendant Cheatam indicated that defendant Beldini would not have to be the "up front" contact and could be in a "secondary" position. Defendant Cheatam indicated that they would work this out.

14. On or about March 16, 2009, defendant Shaw, defendant Cheatam and the CW met at a diner in Jersey City. Among other things, defendant Shaw discussed with the CW and defendant Cheatam that defendant Beldini was interested in being a realtor for the purchase and sale of the CW's properties and units, including the purported Garfield Avenue project. Referring to assisting in obtaining approvals from Jersey City in connection with the CW's development initiatives there, defendant Shaw stated that defendant Beldini only "enhanced" what they were doing and that defendant Shaw and defendant Cheatam would talk to defendant Beldini about what they wanted her to do and she would take care of it from there. Referring to their earlier meeting with defendant Beldini and JC Official 4, defendant Shaw and defendant Cheatam told the CW that it was "rare" to obtain such a meeting with JC Official 4 at the luncheonette because JC Official 4's staff wanted JC Official 4 to conduct meetings in JC Official 4's offices. Defendant Shaw further indicated that JC Official 4 had not advised his staff about their earlier meeting. Defendant Shaw further indicated that there was no need for a whole lot of people to know who the CW was. Defendant Shaw that they would meet with defendant Beldini again. The CW asked defendant Shaw to advise the CW about when that meeting occurred so that the CW could "prepare" for it, to which defendant Shaw responded, "Okay."

15. On or about March 19, 2009, defendant Shaw, defendant Cheatam and the CW met at a restaurant in Jersey City. During this meeting, among other issues, defendant Shaw, defendant Cheatam and the CW discussed their March 13th meeting with defendant Beldini and JC Official 4. Defendant Shaw explained that defendant Beldini was "very happy" with that meeting, but that she and JC Official 4's "problem" was that they could not "take cash." Defendant Shaw suggested that the CW give defendant Cheatam and defendant Shaw \$5,000 each, and that defendant

Cheatam and defendant Shaw would then provide contribution checks to defendant Beldini and JC Official 4 totaling \$10,000. Defendant Shaw also advised the CW that defendant Beldini wanted to discuss being the real estate broker on the Garfield Avenue project with the CW. The CW expressed concern that defendant Beldini would then be conflicted out of helping the CW obtain a zoning change before the Jersey City Council. Defendant Shaw indicated that this would not be the case, stating that defendant Beldini would be "out there lobbying like hell" for the CW. Defendant Shaw added that as the matter drew closer, defendant Beldini and the CW would work out a fee and sign an agreement. The next day, at a diner in Jersey City, defendant Cheatam and defendant Shaw accepted \$10,000 in cash each from the CW, including \$5,000 a piece to "convert" into contributions for JC Official 4.

16. On or about March 24, 2009, defendant Beldini, defendant Shaw, defendant Cheatam and the CW met at a diner in Jersey City. During this meeting, defendant Shaw, defendant Cheatam and the CW discussed the process of obtaining a zoning change with defendant Beldini. The CW informed defendant Beldini that the CW hoped to build condominiums on a property on Garfield Avenue in Jersey City which would sell for \$500,000 a piece, or more. After defendant Beldini explained that she did not personally vote on such matters, defendant Shaw explained that "[s]he cuts the red tape." The CW expressed willingness to purchase properties under LLC names under which the CW's name would not appear to avoid any conflicts of interest and added that "any of the donations, nothing's in my name. This way we're all protected." Defendant Beldini echoed defendant Shaw's words by adding that "I can definitely help you get through a lot of red tape," with respect to Jersey City government matters. In response, defendant Beldini was informed by the CW that defendant Beldini would have the CW's support. A short time later, the CW confirmed that defendant Beldini should have received \$10,000 for tickets for an upcoming fundraiser purchased by defendant Shaw and defendant Cheatam as financed by the CW. Thereafter, while outside the presence of defendant Beldini for a short time, defendant Cheatam informed the CW that defendant Beldini would be able to expedite official matters for them if they ran into problems.

17. Later in the meeting, the CW informed defendant Beldini that the CW had told defendant Shaw that "that ten, ten that I gave him, that ten thousand is just the first, but I'll give him, as the election gets nearer, I'll give him another ten down the line." The CW added that "I'll count on you for all your help, you know, approvals and stuff," prompting defendant Beldini to

reply "[a]bsolutely." Defendant Beldini acknowledged the receipt of the \$10,000 and explained that "[w]hat we're trying to do is put money into different funds so we can, when we need it, funnel it back into [JC Official 4's election fund]. Which everybody does." Defendant Beldini added that she was the treasurer for JC Official 4's reelection campaign and noted that "I think it's a max of 2,600 per person." The CW responded "[b]ut we don't have a problem with that," prompting defendant Beldini to reply, "I know." The CW then clarified that "I go through [defendant Shaw and defendant Cheatam] with the cash, and they do whatever they got to do with you and [JC Official 4]." The CW expressed the CW's understanding that the first \$10,000 would go to a Jersey City political committee and that the next \$10,000 would go to JC Official 4's election fund, to which defendant Beldini replied, "Perfect." After defendant Beldini departed, defendant Cheatam warned the CW to be "very, very careful." Defendant Cheatam indicated that the CW's open discussion of payoffs made certain public officials and candidates nervous, noting that "[t]hese people, they come back to us, they say they don't like talking money with you." In response, the CW indicated to defendant Cheatam that the CW did not want officials (such as defendant Beldini) to forget the CW, to which defendant Cheatam replied that "[t]hey know."

18. On or about March 30, 2009, defendant Shaw, defendant Cheatam and the CW met at a diner in Bayonne, New Jersey. During that meeting, among other things, defendant Shaw informed the CW that defendant Shaw had given the "checks" to JC Official 4 at the previous Saturday's campaign fundraiser, but indicated that defendant Shaw had told JC Official 4 that the checks came from the CW. Defendant Shaw then remarked "[a]nd [defendant Beldini] knew it."

19. On or about March 30, 2009, at approximately 2:18 p.m., FBI agents intercepted an outgoing call from defendant Shaw's cell phone to defendant Cheatam, during which defendant Shaw told defendant Cheatam that 10 a.m. on Wednesday was a good time to meet with defendant Beldini and the CW at a restaurant in Jersey City. Defendant Shaw told defendant Cheatam that they "could be seen with her there," to which defendant Cheatam responded, "Yeah, we can. Nobody else." Defendant Shaw explained that defendant Beldini had spoken to JC Official 4 who had told defendant Beldini that "'it was great that [defendant Cheatam and defendant Shaw] got their guy [the CW] to contribute ten grand, but it was even more surprising that they gave \$2,500 each.' So [JC Official 4] thinks that we [defendant Cheatam and defendant Shaw] gave the money and that [the CW] gave the money." Defendant Shaw added that defendant Beldini had not said anything

to JC Official 4 to change JC Official 4's opinion, and stated that JC Official 4 and defendant Beldini were with them [meaning defendant Cheatam and defendant Shaw].

20. On or about April 1, 2009, defendant Beldini met defendant Shaw, defendant Cheatam and the CW at a diner in Jersey City. Defendant Shaw told the CW that defendant Shaw had seen JC Official 4 on Saturday who was "very happy" with the financial support provided by the CW. Defendant Beldini was informed by the CW that the CW was forming a company to deal with the Garfield Avenue project. Defendant Beldini and the CW discussed defendant Beldini becoming the real estate broker for this project, and that the listing broker would be defendant Beldini herself, according to defendant Beldini. Defendant Beldini also indicated that she would place one of her associates as a broker on the site of the project. The CW also informed defendant Beldini that the CW: (a) would give another \$10,000 for the benefit of the JC Official 4's campaign when the CW got back from a stay out of state; (b) then would provide another \$10,000 after the election; and (c) would transmit these monies using defendant Shaw and defendant Cheatam as conduits. Defendant Beldini later showed the CW the plans for a proposed project smaller than the Garfield Avenue project (which the CW had estimated at 750 units earlier in the conversation) and mentioned that this project had all of its approvals and was good to go. The CW mentioned that this project almost was as good as the CW's purported Garfield Avenue project. In response, defendant Beldini agreed that the Garfield Avenue project would be huge, but would take longer to build. The CW reminded defendant Beldini to assist the CW in expediting Jersey City approvals with respect to this project, to which, defendant Beldini responded "absolutely." Defendant Shaw then added that they (meaning defendant Beldini and JC Official 4) would be "there" for the CW and that as "happy" as JC Official 4 was that past Saturday night (referring to the first \$10,000 contribution financed by the CW), JC Official 4 would "be there."

21. On or about April 21, 2009, at approximately 12:13 p.m., FBI agents intercepted an incoming call from defendant Beldini to defendant Shaw's cell phone. After briefly discussing an unrelated matter, defendant Beldini was informed by defendant Shaw that defendant Shaw would find out from the CW a time when they would meet with defendant Beldini "[be]cause we gotta get [JC Official 4] some more money." Beldini responded affirmatively.

22. On or about April 22, 2009, at approximately 9:53 a.m., FBI agents intercepted an outgoing call from defendant Shaw's cell phone to defendant Cheatam. Among other things,

defendant Shaw told defendant Cheatam that "[t]hey're trying to find time, um, next week for [JC Official 4]," an apparent reference to defendant Beldini's attempts to help arrange a meeting involving defendant Shaw, defendant Cheatam, JC Official 4 and the CW. Defendant Cheatam responded, "Whatever time he's available, we'll, we'll bring [the CW] on in and knock it out."

23. On or about April 30, 2009, defendant Beldini met defendant Shaw, defendant Cheatam, JC Official 4 and the CW at a luncheonette in Jersey City. Before defendant Beldini or JC Official 4 arrived, defendant Shaw was informed by the CW that the CW had brought \$10,000 in cash that the CW would give to defendant Shaw after the meeting to arrange a contribution to JC Official 4. After defendant Beldini arrived, Beldini was informed by the CW that the CW would be applying for a zone change in approximately two months and to not let such application go to the "bottom" of the pile, to which defendant Beldini responded that she could say "one thing" about JC Official 4--JC Official 4 "remembered" JC Official 4's "friends," and JC Official 4's word was "gold." Defendant Beldini further was advised that the CW would give defendant Shaw another \$10,000 after the meeting and then, in turn, defendant Shaw would do "business" with defendant Beldini. Defendant Beldini further was advised by the CW that the CW would give another \$10,000 after the election. After JC Official 4 arrived, among other things, defendant Cheatam advised JC Official 4 that they would get development matters relating to the CW moving after the election. Shortly thereafter, defendant Cheatam advised JC Official 4 that the CW wanted to be on the "top" of the "pile." JC Official 4 was further told by the CW that the CW: (a) had given \$10,000 to defendant Shaw already (a reference to the March 20th payment of money to defendant Shaw); (b) would give another \$10,000 to defendant Shaw that day to be passed on to JC Official 4's election fund; and (c) would give another \$10,000 after the election, to which, JC Official 4 responded, among other things, that hopefully "we" could work "together" and that this would be "mutually beneficial." After defendant Beldini and JC Official 4 left, while outside the luncheonette, defendant Shaw told the CW that "everybody" (to include defendant Beldini and JC Official 4) was as "happy as hell." Thereafter, defendant Shaw accepted \$10,000 in cash from the CW to structure as political contributions to JC Official 4 as facilitated by defendant Beldini.

24. On or about May 4, 2009, at approximately 10:53 a.m., FBI agents intercepted a call from defendant Beldini to defendant Shaw's home phone. During the call, defendant Beldini asked, "So what can I do for you dear?" Defendant Shaw replied "I got money

for you," prompting defendant Beldini to respond, "Okay, that sounds wonderful." Defendant Beldini further was informed by defendant Shaw, "I need to, uh, I need to know wh--, how you want it." Defendant Beldini responded, "It's gonna be for [JC Official 4's election fund] correct?" Defendant Shaw indicated that defendant Shaw thought this was the case and asked what they had done with the prior contribution. Defendant Beldini responded "[t]hat was for [a different political committee]" a reference to the organization through which the CW's first \$10,000 payment had been funneled. Defendant Beldini reiterated that "[t]his is for [JC Official 4's election fund] prompting defendant Shaw to remark that "we can do that." Defendant Beldini then asked defendant Shaw "[w]here will I, uh, bump into you?" to which defendant Shaw responded by asking where defendant Beldini would be the afternoon of the following day. Defendant Beldini indicated that she would have to call defendant Shaw back, prompting defendant Shaw to say that: "I gotta get from [the CW], uh, these checks so I can get 'em over to you." Defendant Beldini remarked, "Beautiful," and indicated that she wanted to receive the checks before a ten-day report was due, likely a reference to a New Jersey Election Law Enforcement Commission reporting form.

25. On or about May 5, 2009, at approximately 10:23 a.m., FBI agents intercepted an outgoing call to defendant Beldini from defendant Shaw's cell phone. During this call, defendant Beldini was advised by defendant Shaw that defendant Shaw had some donations for JC Official 4's campaign, and defendant Beldini and defendant Shaw arranged to meet later that afternoon at a Jersey City diner. As revealed by calls over defendant Shaw's phone intercepted by the FBI during this time period, defendant Shaw and defendant Cheatam arranged for others to provide checks to JC Official 4's campaign, funded with cash provided by the CW.

26. On or about May 5, 2009, at approximately 12:35 p.m., FBI agents intercepted an outgoing call from defendant Shaw's home phone to defendant Cheatam. Among other things, defendant Shaw told defendant Cheatam that "I'm meeting [defendant Beldini] at 2 o'clock at [a Jersey City Diner]," and explained that defendant Shaw would be "[g]iving her my checks." Defendant Shaw suggested that defendant Cheatam might wish to meet them there "[o]r you can just make another appointment with her." Subsequently, defendant Cheatam asked "is it best to do it out of my personal account, or do it the business account?" Defendant Shaw replied, "Um, do it your business account," to which defendant Cheatam replied, "Okay, alrighty." Thereafter, on or about May 6, 2009, defendant Shaw, defendant Cheatam and the CW

met at a restaurant in Weehawken, New Jersey. Confirming the turnover of these structured contributions, defendant Shaw informed the CW that they had coffee with defendant Beldini and that defendant Beldini was very pleased with the CW. Additionally, defendant Shaw informed the CW that defendant Beldini had not sold a house since the beginning of the year and could not wait for the CW to get started with a project.

27. On or about June 2, 2009, defendant Shaw and defendant Cheatam met with the CW at a diner in Jersey City. Among other things, defendant Shaw advised the CW that defendant Shaw was working with defendant Cheatam and defendant Beldini on enabling the CW to replace a designated developer on a particular project in Jersey City. Defendant Shaw advised the CW that the CW did not need to meet with the developer, and that the CW just needed to meet with defendant Beldini and JC Official 4 if the CW was interested in this property.

28. On or about July 1, 2009, defendant Shaw and defendant Cheatam met with the CW at a diner in Jersey City. Among other things, defendant Shaw advised the CW to hold on to the promised \$10,000 after-election contribution to JC Official 4's election fund, because defendant Shaw was advised that JC Official 4 was forming a new political fund. Defendant Shaw also advised the CW that defendant Beldini would be the realtor on the CW's purported Garfield Avenue project. As the meeting was concluding outside the diner, defendant Shaw changed his mind and told the CW to come prepared to turn over \$10,000 in cash to fund contributions at the upcoming meeting with defendant Beldini and JC Official 4. During the July 1st meeting, as had occurred from time to time, defendant Shaw and defendant Cheatam accepted cash payments in exchange for their activity, including their activity involving defendant Beldini and JC Official 4.

COUNT 2

1. On or about December 16, 2008, defendant Cheatam, JC Official 2 and the CW met at a restaurant in Jersey City. During the meeting, defendant Cheatam was advised by the CW that the CW was hoping to perform tile work in the Jersey City schools, and that the CW also was interested in developing mixed use real estate projects in Jersey City. As defendant Cheatam agreed to assist the CW with these ventures and to introduce the CW to various government officials in Jersey City who could further assist the CW with these ventures, defendant Cheatam was advised by the CW that the CW was "generous" and did not "want nothing for free" and if such officials "help [the CW, the CW would], help them." Defendant Cheatam further agreed to accept \$10,000

"to start" from the CW in return for defendant Cheatam's official assistance with the CW's business interests in Jersey City.

2. On or about December 18, 2008, defendant Cheatam, JC Official 2 and the CW met at a restaurant in Jersey City. Before JC Official 2 arrived at the meeting, defendant Cheatam accepted an envelope containing \$10,000 in cash from the CW. As he accepted this payment, defendant Cheatam was advised by the CW that defendant Cheatam was being provided with "\$10,000" and defendant Cheatam agreed that this particular envelope helped conceal the payment because if "anyone ever asked," defendant Cheatam could always claim that he received "plans" or merely an "[interstate courier] package" from the CW. Defendant Cheatam further stated "I appreciate it." When accepting this cash payment, defendant Cheatam agreed to use his official position to help the CW develop a real estate project in a building that would house a Jersey City public school and condominiums (the "School Development Project"). Among other things, defendant Cheatam agreed that he would "get" the CW a school construction loan and he could "make sure" the CW's School Development Project was approved.

3. On or about January 7, 2009, defendant Cheatam and the CW met at a restaurant in Jersey City. During the meeting, among other things, defendant Cheatam assured the CW that because of his "power" on the BOE, the School Development Project would receive "approval" and that defendant Cheatam could "handle that no problem." Later in this same conversation, defendant Cheatam was advised by the CW that the CW still was interested in performing tile work in the Jersey City schools. Defendant Cheatam explained to the CW that individuals interested in performing such tile work were required to submit bids to the BOE, and that the low bidder would be awarded the tile work. Defendant Cheatam then agreed to rig the bidding process in the CW's favor by telling the CW if another bidder's "price [was] cheaper" and then instructing the CW whether the CW had to "go lower" [meaning submit a lower bid]. As defendant Cheatam further agreed to tell the CW "the exact price" to bid, defendant Cheatam was advised by the CW that the CW imported tile from Italy and other tile related materials from Spain.

4. On or about February 16, 2009, defendant Cheatam and the CW met at a restaurant in Jersey City. During the meeting, defendant Cheatam agreed to accept an additional \$5,000 in exchange for defendant Cheatam's official assistance in helping to secure tile work with the BOE with development issues for the CW. On or about February 17, 2009, outside of a restaurant in Jersey City, defendant Cheatam accepted this \$5,000 in cash,

among other monies, from the CW in exchange for defendant Cheatam's official assistance with the tile-work matter and development issues.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

ELIAHU BEN HAIM : Mag. No. 09-3612

I, Robert J. Cooke, being duly sworn, state that the following is true and correct to the best of my knowledge and belief.

From in or about June 2007 to in or about February 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendant ELIAHU BEN HAIM did:

knowingly and willfully conspire with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bank fraud, bankruptcy fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except as otherwise indicated.

1. At all times relevant to this Complaint, defendant Eliahu "Eli" Ben Haim ("defendant BEN HAIM"), a resident of Elberon, New Jersey, was the principal rabbi of Congregation Ohel Yaacob, a synagogue located in Deal, New Jersey. Defendant BEN HAIM operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called Congregation Ohel Eliahu (hereinafter, "COE"). A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant BEN HAIM does not hold a license to transmit or remit money.

2. At all times relevant to this Complaint:

(a) There was a coconspirator with the initials I.M. (hereinafter, "Coconspirator I.M.") who was an individual based in Israel. Coconspirator I.M. operated as defendant BEN HAIM's principal source for cash. During the course of the investigation, defendant BEN HAIM indicated that he would wire the proceeds of checks made payable to his charitable organization, COE, to Coconspirator I.M. who would, in turn, for a fee of approximately 1.5 percent, make cash available to defendant BEN HAIM at various locations, typically in Brooklyn, New York. Defendant BEN HAIM would in turn provide this cash to many of those who had provided him with checks made out to his charitable organization in return for which defendant BEN HAIM retained a significant commission, typically ten percent. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator I.M. does not hold a license to transmit or remit money;

(b) There was a coconspirator using the name Schmulik Cohen (hereinafter, "Coconspirator Cohen") who resided in Brooklyn. Coconspirator Cohen received large quantities of cash from unknown individuals at the direction of Coconspirator I.M., and then provided this cash to other individuals, including defendant BEN HAIM. During the course of the investigation, the CW retrieved cash from Coconspirator Cohen on behalf of defendant BEN HAIM on multiple occasions. Defendant BEN HAIM also related that he personally picked up cash from Coconspirator Cohen at Coconspirator Cohen's residence and that Coconspirator Cohen had likewise traveled to defendant BEN HAIM's residence to deliver large quantities of cash. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator Cohen does not hold a license to transmit or remit money;

(c) There was a coconspirator named Arye Weiss (hereinafter, "Coconspirator Weiss") who resided in Brooklyn. Much like Coconspirator Cohen, Coconspirator Weiss received large quantities of cash from unknown individuals at the direction of Coconspirator I.M., and then provided this cash to other individuals, including defendant BEN HAIM. During the course of the investigation, the CW retrieved cash from Coconspirator Weiss on behalf of defendant BEN HAIM on multiple occasions. Defendant BEN HAIM also related that he personally picked up large quantities of cash from Coconspirator Weiss's residence several times. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking revealed that Coconspirator Weiss does not hold a license to transmit or remit money; and

(d) There was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and concealing assets and monies in connection with bankruptcy proceedings.

3. On or about June 26, 2007, defendant BEN HAIM met with the CW at defendant BEN HAIM's residence in Elberon. During the ensuing meeting, defendant BEN HAIM accepted a \$50,000 check, drawn upon an account for a fictitious company set up by the FBI for the purpose of enabling the CW to launder money represented to be the proceeds of illegal activities. The check was made payable to COE, defendant BEN HAIM's charitable organization, and was provided to defendant BEN HAIM with the expectation that the

proceeds would be returned to the CW at a later date, minus a ten percent fee to be retained by defendant BEN HAIM. The CW represented that the proceeds of this \$50,000 check came from "that guy who was holding, uh, my, uh, money for me on that Florida insurance, uh, scam that I did." In response to that statement, defendant BEN HAIM asked "[a]nd you need forty-five thousand?" The CW responded in the affirmative, prompting defendant BEN HAIM to reply "[o]kay . . . Give me a couple days." During the same conversation, defendant BEN HAIM described Coconspirator I.M.'s activities in the following manner: "He washes money for people [u/i]. He washes money for people here . . . He gives me a check. I deposit it . . . from a third party . . . He give me -- I deposit it. I wire it to him. He gives me, uh, like, one percent." Defendant BEN HAIM further stated that he had known Coconspirator I.M. for four to five years. At the conclusion of the conversation, the CW mentioned that the CW would be in Brooklyn the following Thursday, and offered to pick up cash on defendant BEN HAIM's behalf. Defendant BEN HAIM seemed hesitant because he anticipated that it would be a large amount of money. The CW asked if the amount would be "half a mill," prompting defendant BEN HAIM to respond "yeah."

4. On or about June 28, 2007, defendant BEN HAIM met with the CW at defendant BEN HAIM's residence in Elberon. During the ensuing conversation, defendant BEN HAIM accepted from the CW a bank check in the amount of \$50,000 made payable to COE. Defendant BEN HAIM was informed by the CW that this check represented the proceeds of what the CW termed "that insurance, uh, scam deal from Florida." The CW also purported to defendant BEN HAIM that the CW had a great deal of money available to the CW because the CW was able to shield from the CW's ongoing bankruptcy court proceedings the money that the CW was earning on property deals involving "silent partnerships." The CW explained that "this way, you know, they give me a check or a bank check to you. They get a write off. It's good for them. I get the money back. So this way there's no trace, you know, through you, and it works out for everybody. That's why I have a lot of money coming through." Defendant BEN HAIM was further informed by the CW that the CW's reason for laundering the money through defendant BEN HAIM was "so the court doesn't know, the [bankruptcy] trustee doesn't know, no one knows nothin'." In exchange, defendant BEN HAIM gave the CW cash totaling \$53,140, which represented the completion of two money laundering transactions: \$45,000 in cash for a \$50,000 check that the CW had provided to defendant BEN HAIM on June 26, 2007, and \$8,100 from a separate \$9,000 check which defendant BEN HAIM had received

from the CW the previous day.¹ As he collated the cash to give to the CW, defendant BEN HAIM ran the bills through a cash-counting machine. Defendant BEN HAIM also mentioned that he owed another individual \$495,000. This individual, according to defendant BEN HAIM, had wired money from Hong Kong to Israel, and stated that "he has money in Hong Kong from his -- the kickbacks from the factories." Defendant BEN HAIM also further described the activities of Coconspirator I.M. in the following terms: "the head contact's in Israel . . . He has different people, he has, . . . he has a hundred cus-, no customer in New York [u/i] money in Israel [u/i] real estate investments, they, they want to hide their money. They don't want it to show. So they give the cash here to him and he gives me the cash . . . You see the merry-go-round? This guy's been doing it for 20, 30 years." Defendant BEN HAIM also indicated that he would pick up cash, as coordinated by Coconspirator I.M., at locations in Brooklyn. The CW offered to pick up the cash that defendant BEN HAIM anticipated would be available to him the following week.

5. On or about July 2, 2007, defendant BEN HAIM met with the CW at defendant BEN HAIM's residence in Elberon. During the meeting, defendant BEN HAIM gave the CW approximately \$65,600 in cash to complete earlier transactions involving the proceeds of money laundering. Of the monies provided to the CW, approximately \$45,000 represented the proceeds from the \$50,000 check provided by the CW on June 28, 2007, minus the ten percent fee kept by defendant BEN HAIM. Defendant BEN HAIM noted that "I owe you 45 [thousand]," in reference to the \$50,000 check provided on June 28, 2007. In addition, \$20,250 of the cash given by defendant BEN HAIM was in anticipation of a \$22,500 check, which the CW was to provide drawn upon the account of a charitable organization administered by another money launderer, Rabbi Saul Kassin. The CW promised to bring defendant BEN HAIM this check for "twenty-two-five," and also stated that the CW would have another 100 thousand dollar bank check. Defendant BEN HAIM agreed to provide the CW with \$90,000 in cash in exchange for the \$100,000 check. During the meeting, defendant BEN HAIM also mentioned that another customer had sent him "200 [thousand]" that morning, and that he was expecting another check in the near future in the amount of \$450,000.

6. On or about July 10, 2007, defendant BEN HAIM met with the CW at defendant BEN HAIM's residence in Elberon. During the meeting, the CW provided a plastic bag containing approximately

¹ An additional \$40.00 was included in the sum of cash provided to CW on this date.

\$98,500 in cash which the CW had picked up from a location in Brooklyn earlier that day at the direction of defendant BEN HAIM. In addition, defendant BEN HAIM accepted from the CW a check in the amount of \$100,000 made payable to COE. In exchange, defendant BEN HAIM gave the CW approximately \$89,850 in cash, explaining that he was withholding money from the \$90,000 that he normally would have paid because he had inadvertently overpaid the CW during the July 2, 2007 transaction.

7. On or about August 1, 2007, defendant BEN HAIM met with the CW in defendant BEN HAIM's vehicle, as it was parked in front of a residence in Deal. During the meeting, defendant BEN HAIM accepted from the CW a bank check made payable to COE. The CW described the bank check, which was in the amount of \$75,000, as follows: "this is 75 from that bank schnookie deal. And I have one more 75 from him and that's the -- we got a half million from a bank . . ." Defendant BEN HAIM wondered what he should tell authorities "[i]f they ask me where did you get this check from?" After the CW again referred to the check as stemming from a fraudulent loan, defendant BEN HAIM answered his own question by stating that he would tell authorities that "he mailed me an anonymous donation . . ." During the same conversation, defendant BEN HAIM provided further details about Coconspirator I.M.'s laundering operation and referred to a specific individual as Coconspirator I.M.'s partner, and further stated that "there's six people involved in this thing." Defendant BEN HAIM also referred to the pick ups of cash in New York City, and the CW offered to pick up the cash for defendant BEN HAIM. When the CW asked whether it would be the same guy from whom the CW had previously received money several weeks earlier, defendant BEN HAIM stated that the pickup "[c]ould be [in] Queens, could be a hotel in Manhattan, it could be anywhere. Lately, it's been Boro Park."

8. On or about August 6, 2007, defendant BEN HAIM met with the CW at defendant BEN HAIM's residence in Elberon. During the ensuing conversation, defendant BEN HAIM accepted a bank check in the amount of \$50,000 from the CW. As with previous checks, this bank check was made payable to COE. The CW described the check as follows: "This is a check for, uh, fifty thousand from that, uh, bank, uh, schnookie deal." On this occasion, defendant BEN HAIM gave the CW approximately \$67,500 in cash to complete the money laundering transaction from August 1, 2007, during which the CW had provided defendant BEN HAIM with the aforementioned \$75,000 check. The CW agreed to pick up cash for defendant BEN HAIM the following day, and defendant BEN HAIM, referring to the person from whom the CW would pick up the cash, stated "[h]e sits there all day, and he's going to have it tonight. So tomorrow,

you can get it." Defendant BEN HAIM indicated that he had picked up cash from numerous individuals over the years, stating that "[i]n the five years [I'm] with [Coconspirator I.M.], maybe I saw over a hundred different people." Defendant BEN HAIM also informed the CW that Coconspirator I.M. wanted defendant BEN HAIM to open an account in Geneva, Switzerland, through which he would launder cash for one specified individual. Defendant BEN HAIM explained that Coconspirator I.M. wished him to deposit as much as \$30 million per year into this account, for which defendant BEN HAIM would earn approximately \$1.5 million annually.

9. On or about October 31, 2007, defendant BEN HAIM met with the CW in defendant BEN HAIM's vehicle, which was parked outside a location in Deal. During the meeting, defendant BEN HAIM accepted two checks from the CW -- both of which were made payable to COE as part of money laundering transactions. One of these checks was a bank check in the amount of \$50,000, while the other check was in the amount of \$22,500 and drawn upon the account of a charitable organization administered by another money launderer, Rabbi Saul Kassin. During the meeting, defendant BEN HAIM remarked that he was currently low on cash, and that it was difficult to get a sufficient supply of cash on a timely basis from Coconspirator I.M. to keep pace with the demand of his customers. Defendant BEN HAIM remarked that "four, five years I'm doing this with this guy. I know at the end of the year it's tight." Defendant BEN HAIM related that prior to his dealings with Coconspirator I.M., he had moved cash through another individual, but stated that "they caught him laundering . . . he got a slap on the wrist." Defendant BEN HAIM indicated that this individual was finishing a ten-month sentence that he was serving at F.C.I. Otisville. Subsequently, defendant BEN HAIM complained that he was "lucky" if he could move one to two million dollars a year at present. He remarked that "the most I ever did was seven to eight" million dollars in a year, and indicated that he earned "a million dollars a year" during that period.

10. On or about December 20, 2007, defendant BEN HAIM met with the CW at defendant BEN HAIM's residence in Elberon. During this meeting, defendant BEN HAIM received approximately \$118,000 in cash from the CW which the CW had picked up in Brooklyn from Coconspirator Cohen earlier that day at defendant BEN HAIM's direction. Defendant BEN HAIM also accepted a bank check from the CW in the amount of \$50,000 made payable to COE as part of a money laundering transaction. When the CW handed the check to defendant BEN HAIM, the CW stated that "this is a fifty I picked up yesterday from Brooklyn. This is on that [] Bank schnookie deal. . . The guy owes me another hundred [thousand] on that, but

not till after the New Year." The CW also informed defendant BEN HAIM that "I should have another check today . . . for twenty-five [thousand]," a reference to a money laundering deal that the CW hoped to consummate with another money launderer, Rabbi Saul Kassin, later that day. This prompted defendant BEN HAIM to place a call to Coconspirator I.M., and, upon conclusion of that call, defendant BEN HAIM stated that "[h]e's gonna let me know" whether there would be a cash pickup in Brooklyn later that day. In exchange for the \$50,000 check and as payment on a prior laundering deal, defendant BEN HAIM counted out approximately \$55,000 from the cash that the CW had delivered and gave it to the CW. Defendant BEN HAIM stated that he was unable at that time to provide any additional cash to the CW to complete other prior deals, as he needed the cash for two other individuals bringing him checks for \$52,000 and \$28,000, respectively.

11. On or about January 14, 2008, defendant BEN HAIM met with the CW at defendant BEN HAIM's residence in Elberon. During this meeting, defendant BEN HAIM accepted a cashier's check from the CW in the amount of \$100,000 made payable to COE. When the CW handed defendant BEN HAIM the check, the CW stated "[u/i] bank check there for a hundred thousand. Now that, you have to understand, that's from one of the [Bank] schnookie deals. I have a guy who owes me a half a million dollars. This is a hundred. I have four hundred thousand dollars more." The CW inquired whether defendant BEN HAIM would be able to launder that latter amount over "the next couple of weeks," prompting defendant BEN HAIM to reply simply "[y]eah." During the conversation, defendant BEN HAIM indicated that he had a number of customers who no longer used him to launder money, specifically noting one customer who had laundered 1 million dollars with him in a previous year, and a second who had laundered 1.5 million in one year. He also indicated that he had one customer who currently owed him \$200,000, while he also had four customers who wanted cash totaling at least \$250,000 "by tomorrow."

12. On or about January 20, 2008, defendant BEN HAIM met with the CW at defendant BEN HAIM's residence in Elberon. During the meeting which followed, defendant BEN HAIM accepted a large sum of cash from the CW contained in a bag which the CW had picked up in Brooklyn from Coconspirator Cohen the previous day at the direction of defendant BEN HAIM. It was believed that the bag contained approximately \$300,000 in cash. Defendant BEN HAIM ran the money provided by the CW through a cash-counting machine. In addition, defendant BEN HAIM gave the CW approximately \$95,200 in cash to complete the money laundering transactions from December 21, 2007 and January 14, 2008. During this meeting,

defendant BEN HAIM indicated that he currently owed "about 200 [thousand]" to Coconspirator I.M. for ongoing laundering transactions. When the CW inquired whether Coconspirator I.M. was pestering defendant BEN HAIM about this debt, defendant BEN HAIM indicated that he was not, stating that "[h]e trusts me."

13. On or about June 13, 2008, defendant BEN HAIM met with the CW in defendant BEN HAIM's vehicle outside of a location in Elberon. During the meeting, defendant BEN HAIM accepted from the CW a bank check in the amount of \$50,000. The CW explained that the funds from this check were generated from the sale of counterfeit high-end merchandise manufactured "from my factory in Brooklyn where I have the--where I make the bags. I take the labels . . ." The CW further clarified that "I'm switching the labels. . . Business is very good. Prada, Gucci, boom, boom, boom. This is from my profits. This is not--I put up 400 thousand principal. These are only my profits. Profits from this, profits from the [bank]." This last remark referred to the bank fraud scheme involving a particular bank which led to criminal charges being filed against the CW in 2006. After defendant BEN HAIM demanded a higher percentage fee than he normally collected from the CW to conduct the transaction, the CW complained that "I'm a repeat customer," and asked "[a]m I your best customer?" After defendant BEN HAIM responded in a hushed tone, "[n]o," the CW replied "[n]o. Why, 'cause you've got guys who do a million dollars a month . . .?" Defendant BEN HAIM responded "[n]o, that was once upon a time." Defendant BEN HAIM then retrieved a bag from the trunk of defendant BEN HAIM's car which contained a box with Power Rangers logos. The box contained tens of thousands of dollars in bundles of cash, and defendant BEN HAIM provided the CW with \$45,000. The CW reiterated that the money from the check was "all offshore," and noted that "[w]e have the factory. We make the stuff in Brooklyn, but we offshore it," and added that "[t]here's no trace, no nothing." By way of explanation, the CW stated that "[i]t's offshore. So all the profits are hidden." After the two discussed whether defendant BEN HAIM would be doing additional deals with other individuals in the near future, defendant BEN HAIM noted, in an apparent reference to Coconspirator I.M., that "[h]e called me up 14 times. He says 'I got another 300 [thousand]. You want it?'" Defendant BEN HAIM indicated that he had declined the offer but then noted that "I have orders for Sunday . . . I don't have enough," thus indicating that the money remaining from the Power Rangers box would be insufficient for the customers he would see on Sunday. At the conclusion of the meeting, defendant BEN HAIM asked the CW if the CW wished to launder "a hundred [thousand] next week?" The CW responded "[l]et me see how much, what our profits are next week," and

agreed to contact defendant BEN HAIM if the CW wished to do another laundering transaction.

14. On or about December 16, 2008, defendant BEN HAIM met with the CW in defendant BEN HAIM's vehicle, which was parked at a location in Deal. During the conversation, defendant BEN HAIM accepted a bank check made out to COE in the amount of \$160,000. The CW explained that the money represented the profits from the CW's handbag business, but explained that the CW's partner had provided the CW with less than the CW had hoped because "[e]ven the knock-off business is tough today." Defendant BEN HAIM informed that in exchange for the \$160,000 check he would provide the CW with \$130,000 in cash. Defendant BEN HAIM explained that "I'm putting the order in the pipeline" and related that he had spoken with his contact - believed to be a reference to Coconspirator I.M. - the previous Sunday. Defendant BEN HAIM stated that he expected the pickup of the cash would occur in the near future in either Williamsburg or Boro Park in Brooklyn.

15. On or about December 30, 2008, defendant BEN HAIM met with the CW in defendant BEN HAIM's vehicle, which was parked at a gas station along Deal Road in Deal. During the meeting, defendant BEN HAIM provided the CW with approximately \$64,850 in cash as partial payment for the 160,000 check provided by the CW on or about December 16, 2008. During the conversation, defendant BEN HAIM was informed by the CW that "things are picking back up in my, uh, knock-off pocketbook business, my counterfeit business." Defendant BEN HAIM also was told that the money involved in their laundering transaction "is only profits - principal I keep in there." Defendant BEN HAIM informed the CW that he had a lot of "orders" for laundering transactions because it was near the end of the year, but that some clients wished to wait until the turn of the year to consummate the transactions. It is believed that defendant BEN HAIM was referring to the efforts of some of his customers to select the year during which they would claim deductions for charitable contributions on their income tax returns based on the checks provided to defendant BEN HAIM. During the same conversation, defendant BEN HAIM indicated that the nearly \$65,000 that he was providing to the CW had been retrieved by defendant BEN HAIM the previous day from Coconspirator Weiss at Coconspirator Weiss's residence in Brooklyn.

16. On or about January 18, 2009, defendant BEN HAIM met with the CW at a location on Ocean Parkway in Brooklyn. During the ensuing conversation, defendant BEN HAIM and the CW discussed a potential pickup of approximately \$150,000 in Brooklyn during the following week, the proceeds of which would be used to

complete the money laundering transaction commenced on December 16, 2008. Defendant BEN HAIM told the CW about "customers from two, three years ago that are calling me," and indicated that "[t]hat's a signal that the market is tight." Defendant BEN HAIM also discussed his source for cash, Coconspirator I.M., and stated that he spoke to Coconspirator I.M. "[e]very day - every other day." Referring to Coconspirator I.M., defendant BEN HAIM then asked the CW "[d]id you know that he had me in the last 4 years send out wires every time to a different place in the world to a different name? It's unbelievable. I never saw anything like it." When the CW asked whether defendant BEN HAIM was referring to different locations in only Israel, defendant BEN HAIM replied "[n]o, all over the world. . . All over the world. From Australia to New Zealand to Uganda. I mean [u/i] every country imaginable. Turkey, you can't believe it. . . . All different names. It's never the same name. . . . Switzerland, everywhere, France, everywhere, Spain China, Japan." Defendant BEN HAIM also explained that the market for cash was tight "only in the beginning of the year and the end of the year."

17. On or about January 25, 2009, defendant BEN HAIM met with the CW in defendant BEN HAIM's vehicle, which was parked at a location near Norwood Avenue in Deal. During the conversation, defendant BEN HAIM provided the CW with a plastic bag containing approximately \$20,000 in cash as a further partial payment for the \$160,000 check provided to defendant BEN HAIM on or about December 16, 2008. Defendant BEN HAIM did not name the person from whom he had received the cash, and further explained that he was having difficulty securing cash for his customers. Although defendant BEN HAIM predicted that in "[a]nother week it'll be loosening up," he explained that at present "[t]he demand [for cash] is greater than the supply." He explained that he was taking advantage of the high demand for cash, noting that "[t]he bottom line is I got people in the city that are starting to pay me 20 percent . . ." rather than the 10 percent fee normally charged by defendant BEN HAIM. Defendant BEN HAIM agreed to contact the CW when he had secured the remaining \$15,000 he owed the CW.

18. Between in or about June 2007 and in or about February 2009, defendant BEN HAIM engaged in money laundering transactions with the CW totaling approximately \$1.5 million in funds represented by the CW to involve the proceeds of criminal activities.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 PETER CAMMARANO III and :
 MICHAEL SCHAFFER : **Mag. No. 09-8128 (MCA)**

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about April 2009 to in or about July 2009, in Hudson County, in the District of New Jersey and elsewhere, defendants

PETER CAMMARANO III
and
MICHAEL SCHAFFER

and others, to include JC Official 1 and the Consultant, did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for defendant PETER CAMMARANO III's future official assistance in Hoboken Government matters.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. Defendant Peter Cammarano III (hereinafter "defendant Cammarano") was an at-large Hoboken Councilman and candidate seeking the position of Mayor of the City of Hoboken. On or about May 12, 2009, as one of the two top vote getters, defendant Cammarano qualified for a run-off election for the mayoral position. On or about June 9, 2009, Cammarano was elected mayor, and was sworn in on or about July 1, 2009. Defendant Cammarano was elected to the Hoboken City Council in 2005 and was an attorney specializing in election law until shortly before he was elected mayor.

2. Defendant Michael Schaffer (hereinafter "defendant Schaffer") is a Commissioner on the North Hudson Utilities Authority ("NHUA") and close associate of Cammarano. Schaffer, who resides in Hoboken, serves as the NHUA's assistant secretary and is a member of its Education and Litigation Committees.

3. At all times relevant to this Complaint:

a. There was an individual (hereinafter, "JC Official 1") who represented himself to be in high-level positions at the Jersey City Housing Authority (the "JCHA"). In addition, until in or about May, 2009, JC Official 1 also served as the Vice President of the Jersey City Board of Education ("BOE").

b. There was an individual who represented himself to be the owner of a consulting firm based in New Jersey (the "Consultant").

c. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Hoboken area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

4. On or about April 11, 2009, at approximately 7:42 p.m., FBI agents intercepted an incoming call to the Consultant's home phone from defendant Schaffer, a close associate of the Consultant. During the ensuing conversation, defendant Schaffer and the Consultant discussed the upcoming mayoral elections in Jersey City and Hoboken. At one point during the conversation, the Consultant referred to the CW as "my guy" and then referred to the CW as "the guy you're gonna meet," thus indicating the Consultant's intention to arrange a meeting between the CW and defendant Schaffer. The Consultant described the CW as having given another Hudson County public official "20,000 [meaning \$20,000]" and indicated that the CW would be providing an additional \$10,000 to this public official before an upcoming election. The Consultant also told defendant Schaffer that "I know [the CW will] give Cammarano 5,000." The Consultant then indicated in reference to this payment that "we'll probably have to run [the \$5,000] through you," thus indicating that defendant Schaffer was to serve as a middleman for the payment. The Consultant then detailed the \$5,000 and \$10,000 payments that the CW already had made or that were scheduled to be made to other local Hudson County government officials and candidates running for election. The Consultant remarked that "[JC Official 1] finally found a guy with some money," and noted that the CW "likes spending money."

5. On or about April 14, 2009, at approximately 3:50 p.m., FBI agents intercepted an incoming call to the Consultant's cell phone from JC Official 1. The Consultant stated "a couple of other things, uh, [Hoboken Councilman Peter] Cammarano would like to meet on the 27th at 2 o'clock at the Malibu Diner. The meeting to consist of [the CW], you and me, Mike Schaffer and him. . . 'cause Mike is gonna deal with, uh, the conversion process."

6. On or about April 26, 2009, at approximately 6:44 p.m., FBI agents intercepted an incoming call to the Consultant's home phone from defendant Schaffer. During the conversation, the Consultant reminded defendant Schaffer that "we're seeing each other at 2 o'clock tomorrow," prompting defendant Schaffer to reply, "Yup." The Consultant then confirmed that the meeting would involve "[j]ust you and Cammarano," and defendant Schaffer replied, "That's it. That's it." Subsequently, after a discussion of the Hoboken mayoral campaign, the Consultant explained "[t]hat's why we're gonna try to get this kid [Cammarano] some money tomorrow." The Consultant opined that "to be truthful between you and me, there ain't nothin' we can do for [the CW] in Hoboken. He builds high rises." Defendant Schaffer disagreed, noting that "I think you should be able to go high on Observer Highway," and added that "I think Peter [Cammarano] supports that, too."

7. On or about April 27, 2009, JC Official 1 and the

Consultant met the CW at a diner in Hoboken, New Jersey where they were joined by defendants Cammarano and Schaffer. Defendant Cammarano told the CW that he was "an attorney in private practice." Defendant Cammarano further related that his specialty was "election law," and explained that "I run the election law department at the, at the biggest election law firm in the State of New Jersey." Defendant Cammarano informed the CW that he had been elected as a councilman four years earlier and added that "[t]o the extent there's a pro-development person in this race, that's me." The CW talked about the approvals the CW might be seeking in relation to any properties the CW might wish to develop in Hoboken, noting that if the CW was to "come over here, you know, and I wanna do, eh, I need a zone change, I need something, I wanna make sure that I, you know, you, you're my man." Defendant Cammarano assured the CW that "[y]ou can put your faith in me," and emphasized that he was a proponent of redevelopment. The CW asked whether defendant Cammarano would be able to put matters "on the agenda in the nex--, within thirty days or sixty days or do I have to wait six months, eight months or a year? . . . What's the process?" Defendant Cammarano explained that "[i]t can go on the agenda just as soon as there's a sponsor for it . . . That happens like that." The CW inquired, "So, if you sponsor it, boom?" Defendant Cammarano replied, "Yeah." When the CW stated "make sure you get my stuff expedited," defendant Cammarano assured the CW that "I promise you . . . you're gonna be, you're gonna be treated like a friend." At the conclusion of the meeting, the CW stated to defendant Cammarano "Pete, so I'll, uh, do my business with Mike [Schaffer]," prompting defendant Cammarano to reply, "Okay." The CW then told defendant Cammarano that "I'm gonna give [defendant Schaffer], uh, five thousand to start, and then after the election I'll do another five thousand." Defendant Cammarano responded, "Okay. Beautiful." Defendant Cammarano thanked the CW who then remarked "[j]ust make sure, you know, when I have my zoning . . ." Defendant Cammarano interjected, "I'll be there." The CW continued on "just make sure you expedite my stuff. That's all I ask." Referring to defendant Schaffer, the CW said, "I'll deal with him," and added "just make sure my name is not, uh . . ." Defendant Cammarano interjected, "No, no, no," and the CW continued "I don't want it to show up. I don't want any conflict issues," prompting defendant Cammarano to reply, "Right, right, right." The CW added that "I'm a business man. Generous guy."

8. The CW and defendant Schaffer then left the diner at which time the CW provided defendant Schaffer with an envelope from the trunk of the CW's car, explaining the envelope's contents: "That's 5,000 cash." The CW told defendant Schaffer that "I told Pete that, uh, I'll give him another five after the election, and if you need anything before, call me." The CW added, "Just make sure he gets my stuff, uh, expedited," to which defendant Schaffer replied "I certainly will." Shortly

thereafter, defendant Cammarano, JC Official 1 and the Consultant exited the diner and surveillance agents observed these three speaking with defendant Schaffer in the diner's parking lot while defendant Schaffer held the envelope containing the cash and which had been provided by the CW minutes earlier. Defendants Schaffer and Cammarano then spoke to each other separately, during which time defendant Schaffer remained in possession of the envelope. Defendant Schaffer then took the envelope into his vehicle and drove away while defendant Cammarano departed on foot.

9. On or about April 27, 2009, at approximately 3:58 p.m., FBI agents intercepted an incoming call to the Consultant's home phone from defendant Schaffer. During the conversation, which occurred less than two hours after the CW had been introduced to defendants Schaffer and Cammarano, the Consultant asked defendant Schaffer, "So, uh, was [the CW] good to you?" Defendant Schaffer replied, "Yes, yes, he was." The Consultant then asked "[f]ive?" Defendant Schaffer, apparently understanding that this was a reference to the \$5,000 in cash which had been provided by the CW to defendant Schaffer in an envelope, replied, "Yup," confirming the amount of the payment. The Consultant added that "well, we'll try to get some more before election day." Defendant Schaffer remarked that "[t]hat's what [the CW] told me."

10. On or about May 1, 2009, at approximately 12:30 p.m., FBI agents intercepted an outgoing call from the Consultant's home phone to defendant Schaffer. During the conversation, the Consultant asked defendant Schaffer "[w]as Cammarano okay with, uh, [the CW's], uh, contribution?" Defendant Schaffer replied, "Oh, loved it. Loved it. Loved him." Defendant Schaffer then added that defendant Cammarano "told me, 'Michael, the way I operate politics, anybody who helps me, I help them. That's the way I operate. And if you're not there the first round, I don't need ya' the second round.'" Defendant Schaffer also added that defendant Cammarano "likes [the CW]. '[The CW's] a very smart guy,' [Cammarano] said." The Consultant replied, "Well, that's good. Just as long as, uh, he's happy." Defendant Schaffer responded "[n]ah, very happy. Very happy."

11. On or about May 6, 2009, at approximately 10:08 p.m., FBI agents intercepted an outgoing call from the Consultant's home phone to defendant Schaffer. Defendant Schaffer and the Consultant discussed the upcoming Hoboken election at which time the Consultant brought up the CW. The Consultant told defendant Schaffer that "[u]h, my friend [the CW] would like to invest some more money in, uh, Peter [Cammarano]." Defendant Schaffer replied, "Oh, we could use it." The Consultant asked whether they could meet on Monday morning, prompting defendant Schaffer to reply, "Definitely." The Consultant told defendant Schaffer that the CW would "bring it in the same form [the CW] brought it in before," a reference to the fact that the CW brought \$5,000 in

cash in an envelope. Defendant Schaffer replied "[r]ight, right, same for--, you want me to come to Jersey City or you wanna come to Hoboken?" The Consultant replied, "No, we'll come back to, uh, the Malibu Diner and meet you and, uh, Cammarano." At the end of the conversation, the Consultant asked Schaffer to "see if Cammarano can meet us at the Mailbu around 10, 10:30 Monday morning." Defendant Schaffer replied, "It will be done."

12. On or about May 8, 2009, JC Official 1, the Consultant and the CW met with defendants Cammarano and Schaffer at a diner in Hoboken, New Jersey. After a discussion of the upcoming election, the CW told defendant Cammarano "[u]h, so Peter, uh, I'll, I'm, I'll do some, eh, business with Mike [Schaffer] like last time. I'll give him the five thousand green," to which Cammarano replied, "Okay." The CW told defendant Cammarano, "Don't put my name - like last time," to which defendant Cammarano nodded in the affirmative and stated, "Understood. Understood." The CW explained to defendant Cammarano that "I don't need any conflict issues, and just make sure when I come in with some stuff . . ." to which defendant Cammarano replied, "Yeah." The CW then stated that "I have some properties we're working on together, me, uh, [the Consultant] and [JC Official 1]. Just make sure I got you're support . . ." to which defendant Cammarano stated "[y]up. I'll be there." The CW finished his request by adding ". . . and expedite my stuff," prompting defendant Cammarano to repeat "I'll be there." The CW then thanked defendant Cammarano and informed him that "next week, I don't know if you want to meet Wednesday or Thursday, but whenever you want, I'll give you - I'll do another five [thousand] for you." Defendant Cammarano joked, referring to the election to be held on Tuesday, "Maybe after, uh, we sleep in a little bit on Wednesday." After the laughter subsided, JC Official 1 suggested that they "get together for a celebration dinner the following week."

13. Defendant Schaffer and the CW then proceeded to walk out to the diner's parking lot, at which time defendant Schaffer told the CW "[d]on't worry, he'll keep his word." The CW interjected "[a]s long as he expedites my stuff, and I got his support," prompting defendant Schaffer to assure the CW "[n]o, no, he will, he will, he will." The CW then produced an envelope containing \$5,000 in cash from the trunk of the CW's vehicle, and handed it to defendant Schaffer saying, "That's, uh, five thousand cash there." As defendant Schaffer took possession of the envelope, the CW related his concern that the CW's applications might remain "on the bottom of the pile," but defendant Schaffer responded that "I told [defendant Cammarano] when we get elected, we put our friends on the boards so we know we get the - don't listen to these morons who say put this environmentalist on, but they're, they're all fucking kooks." The CW added that "[y]ou wanna have guys that will support guys like me," and defendant Schaffer stated "[g]uys that worked in

the campaign, put 'em on." The CW told defendant Schaffer that "I appreciate your help," to which defendant Schaffer replied "[d]efinitely." As the CW started to return to the diner, defendant Schaffer, referring to the envelope, told the CW that "I'm going to put it in my car." The CW reentered the diner where the CW told defendant Cammarano that "I gave that, uh, envelope to, uh, uh, Mike," causing defendant Cammarano to remark, "Excellent." The CW reminded defendant Cammarano "just don't put my name anywhere," prompting defendant Cammarano to reply, "Yeah, no, no, no." The CW then told defendant Cammarano that "Mike says that, uh, you know, you're a man of your word," and defendant Cammarano assured the CW that "I am. I am." The CW remarked that defendant Schaffer had further indicated that "[i]f you say you'll expedite something, you do it," and defendant Cammarano replied, "Yes, absolutely." The CW indicated that the CW would have applications in the near future and asked defendant Cammarano when he would actually be sworn in as mayor. Defendant Cammarano replied "July 1st," to which the CW remarked "[s]o, we'll wait till August or September or something to come in or something." Defendant Cammarano replied, "Yeah, yeah," and then thanked the CW as he departed.

14. On or about May 19, 2009, the Consultant and JC Official 1 met the CW at a diner in Hoboken, New Jersey where they were joined by defendants Cammarano and Schaffer. During this meeting, defendant Cammarano discussed the prospects of winning the runoff election between himself and the other remaining candidate on June 9, 2009, and stated that "[r]ight now, the Italians, the Hispanics, the seniors are locked down. Nothing can change that now. . . . I could be, uh, indicted, and I'm still gonna win 85 to 95 percent of those populations." After defendant Cammarano indicated that he would have to leave shortly to film a television commercial, the CW told defendant Cammarano that "I'm gonna do the, you know, five thousand cash with [defendant Schaffer]," prompting defendant Cammarano to respond, "Beautiful." The CW reminded defendant Cammarano "[j]ust again, don't put my name on anything," to which defendant Cammarano assured the CW, "No, no, no." Defendant Cammarano then indicated that he would accept the \$5,000 "[t]hrough my good friends," as he pointed in the direction of defendant Schaffer. The CW asked defendant Cammarano to "make sure you, you know, don't forget to expedite my stuff." Defendant Cammarano assured the CW that "I won't, I won't. You were, you were, you were with me early and often." The CW then mentioned that "[the Consultant] and, uh, [JC Official 1] -- we, we saw some properties that -- not too far from us -- around the corner from, uh, Toll Brothers. . . . So, uh, you know, once we come in for something, just, uh. . . ." Defendant Cammarano replied, "Yeah," and then told the CW that "Michael will tell you that, this is, this is something that I don't know, I don't know how many times you and I have had this conversation," to which defendant Schaffer interjected, "Yeah." Defendant Cammarano then stated

"this is the way Mr. Schaffer and I both see the world through the same lens, right. In this election, hopefully, we, we, we, you know, we get to the point where I'm sworn in on July 1st, and we're breaking down the world into three categories at that point. There's the people who were with us, and that's you guys. There's the people who climbed on board in the runoff. They can get in line. . . And then there are the people who were against us the whole way. They get ground . . . They get ground into powder." The CW remarked that the latter group would have to wait for approvals on their projects for "[t]hree years," and that they would be consigned to the "[b]ottom of the pile." Subsequently, the CW told defendant Cammarano that "[the Consultant] or [JC Official 1] will call you once we have the property to buy, just make sure we got your support." Defendant Cammarano thanked the CW and stated, "You got it." The CW then told defendant Cammarano that "we'll do another 5,000 once you win. Hopefully, what is it, June 2nd, or whatever?" Defendant Cammarano informed the CW that the election was "June 9th," and the CW reiterated that "[w]e'll meet ya' a couple days after you recover, we'll do another 5,000." Defendant Cammarano replied, "Definitely," and left the diner.

15. After defendant Cammarano's departure, defendant Schaffer and the CW left the diner and walked to the CW's vehicle. As they walked, the CW remarked that "[a]t least, he understands -- Peter," prompting defendant Schaffer to remark that "[o]h yeah, his--, oh, he understands the rules." The CW added "[h]e takes care of his friends," and defendant Schaffer interjected "I trained him well." As the CW opened the trunk of the car, the CW remarked, "Let's see here. This is five? Yeah, this is five," at which point the CW handed defendant Schaffer an envelope containing \$5,000 in cash. The CW reminded defendant Schaffer "[j]ust again, don't put my name . . ." causing defendant Schaffer to laugh and state "I know, I, I know the rules." The CW reiterated that "I don't want any conflicts," and added that "after the election, I'll do, we'll do another five thousand." Defendant Schaffer replied, "Okay, very good," and walked away with the envelope containing the cash for defendant Cammarano.

16. On or about June 23, 2009, the Consultant and JC Official 1 met the CW at a diner in Hoboken, where they were joined by defendant Cammarano. During a discussion regarding the recent election and appointments that were underway, defendant Cammarano noted that "I stopped being a lawyer last month, um, hopefully for good." The Consultant later turned to defendant Cammarano and stated, "So anyway, we understand you got a [campaign] debt," prompting defendant Cammarano to nod in the affirmative. Subsequently, the Consultant told defendant Cammarano as the Consultant gestured toward the CW that "[t]he main reason we're here is to see how we can help you, and you've got to tell us somewhere in the neighborhood of what you need," a

reference to the amount defendant Cammarano wished to receive from the CW. The CW noted, "Like I told you before the election, I, you know, I'm a generous guy. I'm [u/i], you know, I supported you before. I told you I'll support you after. I keep my word." The CW added that "I'm sure you'll keep your word with me . . ." to which defendant Cammarano stated "[y]eah." The CW continued by stating ". . . you'll support, uh, you know, my stuff . . ." Defendant Cammarano indicated that he had only "found out literally on, uh, Friday night that there was any kind of deficit." Defendant Cammarano further noted that "[t]hey wrote street money checks, basically \$19,000 beyond what was in the account on election day." Defendant Cammarano indicated that he had obtained a "bridge loan . . . for \$20,000" to pay back those whose checks had bounced as a result of the overdrawing of the election account. Defendant Cammarano was then told by the CW: "With me, you know, I, I--, what I'll do is like I did last time, you know, the time before. I'll give you ten thousand dollars. Just don't put my name on anything. I don't want any trace. I don't want any conflict issues, and we'll do through, uh, Mike whenever Mr. Schaffer gets back. Hopefully next week we'll meet or something." Defendant Cammarano replied, "Yeah, that'd be great." Defendant Cammarano then thanked the CW and stated "I appreciate it." The CW explained that "I try to keep my word. Just make sure, you know, you don't forget me," prompting defendant Cammarano to assure the CW that "[w]e're going to be friends for a good long time." The CW added "[j]ust make sure you cover my back. Expedite my stuff when it comes in front of you. That's all I ask." At the conclusion of the meeting, defendant Cammarano thanked the CW again before departing.

17. On or about July 16, 2009, the Consultant and JC Official 1 met the CW at a diner in Hoboken, where they were joined by defendants Cammarano and Schaffer. During the ensuing meeting, the CW informed defendant Cammarano that "[t]here's two properties. There's a property on Grand Street that my guys are looking at. I, I haven't seen it yet." In response to defendant Cammarano's question about the property's exact location, the CW indicated that the CW did not know the cross street, but stated that "I think it's, it's a parcel of land or something that's available." The CW added "[a]nd then on, uh, Hudson, uh, Street, there's an apartment building that's all rentals now . . . and the whole building might be coming on the market." The CW told defendant Cammarano, with respect to that building, that "maybe there's an opportunity to go higher, add some density, go wider. I don't know, you know, there will be different things so-- between the two projects." The CW then remarked that "I'll, uh, let you know as, uh, we get, uh, closer. So, I know I got your support so," prompting defendant Cammarano to reply "[y]es, wholeheartedly." The CW quipped "[a]t least I bet on the right horse this time," to which defendant Cammarano replied "[y]eah, you did." Subsequently, the CW stated "so, uh, Peter, and I know

[the Consultant] and [JC Official 1] said that, you know, you needed some, uh, help or something." Defendant Cammarano responded "I need all the help I can get." The CW remarked "[m]e too, at some point will need you." Defendant Cammarano was then informed by the CW that "I'll give the, uh, uh, Mike [Schaffer] the, the ten thousand, uh, you know, green," and defendant Cammarano stated "[y]eah." The CW then reminded defendant Cammarano "[j]ust make sure my name, like the other times," prompting defendant Cammarano to state "[y]eah, I'm planning, and we'll, uh, yeah." The CW again remarked "[j]ust don't put my name on nothin'. I don't need any, uh, issues." Defendant Cammarano then asked the CW about the location of his proposed project on Grand Street, and the CW promised "I'll get you all the info next week." A short while later, the CW, in the presence of defendants Cammarano and Schaffer, asked the Consultant "[w]hat was that? They wanted twenty [thousand], ten . . .?" The Consultant replied "[t]wenty altogether." The CW then stated "so what I'll do is I'll give 'em the ten, ten now. And then we'll meet again, you know, and next week or something, I'll do the other ten. This way, you know, we'll be in good graces."

18. The group then left the diner and walked into the diner's parking lot, and the CW and defendant Schaffer walked to the CW's car. The CW opened the trunk and handed defendant Schaffer an envelope, stating "[h]ere, this is the ten thousand, uh, cash," prompting defendant Schaffer to reply "[o]kay." The CW reminded defendant Schaffer "[d]on't put my name like . . .," prompting defendant Schaffer to laugh and state "I know, I . . . I know the drill." The CW noted "then we'll, we'll see you, you know, we'll do end of next week or something," referring to the next \$10,000 payment. Defendant Schaffer agreed and then told the CW to "let us know the address." Defendant Schaffer then walked to his vehicle and placed the envelope containing the \$10,000 in cash in the trunk of his vehicle. The CW then walked over to where defendant Cammarano was talking with the Consultant and JC Official 1. Defendant Cammarano thanked the CW who stated "I'll be in touch with you next week." The CW then added "I'll take care of the other, uh, the other ten," prompting defendant Cammarano to respond "[y]eah . . . just give me a holler." The CW promised to provide defendant Cammarano with "those two addresses," and said "[j]ust, you know, make sure I have your support . . . expediting my stuff." Defendant Cammarano replied "[y]eah, yeah," and added "I'm with you."

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 JOSEPH CARDWELL : Mag. No. 09-8129 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about July 2008 to in or about March 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

JOSEPH CARDWELL

and others, did knowingly and corruptly offer and agree to give a thing of value to a Jersey City Official to influence and reward that official in connection with a business, transaction and series of transactions of Jersey City government involving a thing of value of \$5,000 and more, where the City of Jersey City received in excess of \$10,000 in Federal assistance during the relevant one-year period.

In violation of Title 18, United States Code, Section 666(a)(2) and Section 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant Joseph Cardwell was a consultant who conducted business from an office in Jersey City, New Jersey. Defendant Joseph Cardwell also was a commissioner of the Jersey City Municipal Utilities Authority.
2. At all times relevant to this Complaint:
 - a. there was an individual who was an official with the Jersey City Department of Health and Human Services ("HHS") and was a member of the Jersey City Zoning Board of Adjustment (the "Zoning Board") ("JC Official 2");
 - b. there was an individual who was an official who had responsibility for housing and economic development matters in Jersey City government ("JC Official 3");
 - c. there was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce; and
 - d. the City of Jersey City received in excess of \$10,000 in federal funds assistance.
3. On or about July 1, 2008, defendant Joseph Cardwell met with JC Official 2 and the CW at a restaurant in Jersey City. During the portion of the meeting before Cardwell arrived, JC Official 2 indicated to the CW that defendant Cardwell was connected to various state government elected officials and that defendant Cardwell was a

consultant who could make sure that state and local government officials were "on board" to assist the CW with the CW's development matters. Shortly after defendant Cardwell arrived at the meeting, JC Official 2 described defendant Cardwell as one of the most powerful men in Jersey City. Defendant Cardwell and the CW discussed a development project that the CW was purporting to have an interest in on Garfield Avenue in Jersey City. As the conversation ensued, the parties discussed the need for confidentiality. In this regard, JC Official 2 stated that the meeting among the three of them was confidential, to which defendant Cardwell responded that all of his business was "confidential." As this portion of the discussion continued, defendant Cardwell remarked to JC Official 2 and the CW that "you" don't need to know how "I" do something, all you need to know is whether it got "done." Thereafter, the CW informed defendant Cardwell that the CW was looking to engage someone who could guarantee that the CW would obtain permits and approvals from Jersey City Government and other local governments. Defendant Cardwell responded that he did not "guarantee. I just succeed." After the meeting in the restaurant, in Jersey City, defendant Caldwell accepted \$10,000 in cash from the CW in an envelope to assist the CW with local government officials in Jersey City and other New Jersey municipalities.

4. On or about July 14, 2008, defendant Joseph Cardwell met the CW at a hotel/casino in Atlantic City, New Jersey. They again discussed the purported Garfield Avenue project and how to get Jersey City officials to support development of the project. Defendant Cardwell advised the CW that JC Official 3 was one of defendant Cardwell's "guys" and had been with defendant Cardwell for approximately nine years. Among other things, defendant Cardwell was informed by the CW that the Garfield project was worth approximately \$180 million to \$200 million, so the CW was fine with paying approximately \$200,000 to \$300,000 in "up front" payments to officials to assist in obtaining approvals related to the development.

5. On or about July 31, 2008, defendant Joseph Cardwell met the CW at a restaurant in Jersey City. Defendant Cardwell related to the CW that when one ran into a situation where an official was seeking a bribe, one had to "take care of" what you "got to take care of." Defendant Cardwell was informed by the CW that before the CW developed in a particular town, the CW wanted to "own" officials in that town and that the CW built these "soft costs" into the CW's projects. Defendant Cardwell then pointed to a particular state government official who could not be owned. The CW informed defendant Cardwell to keep that particular official away from the CW. The CW further informed defendant Cardwell that the CW built "soft costs" into the CW's projects. Defendant Cardwell, in turn, indicated to the CW that he understood what "soft costs" were. Defendant Cardwell indicated that JC Official 3 was a "player." Defendant Cardwell promised to

vouch for the CW with JC Official 3. Defendant Cardwell was asked by the CW if JC Official 3 would be happy with \$5,000 or \$10,000, to which, defendant Cardwell replied that he did not know. Later in the conversation, defendant Cardwell further was informed by the CW to tell JC Official 3 that CW would "do the right thing"--meaning pay JC Official 3 for his official assistance with the CW's development project. The CW informed defendant Cardwell that whatever the CW gave to JC Official 3, the CW also would give to defendant Cardwell.

6. On or about August 6, 2008, defendant Joseph Cardwell, JC Official 3 and the CW met in Jersey City. Prior to JC Official 3's arrival, defendant Cardwell confirmed to the CW that defendant Cardwell had spoken to JC Official 3. After JC Official 3 arrived, all three participants discussed development opportunities in Jersey City, including the Garfield Avenue property. After the meeting among the three of them ended, defendant Cardwell and the CW discussed that, at the next meeting with JC Official 3, the CW would bring the JC Official 3 an "envelope," and also give another payment to defendant Cardwell. Defendant Cardwell agreed that the CW could pay JC Official 3 \$10,000 in cash at the next meeting, but that the CW had to be smart about it.

7. On or about August 11, 2008, defendant Joseph Cardwell and the CW met at a hotel/casino in Atlantic City. Defendant Cardwell indicated that he understood that the CW liked to "own" (pay corrupt payments) to obtain sought-after official action. Defendant Cardwell indicated that he used his political power to obtain sought-after official action. The CW confirmed with defendant Cardwell that defendant Cardwell would introduce the CW to government officials who were "takers."

8. On or about August 12, 2008, defendant Joseph Cardwell met the CW at a restaurant at a hotel/casino in Atlantic City. Defendant Cardwell, among other things, advised the CW that JC Official 3 had power and authority over both the building and planning departments in Jersey City. Defendant Cardwell was informed by the CW that the CW would bring "two envelopes" to the meeting with JC Official 3 (meaning payments for defendant Cardwell and JC Official 3). Defendant Cardwell indicated that he would go to the bathroom when the CW was ready to pay JC Official 3, but that defendant Cardwell would talk to JC Official 3 beforehand to inform JC Official 3 of the fact that the CW would pay JC Official 3 at that meeting. Immediately after this portion of the conversation, defendant Caldwell told the CW "I'm not trying to do anything wrong. Get you to do something that's not right, or illegal." The CW then indicated that the CW did not want to do anything "stupid," but just wanted JC Official 3 to help CW with CW's "approvals," to which defendant Cardwell responded that if JC Official 3 wanted "some help" for the mayor then "you have to" help

the mayor. Shortly thereafter, the CW asked defendant Cardwell if JC Official 3 would be "insulted or anything" by giving him "10 or 20" (meaning (\$10,000 or \$20,000). Defendant Cardwell replied "no," but indicated that he would "test the water" with JC Official 3 first. Defendant Cardwell also indicated that these amounts were not "too little." As the meeting concluded, defendant Cardwell and the CW agreed to meet approximately 15 minutes before their meeting with JC Official 3 so that the CW could receive "marching orders" from defendant Cardwell.

9. On or about August 12, 2008 defendant Joseph Cardwell met with JC Official 3 and the CW at a restaurant in Jersey City. Defendant Cardwell agreed with the CW to talk to JC Official 3 first to "smooth it over" because the CW had an envelope to give to Jersey City Official 2 containing "10 large" (meaning \$10,000 in cash). Thereafter, JC Official 3 arrived, and defendant Cardwell had a private discussion with JC Official 3. After defendant Cardwell and JC Official 3 joined the CW, they began discussing the CW's development interests in Jersey City. JC Official 3 told the CW that the CW would have "access" and that JC Official 3's job was to "smooth" everything "forward," and not let the bureaucracy "slow things down." The CW indicated that he needed both JC Official 3's and defendant Cardwell's help because the CW did not want to come into Jersey City "naked" and get "shafted." As the conversation continued, the CW informed JC Official 3 that: (a) the CW needed a guy to help with the CW's approvals and that JC Official 3 was the man and (b) the CW did not want to be treated like every other developer/applicant. In response, JC Official 3 told the CW that JC Official 3 could offer the CW advice and only wanted what was good for Jersey City. JC Official 3 further added that if he could "fast track" matters, then he would do so. After indicating that JC Official 3 had to leave, JC Official 3 and the CW started to leave the table for the parking lot. On the way out to the parking lot, while alone with defendant Cardwell, the CW asked defendant Cardwell if JC Official 3 was "cool." Defendant Cardwell responded affirmatively. The CW then asked defendant Cardwell if the CW would be embarrassed. Defendant Cardwell said no. Thereafter, JC Official 3 and the CW walked out to the parking lot. The CW indicated that he had something for JC Official 3 in the car. JC Official 3 then told the CW that he did not do that, and that the CW should deal with defendant Cardwell, who knew both JC Official 3 and the mayor. JC Official 3 told the CW that there would be events and tickets and that defendant Cardwell knew the "playing field."

10. Thereafter, the CW went back inside the restaurant, where defendant Joseph Cardwell asked the CW if "it went alright" and if JC Official 3 "took it." The CW said "no." Defendant Cardwell then reminded the CW that JC Official 3 did not know the CW and that

defendant Cardwell would "handle that." Defendant Cardwell further told the CW that defendant Cardwell had explained everything to JC Official 3 and that defendant Cardwell would "handle" that. Defendant Cardwell indicated that he would "warm" JC Official 3 "up" and that JC Official 3 was being "cautious." A short while later, JC Official 3 returned to the restaurant and continued the meeting with defendant Cardwell and the CW. After JC Official 3 departed, defendant Cardwell again reminded the CW that JC Official 3 trusted defendant Cardwell; that JC Official 3 did not know the CW and that JC Official 3 wanted the CW to go through defendant Cardwell. In response to the CW's purported concern of not wanting JC Official 3 to "expose" the CW, defendant Cardwell stated that JC Official 3 did not want that either.

11. On or about August 15, 2008, defendant Cardwell met the CW in Jersey City. Defendant Cardwell indicated to the CW that JC Official 3 would help the CW with the CW's approvals. Thereafter, defendant Cardwell accepted two envelopes each containing \$10,000 in cash--one for the benefit of JC Official 3 and one for defendant Cardwell's benefit. Later in the conversation, defendant Cardwell indicated that JC Official 3 was not a "private" guy (JC Official 3 was a public official), but that defendant Cardwell was, so that JC Official 3 had to be more cautious. Defendant Cardwell further stated that they would do things JC Official 3's way. Defendant Cardwell further indicated that, in JC Official 3's position, JC Official 3 could not be a "fool." Defendant Cardwell also told the CW that they would not need anyone else in Jersey City government to help the CW with the CW's approvals because there was only one person "over" JC Official 3, that being the mayor.

12. On or about September 5, 2008, defendant Cardwell met the CW at a restaurant in Jersey City. Defendant Cardwell stated that JC Official 3 would "take good care of" the CW. Defendant Cardwell further indicated that JC Official 3 had not taken possession of the \$10,000 in cash from the CW, but instead wanted defendant Cardwell to use the money to buy tickets for a fundraiser for another Jersey City official who was running for office in 2009. Defendant Cardwell further told the CW that Cardwell had explained "the whole 9 yards" to JC Official 3 and later indicated that JC Official 3 would do the "right thing." Defendant Cardwell later told the CW that he would give the money back to the CW before he would let the CW get screwed.

13. On or about September 24, 2008, defendant Joseph Cardwell, the CW and another individual met at a diner in Jersey City and, thereafter at another location. After the individual had parted their company, defendant Joseph Cardwell indicated to the CW that defendant Cardwell already had given JC Official 3 \$2,000 in connection with a political fundraising event. Defendant Cardwell told the CW that you have to do it (meaning, giving) in "drips."

14. On or about March 27, 2009, defendant Joseph Cardwell, the CW and two others met at a diner in Jersey City. After these two individuals departed, the CW asked if JC Official 3 was happy with everything that defendant Joseph Cardwell had given JC Official 3. Defendant Cardwell indicated yes. Defendant Cardwell further indicated that he had not given JC Official 3 the full \$10,000 yet, but had given JC Official 3 "close to" \$7,000, about "six and a half" (meaning approximately \$6,500). Defendant Cardwell further stated that he purchased tickets to political fundraising events with this money for JC Official 3 because that was the way that JC Official 3 wanted it done. Defendant Cardwell further reiterated that JC Official 3 would do whatever was necessary, including expediting approvals for the CW.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
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GUY CATRILLO : Mag. No. 09-8130 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about February 2009 to in or about May 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

GUY CATRILLO

and others did knowingly and willfully attempt to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid by another, with that person's consent, for defendant GUY CATRILLO's benefit, in exchange for defendant GUY CATRILLO's official assistance as specific opportunities arose.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant GUY CATRILLO (hereinafter, "defendant CATRILLO") served as a Planning Aide for the Jersey City, New Jersey, Division of City Planning ("JCDCP") or as an official in the Jersey City Mayor's Action Bureau. In the planning aide position, defendant CATRILLO helped administer and provided staff support to the Jersey City Planning Board, the Jersey City Zoning Board of Adjustment and the Jersey City Historic Preservation Commission (together, the "Development Authorities"). In addition, defendant CATRILLO processed, reviewed and made recommendations concerning real estate development applications for the Development Authorities and, according to himself, handled tax abatements. In his position at the Mayor's Action Bureau, defendant CATRILLO conducted case work involving constituents and citizens. Defendant CATRILLO also was a candidate for election to the Municipal Council of Jersey City (Ward E) held on or about May 12, 2009. Ultimately, he did not prevail.

2. At all times relevant to this Complaint:

(A) There was an individual who served as the Vice President of the Jersey City Board of Education (until on or about May 2009), and a commissioner of the Jersey City Housing Authority ("JC Official 1");

(B) There was an individual who represented himself to be the owner of a consulting firm based in Jersey City (the "Consultant");

(C) There was an individual who was an official with the Jersey City Department of Health and Human Services ("HHS") and was a member of the Jersey City Zoning Board of Adjustment (the "Zoning Board") ("JC Official 2"); and

(D) There was a cooperating witness (the "CW") who had been

charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

3. On or about February 4, 2009, defendant CATRILLO, JC Official 2 and the CW met at a restaurant in Jersey City. During this meeting, defendant CATRILLO was advised by the CW that the CW was interested in developing real estate in Jersey City, and that the CW was looking for government officials that the CW could "own," who could get the CW "approvals" for the CW's projects, and who were not "straight arrows."

4. Defendant CATRILLO then agreed to accept \$10,000 from the CW "to start" and agreed to accept more payments as the approvals started and as defendant CATRILLO began to introduce the CW to other officials who also could assist the CW with the CW's real estate development interests in Jersey City.

5. On or about February 9, 2009, defendant CATRILLO, JC Official 2 and the CW met at a restaurant in Weehawken, New Jersey. Before JC Official 2 arrived for the meeting, defendant CATRILLO accepted \$5,000 in cash from the CW. As defendant CATRILLO accepted this payment, defendant CATRILLO was informed by the CW that defendant CATRILLO was receiving this payment "to start." Additionally, defendant CATRILLO agreed to assist the CW with the CW's "approvals," to "expedite" such approvals in connection with the CW's real estate development interests in Jersey City, and to introduce the CW to other individuals who could assist the CW with these matters.

6. On or about March 16, 2009, defendant CATRILLO, JC Official 2 and the CW met at a restaurant in Weehawken, New Jersey. During the meeting, defendant CATRILLO indicated that the Jersey City Municipal Council voted on every zoning change. The CW, alluding to the fact that defendant CATRILLO would likely be elected to the Council, remarked that this was "music to my ears" because "I got you opposite me." Defendant CATRILLO then replied, "But I don't know you though [meaning defendant CATRILLO would not acknowledge their prior relationship]," to which the CW stated: "That's right. That's how we do business. No one knows me. You never saw me. You don't know my name. No trace or nothing man. . . ." Defendant CATRILLO also indicated that he could talk to other council members with respect to prospective approvals or zoning changes for the CW. After the meeting in the restaurant, defendant CATRILLO and the CW continued to discuss

matters outside of the restaurant, where defendant CATRILLO agreed to, among other things, expedite prospective development matters for the CW that would come before Jersey City government's planning department. Thereafter, defendant CATRILLO accepted \$5,000 in cash. Defendant CATRILLO stated that he was going to put this money "directly" into the campaign. Defendant CATRILLO went on to state that ultimate approvals and zoning changes could not be guaranteed by defendant CATRILLO, citing one example where one project was not carried forth due to public pressure. Thereafter, the CW asked defendant CATRILLO if the CW had defendant CATRILLO's support, to which defendant CATRILLO answered, "Yes." Defendant CATRILLO further indicated that he would introduce the CW to other council members and community groups to assist the CW with obtaining approvals for the CW's development projects.

7. On or about March 24, 2009, defendant CATRILLO met JC Official 1, the Consultant and the CW at a diner in Jersey City. At the start of the meeting, defendant CATRILLO was informed by JC Official 1 that once defendant CATRILLO was elected to the city council, the CW would be looking for defendant CATRILLO's help with respect to the CW's purported development issues, including issues related to a project on Garfield Avenue. Defendant CATRILLO thereafter indicated that he was "pro development." Defendant CATRILLO further indicated that if he was elected, it would make sense for defendant CATRILLO to serve as the city council's designee on one of the land-use boards. This would have the effect of making defendant CATRILLO more valuable to the CW's purported development efforts in Jersey City. At the conclusion of this meeting, defendant CATRILLO was informed by the CW that the CW would give defendant CATRILLO another \$5,000 and that defendant CATRILLO should not forget the CW on development matters involving the CW.

8. On or about April 2, 2009, at approximately 9:17 a.m., FBI agents intercepted an incoming call from defendant CATRILLO to the Consultant's cell phone. During the conversation, defendant CATRILLO stated that the CW's "style is not right for some people." The Consultant responded that defendant CATRILLO and the Consultant should meet because the CW was "talking a substantial number," which is believed to be a reference to the amount of the payment that the CW had been offering in exchange for defendant CATRILLO'S contemplated official assistance. Defendant CATRILLO was informed by the Consultant that the CW had asked the Consultant to select "4 or 5 council people" whom the Consultant believed to be "worthy of a donation," a reference to the money that the CW was willing to offer in exchange for candidates' anticipated official assistance in favor of the CW's purported development initiatives in Jersey City. The Consultant mentioned that when the Consultant had brought up defendant

CATRILLO to the CW, the Consultant had been informed by the CW, "I've already taken care of Guy [CATRILLO]." Later in the conversation, defendant CATRILLO also was assured by the Consultant that "in E Ward, you're the only one on the list."

9. On or about April 23, 2009, defendant CATRILLO met the Consultant and the CW at a diner in Jersey City. During this meeting, defendant CATRILLO was informed by the CW of the need for a zone change with respect to the CW's purported development of a property on Garfield Avenue in Jersey City and that the CW wanted defendant CATRILLO to expedite the CW's approvals. Defendant CATRILLO further was informed by the CW that the CW had \$5,000 in cash for defendant CATRILLO and would give defendant CATRILLO another \$5,000 after the election, to which defendant CATRILLO responded, "Okay." Defendant CATRILLO further responded, "No, not at all," in response to the CW's statement "just don't forget me." Later in the conversation, defendant CATRILLO agreed with the CW that the CW's name would not be reported in connection with the receipt of this money. Thereafter, defendant CATRILLO accepted \$5,000 in cash in an envelope from the CW outside of the diner. During this portion of the conversation, the CW asked defendant CATRILLO to make sure to expedite the CW's matters. Defendant CATRILLO shook the CW's hand and, shortly thereafter, referring to the money, said that "it" would keep everybody "going" and "trust me."

10. On or about April 27, 2009, at approximately 5:46 p.m., FBI agents intercepted an incoming call from defendant CATRILLO to the Consultant's cell phone. During the conversation, the Consultant asked defendant CATRILLO, "Did you get the money from [the CW] when we saw him the other day [April 23rd]?" Defendant CATRILLO replied, "Yeah, I, I took care of that. Yeah." The Consultant responded, "Okay, good. Then I won't push to get it." Defendant CATRILLO then indicated that he had already put the cash to use, noting that "[y]eah, so, you know, that's, that's going out to, uh, you know, to the streets."

11. On or about May 14, 2009, at approximately 2:44 p.m., FBI agents intercepted an incoming call from defendant CATRILLO to the Consultant's cell phone. During this conversation, defendant CATRILLO asked the Consultant if the Consultant knew a "fellow named [SR], a developer?" The Consultant said, "[SR], sounds familiar." Defendant CATRILLO told the Consultant that SR "might be our friend's [the CW's] partner or something. He called up looking for me because I helped him once with Canal Crossings and the city's got a four-acre site on Garfield Avenue that he's looking for height and he wanted me to help him with the mayor and see if there's any promotions that were done on it." The Consultant said, "Okay." Defendant CATRILLO continued, "I think it's the same piece of property [that the CW wanted to

develop]," and the Consultant agreed, "[s]ounds like it to me." Defendant CATRILLO said, "So just in case he's a friend of our friend [the CW], remember the name [SR]. I have a phone number too." The Consultant said, "Okay, very good."

12. On or about May 14, 2009, at approximately 4:40 p.m., FBI agents intercepted an outgoing call from the Consultant's cell phone to defendant CATRILLO. During this conversation, the Consultant said, "The information on that guy [meaning SR] is that he's trying to be, ah, a dealmaker between [the CW] and [the CW's] partner from Union City and the owner of the property." Defendant CATRILLO said, "Then you don't need him." Defendant CATRILLO also said, "Very good, I'm glad I called." The Consultant said, "But that's good information, I very much appreciate it."

13. On or about May 26, 2009, at approximately 9:56 a.m., FBI agents intercepted an incoming call from defendant CATRILLO to the Consultant's cell phone. During this call, defendant CATRILLO said: "We're trying for [the Jersey City Planning Director] again today?" The Consultant replied: "Yeah, please." The Consultant asked defendant CATRILLO: "Should I just call him or are you going to check it out?" Defendant CATRILLO said: "I'll call him right, hold on, I'll call him on the other phone." As the Consultant held, defendant CATRILLO's end of the conversation on his other phone could be heard over the Consultant's cell phone. Defendant CATRILLO asked the Planning Director: "Do you have five minutes to share with [the Consultant]? He wants to ask you about a [certain] project. . . ." Defendant CATRILLO then asked the Planning Director, "Can I have [the Consultant] call you now? . . . I'll send him over to [a particular extension]." Shortly thereafter, over the Consultant's cell phone, the Consultant and the Planning Director discussed this project. The Consultant indicated that the CW was interested possibly in purchasing this project.

Attachment A

COUNT 1

From in or about June 2007 to in or about January 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

SCHMULIK COHEN

did knowingly and willfully conspire with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bank fraud, bankruptcy fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

COUNT 2

From in or about June 2007 to in or about January 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

SCHMULIK COHEN

did knowingly and willfully conspire with others to conduct, control, manage, supervise, direct and own all and part of an unlicensed money transmitting business--such operation being punishable as a misdemeanor and felony under New Jersey and New York law, namely, N.J.S.A. 17:15C-24 and McKinney's Banking Law §§ 641, 650--contrary to Title 18, United States Code, Section 1960, where a coconspirator committed an overt act to effect the object of the conspiracy.

In violation of Title 18, United States Code, Section 371.

Attachment B

I, Robert J. Cooke, a Special Agent with the Federal Bureau of Investigation ("FBI"), following an investigation and discussions with other law enforcement officers, am aware of the following facts. Because this Attachment B is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Nor have I recounted every conversation involving the defendant. All meetings referred to in this attachment were recorded, and all conversations are related in substance and in part.

1. At all times relevant to this Complaint, a defendant using the name Schmulik Cohen ("defendant COHEN") resided in Brooklyn, New York, and worked at an electronics store in Brooklyn. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking revealed that defendant COHEN does not hold a license to transmit or remit money.

2. At all times relevant to this Complaint:

(a) There was a coconspirator named Eliahu "Eli" Ben Haim (hereinafter, "Coconspirator Ben Haim"), who was a resident of Elberon, New Jersey, and the principal rabbi of Congregation Ohel Yaacob, a synagogue located in Deal, New Jersey. Coconspirator Ben Haim operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called Congregation Ohel Eliahu (hereinafter, "COE"). A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator Ben Haim does not hold a license to transmit or remit money;

(b) There was a coconspirator with the initials I.M. (hereinafter, "Coconspirator I.M.") who was an individual based in Israel. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator I.M. does not hold a license to transmit or remit money; and

(c) There was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and

concealing assets and monies in connection with bankruptcy proceedings.

3. On or about June 26, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, Coconspirator Ben Haim accepted a \$50,000 check, drawn upon an account for a fictitious company set up by the FBI for the purpose of enabling the CW to launder money represented to be the proceeds of illegal activities. The check was made payable to his charitable organization, COE, and was provided to Coconspirator Ben Haim with the expectation that the proceeds would be returned to the CW at a later date, minus a ten percent fee to be retained by Coconspirator Ben Haim. The CW represented that the proceeds of this \$50,000 check came from "that guy who was holding, uh, my, uh, money for me on that Florida insurance, uh, scam that I did." In response to that statement, Coconspirator Ben Haim asked "[a]nd you need forty-five thousand?" The CW responded in the affirmative, prompting Coconspirator Ben Haim to reply "[o]kay . . . Give me a couple days." During the same conversation, Coconspirator Ben Haim described Coconspirator I.M.'s activities in the following manner: "He washes money for people [u/i]. He washes money for people here . . . He gives me a check. I deposit it . . . from a third party . . . He give me -- I deposit it. I wire it to him. He gives me, uh, like, one percent." Coconspirator Ben Haim further stated that he had known Coconspirator I.M. for four to five years. At the conclusion of the conversation, the CW mentioned that the CW would be in Brooklyn the following Thursday, and offered to pick up cash on Coconspirator Ben Haim's behalf. Coconspirator Ben Haim seemed hesitant because he anticipated that it would be a large amount of money. The CW asked if the amount would be "half a mill," prompting Coconspirator Ben Haim to respond "yeah."

4. On or about June 28, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, Coconspirator Ben Haim accepted from the CW a bank check in the amount of \$50,000 made payable to COE. Coconspirator Ben Haim was informed by the CW that this check represented the proceeds of what the CW termed "that insurance, uh, scam deal from Florida." The CW also purported to Coconspirator Ben Haim that the CW had a great deal of money available to the CW because the CW was able to shield from the CW's ongoing bankruptcy court proceedings the money that the CW was earning on property deals involving "silent partnerships." The CW explained that "this way, you know, they give me a check or a bank check to you. They get a write off. It's good for them. I get the money back. So this way there's no trace, you

know, through you, and it works out for everybody. That's why I have a lot of money coming through." Coconspirator Ben Haim was further informed by the CW that the CW's reason for laundering the money through Coconspirator Ben Haim was "so the court doesn't know, the [bankruptcy] trustee doesn't know, no one knows nothin'." In exchange, Coconspirator Ben Haim gave the CW cash totaling approximately \$53,140, which represented the completion of two money laundering transactions: \$45,000 in cash for a \$50,000 check that the CW had provided to Coconspirator Ben Haim on June 26, 2007, and \$8,100 from a separate \$9,000 check which Coconspirator Ben Haim had received from the CW the previous day.¹ As he collated the cash to give to the CW, Coconspirator Ben Haim ran the bills through a cash-counting machine. Coconspirator Ben Haim also mentioned that he owed another individual \$495,000. This individual, according to Coconspirator Ben Haim, had wired money from Hong Kong to Israel, and stated that "he has money in Hong Kong from his -- the kickbacks from the factories." Coconspirator Ben Haim also further described the activities of Coconspirator I.M. in the following terms: "The head contact's in Israel . . . He has different people, he has, . . . he has a hundred cus-, no customer in New York [u/i] money in Israel [u/i] real estate investments, they, they want to hide their money. They don't want it to show. So they give the cash here to him and he gives me the cash . . . You see the merry-go-round? This guy's been doing it for 20, 30 years." Coconspirator Ben Haim also indicated that he would pick up cash, as coordinated by Coconspirator I.M., at locations in Brooklyn. The CW offered to pick up the cash that Coconspirator Ben Haim anticipated would be available to him the following week.

5. On or about August 1, 2007, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle, as it was parked in front of a residence in Deal. During the meeting, Coconspirator Ben Haim accepted from the CW a bank check made payable to COE. The CW described the bank check, which was in the amount of \$75,000, as follows, "This is 75 from that bank schnookie deal. And I have one more 75 from him and that's the -- we got a half million from a bank . . ." Coconspirator Ben Haim wondered what he should tell authorities "[i]f they ask me where did you get this check from?" After the CW again referred to the check as stemming from a fraudulent loan, Coconspirator Ben Haim answered his own question by stating that he would tell authorities that "[the CW] mailed me an anonymous donation. . . ." During the same conversation, Coconspirator Ben Haim provided

¹ An additional \$40.00 was included in the sum of cash provided to CW on this date.

further details about Coconspirator I.M.'s laundering operation and referred to a specific individual as Coconspirator I.M.'s partner, and further stated that "there's six people involved in this thing." Coconspirator Ben Haim also referred to the pickups of cash in New York City, and the CW offered to pick up the cash for Coconspirator Ben Haim. When the CW asked whether it would be the same guy from whom the CW had previously received money several weeks earlier, Coconspirator Ben Haim stated that the pickup "[c]ould be [in] Queens, could be a hotel in Manhattan, it could be anywhere. Lately, it's been Boro Park."

6. On or about August 6, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the conversation, Coconspirator Ben Haim accepted a bank check in the amount of \$50,000 from the CW. As with previous checks, this bank check was made payable to COE. The CW described the check as follows: "This is a check for, uh, fifty thousand from that, uh, bank, uh, schnookie deal." On this occasion, Coconspirator Ben Haim gave the CW approximately \$67,500 in cash to complete the money laundering transaction from August 1, 2007, during which the CW had provided Coconspirator Ben Haim with the aforementioned \$75,000 check. Coconspirator Ben Haim also indicated that he had picked up cash from numerous individuals over the years, stating that "[i]n the five years [I'm] with [Coconspirator I.M.], maybe I saw over a hundred different people."

7. On or about September 11, 2007, after Coconspirator Ben Haim asked the CW to pick up cash from defendant COHEN in Brooklyn, the CW in New Jersey received a telephone call from defendant COHEN in New York. During the conversation, defendant COHEN inquired whether the CW was going to pick up cash in Brooklyn the next day, as defendant COHEN had \$100,000 in cash available. Defendant COHEN also stated that he did not wish to travel to New Jersey, but would meet the CW at his store in Brooklyn. Despite this discussion, this cash pickup did not occur.

8. On or about October 31, 2007, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim accepted two checks from the CW -- both of which were made payable to COE as part of money laundering transactions. One of these checks was a bank check in the amount of \$50,000, while the other check was in the amount of \$22,500 and drawn upon the account of a charitable organization administered by another money launderer, Rabbi Saul Kassin. During the meeting, Coconspirator Ben Haim remarked that he was currently low on cash, and that it was difficult to get a

sufficient supply of cash on a timely basis from Coconspirator I.M. to keep pace with the demand of his customers. Coconspirator Ben Haim stated that "four, five years I'm doing this with this guy. I know at the end of the year it's tight." Coconspirator Ben Haim related that prior to his dealings with Coconspirator I.M., he had moved cash through another individual, but stated that "they caught him laundering . . . he got a slap on the wrist." Coconspirator Ben Haim indicated that this individual was finishing a ten-month sentence that he was serving at F.C.I. Otisville. Subsequently, Coconspirator Ben Haim complained that he was "lucky" if he could move one to two million dollars a year at present. He remarked that "the most I ever did was seven to eight" million dollars in a year, and indicated that he earned "a million dollars a year" during that period.

9. On or about December 19, 2007, after Coconspirator Ben Haim and the CW coordinated by telephone a cash pickup by the CW from defendant COHEN, the CW met with defendant COHEN outside defendant COHEN's residence in Brooklyn. During the meeting, defendant COHEN handed the CW a plastic bag containing a Cinnabon Crunch cereal box and a Hefty garbage bag box. Secreted within those containers were bundles of cash, totaling approximately \$118,000. The CW asked "if we need something else next week, do you have more next week?" Defendant COHEN replied that "I should get, I think, the way I understand from [Coconspirator I.M.] . . . after tomorrow, I should get more stuff." By way of clarification, the CW then asked "[s]o if I need like 200 [thousand] next week, you're okay?" In response, defendant COHEN stated "[u]h, yeah, I think so."

10. On or about December 20, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During this meeting, the CW gave to Coconspirator Ben Haim the \$118,000 in cash that the CW had received from defendant COHEN earlier that day. Coconspirator Ben Haim also accepted a bank check from the CW in the amount of \$50,000 made payable to COE as part of a money laundering transaction. When the CW handed the check to Coconspirator Ben Haim, the CW stated that "[t]his is on that [] Bank schnookie deal. . . The guy owes me another hundred [thousand] on that, but not till after the New Year." The CW also informed Coconspirator Ben Haim that "I should have another check today from [another organization] for twenty-five [thousand]," a reference to a laundering deal that the CW hoped to consummate with another money launderer, Rabbi Saul Kassin, later that day. In exchange for the \$50,000 check and as payment on a prior laundering deal, Coconspirator Ben Haim counted out approximately \$55,000 from the cash that the CW had delivered and

gave it to the CW. Coconspirator Ben Haim stated that he was unable at that time to provide any additional cash to the CW to complete other prior deals, as he needed the cash for two other individuals bringing him checks for \$52,000 and \$28,000, respectively. This prompted Coconspirator Ben Haim to place a call to Coconspirator I.M., and, upon conclusion of that call, Coconspirator Ben Haim stated that "[h]e's gonna let me know" if there will be a cash pickup in Brooklyn later that day.

11. On or about January 16 through January 18, 2008, in several telephone conversations, Coconspirator Ben Haim and the CW coordinated a cash pickup by the CW from defendant COHEN. During one of those conversations, Coconspirator Ben Haim informed the CW that he was expecting a "big delivery" of cash. When the CW informed Coconspirator Ben Haim of the CW's plans to be in Brooklyn, Coconspirator Ben Haim told the CW that the CW should "pick up the potatoes" (meaning cash) in "Boro Park."

12. On or about January 17, 2008, the CW in New Jersey received a telephone call from defendant COHEN in New York. During that conversation, defendant COHEN stated that he did not yet have the cash that the CW was going to pick up for Coconspirator Ben Haim.

13. On or about January 18, 2008, in a telephone conversation, defendant COHEN confirmed that cash was available to be picked up by the CW at defendant COHEN's residence the following night.

14. On or about January 19, 2008, defendant COHEN met with the CW outside defendant COHEN's residence in Brooklyn. During the meeting, defendant COHEN handed the CW a canvas bag containing approximately \$300,000 in cash. The CW asked defendant COHEN if the bag contained "300," to which defendant COHEN replied "[y]eah." The two began to discuss the store at which defendant COHEN worked, and defendant COHEN explained that he typically does not leave money at his store, preferring to "do the deals" at his residence.

15. On or about January 20, 2008, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, the CW gave to Coconspirator Ben Haim the canvas bag containing approximately \$300,000 in cash that the CW had received from defendant COHEN the previous day. Coconspirator Ben Haim ran the cash provided by the CW through a cash-counting machine and then, from the cash given to him by the CW, gave the CW approximately \$95,200 to complete two earlier money laundering transactions, including the one from December

21, 2007. In addition, Coconspirator Ben Haim confirmed that he had met defendant COHEN and indicated that defendant COHEN had traveled to New Jersey to meet with Coconspirator Ben Haim on a prior occasion.

16. On or about February 7, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle, as it was parked outside a residence in Deal. During the meeting, the CW indicated to Coconspirator Ben Haim that the CW expected to launder two checks in a total amount of \$160,000 through Coconspirator Ben Haim in exchange for cash, minus a ten percent laundering fee that would be retained by Coconspirator Ben Haim. Coconspirator Ben Haim contacted Coconspirator I.M. by telephone to discuss the availability of cash. At the conclusion of that discussion, which was in Hebrew, Coconspirator Ben Haim turned to the CW and stated "[y]ou got a hundred and fifty [thousand] to pick up." This amount included \$100,000 to be retrieved from defendant COHEN and an additional \$50,000 to be retrieved from another individual. Coconspirator Ben Haim agreed to notify defendant COHEN and the other individual about the CW coming to pick up the money.

17. On or about February 7, 2008, after Coconspirator Ben Haim contacted the CW by telephone to inform the CW that cash was available to be picked up from defendant COHEN, the CW met with defendant COHEN outside defendant COHEN's residence in Brooklyn. During the meeting, defendant COHEN handed to the CW a plastic garbage bag containing two large bundles of cash, primarily in \$50 and \$100 denominations, for total cash of approximately \$100,000. Also that day, the CW retrieved a second bag of cash from another coconspirator in Brooklyn.

18. On or about February 7, 2008, after returning to New Jersey from the above-mentioned meetings in Brooklyn, the CW met with Coconspirator Ben Haim in Coconspirator Ben Haim's vehicle, as it was parked outside a residence in Deal. During the meeting, the CW gave to Coconspirator Ben Haim the two bags of cash that the CW had picked up earlier that day. As the CW handed the bags to Coconspirator Ben Haim, the CW noted "[t]his one is from [the other individual]," and "[t]his one is from [defendant COHEN]." Coconspirator Ben Haim counted out \$22,500 from the cash that the CW had delivered and then gave it to the CW to complete an earlier money laundering deal. The CW also informed Coconspirator Ben Haim that the CW still expected to receive the two checks totaling approximately \$160,000.

19. On or about March 10, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim and the CW discussed the amount of money Coconspirator Ben Haim owed to the CW to complete their prior money laundering transactions. Coconspirator Ben Haim stated that he believed that he would soon have cash, as defendant COHEN would soon have \$200,000 for him and another individual was holding \$30,000 for him.

20. On or about March 13, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Ocean, New Jersey. During the meeting, Coconspirator Ben Haim retrieved a white bag from the back seat of his vehicle, explaining that he had sent an individual to retrieve \$150,000 in cash the day before from defendant COHEN at defendant COHEN's store in Brooklyn. Coconspirator Ben Haim reached into the bag and took out a bundle of approximately \$10,000 in cash. Coconspirator Ben Haim then counted out approximately \$5,700, and handed it to the CW to complete prior money laundering deals.

21. On or about May 15, 2008, Coconspirator Ben Haim met with the CW, while traveling in the CW's vehicle from Long Branch, New Jersey, to a location in Deal, and then back to Long Branch. During the meeting, the CW provided Coconspirator Ben Haim with a \$50,000 bank check to launder, and explained that the money came from "the Prada pocketbooks and the Gucci stuff - the knock-offs." The CW explained that "[t]hey switch the labels. They look better than the real thing. You -- your wife wouldn't be able to tell the difference. That's how good these guys are." When Coconspirator Ben Haim warned that "it's a very dangerous thing," the CW replied that "my name's not on anything. What's dangerous?" Coconspirator Ben Haim noted that "[s]o if they get caught, they go to jail." In exchange for the \$50,000 bank check, Coconspirator Ben Haim retrieved cash from a bag that was stored at the location in Deal, counted it out and provided the CW with approximately \$45,000, thus retaining a \$5,000 fee for conducting the transaction. In addition, Coconspirator Ben Haim indicated that he had received the cash for that transaction from "the other crazy guy . . . Schmulik COHEN." Coconspirator Ben Haim related that defendant COHEN had traveled from Brooklyn to Long Branch to deliver \$200,000 in cash to Coconspirator Ben Haim, who provided defendant COHEN with \$200 for cab fare.

22. On or about December 30, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim provided the CW with approximately \$64,850 in cash as partial payment for a \$160,000 check provided by the CW on or about December 16, 2008. During

the conversation, Coconspirator Ben Haim was informed by the CW that "things are picking back up in my, uh, knock-off pocketbook business, my counterfeit business." Coconspirator Ben Haim also was told that the money involved in their laundering transaction "is only profits - principal I keep in there." Coconspirator Ben Haim informed the CW that he had a lot of "orders" for laundering transactions because it was near the end of the year, but that some clients wished to wait until the turn of the year to consummate the transactions. It is believed that Coconspirator Ben Haim was referring to the efforts of some of his customers to select the year during which they would claim deductions for charitable contributions on their income tax returns based on the checks provided to Coconspirator Ben Haim.

23. On or about January 18, 2009, Coconspirator Ben Haim met with the CW at a location on Ocean Parkway in Brooklyn. During the meeting, Coconspirator Ben Haim and the CW discussed a potential pickup of approximately \$150,000 from defendant COHEN in Brooklyn during the following week, the proceeds of which would be used to complete a money laundering transaction commenced on or about December 16, 2008. Coconspirator Ben Haim told the CW about "customers from two, three years ago that are calling me," and indicated that "[t]hat's a signal that the market is tight." Coconspirator Ben Haim also discussed his source for cash, Coconspirator I.M., and stated that he spoke to Coconspirator I.M. "[e]very day - every other day." Referring to Coconspirator I.M., Coconspirator Ben Haim then asked the CW "[d]id you know that he had me in the last four years send out wires every time to a different place in the world to a different name? It's unbelievable. I never saw anything like it." When the CW asked whether Coconspirator Ben Haim was referring to different locations in only Israel, Coconspirator Ben Haim replied "[n]o, all over the world. . . All over the world. From Australia to New Zealand to Uganda. I mean [u/i] every country imaginable. Turkey, you can't believe it. . . . All different names. It's never the same name. . . . Switzerland, everywhere, France, everywhere, Spain China, Japan." Coconspirator Ben Haim also explained that the market for cash was tight "only in the beginning of the year and the end of the year."

24. Between in or about June 2007 and in or about January 2009, defendant COHEN transferred a total of more than \$850,000 to defendant BEN HAIM and the CW, as part of money laundering transactions.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

LEVI DEUTSCH, a/k/a "Levi Deutch," : Mag. No. 09-3616
a/k/a "Levi Deutse," and BINYOMIN :
SPIRA, a/k/a "Benjamin E. Spira" :

I, Robert J. Cooke, being duly sworn, state that the following is true and correct to the best of my knowledge and belief.

From in or about March 2009 to in or about May 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendants LEVI DEUTSCH, a/k/a "Levi Deutch," a/k/a "Levi Deutse," and BINYOMIN SPIRA, a/k/a "Benjamin E. Spira," and others did:

knowingly and willfully conspire to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except as otherwise indicated.

1. Defendant Levi Deutsch, a/k/a "Levi Deutch," a/k/a "Levi Deutse," (hereinafter, "defendant DEUTSCH"), was an Israeli citizen. Defendant DEUTSCH operated a tax-exempt charitable organization called "Tzedek Levi Yitzkak." A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant DEUTSCH does not hold a license to transmit or remit money.

2. Defendant Binyomin Spira, a/k/a "Benjamin E. Spira," (hereinafter, "defendant SPIRA"), a resident of Brooklyn, New York, was employed at a bakery in the Flatbush section of Brooklyn. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant SPIRA does not hold a license to transmit or remit money.

3. At all times relevant to this Complaint:

(a) There was a coconspirator named Mordchai Fish, a/k/a "Mordechai Fisch," a/k/a "Martin Fisch," (hereinafter, "Coconspirator Fish"), who was a resident of Brooklyn, and served as a rabbi of Congregation Sheves Achim, a synagogue located in Brooklyn. Coconspirator FISH operated several tax-exempt charitable organizations, including one called "BGC". A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator Fish does not hold a license to transmit or remit money; and

(b) There was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW

purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and concealing assets and monies in connection with bankruptcy proceedings.

4. On or about March 4, 2009, Coconspirator Fish met with the CW on a street corner in the Boro Park section of Brooklyn. The two then began to drive in the CW's car to a grocery store which Coconspirator Fish indicated would be the location where they would retrieve the cash in exchange for four bank checks totaling \$50,000 brought by the CW and provided to Coconspirator Fish. Coconspirator Fish explained that when they arrived at the grocery store, "I'll go in first." Coconspirator Fish further explained, referring to the individual at the grocery store, "[t]his is, this is a middleman. The main guy is in Williamsburg. He send it over here." The CW replied "[o]h, I thought it was Levi from Israel," to which Coconspirator Fish responded "Levi--Israel send it here," and reiterated that the drop off of the cash had been arranged by "Levi." As the two continued to drive, the CW mentioned the cross streets to which they were headed, causing Coconspirator Fish to remark "I'm nervous now Don't even say the street . . . in this car." The CW assured Coconspirator Fish that "[t]here's nothing. I had [the car] swept. Don't worry about it," to which Coconspirator Fish replied "swept, shmept." As the two neared the grocery store, Coconspirator Fish reiterated that "[i]t's a grocery store . . . he's just a middleman. The guy drops it here." A short while later, Coconspirator Fish and the CW entered a grocery store located near 16th Avenue in Brooklyn whereupon Coconspirator Fish consulted with an unidentified male working at the store. The CW and Coconspirator Fish then reentered the CW's vehicle, and Coconspirator Fish confirmed that the white plastic bag he was holding contained the cash for the deal. The CW and Coconspirator Fish then drove to Coconspirator Fish's synagogue whereupon Coconspirator Fish removed the cash from the white, plastic bag. Coconspirator Fish and the CW then began counting the cash which was packaged in bundles of \$100 bills.

5. Before Coconspirator Fish and the CW had completed counting the cash, defendant DEUTSCH arrived as Coconspirator Fish had promised. Shortly after defendant DEUTSCH sat down, Coconspirator Fish told defendant DEUTSCH that the CW "wants to know how much more gemoras are you doing?" "Gemoras" was a code word which Coconspirator Fish had previously told the CW to use when referring to cash. Defendant DEUTSCH laughed at Coconspirator Fish's question, and the CW remarked "[e]very day, a hundred, sometimes two, three hundred a week." Defendant

DEUTSCH then told the CW "[m]y name is Levi DEUTSCH." Defendant DEUTSCH encouraged the CW to join him as a partner in setting up charitable organization accounts through which other individuals' money could be moved for a fee. Defendant DEUTSCH related that he already ran such accounts, and explained their operation to the CW in the following terms: "you have people, let's say, who have big checks every day. But I don't deal with people in the street. I just deal with people--big changers." Defendant DEUTSCH continued by explaining, "[t]hey, they, they don't wanna put in all these checks in one," at which point the CW interjected "[t]hey don't want anyone to see what's going on." Defendant DEUTSCH replied "[y]es," and continued "in one [account] --it's too much money. So we have opened an account . . . like a charity." The CW noted, referring to a charitable organization, "[s]o, it looks good like a gemach or something," and defendant DEUTSCH responded "[y]eah, and we put it over there." Defendant DEUTSCH explained that "[f]or every ch--, for every check, every check . . . we take two percent, three percent." Defendant DEUTSCH asserted that this activity was not illegal in Israel, but noted that "I have over here [a] charity," which defendant DEUTSCH named as Tzedek Levi Yitzkak, and added that he used bank accounts in the United States including accounts at "some [New] Jersey banks." As the conversation continued, defendant DEUTSCH stated to the CW that "[l]et's say if you're gonna be my partner. First of all, the money--what you put in--you could wash it." Moments later, the CW asked what would happen if "I put in a million dollars," into the U.S.-based charitable account which defendant DEUTSCH had indicated he controlled. Defendant DEUTSCH replied that "I'll give it back to you. First of all, first of all, I could give it back cash to you . . . in America." The CW inquired as to the source of the cash, and defendant DEUTSCH replied that "I have people over here," and referred to "our people who have Switzerland money." The CW observed that while operating such accounts might not be illegal in Israel, "over here, you got to be very careful 'cause it's illegal." As the conversation proceeded, the CW inquired as to the volume of defendant DEUTSCH's business, asking "[b]ut you could handle a million dollars a month, no problem?" Defendant DEUTSCH replied "[y]es, no problem." The CW then inquired "if I give you a million dollar check on Monday, how, how quickly can you get me back my money?" In response, defendant DEUTSCH stated "I could give it back to you in a week," but added that as far as any checks the CW provided, "[i]t has to be bank checks." A short while later, the CW and defendant DEUTSCH discussed the CW's business, and the CW explained that "I got a bag, you know, they make pocketbooks? Prada, Gucci, fancy stuff, Canali, you know, the fancy bags? They sell for two, three thousand in the store. I make 'em for forty dollars, I sell 'em . . . for two

hundred dollars. They're knock-off bags." The CW added, referring to the proceeds of the bank check the CW had brought that day, "I have profits." As defendant DEUTSCH continued to encourage the CW to enter into a partnership with him, the CW pointed out that "[w]e can't talk on the phone." In response, defendant DEUTSCH stated "I'm gonna make a hint with you. There are certain codes. Like let's say, when I say . . . I want hundred thousand dollars, I say 'one cow,' 'a cow-and-a-half.'" In response to the CW's question, defendant DEUTSCH confirmed that "a cow-and-a-half," would mean "150" thousand dollars. Defendant DEUTSCH inquired again as to the nature of the CW's business, and the CW explained that "I got a, a bag business, knock-off business . . . Instead of a two thousand dollar fancy bag, I use the same label. I make two-hundred dollar counterfeit bags. We're knock-off bags. . . . It's the profits from the bag business." At the conclusion of the meeting, defendant DEUTSCH told the CW "[i]f they catch you, you could sit in jail," to which the CW replied "and what we're doing with the cash is the same thing here. We gotta be careful." The CW then departed with approximately \$45,000 in cash from the amount picked up earlier at the grocery store.

6. On or about May 6, 2009, Coconspirator Fish met with the CW in the Boro Park section of Brooklyn. At the start of the meeting, which took place at Coconspirator Fish's synagogue, Coconspirator Fish informed the CW that defendant DEUTSCH would be arriving shortly. The CW inquired "so he's not bringing the money?" Coconspirator Fish indicated that he expected to pick up the money, but did not "know [the] exact time." Coconspirator Fish explained that "[defendant DEUTSCH's] got the connections. His connections." A short while later, defendant DEUTSCH arrived. During the meeting, Coconspirator Fish indicated that "we have 300 [thousand] in New York now." As the conversation continued, the CW told defendant DEUTSCH that "I got my pocketbook business . . . we make the fancy bangs. . . You know, they make the fancy bags. This, a bag like this for three thousand? . . . I make the same bag. I put the label on. It costs me twenty dollars. I sell it for two hundred." Defendant DEUTSCH replied "I know, I understand." The CW next referred to the CW's "fake bags, the counterfeit bags," and stated "right now, we make 'em there, the money comes in." The CW further informed defendant DEUTSCH of the purported nature of the CW's counterfeit bag business in the following terms: "we make 'em, we ship 'em, and we make money. . . . The money comes into New York, and we ship it overseas to another bank--we wire it. And then it comes back to New Jersey to the bank." The CW then added that "then we bring bank checks," a reference to the bank checks that the CW had brought that day, including a \$40,000 bank check drawn

upon an account in Monmouth County, New Jersey, and made out to BGC, a "gemach" or charitable organization, at the direction of Coconspirator Fish. After handing the check to defendant DEUTSCH, the CW and defendant DEUTSCH discussed alternative ways of conducting future transactions. The CW asked, referring to the cash which the CW expected to receive that day, "the hundred thousand dollars from today, that's, that's from you?" Defendant DEUTSCH replied "[y]es, yes." The CW then asked "how do you get the money, from one of your people?" Defendant DEUTSCH explained "[y]es, I have over here people that, that have every time cash." The CW inquired as to the source of the cash, and defendant DEUTSCH replied "[l]argely, diamond, diamond business [and] other, other things." Coconspirator Fish then explained to the CW from where they were to retrieve the cash that day, stating, "it was early, early in the morning, uh, and the guy works at the bakery in Flatbush, but he, but, uh, the morning bag he gave away." Coconspirator Fish added, referring to defendant SPIRA, "[h]e's getting, uh, he's getting this afternoon another hundred [thousand]--two hours, two, three hours." The CW told Coconspirator Fish that "I only have a hundred today. Friday, I'll have another hundred."

7. On or about May 7, 2009, defendant DEUTSCH and Coconspirator Fish met with the CW in the Boro Park section of Brooklyn to complete the money laundering transaction from the previous day. After parking the CW's vehicle near the corner of 14th Avenue and 44th Street, the CW met defendant DEUTSCH and Coconspirator Fish on the sidewalk, and all three reentered the CW's vehicle. Coconspirator Fish informed the CW that the location where they would pick up the cash for the transaction was "a bakery," and quipped "[b]ecause he bakes the money." The CW asked how it was that the person at the bakery had "so many gemoras," and Coconspirator Fish replied "[o]h, the bakery's just the middleman." The CW inquired "what's the source? Where's it from?" Coconspirator Fish replied "this is all from diamonds. All from, eh, banks . . ." The CW continued to press defendant DEUTSCH about the source of the cash, prompting defendant DEUTSCH to assure the CW that "[i]t's not drug money." As the conversation continued, defendant DEUTSCH indicated that they generally used a counting machine to count the cash, but indicated that the cash they would retrieve that day had been counted already. A short while later, defendant DEUTSCH, Coconspirator Fish and the CW entered a bakery located on Avenue M in Brooklyn whereupon defendant DEUTSCH and Coconspirator Fish engaged defendant Spira in conversation. After defendant SPIRA had provided them with a bag containing a large sum of cash, defendant DEUTSCH, Coconspirator Fish and the CW reentered the CW's vehicle. Subsequently, the three discussed plans to

continue to launder money generated from the CW's purported counterfeit handbag business. The CW stated that "we have to get the money--the gemoras--from this, uh, these bags, these pocketbooks, you know, those knock-off ones that I make. I got to get it. We get the money here. We deposit it in New York. Then we send it to New Jersey. Then we, then we're gonna send it to Turkey probably. Then from Turkey, I'm gonna send it to Switzerland. Then you get it to Israel, no?" Defendant DEUTSCH suggested "[m]aybe I just send it into a company in Switzerland . . . the company will send it to me." Defendant DEUTSCH indicated that "I have an account too . . . I have a big banker over there . . . in Switzerland." Defendant DEUTSCH described this individual as owning "two, three banks," prompting the CW to ask "[y]ou got to pay him to wash the money or he does it for free?" Defendant DEUTSCH replied "[n]o, no, I have to pay him, sure." The CW next inquired "[w]hat's [the banker] gonna charge for a million dollars--a point, ten grand?" Defendant DEUTSCH responded "[n]o. More. . . . Two, three points." A short time later, Coconspirator Fish exited the vehicle, and defendant DEUTSCH indicated to the CW that he would like to deal with the CW directly rather than through Coconspirator Fish. The two began negotiating a fee that defendant DEUTSCH would receive for laundering the CW's money, and defendant DEUTSCH indicated that he received a three percent fee from Coconspirator Fish for deals, but added that "I want to make a little more. I should make something. I don't make a very lot." The CW indicated that "[w]e'll give you four, four points," and the two agreed to talk further by phone. Coconspirator Fish then reentered the CW's car, and the CW then drove to the Boro Park hotel at which defendant DEUTSCH was staying. Once in defendant DEUTSCH's hotel room, the CW and Coconspirator Fish counted the cash, during which time Coconspirator Fish indicated that he would like to receive a greater amount than the ten percent he had agreed to accept from the CW as his fee. Subsequently, the CW provided defendant DEUTSCH with the three bank checks made payable to "BGC," a "gemach" or charitable organization operated by Coconspirator Fish, and drawn upon an account at a Monmouth County-based bank. At the conclusion of the meeting, the CW departed with approximately \$90,000 of the cash which had been retrieved from defendant SPIRA at the bakery.

8. On or about May 13, 2009, the CW received an international telephone call in New Jersey from defendant DEUTSCH who was in Israel. During the conversation, the two discussed the bank checks that the CW was to bring the following day as part of a money laundering transaction. Defendant DEUTSCH told the CW that "I'll give you tomorrow [the phone] number. Tomorrow morning, you'll go there and pick it up." Subsequently, the CW

stated "[s]o call me at like 9 o'clock. Give me the information so I can, you know, 'cause I have to go to New Jersey, uh, to pick up, uh, the checks from my, uh, my knock-off bag business. So just call me in the morning so I'll pick 'em up in New Jersey." Defendant DEUTSCH agreed to call the CW the following morning, and also informed the CW that he expected to travel from Israel to the United States "either next Thursday or the following week." The two then discussed the details of the transaction, and the CW asked "[s]o tomorrow, wha--, what am I picking up--ni--, uh, ninety-seven gemoras?" Defendant DEUTSCH replied "[y]es," but indicated that this amount would not include a fee that he would recoup. After discussing the amount of defendant DEUTSCH's fee, the CW stated "[o]kay, so three [percent] for him, and three for you. Okay, you got it, no problem."

9. On or about May 14, 2009, the CW received an international telephone call in New Jersey from defendant DEUTSCH who was in Israel. Defendant DEUTSCH stated that the name of the individual whom the CW was to meet to complete the money laundering transaction was "Mr. Spira." Defendant DEUTSCH also informed the CW that "I talked to my partner. . . He's gonna give you back [u/i] two-and-a-half [u/i] okay, not three. Two-and-a-half." By way of clarification, the CW asked "[s]o he's giving me back . . . ninety-seven-and-a-half gemoras?" Defendant DEUTSCH replied "[y]es, ninety-seven-and-a-half gemoras." The CW agreed to pay defendant DEUTSCH an additional amount when defendant DEUTSCH returned from Israel. Defendant DEUTSCH then asked "[d]id you bring your bank checks?" In reply, the CW informed defendant DEUTSCH that "I'm going to New Jersey now. I'm picking up, uh, the three, uh, bank checks. That's the profits from my, uh, you know, my knock-off, my bag business." Defendant DEUTSCH then supplied a telephone number for the individual whom he had identified as "Mr. Spira," and described him as the individual at "the bakery."

10. On or about May 14, 2009, the CW traveled to a bakery located on Avenue M in Brooklyn at the direction of defendant DEUTSCH. Upon arrival, the CW met with defendant SPIRA, who acknowledged that the two had met the previous week. Defendant SPIRA provided the CW with a plastic bag containing cash, stating "just make sure. Fifty, sixty, seventy-three, ninety, ninety-seven-fifty," referring to the cash that the CW was to receive as part of the laundering transaction arranged through defendant DEUTSCH. The CW responded "ninety-seven thousand five hundred gemoras. Okay, thanks. Now, let me give you this." The CW then handed defendant SPIRA three bank checks drawn upon an account at a Monmouth County-based bank, stating "these are bank checks."

Official checks . . . I got 'em from New Jersey from my business just now. Forty thousand, thirty thousand, and thirty thousand." Defendant SPIRA noted the payee listed on the checks and stated "BGC, whatever," prompting the CW to explain that "BGC" was the name of the entity defendant DEUTSCH told the CW to use. The CW then explained "[m]y business is, uh, BH. I have a handbag business. I make knock-off, you know, bags, you know." Defendant SPIRA asked "[w]hich one?" The CW replied "I make like, you know, hand--, like Zenya, Canali. They make fancy pocketbooks. . . See I make 'em for like twenty dollars. I sell 'em for a hundred dollars," prompting defendant SPIRA to reply "[u]h-huh," and to laugh. The CW, referring to the bank checks, added that "[t]hat's from profits from my business. I went to New Jersey, picked it up." The CW indicated that the CW had attempted to call defendant SPIRA using the telephone number provided by defendant DEUTSCH, but that nobody had answered the phone. Defendant SPIRA confirmed that the number was correct but indicated that defendant DEUTSCH had incorrectly provided a prefix of "917" when the actual prefix was "718." After the two briefly discussed defendant DEUTSCH, at which time defendant SPIRA noted that "you're working with Levi," the CW departed with approximately \$97,500 in cash.

11. Between in or about March 2009 and in or about May 2009, defendants DEUTSCH and SPIRA engaged in money laundering transactions with the CW totaling more than \$200,000 in funds represented by the CW to involve the proceeds of criminal activities.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

YESHAYAHU EHRENTAL : Mag. No. 09-3618

I, Robert J. Cooke, being duly sworn, state that the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

COUNT 1

From in or about June 2007 to in or about February 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

YESHAYAHU EHRENTAL

did knowingly and willfully conspire with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bank fraud, bankruptcy fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

COUNT 2

From in or about June 2007 to in or about February 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

YESHAYAHU EHRENTAL

did knowingly and willfully conspire with others to conduct, control, manage, supervise, direct and own all and part of an unlicensed money transmitting business--such operation being punishable as a misdemeanor and felony under New Jersey and New York law, namely, N.J.S.A. 17:15C-24 and McKinney's Banking Law §§ 641, 650--contrary to Title 18, United States Code, Section 1960, where a coconspirator committed an overt act to effect the object of the conspiracy.

In violation of Title 18, United States Code, Section 371.

Attachment B

I, Robert J. Cooke, a Special Agent with the Federal Bureau of Investigation ("FBI"), following an investigation and discussions with other law enforcement officers, am aware of the following facts. Because this Attachment B is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Nor have I recounted every conversation involving the defendant. All conversations referred to in this attachment were recorded and are related in substance and in part.

1. At all times relevant to this Complaint, defendant Yeshayahu Ehrental ("defendant EHRENTAL") resided and maintained an office in Brooklyn, New York. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant EHRENTAL does not hold a license to transmit or remit money.

2. At all times relevant to this Complaint:

(a) There was a coconspirator named Eliahu "Eli" Ben Haim (hereinafter, "Coconspirator Ben Haim") who was a resident of Elberon, New Jersey, and the principal rabbi of Congregation Ohel Yaacob, a synagogue located in Deal, New Jersey. Coconspirator Ben Haim operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called Congregation Ohel Eliahu (hereinafter, "COE"). A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator Ben Haim does not hold a license to transmit or remit money;

(b) There was a coconspirator with the initials I.M. (hereinafter, "Coconspirator I.M.") who was an individual based in Israel. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator I.M. does not hold a license to transmit or remit money; and

(c) There was a cooperating witness (hereinafter, the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and concealing assets and monies in connection with bankruptcy proceedings.

3. On or about June 26, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, Coconspirator Ben Haim accepted a \$50,000 check, drawn upon an account for a fictitious company set up by the FBI for the purpose of enabling the CW to launder money represented to be the proceeds of illegal activities. The check was made payable to Coconspirator Ben Haim's charitable organization, COE, and was provided to Coconspirator Ben Haim with the expectation that the proceeds would be returned to the CW at a later date, minus a ten percent fee to be retained by Coconspirator Ben Haim. The CW represented that the proceeds of this \$50,000 check came from "that guy who was holding, uh, my, uh, money for me on that Florida insurance, uh, scam that I did." In response to that statement, Coconspirator Ben Haim asked "[a]nd you need forty-five thousand?" The CW responded in the affirmative, prompting Coconspirator Ben Haim to reply "[o]kay . . . Give me a couple days." During the same conversation, Coconspirator Ben Haim described Coconspirator I.M.'s activities in the following manner: "He washes money for people [u/i]. He washes money for people here . . . He gives me a check. I deposit it . . . from a third party . . . He give me -- I deposit it. I wire it to him. He gives me, uh, like, one percent." Coconspirator Ben Haim further stated that he had known Coconspirator I.M. for four to five years. At the conclusion of the conversation, the CW mentioned that the CW would be in Brooklyn the following Thursday, and offered to pick up cash on Coconspirator Ben Haim's behalf. Coconspirator Ben Haim seemed hesitant because he anticipated that it would be a large amount of money. The CW asked if the amount would be "half a mill," prompting Coconspirator Ben Haim to respond "yeah."

4. On or about June 28, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, Coconspirator Ben Haim accepted from the CW a bank check in the amount of \$50,000 made payable to COE, Coconspirator Ben Haim's charitable organization. Coconspirator Ben Haim was informed by the CW that this check represented the proceeds of what the CW termed "that insurance, uh, scam deal from Florida." The CW also purported to Coconspirator Ben Haim that the CW had a great deal of money available to the CW because the CW was able to shield from the CW's ongoing bankruptcy court proceedings the money that the CW was earning on property deals involving "silent partnerships." The CW explained that "this way, you know, they give me a check or a bank check to you. They get a write off. It's good for them. I get the money back. So this way there's no trace, you know, through you, and it works out for everybody. That's why I have a lot of money coming through." Coconspirator Ben Haim was further informed by the CW

that the CW's reason for laundering the money through Coconspirator Ben Haim was "so the court doesn't know, the [bankruptcy] trustee doesn't know, no one knows nothin'." In exchange, Coconspirator Ben Haim gave the CW cash totaling approximately \$53,140, which represented the completion of two money laundering transactions: \$45,000 in cash for a \$50,000 check that the CW had provided to Coconspirator Ben Haim on June 26, 2007, and \$8,100 from a separate \$9,000 check which Coconspirator Ben Haim had received from the CW the previous day.¹ As he collated the cash to give to the CW, Coconspirator Ben Haim ran the bills through a cash-counting machine. Coconspirator Ben Haim also mentioned that he owed another individual \$495,000. This individual, according to Coconspirator Ben Haim, had wired money from Hong Kong to Israel, and stated that "he has money in Hong Kong from his -- the kickbacks from the factories." Coconspirator Ben Haim also further described the activities of Coconspirator I.M. in the following terms: "The head contact's in Israel . . . He has different people, he has, . . . he has a hundred cus-, no customer in New York [u/i] money in Israel [u/i] real estate investments, they, they want to hide their money. They don't want it to show. So they give the cash here to him and he gives me the cash . . . You see the merry-go-round? This guy's been doing it for 20, 30 years." Coconspirator Ben Haim also indicated that he would pick up cash, as coordinated by Coconspirator I.M., at locations in Brooklyn. The CW offered to pick up the cash that Coconspirator Ben Haim anticipated would be available to him the following week.

5. On or about August 1, 2007, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle, as it was parked in front of a residence in Deal. During the meeting, Coconspirator Ben Haim accepted from the CW a bank check made payable to COE. The CW described the bank check, which was in the amount of \$75,000, as follows: "This is 75 from that bank schnookie deal. And I have one more 75 from him and that's the -- we got a half million from a bank . . ." Coconspirator Ben Haim wondered what he should tell authorities "[i]f they ask me where did you get this check from?" After the CW again referred to the check as stemming from a fraudulent loan, Coconspirator Ben Haim answered his own question by stating that he would tell authorities that "[the CW] mailed me an anonymous donation. . . ." During the same conversation, Coconspirator Ben Haim provided further details about Coconspirator I.M.'s laundering operation and referred to a specific individual as Coconspirator I.M.'s

¹ An additional \$40.00 was included in the sum of cash provided to CW on this date.

partner, and further stated that "there's six people involved in this thing." Coconspirator Ben Haim also referred to the pickups of cash in New York City, and the CW offered to pick up the cash for Coconspirator Ben Haim. When the CW asked whether it would be the same guy from whom the CW had previously received money several weeks earlier, Coconspirator Ben Haim stated that the pickup "[c]ould be [in] Queens, could be a hotel in Manhattan, it could be anywhere. Lately, it's been Boro Park."

6. On or about August 6, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the conversation, Coconspirator Ben Haim accepted a bank check in the amount of \$50,000 from the CW. As with previous checks, this bank check was made payable to COE. The CW described the check as follows: "This is a check for, uh, fifty thousand from that, uh, bank, uh, schnookie deal." On this occasion, Coconspirator Ben Haim gave the CW approximately \$67,500 in cash to complete the money laundering transaction from August 1, 2007, during which the CW had provided Coconspirator Ben Haim with the aforementioned \$75,000 check. Coconspirator Ben Haim also indicated that he had picked up cash from numerous individuals over the years, stating that "[i]n the five years [I'm] with [Coconspirator I.M.], maybe I saw over a hundred different people."

7. On or about August 23, 2007, in a telephone conversation, Coconspirator Ben Haim informed the CW that defendant EHRENTAL had \$19,660 in cash available to be picked up by the CW at defendant EHRENTAL's office in Brooklyn.

8. On or about August 24, 2007, defendant EHRENTAL met with the CW at defendant EHRENTAL's office in Brooklyn. Shortly after arriving, defendant EHRENTAL asked the CW "[h]ow much is this? Nineteen hundred sixty-six?" The CW called Coconspirator Ben Haim and confirmed that the amount to be picked up was \$19,660 in cash. Defendant EHRENTAL used a cash-counting machine to give the CW the correct amount. The CW observed in the office approximately three cash-counting machines as well as dozens of checks in amounts as high as \$20,000 from various individuals with the payee lines left blank. The CW also observed that defendant EHRENTAL's desk drawer appeared to be full of cash, with one drawer having \$100 bills and another drawer having \$20 bills. Defendant EHRENTAL remarked that Coconspirator Ben Haim had been to his office in Brooklyn a "couple of times." The cash was then packed into a bag, and the CW departed the location.

9. On or about August 24, 2007, after returning to New Jersey from the meeting with defendant EHRENTAL in Brooklyn, the CW met with Coconspirator Ben Haim in Coconspirator Ben Haim's vehicle in a parking lot in Elberon. During that meeting, the CW gave to Coconspirator Ben Haim the bag of cash containing approximately \$19,660 that the CW had earlier received from defendant EHRENTAL. In return, Coconspirator Ben Haim took approximately \$9,800 in cash out of the bag and gave it to the CW as partial payment on an ongoing money laundering transaction. Coconspirator Ben Haim also remarked that he had "met [defendant EHRENTAL] once or twice."

10. Between on or about September 10 and on or about September 12, 2007, in several telephone conversations, Coconspirator Ben Haim and the CW coordinated a cash pickup by the CW from defendant EHRENTAL in Brooklyn. During one of those conversations, Coconspirator Ben Haim explained that Coconspirator I.M. had provided the cash to defendant EHRENTAL for Coconspirator Ben Haim.

11. On or about September 12, 2007, the CW in New Jersey received a telephone call from defendant EHRENTAL in New York. During the conversation, defendant EHRENTAL confirmed that the CW should meet him at his office in Brooklyn to pick up the cash. Defendant EHRENTAL asked, inquiring how much Coconspirator Ben Haim wished the CW to pick up, "[y]ou know how much?" The CW replied that Coconspirator Ben Haim had said "seventy-five or a hundred [thousand]." Defendant EHRENTAL replied "not seventy-five [thousand], sixty-eight four." Later that day, the CW received a telephone call from Coconspirator Ben Haim confirming that defendant EHRENTAL "ha[d] a hundred for" the CW and that defendant EHRENTAL was waiting for the CW to arrive at his office.

12. On or about September 12, 2007, defendant EHRENTAL met with the CW at defendant EHRENTAL's office in Brooklyn. Upon the CW's arrival, defendant EHRENTAL asked for the CW's name, and the CW provided it and also confirmed the CW's connection to Coconspirator Ben Haim. Defendant EHRENTAL then stated "I give you a hundred," to which the CW replied "[h]undred, yeah". Defendant EHRENTAL then reached into a lower drawer of his desk and produced two brown bags each within plastic bags. These bags contained a total of approximately \$100,000 in cash. The CW also observed on defendant EHRENTAL's desk a stack of checks without the payee lines filled out. In addition, the CW observed an \$81,000 deposit slip. After being handed the cash, the CW asked defendant EHRENTAL "[t]hat's all counted and everything?" Defendant EHRENTAL replied "[y]eah, I counted."

13. On or about September 12, 2007, after returning to New Jersey from the meeting with defendant EHRENTAL in Brooklyn, the CW met with Coconspirator Ben Haim in Coconspirator Ben Haim's vehicle in Elberon. During the meeting, the CW gave to Coconspirator Ben Haim the two bags of cash containing \$100,000 that the CW had received from defendant EHRENTAL earlier that day. In addition, Coconspirator Ben Haim accepted a \$25,000 cashier's check from the CW, which was made payable to Congregation Yehoda Yaaleh. In exchange for the check, Coconspirator Ben Haim gave approximately \$22,500 in cash to the CW, thus realizing a fee of \$2,500 for consummating that money laundering transaction. The \$22,500 in cash given to the CW was counted from the \$100,000 that the CW had retrieved from defendant EHRENTAL earlier that day. The CW explained that the check for \$25,000 was "from a guy on a bank schnookie deal."

14. On or about October 31, 2007, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim accepted two checks from the CW -- both of which were made payable to COE as part of money laundering transactions. One of these checks was a bank check in the amount of \$50,000, while the other check was in the amount of \$22,500 and drawn upon the account of a charitable organization administered by another money launderer, Rabbi Saul Kassin. During the meeting, Coconspirator Ben Haim remarked that he was currently low on cash, and that it was difficult to get a sufficient supply of cash on a timely basis from Coconspirator I.M. to keep pace with the demand of his customers. Coconspirator Ben Haim stated that "four, five years I'm doing this with this guy. I know at the end of the year it's tight." Coconspirator Ben Haim related that prior to his dealings with Coconspirator I.M., he had moved cash through another individual, but stated that "they caught him laundering . . . he got a slap on the wrist." Coconspirator Ben Haim indicated that this individual was finishing a ten-month sentence that he was serving at F.C.I. Otisville. Subsequently, Coconspirator Ben Haim complained that he was "lucky" if he could move one to two million dollars a year at present. He remarked that "the most I ever did was seven to eight" million dollars in a year, and indicated that he earned "a million dollars a year" during that period.

15. On or about February 7, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle, as it was parked outside a residence in Deal. During the meeting, the CW indicated to Coconspirator Ben Haim that the CW expected to launder two checks in a total amount of \$160,000 through Coconspirator Ben Haim in exchange for cash, minus a ten percent

laundering fee that would be retained by Coconspirator Ben Haim. Coconspirator Ben Haim contacted Coconspirator I.M. by telephone to discuss the availability of cash. At the conclusion of that discussion, which was in Hebrew, Coconspirator Ben Haim turned to the CW and stated "[y]ou got a hundred and fifty [thousand] to pick up." This amount included \$50,000 to be retrieved from defendant EHRENTAL and \$100,000 to be retrieved from another individual. Coconspirator Ben Haim agreed to notify defendant EHRENTAL and the other individual about the CW coming to pick up the money.

16. On or about February 7, 2008, defendant EHRENTAL met with the CW at defendant EHRENTAL's office in Brooklyn. During the meeting, the CW greeted defendant EHRENTAL and informed him that the CW was there on behalf of Coconspirator Ben Haim. Defendant EHRENTAL asked for the CW's name and, upon hearing the CW's response, reached beneath his desk and produced a black plastic bag containing approximately \$50,000 in cash. As the CW was reaching into the bag, producing several bundles of cash, defendant EHRENTAL continued to work at an adding machine, several of which were visible on a desk along with computer equipment. The CW asked "[t]his is, uh, the fifty [thousand]?" Defendant EHRENTAL replied "[y]es," and confirmed that he had counted it. Also that day, the CW retrieved a second bag of cash from the other individual in Brooklyn.

17. On or about February 7, 2008, after returning to New Jersey from the above-mentioned meetings in Brooklyn, the CW met with Coconspirator Ben Haim in Coconspirator Ben Haim's vehicle, as it was parked outside a residence in Deal. During the meeting, the CW gave to Coconspirator Ben Haim the two bags of cash that the CW had picked up earlier that day. As the CW handed the bags to Coconspirator Ben Haim, the CW noted "[t]his one is from EHRENTAL," and "[t]his one is from the smelly guy," a reference to the other individual from whom the CW had obtained a bag of cash. Coconspirator Ben Haim counted out approximately \$22,500 from the cash that the CW had delivered and then gave it to the CW to complete an earlier money laundering deal. The CW also informed Coconspirator Ben Haim that the CW still expected to receive the two checks totaling \$160,000.

18. On or about March 14, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle, as it was parked near a residence in Deal. During the meeting, Coconspirator Ben Haim stated that defendant EHRENTAL had \$50,000 in cash available to be picked up in Brooklyn. The CW informed Coconspirator Ben Haim that the CW intended to be in Brooklyn at a later date and agreed to pick up the cash from defendant EHRENTAL.

19. On or about March 16, 2008, defendant EHRENTAL met with the CW at defendant EHRENTAL's office in Brooklyn. During the meeting, defendant EHRENTAL removed a substantial amount of cash from a safe and counted out bundles of cash. When the CW inquired whether the CW needed to count the cash, defendant EHRENTAL stated "[y]eah, yeah, you want to see I count this now?" After the CW indicated that it would be "better" if defendant EHRENTAL counted the cash, defendant EHRENTAL ran the money through a cash-counting machine. The cash, which totaled approximately \$50,000, was provided to the CW who then departed.

20. On or about March 16, 2008, after returning to New Jersey from the meeting with defendant EHRENTAL in Brooklyn, the CW met with Coconspirator Ben Haim in Coconspirator Ben Haim's vehicle in Deal. During the meeting, the CW provided Coconspirator Ben Haim with approximately \$30,000 in cash, which was taken from the \$50,000 the CW had received from defendant EHRENTAL earlier that day. The CW explained that the CW had kept \$20,000 to cover monies owed to the CW on a previous transaction. During the ensuing conversation, Coconspirator Ben Haim claimed that defendant EHRENTAL had "been doing this for 30 years," a reference to the money laundering business.

21. On or about April 2, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim accepted a check from the CW in the amount of \$22,500, which was made payable to COE, and drawn upon the account of a charitable organization administered by another money launderer, Rabbi Saul Kassin. In exchange, after counting the correct amount of money, Coconspirator Ben Haim gave the CW approximately \$20,250 in cash, thus realizing a fee in the amount of approximately \$2,250 for consummating this money laundering transaction. Coconspirator Ben Haim explained that he had received the cash for this transaction from defendant EHRENTAL earlier that day.

22. On or about May 15, 2008, Coconspirator Ben Haim met with the CW, while traveling in the CW's vehicle from Long Branch, New Jersey, to a location in Deal, and then back to Long Branch. During the meeting, the CW provided Coconspirator Ben Haim with a \$50,000 bank check to launder, and explained that the money came from "the Prada pocketbooks and the Gucci stuff - the knock-offs." The CW explained that "[t]hey switch the labels. They look better than the real thing. You -- your wife wouldn't be able to tell the difference. That's how good these guys are." When Coconspirator Ben Haim warned that "it's a very dangerous thing," the CW replied that "my name's not on anything. What's dangerous?" Coconspirator Ben Haim noted that "[s]o if they get

caught, they go to jail." In exchange for the \$50,000 bank check, Coconspirator Ben Haim retrieved cash from a bag that was stored at the location in Deal, counted it out and provided the CW with approximately \$45,000, thus retaining a \$5,000 fee for conducting the transaction. In addition, Coconspirator Ben Haim explained to the CW that he had sent a courier to retrieve a large quantity of cash from defendant EHRENTAL. Coconspirator Ben Haim then spoke with Coconspirator I.M., in Hebrew, on the telephone. At the conclusion of that telephone call, Coconspirator Ben Haim told the CW that the courier would be picking up a total of \$65,000 in cash that day from defendant EHRENTAL. According to Coconspirator Ben Haim, defendant EHRENTAL usually "doesn't have more than 50 [thousand]." Coconspirator Ben Haim then called the courier and, after learning that the courier had picked up less than \$65,000, instructed the courier to return to defendant EHRENTAL who "will give you another 15 [thousand]."

23. On or about December 30, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim provided the CW with approximately \$64,850 in cash as partial payment for a \$160,000 check provided by the CW on or about December 16, 2008. During the conversation, Coconspirator Ben Haim was informed by the CW that "things are picking back up in my, uh, knock-off pocketbook business, my counterfeit business." Coconspirator Ben Haim also was told that the money involved in their laundering transaction "is only profits - principal I keep in there." Coconspirator Ben Haim informed the CW that he had a lot of "orders" for laundering transactions because it was near the end of the year, but that some clients wished to wait until the turn of the year to consummate the transactions. It is believed that Coconspirator Ben Haim was referring to the efforts of some of his customers to select the year during which they would claim deductions for charitable contributions on their income tax returns based on the checks provided to Coconspirator Ben Haim.

24. On or about February 10, 2009, defendant EHRENTAL met the CW at defendant EHRENTAL's office in Brooklyn. Coconspirator Ben Haim had earlier left a voicemail message for defendant EHRENTAL to inquire whether defendant EHRENTAL had any available cash in an effort to complete the latest money laundering transaction with the CW. During the meeting with defendant EHRENTAL, a computer, cash machine and facsimile machine, as well as multiple documents were visible on or about defendant EHRENTAL's desk. The CW referred to Coconspirator Ben Haim's voicemail, and defendant EHRENTAL indicated that he remembered the CW. The CW indicated that Coconspirator Ben Haim and the CW

were looking for cash -- which the CW referred to as "gelt" -- but defendant EHRENTAL indicated that he had none available. The CW offered to bring defendant EHRENTAL a check in exchange for cash, but defendant EHRENTAL indicated that "I'm not a check casher." After the CW mentioned that the CW had picked up cash from defendant EHRENTAL before, defendant EHRENTAL replied "[m]aybe," but reiterated that "I'm not a check casher." Referring to prior transactions, defendant EHRENTAL explained that, at the direction of Coconspirator I.M., he had provided the cash to the CW.

25. Between approximately June 2007 and February 2009, defendant EHRENTAL transferred a total of more than \$300,000 to Coconspirator Ben Haim and the CW, as part of money laundering transactions.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 DENNIS ELWELL and :
 RONALD MANZO : Mag. No. 09-8144 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about April 2009 to in or about July 2009, in Hudson County, in the District of New Jersey and elsewhere, defendants

DENNIS ELWELL
and
RONALD MANZO

and others, to include JC Official 1, did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for defendant DENNIS ELWELL'S official assistance in Secaucus Government matters.

In violation of Title 18, United States Code, Section 1951(a) and Section 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant Dennis Elwell (hereinafter "defendant Elwell") was the Mayor of the Town of Secaucus, New Jersey.

2. Defendant Ronald Manzo (hereinafter "defendant Manzo") was a businessman and political operative for a relative who had been a candidate for Mayor of the City of Jersey City, New Jersey. On or about June 16, 2004, defendant Manzo pleaded guilty in federal district court in the Southern District of New York to insider trading and committing perjury during his testimony before the Securities and Exchange Commission in connection with his misconduct. At the time, defendant Ronald Manzo was employed as an insurance broker. On or about June 20, 2007, defendant Ronald Manzo was sentenced to 3 years of probation, and was ordered to pay a \$250,000 fine.

3. At all times relevant to this Complaint:

a. There was an individual who served as the Vice President of the Jersey City Board of Education (until on or about May 2009), and a commissioner of the Jersey City Housing Authority ("JC Official 1").

b. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Secaucus area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

4. On or about April 27, 2009, defendant Manzo met with JC Official 1, another individual and the CW at a diner in Hoboken, New Jersey. JC Official 1 informed defendant Manzo that the CW was attempting to meet with defendant Elwell to discuss the CW's interest in developing certain properties in the greater Secaucus area. Defendant Manzo indicated that he had known defendant

Elwell for 15 years and that defendant Manzo had conducted insurance business with the Secaucus government. Defendant Manzo further stated that he could talk to defendant Elwell without any problem and that defendant Elwell would tell defendant Manzo whether defendant Elwell could support or not support certain development. The CW asked defendant Manzo if defendant Elwell was willing to do "business." Defendant Manzo indicated that defendant Elwell would not talk like that. Defendant Manzo indicated that he would give defendant Elwell a call in connection with the CW's purported interest in developing in Secaucus. As the conversation continued, defendant Manzo confirmed with the CW that the CW wanted to know if defendant Elwell was open to the CW's purported plan to develop in Secaucus. The CW further informed defendant Manzo that the CW wanted zone changes expedited and that the CW would "invest" in defendant Elwell.

5. As the meeting was concluding and defendant Manzo was walking from the table to leave the diner, defendant Manzo and the CW continued to discuss forging an arrangement with defendant Elwell. Defendant Manzo was informed by the CW that if defendant Elwell wanted \$10,000 now, the CW would pass that money to defendant Elwell through defendant Manzo and that, in connection with this transaction, the CW did not want the CW's name on anything. Defendant Manzo responded that Manzo had to be careful, that defendant Elwell was his friend, that defendant Manzo would have to "feel" defendant Elwell "out" on that "routine," and that defendant Elwell would not do it the way that "we" did it (referring to defendant Manzo's acceptance of cash payments from the CW through another in exchange for his relative's anticipated official assistance in Jersey City government matters). Defendant Manzo further was informed by the CW that the CW would provide \$10,000 to defendant Elwell "now" and \$10,000 in cash after defendant Elwell's election. Defendant Manzo responded: "Okay."

6. On or about May 28, 2009, defendant Elwell, defendant Manzo, and JC Official 1 met the CW at a restaurant in a hotel in Secaucus, New Jersey. Before the meeting with defendant Elwell and defendant Manzo started, JC Official 1, referring to a different individual that JC Official 1 had brought to the CW to assist the CW with a purported development matter in another New Jersey municipality, confided to the CW that everyone that JC Official 1 brought to the CW was "hooked in." Shortly thereafter, defendant Elwell and defendant Manzo joined JC Official 1 and the CW. As the meeting ensued, defendant Elwell was informed by the CW that the CW was interested in building, among other developments, a hotel on Route 3 in Secaucus. Referring to an earlier meeting with defendant Elwell, the CW reminded the other participants in the meeting that the CW was with the "green" (meaning money) party. Referring to a particular site, defendant Elwell agreed with the CW that the

site would need a zone change for a hotel, but that this would not be a "heavy lift." Defendant Elwell further was informed by the CW that the CW wanted to talk to defendant Elwell before proceeding because the CW could "smooth" out any "speed bumps" and that if there were any such "speed bumps" the CW had better things to do with the CW's money--meaning the CW would seek to develop elsewhere. Defendant Elwell replied that he "completely" understood. Referring to defendant Manzo and JC Official 1, the CW further informed defendant Elwell that this is why the CW had them with the CW.

7. As they discussed other sites in Secaucus, defendant Elwell was informed by the CW that the CW did not have a problem finding land, but that the CW wanted to make sure that when the CW came into Secaucus, the CW had official support. Defendant Elwell indicated, in turn, that the CW likely would have support in Secaucus government, and that they could make recommendations to the New Jersey Meadowlands Commission, who had control over much of the development in Secaucus. Defendant Elwell further was informed by the CW that the CW was trying to begin a relationship with defendant Elwell and that anything that the CW did, he would do through defendant Manzo. Defendant Elwell next was informed by the CW that the CW would give \$10,000 to defendant Manzo for the benefit of defendant Elwell, to which defendant Elwell responded "okay." Defendant Elwell indicated that he understood when the CW informed him that the CW did not want the CW's name put on anything. Defendant Elwell further indicated that defendant Manzo knew him, in response to the CW asking defendant Elwell to treat the CW like a friend and to help the CW. Defendant Manzo further observed that there would be no problem with Secaucus government, but that a problem could occur at the Meadowlands Commission. In this regard, defendant Elwell indicated that he knew a Secaucus government employee and could arrange a meeting with that employee to review the variances that the CW might need. Defendant Elwell further indicated that the only way to get the Commission to do what they did not want to do was through the "back door" in Trenton.

8. The CW further referred to another mutual acquaintance of defendant Elwell and the CW, and said that the CW had been asked yesterday by this individual if the CW was meeting with defendant Elwell. (This mutual acquaintance earlier had arranged for a meeting with, and subsequently met with, defendant Elwell, the CW and another individual on or about April 23, 2009 at a restaurant in Secaucus where: (a) the CW sought defendant Elwell's official assistance in development matters in Secaucus; (b) this mutual acquaintance informed defendant Elwell that the CW was a "very generous guy;" and (c) this mutual acquaintance agreed to specifically inform defendant Elwell that the CW would give defendant Elwell an initial payment of approximately \$10,000, in exchange for defendant Elwell's official support of the CW's contemplated development matters in Secaucus).

Defendant Elwell indicated that he understood that the CW did not trust this individual's word. Defendant Elwell agreed that he would say nothing about their meeting to this individual. The CW thereafter informed defendant Elwell that the CW was going to give defendant Manzo \$10,000 "green" (meaning cash) and indicated that there would be more coming to defendant Elwell thereafter, so that, according to the CW "we support each other," to which defendant Elwell replied, "thank you."

9. As defendant Manzo departed the meeting with the CW and JC Official 1, defendant Manzo accepted \$10,000 in cash in an envelope from the CW and was informed by the CW to give this cash to defendant Elwell. Defendant Manzo, JC Official 1 and the CW then agreed to meet at a diner in Hoboken that next week.

10. On or about June 2, 2009, defendant Manzo, JC Official 1 and the CW met at the diner in Hoboken. Before defendant Manzo was present, JC Official 1 and the CW had a chance encounter with a Hoboken official, who cautioned JC Official 1 and the CW not to speak too loudly in the diner. After defendant Manzo joined the meeting, the CW asked defendant Manzo if he had given defendant Elwell the envelope. Instead of answering the CW verbally, defendant Ronald Manzo held up one finger to the CW and then wrote on a napkin "yes, no problem." (This napkin subsequently was recovered by federal law enforcement authorities). The CW thanked defendant Manzo for helping the CW "smooth" the way in Secaucus. Later, as the conversation turned back to Secaucus matters, defendant Ronald Manzo indicated that defendant Elwell would not be a problem in Secaucus. The CW advised defendant Manzo to have defendant Elwell call Manzo if defendant Elwell needed anything as defendant Elwell's election neared (defendant Elwell was facing a November 2009 election, according to matters discussed during the May 28th meeting). Defendant Manzo disclosed to the CW that after the CW left the May 28th meeting, defendant Elwell had told defendant Manzo that he felt a little "uncomfortable." Defendant Manzo therefore told the CW that they could meet with defendant Elwell again, but that the CW had to be careful about how the CW said things to defendant Elwell. Defendant Manzo further told the CW that there were certain people to whom the CW could talk to about, for instance, being in the "green" party, like defendant Manzo and JC Official 1, but that the CW could not talk that way to politicians. Defendant Manzo further stated that defendant Elwell had no problem doing business with the CW, if what the CW proposed was good for the town and made sense. The CW reiterated to defendant Manzo and JC Official 1 that the CW did not want "speed bumps" and wanted to deal with officials who supported and expedited the CW's development matters. As the meeting concluded and JC Official 1 departed, defendant Manzo and the CW continued the discussion outside of the diner. There, defendant Manzo accepted \$5,000 in cash from the CW in exchange for defendant Manzo's assistance with defendant Elwell. Defendant Manzo indicated that he

appreciated this money and asked rhetorically if the CW wanted him to put this money on defendant Manzo's tax return. Indicating a further concern over detection by law enforcement, defendant Manzo also reminded the CW to be careful when speaking to politicians about these matters, because one of them could be "caught" on "something."

11. On or about July 17, 2009, defendant Elwell, defendant Manzo, and JC Official 1 met the CW in defendant Elwell's Mayor's Office in Secaucus. While walking to the meeting with defendant Elwell, defendant Manzo sought to ensure that the CW came prepared with specific properties to discuss with defendant Elwell. Defendant Manzo stated, "I hope you have something to show." Defendant Manzo was informed by the CW that the CW had "the addresses of a couple of places" and that the CW wanted defendant Elwell's "feedback" on them.

12. At the meeting with defendant Elwell, Elwell advised the CW, as well as defendant Manzo and JC Official 1, that he was planning on speaking with the manager of a hotel in Secaucus that afternoon regarding a "major problem." Defendant Elwell asked the CW if the CW was "aware of it." When the CW replied that the CW was not, defendant Elwell explained that the hotel had a "sewer problem . . . a problem with DEP and EPA," a reference to the state and federal environmental protection agencies. As a consequence, defendant Elwell indicated that the owner of the hotel might be inclined to sell to a developer such as the CW. Regarding other sites in Secaucus, defendant Elwell was informed by the CW of several locations that were of interest to the CW. Defendant Elwell indicated that he believed part of one property could support a hotel and that a variance would not be necessary. With respect to another property, defendant Elwell indicated that he was not sure if Meadowlands or Secaucus town zoning governed. Defendant Elwell informed the CW that he could find out for the CW before the CW went to the Meadowlands Commission and advised the CW that he would get the CW "zoning information."

13. As the meeting ended, referring to the arrangement whereby defendant Elwell was to receive an additional payment through defendant Manzo in exchange for Elwell's support of the CW's contemplated development matters in Secaucus, the CW asked defendant Manzo if defendant Manzo wanted to talk to defendant Elwell about the payment. Defendant Manzo responded, "Yeah, don't worry about it. Listen, don't worry." Speaking alone then with defendant Elwell, the CW stated, "I promised you before the election another 10, "meaning \$10,000." Defendant Elwell responded, "Yes, yes." Defendant Elwell also acknowledged that he received the prior \$10,000 payment from defendant Manzo. When the CW asked, "the other 10 you were fine with, right?," defendant Elwell responded, "Yes." When the CW explained that defendant Manzo told the CW that he gave the money to defendant Elwell and that the CW wanted to verify that was the case,

defendant Elwell indicated he understood and said, "Ah, yes, yes, yes, yes . . ." Defendant Elwell was informed by the CW that if he wanted anything else "consider it done" and that the CW appreciated defendant Elwell's "support." Defendant Elwell advised the departing CW that he would "get back" to the CW on information regarding the hotel with the environmental issues that afternoon because, according to Elwell, it could be "a steal" for the CW.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

MORDCHAI FISH, a/k/a “Mordechai Fisch,” : Mag. No. 09-3613
a/k/a “Martin Fisch,” LAVEL SCHWARTZ,
a/k/a “Albert Schwartz,” and YOLIE GERTNER, :
a/k/a “Yoely Gertner”

I, Robert J. Cooke, being duly sworn, state that the following is true and correct to the best of my knowledge and belief.

From in or about May 2008 to in or about September 2008, in Monmouth County, in the District of New Jersey, and elsewhere, defendants MORDCHAI FISH, a/k/a “Mordechai Fisch,” a/k/a “Martin Fisch,” LAVEL SCHWARTZ, a/k/a “Albert Schwartz,” YOLIE GERTNER, a/k/a “Yoely Gertner,” and others did:

knowingly and willfully conspire to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bank fraud, bankruptcy fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except as otherwise indicated.

1. Defendant Mordchai Fish, a/k/a "Mordechai Fisch," a/k/a "Martin Fisch," ("defendant FISH"), a resident of Brooklyn, New York, served as a rabbi for Congregation Sheves Achim, a synagogue located in Brooklyn. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant FISH does not hold a license to transmit or remit money.

2. Defendant Lavel Schwartz, a/k/a "Albert Schwartz," ("defendant SCHWARTZ"), a resident of Brooklyn, was the brother of defendant Fish and also served as a rabbi. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant SCHWARTZ does not hold a license to transmit or remit money.

3. Defendant Yolie Gertner, a/k/a "Yoely Gertner," ("defendant GERTNER"), was a resident of Brooklyn. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant GERTNER does not hold a license to transmit or remit money.

4. At all times relevant to this Complaint, there was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and concealing assets and monies in connection with bankruptcy proceedings.

5. On or about May 28, 2008, defendant FISH met with the CW in a room on the lower floor of a residence on Hooper Street in Brooklyn. Also present during the entirety of the meeting was

defendant SCHWARTZ. During the meeting, defendant FISH accepted a bank check drawn upon a bank in Monmouth County, New Jersey, in the amount of \$50,000 from the CW. The check had been made payable to CNE, which is believed to be a charitable organization, at defendant FISH's direction. The CW purported that the funds from the check were derived from a bank fraud scheme (in reality, this bank check was funded by the FBI) that the CW had perpetrated on a New Jersey bank (and for which the CW actually was charged in the District of New Jersey in 2006) noting that "I had 25 million from [the bank] -- 20 million -- that schnookie deal. I gave 20 million to [another bank]. I, I took five million. I sent it offshore. And then wire --I have 5 million. I wired the money from there offshore to [u/i]. Now he does whatever I want. I have like 3 million left. If this guy wants to do 50 thousand a week, I'll do it with him. I don't wanna do too much at one time." During the meeting, the CW asked defendant FISH for the name of the individual who would deliver the cash in exchange for the CW's bank check, and defendant FISH stated that this individual's name was "Yolie," subsequently identified as defendant GERTNER. Defendant FISH explained that "I not only do business with him. I have four or five guys," a likely reference to other individuals who engaged in money laundering transactions with defendant FISH. The CW replied that "I'm not going to tell him I have two million dollars," prompting defendant FISH to state "[d]on't say anything." Subsequently, defendant GERTNER arrived and talked to defendant FISH during which time defendant FISH indicated to the CW that defendant GERTNER could launder up to \$100,000 at a time. Defendant GERTNER then left for a period of about ten minutes during which the CW continued to talk with defendants FISH and SCHWARTZ. While defendant FISH answered a cell phone call, for the purpose of the investigation, the CW purported to defendant SCHWARTZ about the difficulty caused by the CW's New Jersey bankruptcy proceedings, noting that "[a]ny money I make, it goes to the, eh, bankruptcy, to the court. I can't make money. . . . Yeah, before the whole thing happened, that, that five million dollars I took from the bank--schnookie--and now it's [u/i]. I have nothing else." Defendant GERTNER then reentered the room and produced a package containing thousands of dollars wrapped in bundles. As the CW and defendant SCHWARTZ began to count the money, the CW cautioned defendant GERTNER that "if anyone ever asks you, you didn't see me. You understand? No bankruptcy, no bank schnookie, no nothing. Don't say nothin' to nobody." A short time later, defendant FISH pulled the CW aside and told the CW not to speak with defendant GERTNER, stating that "he doesn't even know your name." Upon the completion of counting the cash, the CW took \$42,000 which defendant FISH instructed the CW to hide on the CW's person.

6. On or about June 16, 2008, defendant FISH met the CW at the Hooper Street residence in Brooklyn. Prior to entering this location, defendant FISH met with the CW in the CW's vehicle, at which time defendant FISH asked for the check that the CW had brought. The CW provided a bank check drawn upon a Monmouth County, New Jersey-based bank account in the amount of \$80,000 to defendant FISH made payable to CNE at which time the CW represented that "[t]his is from the profits from that label thing." The CW elaborated as follows: "[t]his is from my profits. The principal I didn't touch. You know I invested four hundred thousand in that company where we switch the labels from the Prada, the Gucci and stuff like that." In response, defendant FISH stated "[y]eah, yeah, yeah. This is the profit." The CW then added that "[i]t's the profit. Between that and the [bank] profits," the latter being a reference to the fraud perpetrated on a bank by the CW in Monmouth County. Later, the CW spoke in greater detail about the purported counterfeit merchandise business from which the funds from the check purportedly emanated. The CW stated "I invested in this label, you know, company. We make pocketbooks, handbags and stuff. The business is very good now because the market's down -- economy's down, and everyone wants to buy -- instead of spending a thousand dollars for a Prada bag, we sell it for two hundred dollars. Gucci bag -- three hundred dollars. It's twelve hundred dollars in the store." The CW assured defendant FISH that "my name's not anywhere. I put in four hundred thousand - smart. And now I'm only getting profit . . . So, uh, I have that plus I have the PNC profits, so it's, uh, good." Defendant FISH and the CW then entered the Hooper Street residence and joined defendants SCHWARTZ and GERTNER. Defendant GERTNER took the check from the CW and exited the premises after briefly consulting with defendants FISH and SCHWARTZ. Defendant FISH and the CW discussed the fact that the CW was to receive \$68,000 in exchange for the \$80,000 check, and defendant FISH indicated that defendant GERTNER had left the cash in the room before departing. During the conversation, defendant FISH inquired again as to the origin of the bank check funds, and the CW reiterated that "[t]hat's the profits from the label and some of the [bank] interest -- the profits from the [bank]." The CW also indicated that all of the money came via the CW's partner, and added that the partner "gets the money, and he washed it back, you understand?" The CW also assured defendants FISH and SCHWARTZ that the CW had invested four hundred thousand in cash in the counterfeit handbag business, and that as a result, the "bankruptcy court" was unaware of it. The CW also represented to defendants FISH and SCHWARTZ that the counterfeit merchandise was manufactured by "undocumented" workers in a "sweatshop" based in lower Manhattan. Subsequently, defendant FISH supplied the CW

with a new chip for the CW's cell phone as part of defendant FISH's ongoing efforts to thwart any attempt to wiretap their telephone calls. In addition, defendants FISH and SCHWARTZ discussed conducting another laundering transaction with the CW the following week, prompting the CW to inquire whether such a deal would involve defendant GERTNER or a different individual. Defendant FISH explained that they used "four guys," and defendant SCHWARTZ added that they used "a lot of guys."

7. On or about June 25, 2008, the CW placed an interstate telephone call from New Jersey to defendant FISH in New York. During the call, defendant FISH and the CW agreed to meet later that morning on Lee Avenue at 10:00 a.m. The CW informed defendant FISH that "I'm bringing, uh, 55 gemoras, [meaning, \$55,000 in cash] and then I'll see you." The CW indicated that the CW's partner in the counterfeit handbag business could only provide the CW with this amount "'cause that's what he was able to do today."

8. On or about June 25, 2008, defendant FISH met the CW at the Hooper Street residence in Brooklyn. Prior to entering this location, defendant FISH met with the CW in the CW's vehicle, at which time defendant FISH asked for the check that the CW had brought. When handing defendant FISH the \$55,000 check made payable to "YB" at defendant FISH's direction and drawn upon a bank account in Monmouth County, the CW stated "[t]his is fifty-five," and added that "[t]his is just profits." The CW went on to explain that the profits were "made, uh, from the labels. You know, we stitch the labels - the Prada, the Gucci, all that stuff -- the counterfeit, uh, bags, plus the PNC profits. This is the profits." Defendant FISH informed the CW that he believed he had a new "connection" for money laundering, and asked "[d]id you check the car here?" The CW assured defendant FISH that there were no listening devices in the car, noting that "I had everything swept -- my house, my car." Defendant FISH and the CW then left the vehicle and waited on the sidewalk outside the Hooper Street residence until defendant GERTNER arrived carrying a black plastic bag. Defendant FISH informed the CW that he would not take possession of the bag until they were inside the residence on Hooper Street as a matter of "policy." Defendants FISH and GERTNER then entered the Hooper Street residence where they were met by defendant SCHWARTZ. Defendants GERTNER and FISH talked while defendant GERTNER began counting a bundle of cash from the plastic bag. The CW then was provided with bundles of cash from which the CW began to count out \$46,750 in denominations of \$100 and \$50. After defendant GERTNER departed with the \$55,000 bank check, the CW once again explained to defendants FISH and SCHWARTZ that the check represented "the

money of the profits." The CW represented that "I don't have any other income. That's my only income today, you know. So the bankruptcy court -- no one knows -- is from these, these labels and the [bank] profits. I don't have any other money coming in." The CW subsequently departed with the cash after defendant FISH discussed future money laundering transactions to be conducted with the CW.

9. On or about August 11, 2008, defendant FISH placed an interstate telephone call to the CW in New Jersey to discuss when the two would next meet to conduct a money laundering transaction. The CW, referring to the CW's purported partner in the counterfeit handbag business, told defendant FISH that "I think he wants to do a lot of gemoras [a code word used by the participants in this scheme, meaning cash] this week . . . so maybe a hundred gemoras, maybe more." Defendant FISH replied "[o]kay," and the two agreed to meet on Wednesday morning at which time, in the coded phrase of defendant FISH, "[w]e'll learn together."

10. On or about August 14, 2008, the CW placed an interstate telephone call to defendant FISH in New York. The two agreed to meet on Lee Avenue in Brooklyn around 10:00 to 10:15 that morning. The CW informed defendant FISH that "so far I got, I got, I got 50 gemoras," to which defendant FISH replied "[o]kay." The CW then informed defendant FISH that the CW expected to arrive at Lee Avenue in forty to forty-five minutes.

11. On or about August 14, 2008, defendant FISH met the CW at the Hooper Street residence in Brooklyn. Prior to entering this location, defendant FISH met with the CW in the CW's vehicle, as it was parked on the corner of Hooper Street and Lee Avenue. While in the CW's car, the CW told defendant FISH that the CW had "invested three hundred thousand dollars in this bag business," and proceeded to tell defendant FISH that "we fake them. We put fake labels on them." During this exchange, defendant FISH subsequently asked "[h]ow much you giving me today?" The CW replied that "I need 45 [thousand]." Defendant FISH and the CW then argued about the commission that defendant FISH would earn, with the CW stating that it should be ten percent while defendant FISH opined that he should receive a twenty percent fee. The CW also provided defendant FISH with a bank check drawn upon an account based in Monmouth County for \$50,000 made payable to a charitable organization associated with defendant FISH. Defendant FISH and the CW then entered a residence on Hooper Street. Shortly thereafter, defendant SCHWARTZ arrived carrying a plastic bag containing a large quantity of cash. Defendant FISH provided the CW with bundles of

\$100 bills to count out \$45,000. While the CW was counting the cash, the CW represented to defendant SCHWARTZ that "I'm selling, uh, these bags. I'm making--they cost me like 10, 12 dollars. I sell them for 60, 70 dollars." The CW further explained that if these bags were genuine Prada and Gucci products, they would sell for "like 600 dollars," and added "I make the fake ones. I change the label . . ." The CW further explained that the money from the bank check the CW had provided "is from the profits from that and from the profits from the [the bank]," the latter being a reference to the bank fraud that the CW conducted in New Jersey. The CW also explained that "all my other checks--what'd I give you, a half a million, whatever--that's what, that's where it's from." As the CW continued to count the cash, defendant FISH calculated the amount of money that the CW and defendant FISH had laundered to date, and informed the CW that it amounted to "310 [thousand]." Defendant FISH then remarked that "we shoulda' done a million already." Prior to departing, defendant FISH provided the CW with a new chip for the CW's cell phone as part of defendant FISH's continuing efforts to thwart any wiretapping of the CW's phone.

12. On or about September 4, 2008, defendant FISH met the CW near Lee Avenue in Brooklyn. Shortly after entering the CW's vehicle, defendant FISH asked the CW for the bank check, which had been drawn upon an account from a bank based in Monmouth County. The CW handed defendant FISH the \$50,000 check, which was made out per defendant FISH's instructions to a specified individual, and defendant FISH asked "[i]t couldn't be bigger, no?" The CW replied that "[t]his is the profits from the [bank], from the labels and stuff," and noted that "I can't pull too much from the business." The CW also represented to defendant FISH that "[o]ur bag looks better than the real bag -- our knock-off bag." Defendant FISH subsequently asked the CW "[h]ow much I have to bring you?" The CW responded "forty-five [thousand]." The two then entered the residence on Hooper Street in Brooklyn, and entered a room on the lower level where defendant SCHWARTZ was present. Defendant SCHWARTZ was informed by the CW that the CW owned a bag business involving "the fancy brands in America - Prada, Gucci, uh, um, Zenya, you know, they make pocketbooks and bags." The CW further explained to defendant SCHWARTZ that "[t]hey charge 4, 5, 600, maybe a thousand each. I have a couple of [] people. They, uh, make the bag for me. It costs me 20, 25 dollars each, and I sell them for 200 dollars." The CW also informed defendant SCHWARTZ that "[t]his money I have here is from the profits from the bag business and my . . . bank schnookie deals. So, this is the profits [u/i]. This check, all my other checks is from the profits from the bags and the PNC." The CW further represented to defendant SCHWARTZ that they were

making new Prada bags and thus "expanding" the counterfeit bag business, and that "[s]o hopefully, we'll make more money, more profits." Shortly thereafter, defendant SCHWARTZ retrieved two bags containing large bundles of cash. Defendants SCHWARTZ and FISH and the CW proceeded to count out approximately \$45,000 in cash to complete the money laundering transaction. The CW placed some of this money in an envelope which was then placed in a black plastic bag. At the conclusion of the meeting, defendant FISH and the CW discussed the possibility of engaging in a money laundering transaction for as much as \$150,000, and defendant FISH suggested that this amount might be run through several different rabbis.

13. Between in or about May 2008 and in or about September 2008, defendants FISH, SCHWARTZ and GERTNER engaged in money laundering transactions with the CW totaling approximately \$360,000 in funds represented by the CW to involve the proceeds of criminal activities.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

MORDCHAI FISH, a/k/a "Mordechai Fisch," : Mag. No. 09-3614
a/k/a "Martin Fisch," LAVEL SCHWARTZ,
a/k/a "Albert Schwartz," and DAVID S. :
GOLDHIRSH

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about February 2009 to in or about April 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendants MORDCHAI FISH, a/k/a "Mordechai Fisch," a/k/a "Martin Fisch," LAVEL SCHWARTZ, a/k/a "Albert Schwartz," DAVID S. GOLDHIRSH and others did:

knowingly and willfully conspire to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer
Attachment A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except as otherwise indicated.

1. Defendant Mordchai Fish, a/k/a "Mordechai Fisch," a/k/a "Martin Fisch," ("defendant FISH"), a resident of Brooklyn, New York, served as a rabbi at Congregation Sheves Achim, a synagogue located in Brooklyn. Defendant FISH operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called "BGC" and another called "Levovos." A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant FISH does not hold a license to transmit or remit money.

2. Defendant Lavel Schwartz, a/k/a "Albert Schwartz," ("defendant SCHWARTZ"), a resident of Brooklyn, was the brother of defendant FISH and also served as a rabbi. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant SCHWARTZ does not hold a license to transmit or remit money.

3. Defendant David S. Goldhirsh ("defendant GOLDBIRSH") was a resident of Brooklyn. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant GOLDBIRSH does not hold a license to transmit or remit money.

4. At all times relevant to this Complaint, there was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and concealing assets and monies in connection with bankruptcy proceedings.

5. On or about February 17, 2009, the CW received an interstate telephone call in New Jersey from defendant FISH in New York, during which the CW confirmed that the CW should make the bank check that the CW would be bringing the following day as

part of a money laundering transaction payable to a charitable organization, or "gemach," called BGC, which was administered by defendant FISH. The CW also was informed by defendant FISH that they would be meeting an individual to whom the CW had never been introduced. The CW also confirmed that they would be meeting "tomorrow morning [at] 10 o'clock," and learned that the CW was to meet defendant FISH in Boro Park.

6. On or about February 18, 2009, defendant FISH met the CW in the Boro Park section of Brooklyn. At the start of the meeting, defendant FISH entered the CW's car and immediately informed the CW that defendant FISH had recently met with the "main guy" running a money laundering network. Defendant FISH stated that "[t]he main guy is in Boro Park," and described him as part of "the whole chain." The two then traveled to a shop specializing in chocolates located on Lee Avenue in Brooklyn where FISH took possession from the CW of a \$50,000 bank check, drawn upon a bank in Monmouth County, New Jersey, made payable to BGC, defendant FISH's charitable organization, as directed by defendant FISH. The CW indicated that the proceeds of the check were generated by "the handbag business, the profits." The CW assured defendant FISH that "[m]y name is not on the company. I don't show up anywhere. There's no trace to me." As to the individual who defendant FISH and the CW were planning to meet, defendant FISH cautioned "[n]o one knows your name. No one should know your name." Defendant FISH and the CW then walked to an address on Hooper Street in Brooklyn at which time they were joined by defendant SCHWARTZ. Defendant FISH then indicated his preference for doing a large-scale "one-shot" money laundering transaction and asked the CW if the CW had one million dollars to launder. The CW replied that the CW might be able to launder \$300,000. The CW then inquired about completing the laundering transaction with an individual with whom defendant FISH and the CW had conducted a laundering transaction on February 10, 2009, but defendant FISH explained that they were dealing with "one network," and indicated that the individual with whom they had met on February 10, 2009 was "not the main guy." Defendant FISH, as he placed a call to an unknown individual, cautioned the CW that when speaking with members of this money laundering network on the telephone, "[e]verything is code." At the end of the phone call, defendant FISH indicated that they would be meeting with the individual with whom he had just spoken around the block, but warned "[d]on't ask him about anything." Defendant FISH reiterated that "[i]t's a whole chain," and indicated that the "main guy [from] Boro Park" had told defendant FISH to get a different cell phone.

7. Defendant FISH and the CW then departed the Hooper Street residence and met another individual, subsequently identified as defendant GOLDHIRSH, on the street a few blocks away. The CW then followed defendants FISH and GOLDHIRSH into a

mikva located on Williamsburg Avenue in Brooklyn, and the three sat down at a table in a room containing lockers. Defendants FISH and GOLDBIRSH conversed at length in Yiddish, until the CW subsequently explained that the bank check the CW had given to defendant FISH was from a bank in New Jersey. Defendant GOLDBIRSH expressed concern that the funds from the check might have been drawn upon a line of credit, but the CW explained that the check represented profits from the CW's counterfeit handbag business. The CW told defendant GOLDBIRSH that "I have a [u/i] New Jersey bag business. You know, we make, you know, we have like Prada, Gucci, the fancy bags." The CW added that "I make them. It costs me like \$20. I sell them on the streets for 200 or whatever." The CW then gestured toward the check and stated that the funds came from "[o]ut of profits from the bag business. This is not a credit line." Defendant GOLDBIRSH then related a story in which he had been provided with a \$60,000 check which had bounced. As the conversation continued, the CW asked "[y]ou've got family in Lakewood? What's your last name? David" Defendant GOLDBIRSH responded simply by stating his last name. Defendant GOLDBIRSH then provided defendant FISH with a large quantity of cash, but defendant FISH informed the CW that they were \$10,000 short, thus indicating that defendant GOLDBIRSH had provided approximately \$35,000 in return for the CW's check which defendant GOLDBIRSH had taken. After further discussions with defendant GOLDBIRSH during which defendant GOLDBIRSH placed a telephone call, defendant FISH informed the CW that he and the CW would travel to a nearby location to pick up the remaining cash that was due in exchange for the check.

8. Defendant FISH and the CW then walked to an address on Penn Avenue in Brooklyn and climbed to the second floor where they were let into a residence. An older male and a woman greeted defendant FISH, and all four sat at a dining room table. The CW was then provided with a bag containing approximately \$10,000. After defendant FISH and the CW left this residence and returned to the CW's car, defendant FISH explained that the money laundering network was effectively closed, stating that there were "[n]o new guys coming in." Defendant FISH also explained that "[t]he main guy is my neighbor," and indicated that FISH had been referred to him by another coconspirator who was currently in London. Defendant FISH and the CW then returned to the Hooper Street residence where they were joined by defendant SCHWARTZ. The three then proceeded to count all the cash that had been received from defendant GOLDBIRSH and the older couple. After the counting had been completed, the CW departed with approximately \$45,000 in cash.

9. On or about February 18, 2009, the CW placed an interstate telephone call from New Jersey to defendant FISH in New York. The CW told defendant FISH that "I, uh, brought everything to my guy in, uh, over there," and then referred to

the "gemoras"--a code word used by FISH to refer to cash. The CW further told defendant FISH that "everything's counted 45 to the, to the tee, no problems," thereby indicating that the CW had received exactly \$45,000 from defendants FISH and SCHWARTZ out of the money supplied by defendant GOLDBIRSH and the older couple in exchange for the \$50,000 bank check made out to BGC. Defendant FISH, who had apparently failed to receive the entire amount of his commission for arranging the transaction then asked the CW to return to Brooklyn so that they could recount the cash. The CW, who in actuality provided the cash to FBI agents, informed defendant FISH that the CW no longer had the cash "because I had to give it to the guy. He's been waiting. It's been overdue."

10. On or about April 21, 2009, defendant FISH placed an interstate telephone call from New York to the CW in New Jersey to discuss a money laundering transaction planned for the following day. During the conversation, defendant FISH stated "I have two guys" who were potential sources of the cash for the deal, but defendant FISH indicated that he did not know "who gets [the cash] faster." Defendant FISH indicated that he might be notified at 1 a.m. or 2 a.m. that night. Defendant FISH also informed the CW that if defendant FISH called to inquire, they might be required to launder \$200,000 rather than \$100,000. The CW replied "[t]ell the guy we'll do a hundred . . . tomorrow" and then indicated "then a hundred . . . on Thursday." Defendant FISH replied "[f]ine. I already told him. . . . No problem."

11. On or about April 22, 2009, defendant FISH in New York received an interstate telephone call from the CW in New Jersey during which the two discussed to whom the bank check should be made payable. The CW, understanding that only \$50,000 was available that day, asked "[s]o they have 50 gemoras now?" Defendant FISH confirmed this and instructed the CW to make the check payable to his charitable organization, BGC. During a subsequent interstate telephone call from defendant FISH to the CW in New Jersey, defendant FISH further instructed the CW to bring another check in the amount of \$10,000 made payable to Levovos, another charitable organization operated by defendant FISH.

12. On or about April 22, 2009, defendant FISH met the CW in the Boro Park section of Brooklyn to conduct another money laundering transaction. The two met at a restaurant on Lee Avenue in Brooklyn, at which time defendant FISH asked the CW, referring to the bank checks that defendant FISH had asked the CW to bring, "[y]ou have it with you?" The CW replied "[y]eah, yeah. I have the checks, no problem," at which time the CW handed defendant FISH the three bank checks drawn upon a bank in Monmouth County which were made out to the charitable organizations as directed by defendant FISH. As the CW handed the checks to defendant FISH, the CW noted that the checks were

"[f]ifty [thousand] and forty [thousand] for that BGC whatever, and then ten thousand to Levovos." Subsequently, defendant FISH expressed his concern about what he would say if he was questioned about the source of the money for the checks, and the CW pointed out that "[y]ou can't tell him it's from the knock-off pocketbook business." Defendant FISH also indicated that he was not sure whether the entire \$90,000 in cash would be available that day, and told the CW that "[i]f you had called me Sunday, then I would have had here two hundred . . . Tuesday morning, two hundred thousand, but, but you did not, you did not call me."

13. A short time later, defendant FISH and the CW drove to another part of Brooklyn, and parked near the intersection of Broadway and Diggs Avenue. The two exited the vehicle and were met on the sidewalk by defendant GOLDHIRSH. After defendants FISH and GOLDHIRSH conversed for a brief period, all three individuals got back into the car. Defendant GOLDHIRSH handed the CW a white envelope containing a large amount of cash. The CW asked "[h]ow much is in here? Thirty?" Defendant GOLDHIRSH responded "I, I give you [u/i] fifty [thousand]." Defendant FISH explained that "I only have fifty [thousand] now, and then [u/i] tomorrow, we have another one." Subsequently, the CW asked defendant FISH to "[g]ive [the CW] the one for fifty only, right?" Defendant GOLDHIRSH asked "[h]ow many checks here?" The CW replied that "[w]e have three--one for you," and encouraged defendant GOLDHIRSH to "do more business with us." The CW noted that "I got a lot of profits from my, from my pocketbook business. . . I make handbags in New Jersey." Defendant GOLDHIRSH replied "[y]eah," and the CW elaborated by saying "[y]ou know, Gucci, Prada, like that. Those, you know, the fancy companies. I make the ones, like the similar, imitation, and I sell 'em for three, four hundred dollars. The other ones sell for three thousand. So . . . we made a lot of money." A short while later, defendant GOLDHIRSH departed, taking the \$50,000 bank check with him.

14. Defendant FISH and the CW then drove to the residence on Hooper Street and were met on the lower floor by defendant SCHWARTZ. The CW opened the plastic bag containing the cash which had been provided by defendant GOLDHIRSH, and the CW and defendant FISH began counting the cash. A short while later, defendant SCHWARTZ joined defendant FISH and the CW and began counting bundles of cash as well. During the meeting, the CW provided defendant FISH with the \$10,000 bank check made out to Levovos, a charitable organization operated by defendant FISH. At the conclusion of the counting process, the CW retained a total of approximately \$54,000 in cash in exchange for the two bank checks totaling \$60,000. Before departing, the CW and defendant FISH discussed the possibility of consummating another laundering transaction the following day, and FISH indicated that he would attempt to arrange for another cash delivery.

15. Between in or about February 2009 and in or about April 2009, defendants FISH, SCHWARTZ and GOLDBIRSH engaged in money laundering transactions with the CW totaling approximately \$100,000 in funds represented by the CW to involve the proceeds of criminal activities.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

MORDCHAI FISH, a/k/a "Mordechai Fisch," : Mag. No. 09-3615
a/k/a "Martin Fisch," LVEL SCHWARTZ,
a/k/a "Albert Schwartz," ABRAHAM :
POLLACK and NAFTOLY WEBER

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about February 2009 to in or about July 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendants MORDCHAI FISH, a/k/a "Mordechai Fisch," a/k/a "Martin Fisch," LVEL SCHWARTZ, a/k/a "Albert Schwartz," ABRAHAM POLLACK, NAFTOLY WEBER and others did:

knowingly and willfully conspire to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except as otherwise indicated.

1. Defendant Mordchai Fish, a/k/a "Mordechai Fisch," a/k/a "Martin Fisch," ("defendant FISH"), a resident of Brooklyn, New York, served as a rabbi at Congregation Sheves Achim, a synagogue located in Brooklyn. Defendant FISH operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called BGC. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant FISH does not hold a license to transmit or remit money.

2. Defendant Lavel Schwartz, a/k/a "Albert Schwartz," ("defendant SCHWARTZ"), a resident of Brooklyn, was the brother of defendant FISH, and also served as a rabbi. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant SCHWARTZ does not hold a license to transmit or remit money.

3. Defendant Abraham Pollack ("defendant POLLACK") was a resident of Brooklyn. Defendant POLLACK operated a vending business. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant POLLACK does not hold a license to transmit or remit money.

4. Defendant Naftoly Weber ("defendant WEBER") was a resident of Brooklyn. Defendant WEBER operated an elevator installation and repair business. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant WEBER does not hold a license to transmit or remit money.

5. At all times relevant to this Complaint, there was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and concealing assets and monies in connection with bankruptcy proceedings.

6. On or about February 5, 2009, the CW received an interstate telephone call in New Jersey from defendant FISH in New York, during which defendant FISH and the CW discussed "gemoras"--a code word used by defendant FISH to refer to cash. Defendant FISH was informed by the CW that "I have some . . . gemoras or whatever, you know." The CW further told defendant FISH that the CW had "[m]aybe 25 or something," a reference to \$25,000 in cash. Defendant FISH replied "[i]s that all? That's all?" In response, the CW stated "[y]eah, I think. Maybe, uh, more. But so far that's what I have." The CW then asked defendant FISH "get me the, you know, the name for the gemora, and then I'll take care of it." Defendant FISH then asked "when do you want to learn," a coded reference to when the money laundering transaction would occur. The CW replied "Tuesday's fine." At the conclusion of the conversation, the CW asked defendant FISH to "[l]et me know--Sunday, Monday, the name of the gemora," in order to find out to what organization or individual the CW should make out the \$25,000 bank check. Defendant FISH agreed to let the CW know.

7. On or about February 9, 2009, the CW placed an outgoing interstate telephone call from New Jersey to defendant FISH in New York. The CW asked defendant FISH "you got that name for those gemoras?" Defendant FISH replied "[y]es," and told the CW to make the check payable to BGC, a charitable organization operated by defendant FISH. The CW then asked "[s]o tomorrow morning is good to learn, right?" Defendant FISH answered in the affirmative, and the CW and defendant FISH agreed to meet at 10 a.m. The CW then confirmed that "we'll do it with 25 gemoras," prompting defendant FISH to reply "[o]kay, fine, fine."

8. On or about February 10, 2009, the CW met with defendants FISH and SCHWARTZ to consummate a money laundering transaction. Upon meeting defendants FISH and SCHWARTZ at a residence on Hooper Street in Brooklyn, the CW provided defendant FISH with a \$25,000 bank check drawn upon a bank in Monmouth County, New Jersey, made payable to BGC, per defendant FISH's instructions. The CW indicated to defendant FISH that the check represented profits from the CW's "bag business" in which they

switched "the labels," and told defendant FISH that the money from that business was directed "offshore and then comes back in." During the conversation, defendant SCHWARTZ warned the CW to be careful about talking over the telephone, prompting the CW to assure defendant SCHWARTZ that "I had the lines checked. They swept, they swept all the lines. There's nothing on them They're clean." Defendant FISH then indicated that he and the CW would travel to a location on 8th Street in Brooklyn to pick up the cash to complete the money laundering transaction. Upon arrival at the address on 8th Street, defendant FISH led the CW through a corridor to an office near the back of the building. Within this office were defendants WEBER and POLLACK, the latter of whom informed the CW that he operated a vending business. While in the presence of the CW and defendant WEBER, defendant POLLACK accessed a safe in a cabinet in the back of the office. Defendant POLLACK provided defendant FISH with a large sum of cash, and defendant FISH appeared to count through the cash. Defendant FISH also provided defendant POLLACK with the CW's bank check for \$25,000.

9. After departing the premises, defendant FISH and the CW returned to the Hooper Street residence where they were joined by defendant SCHWARTZ. The three then counted the cash provided by defendant POLLACK which totaled approximately \$24,375. Of this total, the CW was provided with \$22,500, thus reflecting that the CW had paid a ten percent fee for the transaction. In addition, defendant POLLACK retained \$625 from the transaction, thus indicating that defendant POLLACK was compensated at a rate of return of approximately 2.5 percent.

10. On or about February 26, 2009, the CW met with defendants FISH and SCHWARTZ at the same Hooper Street residence in Brooklyn to consummate another money laundering transaction. Initially, the CW provided defendant FISH with a \$100,000 bank check drawn upon an account at a Monmouth County bank, made payable to BGC, the same charitable organization to which the bank check had been made out to on February 10, 2009 per defendant FISH's instructions. Defendant SCHWARTZ and the CW discussed the impending money laundering transaction, and defendant SCHWARTZ warned the CW that "[y]ou have to be careful," and added, "[i]t's better they don't know you," a reference to the individuals with whom they would be meeting shortly. Defendant SCHWARTZ also inquired about the CW's purported counterfeit merchandise business prompting the CW to reply that "[w]ith the counterfeit bags, you know, we make the fake bags It's better because people -- the economy is down." The CW explained that "I switch the label," and stated that "I make them for fifty dollars . . . I sell them for two hundred dollars

each." When defendant SCHWARTZ inquired whether the legitimate manufacturers were aware of the CW's business, the CW replied that "[t]hey'd put me out of business. You can't do that. It's not legal." The CW also told defendant SCHWARTZ that "[t]his hundred thousand dollar check. It's just the profits . . . They give me profits every week." After defendant FISH joined defendant SCHWARTZ and the CW, defendant FISH explained that the next money laundering transaction which was planned for the following week would take place in Boro Park, and explained that the "Israeli guy" had \$300,000 in cash available. However, defendant FISH cautioned that "[w]e have to be very careful how we talk. Very, very careful."

11. Defendant FISH and the CW then proceeded to the address on 8th Street in Brooklyn and entered the same office that they had visited approximately two weeks earlier. Upon entering the office, defendant POLLACK provided the CW with several bundles of cash, consisting primarily of \$100 bills. As defendants POLLACK and FISH talked, the CW ran the cash through a cash-counting machine positioned along a wall near defendant POLLACK's desk. The CW counted out \$90,000 in denominations of \$100 and \$50, and defendant POLLACK supplied the CW with a bag in which to hold the cash. Defendant WEBER then entered the office and discussed his elevator business with the CW. The CW subsequently informed defendant POLLACK that the CW had just picked up the \$100,000 bank check in New Jersey, and asked defendant POLLACK "if we want to do more business, you have more like this next week, or no more?" Defendant POLLACK replied that the CW would have to speak with another individual, whom it is believed, supplied the cash to defendant POLLACK. The CW informed defendant POLLACK that the money from the check had been generated from the CW's "bag business," from which "[w]e have a lot of profits." Defendant POLLACK then supplied the CW with the phone number of the individual whom he indicated that the CW should contact to arrange further deals. As defendant FISH and the CW departed, defendant FISH scolded the CW for saying too much, and explained that "[t]he money, I'm not doing with [the other individual] everything. I'm doing with Israel. Because why? I don't want to put everything in one pot." When the CW inquired whether defendant FISH intended to forego using defendant POLLACK for future deals, defendant FISH replied "[h]e's just a middle man. We're using the other guy."

12. On or about July 7, 2009, the CW met with defendants POLLACK and WEBER at the office on 8th Street in Brooklyn. Defendant WEBER and the CW first discussed defendant WEBER's elevator installation and repair business, after which the CW informed defendant WEBER that "I got, um, [a] pocketbook

business." The CW further purported that "[w]e make like, uh, knock-off bags, you know, like, you know, Gucci, Prada, whatever. It costs us twenty, thirty dollars. We sell 'em for sixty, seventy dollars to retailers. The same one your wife goes, buys for two thousand dollars." The CW also informed defendant WEBER that "once in a while I have profits from there. That's why I exchange the checks, I gave you money, just like I did with you guys." The CW then asked defendant WEBER "if I need money on like the week of the 20th, I gotta call what's-his-name David, or I could call you or him?" In response, defendant WEBER pointed in the direction of defendant POLLACK's desk, and offered to provide the CW with defendant POLLACK's cell phone number. A short while later, defendant POLLACK reentered the office and began to talk with the CW. The CW informed defendant POLLACK that "I got a, uh, bag business. We make pocketbooks. You know, bot--, you know, like, just the same ones, like, you know, knock-off Gucci, Prada and stuff, uh, like that in New Jersey. We make 'em for twenty, thirty dollars, sell 'em for fifty, sixty, seventy dollars. You know, in regular stores, they charge two thousand. Ours, ours look better, but, uh, it's not the real thing." The CW also purported to defendant POLLACK that "I got profits from there, just like, you know, I got, I got money last time. The week of the 20th, I'm not--, I might need a couple hundred thousand." The CW then inquired whether the CW could arrange such a transaction directly with defendant POLLACK or whether the CW would need to contact the individual to whom defendant POLLACK had directed the CW on February 26, 2009. Having overheard this question, defendant WEBER then interjected "[n]o, you can call him directly," a reference to defendant POLLACK. Defendant POLLACK confirmed that "[y]ou can call me." The CW next inquired of defendant POLLACK "[h]ow much time do you need," prompting defendant WEBER to ask "[y]ou need checks, and you have the cash?" In reply, the CW explained that "[n]o, no, I have profits from my--I have checks. Bank check, I'll bring you." Defendant POLLACK inquired, by way of clarification, "[y]ou bring me bank checks?" The CW replied "[y]eah, and I need the money," and asked, referring to a charitable organization, "[w]ho do I make it out to? To, to the gemach or something?" The CW then added "I don't need a write-off, you understand? . . . Uh, it doesn't mean anything to me, the write-off." Upon hearing this, defendant WEBER asked "[y]ou spoke to my father, no?" Defendant WEBER then asked "[s]o who do you write the checks from?" The CW replied that "I'll bring you a bank check." Defendant WEBER explained to the CW that "my father charges 8 percent," and added "in other words, if you bring a check for a, a, a, a hundred thousand dollars . . ." The CW interjected "[i]f I bring, let's say, three hundred thousand," prompting defendant WEBER to reply "[t]hree hundred thousand. You bring a check for

three hundred thousand dollars, my father would charge you--he'll give you the cash. My father would charge 8 percent. It would be eight thousand dollars a [u/I]." The CW noted "[y]eah, I understand. Twenty-four grand," to which defendant WEBER replied "[r]ight." Defendant WEBER and the CW then discussed to what payee the CW should make out any bank checks that the CW would bring, and defendant WEBER noted that "we have different names." The CW then stated "[s]o give me the names." The CW also asked whether the CW should make out multiple checks, each for "a hundred thousand," prompting defendant WEBER to reply "[y]es." The CW next inquired whether defendant WEBER's father was "the guy in charge" of the money laundering operation, and defendant WEBER stated "my father is, yeah." The CW asked "[h]ow many days notice" would be needed to arrange for a three hundred thousand dollar transaction, prompting defendant WEBER to reply "[a] week." Defendant POLLACK also stated "[g]ive me a week." The CW then asked, by way of clarification, "I'll bring you the checks. You'll give the money, no problem, right?" Defendant POLLACK replied "[y]es, without a problem." Defendant POLLACK provided the CW with a list of five names to which the CW could make out the bank checks as part of the laundering transaction. The CW also asked if they could conduct a transaction the following week for "a smaller amount--fifty or a hundred thousand," prompting defendant POLLACK to reply "[n]ot a problem." Before departing, the CW indicated that the CW would contact defendant POLLACK on POLLACK's cell phone to arrange this deal, and defendant POLLACK agreed to inform the CW to whom the CW should make the bank check payable.

13. Between in or about February 2009 and in or about July 2009, defendants FISH, SCHWARTZ, POLLACK and WEBER engaged in money laundering transactions with the CW totaling approximately \$125,000 in funds represented by the CW to involve the proceeds of criminal activities.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 ITZAK FRIEDLANDER, :
 a/k/a "Isaac Friedlander" : Mag. No. 09-8132 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From at least in or about June 2007 to at least in or about August 2008, in Hudson County, in the District of New Jersey and elsewhere, defendant

ITZAK FRIEDLANDER,
a/k/a "Isaac Friedlander"

knowingly and willfully conspired with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bank fraud, bankruptcy fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July __, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, a Special Agent with the Federal Bureau of Investigation ("FBI"), following an investigation and discussions with other law enforcement officers, am aware of the following facts. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Nor have I recounted every conversation involving the defendant. All conversations referred to in this attachment were recorded, unless otherwise indicated, and are related in substance and in part.

1. At all times relevant to this Complaint, defendant Itzak Friedlander, a/k/a "Isaac Friedlander," (hereinafter "defendant Friedlander") was a business partner of Coconspirator Moshe Altman, a/k/a "Michael Altman" (hereinafter "Altman") and an employee of Altman's real estate development company. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking revealed that defendant Friedlander did not hold a license to transmit or remit money.

2. At all times relevant to this Complaint:

- A. Coconspirator Altman was a real estate developer based in Hudson County.
- B. Coconspirator Shimon Haber was a real estate developer, who worked in New York and New Jersey.
- C. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking revealed that Altman and Haber did not hold a license to transmit or remit money.
- D. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as (a): a real estate developer interested in development in the greater Jersey City area and (b) the owner of a counterfeit handbag business. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

3. On or about May 21, 2007, in the early afternoon, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman received an \$18,000 check from

the CW. After providing Altman with the check, the CW indicated that the CW did not need a copy of the check "because I don't keep records." Altman agreed that was best. As the conversation continued, Altman was informed by the CW of the illegal source of the funds. The CW stated, "basically, guy owes me money from bank deals, 'schnookie' bank deals no one knows about and no one could know about . . . this guy's a partner of mine." Altman was further advised by the CW that the CW expected another \$50,000 check from the partner next week that the CW would need laundered into cash. Altman replied, "Okay, very good." Altman further indicated that he would launder the check into cash for return to the CW by June 12, 2007. Thus, in this conversation, Altman acknowledged that he understood the illegal source and nature of the funds that the CW supplied him with for both laundering purposes and to hide assets from the CW's ongoing bankruptcy proceedings.

4. On or about June 12, 2007, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman supplied the CW with approximately \$15,300 in cash, which represented the proceeds of the \$18,000 check from May 21st less a 15% money-laundering fee. Altman stated to the CW that "he [a reference to Altman's money laundering contact] took off 15%" rather than 10% because the amount of money was low. Altman further advised the CW that his money-laundering contact asked him where the check was from, but that Altman did not disclose the CW's identity as Altman promised. Altman stated, "I keep my word." As before, Altman and the CW also discussed the illicit nature of the CW's proceeds and the need to conceal the money-laundering arrangement from Altman's money-laundering contact, as well as from the bankruptcy court and authorities. The CW stated, "Number one, I have the bankruptcy thing. Number two, I have at least \$100,000 a month coming from money I 'schnookied' from banks for bad loans. This guy can't know nothing." In response, Altman assured the CW that there would be no problem.

5. At this same meeting, Altman also accepted a \$75,000 check from the CW to launder. Altman and the CW discussed the turnaround time to launder the check and Altman indicated that "he'll [a reference to Altman's money-laundering contact] do it quickly." The check was made payable to the Gemach Shefa Chaim and drawn on the account of BH Property Management-- an FBI undercover company. A review of bank records indicates that on or about June 15, 2007, BH Property Management Check No. 1023, in the amount of \$75,000, was posted to an account maintained by Valley National Bank in the name of Gmach Shefa Chaim.

6. On or about June 26, 2007, defendant Friedlander met with the CW at Altman's place of business in Union City. During the meeting, defendant Friedlander advised the CW that Altman had "stepped out" and then handed the CW a white plastic bag containing approximately \$54,800 in cash. This cash amount was a partial return on the \$75,000 check that Altman had accepted on or about June 12, 2007 for laundering.

7. Approximately twenty-five minutes after the CW had arrived at Altman's place of business in Union City, Altman arrived and met with the CW. During their meeting, Altman and the CW discussed the fact that the cash that Altman had provided the CW was "short." Pursuant to the laundering fee arrangement that Altman struck with the CW, the remaining cash due from Altman was approximately \$8,950. Altman indicated to the CW that he would advise the CW in the next day or two as to whether he had the remaining \$8,950 in cash. As the conversation continued, Altman accepted for laundering another \$50,000 check from the CW, which the CW characterized as further proceeds from the CW's "bank 'schnookie' deals." The check was drawn on the account of BH Property Management and made payable to the Gemach Shefa Chaim. When the CW asked Altman if his money-laundering contact could convert the checks to cash more quickly, Altman laughed in agreement with the CW stating, "You're right. I should teach him the business." A review of bank records indicates that on or about July 6, 2007, the \$50,000 check was posted to an account maintained by Valley National Bank in the name of Gmach Shef Chaim.

8. On or about July 5, 2007, Altman met with the CW at Altman's place of business in Union City. At this meeting, Altman gave the CW approximately \$9,050 in cash to complete the money laundering transaction of June 12, 2007. Altman mistakenly overpaid the CW \$100 on this occasion since the return due was approximately \$8,950.

9. On or about July 16, 2007, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman gave the CW approximately \$30,000 in cash. This cash amount was a partial return on the \$50,000 check that Altman accepted on or about June 26, 2007 for laundering. While Altman and the CW counted the cash, the CW joked about getting Altman a cash-counting "machine" to make this aspect of the laundering process easier. Concerned about concealing his illicit conduct, Altman responded, "See, if you have one [i.e., a cash-counting machine], it means. . . don't want somebody goes to the office, sees one, and says, hey!"

10. During the meeting, Altman and the CW discussed the next money-laundering transaction and the turnaround time entailed with Altman's money-laundering contact washing future checks that the CW would supply. The CW stated, "Now I have 75 more [i.e., \$75,000] from one of my bank deals there. How quickly can he turn it, this guy?" Altman replied, "it's anywhere normally two weeks to four weeks. That's how he works." Reaffirming the illicit origin of the monies that the CW was supplying to Altman, the CW then explained, "The problem is the deal I have with the guy [meaning the CW's purported partner], we took money from a bank on a nonexistent property, and I have half a million coming but I don't want to take it until I know I can turn it fast." In response, Altman stated, "It doesn't make any difference if its 75 or 300 [meaning \$75,000 or \$300,000] to me . . . when I give it to him there is not a lot of difference." Regarding the structuring of the next series of money-laundering transactions, Altman advised the CW that his money-laundering contact uses the names of three other "Gmachs," in addition to the Gmach Shefa Chaim that Altman already directed the CW use in earlier transactions, as organizational fronts to launder money. Again, the CW made clear the illegal genesis of the monies that the CW was furnishing Altman, as the CW stated, "I did . . . a bank deal on a million-dollar property that didn't even exist . . . the bank doesn't know nothing . . . and they don't care." Undaunted, Altman advised the CW that he would ask his money-laundering contact about "the names" to use and relate that information to the CW in short order. Near the end of the meeting, Altman accepted for laundering a \$75,000 cashier's check from the CW made payable to the Gemach Shefa Chaim. A review of bank records reflects that on or about July 19, 2007, the \$75,000 cashier's check was posted to an account maintained by Valley National Bank in the name of Gmach Shefa Chaim.

11. Approximately two days later, on or about July 18, 2007, defendant Friedlander and Altman met with the CW at Altman's place of business in Union City. During this meeting, Altman gave the CW three Valley National Bank envelopes containing approximately \$12,500 in cash to complete the money-laundering transaction of June 26, 2007. Shortly after he gave the CW the cash, defendant Friedlander, Altman and the CW discussed the next group of money-laundering transactions. Because it was the summertime, Altman indicated that it could take up to four weeks before his money-laundering contact could convert the CW's checks to cash. Altman explained to the CW that "smaller amounts," meaning approximately \$50,000 to \$150,000 at a time were preferable, because "[t]he way he [i.e., his money-laundering contact] works. The accounts he gets it . . . from A, from B, from C." Altman continued to detail the laundering

process, "If I give him everything, he puts it in the accounts and he sees how he can get it."

12. During this meeting, Altman provided the CW with the written names of the following four charitable organizations for laundering purposes: (a) Sanz International; (b) Bayaner Gemilas Chesed; (c) Cong. Shefa Chaim Dehasidi Sanz; and (d) Gmach Keren Hachased. Defendant Friedlander reiterated to the CW that the money-laundering process would be delayed because "summertime . . . it's very tough." Mindful of his illicit conduct, Altman twice advised the CW that Altman "didn't want [his] handwriting" on the laundering note and had a secretary copy it. Altman then instructed the CW on how to structure the forthcoming checks for laundering purposes, "put[ting] the amounts" of \$150,000 for Sanz International, \$100,000 for Bayaner Gemilas Chesed, \$250,000 for Cong. Shefa Chaim Dehasidi Sanz, and \$100,000 for Gmach Keren Hachased. The CW advised defendant Friedlander and Altman that the CW would check with his "partners" and get back to them.

13. On or about July 30, 2007, Altman met with the CW at Altman's place of business in Union City. At the outset of the meeting, Altman entered the office-area holding a white plastic shopping bag from which Altman removed stacks of cash that he placed on the desk in front of the CW. Altman then removed from his front pants pocket a similar plastic bag, which contained additional cash, and gave it to the CW. In total, Altman provided the CW with approximately \$39,500 in cash, which was a partial return on the \$75,000 check Altman accepted for laundering on or about July 18, 2007. Pursuant to the laundering arrangement, Altman promised to pay the CW approximately \$24,250 in cash to complete the money-laundering transaction once the funds were available.

14. On or about August 7, 2007, defendant Friedlander met with the CW in defendant Friedlander's car in Union City. At this meeting, defendant Friedlander supplied the CW with the name of "Boyen Gimlas Chesed" for the purpose of laundering the CW's next check. Defendant Friedlander and the CW arranged to meet the next day, with the CW agreeing to bring a \$50,000 check made out to the "Boyen Gimlas Chesed" and with defendant Friedlander agreeing to bring at least \$30,000 in cash soon thereafter as a return on monies owed from the last money-laundering deal. Defendant Friedlander stated, "If you bring me tomorrow [i.e., Tuesday] . . . I can have on Thursday . . . 30 for sure." Explaining that he already made arrangements with the money-laundering contact, defendant Friedlander advised the CW, "I already called him up that I'm bringing a check . . ." Defendant Friedlander continued, "I already prepared him for 30 [meaning

\$30,000] . . . that's what [Altman] told me." After placing a telephone call to and speaking with the money-laundering contact in the CW's presence, defendant Friedlander confirmed, "30, he has for sure . . . he has more coming in tomorrow." Also, during the meeting, when the CW inquired as to whether the laundering fee could be cheaper if the CW supplied approximately \$100,000, defendant Friedlander indicated that he believed 10% was possible, but that he would find out.

15. On or about August 8, 2007, defendant Friedlander met with the CW outside on 5th Street in Union City. During the meeting, the CW provided defendant Friedlander with a \$50,000 cashier's check that was made payable to the Boyen Gimlas Chesed, the name of the organizational front with which defendant Friedlander supplied the CW for future laundering at the August 7, 2007 meeting. The CW stated to defendant Friedlander, "This is the \$50,000, made out to the Boyen Gimlas Chesed." Expecting the check for laundering, defendant Friedlander replied, "Good, good . . . I'm going to see him today," a reference to the money-laundering contact who would convert the illicit check to cash for the CW. While giving defendant Friedlander the \$50,000 check for laundering, the CW reiterated that the monies were bank fraud proceeds and that they must remain hidden from the CW's ongoing bankruptcy proceedings. The CW stated, "Just don't tell him [i.e., the money-laundering contact] my name or anything, because this is money that I . . . 'schnookied'. . . this is from a bank, and I have the bankruptcy . . ." Assuring the CW that he would conceal the criminal activity, defendant Friedlander raised his hand and indicated that he would not say anything. Shortly thereafter, defendant Friedlander placed a telephone call in the CW's presence to someone defendant Friedlander indicated to be involved in the laundering. Defendant Friedlander then advised the CW that he was working to have cash for the CW that afternoon. Defendant Friedlander told the CW, "I'm gonna push it . . . I'll call you." Bank records indicate that on or about August 9, 2007, the \$50,000 cashier's check was posted to an account maintained by North Fork Bank in the name of Boyen Oner Gemilas Chesed c/o David Goldhirsch.

16. On or about August 10, 2007, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman gave the CW approximately \$44,500 in cash. This cash amount represented \$24,500 in cash to complete the money laundering transaction of July 16, 2007 and a partial return of \$20,000 on the \$50,000 check defendant Friedlander accepted for laundering on or about August 8, 2007. Defendant Friedlander and Altman mistakenly overpaid the CW \$250 on this occasion. Haggling over the laundering fee charged, the CW stated to Altman

that defendant Friedlander " . . . told me 10% with these new guys, fast turnaround, 10% he told me." Insisting that 15% was the correct fee, Altman countered, "What are you talking about? . . . You misunderstood him [meaning defendant Friedlander] . . . I made it very clear," a reference to the money laundering fee to be charged.

17. On or about August 23, 2007, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman supplied the CW with approximately \$22,500 in cash to complete the money-laundering transaction of August 8, 2007. Eager to continue profiting by way of laundering the CW's illicit proceeds, Altman told the CW that his money-laundering contact advised him that if the CW needed more checks laundered, the money-laundering contact would be able to return cash to the CW more quickly. When the CW complained to Altman that other money-launderers charge the CW 10% with a quick turnaround time and that defendant Friedlander also quoted the CW a 10% fee, Altman replied, "When he [i.e., the money-laundering contact] gave me this [i.e., the cash] he told me that he can get . . . money he can get it the same day . . . or something like that." Near the end of this discussion, Altman asked the CW about how much Altman should request from his laundering contact in connection with the next transaction. The CW replied, "I don't know, 50, 75, [meaning \$50,000 to \$75,000] whatever he can do . . . the more he can do the better, I don't care."

18. On or about September 11, 2007, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman accepted for laundering a \$25,000 cashier's check from the CW, which the CW described to Altman as coming "from one of my bank schnookie deals." Consistent with Altman's previous instructions, the check was made payable to the Gmach Shefa Chaim, one of the organizations that Altman used to launder funds. Altman indicated that he would return the cash to the CW to complete the money laundering transaction the next week. A review of bank records reflects that on or about September 12, 2007, the \$25,000 cashier's check was posted to an account maintained by Valley National Bank in the name of Gmach Shefa Chaim.

19. On or about September 25, 2007, Altman and defendant Friedlander met with the CW at Altman's place of business in Union City. During the meeting, defendant Friedlander and Altman supplied the CW with approximately \$21,250 in cash to complete the money laundering transaction commenced on or about September 11, 2007.

20. On or about October 9, 2007, Altman met with the CW at Altman's place of business in Union City. At this meeting, Altman accepted a \$30,000 cashier's check from the CW as part of a money-laundering transaction. The check was made payable to the Gmach Shefa Chaim, and Altman agreed to return cash to the CW in exchange for the 15% laundering fee. Bank records show that on or about October 18, 2007, the \$30,000 cashier's check was posted to an account maintained by Valley National Bank in the name of the Gmach Shefa Chaim.

21. On or about October 15, 2007, Altman met with the CW at Altman's place of business in Union City. At this meeting, Altman returned to the CW approximately \$25,800 in cash to complete the laundering transaction of October 9, 2007. Since Altman should have returned only \$25,500 pursuant to the money-laundering fee arrangement that he struck with the CW, Altman mistakenly overpaid the CW \$300 on this occasion.

22. On or about December 18, 2007, defendant Friedlander and Altman met with the CW at Altman's place of business in Union City. During this meeting, Altman accepted another \$25,000 cashier's check from the CW to launder consistent with their preexisting arrangement. Again making clear the monies were bank-fraud proceeds, the CW told Altman, "This is \$25,000. The thing is this guy owes me a hundred-thousand. It's a cousin of mine and we took a loan on a property with Amboy Bank. Remember?" Altman replied, "Yeah." Noting that the loan was obtained on a non-existent property and that the CW previously engaged in other such bank frauds, the CW quipped to Altman, "The property wasn't exactly there. Those were the good 'ole days' three years ago." Upon learning from the CW that the \$25,000 check was purportedly obtained in such an illegal manner, Altman laughed and responded, "I should have met you four years ago." At the conclusion of this money-laundering conversation, Altman indicated to the CW that he would accept another \$75,000 from the CW for laundering the next week and that "two weeks [was] enough" time to launder the \$25,000 check and return the cash to the CW. As before, the check was made payable to the Gemach Shefa Chaim, Altman's organizational front. A review of bank records indicates that on or about December 21, 2007, the \$25,000 cashier's check was posted to an account maintained by Valley National Bank in the name of the Gmach Shefa Chaim.

23. On or about January 7, 2008, Altman met with the CW at Altman's place of business in Union City. During this meeting, Altman returned to the CW approximately \$21,250 in cash to complete the laundering transaction of December 19, 2007.

24. On or about February 14, 2008, Altman met with the CW at Altman's place of business in Union City. During this meeting, Altman and the CW touched upon their next money-laundering transaction. Altman advised the CW that Altman would be able to convert checks to cash that the CW expected to have in the coming weeks.

25. On or about July 10, 2008, defendant Friedlander and Altman met with the CW at Altman's place of business in Union City. Before Altman arrived at the meeting, defendant Friedlander and the CW discussed the illicit sources of the CW's money and the turnaround time necessary for defendant Friedlander and Altman to launder the money. During this meeting, the CW explained to defendant Friedlander that he had profits from a counterfeit, "knock-off" pocketbook business and bank-fraud profits, "just like all the checks" that defendant Friedlander and Altman previously accepted from the CW for laundering. Inquiring as to the amount of illicit monies to be washed, defendant Friedlander asked the CW, "so how much do you have to turn over?" Defendant Friedlander indicated that he would check on the turnaround time and instructed the CW to "write him [a reference to an unspecified money-laundering contact] a few checks and let him start working on them."

26. At this same meeting, upon Altman's arrival, Altman and the CW also discussed the illegal origins of the CW's funds for laundering. The CW explained that "between the profits from [the CW's false label business] and the profits from the PNC money [i.e., bank-fraud proceeds], we got some money." Altman asked the CW "how much do you need" and "what period of time"? After confirming that approximately \$200,000 to \$300,000 in illicit monies needed to be laundered, Altman indicated that he would be "going to the mountains," where he would learn from his money-laundering co-schemers how much time would be involved." Indicating that no cash was readily available at the time, Altman advised the CW that "the guy didn't want to leave the bag here when he left for the mountains." At the meeting, Altman accepted a \$25,000 check from the CW to launder consistent with the pre-existing arrangement.

27. On or about July 24, 2008, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman removed a large stack of cash from his pants pocket and handed the CW approximately \$15,250 in cash in furtherance of the laundering transaction of July 10, 2008. Referring to Altman's money-laundering connection, Altman explained that "he's short six," meaning that an additional \$6,000 in cash would be needed to complete the money-laundering transaction of July 10, 2008.

The CW explained to Altman that "between my PNC profits and my profits from my bag money, you know, my label thing. All the money that I gave you until now and all my future money is from the profits from these two deals." Altman indicated that he understood and, gesturing with his hand in a breaking motion, further advised the CW that his money-laundering connection could wash \$100,000 for the CW so ". . . long as you break it down into . . . smaller checks." Altman further advised the CW that he spoke with his money-laundering contact and that "he says he can do up to 300 [meaning \$300,000] no problem" but that he would not do it, as the CW, inquired "in one shot." Again gesturing with his hands to explain the laundering process, Altman stated that "he breaks it up . . . it doesn't go into one account."

28. On or about August 5, 2008, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman returned to the CW approximately \$6,000 in cash to complete the laundering transaction of July 10, 2008. Altman indicated to the CW that his money-laundering contact could wash up to \$100,000 of the CW's bank-fraud and counterfeit-bag proceeds "quickly in a week . . . maybe less." Altman further instructed the CW to let Altman know soon about the next money-laundering transaction because "I told the guy to hold 100 back," meaning that \$100,000 in cash was then available for laundering purposes.

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant JOHN GUARINI (hereinafter, "defendant GUARINI") served as a Building Inspector for the City of Jersey City. As a Building Inspector, defendant GUARINI was responsible for, among other things, performing inspections and certifying buildings for compliance with pertinent federal, state, and local standards, codes, regulations and procedures including zoning standards. Defendant GUARINI also was a 2006 candidate for the United States House of Representatives in New Jersey's 13th congressional district, which covers parts of Newark and parts of the Hudson, Middlesex, and Union counties. Defendant GUARINI became a Taxi Inspector in or about July 2008.

2. At all times relevant to this Complaint, there was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

3. At all times relevant to this Complaint, there was a real estate developer based in Hudson County (hereinafter "HC Developer").

4. At all times relevant to this Complaint, there was an official ("JC Official 2") with the Jersey City Department of Health and Human Services and a member of the Jersey City Zoning Board of Adjustment (the "Zoning Board").

A. Defendant GUARINI's Corrupt Conduct On Or About July 11, 2007

5. On or about July 10, 2007, the CW met with HC Developer at HC Developer's place of business in Union City, New Jersey. During this meeting, HC Developer explained to the CW that HC Developer had arranged for the CW and HC Developer to make a corrupt cash payment to defendant GUARINI in exchange for zoning approvals for properties that the CW and HC Developer wished to develop. During this same meeting, HC Developer acknowledged to the CW that HC Developer had made corrupt cash payments to defendant GUARINI in the past in exchange for defendant GUARINI's development approvals and other official assistance.

6. On or about July 11, 2007, the CW met with HC Developer at HC Developer's place of business in Union City. During that meeting, HC Developer explained to the CW that HC Developer would accompany the CW to meet with defendant GUARINI and that HC Developer would take defendant GUARINI to the boiler room in the building where the meeting would take place.

7. On or about July 11, 2007, defendant GUARINI, the CW and HC Developer met at a building that HC Developer owned in Jersey City. After entering the building, defendant GUARINI was informed by HC Developer that the CW was interested in developing properties in Jersey City, but was looking for a "comfort level" on "zoning" and other matters. Defendant GUARINI responded, "You're not gonna have any problem with anything with me . . . whatever we have to do, I can get it done." Then, defendant GUARINI explained that he could help the CW gain approval for more units in a particular building: "Worst-case scenario . . . we have to put in for a variance . . . go before the Board of Adjustment, we present the set of plans, the whole bit, but I get the blessing from everybody up above for that to go through."

8. As HC Developer stepped into the building's boiler room, defendant GUARINI and the CW continued their meeting. Defendant GUARINI then accepted \$20,000 in cash from the CW with defendant GUARINI being advised by the CW that defendant GUARINI had "got there 20 [meaning \$20,000]." Defendant GUARINI was advised by the CW that the \$20,000 was "on deposit" and that there would be additional payments in exchange for defendant GUARINI's future official assistance. Defendant GUARINI was further advised by the CW, "Take care of me, I'll take care of you." Indicating that he was comfortable with the corrupt relationship, defendant GUARINI replied, "Absolutely." Defendant GUARINI further stated that he was "around all the time" and supplied the CW with his cell phone number. Defendant GUARINI

then briefly met with HC Developer in the boiler room. To create the pretext of an inspection, defendant GUARINI stated, "Everything looks good here," as he began to leave the building.

B. Defendant GUARINI's Corrupt Conduct On Or About March 10, 2008

9. On or about March 10, 2008, defendant GUARINI met the CW on Montgomery Street in Jersey City, New Jersey. During the meeting, defendant GUARINI entered the CW's vehicle and discussed the corrupt arrangement between the CW and defendant GUARINI. Among other things, defendant GUARINI was advised by the CW that the CW was about to enter into a multi-million dollar real estate contract to develop a 25-story residential building located on Garfield Avenue in Jersey City (the "Garfield Property"). Defendant GUARINI further was advised by the CW that the CW had previously completed a real estate transaction in West New York, but that the CW lost a significant amount of money there because he "didn't know anyone." With respect to the Garfield Property, defendant GUARINI was informed by the CW that the CW did not "want to be stupid" in Jersey City," that "money is not a problem" and that the CW did "not mind doing like I did [referencing the CW's prior payment to defendant GUARINI]." In response, defendant GUARINI stated "okay."

10. In return for corrupt payments, defendant GUARINI stated, "I can have a meeting with somebody concerning what you, what you want done and get an answer from him right then and there." Defendant GUARINI further agreed with the CW to "be careful" when calling the CW on the telephone and to refer to the corrupt payments between defendant GUARINI and the CW as "invitations." Defendant GUARINI also told the CW that "we're not gonna do nothin' illegal," but then agreed that after receiving what the CW referred to as "the grease" [referring to the corrupt payments] that he would "get [the CW] an answer" [regarding the CW's concerns about the Garfield Property].

C. Defendant GUARINI's Corrupt Conduct On Or About March 26, 2008

11. On or about March 26, 2008, defendant GUARINI met with the CW at a diner in Bayonne, New Jersey. During the ensuing meeting, defendant GUARINI accepted an envelope from the CW containing \$10,000 in cash. As he accepted this cash, defendant GUARINI was advised by the CW "this here is \$10,000" and the payment was "for Garfield" [referring to defendant GUARINI's official assistance in connection with the Garfield Property] and

another project that the CW wanted to speak with defendant GUARINI about.

12. During this meeting, defendant GUARINI explained to the CW that JC Official 2 would be joining the meeting because JC Official 2 was a member of the Zoning Board and could assist the CW with the CW's development interests in Jersey City. Before JC Official 2 arrived for the meeting, defendant GUARINI was advised by the CW that the CW had "another . . . envelope" in his car with "10 [meaning \$10,000]" for JC Official 2. In response, defendant GUARINI raised his right hand off the table as if advising the CW to be careful. Defendant GUARINI was then advised by the CW that the CW would "give it [meaning the envelope for JC Official 2] to [defendant GUARINI] after the meeting." Defendant GUARINI assured the CW that he "would take care of everything" and that JC Official 2 was "on board" and would assist the CW with the CW's development related needs in Jersey City.

13. After JC Official 2 arrived at the meeting, defendant GUARINI, JC Official 2 and the CW discussed the CW's interest in real estate development in Jersey City. At the end of the meeting, defendant GUARINI and JC Official 2 were advised by the CW that the CW would give defendant GUARINI the envelope so that there would not be any "problems."

14. After defendant GUARINI, JC Official 2 and the CW exited the diner, the meeting continued in a parking lot outside the diner. At that time, in the presence of JC Official 2, defendant GUARINI accepted a second envelope from the CW containing \$10,000 in cash to pass on to JC Official 2.

C. Defendant GUARINI's Corrupt Conduct On Or About April 10, 2008

15. On or about April 10, 2008, defendant GUARINI met with the CW at a pub in Jersey City. During the ensuing meeting, defendant GUARINI explained to the CW that a property on Ocean Avenue in Jersey City was for sale (the "Ocean Avenue Property"), and that the Ocean Avenue Property had already been approved for 42 residential units. The CW then asked defendant GUARINI if "with you I can get like 80 or 100 units"? Defendant GUARINI responded, "I think we can get 80 units without a problem."

16. Shortly after this exchange, defendant GUARINI accepted another \$10,000 from the CW with defendant GUARINI being informed by the CW that "this here is another 10 big ones; that's for today's meeting" and "on account of Garfield" [referring to

defendant GUARINI's official assistance in connection with the Garfield Property]. When accepting the \$10,000 from the CW, defendant GUARINI stated, "You're gonna need me for everything."

C. Defendant GUARINI's Corrupt Conduct On Or About May 8, 2008

17. On or about May 8, 2008, defendant GUARINI and JC Official 2 met with the CW at a restaurant in Jersey City. While defendant GUARINI was in the men's room, the CW asked JC Official 2 whether defendant GUARINI had given JC Official 2 the envelope discussed in paragraph 14 above. In response, JC Official 2 stated that defendant GUARINI had not given JC Official 2 that envelope.

18. The CW then entered the men's room and spoke with defendant GUARINI outside of the presence of JC Official 2. During this meeting, defendant GUARINI claimed that he had provided the envelope discussed in paragraphs 14 and 17 above to JC Official 2.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

SHIMON HABER : Mag. No. 09-8134 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about March 2007 to at least in or about November 2007, in Hudson County, in the District of New Jersey and elsewhere, defendant

SHIMON HABER

knowingly and willfully conspired with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bank fraud and bankruptcy fraud, with the intent to promote bribery and to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July __, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, a Special Agent with the Federal Bureau of Investigation ("FBI"), following an investigation and discussions with other law enforcement officers, am aware of the following facts. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Nor have I recounted every conversation involving the defendant. All conversations referred to in this attachment were recorded, unless otherwise indicated, and are related in substance and in part.

1. At all times relevant to this Complaint, defendant Shimon Haber (hereinafter "defendant Haber") was a real estate developer, who worked in New York and New Jersey. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking revealed that defendant Haber did not hold a license to transmit or remit money.

2. At all times relevant to this Complaint:

- A. Coconspirator Moshe Altman, a/k/a "Michael Altman" (hereinafter "Altman") was a real estate developer based in Hudson County.
- B. Coconspirator Itzak Friedlander, a/k/a "Isaac Friedlander," (hereinafter "Friedlander") was a business partner of defendant Altman and an employee of defendant Altman's real estate development company.
- C. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking revealed that Altman and Friedlander did not hold a license to transmit or remit money.
- D. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

3. On or about March 6, 2007, defendant Haber and Altman met with the CW at Altman's place of business in Union City, New Jersey. During this meeting, defendant Haber, Altman, and the CW

discussed the mechanics of a scheme wherein they would make corrupt payments to various public officials in Hudson County in exchange for various forms of official action and approvals. In that regard, the CW asked Altman and defendant Haber about their ability to launder money that the CW would provide to these officials in furtherance of these corrupt deals. The CW stated, "Question is. If I bring in money. How many of these guys can convert it? No?" Referring to Altman, defendant Haber advised the CW, "Talk to him, he has 'washing machines'," meaning money-laundering contacts. Given the amounts and breadth of the illicit laundering scheme being discussed, defendant Haber remarked, the CW "needs a laundromat." Referencing the fact that the first floor of the building in which Altman's place of business was located actually housed a laundromat, with a prominent sign reading "LAUNDROMAT," Altman quipped that they "got one down here." As the conversation continued, the CW asked Altman, "he converts from green to check . . . whatever?" Altman responded that his money-laundering contact performed such laundering and likened his contact to money-laundering "converters" based in Israel. Defendant Haber then reaffirmed the "money-laundering" scheme as he emphasized to Altman, the CW "needs a converter," a reference to an individual who converts criminally derived monies into some other form of asset or monetary instrument in order to conceal its illegal origins. Thus, in this conversation, defendant Haber and Altman discussed the prospect of Altman's utilizing his money-laundering contacts in furtherance of an overarching scheme to bribe public officials in Hudson County in exchange for their official action and influence.

4. On or about March 28, 2007, defendant Haber and Altman met with the CW at Altman's place of business in Union City. Defendant Haber, Altman, and the CW discussed a money-laundering arrangement. Altman asked the CW if the CW needed a "washing machine," a reference to a money-laundering transaction. The CW replied, "Yeah, but not all in one shot." The CW continued, "I'm talking 20 to 50 now," a reference to \$20,000 to \$50,000, with more to follow. Altman asked the CW, "Which way is it going?" The CW responded, "I have checks." At this point in the conversation, the parties began to whisper and Altman instructed the CW, "Do me a favor, just write," meaning communicate about the scheme in a non-audible, written manner in order to evade detection.

5. With the assistance of defendant Haber, the CW wrote the following three questions on a scrap of paper for Altman: (1) "Check to who?"; (2) "How much do charge 10% is fine"; and (3) "how long to wash"? In response to question one, Altman wrote

"Gemach Shefa Chaim."¹ Altman did not provide a written response to question two. In response to the final question concerning the laundering period, Altman wrote "1 wk To 2 wks." After completing the written questions and answers, Altman confirmed for the CW that charities would be utilized to launder the monies that the CW would provide. Lastly, the CW stated, "Because of the bankruptcy court no one can know nothing," a reference to concealing from the bankruptcy court the money/assets that the CW proposed to utilize in this arrangement. The CW informed defendant Haber and Altman that ongoing bankruptcy proceedings that involved the CW required the CW to declare "all assets," to include anything of value, even items such as "cars," "watches," "furs," "firearms," "jewelry," and "suits." Defendant Haber and Altman indicated that they understood and that concealing these matters from the authorities was not an issue.

6. On or about May 8, 2007, Altman met with the CW at Altman's place of business in Union City and continued to discuss, among other things, the money-laundering arrangement. The CW asked Altman, "How much can [the Gemach] handle at once for me?" Altman responded, "What's the numbers? Just tell me the numbers." When the CW discussed a "silent partner" owing the CW money from "deals" and that the partner would provide the CW with checks ranging from \$25,000 to \$100,000 for conversion to cash, Altman reassured the CW that he could handle it and that he would conceal the illicit arrangement from anyone at the organizational front and all others, to include the bankruptcy trustee and the bankruptcy court. With regard to turnaround time for converting the checks to cash, Altman stated that it could take "A week, 10 days, it depends. It's not all taken out right away. So it can take two weeks."

7. On or about May 21, 2007, in the morning, another individual met with the CW in Deal, New Jersey. At that meeting, this individual furnished the CW with a check in the amount of \$18,000. The check was made payable to Gmach Shefa Chaim, the charitable organization that Altman specified to defendant Haber and the CW in the March 28th meeting.

8. On or about May 21, 2007, in the early afternoon, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman received this \$18,000 check from the CW. After providing Altman with the check, the CW indicated that

¹ Note that during the course of the investigation, the subjects and the CW have alternated spellings between "Gmach" and "Gemach" but there is no substantive difference.

the CW did not need a copy of the check "because I don't keep records." Altman agreed that was best. As the conversation continued, Altman was informed by the CW of the illegal source of the funds. The CW stated, "basically, guy owes me money from bank deals, 'schnookie' bank deals no one knows about and no one could know about . . . this guy's a partner of mine." Altman was further advised by the CW that the CW expected another \$50,000 check from the partner next week that the CW would need laundered into cash. Altman replied, "Okay, very good." Altman further indicated that he would launder the check into cash for return to the CW by June 12, 2007. Thus, in this conversation, Altman acknowledged that he understood the illegal source and nature of the funds that the CW supplied him with for both laundering purposes and to hide assets from the CW's ongoing bankruptcy proceedings.

9. Further to the March 7th and March 28th, 2007 meetings with defendant Haber detailed above, between approximately May 2007 and August 2007, Altman and Friedlander engaged in money laundering transactions with the CW totaling approximately \$268,000 in funds represented by the CW to be proceeds from the CW's bank fraud that needed to be concealed from the bankruptcy court and authorities. Consistent with the money-laundering arrangement discussed and agreed to at those meetings with defendant Haber, Altman and Friedlander accepted numerous checks for laundering into cash from the CW. Pursuant to their instructions, the checks were made payable to the Gmach Shefa Chaim and other such charitable organizations utilized in furtherance of the money-laundering scheme.

10. On or about August 10, 2007, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman gave the CW approximately \$44,500 in cash. This cash amount represented \$24,500 in cash to complete a money laundering transaction of July 16, 2007 and a partial return of \$20,000 on a \$50,000 check Friedlander accepted for laundering on or about August 8, 2007. Friedlander and Altman mistakenly overpaid the CW \$250 on this occasion. Haggling over the laundering fee charged, the CW stated to Altman that Friedlander ". . . told me 10% with these new guys, fast turnaround, 10% he told me." Insisting that 15% was the correct fee, Altman countered, "What are you talking about? . . . You misunderstood him [meaning Friedlander] . . . I made it very clear," a reference to the money laundering fee to be charged.

11. On or about that same date, defendant Haber and Altman met with the CW at Altman's place of business in Union City. Regarding defendant Haber's and Altman's assisting the CW in

making corrupt payments to various public officials in Hudson County in exchange for various forms of official action, defendant Haber discussed the fact that he had already paid for "tickets," a reference to political contributions, in an effort to procure official approvals for the Palisades project in Union City² and that more money was needed. To that end, defendant Haber asked the CW for money to pay for more "tickets" for the benefit of a Union City official (the "Union City Official"). Referencing the ongoing bankruptcy proceedings and the continuing need to conceal their illicit arrangement, the CW stated, "I can get you a check probably . . . from one of my . . . I have a management company that doesn't show up anywhere." Defendant Haber asked the CW for \$4,000 and counseled the CW to funnel the payment through Altman, who would send it to "some charity," in order to make the corrupt payment for the benefit of the Union City Official. Questioning whether this was necessary, the CW stated, "I don't need a Gmach. I can do a check straight. I don't show anywhere. It's an offshore management thing . . ." In response, defendant Haber continued to talk about sending it to a "charity account." At the conclusion of the meeting, defendant Haber, Altman, and the CW discussed using the CW's represented offshore management account to purchase \$5,000 worth of "tickets" in furtherance of the scheme to obtain the Union City Official's influence in approving the Palisades project.

12. On or about August 16, 2007, Altman sent the CW a "text message" via Altman's cellular telephone advising the CW that Altman would be meeting with the Union City Official and/or a representative of the Union City Official (the "Representative") and that the CW should bring another "10," meaning \$10,000 more for the purposes of securing approvals in Union City.

13. On or about that same day, August 16th, defendant Haber and Altman met with the CW in a car in Union City. As they awaited their meeting with the Representative for the purpose of giving checks in exchange for approvals, defendant Haber asked the CW how much money the CW brought. The CW advised \$10,000, and Altman asked, "How are the checks made out?" Pursuant to the laundering arrangement defendant Haber and Altman previously discussed with the CW, the CW stated that the CW had one \$4,000 check made out to a political committee and "\$6,000 to the Gemach."

² The Palisades project refers to an area on Palisades Avenue in Union City, where defendant Haber and Altman worked to assist the CW in obtaining official approvals to build a multi-story condominium containing as much as 150 units. Five, 2-family residential homes preoccupied the area.

14. Shortly thereafter, at a banquet facility in Union City, Altman introduced the CW and re-introduced defendant Haber to the Representative, whom Altman previously described as a middleman for the Union City Official. Concerning the CW, Altman stated to the Representative that the CW's "involved in the Palisades deal." Referring to defendant Haber, Altman stated to the Representative, "Shimon Haber . . . you met him before," to which the Representative responded, "I heard things about you . . . good stuff." Regarding the desire to obtain approvals, the CW stated to the Representative, "We want to invest a lot of money in the City . . . we want to make sure everyone does the right thing by us." The Representative responded, "I understand . . . we want development. We want people that come up with good projects." The Representative indicated that the only current problem was an individual, who was filing many appeals, but that Altman "knows how to get around" the problem.

15. Immediately after mentioning to the Representative an upcoming Union City Planning Board meeting, wherein the Palisades project would be addressed, the CW stated to the Representative, "I gave him [i.e., Altman] \$10,000 . . . \$4,000 for [a political committee] and \$6,000 to him which he'll get to you this week." The Representative responded, "Okay," and accepted the \$4,000 check payable to the political committee,³ placing it in his pocket. Regarding the \$6,000 check⁴ for Altman to structure for payment for the benefit of the Union City Official and approvals, the CW indicated that it was necessary in order to circumvent campaign contribution limits. The CW stated, "The problem is I come with limitations. What are the limits?" In response to the CW's subsequent statement that the CW had "no limitations" in terms of making corrupt payments in exchange for Union City official action in the CW's favor, the Representative said, "Okay, thank you very much."

16. After the meeting with the Representative, defendant Haber and Altman scolded the CW for speaking so openly regarding the making of corrupt payments in exchange for official action.

³ The \$4,000 check made payable to the political committee was drawn on the account of a company that the CW represented to be the CW's offshore management company that was concealed from the bankruptcy trustee and authorities but that, in reality, was an FBI front company.

⁴ The \$6,000 check the CW showed the Representative was a "cashier's check" made payable to the Gmach Shefa Chaim.

Altman stated, "Ay, Ay, Ay . . . too much talking . . . you can't talk to them like this." Agreeing with Altman, defendant Haber counseled the CW, "You gotta start slow with these guys." Near the end of their meeting, the CW asked Altman how he would structure the \$6,000 check for payment to the Union City Official in furtherance of the scheme. Altman responded, "We break it up into different names . . . it's no problem." Admonishing the CW that Union City officials were afraid, a reference to an ongoing law-enforcement investigation, Altman advised the CW that the CW should not openly discuss the "breaking up" of the checks and the Gmach's role. Turning to a different subject, defendant Haber asked the CW for approximately \$10,000 so that he could pay mortgages on properties that were losing money. When the CW indicated that the CW was afraid of a "trace" on the CW's account, defendant Haber responded, "how do they trace anything . . . give it to the Gmach . . . the Gmach will give it to me . . ."

17. On or about August 23, 2007, Altman met with the CW at Altman's place of business in Union City. During the meeting, Altman explained, among other things, how Altman structured the CW's \$6,000 check made payable to the Gmach Shefa Chaim for the benefit of the Union City Official's political fund. In response to the CW's question, "How did you do it?," Altman explained "I took three LLCs [a reference to limited liability companies] . . . I have 11, 12 different LLCs . . . each building has its own LLC." Thus, in this conversation, Altman acknowledged that he utilized limited liability companies, at least in part, to structure and conceal payments and campaign contributions to public officials in exchange for their exercising official influence and action in his favor.

18. After explaining his use of the three limited liability companies to the CW, Altman stated to the CW, the Union City Official "called me today." Checking his cell phone, Altman advised the CW that the Union City Official called him at "11:41 a.m." Altman further advised the CW that the Union City Official just had a fundraiser and was looking for more money. Altman stated that the Union City Official called him "hinting" and that the Union City Official asked him, "Can we come with anything better?" The CW asked Altman, "How did he know how much?," meaning how did the Union City Official know the sums of money that Altman gave to him. Altman responded that "he [i.e., the Union City Official] won't talk" about money but that he knows from whom it comes. Altman further indicated that he would meet with the Union City Official the next day to follow up on the matter.

19. On or about November 1, 2007, defendant Haber met with the CW in defendant Haber's car in Tinton Falls, New Jersey. During the meeting, defendant Haber explained to the CW that Altman was "very upset" with how open the CW was with respect to the corrupt intention of making payments for the benefit of the Union City Official in exchange for approvals on the Palisades project. Indicating that he agreed with Altman, defendant Haber advised the CW that Altman thought "the CW was a fool for wanting to put [the CW's] face into the picture at this stage," a reference to being physically present for the planned corrupt payments. Defendant Haber emphasized this was particularly true in light of pending federal criminal charges against the CW. Advising the CW that the corrupt payments would be made in exchange for approvals irrespective of whether or not the CW was present, defendant Haber stated, "At the end of the day, you have a federal case against you . . . and I don't understand why you want to put yourself in jeopardy . . . so hide, it doesn't make a difference!"

20. Discussing a forthcoming corrupt \$10,000 payment to a political committee for the benefit of the Union City Official, structured again in the form of four checks, the CW asked defendant Haber, "Is it to make [Altman] look good or is it for [the Union City Official] and [the Representative] who said give us the \$10,000 and we'll get you the approvals?" Defendant Haber responded, "I'm going to go with [Altman] with the \$10,000 and I'll make sure he [meaning the Union City Official] knows its for Palisades . . . Is that good enough for you?" Defendant Haber told the CW that the Union City Official called inquiring about the Palisades project and solicited another \$10,000 for its approval. Defendant Haber recounted, "[the Union City Official] said we need another \$10,000 . . . when are you going up for Palisades . . . we need \$10,000" for the project "it was clearly tied to that." Defendant Haber further advised the CW, "If you want, I will be there when [Altman] gives the [Union City Official] the check." Voicing his own concerns about having his participation in the corrupt scheme detected, defendant Haber stated, "The truth is, I'd rather not go. I don't want to be fronted. Let him [i.e., Altman] do the work [a reference to the corrupt payoff]. What do I care? I still get my approval." At this meeting, defendant Haber accepted from the CW and left with four, \$2,500 checks to be given to the Union City Official. As defendant Haber, Altman, and Friedlander previously instructed, each check was made payable to a civic association in the name of the Union City Official. Two of the four checks were cashiers checks, and the other two checks were drawn on the account of the CW's purported offshore management company.

21. In subsequent meetings, Altman and the co-schemers advised the CW that defendant Haber and Altman gave the checks to the Representative and reiterated that the payments were for the proposed Palisades project in Union City.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 MICHAEL J. MANZO :
 DENIS JASLOW, and :
 JOSEPH CASTAGNA : Mg. No. 09-8135 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

In or about May 2009, in Hudson County, in the District of New Jersey and elsewhere, defendants

MICHAEL J. MANZO
DENIS JASLOW, and
JOSEPH CASTAGNA

and others, did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for defendant Michael Manzo's future official assistance in Jersey City Government matters.

In violation of Title 18, United States Code, Section 1951(a) and Section 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment A are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant Denis Jaslow (hereinafter "defendant Jaslow") was an investigator for the Hudson County Board of Elections and, formerly, a Senior Correction Officer with East Jersey State Prison, Department of Corrections.

2. At all times relevant to this Complaint, defendant Michael J. Manzo (hereinafter "defendant Manzo"), a Jersey City Fire Arson Investigator, was an independent candidate seeking to represent Ward B on the City Council in Jersey City, New Jersey, which election was held on or about May 12, 2009. Defendant Manzo's bid was unsuccessful.

3. At all times relevant to this Complaint, defendant Joseph Castagna (hereinafter "defendant Castagna") served as the Health Officer with the Jersey City Department of Health and Human Services ("HHS") and was a close associate of defendant Manzo.

4. At all times relevant to this Complaint, there was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

5. On or about May 6, 2009, defendant Jaslow, defendant Manzo, defendant Castagna and the CW met at a restaurant in North Bergen, New Jersey. During this meeting, defendant Manzo and defendant Castagna listened as the CW explained that the CW was "doing a deal on Garfield Avenue." Defendant Manzo wanted to know, "What kind of a deal?" and the CW further explained that he wanted to transform the previously "contaminated site [which

defendant Manzo indicated he knew of]" to the home of "150 condos." Defendant Manzo said, "Okay," and then listened to the CW explain, "So the first thing I gotta do is get a zone change and then go before the Planning Board, that's what my engineers and people tell me." Defendant Manzo asked the CW, "You're not displacing any residents are you?" and, when the CW answered no, defendant Manzo shrugged his shoulders and gestured to indicate the CW should not have any issues. The CW then explained that "some people on the [City] Council, they have a problem with height." Later in the conversation, defendant Manzo was informed by the CW that the CW was "talking coming in for a zone change in early July and then the Planning Board sometime in September . . . and," the CW continued, "I want to make sure I got your support [referring to defendant Manzo should he be elected to City Council]." Defendant Manzo said, "Is this going to be an abated property?", and the CW replied that he was not looking for any "special abatements." Making an observation about what the CW was looking for, defendant Manzo stated, "You want the help to get the project going," to which the CW said, "Yeah. I just want to make sure my stuff gets, my, my zone changes, if I come in my stuff gets expedited . . ." Defendant Manzo and the CW then discussed the CW's plans for parking and retail at the Garfield Avenue site. Of the plans, defendant Manzo said, "Sounds good to me." In response to the CW's statement, "I don't know, you know, if Denis [Jaslow] told you, you know, but there's people like Democrat, Republican, but I'm in the green party, I don't like any conflicts, you understand?" Defendant Manzo laughed and said, "Green is like gold, right?" The CW said, "That's right, I don't have gold in my house, but green I have. So, you know, if it's okay with you, you know, maybe I'll do five thousand and another five after the election." Defendant Manzo continued to eat his sandwich and look across the table toward defendant Castagna as the CW spoke about the payment, and defendant Castagna then changed the subject to statewide elections.

6. Minutes later, the CW stated to defendant Manzo, "Just make sure my name doesn't show up on any of these lousy reports or anything, I don't need any conflict issues." Defendant Manzo agreed and said, "Talk to them [pointing across the table at defendant Jaslow and defendant Castagna], no problem. Everything's fine with me." When the CW said, "Okay, good, because I don't need people talking about me, I don't need any issues," defendant Manzo replied, "They'd be talking about me, too." Defendant Manzo continued to listen and nod his head in the affirmative as the CW explained, "I do business my way, under the radar, and that's it." The CW asked about meeting the following day, and defendant Manzo told the CW, "If I can't, then Joe [Castagna] will be there." The CW told defendant Manzo,

"Okay I'll give him [referring to defendant Castagna] the five thousand and then he'll do whatever he gotta do with it, you know sometimes, before the election, they need like street cash and stuff, whatever you want, I don't care." Defendant Manzo nodded his head in agreement as the CW spoke, while defendant Castagna can be heard in the background stating to the CW, "Just call me before you come." Defendant Manzo was informed by the CW, "Just make sure you expedite my stuff, that's all I ask, I don't want to be on the bottom of the pile," to which defendant Manzo replied, "the whole building department has to be revamped to the point where it becomes user friendly to the people that are coming there. If friends of friends get to the top all the time, then you got worthwhile projects and this is money, time is money . . . They should never turn away someone who is looking to make it better." The CW said, "[Y]ou can't always fault them . . . so if there's 100 [applications] that come in on July 1, I don't want to be on the bottom of the pile, that's all I ask, I want my friends to take care of me, so as long as I can rely on you, you got me in your corner." Defendant Manzo told the CW, "You can rely on me to expedite."

7. Later in the conversation, defendant Manzo told the CW that he hoped the CW would "choose something closer to me too in the future," to which the CW asked, "You talking about Jersey City?", and defendant Manzo replied, "No, closer into the B Ward [the ward which he was running to represent on city council]." As the conversation continued, the CW said, "[Y]ou'll steer me in the right direction," and defendant Manzo then stated, "Especially if we provide the ease." The CW said, "Ease is always good," and a smiling defendant Manzo nodded yes in response.

8. As the meeting was concluding, defendant Manzo and the CW shook hands and the CW said, "So I'll meet your partner here [referring to defendant Castagna] tomorrow." When parting ways and shaking hands, defendant Manzo was assured by the CW that the CW would "do the five thousand in cash with [defendant Castagna] tomorrow [to which defendant Manzo nodded yes]." The CW continued on, recounting the future official action defendant Manzo would take in exchange for the payment from the CW: "Just make sure my name's nowhere, that's all I ask [to which defendant Manzo shook his head left and right, indicating the CW's name would not be listed anywhere]. And then I'll give you another five after the election . . . Just make sure you expedite my stuff, that's all I ask." In response to this request for future official action, defendant Manzo told the CW, "I think you deserve that." Defendant Manzo and the CW continued to talk as they exited the restaurant. In response to

the CW's concerns about being "on the bottom of the pile," defendant Manzo assured the CW, "I'll walk you through it . . . I'll have the extra time, because I'll retire from my one job and I'll be doing this [serving as an elected official] full time."

9. In the parking lot, after defendant Manzo and defendant Castagna departed, defendant Jaslow raised the issue of the introductions to officials and candidates that he had facilitated for the CW. The CW said, "So, I'll bring something for you tomorrow [meaning a cash payment]. Keep on bringing me guys like this that can help me expedite." Defendant Jaslow began to complain about other projects, and the CW responded, "one this at a time," to which defendant Jaslow responded, "[Cause] I gotta make checks [meaning defendant Jaslow may have to convert cash payments made by the CW to candidates in exchange for their anticipated official action into checks to pass to the candidates to conceal the nature of the corrupt payment]."

10. On or about May 7, 2009, defendant Jaslow, defendant Castagna and the CW met as planned at the same North Bergen restaurant where they had dined on the previous day. Defendant Castagna told the CW that defendant Manzo was "working" because "Thursday's his arson job." Once inside the restaurant, they continued to discuss defendant Manzo. Defendant Castagna said that defendant Manzo was "a hard worker." Defendant Castagna continued: "Some people have stuff and you despise them. Anything he's got, he worked hard for it."

11. Minutes later, FBI agents witnessed defendant Castagna accept an unsealed envelope containing \$5,000 in cash to be passed to defendant Manzo in exchange for defendant Manzo's anticipated official action as the CW stated: "So like I was telling you and [defendant] Mike [Manzo] yesterday, this here is five thousand green ones [meaning cash]." Defendant Castagna said, "Thank you," and the CW replied, "You're welcome. Just make sure, you know, that [defendant Manzo] remembers me . . ." at which point defendant Castagna interjected and asked the CW, "Do I gotta seal this up [referring to the unsealed envelope containing the \$5,000 in cash]?" The CW said, "Do whatever you want with it - give it to him . . ." and defendant Castagna assured the CW, "I'll give it to [defendant Manzo] tonight." The CW told defendant Castagna, "Just make sure when I do my Garfield Avenue zone change, I got [defendant Manzo's] vote." Defendant Castagna again assured the CW: "Oh we'll be there for you, you gotta be kidding me. That's not even - that's done." The CW added, "And then next week after [defendant Manzo] wins, I'll give him another five thousand like this, just don't put my name

on anything." Defendant Jaslow said, "Well we're going to have another meeting next week anyway."

12. Later in the conversation, when asked by the CW, "So if [defendant Manzo] says something, he doesn't forget right? So he tells ya, when he says I got his support, when he says expedite the vote, he's a man of his word, right?", defendant Castagna replied, "We wouldn't be here." The CW said, "[D]on't put my name on anything," and defendant Castagna replied, "Oh, I know."

13. At the conclusion of the meal, defendant Castagna, who had the envelope containing the \$5,000 cash under his arm, made arrangements for defendant Manzo and the CW to meet on the following Monday, May 11, 2009, the day before the City Council election in Jersey City. Regarding defendant Manzo, defendant Castagna told the CW, "I'll see him right about 5:30 tonight and be with him all night." When the CW asked, "So you'll give [defendant Manzo] that [referring to the envelope containing the \$5,000 cash]," defendant Castagna replied, "Yes." As they exited the restaurant, also referring to defendant Manzo, the CW said, "Make sure he has me in his corner for support, he expedites my stuff on Garfield . . ." Defendant Castagna assured the CW, "I completely understand that." The CW added, "Don't put my name on anything and I'll give [defendant Manzo] another five after the election." Defendant Castagna responded by saying, "Thank you." The three agreed to meet again at "twelve o'clock Monday [May 11]," and defendant Castagna commented to defendant Jaslow, "We'll bring Mike [referring to defendant Manzo]." Defendant Castagna then departed.

14. Defendant Jaslow followed the CW to the CW's car. In response to the CW's comment regarding defendant Castagna that "[h]e seemed like a good guy, Joe," defendant Jaslow said, "He's a great guy. He's a good guy to know too, you know . . . He knows his people." The CW then told defendant Jaslow, "Guys that I can operate like this, the green party way, fine," and defendant Jaslow laughed. Moments later, defendant Jaslow accepted an unsealed envelope from the CW containing \$2,500 in cash. As defendant Jaslow took the envelope from the CW, defendant Jaslow jokingly asked the CW, "Does it got my name on it?" The CW said, "No, I don't have your name on it. Here's twenty-five hundred [referring to the contents of the envelope]." Defendant Jaslow asked the CW, "What happened? I thought you were hooking me up, man? You're cuttin' me down. You told me you were gonna give me the same as you were gonna give the guy [meaning defendant Jaslow expected to receive \$5,000 just as defendant Manzo had]."

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

SAUL KASSIN : Mag. No. 09-3610

I, Robert J. Cooke, being duly sworn, state that the following is true and correct to the best of my knowledge and belief.

From in or about June 2007 to in or about December 2008, in Monmouth County, in the District of New Jersey, and elsewhere, defendant SAUL KASSIN did:

knowingly and willfully conspire with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bankruptcy fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except as otherwise indicated.

1. Defendant Saul Kassin, a resident of Brooklyn, New York, is the Chief Rabbi of Sharee Zion, a synagogue located on Ocean Parkway in Brooklyn (hereinafter, "defendant KASSIN"). Defendant KASSIN operated a charitable tax-exempt organization in conjunction with his synagogue (hereinafter, "defendant KASSIN's Charitable Organization"). A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant KASSIN does not hold a license to transmit or remit money.

2. At all times relevant to this Complaint:

(a) There was a coconspirator named Edmond Nahum (hereinafter, "Coconspirator Nahum") who was the principal rabbi of Deal Synagogue, a synagogue located in Deal, New Jersey. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator Nahum does not hold a license to transmit or remit money;

(b) There was an individual named Eliahu Ben Haim, a/k/a Eli Ben Haim (hereinafter, "Ben Haim") who was the principal rabbi of Congregation Ohel Yaacob, a synagogue located in Deal. Ben Haim operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called Congregation Ohel Eliahu (hereinafter, "COE") and another called Friends of Yachave Da'at. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Ben Haim does not hold a license to transmit or remit money; and

(c) There was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and concealing assets and monies in connection with bankruptcy proceedings.

3. On or about June 20, 2007, Coconspirator Nahum met with the CW in Coconspirator Nahum's office in Deal. During this meeting, Coconspirator Nahum received a check from the CW in the amount of \$10,000 made payable to defendant KASSIN's Charitable Organization. The CW indicated that the funds from this check represented monies that the CW was owed by another individual, and that this other individual wished to launder the money through a charitable organization. The CW also informed Coconspirator Nahum that "the guy gave it to me because he wants a write off, like everybody else." Later in the conversation, Coconspirator Nahum described how he put checks through defendant KASSIN's Charitable Organization and would receive checks in return. When the CW noted that the people who had initially provided the checks to Coconspirator Nahum did so because "the people want the write offs," Coconspirator Nahum responded "[e]xactly." Coconspirator Nahum also confirmed that defendant KASSIN received many checks each day, prompting the CW to ask "hundreds of thousands a week, no?" Coconspirator Nahum replied "[a]t least - more," and noted that defendant KASSIN had a staff to help him with the accounting. Coconspirator Nahum also confirmed that defendant KASSIN charged a fee for moving checks through his charitable account, and did not disagree when the CW suggested that the fee would likely be a five to ten percent commission. Prior to the CW's departure, Coconspirator Nahum put the check the CW had provided to him into a stamped envelope to be mailed to "Rabbi Saul J. KASSIN," at an address in "Brooklyn, N.Y." Coconspirator Nahum also put within this envelope a stamped envelope addressed to the CW along with a note to return to the CW a check in the amount of \$9,000 made payable to either a specified company - in reality, a fictitious company set up by the FBI for the purpose of enabling the CW to launder money represented to be the proceeds of illegal activities - or to one of Ben Haim's charitable organizations.

4. On or about June 26, 2007, Coconspirator Nahum received a phone call from the CW who asked Coconspirator Nahum if he knew "whether Rabbi Kassin got that check yet," a reference to the \$10,000 check that the CW had provided to Coconspirator Nahum on or about June 20, 2007. Coconspirator Nahum informed the CW that

he had spoken with defendant KASSIN the same day that the CW had provided Coconspirator Nahum with the check and further stated that defendant KASSIN would mail the return check - expected to be a \$9,000 check - to the CW's house. Coconspirator Nahum stated that he had told defendant KASSIN everything that the CW had told Coconspirator Nahum.

5. On or about June 27, 2007, Coconspirator Nahum met with the CW in Coconspirator Nahum's office in Deal. During the ensuing conversation, Coconspirator Nahum provided the CW with a check in the amount of \$9,000 drawn upon the account of defendant KASSIN's Charitable Organization and made out, per the CW's request, to COE, a charitable organization operated by Ben Haim. After Coconspirator Nahum indicated that defendant KASSIN was "big," the CW asked "so if I have like, uh, you know, fifty thousand a month for the next three months, he can handle it, no problem?" Coconspirator Nahum responded that defendant KASSIN would be able to do so. The CW then asked Coconspirator Nahum "[i]f I give it to you, he'll do it right away?" Coconspirator Nahum replied "[y]eah, sure." The CW then asked, by way of clarification, "[t]hat's what he does?" Coconspirator Nahum responded simply, "[y]eah, that's what he does." Coconspirator Nahum also confirmed that defendant KASSIN charged a percentage for each of these deals.

6. On or about June 28, 2007, Coconspirator Nahum met with the CW during a meeting just outside of a location in Deal. During this meeting, Coconspirator Nahum accepted a bank check from the CW in the amount of \$25,000 made payable to defendant KASSIN's Charitable Organization. Coconspirator Nahum agreed to deliver the check to defendant KASSIN as part of a money laundering transaction. Coconspirator Nahum was informed by the CW that the CW had a couple of hundred thousand dollars that "no one knows about," a reference to the bankruptcy proceedings from which the CW was purportedly hiding assets. Coconspirator Nahum was informed by the CW about this arrangement as follows: "what I do is, he give me, uh--I give you the check. Kassim give back a check to Ohel Eliahu. I'll give it to Eli [Ben Haim], and Eli give me back the [money]." Coconspirator Nahum responded "[n]o problem," adding "[a]s long as they don't ask questions." The CW explained that this arrangement allowed for the CW's silent partner to get a tax write off, and enabled defendant KASSIN and Ben Haim to earn a ten percent fee. The CW added that by hiding this money from the bankruptcy court, "[t]his way I can live. I have no problems." Coconspirator Nahum agreed to have a check

made out for the CW from defendant KASSIN's Charitable Organization made payable to COE in the amount of \$22,500.¹

7. On or about August 8, 2007, Coconspirator Nahum and the CW met in Coconspirator Nahum's office in Deal. During the ensuing meeting, Coconspirator Nahum received three bank checks from the CW. One of those checks was a \$50,000 check made payable to defendant KASSIN's Charitable Organization to be provided by Coconspirator Nahum to defendant KASSIN. When handing this check to Coconspirator Nahum, the CW explained that "[t]his one is, uh, [defendant KASSIN's Charitable Organization], the top one for fifty. So let me, get me back forty-five thousand." After accepting the checks, Coconspirator Nahum expressed concern that a woman had called recently from the bank, but the CW reassured Coconspirator Nahum by stating "[t]his is from my partner that doesn't know nothing where the money's even going 'cause, you know, I can't -- the bankruptcy-- this, that -- nobody can know anything." The CW indicated to Coconspirator Nahum that the CW was trying to get "the money around the courts so nobody knows anything," another allusion to the bankruptcy fraud which was the proffered reason why the CW wished to launder these funds. The CW further stated that "I don't go into the bank, it's, uh, my partner who, uh -- I don't show up anywhere [u/i] on any paper. My name's nowhere, so there's no, uh -- they don't know who I am." After the CW reiterated that defendant KASSIN would retain \$5,000 as his fee for the \$50,000 check, Coconspirator Nahum again expressed his concern by stating "[n]o problem for sure?" The CW replied "I don't say anything to nobody. You don't say anything to anybody, and that's it," prompting Coconspirator Nahum to remark by way of agreement, "[n]o, that's what I'm saying."

8. On or about August 13, 2007, Coconspirator Nahum met with the CW in Coconspirator Nahum's office in Deal. At the outset of the meeting, Coconspirator Nahum gave the CW a \$45,000 check drawn from defendant KASSIN's Charitable Organization,

¹ Subsequently, on or about July 2, 2007, the CW met with Ben Haim who provided the CW with approximately \$20,250 in cash in expectation that the CW would return with a check from defendant KASSIN's Charitable Organization in the amount of \$22,500. Two days later, the CW met with Ben Haim at Ben Haim's office in Deal at which time the CW gave Ben Haim the \$22,500 drawn from KASSIN's Charitable Organization and made payable to COE. This completed the money laundering transaction which had begun on June 27, 2007, when the CW had given Coconspirator Nahum the check in the amount of \$25,000.

causing the CW to note that "[t]his is from Rabbi Kassin, forty five." Coconspirator Nahum recommended waiting a few days to let this check clear. When the CW mentioned that the CW would contact Coconspirator Nahum the next week for additional business, Coconspirator Nahum reminded the CW that he could only do deals of \$5,000 or less when using his own charitable organizations. Coconspirator Nahum recommended that large amounts be moved through defendant KASSIN, noting that "KASSIN is the best." Coconspirator Nahum further suggested that the CW should spread out the money that the CW wished to launder through a number of rabbis, stating that "I think it's better. You, you know why? The more it's spread is better [u/i]," prompting the CW to reply "[y]eah, no, no question. This way no one can see anything." To this end, Coconspirator Nahum recommended that the CW turn to another money launderer, Rabbi Mordchai Fish, noting that "even through Fish, even though [u/i] complicated." Coconspirator Nahum further opined that Rabbi Fish "can do million dollars . . . under the ground." When the CW complained that Rabbi Fish was unreliable, Coconspirator Nahum countered that "Fish is good . . . Promise him something."

9. On or about October 24, 2007, the CW met with defendant KASSIN at defendant KASSIN's residence in Brooklyn. During the meeting which followed, defendant KASSIN accepted from the CW a \$25,000 bank check drawn upon an account based in New Jersey. When handing the check to defendant KASSIN, the CW stated that "[t]his is a, uh, check, a bank check to [defendant KASSIN's Charitable Organization] for twenty-five thousand." Defendant KASSIN further was informed by the CW that the check "is from some partnerships that I have with people where I'm not -- I don't show up too much." The CW further explained the CW's efforts to shield this money from the ongoing bankruptcy proceedings in which the CW was embroiled, stating "it's a partnerships that I have, uh, but I don't want, you know, because of the bankruptcy, I don't want anyone to know. This way it goes to the, to that guy. This way there's no problems with anything. No, I did a few times with Coconspirator Nahum with you before, you know." Defendant KASSIN retrieved a large volume from another room and began to write out a check from his Charitable Organization to the CW. The CW stated that "ten percent is for, uh, you, and then ninety percent back to -- I need a check back to Eli Ben Haim -- Congregation Ohel Eliahu, please." Defendant KASSIN asked for the CW's name and telephone number, and the CW stated "[t]wenty-two thousand five hundred to Congregation Ohel Eliahu." Defendant KASSIN then asked "[h]ow much for [u/i] [my Charitable Organization]?" The CW explained "ten percent for them, and twenty-two thousand . . ." Defendant KASSIN interjected, "two thousand five hundred, you mean," reflecting

the amount of the fee that he would realize for laundering the CW's \$25,000 check. The CW replied "[y]eah, yeah," and clarified "[a]nd then the check back will be twenty-two thousand five hundred for Eli Ben Haim." Defendant KASSIN inquired "[i]s that tax deductible," a reference to Ben Haim's charitable organization, COE, prompting the CW to answer in the affirmative. Defendant KASSIN then asked "[w]hy don't you go to [Ben Haim]?" The CW explained that "I did a lot of business with him already. I don't want too many checks to him, you know. It doesn't look good, so. He has a lot of business. Eli is too big. He's doing too much business, this guy" -- a reference to the large volume of money laundering being conducted by Ben Haim with the CW and other customers. Defendant KASSIN again asked about the partnerships in which the CW was involved, prompting the CW to explain that "I don't show up on the paperwork because I don't need to show up. I need to keep everything quiet now." The CW added that "[s]o it's uh, [u/i] make a donation and then, uh, check to Eli. This way there's no trace or anything." The CW referred to the CW's ongoing bankruptcy proceedings and added "I have to live you know. This way, I give ten percent and then on ninety percent I'm able to survive" Defendant KASSIN completed writing out the check in the amount of \$22,500 and gave the CW the check. As the CW departed, defendant KASSIN was informed by the CW that the CW might have additional money that the CW wished to move through defendant KASSIN. Approximately one week later, on or about October 31, 2007, the CW provided the \$22,500 check from defendant KASSIN's Charitable Organization to Ben Haim who, in return, provided the CW with \$22,500 in cash.

10. On or about December 20, 2007, the CW met with defendant KASSIN at defendant KASSIN's residence in Brooklyn. During the ensuing meeting, defendant KASSIN accepted a bank check from the CW made payable in the amount of \$25,000 to defendant KASSIN's Charitable Organization. By way of explanation as to the source of funds from this check, the CW stated that "I have a, uh, company here in New York. I don't have my name -- I have partners, and we make handbags, pocketbooks, this and that . . ." The CW added that "[w]e take handbags, and we put on different labels like Prada, Gucci and stuff, uh -- they're false labels." During the meeting, defendant KASSIN again broke out a large volume, apparently a ledger relating to his Charitable Organization. Defendant KASSIN asked to whom the check should be made payable, and the CW stated "Ohel Eliahu." Defendant KASSIN again asked why the CW did not simply write out the check directly to one of Ben Haim's charitable organizations, and the CW stated "[b]ecause I do too much business with him." The CW assured defendant KASSIN that the bank check that the CW was providing was valid, and stated

"[a]nd then twenty-two thousand five hundred back, you know, please, and the rest is for you." The CW then explained that Ben Haim would give the CW cash in return for the check from defendant KASSIN. Defendant KASSIN asked whether the CW would prefer two checks, but the CW stated that one check would be sufficient. Defendant KASSIN gave the CW a \$22,500 check drawn upon his Charitable Organization. Before departing, the CW reiterated that the CW and the CW's partner made "cheap stuff" on which they put "fake labels." The CW provided this check to Ben Haim the following day, at which time Ben Haim gave the CW approximately \$15,250 in cash as partial payment for this money laundering transaction.

11. On or about February 12, 2008, the CW met with defendant KASSIN at defendant KASSIN's residence in Brooklyn. When the CW arrived, the CW was greeted at the door by an individual from Deal who told the CW that "I brought him some checks for the, um for the charitable [u/i]." When the CW walked into the dining room, three individuals were present, including the individual from Deal as well as a relative of defendant KASSIN who was seated at the table. These individuals appeared to be writing various checks to and from defendant KASSIN's Charitable Organization. The CW overheard a third individual, an unidentified male of Israeli descent, tell defendant KASSIN in Hebrew that he needed a check back for the envelope of checks he had brought with him. Defendant KASSIN told this individual to write down what was in the envelope and how much he needed in return and instructed this individual to return in an hour to pick up the check. Defendant KASSIN then escorted the CW into another room, where he told the CW that "I am very careful now [u/i]." The CW assured defendant KASSIN that "[t]his is a small one, this one, this is only 25,000," a reference to the bank check in the CW's possession in the amount of \$25,000. Defendant KASSIN asked why the CW needed a check from defendant KASSIN's Charitable Organization, and the CW explained that "I can't, uh, make money because, uh, I'm in bankruptcy now. . . . I need money. I have to live, so . . . and I get cash. Eli Ben Haim gives me cash for my company." Defendant KASSIN inquired further about this company, prompting the CW to state "I have a company. I don't show up on paper," and further described himself as a "silent partner." The CW further explained that "any time that we make money, they give me a bank check and then I -- you give me a check back -- like for this one would be for twenty thousand five hundred, and then Eli Ben Haim gives me the cash [u/i] I'm able to survive until the bankruptcy, uh, is finished." Defendant KASSIN expressed concern about the check should anyone "ever come ask me 'what's this, this money that you're taking.'" The CW assured defendant KASSIN that "it doesn't come back to me.

My name, my name is nowhere." Defendant KASSIN then asked about the CW's company from which the proceeds of the CW's \$25,000 check had been generated, and the CW replied by referring to it as a company that "makes the stuff, and then we switch the labels and we have Gucci and Prada . . . and we're making money." The CW further allayed defendant KASSIN's concerns by stating that "I just have to get it around the bankruptcy . . . and then Eli Ben Haim always has a lot of cash for me." Defendant KASSIN again asked why the CW did not simply go directly to Ben Haim with the check, but the CW stated that the CW had already moved 600 to 700 thousand dollars through Ben Haim directly and "I don't want to do too much to one organization in case anyone looks." After this exchange, the CW stated that the CW wished to have a check made payable to COE in the amount of \$22,500. Defendant KASSIN proceeded to write out a check made payable to COE. Defendant KASSIN asked for the CW's address which he wrote down, and gave the CW the check. The CW left, stating that "I'll give this to Eli." The CW provided this check to Ben Haim upon the latter's return from Florida on February 24, 2008, in return for which Ben Haim provided the CW with \$20,500 in cash.

12. On or about July 22, 2008, defendant KASSIN met with the CW at a residence in Deal where defendant KASSIN was residing during the summer months. During the meeting, defendant KASSIN accepted a bank check in the amount of \$25,000 made out to defendant KASSIN's Charitable Organization. The CW explained, first referring to the bank fraud for which the CW had been charged in May 2006, that "this is, uh, a check, just like all the other ones from the--no, this is the profits from the [bank]--my deal--and then the labels from my new--from my company." The CW explained that the company "stitch[es] labels on the -- Prada and Gucci." In exchange, defendant KASSIN provided a check in the amount of \$22,500 made out to Friends of Yachave Da'at, a charitable organization operated by Ben Haim and another individual.

13. On or about December 15, 2008, the CW met with defendant KASSIN at defendant KASSIN's residence in Brooklyn. During the meeting, the CW explained that a prior laundering deal with defendant KASSIN, which had been arranged through Coconspirator Nahum, had resulted in the check back to the CW as it had been improperly filled out. Defendant KASSIN retrieved two check ledger books and handed the CW a new check for \$22,500. As defendant KASSIN was recording this transaction and writing out the replacement check, the CW explained that "I have a handbag business," and indicated that the check was derived from money from that business. The CW further explained that "[w]e make handbags, pocketbooks, and, uh, you know, they, they sell

the fancy ones for \$2,000. We make the ones they look the same - we sell them for \$120. That business is good. You know, they copy them."

14. Between approximately June 2007 and December 2008, defendant KASSIN engaged in money laundering transactions with the CW totaling more than \$200,000 in funds represented by the CW to involve the proceeds of criminal activities.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 :
 :
 :
MAHER A. KHALIL : Mag. No. 09-8136 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

COUNT 1

From in or about March 2008 to in or about July 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

MAHER A. KHALIL

did knowingly and willfully attempt to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid by another, with that person's consent, for defendant Khalil's benefit in exchange for his official assistance as specific opportunities arose.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

COUNT 2

From in or about March 2008 to in or about July 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

MAHER A. KHALIL

and others did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for JC Official 1's official assistance in Jersey City Government matters.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

ATTACHMENT B

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment B is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At times relevant to this Complaint, defendant Maher A. Khalil (hereinafter, "defendant Khalil") served as an Assistant Director with the Jersey City, New Jersey Department of Health and Human Services ("HHS"). In addition, defendant Khalil was an official with the Jersey City Zoning Board of Adjustment (the "Zoning Board") through in or about March 2008.

2. At times relevant to this Complaint:

(a) There was an individual who served as a Building Inspector in Jersey City ("JC Building Inspector");

(b) There was an individual who served as the Vice President of the Jersey City Board of Education (until on or about May 2009), and a commissioner of the Jersey City Housing Authority ("JC Official 1"); and

(c) There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in or about May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as (a) a real estate developer interested in development in the greater Jersey City area and (b) the owner of a tiling company interested in developing tiling business in the Jersey City schools. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

COUNT 1

3. On or about March 16, 2008, JC Building Inspector met with the CW at a diner in Bayonne, New Jersey. During that meeting, JC Building Inspector agreed to introduce the CW to the "right people" who would exert official influence in assisting the CW in securing government approvals related to the CW's development projects in Jersey City. Specifically, JC Building

Inspector noted that JC Building Inspector would introduce the CW to defendant Khalil, an Assistant Director of HHS, who would do "the right thing" for the CW and would get things "done" for the CW. When the CW asked JC Building Inspector if defendant Khalil was "on the same page" with them, meaning that defendant Khalil would, for cash, assist the CW in securing government approvals related to the CW's purported Jersey City development projects, JC Building Inspector said "he's on the same page."

4. On or about March 26, 2008, defendant Khalil met with JC Building Inspector and the CW at a diner in Bayonne. During the meeting, JC Building Inspector and the CW discussed with defendant Khalil the CW's intention to develop real estate in Jersey City, including a property on Garfield Avenue (the "Garfield Development"). In particular, JC Building Inspector explained to defendant Khalil that the CW was a "very big" developer planning to put in a 750-unit building at the Garfield Development. The CW further explained that before the CW made a "\$200 million" investment in the Garfield Development, the CW wanted to ensure that "all the boys are on board." The CW then confirmed with defendant Khalil that defendant Khalil was a Zoning Board official and advised defendant Khalil that the CW wanted defendant Khalil to use his official position "to slide [the CW] through [the development process] with no problems." Defendant Khalil agreed to use his official position to assist the CW in obtaining approvals for the Garfield Development. Defendant Khalil further agreed that the CW should not "show up at Zoning Board meetings," as "people might ask questions." As they exited the restaurant, the CW told defendant Khalil that the CW would provide an envelope (meaning an envelope of cash) to JC Building Inspector for defendant Khalil, and defendant Khalil said, "Okay." In the presence of defendant Khalil, the CW then handed an envelope containing \$10,000 in cash to JC Building Inspector.

5. On or about May 14, 2008, defendant Khalil and the CW met at a restaurant in Jersey City. During the meeting, defendant Khalil informed the CW that JC Building Inspector had not, in fact, provided him with the envelope of cash that the CW had given to JC Building Inspector on behalf of defendant Khalil on or about March 26, 2008. In response, the CW agreed to "take care" of defendant Khalil the following Sunday.

6. On or about May 18, 2008, defendant Khalil met with the CW at a diner in Toms River, New Jersey. Before entering the diner, the CW gave defendant Khalil an envelope containing \$10,000 in cash. As defendant Khalil accepted this payment, the CW explained that the payment represented the \$10,000 that JC Building Inspector was supposed to have given to defendant Khalil on or about March 26, 2008. The CW also stated that the payment

was in exchange for defendant Khalil's use of his official position in connection with approvals related to the Garfield Development. After accepting the envelope of cash, defendant Khalil stated "thank you so much." The CW then instructed defendant Khalil to "spend it wisely," and defendant Khalil said, "I'll try. Thank you so much."

7. On or about May 29, 2008, defendant Khalil met with the CW and another individual at a restaurant in Jersey City. During the meeting, the CW discussed, among other things, the CW's development plans relating to the Garfield Development, including that the CW intended to put in underground parking and "750 units on top." The CW then expressed confidence that defendant Khalil had agreed to assist the CW in matters before the Zoning Board. When the other individual expressed surprise, defendant Khalil confirmed the CW's statement, saying "that's right." Later, after the other individual left the restaurant, the CW again confirmed with defendant Khalil that the CW "had [defendant Khalil's] vote."

8. On or about July 1, 2008, defendant Khalil and the CW met in the parking lot of a restaurant in Jersey City. During the meeting, defendant Khalil accepted from the CW an envelope containing \$10,000 in cash. The CW explained that the cash payment was for, among other things, defendant Khalil's official assistance relating to the purported Garfield Avenue development. When defendant Khalil accepted the envelope, defendant Khalil stated that the CW "absolutely" would have his assistance related to the Garfield Development.

9. On or about November 24, 2008, defendant Khalil and the CW met at a restaurant in Jersey City. During this meeting, defendant Khalil accepted from the CW an envelope containing \$5,000 in cash. At that time, defendant Khalil again confirmed that the CW had defendant Khalil's "vote" for zoning approvals in Jersey City. Defendant Khalil also agreed to "get rid of" the envelope because it contained the CW's handwriting on it.

COUNT 2

10. On or about May 8, 2008, defendant Khalil met with the CW and JC Building Inspector at a restaurant in Jersey City. During the meeting, defendant Khalil agreed to "introduce" the CW to "the right people" to assist the CW in garnering approvals for the Garfield Development and for the CW's other real estate property interests in New Jersey. The CW stated "just tell me how much. I'll get those . . . envelopes" to them and "whatever it costs" would be "no problem." The CW further explained that the CW could not go into a town "naked," as the CW needed to know who "needs to be taken care of." Defendant Khalil then cautioned

the CW to be careful with whom the CW spoke about these matters, since the CW could get in "trouble" with federal criminal authorities. At the end of the conversation, the CW told defendant Khalil that the CW would pay defendant Khalil in cash, if defendant Khalil were to introduce the CW to officials who would assist the CW in obtaining approvals related to the CW's real estate development projects. In return, the CW stated, the CW would pay cash to the other officials and would also pay the same amount of cash to defendant Khalil.

11. On or about May 14, 2008, defendant Khalil and the CW met at a restaurant in Jersey City. During the meeting, the CW and defendant Khalil discussed, among other things, the assistance defendant Khalil could provide to the CW in introducing the CW to other officials who could approve the CW's development plans related to the Garfield Development, as well as the CW's other properties in New Jersey. Defendant Khalil was informed by the CW that the CW only made payments to officials in "cash" and would put the cash in an envelope to "conceal it," so that "no one will know" that an official who acted in favor of the CW's development plans was "conflict[ed]." Defendant Khalil agreed that he would not introduce the CW to any "straight and arrow" people, but would set the CW up with "players" who would "do the right thing" for the CW by approving the CW's development plans without any "problems." Defendant Khalil then noted the names of several other government officials that defendant Khalil believed could assist the CW in this regard.

12. On or about May 29, 2008, defendant Khalil met with the CW at a restaurant in Jersey City. During the meeting, among other things, defendant Khalil agreed to introduce the CW to "council people" who would vote in favor of the CW's development plans. In return, the CW stated that those officials would be rewarded with cash and agreed again to "take care of" defendant Khalil for his efforts in introducing those officials to the CW. Defendant Khalil also mentioned the names of various other officials whom defendant Khalil believed could assist the CW in getting "approvals," and agreed to set up meetings with those officials in line with what they had discussed.

13. On or about December 4, 2008, in a telephone conversation, defendant Khalil informed the CW that he would arrange a meeting with the CW and JC Official 1, whom defendant Khalil believed would assist the CW in obtaining approvals related to the CW's real estate development and other business interests in Jersey City.

14. On or about December 16, 2008, after arranging the meeting, defendant Khalil met the CW and JC Official 1 at a restaurant in Jersey City. During that meeting, defendant Khalil

and the CW described to JC Official 1 the CW's plans for real estate development in or around Jersey City. In particular, the CW advised JC Official 1 that the CW was hoping to perform tile work in the Jersey City schools and was also interested in developing mixed use real estate projects in Jersey City. JC Official 1 was informed by the CW that the CW was "generous," wanted "nothing for free" and, if officials "help[ed]" the CW, the CW would "help them." JC Official 1 agreed to assist the CW with the CW's real estate ventures and to introduce the CW to various other government officials in Jersey City who could further assist the CW with those ventures. JC Official 1 also agreed to accept \$10,000 "to start" from the CW in return for JC Official 1's official assistance with the CW's various business interests in Jersey City.

15. On or about December 18, 2008, defendant Khalil met with the CW and JC Official 1 at a restaurant in Jersey City. Before defendant Khalil arrived at the meeting, JC Official 1 accepted an envelope containing \$10,000 from the CW. As JC Official 1 accepted this payment, JC Official 1 once again agreed to use his official position to assist the CW develop a project in a building that housed a school in Jersey City. Among other things, JC Official 1 agreed to "get" the CW a school construction loan and to "make sure" that the CW's development project at the school was approved.

16. After defendant Khalil arrived at the meeting, defendant Khalil was advised by the CW that JC Official 1 had agreed to use his official position to assist the CW with the CW's real estate development interests in Jersey City. Later, outside the restaurant, after JC Official 1 had left the meeting, the CW handed defendant Khalil an envelope. The CW noted that the envelope contained \$5,000, and was defendant Khalil's payment for introducing the CW to JC Official 1, who defendant Khalil was informed by the CW was "a good guy I can own, a guy that can help me with my approvals and stuff."

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
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JAMES P. "JIMMY" KING : Mag. No. 09-8137 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about March 2009 to in or about April 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

JAMES P. "JIMMY" KING

and others, to include JC Official 1 and the Consultant, did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for defendant JAMES P. "JIMMY" KING's future official assistance in Jersey City Government matters.

In violation of Title 18, United States Code, Section 1951(a) and Section 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J, Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. Defendant James P. "Jimmy" King ("defendant King") was a candidate seeking the City Council seat for Ward C in Jersey City on or about May 12, 2009, a bid that was not successful. Defendant King, who heads the Jimmy King Civic Association, is the former executive director of the Jersey City Parking Authority, the former chairman of the Jersey City Incinerator Authority and also served as a Hudson County undersheriff.

2. At all times relevant to this Complaint:

a. There was an individual who represented himself to be in high-level positions at the Jersey City Board of Education ("BOE"), and the Jersey City Housing Authority (the "JCHA")(hereinafter, "JC Official 1").

b. There was an individual who represented himself to be the owner of a consulting firm based in New Jersey (the "Consultant"). The Consultant further represented that the Consultant was an advisor and confidant to the Candidate, among others.

c. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

3. On or about March 23, 2009, at approximately 10:20 a.m., FBI agents intercepted an outgoing call from the Consultant's cell phone to defendant King. During this call, the

Consultant reminded defendant King that he would be meeting the CW at a restaurant in North Bergen, New Jersey the following day. Defendant King told the Consultant that "I'd rather just have [the CW] do something, uh, with the, uh, Jimmy--Friends of Jimmy King with a check or something, and, uh, and I'll talk to you about that," to which the Consultant responded, referring to cash, "[h]ow 'bout green?" Defendant King told the Consultant: "No, I don't think so . . . I think I got to talk to you about that pri--, privately." The Consultant explained to defendant King, "[w]ell, whatever you do, if he asks you what you need, you need \$2,500 - that's the max that [the CW] can give you." Defendant King responded, "[o]kay, I will do that. I have no problem with that." The Consultant concluded by telling defendant King that "then we'll work out how we're going to get it to you." Defendant King said, "[s]ounds good," and agreed to meet the Consultant and the CW the following day at a North Bergen restaurant.

4. On or about March 24, 2009, JC Official 1, the Consultant and the CW met at the restaurant in North Bergen. During this meeting, JC Official 1 and the Consultant introduced the CW to defendant King, who explained that he was a candidate for the Jersey City Council for Ward C. JC Official 1 described the CW to defendant King as a "developer" who was looking for help and support in "every city [the CW] goes in." JC Official 1 also informed defendant King that the CW had a property on Garfield Avenue in Jersey City. Defendant King was informed by the CW that the CW would need "zone changes" for the Garfield Avenue project. Later during the conversation, defendant King described his close relationship with the Consultant and JC Official 1, and the CW suggested that "[h]opefully, I can reciprocate in a small way," prompting defendant King to reply, while referring to the Consultant and JC Official 1, "[y]ou can always work that out with them guys." As the four exited the restaurant, the CW informed defendant King that "what I wanna do is, maybe, I'll give you five thousand to start," and indicated that as the campaign progressed that the CW would give defendant King "more and more." After defendant King had agreed to this proposal, defendant King was informed by the CW that the CW wanted "a friend on council that will help me when it comes for, uh, votes, zone changes and junk like that." After defendant King departed, JC Official 1 and the Consultant were informed by the CW what the CW had stated to defendant King about this \$5,000 payment. JC Official 1 explained that while defendant King and other council candidates to whom the CW would be introduced would accept cash, "you have to give it to us and we have to give it to them 'cause they won't touch anything."

5. On or about March 30, 2009, JC Official 1, the Consultant and the CW met at a diner in Bayonne, New Jersey. During this meeting, JC Official 1, the Consultant and the CW discussed defendant King, and JC Official 1 assured the CW that defendant King was likely to be elected because there was "no opposition in reality." The Consultant also assured the CW that "[o]ne thing about Jimmy, even if he's the only vote on the council, he'll vote for your projects." The CW asked the Consultant to "tell [King], I'll see him again before the election," thus indicating that the CW would have a second payment for defendant King in addition to the \$5,000 payment that the CW was to provide to the Consultant that day to be passed on to defendant King. The CW also informed the Consultant that "after the election, after the vote, I'll give him again." At the conclusion of the meeting, the Consultant, JC Official 1 and the CW walked to the diner's parking lot at which time the CW removed from the CW's vehicle's trunk three envelopes each of which contained \$5,000. As the CW handed the first of these envelopes to the Consultant, the CW stated "[t]his is a five for, uh, Jimmy [King]," and then handed a second envelope to the Consultant stating "[t]hat's for you, five thousand." The CW then gave the third envelope containing \$5,000 to JC Official 1-- the Consultant and JC Official 1 had agreed to accept the cash for their roles in setting up the arrangement with defendant King and with other public officials.

6. On or about April 8, 2009, at approximately 12:00 p.m., FBI agents intercepted an outgoing call from the Consultant's home phone to defendant King. During this call, the Consultant asked defendant King to meet with the CW again at 10:30 a.m. on April 23rd "so we can get the same amount from [the CW]," a reference to the \$5,000 that the CW had previously provided to defendant King through the Consultant on or about March 30, 2009. Defendant King told the Consultant that he would call the Consultant at a later time to confirm the meeting on April 23rd.

7. On or about April 23, 2009, JC Official 1, defendant King met the Consultant and the CW at a restaurant in Jersey City, New Jersey. During this meeting, defendant King was informed by the CW that "[w]e'll keep you busy. Don't worry," and added "[o]nce you're in, that's it, man. We, we got our first application coming . . ." Defendant King inquired whether the Consultant knew about this application, and the CW indicated that he did. The CW then indicated that the application was "on, you know, Garfield [Avenue]," prompting defendant King to reply "I don't care what it is. It's done." The CW stated "[o]kay," and defendant King reiterated "[n]ame it. Done." The CW then asked defendant King to "make sure they expedite my stuff." The

CW subsequently inquired whether defendant King had received the first \$5,000 payment by asking "I mean, you got that last, uh, thing," prompting defendant King to reply, "Yes." As the group left the restaurant, the Consultant told the CW that "[u]h, he wants me--for you to give it to me," a reference to the second \$5,000 payment for defendant King from the CW. The CW then asked, by way of clarification, "so I'll give it to you now, uh, and you'll give it to him now?" The Consultant replied "[y]eah," and the CW told the Consultant that "I got it in my trunk, so let's go." The CW then retrieved an envelope containing \$5,000 in cash from the trunk of the CW's vehicle and handed the envelope to the Consultant in defendant King's presence. Just prior to defendant King's departure, the CW told defendant King to "[m]ake sure, you know, [the Consultant] on that," as the CW gestured toward the envelope, and reminded defendant King, "Don't put my name on nothing, okay?" Defendant King replied "[n]ah," and the CW reiterated that "I don't wanna have any, uh, conflict, trace or anything like that." Defendant King replied, "Okay, alright." The CW then told defendant King that "there'll be more after you win," and defendant King replied, "Alright. We'll see you." Surveillance agents observed the Consultant hand defendant King the envelope containing \$5,000 in cash in the restaurant parking lot.

8. On or about April 28, 2009, at approximately 10:41 a.m., FBI agents intercepted an outgoing call from the Consultant's home phone to JC Official 1. During the conversation, the Consultant and JC Official 1 discussed payments that they still had to pass on from the CW to public officials, and the Consultant stated "then we've got, uh, Jimmy King . . ." JC Official 1 interjected, "Well, [the CW] took care of Jimmy King." The Consultant replied "[y]eah, that's right," and began to state that the CW "did it right in the h--, in the, um . . ." and JC Official 1 interjected "[m]oney. You gave that to him." The Consultant noted, "Yeah, we did it right out in the, um, parking lot."

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
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 v. :
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 LOUIS MANZO and :
 RONALD MANZO : **Mag. No. 09-8138 (MCA)**

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about January 2009 to in or about April 2009, in Hudson County, in the District of New Jersey and elsewhere, defendants

LOUIS MANZO and
RONALD MANZO

and others, to include JC Official 1 and the Consultant, did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for defendant LOUIS MANZO'S future official assistance in Jersey City Government matters.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant Louis Manzo was a candidate for Mayor of Jersey City, New Jersey, which election was held on or about May 12, 2009. He did not win this election bid. Defendant Louis Manzo previously had served in the New Jersey General Assembly from 2004 to 2008, where he represented the 31st legislative district which includes parts of Jersey City. Defendant Louis Manzo also served on the Hudson County Board of Chosen Freeholders from in or about 1990 to 1993.

2. At all times relevant to this Complaint, defendant Ronald Manzo was defendant Louis Manzo's brother, confidant and political advisor. On or about June 16, 2004, defendant Ronald Manzo pleaded guilty in federal district court in the Southern District of New York to insider trading and committing perjury during his testimony before the Securities and Exchange Commission in connection with his misconduct. At the time, defendant Ronald Manzo was employed as an insurance broker. On or about June 20, 2007, defendant Ronald Manzo was sentenced to 3 years of probation, and was ordered to pay a \$250,000 fine.

3. At all times relevant to this Complaint:

a. There was an individual who served as the Vice President of the Jersey City Board of Education (until on or about May 2009), and a commissioner of the Jersey City Housing Authority ("JC Official 1");.

b. There was an individual who represented himself to be the owner of a consulting firm based in New Jersey (the "Consultant"). The Consultant further represented that the Consultant was an advisor and confidant to defendant Louis Manzo, among others.

c. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in

May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

d. There was an individual who represented himself to be an employee of the Jersey City Department of Health and Human Services and the Jersey City Zoning Board ("JC Official 2"). From in or about March 2008 to in or about July 2009, JC Official 2 accepted a series of corrupt payments from the CW in exchange for, among other things, assisting the CW with development matters before Jersey City Government and identifying other officials willing to accept payments and benefits in exchange for their official assistance to the CW in local development matters.

4. On or about January 7, 2009, JC Official 1 met with the CW at a restaurant in Jersey City. During the conversation, after JC Official 1 and the CW had discussed JC Official 1 exerting official influence to assist the CW, JC Official 1 explained to the CW that he would seek to introduce the CW to other government officials or politicians who could assist the CW with the CW's business interests. In this regard, JC Official 1 explained to the CW that he would introduce the CW to "the right people" and agreed with the CW that such people had to be people that JC Official 1 and the CW could trust. JC Official 1 further explained, in substance, that depending on the outcome of the mayoral election, either the incumbent Jersey City Mayor or defendant Louis Manzo would be important for the CW to work with in Jersey City. In addition, JC Official 1 explained that JC Official 1 also would introduce the CW to the Consultant.

5. On or about January 26, 2009, JC Official 1, JC Official 2, the CW and others met at a restaurant in Weehawken, New Jersey. The CW was advised by JC Official 2 at the meeting that the CW should meet with defendant Louis Manzo in connection with approvals for the CW's purported real estate developments in Jersey City. JC Official 1 indicated that such meeting had to occur outside of Jersey City, since JC Official 1, among others, could not openly support defendant Louis Manzo. JC Official 1 advised that by meeting with defendant Louis Manzo, they could "cover" both sides of the upcoming mayoral election "just in case," meaning should defendant Louis Manzo be elected Jersey City Mayor.

6. On or about February 16, 2009, JC Official 1 and the CW met at a restaurant in Jersey City. During the meeting, among

other things, JC Official 1 and the CW discussed paying, among others, defendant Louis Manzo "cash" in exchange for Louis Manzo's contemplated official assistance with the CW's approvals from Jersey City government in connection with the CW's purported development projects in Jersey City. In this regard, JC Official 1 and the CW discussed meeting defendant Louis Manzo outside of Jersey City.

7. On or about February 17, 2009, JC Official 1, the Consultant and the CW met at a restaurant in Jersey City, New Jersey. During this meeting, the parties continued to discuss the CW's development interests in Jersey City, among other locations. The Consultant indicated, among other things, that the Consultant could arrange a meeting with defendant Louis Manzo because Louis Manzo also was running for Mayor and such a meeting could be "insurance" in the event that Louis Manzo became mayor. The Consultant then agreed with JC Official 1 who indicated that they could pay cash to defendant Louis Manzo for his anticipated official assistance. The Consultant stated this arrangement could be "set up, no problem." The Consultant and JC Official 1 then agreed to accept an equal amount in cash from the CW as the CW paid to, among others, defendant Louis Manzo.

8. On or about February 23, 2009, defendant Louis Manzo, defendant Ronald Manzo, JC Official 1 and the CW met at a restaurant in Staten Island, New York. During the meeting, JC Official 1 explained to defendants Louis and Ronald Manzo that JC Official 1 and the CW were meeting with defendants Louis and Ronald Manzo so that defendants would be "favorable" to the CW as the CW developed real estate in Jersey City. JC Official 1 explained that JC Official 1 and the CW would be "doing some contributions to your campaign." Defendant Louis and Ronald Manzo were then advised that the CW's "main interest" was getting the CW's "approvals" and not "getting jerked around for 3 years." After defendants Louis Manzo and Ronald Manzo left this meeting, JC Official 1 and the CW continued speaking in the restaurant's bathroom. JC Official 1 agreed with the CW that when the CW met with defendants Louis Manzo and Ronald Manzo in the next few days, the CW should bring \$10,000 cash for defendant Louis Manzo, and that the cash should be provided to defendant Ronald Manzo.

9. On or about February 25, 2009, defendant Ronald Manzo, JC Official 1 and the CW met at a restaurant in Staten Island, New York in the early afternoon. Before defendant Ronald Manzo arrived at the meeting, JC Official 1 confirmed to the CW that defendant Ronald Manzo was "okay with the cash" and directed the CW to provide the cash to JC Official 1 so that JC Official 1 could pass such cash to defendant Ronald Manzo. JC Official 1 agreed that JC Official 1 would provide such cash to defendant Ronald Manzo in exchange for defendants Ronald Manzo's and Louis

Manzo's assistance with "approvals" for the CW's real estate projects in Jersey City. After defendant Ronald Manzo arrived at the meeting, Ronald Manzo and JC Official 1 were advised by the CW that the CW did not want to be treated "like every other developer" in Jersey City and that instead, the CW wanted to be able to provide the CW's real estate development plans to Jersey City government officials and demand "approvals" and to tell such officials "don't bother me." Defendant Ronald Manzo and JC Official 1 were further advised by the CW that the CW was a member of the "green" party [meaning, according to the CW, that transactions involving the CW would be conducted in cash]. Defendant Ronald Manzo further was informed by the CW that the CW wanted defendant Louis Manzo to promote JC Official 2 from one position in Jersey City government to a higher position, if defendant Louis Manzo was elected mayor (the "Promotion Transaction").

10. As the meeting continued, defendant Ronald Manzo advised JC Official 1 and the CW how to discuss their corrupt arrangement with defendant Louis Manzo. Among other things, defendant Ronald Manzo advised JC Official 1 and the CW to avoid using the word "approvals" with defendant Louis Manzo, but to instead use the word "opportunities." Defendant Ronald Manzo then agreed with the CW that "opportunities" was an appropriate "code word" to use with defendant Louis Manzo. At the end of this meeting, defendant Ronald Manzo watched JC Official 1 accept an envelope containing approximately \$10,000 cash from the CW. As defendant Ronald Manzo did so, Ronald Manzo was advised by the CW that the CW was making an "investment" in defendants Louis Manzo and Ronald Manzo in exchange for the CW's approvals, and defendant Ronald Manzo claimed that he "didn't see" JC Official 1 accept the envelope from the CW and agreed with the CW when the CW related to defendant Ronald Manzo "you don't know nothing." While JC Official 1 was in possession of the envelope, defendant Ronald Manzo then entered JC Official 1's car.

11. Before another meeting that occurred on or about February 25, 2009 later in the afternoon in Jersey City, New Jersey, involving, among others, JC Official 1, the Consultant, and the CW, JC Official 1 explained to the CW that JC Official 1 spoke with defendants Louis Manzo and Ronald Manzo, and that during that conversation, they indicated that they wanted \$15,000 from the CW in exchange for: (a) the defendant Louis Manzo's official assistance with the CW's real estate development interests and (b) defendant Louis Manzo's agreement in connection with the Promotion Transaction. JC Official 1 then explained that he told defendants Louis Manzo and defendant Ronald Manzo that "we'll work on 10 [meaning \$10,000] and see what we can do." JC Official 1 further suggested that it may not make sense for the CW to give defendant Louis Manzo and defendant Ronald Manzo

this entire amount yet, because JC Official 1 and the CW should "wait and see" whether defendant Louis Manzo would be successful in the upcoming election.

12. On or about March 4, 2009, defendants Louis and Ronald Manzo, JC Official 1 and the CW met at a restaurant in Staten Island, New York. During this meeting, and before JC Official 1 and the CW met with defendants Louis Manzo and Ronald Manzo, JC Official 1 confirmed that he provided Ronald Manzo the \$10,000 discussed above in paragraph 10. As the meeting continued among defendants Louis Manzo and Ronald Manzo, JC Official 1 and the CW, defendant Louis Manzo confirmed for the CW that JC Official 1 had provided him with the \$10,000 discussed above, and agreed to accept more money at a later date from the CW, including after the Mayoral election, in exchange for the Promotion Transaction, more "opportunities" and "approvals."

13. On or about March 5, 2009, defendant Ronald Manzo, JC Official 1 and the CW met at a restaurant in Staten Island, New York. During this meeting, defendant Ronald Manzo confirmed the CW would receive assistance with approvals for his purported development projects in Jersey City. Defendant Ronald Manzo further remarked that no one would know of their meetings, in response to the CW indicating that JC Official 2 had been informed of an earlier meeting among defendant Ronald Manzo, defendant Louis Manzo, JC Official 1 and the CW. The CW reported that the CW told JC Official 2 that the CW had everything under control and that, after the election, JC Official 2 would be promoted to become the Director of a particular Jersey City government department. Defendant Ronald Manzo told the CW not to tell JC Official 2 anything about that now. Defendant Ronald Manzo further indicated that it was easy to promote someone to a Director's position, but hard to promote someone in connection with a civil service position. After the meeting, JC Official 1 accepted an envelope containing \$7,500 in cash (a portion of the \$15,000 referred to in paragraph 11) from the CW. At the time that JC Official 1 accepted this envelope from the CW, JC Official 1 was informed by the CW that the envelope contained \$7,500 and was asked to ensure that JC Official 2 was "taken care of." In reply, JC Official 1 said that JC Official 2 would be "taken care of." In a later telephone call with the CW, JC Official 1 confirmed that JC Official 1 had given this money to defendant Ronald Manzo.

14. On or about March 25, 2009, at approximately 11:43 p.m., FBI agents intercepted an outgoing phone call from the Consultant's cell phone to JC Official 1. During this call, among other things, the Consultant advised JC Official 1 that the Consultant had learned that JC Official 2 approached the Jersey City Mayor and offered to introduce the CW to the Mayor. They

agreed that JC Official 2 was attempting to impress the Mayor to obtain a promotion to a certain position. JC Official 1 then related to the Consultant that JC Official 1 had told JC Official 2: "'You can't get that under {the Mayor's] administration. That piece has already been given up.' I worked it out for [JC Official 2] to get it under [defendant Louis] Manzo, and if Manzo gets in, then that's a different story." The Consultant stated that the Consultant was not sure that the Consultant "would give it to [JC Official 2] under the Manzo Administration."

15. On or about April 23, 2009, the Consultant, JC Official 1 and the CW met defendant Ronald Manzo at a restaurant in Bayonne, New Jersey. During this meeting, the CW indicated to defendant Ronald Manzo that they would do "that thing" [meaning give him a cash payment for the benefit of defendant Louis Manzo]. The CW further stated "[j]ust make sure your brother [defendant Louis Manzo] gets me expedited." Defendant Ronald Manzo replied, "There's no question." Defendant Ronald Manzo then added, "It's only because of good government and has nothing to do with anything else - it makes sense," while winking at the CW. The CW told defendant Ronald Manzo that "after the election" he would "see him with another 10" [meaning an additional \$10,000 cash payment to be passed on to defendant Louis Manzo in exchange for his anticipated official action]. The CW added, "and then [JC Official 2] . . . you know the balance on that, don't worry, I didn't forget" [referring to the remaining \$7,500 of a total \$15,000 payment expected by defendants Louis Manzo and Ronald Manzo as part of the Promotion Transaction]. The CW asked, "But he's in, right? Mr. Director?" and defendant Ronald Manzo replied, "Yes. But we don't have to mention that." Following the meeting, while in the parking lot, the CW told JC Official 1 that the CW would give JC Official 1 \$10,000 cash for defendant Ronald Manzo to pass on to defendant Louis Manzo. The CW removed an envelope containing \$10,000 in cash from the CW's car and handed it to JC Official 1, telling JC Official 1 that the \$10,000 was in the envelope. The CW added, "Just make sure he gets my stuff expedited. I told him I'd give him another \$10,000 after the election. And another \$7,500 for [JC Official 2]." JC Official 1 said, "Okay," took the envelope and returned inside the restaurant. Minutes later, defendant Ronald Manzo and JC Official 1 left the restaurant and met the CW outside. The CW then observed defendant Ronald Manzo receive the envelope (which itself was wrapped in a map) containing the \$10,000 in cash from JC Official 1.

16. On or about April 23, 2009, at approximately 4:26 p.m., FBI agents intercepted an incoming call to the Consultant's cell phone from JC Official 1. During that call, JC Official 1 stated, "Hey, you know after we left the Bayonne meeting, me, [defendant Ronald] Manzo, and [the CW] was in the, uh, parking

lot . . . Guess who we run into? . . . [a state assemblyman]."
JC Official 1 stated that "I didn't want nothing to do with the
guy. I didn't even want him to see me." The Consultant,
inquiring as to the payment made to defendant Ronald Manzo on
behalf of defendant Louis Manzo, subsequently asked JC Official
1: "What'd we do for Manzo?" JC Official 1 replied, "Uh, 10," a
reference to the \$10,000 in cash that defendant Ronald Manzo had
accepted from the CW through JC Official 1.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

EDMOND NAHUM : Mag. No. 09-3611

I, Robert J. Cooke, being duly sworn, state that the following is true and correct to the best of my knowledge and belief.

From in or about June 2007 to in or about December 2008, in Monmouth County, in the District of New Jersey, and elsewhere, defendant EDMOND NAHUM did:

knowingly and willfully conspire with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bankruptcy fraud, bank fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

I, Robert J. Cooke, a Special Agent with the Federal Bureau of Investigation ("FBI"), following an investigation and discussions with other law enforcement officers, am aware of the following facts. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Nor have I recounted every conversation involving the defendant. All conversations referred to in this attachment were recorded and are related in substance and in part.

1. Defendant Edmond Nahum was the principal rabbi of Deal Synagogue, a synagogue located in Deal, New Jersey (hereinafter, "defendant NAHUM"). Defendant NAHUM operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called Deal Kupot and another called Ahabat Haim Vehesed. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant NAHUM does not hold a license to transmit or remit money.

2. Coconspirator Saul Kassin, a resident of Brooklyn, New York, was the Chief Rabbi of Sharee Zion, a synagogue located on Ocean Parkway in Brooklyn, New York (hereinafter, "Coconspirator Kassin"). Coconspirator Kassin operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called, for purposes of this Complaint, "Coconspirator Kassin's Charitable Organization". A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator Kassin does not hold a license to transmit or remit money.

3. There was an individual named Eliahu Ben Haim, a/k/a "Eli Ben Haim," who resided in Elberon, New Jersey, and was the principal rabbi of Congregation Ohel Yaacob, a synagogue located in Deal (hereinafter, "Ben Haim"). Ben Haim operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called Congregation Ohel Eliahu (hereinafter, "COE") and another called Friends of Yachave Da'at. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Ben Haim does not hold a license to transmit or remit money.

4. At all times relevant to this Complaint, there was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the

CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and concealing assets and monies in connection with bankruptcy proceedings.

5. On or about June 15, 2007, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. During the ensuing conversation, the CW told defendant NAHUM that "I have a check for you" from a "guy who owes me money from a while ago - ten thousand." The CW indicated that the CW wished to make the check out to Deal Kupot, the charitable organization administered by defendant NAHUM. The CW made this suggestion with the expectation that defendant NAHUM would give the CW cash in exchange, thereby hiding assets from the CW's ongoing bankruptcy proceedings. In response, defendant NAHUM suggested that the CW write the check out to another "tax exempt" organization, Ahabat Haim Vehesed, which defendant NAHUM had recently created. As the conversation continued, defendant NAHUM indicated that he passed money through the Coconspirator Kassin's Charitable Organization, and described the flow of money between their charitable accounts in the following terms: "of course, back and forth, of course." When the CW remarked that this was an effective "way to get rid of money," defendant NAHUM replied "exactly." Defendant NAHUM discussed another individual who had run money through his charitable organization, Deal Kupot. Defendant NAHUM remarked, however, that this individual's desire to run \$200,000 through Deal Kupot might draw attention from the Government, and that he would not allow this individual to cycle that much money through this account.

6. On or about June 20, 2007, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. During this meeting, defendant NAHUM accepted two bank checks from the CW, each in the amount of \$10,000. The first bank check was made payable to Deal Synagogue Kupot, defendant NAHUM's charitable organization. The second bank check was made payable to Coconspirator Kassin's Charitable Organization. In exchange, the CW asked defendant NAHUM to provide a check made out to a specific corporation that the CW described as a "company nobody knows about," and a check made out to COE, the charitable organization operated by Ben Haim. The CW indicated that the funds from the checks that the CW was providing represented monies that the CW was owed by another individual, and that this individual wished to launder the money through a charitable organization account. The CW also informed defendant NAHUM that "the guy gave it to me because he wants a write off, like everybody else." Later in the conversation, defendant NAHUM described how he put checks through Coconspirator Kassin's Charitable Organization, and would receive

checks in return. When the CW noted that the people who had initially provided the checks to defendant NAHUM did so because "the people want the write offs," defendant NAHUM responded "[e]xactly." Defendant NAHUM also confirmed that Coconspirator Kassin received many checks each day, prompting the CW to ask "hundreds of thousands a week, no?" Defendant NAHUM replied "[a]t least - more," and noted that Coconspirator Kassin had a staff to help him with the accounting. Defendant NAHUM also confirmed that Coconspirator Kassin charged a fee for moving checks through his charitable account, and did not disagree when the CW suggested that the fee would likely be a five to ten percent commission. Prior to the CW's departure, defendant NAHUM gave the CW a check in the amount of \$9,000 drawn upon the account of Deal Kupot and made payable to "Cong. Ohel Eliahu," the charitable organization operated by Ben Haim. Defendant NAHUM then put the check the CW had provided to him into a stamped envelope to be mailed to "Rabbi Saul J. Kassin," at an address in "Brooklyn, N.Y." Defendant NAHUM also put within this envelope a stamped envelope addressed to the CW along with a note to return to the CW a check in the amount of \$9,000 made payable to either a specified company - in reality, a fictitious company set up by the FBI for the purpose of enabling the CW to launder money represented to be the proceeds of illegal activities - or to one of the charitable organizations administered by Ben Haim.

7. On or about June 26, 2007, defendant NAHUM received a telephone call from the CW who asked defendant NAHUM if he knew "whether Rabbi Kassin got that check yet," a reference to the \$10,000 check the CW had provided to defendant NAHUM on or about June 20, 2007. Defendant NAHUM informed the CW that he had spoken to Coconspirator Kassin the same day that the CW had provided defendant NAHUM with the check and further stated that Coconspirator Kassin would mail the return check - expected to be a \$9,000 check - to the CW's house. Defendant NAHUM stated that he had told Coconspirator Kassin everything that the CW had told defendant NAHUM.

8. On or about June 27, 2007, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. During the ensuing conversation, defendant NAHUM provided the CW with a check in the amount of \$9,000 drawn upon the account of Coconspirator Kassin's Charitable Organization and made out, per the CW's request, to COE. After defendant NAHUM indicated that Coconspirator Kassin was "big," the CW asked "so if I have like, uh, you know, fifty thousand a month for the next three months, he can handle it, no problem?" Defendant NAHUM responded that Coconspirator Kassin would be able to do so. The CW then asked defendant NAHUM "[i]f I give it to you, he'll do it right away?" Defendant NAHUM

replied "[y]eah, sure." The CW then asked, by way of clarification, "[t]hat's what he does?" Defendant NAHUM responded simply, "[y]eah, that's what he does." Defendant NAHUM also confirmed that Coconspirator Kassin charged a percentage fee for each of these deals.

9. On or about June 28, 2007, defendant NAHUM met with the CW during a meeting just outside of the Deal Synagogue in Deal. During this meeting, defendant NAHUM accepted a bank check from the CW in the amount of \$25,000 made payable to Coconspirator Kassin's Charitable Organization. Defendant NAHUM agreed to deliver the check to Coconspirator Kassin as part of a money laundering transaction. Defendant NAHUM was informed by the CW that the CW had a couple of hundred thousand dollars that "no one knows about," a reference to the bankruptcy proceedings from which the CW was purportedly hiding assets. Defendant NAHUM was informed by the CW about this arrangement as follows: "what I do is, he give me, uh--I give you the check. Kassin give back a check to Ohel Eliahu. I'll give it to Eli [Ben Haim], and Eli give me back the [money]." Defendant NAHUM responded "[n]o problem," adding "[a]s long as they don't ask questions." The CW explained that this arrangement allowed for the CW's silent partner to get a tax write off, and enabled Coconspirator Kassin and Ben Haim to earn a ten percent fee. The CW added that by hiding this money from the bankruptcy court, "[t]his way I can live. I have no problems." Defendant NAHUM agreed to have a check made out for the CW from defendant KASSIN's Charitable Organization made payable to COE in the amount of \$22,500.¹

10. On or about August 8, 2007, defendant NAHUM and the CW met in defendant NAHUM's office in Deal. During the ensuing meeting, defendant NAHUM received three bank checks from the CW. One of those checks was a \$50,000 check made payable to Coconspirator Kassin's Charitable Organization. The other two checks were bank checks made payable to two charitable organizations run by defendant NAHUM, namely, Deal Kupot and

¹ Subsequently, on or about July 2, 2007, the CW met with Ben Haim who provided the CW with approximately \$20,250 in cash in expectation that the CW would return with a check in the amount of \$22,500. Two days later, the CW met with Ben Haim at Ben Haim's office in Deal, at which time the CW gave Ben Haim a \$22,500 check from Coconspirator Kassin's Charitable Organization made payable to COE, Ben Haim's charitable organization. This completed the money laundering transaction which had begun on June 28, 2007 when the CW had given defendant NAHUM the \$25,000 check.

Ahabat Haim Vehesed. These checks were both in the amount of \$5,000. When handing the checks to defendant NAHUM, the CW explained that "[t]his one is, uh, [for Coconspirator Kassin], the top one for fifty. So let me, get me back forty-five thousand. And then one's [in the name of] Kupot for five [thousand], and the other one for [Ahabat Haim Vehesed for] five thousand. Give me back forty-five hundred, maybe, for each one of these." After accepting the checks, defendant NAHUM expressed concern that a woman had called recently from the bank, but the CW reassured defendant NAHUM by stating "[t]his is from my partner that doesn't know nothing where the money's even going 'cause, you know, I can't -- the bankruptcy-- this, that -- nobody can know anything." The CW indicated to defendant NAHUM that the CW was trying to get "the money around the courts so nobody knows anything," another allusion to the bankruptcy fraud which was the proffered reason why the CW wished to launder these funds. The CW further stated that "I don't go into the bank, it's, uh, my partner who, uh -- I don't show up anywhere [u/i] on any paper. My name's nowhere, so there's no, uh -- they don't know who I am." After the CW reiterated that Coconspirator Kassin would retain \$5,000 as his fee for the \$50,000 check, defendant NAHUM again expressed his concern by stating "[n]o problem for sure?" The CW replied "I don't say anything to nobody. You don't say anything to anybody, and that's it," prompting defendant NAHUM to remark by way of agreement, "[n]o, that's what I'm saying." After this exchange, defendant NAHUM retrieved binders relating to his charitable organizations and began to write out checks. Defendant NAHUM wrote two \$5,000 checks made payable to COE, after defendant NAHUM had suggested that they use Ben Haim as a vehicle to get the \$1,000 back to defendant NAHUM. One of these checks was drawn upon the account of Deal Kupot, and the other was drawn upon the account of Ahabat Haim Vehesed. The CW then departed with the two checks and brought them to Ben Haim. In turn, Ben Haim promised to provide the CW with a check for \$1,000 for defendant NAHUM as defendant NAHUM's fee for conducting the transaction.

11. On or about August 13, 2007, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. During the meeting, defendant NAHUM accepted a \$1,000 check drawn upon the account of COE. This check, which represented defendant NAHUM's fee for facilitating the money laundering transaction commenced on or about August 8, 2007, had been picked up by the CW from Ben Haim earlier that day. Defendant NAHUM then gave the CW a \$45,000 check from Coconspirator Kassin's Charitable Organization, prompting the CW to note that "[t]his is from Rabbi Kassin, forty five." Defendant NAHUM recommended waiting a few days to let the check clear. When the CW mentioned that the CW would contact

defendant NAHUM the next week for additional business, defendant NAHUM reminded the CW that he could only do deals of \$5,000 or less when using his own charitable organizations. Defendant NAHUM recommended that large amounts be moved through Coconspirator Kassin, noting that "Kassin is the best." Defendant NAHUM further suggested that the CW should spread out the money that the CW wished to launder through a number of rabbis, stating that "I think it's better. You, you know why? The more it's spread is better . . . ," prompting the CW to reply "[y]eah, no, no question. This way no one can see anything." To this end, defendant NAHUM recommended that the CW turn to another money launderer, Rabbi Mordchai Fish. Defendant NAHUM further opined that Fish "can do million dollars . . . under the ground." When the CW complained that Fish was unreliable, defendant NAHUM countered that "Fish is good . . . Promise him something."

12. On or about March 19, 2008, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. During the meeting, defendant NAHUM accepted a bank check in the amount of \$5,000 made payable to NAHUM's charitable organization, Deal Kupert. In exchange, defendant NAHUM provided the CW with a \$5,000 check drawn upon the Deal Kupert account and made payable to COE. Later that day, Ben Haim provided the CW with \$4,500 in cash in exchange for the check from Deal Kupert. The following day, March 20, 2008, defendant NAHUM met with the CW in defendant NAHUM's office in Deal, at which time defendant NAHUM accepted \$500 as his fee for conducting this money laundering transaction. The CW also informed defendant NAHUM that the CW wished to conduct a larger money laundering transaction the following week involving money the CW expected to receive from "a silent partner in New York."

13. On or about March 26, 2008, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. Upon the CW's arrival, defendant NAHUM accepted a bank check from the CW in the amount of \$25,000, which the CW described as being generated by "my silent partner thing in New York." The check was made out to Coconspirator Kassin's Charitable Organization. Defendant NAHUM indicated that he would provide Coconspirator Kassin with the \$25,000 check. The CW asked for a check in return drawn upon the same organization and made out to COE in the amount of \$22,500.

14. On or about April 2, 2008, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. During this meeting, defendant NAHUM provided the CW with a check drawn upon the account of Coconspirator Kassin's Charitable Organization in the amount of \$22,500 made payable to COE. Defendant NAHUM indicated that Coconspirator Kassin had mailed him the check, but indicated

that he was in frequent contact with Coconspirator Kassin. Defendant NAHUM related that Coconspirator Kassin had retained \$2,500 as his fee for conducting the transaction, and that Coconspirator Kassin was pleased with the amount. The CW referred to the difficulties that the CW faced due to the CW's bankruptcy proceedings, and explained to defendant NAHUM that "I can't make any money." The CW further related that the money the CW was laundering came from the CW's "partners that own stuff," and that "they give me money un--, you know, under the table," a reference to the CW's purported efforts to circumvent the bankruptcy court.

15. On or about July 22, 2008, Coconspirator Kassin met with the CW at a residence on Monmouth Drive in Deal, where Coconspirator Kassin was residing during the summer months. During the meeting, Coconspirator Kassin accepted a bank check in the amount of \$25,000 made out to his charitable organization. The CW explained, referring first to the bank fraud for which the CW had been charged in May 2006, that "this is, uh, a check, just like all the other ones from the--no, this is the profits from the [bank]--my deal-- and then the labels from my new--from my company." The CW explained that the company "stich[es] labels on the -- Prada and Gucci." In exchange, Coconspirator Kassin provided a check in the amount of \$22,500 made out to Friends of Yachave Da'at, a charitable organization operated by Ben Haim and another individual.

16. On or about July 28, 2008, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. During the meeting, defendant NAHUM was informed by the CW that the CW had completed a money laundering transaction with Coconspirator Kassin as part of which Coconspirator Kassin accepted a \$25,000 check made payable to his charitable organization in exchange for a check in the amount of \$22,500 drawn upon the same account, thereby providing Coconspirator Kassin with a fee of \$2,500. Defendant NAHUM then accepted \$500 for his assistance in arranging the deal with Coconspirator Kassin. The CW explained that the money from the laundering deals derived from "my profits from the [bank] thing," a reference to a bank fraud that the CW had committed, as well as from "the labels." The CW explained that the CW operated a "handbag, uh, business," whereby they used "different labels, we put Prada, Gucci . . ." The CW explained that "profits are up a lot" from the CW's counterfeit handbag business, and told defendant NAHUM "[s]tart making, uh, some knock-off bags, and you'll have money."

17. On or about December 4, 2008, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. Upon the CW's

arrival, defendant NAHUM accepted a \$25,000 bank check made out to Coconspirator Kassin's Charitable Organization. The CW informed defendant that the CW wanted \$22,500 in exchange for this check. Defendant NAHUM offered to mail the check to Coconspirator Kassin and asked for the CW's address so that Coconspirator Kassin could mail the \$22,500 check directly back to the CW. Defendant NAHUM was informed by the CW that "[t]his [check] is from my, uh -- I have a, you know, a guy who has the money for me from my [bank] schnookie deal. . . So that's from that money," a reference to the CW's bank fraud which led to the filing of a criminal complaint. The two then discussed to whom Coconspirator Kassin should make the \$22,500 check payable, and the CW informed defendant NAHUM that it should be made payable to "BH." Defendant NAHUM then inquired about the CW's ongoing bankruptcy proceedings.

18. On or about December 15, 2008, the CW met with Coconspirator Kassin at Coconspirator Kassin's residence in Brooklyn. During the meeting, the CW explained that a prior laundering deal with Coconspirator Kassin, which had been arranged through defendant NAHUM, had resulted in the check back to the CW because the check had been improperly filled out. Coconspirator Kassin retrieved two check ledger books and handed the CW a new check for \$22,500. As Coconspirator Kassin was recording this transaction and writing out the replacement check, the CW explained that "I have a handbag business," and indicated that the check was derived from money from that business. The CW further explained that "[w]e make handbags, pocketbooks, and, uh, you know, they, they sell the fancy ones for \$2,000. We make the ones they look the same - we sell them for \$120. That business is good. You know, they copy them."

19. On or about December 19, 2008, defendant NAHUM met with the CW in defendant NAHUM's office in Deal. During the meeting, defendant NAHUM was informed by the CW that the \$22,500 check, which had been sent to the CW by Coconspirator Kassin, had been made out to the wrong entity. The CW explained that the bank would not accept that check so "I went there," a reference to the CW's trip to Coconspirator Kassin's Brooklyn residence four days earlier. Defendant NAHUM was informed that Coconspirator Kassin "switched it for me. . . So he took care of it." The CW further stated that Coconspirator Kassin "washed it, no problem." The CW then provided defendant NAHUM with a \$500 payment for defendant NAHUM's assistance in facilitating that laundering transaction. Defendant NAHUM was then informed by the CW that "I might have a check next week for like a thousand, two thousand dollars from my handbag, uh, business." When the CW suggested making out a check to Deal Kupot, defendant NAHUM's charitable organization,

defendant NAHUM directed the CW to go through Coconspirator Kassin. When the CW referred to Coconspirator Kassin by stating "because he washes, that's what he does, that's his business," defendant NAHUM replied "[i]t's his business." The CW then asked by way of clarification "[y]ou do with [another customer] and everything?" (Defendant NAHUM had previously indicated that he engaged in laundering transactions on behalf of this other customer.) Defendant NAHUM replied "[y]eah, sure." Prior to the CW's departure, defendant NAHUM and the CW discussed the volume of Coconspirator Kassin's money laundering business and the rates that Coconspirator Kassin charged for conducting such business.

20. Between approximately June 2007 and December 2008, defendant NAHUM engaged in money laundering transactions with the CW totaling approximately \$185,000 in funds represented by the CW to involve the proceeds of criminal activities.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

LEVY IZHAK ROSENBAUM, : Mag. No. 09-3620
a/k/a "Issac Rosenbaum"

I, Robert J. Cooke, being duly sworn, state that the following is true and correct to the best of my knowledge and belief.

From at least in or about February 2008 to in or about July 2009, in Monmouth County, in the District of New Jersey and elsewhere, defendant LEVY IZHAK ROSENBAUM, a/k/a "Issac Rosenbaum," did:

knowingly and willfully conspire and agree with others to commit offenses against the United States, that is, to acquire, receive, and otherwise transfer human organs for valuable consideration for use in human transplantation, with such transfer affecting interstate commerce, contrary to Title 42, United States Code, Section 274e, and did an act to effect the object of the conspiracy.

In violation of Title 18, United States Code, Section 371.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except as otherwise indicated.

1. At all times relevant to this Complaint, defendant Levy Izhak Rosenbaum, a/k/a "Issac Rosenbaum," (defendant "ROSENBAUM"), a resident of Brooklyn, New York, was purportedly involved in the real estate business. Defendant ROSENBAUM is not a licensed physician or medical professional.

2. At all times relevant to this Complaint, there was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW posed as an individual interested in purchasing a human kidney from a human organ broker on behalf of another individual.

3. At all times relevant to this Complaint, there was an undercover Special Agent with the FBI (the "UC") who was, for the purposes of this investigation, posing as the CW's secretary. During the investigation, the UC represented that the UC's uncle was in need of a kidney, and that the UC sought the CW's help to assist the UC in finding a kidney donor for the UC's uncle.

4. On or about February 15, 2008, defendant ROSENBAUM received a telephone call from CW, who made such call while in New Jersey. During this telephone call, the CW indicated to defendant ROSENBAUM that the CW sought to obtain a human kidney on behalf of another individual seeking a kidney transplant. Defendant ROSENBAUM proposed that the CW come from New Jersey to meet with defendant ROSENBAUM at defendant ROSENBAUM's residence in Brooklyn (the "Rosenbaum Residence") to discuss the CW's request.

5. On or about February 18, 2008, the CW and UC traveled from Tinton Falls, New Jersey to the Rosenbaum Residence to meet with defendant ROSENBAUM. At the meeting, the CW explained that

"I'm in real estate," and introduced the UC as "my secretary for, like, twelve years." The CW referred to the UC's uncle as "having some kidney, uh, issues," and added that "[h]e's on dialysis." The CW further informed defendant ROSENBAUM that "[h]e needs to, uh, you know, organize to buy one and, uh, you know, we need to find, uh, how we can do this. I told him I'd take care of the financial arrangements" Defendant ROSENBAUM then asked "[s]o who is the needy one," prompting the UC to reply "[m]y uncle."

6. The UC explained that the UC's uncle had "polycystic disease," and stated that "he's been on dialysis for a couple of years." The UC further purported to defendant ROSENBAUM that her uncle, who lived in New Jersey, was on the transplant list at a hospital in Philadelphia. The UC asked defendant ROSENBAUM how defendant ROSENBAUM could obtain a kidney on behalf of UC's uncle, and defendant ROSENBAUM explained that defendant ROSENBAUM could send a blood sample from the UC's uncle to Israel to find a matching prospective donor. Defendant ROSENBAUM added that "if you want to arrange it faster, then I, I bring the donor over here. . . . The hospital is the authority who decide it's a match or not. Not me, not you, not him, not nobody."

7. Defendant ROSENBAUM explained that the hospital would screen any potential donor carefully for various ailments and diseases before authorizing a transplant. Defendant ROSENBAUM noted that "I'm doing this a long time." Defendant ROSENBAUM then warned the CW and the UC in the following terms: "Let me explain to you one thing. It's illegal to buy or sell organs. . . . So you cannot buy it. What you do is, you're giving a compensation for the time . . . whatever--he's not working. . . ." Defendant ROSENBAUM then repeated "you can't even mention it."

8. Defendant ROSENBAUM then explained that it would be necessary to fabricate some sort of relationship between the donor and the recipient. Defendant ROSENBAUM stated that "we put together something--the relationship. The hospital is asking what's the relationship between" the donor and the recipient. Defendant ROSENBAUM continued, "So we put in a relationship, friends, or neighbor, or business relations, any relation." When the CW suggested claiming that the donor and the recipient were "cousins, third cousins," defendant ROSENBAUM rejected this idea because "[you] wouldn't go to cousins because it's, they--the recipient is not going to be investigated, but the, the donor is investigated So if, if you start with family, it's real easy to find out if he's not . . . it's not the family, because the names and the ages and who is who . . . it doesn't work

good." Nevertheless, defendant ROSENBAUM assured the UC and the CW that, as to creating the fictitious relationship, "[p]utting it together is the easy part." However, defendant ROSENBAUM cautioned them once again that "the one thing you should know that it's not something you can talk about . . . freely"

9. The CW then inquired about the price for purchasing a kidney from a paid donor to which defendant ROSENBAUM responded "[t]he price with what we are asking here is a hundred fifty-thousand dollars." When the CW reminded defendant ROSENBAUM that an earlier recipient known to the CW ("Recipient 1") had been charged only one hundred forty-thousand dollars, defendant ROSENBAUM laughed, and quipped "I knew it's coming." Defendant ROSENBAUM also indicated that half of the total price would have to be paid up front while "the rest of it is--when I get the donor in the hospital, check them out. . . ."

10. Defendant ROSENBAUM explained that he was not a surgeon and that once he had brought a willing donor to this country, "it's beyond my control." He did add that "I take care of [the donor] after, after the surgery also." When pressed on this last point, defendant ROSENBAUM explained that "I place him somewhere," to look after the donor. Defendant ROSENBAUM further stated: "You have to babysit him like a baby because he may have a language problem, maybe not." Defendant ROSENBAUM explained the process of finding a donor in Israel and stated that "[t]here are people over there hunting . . . One of the reasons it's so expensive is because you have to shmear (meaning pay various individuals for their assistance) all the time."

11. Defendant ROSENBAUM indicated that among those who would need to be paid were the donor and the doctors in Israel who would examine the donor, and further added that there would be expenses incurred for preparing the Visa work and paying the donor's expenses while in the United States. Defendant ROSENBAUM also indicated that he would accept cash as payment.

12. On or about February 26, 2008, the CW and UC met with defendant ROSENBAUM at the Rosenbaum Residence to further discuss how defendant ROSENBAUM would procure a kidney for UC's uncle. The UC explained that her uncle was worried about others finding out about his purchase of a kidney, prompting defendant ROSENBAUM to reply "[l]et me explain this to you. It's illegal to buy. It's illegal to sell." Defendant ROSENBAUM then explained the screening process to which the donor would be subjected, stating that "[t]hey're going to investigate him, not you, not your uncle. He's going to speak to a social worker and a psychologist to find out why is he doing it. . . . And it is our job to

prepare him." The CW asked about the "kind of story" that the donor would provide during the interviews, prompting defendant ROSENBAUM to state that "I put together the story by seeing your uncle, seeing him . . . Could be, ah, ah, neighbors, could be friends from shul (meaning synagogue), could be friends from the community, could be friends of, of, of his children . . . business friends."

13. Defendant ROSENBAUM indicated that all of the donors "come from Israel." Defendant ROSENBAUM also listed another recipient by name who had received a kidney transplant approximately four years earlier, and defendant ROSENBAUM offered to contact other recipients to assure the UC and her uncle about the process.¹ The CW inquired about Recipient 1, and defendant ROSENBAUM informed the CW that Recipient 1 would go in for testing on March 14th at a particular hospital. Defendant ROSENBAUM related that the donor for Recipient 1 was an Israeli citizen currently living in Wisconsin. The UC and CW departed, and the UC indicated that the UC would obtain blood samples from her uncle to bring to defendant ROSENBAUM.

14. On or about August 21, 2008, the CW and the UC traveled from New Jersey to the Rosenbaum Residence. Upon arriving, the UC and CW entered the basement area. During the ensuing conversation, defendant ROSENBAUM asked about the UC's uncle and was informed by the UC that the uncle had been receiving dialysis three times per week over the last couple of years. Defendant ROSENBAUM then asked "[w]hat type of blood is he?" The UC replied "O positive." The CW asked defendant ROSENBAUM whether "you have a doctor there that can--checks these guys out and makes sure," prompting defendant ROSENBAUM to reply that "I got . . . a guy over there."

15. Defendant ROSENBAUM then set forth that any donor has to be "very healthy," and "has to be tested" for any disease. Defendant ROSENBAUM also explained that the blood type must be a match. Defendant ROSENBAUM also explained that the UC's

¹ On or about February 27, 2009, the UC contacted one of defendant ROSENBAUM's prior customers ("Recipient 2"), whose telephone number defendant ROSENBAUM provided to the UC as a reference. During the conversation, Recipient 2 related to the UC that Recipient 2, who lives in New Jersey, paid defendant ROSENBAUM cash for a kidney, which was then transplanted in Recipient 2 at a hospital outside of the New Jersey area a little over a year ago. As to the motive for the donor to give up his kidney, Recipient 2 stated that "I guess he needed the money."

uncle--the recipient--would need to meet the donor before proceeding with the procedure. When discussing defendant ROSENBAUM's efforts to ensure that the donor and recipient's stories to medical authorities coincided, defendant ROSENBAUM declared that "so far I've never had a failure." Defendant ROSENBAUM also explained that it would be necessary to send a blood sample of the recipient to a lab, prompting the UC to ask "[s]o there's a doctor that's putting it together, sending it to the lab, I guess?" Defendant ROSENBAUM answered in the affirmative. Subsequently, defendant ROSENBAUM explained that he had an associate based in Borough Park (Brooklyn) who took blood samples on behalf of an insurance company for whom he worked. Defendant ROSENBAUM indicated that defendant ROSENBAUM paid this individual in cash for handling blood samples of would-be recipients of organs.

16. During this meeting, defendant ROSENBAUM also discussed the price to be paid for procuring the kidney for the UC's uncle, stating that it would be "160," a reference to \$160,000. Defendant ROSENBAUM also explained that his primary expenses were incurred early in the process, and explained that "[y]ou will give me 50 percent" upfront. The CW explained that the CW had brought 4 checks in the amount of \$2,500 drawn upon an account at CW's firm, and defendant ROSENBAUM agreed to accept these checks with the expectation that he would be paid an additional \$70,000 later as part of the fifty percent upfront payment. The CW asked to whom the checks should be made payable. Initially, defendant ROSENBAUM indicated that they should be made payable to a "Congregation," but then agreed to notify the CW as to whom defendant ROSENBAUM had filled in as the payee on the checks. The CW then left the four checks with defendant ROSENBAUM before departing.

17. On or about August 31, 2008, defendant ROSENBAUM received a telephone call from the CW, while CW was in New Jersey. During the ensuing conversation, defendant ROSENBAUM inquired whether the UC's uncle would be coming to meet with defendant ROSENBAUM in the near future. During the same conversation, defendant ROSENBAUM indicated that he had filled out the four bank checks totaling \$10,000 provided by the CW on or about August 21, 2008 to make the checks payable to a charitable organization. On or about August 22, 2008, the funds from the four bank checks totaling \$10,000 were credited to an account under the name of that organization at a Wachovia Bank branch in Brooklyn.

18. On or about November 25, 2008, while the CW was in New Jersey, the CW received an incoming telephone call from defendant ROSENBAUM. During the ensuing conversation, defendant ROSENBAUM was informed that the UC's uncle had suffered a "mini-stroke," causing further delay. Defendant ROSENBAUM reiterated that "I would like to meet this guy [the UC's uncle]," and stated "I am willing to come over [to New Jersey]. Just tell me when and where" The CW informed defendant ROSENBAUM that the CW would find out more about the UC's uncle's condition and keep defendant ROSENBAUM "posted."

19. On or about July 13, 2009, the CW and the UC traveled from New Jersey to the Rosenbaum Residence. Upon arriving, the UC and CW entered the basement area. During the ensuing conversation, defendant ROSENBAUM was informed by the UC that the UC's uncle was in good health and ready to proceed with a kidney transplant brokered through defendant ROSENBAUM. The UC inquired whether defendant ROSENBAUM would be available to meet the UC's uncle the following week, and the UC, CW and defendant ROSENBAUM agreed to meet the following Thursday morning. Defendant ROSENBAUM indicated that he would have another individual come to the meeting to take a blood sample from the UC's uncle. Defendant ROSENBAUM explained that the blood would be separated from the blood serum, and that the blood serum "goes in the deep freezer. We're freezing it. Every time we make a cross-match, we take a little bit of it back." When asked how he sends the blood samples to Israel, defendant ROSENBAUM explained that "somebody takes it" and that the sample would be stored in dry ice. Subsequently, defendant ROSENBAUM explained his role in the following terms: "I am what you call a matchmaker . . . I bring a guy what I believe, he's suitable for your uncle." Defendant ROSENBAUM assured the UC and CW that the donor would be checked in a hospital to ensure a proper match. Defendant ROSENBAUM also declared that "[n]ow my obligation to you is to bring you a person [who] will have it done," referring to the donation of the kidney. Defendant ROSENBAUM added that "if for any reason, for any reason, he will--, the guy I will bring you will not go through, then I have to bring you somebody else." Defendant ROSENBAUM also related that the donors would range from 20 to 40 years in age. A short while later, the UC asked "[h]ow long have you been doing this for?" In response, defendant ROSENBAUM replied "[t]en years." When asked the number of transplants that he had brokered, defendant ROSENBAUM stated "quite a lot . . . quite a lot." The UC then asked "[w]hen was the last one you did? Was it recently?" Defendant ROSENBAUM replied "[t]wo, two weeks ago," and indicated that the donor had remained in the hospital for two days after having his kidney removed.

20. As the meeting progressed, the CW brought up the subject of payment, asking "[w]hat's my balance, a hundred-and-forty thousand you told me?" Defendant ROSENBAUM replied simply "[a] hundred and fifty," and added "[a]ctually, it went up." Defendant ROSENBAUM explained that the price had increased because "it's hard to get people," and noted that Israel has now passed laws prohibiting the sale of human organs. The CW then asked "[w]hen we come next Thursday, how much money am I gonna give you?" Defendant ROSENBAUM indicated that they should bring "another seventy" thousand, and then confirmed that they would then owe a balance of \$80,000. Defendant ROSENBAUM and the CW then discussed the method of payment and the possibility of paying with checks made payable to several charitable organizations, or "gemachs." Defendant ROSENBAUM stated, however, that "I prefer you do it with cash." The UC then inquired "does the donor get a good portion of it," prompting defendant ROSENBAUM to reply "[d]on't worry about it." Defendant ROSENBAUM also confirmed that the individual who located a willing donor would receive payment assuming that the donor could be used for a transplant. Defendant ROSENBAUM also indicated that he incurred additional costs because the donor would need "someone to stay with him, take care of him," before and after the surgery. The UC and the CW departed, and all three agreed to meet the following week.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
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LORI SERRANO : Mag. No. 09-8139 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about March 2009 to in or about April 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

LORI SERRANO

and others, to include JC Official 1 and the Consultant, did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for defendant Lori Serrano's future official assistance in Jersey City Government matters.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own participation in this investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant Lori Serrano ("defendant Serrano"), a school district accountant, was a candidate seeking a City Council seat in Jersey City in connection with an election held on or about May 12, 2009. Defendant Serrano ultimately did not prevail. Formerly, defendant Serrano served as Jersey City Housing Authority chairperson.

2. At all times relevant to this Complaint:

a. There was an individual who served as the Vice President of the Jersey City Board of Education (until on or about May 2009), and a commissioner of the Jersey City Housing Authority ("JC Official 1");

b. There was an individual who represented himself to be the owner of a consulting firm based in New Jersey (the "Consultant"); and

c. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

3. On or about March 21, 2009, at approximately 10:55 a.m., FBI agents intercepted an outgoing call from the Consultant to JC Official 1 over the Consultant's cell phone. The Consultant and JC Official 1 confirmed the existence of upcoming meetings between two Jersey City council candidates (one of whom

was defendant Serrano) and the CW. They also agreed that the CW has been "planting a lot of seeds" with various government officials and candidates in New Jersey.

4. During the afternoon of March 24, 2009, defendant Serrano met with the Consultant, JC Official 1 and the CW at a diner in Bayonne, New Jersey. During this meeting, defendant Serrano informed the CW that she was a candidate for an at-large Jersey City Council position, as well as a former Chairperson of the Jersey City Housing Authority. JC Official 1 explained to defendant Serrano that the CW was "gonna do a development down on, uh, Garfield Avenue," and added that the CW was "gonna put some high rises up, so we're gonna need your support for that once you're on the Council." Defendant Serrano responded by stating, "Absolutely," and the CW explained that they would be seeking a zoning change due to the restriction on the number of stories that could be built. The CW indicated that "I wanna make sure that once you leave and you're up on the dais . . . you don't forget my name and number . . . I get your vote," prompting defendant Serrano to reply, "No, I won't [forget], I'm not like that." Defendant Serrano then assured the CW that the CW could count on her. JC Official 1 then added, "So Lori, we're gonna try to help you out this year . . . But the main thing is, when you do get in, don't forget [the CW.]" Defendant Serrano responded, "Absolutely." The CW subsequently told defendant Serrano that "I'll give you, you know, to start, uh, five thousand dollars and then hopefully we'll do more, you know, as the campaign progresses. Yeah, as long as I know I got your, your vote, you know on the council, any zone changes, resolutions . . ." Defendant Serrano replied, "Right . . . You will." The CW also added that "I don't want to do checks or anything 'cause I don't want any conflicts," to which defendant Serrano replied "I know." Defendant Serrano acknowledged a second time that she would receive the payment in cash.

5. On or about March 24, 2009, at approximately 5:01 p.m., FBI agents intercepted an incoming call from JC Official 1 to the Consultant over the Consultant's cell phone. During the call, among other things, JC Official 1 and the Consultant agreed that things had gone well at the meeting that day. The Consultant and JC Official 1 discussed plans for the CW and agreed, per the Consultant, "Let's get him to give . . . three candidates [including defendant Serrano] money. . . ."

6. On or about March 25, 2009, at approximately 8:44 p.m., FBI agents intercepted an incoming call from JC Official 1 to the Consultant over the Consultant's cell phone. During this call, JC Official 1 told the Consultant that there would be no

meeting the next day [Thursday], and they agreed on Friday. JC Official 1 told the Consultant that Friday they would "do the two" (likely a reference to cash payments to be made to defendant Serrano and another council candidate).

7. On or about March 26, 2009, at approximately 11:30 a.m., FBI agents intercepted an outgoing call from the Consultant over the Consultant's cell phone to JC Official 1. During this call, the Consultant asked JC Official 1 how their "buddy" [meaning the CW] was doing, and JC Official 1 responded that JC Official 1 was postponing the meetings until Monday at twelve o'clock. JC Official 1 stated that he would not "have them come in" to the restaurant, but rather the CW would "have to go outside to them." JC Official 1 thus was indicating that the corrupt cash payments would be made to defendant Serrano, among others, outside of the restaurant. JC Official 1 asked the Consultant if he "thought that was the best way to do it," and the Consultant said he thought that it was.

8. On or about March 30, 2009, at a diner in Bayonne, defendant Serrano met JC Official 1, the Consultant and the CW. At the conclusion of this meeting, the CW and defendant Serrano walked into the parking lot at which time the CW stated, "Don't forget me when it comes to my zone change," and moments later told defendant Serrano: "I'm gonna give you 5,000 now. I'll give you another 5 before the election as you need it." Defendant Serrano replied, "Ah, thank you," and the CW added that "then after you get in, when you're Mrs. Councilwoman, I'll, I'll give you more." Defendant Serrano replied, "Thank you so much." The CW then retrieved an envelope containing \$5,000 from his trunk and handed it to defendant Serrano stating that "[t]his is it here. It's cash. This way there's no trace. I don't need any, uh, no conflict issues." After defendant Serrano had accepted the envelope, the CW added, "Just make sure you expedite my things," prompting Serrano to reply, "Absolutely." The CW then informed Serrano that "I went to one town one time, and I, uh, for a zone thing. They put my application on the bottom. It took them three years to look at it." Defendant Serrano, referring to the Consultant, told the CW that "[o]ne thing he can tell you, I'm a very loyal person. . . . They'll tell you." Defendant Serrano then departed with the envelope containing \$5,000 in cash.

9. On or about April 8, 2009, at approximately 11:48 a.m., FBI agents intercepted an outgoing call from the Consultant's home phone to JC Official 1. Among other things, the Consultant and JC Official 1 discussed arranging a meeting with defendant Serrano on April 23, 2009.

10. On or about April 11, 2009, at approximately 11:21 a.m., FBI agents intercepted an outgoing call from the Consultant's cell phone to Official. Among other things, the Consultant listed officials and candidates who had received or would receive payments from the CW with their assistance to include defendant Serrano. After listing the individuals, the Consultant indicated that, "I don't think we ought to expand it any further."

11. On or about April 21, 2009, the Consultant and JC Official 1 met the CW at a diner in Jersey City. The Consultant and JC Official 1 set forth the schedule and the identities of individuals with whom the Consultant, JC Official 1 and the CW would meet, and the amounts of money to be paid to certain officials and candidates. In particular, among other things, the Consultant informed the CW that they would meet with defendant Serrano at a diner in Bayonne at mid-day on April 23rd.

12. On or about April 23, 2009, defendant Serrano met the Consultant, JC Official 1 and the CW met outside of a diner in Bayonne. Defendant Serrano and the CW then met in a car outside of the restaurant. Defendant Serrano was informed by the CW that the CW was contemplating applying for a zone change on the Garfield Avenue project and that the CW would get defendant Serrano a copy of the application to review. Defendant Serrano replied to the CW, "Of course," agreeing that she would "just make sure" that defendant Serrano "covered" the CW's "back." Defendant Serrano further indicated that she would not let the CW's contemplated application fall to the bottom of the pile after she was elected to the council. Defendant Serrano accepted another \$5,000 in cash from the CW. Defendant Serrano agreed not to put the CW's name on anything in connection with this transaction, saying: "I don't, I don't." Defendant Serrano further told the CW that the money would be used in connection with volunteers on the day of the election. In response to the CW stating that the CW did not "donate," rather the CW "invest[ed]," defendant Serrano said that she "respect[ed] that," and that the CW was a "businessman."

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 L. HARVEY SMITH and :
 RICHARD GREENE : **Mag. No. 09-8124 (MCA)**

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about April 2009 to in or about July 2009, in Hudson County, in the District of New Jersey and elsewhere, defendants

L. HARVEY SMITH and
RICHARD GREENE

and JC Official 1 and the Consultant did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid by another, with that other person's consent, in exchange for defendant Smith's anticipated official assistance as specific opportunities arose.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant L. HARVEY SMITH ("defendant HARVEY SMITH") served as a New Jersey State Assemblyman and was a mayoral candidate in Jersey City. A three-term Jersey City councilman who spent four years as City Council President, defendant HARVEY SMITH also served as acting mayor of Jersey City from May through November 2004.

2. At all times relevant to this Complaint, defendant RICHARD GREENE ("defendant GREENE") served as an aide to New Jersey Assemblyman HARVEY SMITH.

3. At all times relevant to this Complaint:

a. There was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW posed as a real estate developer interested in developing properties in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce;

b. There was an individual (hereinafter "JC Official 1") who represented himself to be in high-level positions at the Jersey City Housing Authority (the "JCHA") and, until in or about May 2009, at the Jersey City Board of Education ("BOE");

c. There was an individual who represented himself to be the owner of a political consulting firm based in Jersey City, New Jersey (hereinafter "the Consultant"); and

d. There was an individual who was a high-ranking official with the State of New Jersey Department of

Transportation (hereinafter the "DOT Official").

4. On or about April 22, 2009, at approximately 9:53 a.m., FBI agents intercepted an outgoing phone call from the Consultant to JC Official 1 over the Consultant's cell phone. The Consultant and JC Official 1 confirmed the existence of upcoming meetings between two Jersey City mayoral candidates (one of which was defendant HARVEY SMITH) and the CW. JC Official 1 informed the Consultant that the meeting with defendant HARVEY SMITH was set for "Friday morning [April 24] at 10."

5. On or about April 24, 2009, defendant HARVEY SMITH met with the CW, JC Official 1 and the Consultant at a restaurant in Staten Island, New York. During the meeting, defendant HARVEY SMITH was informed by the CW that the CW was interested in developing property on Garfield Avenue in Jersey City, New Jersey (the "Garfield Avenue Project"). Defendant HARVEY SMITH was further informed by the CW that he was seeking help expediting an anticipated zoning change and that he wanted to make sure he "had [defendant HARVEY SMITH'S] support."

6. Later during the meeting, defendant HARVEY SMITH left the table for approximately two minutes. During defendant HARVEY SMITH'S absence, the CW asked JC Official 1 if defendant GREENE was going to be joining them at the meeting. JC Official 1 responded that "[defendant GREENE] was going to be the intermediate person between, to do the thing but no, he couldn't make it, so . . ." The CW interjected and asked JC Official 1: "So what are we going to do? Give it to him after?" JC Official 1 responded, "Give it to me and I'll have to give it to him." He won't take it himself," in response to which the CW said, "So you gotta give it to him, he won't take it from me? Okay." (The "it" referred to by the CW and JC Official 1 was an interstate courier envelope containing approximately \$5,000 in cash.) The CW then confirmed, "But the guy [defendant HARVEY SMITH] understands I'm looking to get expedited?" and JC Official 1 replied, "Oh yeah." The CW then said: "Tell him I'll do the 5 now, I'll do 5 more after the election. If he wants more, no problem, as long as he helps me expedite the stuff." JC Official 1 told the CW, "I'll bring it up now and we'll take it from there." At this point, defendant HARVEY SMITH returned to the table.

7. On defendant HARVEY SMITH'S return to the table, JC Official 1 told him that "[the CW] here is a very generous person and he likes working with people. He's going to make a contribution to your campaign. His only thing is that his name is not connected to it, nor my name, nor [the Consultant's] name.

He'll give you something now and you make the run off and he'll keep contributing to you, to your success." The CW added, "Run off or you get elected, or both, I told [JC Official 1] I'll do the \$5,000 now and then 5 after the run off and then after the election, just don't put my name anywhere or anything like that." Defendant HARVEY SMITH said, "I can only put the name on the check that is, who the check's coming from." JC Official 1 then made clear to defendant HARVEY SMITH: "There is no check. There is no check. There is no check." The CW stated, "We don't want to have any conflicts . . ." Defendant HARVEY SMITH responded, "I understand and that's going to be difficult for me to deal with." The CW said, "Deal with [JC Official 1] on it." JC Official 1 added to defendant HARVEY SMITH, "That's why we want to make sure you go through [defendant] Rich [GREENE]." We have to figure out a way that we put a contribution like that into, um, we have to come up with checks, because . . ." JC Official 1 said, "We'll deal with it." At the conclusion of the meeting, defendant HARVEY SMITH told the CW, "I appreciate this opportunity."

8. As defendant HARVEY SMITH and the CW were leaving the restaurant, the CW said, "So, I'm going to handle everything through [JC Official 1]," to which defendant HARVEY SMITH replied, "I understand." The CW said, "Just don't put my name on nothing," to which defendant HARVEY SMITH again replied, "I understand." The CW said, "Just give me your word that your going to expedite my stuff," and defendant HARVEY SMITH said: "I don't do quid pro quos. [JC Official 1] will tell you how I operate," and laughed.

9. On or about April 30, 2009, defendant GREENE met with the CW, JC Official 1 and the Consultant at a restaurant in Bayonne, New Jersey. As they sat down, the CW confirmed that defendant HARVEY SMITH also was attending the meeting, and defendant GREENE confirmed that defendant HARVEY SMITH was present at the diner (gesturing behind him) but on a phone call. The CW said, "So I guess after breakfast we'll do our business . . .," and JC Official 1 interjected: "After breakfast we'll do our business with [defendant] Rich [GREENE]. Rich will take care of it." The CW told defendant GREENE: "I like that name Greene. I'm the green party, green cash," to which defendant GREENE replied, "Oh, okay. Alright. Works for me."

10. Outside the restaurant, FBI agents observed defendant HARVEY SMITH get out of a Ford Flex bearing a New Jersey license plate 4PY-27V and walk into the restaurant.

11. Defendant HARVEY SMITH thereafter joined the meeting

inside of the restaurant. The CW said to him, "I didn't know you were still on the [New Jersey State] assembly," and defendant HARVEY SMITH said, "Yeah." The CW said, "I was telling Mr. [defendant] GREENE and [JC Official 1] that I might need something from you." Defendant HARVEY SMITH responded, "You gotta stop talking like that, and I'll tell you why. Because we are forging a relationship and whatever I can do to help you, I will, and when you talk like that, it puts me . . ." and the CW said, "Say no more."

12. The CW then said, "My boys here [meaning JC Official 1 and the Consultant] are helping me out on Garfield Avenue with a project you know we spoke about I think last time," to which defendant HARVEY SMITH said, "Yeah." The CW continued, "[A]nd, um, I have to check on the status but there's an application in the DEP now [referring to the New Jersey Department of Environmental Protection] for a No Further Action Letter. . . . [A]nd you know the way it works with the big agency, ahh, you know, they're delaying things, so maybe I'll get you that information." In response, defendant HARVEY SMITH told the CW, "Well, I'll get the information. You give me the name and I'll find out what the status of the situation is with the DEP, if you write it down or something I'll go on and find out where they are with regards to the cleaning of that area." The CW said, "I appreciate that." Moments later, defendant HARVEY SMITH told the CW, "So write down all the stuff you want." The CW agreed and said, "I'll give it to [JC Official 1]" to provide to defendant HARVEY SMITH.

13. As defendant HARVEY SMITH, defendant GREENE, the CW, JC Official 1 and the Consultant got up to leave the table, the CW said, "So I'll get that DEP information, we'll get you a zone application." Defendant HARVEY SMITH replied, "All I need to know is what the project is, if you give me the name of the project and I'll find out the site so I can question . . . so I can find out what the status of what they're looking for the status of the clean up."

14. In the parking lot outside of the restaurant, the CW, who was walking behind him, said to defendant HARVEY SMITH, "So I'll do business today with [defendant] Rich [GREENE]. Is that okay?" Defendant HARVEY SMITH did not turn around or respond. The CW again said, "Mr. Harvey, I'll do business with [defendant] Rich [GREENE] and then I'm going to do 5 . . . ," at which point defendant HARVEY SMITH said, "Stop talking. I understand. You make me feel like I might want to pat you down to see if you got. . ." and then laughed. The CW said, "After the election, I'll do the same again," to which defendant HARVEY SMITH replied "thank

you" and then got into his car.

15. The CW proceeded to remove an envelope containing approximately \$5,000 in cash from the trunk of his car. Envelope in hand, the CW walked over to defendant GREENE, who was standing with JC Official 1, and handed the envelope containing the cash to defendant GREENE. The CW said, "I told [defendant] HARVEY [SMITH], this is \$5,000," and defendant GREENE said, "Okay." The CW continued on: "[G]reen as in the name. Just don't put my name on anything. I don't want any conflicts or anything. You know [defendant HARVEY SMITH'S] a good guy. I told him this is 5 now and after the election, I'll give him another 5." Defendant GREENE said, "Okay, alright." The CW asked, "Now, [defendant HARVEY SMITH] won't forget my name and number, will he?" Both JC Official 1 and defendant GREENE told the CW that defendant HARVEY SMITH would not forget the CW. JC Official 1 added, "I'm about the closest thing to him [meaning defendant HARVEY SMITH]." As he was leaving, defendant GREENE told the CW, "It's a pleasure."

16. FBI agents then observed defendant GREENE enter the front passenger side of a gray Ford Flex bearing a New Jersey license plate located in the parking lot outside of the restaurant, and in which defendant HARVEY SMITH was sitting in the driver's seat. When he got into the car, defendant GREENE had in hand the interstate courier envelope containing the \$5,000 in cash he had accepted from the CW to pass to defendant HARVEY SMITH. Defendant GREENE remained inside of the car with defendant HARVEY SMITH for approximately seventeen minutes. When defendant GREENE exited the car, leaving defendant HARVEY SMITH inside, defendant GREENE no longer had the envelope containing the \$5,000 cash with him. FBI agents then observed defendant HARVEY SMITH drive away from the restaurant.

17. On or about May 6, 2009, JC Official 1, the Consultant and the CW met at a steakhouse in Weehawken, New Jersey. During this meeting, JC Official 1 asked the CW about the progress of anticipated real estate development projects. As to Garfield Avenue, the CW told JC Official 1 that "I had my guys speak to the sellers on the Garfield Avenue, the DEP thing, and the DEP actually looked at the application, and they're coming out, they said May 20, I have it down, I'll tell you what . . . they said May 22nd. They're doing a site inspection - everything's okay, then they sign off. You know, I asked [defendant HARVEY SMITH], but I don't need him for that, so." JC Official 1 said, "Okay, good." With respect to the \$5,000 cash payment provided to defendant GREENE to be passed to defendant HARVEY SMITH in exchange for defendant HARVEY SMITH'S official action, JC Official 1 told the Consultant and the CW, "I converted it. I

gave [defendant HARVEY SMITH] money orders." JC Official 1 and the Consultant laughed. The CW asked, "Money orders for five grand? . . . you just have to put different names I guess on it." JC Official 1 replied, "With money orders, you don't have to put any names on it."

18. On or about May 14, 2009, JC Official 1, the Consultant and the CW met at a diner in Jersey City, New Jersey. After the meeting, JC Official 1 and the CW continued to talk in the parking lot outside of the diner. JC Official 1 further explained to the CW how JC Official 1 converted the \$5,000 corrupt payment to defendant HARVEY SMITH to money orders: "I gave them to my niece and told her to pick up some money orders."

19. On or about July 16, 2009, defendant HARVEY SMITH, JC Official 1, the Consultant, and the CW met at a diner in Jersey City. Before the Consultant arrived, JC Official 1 told defendant HARVEY SMITH: "We're doing a lot of projects, Harvey, throughout the State of New Jersey, alright. We're getting ready to do two nice ones in Bayonne okay, Hoboken, Carlstadt, [the CW interjected, "Jersey City"], Jersey City, so we're all over the place, so we feel in some ways, we need to-- but we're into it now-- you being able to help us out while you're in office and everything else, whether it's the next six months that you, or four months or whatever it is, so that's why [the CW] wanted to reach out for you and let you know some of the things that we're doing and how you might be able to help us out, okay?" Defendant HARVEY SMITH nodded yes. JC Official 1 continued, "[W]e got the one property on Garfield Avenue," and defendant HARVEY SMITH asked, "What's the name of the site?" The CW responded, "The owner is Garfield Avenue Associates." Defendant HARVEY SMITH said, "So you have, um, that project [referring to Garfield Avenue]?" JC Official 1 explained that the proposed project "was on contaminated soil" but that it had been "cleaned up." The CW further explained to defendant HARVEY SMITH: "There is a CEA in place - classification exception area - from DEP. They cleaned up whatever that classification area was, now I'm waiting for-- unrestricted NFA, and then I'll close hopefully in the next ten days, two weeks, so that's the plan on that." Defendant HARVEY SMITH asked JC Official 1, "So, where's the-- so how can I help [the CW] with his--" JC Official 1 told defendant HARVEY SMITH that he could "help" by "[w]ell basically when we do get the approval to go ahead, you know, that is part of your district, and we'd just like your support on it also, okay. I mean that's a big, big plus, because we know we're going to run into some opposition on the other side from your other girlfriend-" to which Defendant HARVEY SMITH replied by asking JC Official 1 if he was referring to a certain Jersey City Councilwoman, and JC

Official 1 said, "Yes." JC Official 1 continued that, "on that site [the CW] wants to put four towers of 23 stories each, so it's a big, big project. . ." The CW interjected, "780 units combined," and JC Official 1 continued on telling defendant HARVEY SMITH, "Just to let you know also we have, we have met with the mayor on it, we have met with [a State of New Jersey official] on it." Defendant HARVEY SMITH asked, "You haven't met with [the Jersey City Councilwoman]?" and was told that they had not. JC Official 1 went on to explain regarding the Garfield project, "We're looking to put in a mixed use. . . with a pre-school, a daycare center, [the CW interjected, "affordable housing. . . Section 8 housing], affordable housing. . . [the CW] is willing to work with the community." Defendant HARVEY SMITH was told by the CW that the CW also had "met with [Jersey City council president], and [the council president] promised [the CW] his support for the zone change and whatever else [the CW] need[ed] for the site." Defendant HARVEY SMITH asked, "And you think the only opposition is going to be from [a Jersey City Councilwoman]?" and JC Official 1 told defendant HARVEY SMITH said that he expected her to "go along with it." Defendant HARVEY SMITH was told by the CW, "Right now, the DEP is the first thing, I guess." JC Official 1 said, "Once we get past the DEP. . ." Defendant HARVEY SMITH confirmed that what the CW needed the property "clean" for housing and schools. The CW agreed with defendant HARVEY SMITH and said that the development the CW proposed sought "the most restricted use," unlike commercial development. The CW said that the CW would not "build on a CEA property, I want NFA [referring to a No Further Action Letter]."

20. As the meeting continued, JC Official 1 explained to defendant HARVEY SMITH that JC Official 1 and the CW also had met with a Bayonne public official to discuss property development in Bayonne "on Route 440." JC Official 1 told defendant HARVEY SMITH, "With the property on 440, we're going to need some state help also," specifically with the Department of Transportation ("DOT"). At this point in the meeting, the Consultant arrived, and JC Official 1 recounted what defendant HARVEY SMITH, JC Official 1 and the CW had been discussing so far - both the Garfield Avenue development in Jersey City and the proposed Bayonne development involving Route 440. Defendant HARVEY SMITH said of the Garfield Avenue project, "the only thing I'm concerned about is the clean up." Defendant HARVEY SMITH was told by the CW, "The answer to your question is I need your support to get that thing from the DEP, but there is no more disturbance of the land, or the soil or the water, all of that's been completed." Defendant HARVEY SMITH then said, "But they have a problem with height." JC Official 1 agreed: "That's the biggest issue." Defendant HARVEY SMITH, JC Official 1, the

Consultant and the CW then discussed the best way to complete the Garfield Avenue project without obstruction of existing views. The conversation then returned to the Bayonne development. JC Official 1 told defendant HARVEY SMITH, "And then, like you said, we're going to need your help in relationship to working with us to help in some kind of way with 440 in Bayonne with the DOT." The CW interjected and explained to defendant HARVEY SMITH that what the proposed development needed was a "turn-off off of 440" in order to defeat the opposition to the development, who were concerned with traffic issues, "and obviously that's, you know, DOT issues. That's where I need some assistance." JC Official 1 told the CW, "So [defendant] HARVEY [SMITH] is putting together a consulting company. . . so we'll be prepared and ready to meet that need and [defendant] HARVEY [SMITH] will continue to work with us," to which the CW replied, "Absolutely, I can appreciate that. I need guys who can help me get things done, so." Defendant HARVEY SMITH then told the CW, "I need to just get a little list of what you're trying to do, so that before I go on vacation I can get the ball rolling. First of all, I can put in some calls to see where the DEP situation is." The CW said that he would get JC Official 1 the necessary information. Defendant HARVEY SMITH continued, "The other thing that I'll do is, I'll be back in two weeks, and I'll talk to [the DOT Official]" who the CW confirmed is "the Chairman of the DOT" and who "would be a big help for the Bayonne project." Defendant HARVEY SMITH told the CW that the DOT Official is "the chairman of our committee," and JC Official 1 asked defendant HARVEY SMITH, "You're on the Transportation Committee?" Defendant HARVEY SMITH confirmed that he was, and JC Official 1 said, "That's a plus for us, okay good."

21. Minutes later, the conversation returned to the Garfield Avenue project, and defendant HARVEY SMITH asked the CW what name the DEP application was under. The CW told defendant HARVEY SMITH that it was registered under "Garfield Avenue Associates LLP," and defendant HARVEY SMITH wrote down the information with a pen provided by JC Official 1. Defendant HARVEY SMITH then asked for the specific address, and was told "750 Garfield Avenue." Again, defendant HARVEY SMITH wrote down the information provided by the CW. Defendant HARVEY SMITH said, "And what you're looking for is a-" and the CW said, "Unrestricted NFA." As defendant HARVEY SMITH continued to write, the CW clarified that NFA was shorthand for "No Further Action Letter." Defendant HARVEY SMITH continued to write notes for another approximately ten seconds. The CW then said, "I'm looking for a guy that can help me out. You know me, I know you. I trust you. Just like before the election [referring to the \$5,000 payment from the CW that defendant HARVEY SMITH accepted

through Richard Greene on or about April 30, 2009], I was there for you, I'm a generous guy and then anything else that needs to get done-." Referring to the \$5,000 payment, defendant HARVEY SMITH pointed at the CW and said, "According to your standards you're generous," and all at the table laughed. Defendant HARVEY SMITH told the CW, "You left yourself open to that." The CW said, "When I offer, I offer low, I'm a businessman," and defendant HARVEY SMITH said to the Consultant and JC Official 1, "You see, I got [the CW] to open up." Regarding the projects on Garfield Avenue and in Bayonne, defendant HARVEY SMITH then said, "I'm going to find out what the deal is with this. I'm gonna get on it as soon as we finish here." Defendant HARVEY SMITH was told that the CW would get him a map on the Bayonne Route 440 project. Defendant HARVEY SMITH then asked the CW if the CW would "have a problem" with defendant HARVEY SMITH approaching the DOT Official and telling him to work with the CW. Defendant HARVEY SMITH said that he would speak to the DOT Official: "I'm gonna say, 'Hey [DOT Official], would you be interested in handling [the Bayonne Route 440 matter]?' " The Consultant added that the DOT Official was a "very well respected" state assemblyman. Defendant HARVEY SMITH continued to take notes as the Consultant provided additional information on the location of the proposed development in Bayonne, and the needs of the CW with respect to access from Route 440. Defendant HARVEY SMITH told the CW, "So what I'm going to do is this, just so you know is, I'm going to ask [the DOT Official] if he would be interested in handling [the CW's application]. And so that way, give [the DOT Official] the business opportunity. . . ." Defendant HARVEY SMITH then said, "Okay, I'm going to try to at least put this in motion," asked the CW for the CW's telephone number. Because Defendant HARVEY SMITH was going on vacation, defendant HARVEY SMITH said that he wanted to "get [the CW] and [the DOT Official] together so you can play this out. I'll give [the DOT Official] the generics, and you can handle the rest." JC Official 1 then told defendant HARVEY SMITH to have the DOT Official call JC Official 1. The CW then asked defendant HARVEY SMITH if defendant HARVEY SMITH was, in fact, going to make inquiries about the Garfield Avenue project, and defendant HARVEY SMITH confirmed that he would.

22. As the July 16th meeting continued, defendant HARVEY SMITH then told the CW that defendant HARVEY SMITH did not plan to run for office again in the future. JC Official 1 pointed out that defendant HARVEY SMITH had made friends over the years, and defendant HARVEY SMITH said of himself that "the people down at the Assembly respect me." Defendant HARVEY SMITH then provided counsel to JC Official 1 and the CW regarding how to handle any issues that may arise with a particular Jersey City Councilwoman

and a zone change in Jersey City. Defendant HARVEY SMITH told the CW, "See, not only do you have my connections, you got my knowledge . . ." Shortly thereafter, defendant HARVEY SMITH said that he had to leave but assured the CW that he would reach out to people on the CW's development projects. As JC Official 1 got up to walk defendant HARVEY SMITH out of the diner, the CW told JC Official 1 that JC Official 1 could relay to defendant HARVEY SMITH that the CW would give defendant HARVEY SMITH \$10,000 this time since defendant HARVEY SMITH had made clear that "he wasn't happy with the five" [meaning the \$5,000 payment Defendant HARVEY SMITH accepted on or about April 30, 2009]. The CW indicated he would meet with defendant HARVEY SMITH the following day if need be. JC Official 1 indicated that he would relay this information and then stepped away to speak with defendant HARVEY SMITH in private, leaving the Consultant and the CW inside the diner. Minutes later, JC Official 1 returned from outside the diner and told the CW that "[defendant HARVEY SMITH] would take that [meaning \$10,000] to get started." JC Official 1 said defendant HARVEY SMITH was willing to meet with the CW the next day, July 17th.

23. On or about July 17, 2009, defendant HARVEY SMITH, JC Official 1, the Consultant and the CW met at a diner in Hoboken, New Jersey. During this meeting, defendant HARVEY SMITH told the CW, "Well, I made two calls yesterday." The CW told defendant HARVEY SMITH, "You're a man of your word," and defendant HARVEY SMITH replied, "I only do business one way." Defendant HARVEY SMITH then began to reference notes in front of him and convey to the CW what actions defendant HARVEY SMITH had undertaken on the CW's behalf following their meeting the previous day. First, defendant HARVEY SMITH addressed what he had done for the CW with the DEP and Garfield Avenue project: "They got back to me while I was on the highway, and [an individual] is going to try and get me the information by the end of the day. [T]hey talked to the [DEP] commissioner yesterday, they taking care of that." Defendant HARVEY SMITH went on to tell the CW what actions defendant HARVEY SMITH had undertaken for the CW with regard to the Bayonne Route 440 project: "On the DOT . . . I spoke to that commissioner [] in regards to that and so, if everything you say is in place . . . and you're going to do it from the lumber yard as [the Consultant] said, that puts you all the way, then that gives you, then all you - and you need a letter from the mayor that he supports it, I mean I'm just giving you my point of view, a letter from the mayor as well as whatever lawyer you use." The CW told defendant HARVEY SMITH, "I appreciate your support." Defendant HARVEY SMITH then excused himself from the table for a brief period of time.

24. On defendant HARVEY SMITH'S return to the table, defendant HARVEY SMITH told the CW that "the [DOT Official] cannot, I should have known that, ethically we can't represent, his law firm couldn't represent you, but what [the DOT Official's] willing to do to help me out is, with the DOT, if you need, if my clout isn't enough, he'll make a phone call down the road to let him know how [the DOT Official] supports this project." Defendant HARVEY SMITH then went on to apologize to the CW for having been late to the meeting and then reminded the CW that defendant HARVEY SMITH was "trying to find me a new way of making a living [likely referring to his plan to start a consulting company as discussed at the July 16th meeting]." As the meeting was concluding, defendant HARVEY SMITH told the CW, "I just wanted to give you that update and when I get the other information, I will give it [JC Official 1] to give it to you."

25. Defendant HARVEY SMITH, JC Official 1, the Consultant and the CW then left the diner. In the parking lot outside, as the CW took an envelope containing \$10,000 cash out of the trunk of the CW's car, defendant HARVEY SMITH said "okay," patted the CW on the shoulder and then began to walk toward his Ford Flex, which was parked nearby. The CW then provided the envelope containing the \$10,000 to JC Official 1, who followed defendant HARVEY SMITH to defendant HARVEY SMITH'S Ford Flex, and leaned in the open passenger side window. Shortly thereafter, JC Official 1 returned to where the Consultant and the CW stood without the envelope containing the \$10,000 cash, and JC Official 1 indicated to the CW that defendant HARVEY SMITH had "said thank you" for the \$10,000 cash. As the CW approached defendant HARVEY SMITH'S Ford Flex, the CW said, "Harvey, I don't want you to call me a cheap skunk anymore," and then proceeded to lean inside the passenger window of the Ford Flex. Defendant HARVEY SMITH replied, "Hey, it's not about that, it's just about, it's just about the fact that I'm a straight guy." The CW said, "Just like me, we do business our own way, so." The CW told defendant HARVEY SMITH, "I appreciate your support, you're my man, DOT, DEP God bless you." Defendant HARVEY SMITH then drove away from the parking lot, and the CW returned to where JC Official 1 and the Consultant stood. JC Official 1 told the CW that defendant HARVEY SMITH must have "put it away real fast," referring to the envelope containing \$10,000 cash that defendant HARVEY SMITH had accepted from the CW in exchange for defendant HARVEY SMITH'S official action benefitting the CW.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 ANTHONY R. SUAREZ and :
 VINCENT TABBACHINO : **Mag. No. 09-8140 (MCA)**

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

COUNT 1

From in or about May 2009 to in or about July 2009, in Bergen County, in the District of New Jersey and elsewhere, defendants

ANTHONY R. SUAREZ
and
VINCENT TABBACHINO

did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for defendant ANTHONY R. SUAREZ's future official assistance in Ridgefield Government matters.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

COUNT 2

From on or about February 4, 2009 to in or about June 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

VINCENT TABBACHINO

knowingly and willfully conducted and attempted to conduct a financial transaction involving property represented by a person acting at the direction of federal law enforcement authorities to be the proceeds of specified unlawful activity, specifically, the trafficking in counterfeit goods, contrary to Title 18, United States Code, Section 2320 and Section 2, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity.

In violation of Title 18, United States Code, Section 1956(a)(3).

ATTACHMENT B

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment B is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant Anthony R. Suarez (hereinafter, "defendant Suarez") served as the Mayor of the Borough of Ridgefield, New Jersey. Defendant Suarez was initially elected to the Ridgefield Borough Council in or about 1998, was reelected to the Borough Council in or about 2001 and first elected as Mayor in or about 2003. Defendant Suarez was reelected to a four-year term as Mayor in or about 2007. Defendant Suarez also is an attorney at a firm based in Fort Lee, New Jersey.

2. At all times relevant to this Complaint, defendant Vincent Tabbachino (hereinafter, "defendant Tabbachino") was the proprietor of a tax preparation business located in Guttenberg, New Jersey.

3. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as: (a) a real estate developer interested in development in the greater Hudson/Bergen County area, to include the Borough of Ridgefield and (b) the owner of a counterfeit handbag business. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

COUNT 1

4. On or about May 18, 2009, defendants Suarez and Tabbachino met the CW at a restaurant in Fairview, New Jersey. During the meeting, defendant Suarez discussed two properties in Ridgefield which he believed might be of interest to the CW, and indicated that another party was potentially interested in purchasing one of them. Defendant Suarez informed the CW, however, that he believed that this property remained available for purchase. Defendant Suarez did inquire "[i]f something happened where you couldn't--where something happened with the one property, would you still be willing to grab the other

property?" The CW indicated that the CW's interest might remain under those circumstances because "I'm doing a lot of development in surrounding towns." Defendant Tabbachino indicated that "I was just talking to Anthony. He says he'll try to help us whatever ways we need," prompting defendant Suarez to add "I, I'd really like to develop the area." The CW then informed defendant Suarez that "I don't wanna have, uh, uh, an incident where I go ahead, I tie up a property. I put up two, three million dollars hard, and then they [u/i] say I need a zone change or whatever it is, and they put me on the bottom of the pile, and it takes me three years, and then they jerk me around." Defendant Suarez assured the CW that "[w]e don't have that kind of issue because we don't have wait lists like that." The CW responded, in referring to another situation in which the CW purportedly attempted to develop a property, "there were no wait lists either in Orange . . . They weren't busy. They just kept on, eh, adjourning it, adjourning it. . . They wanted to jerk me around. They didn't like me." The CW then explained to defendant Suarez that "I just wanna make sure I got someone in there that, you know, can help me expedite, uh, you, know, with my approvals. That's all. And, you know, I wanna make sure I got a friend that will support my stuff." Defendant Tabbachino interjected, as he laughed, "[y]ou've got a friend," and added, in an apparent reference to other Ridgefield officials, "[a]nd now we've got to, uh, get the rest of the friends in a circle and form the wagons up." Defendant Suarez advised the CW that the "best thing" for the CW to do at this juncture would be to produce "some sort of preliminary or schematic." The CW agreed to do so, but added that "I don't wanna go crazy unless I know that, you know, people will--are receptive to me," prompting defendant Suarez to respond "[r]ight." Defendant Tabbachino inquired "[w]hat is the next step that we have to do here?" The CW reiterated that "I'll do a schematic with a colored rendering. We'll give to the, you know, Mayor, and he'll do, you know, he'll show it to his people." Defendant Suarez agreed to this proposal and added that "I'll meet with the . . . planners and attorneys."

5. Subsequently, during the May 18, 2009 meeting, the CW inquired of defendant Tabbachino, "[n]ow, uh, did, you know, you told the Mayor how we gonna do business now?" Defendant Tabbachino responded, in defendant Suarez's presence, "[y]eah. He understands everything. I told him I would take care of whatever had to be done. And I told him that we'd help him out with his, his campaign." The CW responded, "[y]eah, do whatever you want. Just don't put my name on anything," at which time defendant Suarez smiled and nodded in the affirmative. The CW added that "I don't need conflicts. I don't need, you know, I like staying under the radar. Low key." Defendant Tabbachino then informed the CW that "I said whatever way [defendant Suarez] wants it, that's the way I'll be glad to do it." Defendant Tabbachino then joked, as he laughed, "I'll give him the three dollars for popcorn to go to a movie." As defendant Suarez began

speaking on his cell phone, defendant Tabbachino turned to the CW and informed the CW that "[s]o what I did was I, I brought a check with me in case [u/i]. I brought a check with me." The CW explained to defendant Tabbachino that "well, I have ten thousand cash." The CW asked defendant Tabbachino "I'll give him--ask him what he wants. I'll give it to you after the meeting as long as he says, you know, whatever, you work it out with him." Defendant Tabbachino told the CW "[a]llright. No sweat. Whatever way he wants to do it," prompting the CW to add that the CW would provide the "ten now, and then we'll do another ten later." The CW then told defendant Tabbachino that "I got it in [an] envelope there so nobody knows nothing." Defendant Tabbachino then indicated that he might provide a check to defendant Suarez to cover a portion of the \$10,000 and provide the remaining total in cash, prompting the CW to reply "[d]o whatever he wants. I don't care," and then added "everyone has their own likings, so--as long as my name is not on the darn thing." Defendant Tabbachino assured the CW, "[n]o, no. That's why I have--brought my own, my check." The CW further informed defendant Tabbachino "[a]s long as he wants it. He doesn't want it, that's also fine."

6. A short time later, after defendant Suarez had completed his cell phone call, the CW asked defendant Tabbachino "you wanna go do some business? What do you wanna do?" Defendant Tabbachino replied "[y]eah, let's go take care of that, we'll be in business." The CW inquired "[s]o, I'll do, I guess, uh, I'll give you, uh, how do you want me to do this?" Defendant Tabbachino stated "[g]ive it to me and I'll sit in the car with-- and we'll check the weather," prompting defendant Suarez to laugh. The CW then turned to defendant Suarez and stated "so, uh, Mayor, wh--, I'll give him, uh, [u/i]. I told Vinny [u/i] ten thousand." Defendant Suarez replied "[t]hat's really nice of you. I appreciate that. You don't have to," prompting the CW to reiterate that the CW had "ten thousand cash." Defendant Suarez then informed the CW that "[j]ust, just so you know, it goes in a, it's like a, an account where it doesn't have to go to ELEC," a reference to the governmental body to which public officials and candidates must report any campaign contributions. The CW told defendant Suarez that "I don't care where it goes. Just don't put anything in my name," prompting defendant Suarez to assure the CW that he would not do so. The CW then added "just make sure you expedite my stuff, my applic--, you know, if I have zoning, just make sure you have my back covered for me. That's all I ask." Defendant Suarez replied "that has nothing to do with, you know," to which the CW stated "[c]all it what you want." Defendant Suarez added that he "appreciate[d]" what the CW was doing for him. The CW stated "I'll do it through Uncle Vinny," prompting defendant Suarez to state "it's not like a mixed thing, but you know, whatever . . . they're separate things." Upon hearing this, the CW remarked "[o]kay, no problem. I hear you. If you don't want it, I won't give it to you. I don't want . . .," at which point defendant Suarez laughed and

stated "[a]ppreciate that." The CW responded "[o]kay, no problem. So I'll do it with [defendant Tabbachino]," and added "it'll be more and more as we build our relationship, okay? Thanks."

7. As defendant Suarez departed, the CW asked defendant Tabbachino to "let me know how it goes," to which defendant Tabbachino indicated that defendant Suarez was "nervous." Defendant Tabbachino told the CW that "I'll call you, let you know what the story is." The CW informed defendant Tabbachino that the CW had asked defendant Suarez to "make sure you have my back covered . . . [when it] comes for my zoning stuff." Defendant Tabbachino explained that "I can understand. You know, he gets scared, you know." The CW then opened the trunk of the CW's vehicle and handed defendant Tabbachino the envelope containing \$10,000 in cash, adding "[a]ll hundreds there so, it's, uh, you know." The CW added that "hopefully he just takes the cash," but informed defendant Tabbachino that defendant Suarez had spoken about an account which does not "go to ELEC." Defendant Tabbachino explained that "[t]hat's the reports." Defendant Tabbachino reiterated that "I brought a blank check with me just in case . . . This way it's covered." The CW asked defendant Tabbachino to "[j]ust make sure he has my back covered so . . . I don't wanna be at the bottom of the pile when it comes to my zoning stuff. I don't wanna wait three years." Defendant Tabbachino assured the CW that defendant Suarez "knows that because I sat with him before you came here . . . I said 'listen, there's a big future.'" The CW added "[w]hatever he needs, I'll take care of him." The CW then departed.

8. On or about May 18, 2009, a short time after the meeting involving defendants Suarez and Tabbachino and the CW had concluded, the CW placed a call to defendant Tabbachino's cell phone. At the outset of the conversation, the CW asked "[h]ow'd you make out?" Defendant Tabbachino informed the CW that "I gave him a check." The CW, in an effort to determine the amount of the check, asked defendant Tabbachino "[f]or the whole thing--one shot?" Defendant Tabbachino replied "[y]eah," and then explained that "it's not a write-off, and, uh, so his father and I are good so I can always say I helped the kid out, you know." Defendant Tabbachino clarified that "it can't be written off because it's a legal fund." Defendant Tabbachino also informed the CW that he could claim that "I'm helping the kid out," as an explanation for why defendant Tabbachino had contributed a \$10,000 check to defendant Suarez's legal defense fund. The CW asked by way of clarification, "so he said make it out to my campaign or who does it get made out to?" Defendant Tabbachino replied that "I made it out to his, uh, his, uh, legal fee fund." The CW asked defendant Tabbachino the purpose of defendant Suarez's legal defense fund, and defendant Tabbachino described the matter as involving an allegation by a political opponent, but added that defendant Suarez had won the lawsuit. Defendant Tabbachino told

the CW that he had given defendant Suarez a check "from the company," and confirmed that he was referring to "Tabbachino Associates." The CW then asked defendant Tabbachino whether defendant Suarez would "help me with my--get my stuff expedited," prompting defendant Tabbachino to reply "yes, yes," and to add "he said there'll be no bottom of the pile for [the CW]. It'll always be on top." Defendant Tabbachino also vouched for defendant Suarez's trustworthiness in response to the CW's question.

9. On or about May 27, 2009, defendants Suarez and Tabbachino met the CW at a restaurant in Fairview. When the CW arrived, defendant Tabbachino informed the CW that "[w]e were just talking about [u/i] [other parties] were there the other night," an apparent reference to an organization which had an interest in one of the Ridgefield properties which the CW was purportedly considering purchasing. Defendant Tabbachino told the CW that defendant Suarez "ran interference [u/i] the other night. He didn't know how much he could do, but, you know . . ." After the CW showed defendant Tabbachino plans for another purported project in a different municipality, defendant Tabbachino stated that "[w]hat [defendant Suarez] was trying to tell you, was he, he says [he'll] do anything he can to try to help us." The CW stated that "[i]f [defendant Tabbachino] says you're gonna support me, I support you," and added "[t]wo-way street, you understand?" Defendant Suarez replied that "[j]ust so you know, I go, I follow the line on everything," and added that "I want to let you know where I come from so--in terms of any applications coming in, I really wanna have that redevelopment occur, I'm all behind it." Defendant Suarez explained that "any applications that come in [u/i] I will move any way I can to do it because . . . whose ever it is, like I said, I will, um, as, as long as it's good for the town, that's what I'm trying to do." The CW assured defendant Suarez that "[w]e don't do anything that's gonna hurt anybody or do anything bad," and defendant Tabbachino told the CW that "that's what I told him." Defendant Suarez stated that "[e]verything comes in on its merits," and added that "I treat everyone fairly, you know." Defendant Suarez stated, however, that "I know that there's other people that are interested, too," and added that he would "give you a head up on that." The CW assured defendant Suarez that the CW's projects are "[n]ice and clean . . . It's not an eyesore. We're not blocking any views." Subsequently, the CW informed defendant Suarez that "anything I do, I'll do it through Uncle Vinny like we did last time." The CW then asked defendant Suarez "[h]e gave you a check, right?" Defendant Tabbachino interjected "[y]eah," and defendant Suarez answered "[y]eah, he did. I, I haven't done anything with that yet. But I just wanted to make that clear to you, you know, that [u/i]." The CW replied "[s]ay what you want. I'm not an idiot. I understand," and added "[w]e had a mutual agreement. That's it. We support each other." The CW then told defendant Suarez that

"this, this check was a legal defense fund, [defendant Tabbachino] said." Defendant Suarez replied "[y]eah," and subsequently explained that the defense fund "was a political-type thing. It had something to do with a civil matter. It's done now." Shortly thereafter, the CW explained to defendant Suarez that "I don't, eh, support Democrat or Republican. I'm the green party," prompting defendant Tabbachino to state "[w]ell, in your business, you can't. You gotta go anywhere." A short time later, defendant Suarez assured the CW that "I wanna get these things done," but added that "in terms of projects, I mean, everything gets, you know, weighed on its merits." When the CW indicated that the CW believed that defendant Suarez would expedite the CW's projects, defendant Suarez stated "I'll do like anyone else. You know, nothing has anything do with anything, you know." In response to defendant Suarez's statements, the CW pointed out that "I didn't help you, Vinny helped you," but asked defendant Suarez "[d]on't put my name on anything." The CW added "I don't know you, you don't know me," at which time defendant Tabbachino placed his hand on defendant Suarez's shoulder, laughing as he did so.

10. A short time later during the May 27, 2009 meeting, defendant Suarez left the table at which time defendant Tabbachino turned to the CW and stated that defendant Suarez "was super scared. I told him--he says, 'I just gotta tell him that in case, in case . . .'" The CW interjected, by way of clarification, "[w]ho, Suarez?" Defendant Tabbachino replied "[y]eah," and added "well, he says 'cause, just in case [the CW's] wired.' I says '[the CW's] wired?'" Defendant Tabbachino, while laughing, told the CW that he had joked with defendant Suarez that the CW "plugs himself in when [the CW] gets here,' I says. . . '[The CW's] so friggin' wired,' I says, '[the CW] can't sit down for two minutes.'" The CW then asked defendant Tabbachino "[d]oes he understand that he'll expedite my stuff?" Defendant Tabbachino replied "[y]eah," and the CW remarked "I don't wanna be treated like everybody else, you know, I mean, come on." Defendant Tabbachino assured the CW that defendant Suarez was "just saying that to make himself feel good, you know what I mean? I had a good talk with him. I got here about 10 minutes before so it was good. And I said to him . . . [the CW's] a very, very generous man. I says 'if [the CW] can help you in any way, [the CW'd] be more than happy. [The CW] just asks for respect and not to be pushed on the back shelf anywhere . . . And if there's something that's needed, [the CW] just wants to know ahead of time." The CW added that "[h]e has my support, I have his support," to which defendant Tabbachino replied "[y]eah. No, he understands. He gets scared." Defendant Tabbachino then indicated that he had told defendant Suarez that he would give him "two five thousand dollar checks" instead of one ten thousand dollar check if it would "make you feel better."

11. On or about June 25, 2009, at approximately 8:23 a.m.,

the CW received an incoming call from the cell phone of defendant Tabbachino. During the ensuing conversation, the CW asked "those checks with, uh, Ridgefield are taken care of, or what's the story with that?" Defendant Tabbachino replied that "[y]eah, Ridgefield. Well, it worked out good because [defendant Suarez's] opposition wants to see his donors," a reference to the fact that any checks provided from the CW's cash to defendant Suarez's legal defense fund would not be traceable to the CW. The CW then asked, "[s]o what'd you do . . .," prompting defendant Tabbachino to inform the CW that "I gave him twenty-five, yeah." By way of clarification, the CW inquired "[y]ou gave him four separate [checks]?" Defendant Tabbachino replied "[n]o, I gave him one . . . and I got the rest still . . .," a reference to the \$7500 in cash remaining which had been provided to defendant Tabbachino by the CW on or about May 18, 2009. Defendant Tabbachino explained that defendant Suarez "told me to hold off" on the remaining amount and confirmed that defendant Suarez was concerned about his political opposition who wanted to know the source of donations to defendant Suarez's legal defense fund. Defendant Tabbachino next related his plans for providing defendant Suarez additional portions of the \$10,000 in the following terms: "[y]ou know what I'm gonna do? . . . I'm gonna write an article in the paper saying [defendant Suarez is] my nephew, and, you know, I gave him that contribution. . . . I have nothin' to gain, nothin' to lose, and just to show you how much I love him, I'm gonna give him another twenty-five hundred," at which point defendant Tabbachino began to laugh.

12. In or about July 2009, the FBI received records from the operating account of Tabbachino Associates. Those bank records show that a check dated June 1, 2009 and signed by defendant Vincent Tabbachino was made out to the "Mayor Anthony Suarez Defense Fund" in the amount of \$2,500. The back of the check was endorsed in the name of "Mayor Suarez Legal Defense Fund," with the notation "For Deposit Only." The check cleared in or about late June 2009 reflecting that the amount had been successfully deposited into the legal defense fund set up on behalf of defendant Anthony R. Suarez.

COUNT 2

1. On or about February 4, 2009, defendant Tabbachino and the CW met at a restaurant in Guttenburg with another individual who later departed the meeting. Thereafter, defendant Tabbachino agreed to launder \$50,000 in illicit proceeds for the CW. In particular, defendant Tabbachino was advised by the CW that the CW had a bank check for \$50,000 that represented "profits" from the CW's "label swapping" [meaning counterfeit] "handbag business." Defendant Tabbachino directed the CW to make the check payable to "Tabbachino Associates" to make the check appear to be a "business check." Defendant Tabbachino then agreed to "deposit" the check, and to give the CW "back 45" [implying that

defendant Tabbachino would retain \$5,000 as his laundering fee, and return \$45,000 to the CW].

2. On or about February 12, 2009, defendant Tabbachino and the CW met at defendant Tabbachino's office in Guttenberg. During this meeting, defendant Tabbachino confirmed that he would launder \$50,000 in illicit proceeds for the CW. In particular, defendant Tabbachino was informed by the CW that the CW had a bank check for \$50,000 that represented proceeds from the CW's "handbag business." After accepting this check from the CW, defendant Tabbachino stated that he appreciated that the CW had to "get rid of some cash" from the CW's handbag business, and that he would deposit the check "in the bank" for the CW. Defendant Tabbachino again agreed to keep \$5,000 as his laundering fee stating that such a fee was "fabulous," and to return \$45,000 to the CW.

3. On or about February 19, 2009, at a restaurant in Union City, New Jersey, defendant Tabbachino met with the CW and another individual. Defendant Tabbachino indicated to the CW that he had to leave shortly and they walked out of the restaurant together. At that time, defendant Tabbachino handed the CW \$3,000 in cash in a bank envelope as partial payment for the \$45,000 that defendant Tabbachino owed to the CW in connection with the February 12th \$50,000 money-laundering deal. Defendant Tabbachino indicated that he had obtained this \$3,000 in cash in a bank transaction. Although "2,500" was written on the bank envelope, defendant Tabbachino actually gave the CW \$3,000 contained therein. Defendant Tabbachino indicated to the CW that he was drawing the cash out slowly to pay the CW, and that he would shortly withdraw another \$5,000 to \$10,000. Defendant Tabbachino agreed that he would take out the money in increments so that the bank would not file a report. Defendant Tabbachino further told the CW that he would tell bank officials that this contemplated financial transaction was in connection with the sale of his mother's house. Defendant Tabbachino agreed that the "balance" due to the CW was \$42,000.

4. On or about February 19, 2009, at defendant Tabbachino's office in Guttenberg, defendant Tabbachino met with the CW and another individual. Defendant Tabbachino gave the CW \$10,000 in cash as part of the February 12th money-laundering deal, which, according to defendant Tabbachino, he had obtained from a bank transaction. The CW informed defendant Tabbachino that the CW had more profits from the CW's purported "knock-off" bag business to launder. Defendant Tabbachino then attempted to enlist his relative in assisting in laundering such profits for the CW.

5. On or about March 5, 2009, at defendant Tabbachino's office in Guttenberg, defendant Tabbachino met with the CW.

Defendant Tabbachino gave the CW \$24,000 in cash in four bank envelopes as part of the February 12th money-laundering deal. Defendant Tabbachino told the CW that defendant Tabbachino would provide the CW with the balance of the money regarding this transaction by that Saturday. Later in the conversation, defendant Tabbachino and the CW further discussed enlisting defendant Tabbachino's relative's help in laundering the "profits" from the CW's purported "knock-off" bag business. Defendant Tabbachino also proposed getting another relative involved in assisting the CW with the sale of such counterfeit merchandise.

6. On or about March 11, 2009, at defendant Tabbachino's office in Guttenberg, defendant Tabbachino met with the CW. Defendant Tabbachino gave the CW the last \$8,000 in cash in a bank envelope to conclude the February 12th money-laundering deal. Defendant Tabbachino and the CW discussed the fact that defendant Tabbachino had structured his transactions with the bank and that, therefore, this created "no forms" and "no headaches." Referring to another contemplated money-laundering transaction, defendant Tabbachino informed the CW that defendant Tabbachino was in a position to receive another \$25,000 from the CW and would get the laundered proceeds back to the CW faster.

7. On or about April 29, 2009, in a telephone conversation, defendant Tabbachino agreed to launder additional proceeds for the CW. In particular, defendant Tabbachino agreed to provide the CW with cash in advance of receiving a check from the CW. Later that day, before the start of a meeting with another individual at a restaurant in Fairview, defendant Tabbachino gave the CW \$22,750 in cash in bank envelopes in furtherance of the previously-discussed money-laundering transaction. Although defendant Tabbachino confirmed with the CW that the envelopes contained "twenty-two, five" in cash, they actually contained a total of \$22,750 in cash. After the other individual left the meeting, the CW explained the purported reason the CW was not providing a check at that time, stating that although the "knock-off bags" from the CW's handbag business were "still selling," the CW had not recently been able to confirm the amount of "profits" that the CW had earned from that business. In response, defendant Tabbachino stated that it would be "no problem" if the CW were to provide the check in "two weeks" or "three weeks."

8. On or about May 7, 2009, the CW met with a relative of defendant Tabbachino at defendant Tabbachino's office in Guttenberg, as defendant Tabbachino was not available. At that time, the CW provided the relative with a check in the amount of \$25,000 made payable to Tabbachino Associates to complete the April 29th money-laundering deal. The CW then advised the relative that the check was for "Uncle Vinny" and that it represented "profits" from the CW's "knock-off" handbag business.

9. On or about May 26, 2009, in a telephone conversation, defendant Tabbachino agreed to launder additional proceeds for the CW. In particular, defendant Tabbachino asked the CW if the CW needed "another check done." In response, the CW indicated that a check would be ready by the end of the week. Defendant Tabbachino then stated that "25" (meaning \$25,000) would be "fine." Defendant Tabbachino also confirmed that the check should be made out to the "same [entity]" as the "last time," meaning the entity depicted on the check the CW provided on or about May 7, 2009 in completion of the April 29th money-laundering deal.

10. On or about May 27, 2009, at a restaurant in Fairview, defendant Tabbachino met with the CW and another individual. During the meeting, defendant Tabbachino stated to the CW, as an aside, that he had the "other thing" (meaning cash for the money-laundering deal discussed the previous day) in his "pocket." Defendant Tabbachino also indicated that it would not be a "problem" if the CW did not want to do "that other thing." The CW agreed to "take" the cash, and defendant Tabbachino subsequently gave the CW several bank envelopes containing \$22,500 in cash. After the other individual left the meeting, defendant Tabbachino remarked that he did not want the CW to think that he was "taking advantage" of the CW. The CW rejected that notion, stating that the CW had "profits" from the CW's "knock-off handbag business [to launder]," and confirmed that a check in the amount of \$25,000 would be provided to defendant Tabbachino in the next week.

11. On or about June 2, 2009, at defendant Tabbachino's office in Guttenberg, defendant Tabbachino met with the CW. During this meeting, defendant Tabbachino accepted from the CW a check in the amount of \$25,000 made payable to Tabbachino Associates. When the CW handed the check to defendant Tabbachino, the CW advised him that the check represented "profits" from the CW's "knock-off bag business" in Chinatown. Defendant Tabbachino replied: "That's great . . . I love that."

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 DANIEL M. VAN PELT : Mag. No. 09-8141 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about February 2009 to in or about May 2009, in Ocean County, in the District of New Jersey and elsewhere, defendant

DANIEL M. VAN PELT

did knowingly and willfully attempt to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept a corrupt payment that was paid by another, with that person's consent for defendant DANIEL M. VAN PELT'S benefit in exchange for his official assistance.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant DANIEL M. VAN PELT (hereinafter, "defendant VAN PELT") served as an elected member of the New Jersey State Assembly representing New Jersey's Ninth Legislative District. As an Assemblyman, defendant VAN PELT's official duties included: (a) proposing, voting on, and drafting legislation; (b) conducting and permitting in committee hearings, including as a member of the Committee on the Environment and Solid Waste (the "Environmental Committee"); (c) exercising legislative oversight concerning State agencies and departments, including as a member of the Environmental Committee which oversaw the activities of the New Jersey Department of Environmental Protection ("DEP"); (d) making recommendations to, and negotiating with State agencies and departments; and (e) providing constituent services to New Jersey citizens and organizations, which services included bringing the merits of a citizen's position to the attention of State agencies and departments and making a recommendation on a matter or indicating support for a citizen's position to State agencies or departments. In addition, defendant VAN PELT served as Township Administrator for Lumberton Township, New Jersey since at least in or about 2006. As the Township Administrator for Lumberton Township, defendant VAN PELT was generally responsible for the day-to-day administration of Lumberton Township affairs, supervision of municipal department heads, and implementation of Lumberton policies. Defendant VAN PELT also served on the Ocean Township Committee from in or about 1998 to in or about 2009.

2. At all times relevant to this Complaint, there was a cooperating witness (the "CW") who, for the purposes of this investigation, posed as a real estate developer interested in development in Ocean County, New Jersey. The CW represented that the CW did business in numerous states, including Florida and New Jersey, and that the CW paid for goods and services in interstate commerce.

3. On or about February 11, 2009, defendant VAN PELT met with the CW at a restaurant in Waretown, New Jersey. During this meeting, defendant VAN PELT was informed by the CW that the CW was interested in developing real estate in Waretown, and the surrounding areas. Defendant VAN PELT explained to the CW that to develop certain properties in Ocean County, the CW would need to acquire a Coastal Area Facility Review Act ("CAFRA") permit for such properties from the DEP.¹ Defendant VAN PELT further indicated to the CW that Waretown was in his legislative district, and that consequently, he could assist the CW with the CW's real estate development interests there. Defendant VAN PELT also was advised by the CW that the CW wanted defendant VAN PELT on the CW's "team." Defendant VAN PELT then suggested that the CW hire defendant VAN PELT as a "consultant" and laughed as he made this suggestion. Defendant VAN PELT was then advised by the CW that the CW was not a member of the democratic or republican parties, but that the CW was a member of the "green" party and that "green is cash," meaning that the CW was willing to pay cash to defendant VAN PELT for his assistance.

4. At the end of the meeting, defendant VAN PELT and the CW discussed defendant VAN PELT joining the CW's "team" and the possibility of defendant VAN PELT accepting \$10,000 from the CW "to start" and more money from the CW if the CW's real estate development projects proceeded successfully.

5. On or about February 21, 2009, defendant VAN PELT and the CW met at a restaurant in Atlantic City. During this meeting, defendant VAN PELT explained that it would be "challenging" but "doable" for the CW to receive CAFRA permits for the CW real estate development projects in Ocean County, but agreed with the CW who stated that defendant VAN PELT knew the "right guys" who could cause the CW to receive such permits quickly. As the meeting continued, defendant VAN PELT asked the CW "what do you want me to do [for you]?" When defendant VAN PELT was informed by the CW that the CW was particularly concerned about CAFRA permits, defendant VAN PELT assured the CW that defendant VAN PELT had a "pretty good reputation with the State" and that he could deal with the DEP, who defendant VAN PELT agreed "worked for" him [meaning defendant VAN PELT oversaw the DEP as a member of the Environmental Committee]. Later in the meeting, as another restaurant customer took a photograph,

¹ CAFRA requires developers to acquire State permits for various construction projects in New Jersey coastal areas, such as Ocean County. See N.J.S.A. § 13:19-5.

defendant VAN PELT stated "we don't want to get our picture taken" and laughed.

6. At the end of the meeting, defendant VAN PELT accepted \$10,000 in cash from the CW as defendant VAN PELT was advised by the CW "I'm telling you, DEP and CAFRA, that's where I need my most ah, assistance." In response, defendant VAN PELT agreed to provide such official assistance and claimed that he would "hold onto it," [meaning the money he just accepted from the CW], that he did not know what he would do with the money, and that he would have assisted the CW for free. Then, defendant VAN PELT invited the CW to call him "anytime" and to have the CW's engineer call him as well.

7. On or about March 30, 2009, defendant VAN PELT met with the CW at a diner in Waretown. Regarding a potential development project in Waretown, defendant VAN PELT remarked to the CW that the CW had something due that coming week, but the CW indicated that the CW might not be ready yet. With respect to this proposed, a potential multi-unit, multi-use development, defendant VAN PELT and the CW asked each other questions about various contacts each of them were supposed to make in connection with the project. Defendant VAN PELT indicated that he would send himself an e-mail to remind himself to make particular contact. Defendant VAN PELT further advised the CW that the Waretown Administrator was leaning towards engaging in the project with a certain developer. Defendant VAN PELT further stated that he was not, as yet, going to tell Waretown officials about the CW, remarking that he and the CW knew what was necessary to be successful. Defendant VAN PELT also advised the CW that before the CW submitted an application regarding this project, defendant VAN PELT wanted to review it, to counsel the CW on what to add or remove so as to fine tune the application to give the CW the best possible chance of prevailing. Defendant VAN PELT further suggested that since the town was having budget problems, if the CW offered some good faith payment to the town, that this could enhance the CW's application.

8. During this meeting, defendant VAN PELT also indicated that he could expedite approvals for the CW from the DEP, to include matters involving CAFRA. By way of example, defendant VAN PELT told the CW that he was able to secure a CAFRA permit for another individual in six months. In response to the CW observing that defendant VAN PELT knew the "right guys," VAN PELT replied to the CW that one had to "know" how to "work" the "channels." Later at this meeting, defendant VAN PELT further disclosed that he still had the "envelope" (likely a reference to the \$10,000 that VAN PELT had accepted from the CW on or about

February 21st) in his top drawer. Shortly thereafter, defendant VAN PELT told the CW that he wanted to get the project done for the CW, and if VAN PELT did not, then the CW would get "it" (likely referring to the \$10,000) back. Defendant VAN PELT further told the CW that the CW's project would be a good one and that VAN PELT would like to see the CW get it because he thought that the CW would do a "nice job." At the end of the meeting, the CW provided defendant VAN PELT with a GPS device for VAN PELT to utilize to obtain driving directions.

9. On or about May 15, 2009, defendant VAN PELT met with the CW at a diner in Waretown. There, they discussed the CW's plans for the Waretown project, for which the CW purported to include a number of retail stores and food chains in the CW's plan. The CW also indicated to defendant VAN PELT that the CW would need DEP permits in connection with wetlands issues. Defendant VAN PELT indicated that he could make telephone calls and meet with DEP officials on behalf of the CW. Defendant VAN PELT also urged the CW to try to get something down on paper to show to Waretown officials who were involved in the development process. Defendant VAN PELT further indicated that he could meet with engineers involved with Waretown and the project to further assist the CW. Defendant VAN PELT also indicated to the CW that he would set up a meeting with a Waretown official, whom VAN PELT believed had influence with other Waretown officials, and the CW, to discuss the project in an attempt to assist the CW in determining whether Waretown officials were on the CW's "team" before the CW engaged in significant action and expense regarding the project.

10. On or about May 22, 2009, defendant VAN PELT met with a Waretown Official (the "Official") and the CW at a diner in Waretown. Defendant VAN PELT arranged for the Official to meet the CW. Before the Official arrived, defendant VAN PELT and the CW, among other things discussed the fact that another assemblyman who sat near defendant VAN PELT in the New Jersey General Assembly who has come under federal indictment just the day before. Defendant VAN PELT referred to this activity as "dumb." In response to a question from the CW, defendant VAN PELT indicated that the CW did not have to discuss the CW's "generosity" with the Official, and that, even if the CW did not know defendant VAN PELT, the CW did not have to have such discussion with the Official. Defendant VAN PELT added that the CW should just give the Official a quality project in Waretown. Thereafter, the Official arrived and the three parties discussed the project in Waretown. After the Official left, among other things, the CW expressed concern about getting involved in the project and then determining that the CW did not have the support

of the Waretown officials, causing the CW to lose substantial money. In response, defendant VAN PELT assured the CW that VAN PELT would not let the CW do that, and if VAN PELT saw things "going south," VAN PELT would let the CW know. Later, defendant VAN PELT further told the CW that he would assist the CW in Waretown, that the CW did not owe VAN PELT anything, and that VAN PELT wanted to see Waretown and the CW do well. In response to the CW indicating that the CW was willing to pay more money to officials, including defendant VAN PELT, for their assistance, defendant VAN PELT indicated to the CW that if VAN PELT ran for a seat in the United States Congress, they would talk.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 MARIANO VEGA : Mag. No. 09-8131 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about March 2009 to in or about July 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

MARIANO VEGA

and others, to include JC Official 2, did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt and structured campaign contributions that were paid and to be paid by another, with that person's consent, in exchange for defendant MARIANO VEGA'S official assistance in Jersey City Government matters.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this complaint, defendant Mariano Vega (hereinafter "defendant Vega") was the City Council President of the Municipal Council for Jersey City, New Jersey. Defendant Vega also was employed full time by Hudson County as a department director with an office in Secaucus, New Jersey. According to defendant Vega, he also previously had been a member of the Jersey City Planning Board.

2. At all times relevant to this Complaint:

a. There was an individual who represented himself to be an Assistant Director with the Jersey City Department of Health and Human Services ("HHS") and a member of the Jersey City Zoning Board of Adjustment (the "Zoning Board") (hereinafter, "JC Official 2");

b. There was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW posed as a real estate developer interested in developing properties in the greater Jersey City area.

3. On or about March 5, 2009, at a restaurant in Jersey City, defendant Vega met with JC Official 2 and the CW. Before defendant Vega arrived, JC Official 2 advised the CW that the CW could discuss with defendant Vega the development projects that the CW purportedly was interested in doing in Jersey City. The CW inquired of JC Official 2 if defendant Vega would accept cash for his official assistance, to which JC Official 2 responded that the CW could probably give defendant Vega a check (for a political contribution) and that defendant Vega would be "on board" with that. In addition to indicating that defendant Vega was the Jersey City Council President, JC Official 2 stated that defendant Vega was a "big boss" in Hudson County government. In further describing defendant Vega's role on the city council, JC Official 2 told the CW that defendant Vega was responsible for making sure that matters were on the agenda at city Council

meetings and that defendant Vega ran the city council.

4. When defendant Vega arrived at the meeting, JC Official 2 introduced Vega to the CW as the most "powerful" individual in Jersey City. Shortly thereafter, defendant Vega was informed by the CW that the CW was interested in developing a property on Garfield Avenue in Jersey City. JC Official 2 advised the CW that defendant Vega was a "friend" and would help the CW. Defendant Vega added: "If I can." As the conversation progressed, defendant Vega asked JC Official 2 and the CW how he might be able to help. Defendant Vega was advised by the CW that the CW would need assistance with the CW's approval for this development and did not want to engage the City of Jersey City in applying for approvals for a development before the CW knew that he had officials who would favorably assist him. Defendant Vega, indicating a willingness to help the CW, stated that he would set up meetings with Jersey City's Housing, Economic Development and Commerce Department Director. Defendant Vega assured the CW that the CW would not have to wait years and then not receive approvals. If there were problems with the CW's development projects, then the CW would be notified quickly. After discussing fundraising and some details about one of the CW's proposed development projects, among other things, defendant Vega instructed the CW to give him a business card and to mail defendant Vega materials relating to a site plan for the proposed development. Shortly thereafter, JC Official 2 stated that it was important that defendant Vega get reelected (at this time, defendant Vega was running for reelection to his council seat, with such election to be held on or about May 12, 2009) because it would take some time for the CW's development project to come to fruition. The CW informed defendant Vega that the CW was "generous;" that the CW needed approvals and that the CW would do what the CW had to do. Defendant Vega responded by saying that there was never in defendant Vega's mind, nor did he want to be involved in, "any quid pro quo" and that he wanted to be up front with the CW about that. Defendant Vega suggested to the CW that there were many ways for the CW to provide financial support, including providing contributions to candidates who were allies of defendant Vega. Defendant Vega was informed by the CW that the CW did not want to contribute directly, and indicated that the CW had companies who would contribute. Defendant Vega replied that this was a "good way" to do it. Later in the conversation, the CW informed defendant Vega that the CW would do the "right thing" and that defendant Vega would not be dissatisfied. Immediately thereafter, JC Official 2 added that there was "nothing in return," it was just that defendant Vega was the "best" in Jersey City and "pro-development." After defendant Vega departed, JC Official 2 asked the CW if the CW wanted JC Official 2 to pick up a contribution check from the CW and give it to defendant Vega. The CW told JC Official 2 "we'll see" and indicated that they would have another meeting with defendant Vega.

5. On or about March 17, 2009, at a restaurant in Jersey City, defendant Vega met with JC Official 2 and the CW. JC Official 2 again advised the CW that defendant Vega was the most powerful man in Jersey City and next in line to the Jersey City mayor. Defendant Vega remarked to JC Official 2 and the CW that defendant Vega had been on the city council for 12 years and that he would like to become the mayor or a congressman. Shortly thereafter, defendant Vega asked the CW if the CW obtained the information on the CW's project, to which the CW replied that with respect to the proposed Garfield Avenue project, the CW should have plans within about ten days. The parties then discussed zoning issues with respect to the Garfield Avenue property. The CW remarked that with respect to these issues, it depended if the CW had "friends" or "enemies." Defendant Vega then explained the considerations of developing this property. Defendant Vega disclosed to JC Official 2 and the CW that the state was planning legislation that potentially could assist in defraying some of the infrastructure costs with respect to such development. Defendant Vega indicated that this information was something that was being disclosed to JC Official 2 and the CW early, before it got "out of" the "box."

6. Indicating the CW's appreciation for this information, the CW stated that the CW was in "good hands." Defendant Vega responded: "like Allstate." Defendant Vega then accepted a \$2,600 check made payable to the election fund of Mariano Vega, which defendant Vega placed in his inside jacket pocket. Shortly thereafter, in response to the CW stating that the CW knew that the CW had people like defendant Vega who would help the CW out with the CW's approvals and do the "right thing" in Jersey City, defendant Vega indicated that whether he could help the CW or not, Vega would not "string" the CW "out." Defendant Vega indicated that he understood that the CW did not want to be "blindsided," and wanted to have questions answered "up front" about what was "doable." On the other hand, defendant Vega indicated that he did not want the CW to think that because the CW knew defendant Vega, the CW could "fuck the world." Defendant Vega and the CW agreed that they should keep quiet and be smart. The CW further informed defendant Vega that the check that the CW gave defendant Vega was "only a small token," and that the CW could be more generous as the election got closer, but had to figure out ways to contribute without the contributions coming back directly to the CW. Shortly thereafter, defendant Vega confided to JC Official 2 and the CW that defendant Vega liked being "up front" with what he knew and that if this stopped the CW from making a mistake, then it would save the CW time and money. As the conversation progressed, defendant Vega suggested that the CW provide a contribution to the incumbent mayor (who also was running for reelection) because that was "smarter." As they were concluding the meeting, the CW told defendant Vega that the CW wanted to do something on a "larger scale" for defendant Vega. The CW further informed defendant Vega that the CW

appreciated defendant Vega's assistance and that the CW knew that defendant Vega would not forget the CW when it came to the CW's approvals, to which defendant Vega responded that he would not "forget" that.

7. On or about April 27, 2009, at a dining facility in a hotel in Jersey City, defendant Vega met with JC Official 2 and the CW. The parties discussed a development plan for the Journal Square area in Jersey City. Defendant Vega indicated that he was supportive of such a project but would not actively support it until after the election. Defendant Vega alluded to the fact that defendant Vega was a "green" guy, referring to "smart growth." The CW remarked that defendant Vega's definition of "green," was different from the CW's definition of "green." Defendant Vega was informed by the CW that the CW would submit an application for a zone change for the Garfield Avenue property after the election. Defendant Vega indicated that September was a good month to place things on the agenda because matters were "more routine" at that time. Defendant Vega agreed with CW that such items would cause less attention, then quickly added "not that we" do not want "transparency." With respect to placing matters on agendas, such as the planning or zoning boards' agendas, defendant Vega ensured the CW that there would be no delay, because he would advise the CW not to try to get something on the agenda, if defendant Vega foresaw delay. The CW informed defendant Vega that defendant Vega could count on the CW as a friend and that the CW would do "everything" through JC Official 2. Defendant Vega thereafter mentioned that he also ran a charity that defendant Vega used for non-political purposes.

8. As the meeting continued, the CW asked if the CW should make contributions through JC Official 2, to which defendant Vega responded that the CW should do "whatever" the CW thought was "appropriate" and that defendant Vega just wanted it to be "legal." Thereafter, the CW advised defendant Vega that the CW would go through JC Official 2 by giving "green," (meaning cash) to JC Official 2 who would, in turn, provide contribution checks to defendant Vega. The CW then stated to just make sure that in August and September when the CW sought approvals or a zoning change, defendant Vega did not "forget" the CW's name and number, to which defendant Vega responded, "I have a good memory." As the conversation continued, the CW further informed defendant Vega that the CW was going to give JC Official 2 "ten" (meaning \$10,000), which caused defendant Vega to ask if the CW could do "something" for the charity. The CW replied that he would give \$10,000 to JC Official 2 and let defendant Vega and JC Official 2 work it out. Defendant Vega thanked the CW. After defendant Vega departed the meeting, JC Official 2 was advised by the CW that the CW would obtain \$10,000 for the benefit of defendant Vega.

9. On or about May 6, 2009, at a dining facility in a

hotel in Jersey City, defendant Vega met with JC Official 2 and the CW. At this breakfast meeting, before JC Official 2 arrived, defendant Vega was informed by the CW that the CW had brought \$10,000 and would give it to JC Official 2, to which defendant Vega responded "yes." The CW further informed defendant Vega that defendant Vega and JC Official 2 could determine how to handle this money, but that the CW did not want the CW's name reported "anywhere" with respect to this money. Defendant Vega further was informed by the CW that the CW was preparing the Garfield Avenue application, to which defendant Vega responded that he was meeting with a Jersey City official on Friday regarding this matter and was going to give counsel a "full" briefing on it. Defendant Vega further indicated that he needed to see a "draft" from the CW to see whether this initiative was "possible." After being informed by defendant Vega that the municipal election was Tuesday, the CW further advised defendant Vega that the CW would give \$10,000 today and another \$10,000 after the election.

10. After JC Official 2 arrived, the CW indicated to JC Official 2 that the CW was going to give JC Official 2 \$10,000 in cash for the benefit of defendant Vega and that the money was in the trunk of the CW's car. JC Official 2 asked the CW if defendant Vega wanted "checks." The CW responded that the CW did not know and that JC Official 2 could ask defendant Vega. The CW further stated that the CW did not care how defendant Vega used the money and that as long as defendant Vega was "happy," the CW was "happy." Later in the meeting, defendant Vega confirmed that the CW could give this money to JC Official 2 and that defendant Vega and JC Official 2 then would work it out. Immediately thereafter, the CW advised defendant Vega to "know" that the CW was in defendant Vega's "corner," and that in September, with respect to the CW's zoning change, that defendant Vega ensure that it was expedited and not lost at the "bottom of the pile." Defendant Vega responded that he kept "focused." Then, the CW told defendant Vega that they would have breakfast again next week, and that the CW would give defendant Vega another \$10,000 for a "victory party" to which defendant Vega expressed his "thanks," and stated that this would buy "a lot of pretzels." The CW then asked defendant Vega to make sure that defendant Vega did not put the CW's name on anything, to which defendant Vega replied "no, no" "we're going to do it the correct way" and that defendant Vega wanted this to be "legit." As the meeting was concluding, JC Official 2 asked defendant Vega what he wanted JC Official 2 to do with this money. Defendant Vega instructed JC Official 2 to have people write checks. Thereafter, while outside the hotel, JC Official 2 accepted an envelope containing \$10,000 in cash from the CW and departed. Then, defendant Vega was informed by the CW that the CW would see defendant Vega next week and "we'll" do "the same" and that the CW would wait until September to seek approvals. Defendant Vega indicated that after his meeting on Friday with a Jersey City official, defendant Vega

would know where things were "at."

11. On or about May 26, 2009, at a restaurant in Jersey City, defendant Mariano Vega met with JC Official 2 and the CW. Before defendant Vega arrived, JC Official 2 informed the CW that he had converted the \$10,000 cash (referenced in the previous paragraph) to campaign contribution checks issued by at least approximately three individuals for the benefit of defendant Mariano Vega. JC Official 2 informed the CW that defendant Vega was "very, very" happy. JC Official 2 further informed the CW that defendant Vega also had obtained information from JC Official 2 regarding the identity of these contributors to include on election law reports. After defendant Vega arrived, defendant Vega was informed by the CW that the CW anticipated that the CW's purported Garfield Avenue project would be coming up for a change in zoning. The parties then discussed the importance of meeting another candidate for Jersey City council to garner that person's support for the CW's project because, as defendant Vega told the CW, every council person had a vote and that was the way that the CW had to look at it. The CW informed defendant Vega that the CW would provide cash financial support for this council candidate through defendant Vega and that the CW did not want the CW's name put on anything. The CW further informed defendant Vega and JC Official 2 to just make sure that this candidate supported the CW.

12. As the May 26th meeting continued, the CW further informed defendant Vega as to the purported status of the Garfield Avenue project and that the CW anticipated needing a zoning change. The CW further informed defendant Vega that the CW had another \$10,000 "green" (meaning cash) for defendant Vega. The CW thereafter asked defendant Vega not to forget the CW in "July," "August" and "September," and to make sure that the CW had defendant Vega's support and that defendant Vega would expedite the CW's matters. In response, defendant Vega told the CW that he was going to meet with a Jersey City official about the Garfield Avenue parcel. The CW further said to defendant Vega to make sure that the CW was a "friend." In response, defendant Vega recognized that the CW wanted to build in Jersey City and indicated to the CW that Jersey City wanted to be business friendly.

13. Near the end of the meeting, after the parties left the table, the CW asked JC Official 2 if the CW should give the \$10,000 in cash directly to defendant Vega, to which, JC Official 2 replied to the CW to ask defendant Vega and that defendant Vega probably would get worried. Thereafter, outside of the restaurant, defendant Mariano Vega received from the CW an envelope containing \$10,000 in cash. Defendant Vega gave this envelope to JC Official 2, asking, "can I give this to you [JC Official 2]?" JC Official 2 then asked defendant Vega if defendant Vega wanted to get "checks." Defendant Vega replied

that he would "prefer" that. Shortly thereafter, the CW told defendant Vega to just make sure that the CW had defendant Vega's vote on the Garfield Avenue project. In response, defendant Vega asked the CW to let defendant Vega know the "fucking plan" regarding the project. The CW then stated that the CW wanted a "friend," to which defendant Vega responded that the CW had a "friend." The CW further indicated to defendant Vega that the CW would provide "any thing" that the defendant needed. Defendant Vega then indicated it was important for the CW to help the Jersey City Council candidate referred to in paragraph 11 and another council candidate.

14. On or about June 2, 2009, JC Official 2 met the CW at a restaurant in Union City. JC Official 2 told the CW that he had spoken to defendant Vega. Later in the conversation, JC Official 2 indicated to the CW that defendant Vega had a lot of influence in Jersey City. Referring to the \$10,000 cash that JC Official 2 had received from defendant Vega through the CW at the meeting on or about May 26th summarized above, JC Official 2 told the CW that he had converted that cash into four \$2,500 checks made payable to "Friends of Mariano Vega," a political fund. JC Official 2 told the CW that JC Official 2 had to travel to Astoria in Queens County, New York, to pick up one of these checks and that JC Official 2 was due to meet with defendant Vega that afternoon. Thereafter, JC Official 2 accepted \$5,000 in cash from the CW for JC Official 2's assistance in this arrangement. JC Official 2 replied "[a]bsolutely," after the CW asked JC Official 2 to introduce the CW to more people like defendant Vega who could help the CW expedite and obtain government approvals in connection with the CW's purported development projects. JC Official 2 further informed the CW that JC Official 2 was meeting defendant Vega at 3 p.m. that day at a specific location in Jersey City to drop off the checks--JC Official 2 agreed to this meeting place because JC Official 2 did not want anyone to "find out" what they were doing.

15. On or about July 9, 2009, defendant Vega, JC Official 2 and the CW met at a restaurant in Jersey City. During this meeting, defendant Vega was congratulated by the CW for prevailing in the recent city council election. The CW also informed defendant Vega that the CW's plans for the Garfield Avenue project would be complete the following week and that the CW expected to come in for a zone change in September "if that's okay with you." Defendant Vega told the CW, "Yeah, let me see the plans and I'll talk to [Jersey City Planning Official] and see where he's at." The CW confirmed "[Jersey City Planning Official] and all those guys." Defendant Vega and the CW then discussed the CW's plans for the property development, including issues of density and recreation. Defendant Vega remarked that it made sense to "have some amenities," including a dog run and a basketball or tennis court. Defendant Vega also stated that "the city needs rateables." Defendant Vega and the CW then went on to

discuss costs associated with the project. Defendant Vega was told by the CW: "[Y]ou're talking about spending a couple hundred million dollars, you know, everything, it costs me on the side, this and that, that's all small stuff, you know. I promised you before the election, the total of the 30 [referring to the \$30,000 in total payments from the CW for defendant Vega's benefit to date], and I'll be there for you. Anything you need from me, I'll be your go-to man." Defendant Vega told the CW, "I want to do the right thing for the city . . . coming up with rateables, coming up with jobs. . . ." Defendant Vega was assured by the CW that he would have a No Further Action Letter ("NFA") ensuring the site's cleanliness within weeks. Later during the meeting, the conversation returned to the Garfield Avenue project, and defendant Vega was informed by the CW that the CW was nervous in light of his upcoming bid for a zone change in September, and that the CW needed defendant Vega's "support." Defendant Vega told the CW that he needed to see the plans, to which the CW responded, "I need to make sure I have a trusted friend that will support me, it means a lot to me. This is a personal favor and assistance to me." Defendant Vega told the CW, "We're going to look at the project very carefully." The CW said, "I appreciate it." Defendant Vega then asked the CW, "Has the redevelopment agency designated you?" to which the CW replied, "I don't think so, but we have applications ready to go. I'm not going to file anything until the NFA is in hand I come in front of you guys the beginning of September and, you know, if I'm treated like every schmuck out there, I'm in trouble." Defendant Vega, removing a pen and piece of paper from his pocket in order to take notes, asked the CW for the address, and the CW said "740 through 760 Garfield Avenue." Defendant Vega proceeded to record the information and told the CW, "I'm going to call [Jersey City Redevelopment Official] and find out where he's at." The CW asked defendant Vega, "Who's he . . . , he's the planner?" and defendant Vega clarified that the Jersey City Redevelopment Official was a high-ranking official at that agency. The CW said, "Anything you can do to support me." Later in the meeting, defendant Vega again told the CW that the Jersey City Redevelopment Official was the individual defendant Vega planned to call on the CW's behalf. The CW asked defendant Vega, "So you're gonna let me know how you make out with him?" and defendant Vega nodded yes and said that he had put the CW's phone number behind the CW's card. Defendant Vega then proceeded to provide the CW with defendant Vega's business card and cell phone number.

16. At the conclusion of the meal, JC Official 2 stepped outside of the restaurant, and defendant Vega told the CW that defendant Vega would come out to the CW's car and look at the map of the Garfield Avenue property. As defendant Vega and the CW were leaving the restaurant, defendant Vega was assured by the CW, "I promised you before the election, I told you I'd do another ten [meaning \$10,000]. You want me to do it the same way

I did last time through [JC Official 2] or give it to you?" Defendant Vega nodded yes and told the CW to provide him with the \$10,000 through "[JC Official 2]." As defendant Vega and the CW walked to the parking lot, the CW told defendant Vega, "Anything you need you can count on me, and defendant Vega replied, "I appreciate it." Once out in the parking lot, defendant Vega asked the CW, "So next week you'll get that to me [meaning the development plans]" and then followed the CW to the CW's car to look at the Garfield Avenue map. The CW retrieved both the map and an envelope containing the \$10,000 cash that defendant Vega had directed the CW to provide to JC Official 2, and defendant Vega proceeded to review the map with the CW. Defendant Vega told the CW that defendant Vega wanted to keep the map. Waving the envelope of cash in the direction of defendant Vega, the CW told defendant Vega that "this is the \$10,000 I promised before the election," and defendant Vega told the CW to "give it to [JC Official 2]." JC Official 2 then approached defendant Vega and the CW and, as the CW handed JC Official 2 the envelope of cash, JC Official 2 was informed by the CW in the presence of defendant Vega, "This is what I promised Mariano [Vega], the ten [meaning \$10,000]." JC Official 2 said, "Okay." Regarding the transfer of the \$10,000 from JC Official 2 to defendant Vega, the CW said, "You'll work it out, just do it sooner than later." Defendant Vega shook the CW's hand and departed in his SUV. JC Official 2 then asked the CW, "So [defendant Vega] wants the checks [meaning as opposed to cash]?" The CW said, "You know the game [defendant Vega] wants. I promised him, I told him, you told him what I was getting ready to say, he was ready for it."

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
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LAVERN WEBB-WASHINGTON : Mag. No. 09-8142 (MCA)

I, Robert J. Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about March 2009 to in or about May 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

LAVERN WEBB-WASHINGTON

and others, to include JC Official 1 and the Consultant, did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for defendant Lavern Webb-Washington's future official assistance in Jersey City Government matters.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ____, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, Robert J. Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this complaint, defendant LaVern Webb-Washington (hereinafter, "Webb-Washington") was a candidate for the Jersey City Ward F City Council seat with the election to be held on or about May 12, 2009. Her candidacy was unsuccessful. In addition, Webb-Washington, also a self-described housing activist, served as the head of the Webb-Washington Community Development Corporation ("WWCDC").

2. At all times relevant to this Complaint:

a. There was an individual who served as the Vice President of the Jersey City Board of Education (until on or about May 2009), and a commissioner of the Jersey City Housing Authority ("JC Official 1");

b. There was an individual who represented himself to be the owner of a consulting firm based in New Jersey (the "Consultant");

c. There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the greater Jersey City area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

3. On or about March 20, 2009, at approximately 10:50 a.m., FBI agents intercepted an incoming call from defendant Webb-Washington to the Consultant over the Consultant's cell phone. During this call, the Consultant invited Webb-Washington to a meeting the following Tuesday to receive some

"contributions" from a "developer" - a reference to the CW - who would give the Consultant the money and the Consultant would give it to Webb-Washington, according to the Consultant.

4. On or about March 21, 2009, at approximately 10:55 a.m., FBI agents intercepted an outgoing phone call from the Consultant to JC Official 1 over the Consultant's cell phone. The Consultant and JC Official 1 confirmed the existence of upcoming, separate meetings between two Jersey City council candidates (one of whom was defendant Webb-Washington) and the CW. They also agreed that the CW has been "planting a lot of seeds" with various government officials in New Jersey.

5. On or about the afternoon of March 24, 2009, defendant Webb-Washington, along with her campaign manager, met the Consultant, JC Official 1 and the CW at a diner in Bayonne, New Jersey. Prior to meeting with defendant Webb-Washington and her campaign manager, the CW confirmed with the Consultant and JC Official 1 that the CW could make a cash payment to defendant Webb-Washington through JC Official 1 and the Consultant, prompting JC Official 1 to reply "[t]hat's right." After the CW was introduced to defendant Webb-Washington, the CW explained that the CW was a real estate developer with projects in Florida, New York City and the Carolinas. The CW also discussed the CW's purported development plans for Garfield Avenue in Jersey City and the impediment created by the restriction on the number of stories that could be built at the location. Defendant Webb-Washington also was informed by the CW that the CW would be seeking a zoning change from the Jersey City Council, and the Consultant added that "[d]ensity is the key to making money." Defendant Webb-Washington further was informed by the CW that the CW would be looking for defendant Webb-Washington's support for "zone change[s], resolution[s], approvals, stuff like that," prompting defendant Webb-Washington to reply, "Oh definitely, definitely. I get that done." Subsequently, the CW added that "what I'll do is, I'll give, uh, [the Consultant], uh, to start five thousand, as we get closer to the election, you know, we'll meet again . . ." As defendant Webb-Washington departed, the CW reiterated that the CW would "give [the Consultant] the envelope" for defendant Webb-Washington and added that it would not be done by check "'cause I don't wanna have any conflicts." In response, defendant Webb-Washington asked, "Can you do it as soon as possible?" The CW replied that "I'll give him [referring to the Consultant] the cash."

6. On or about March 24, 2009, at approximately 5:01 p.m., FBI agents intercepted an incoming call from JC Official 1 to the Consultant over the Consultant's cell phone. During the

call, among other things, JC Official 1 and the Consultant agreed that things had gone well at the meeting that day. The Consultant and JC Official 1 discussed plans for the CW and agreed, per the Consultant, "Let's get him to give . . . three candidates [including defendant Webb-Washington] money. . . ."

7. On or about March 25, 2009, at approximately 8:44 p.m., FBI agents intercepted an incoming call from JC Official 1 to the Consultant over the Consultant's cell phone. During this call, JC Official 1 told the Consultant that there would be no meeting the next day [Thursday], and they instead agreed to meet on Friday. JC Official 1 told the Consultant that Friday they would "do the two" - likely a reference to cash payments to be made to defendant Webb-Washington and another council candidate.

8. On or about March 26, 2009, at approximately 11:30 a.m., FBI agents intercepted an outgoing call from the Consultant over the Consultant's cell phone to JC Official 1. During this call, the Consultant asked JC Official 1 how their "buddy" [a reference to the CW] was doing, and JC Official 1 responded that JC Official 1 was postponing the meetings, a reference to meetings with defendant Webb-Washington, among others, until Monday at twelve o'clock at a diner in Hudson County, New Jersey. JC Official 1 stated that he would not "have them come in" the restaurant, but rather the CW would "have to go outside to them." JC Official 1 thus was indicating that the corrupt cash payments would be made to defendant Webb-Washington, among others, outside of the restaurant. JC Official 1 asked the Consultant if he "thought that was the best way to do it," and the Consultant said that he thought that it was.

9. On or about March 27, 2009, at approximately 11:36 a.m., FBI agents intercepted an incoming call from defendant Webb-Washington to the Consultant over the Consultant's cell phone. During the call, defendant Webb-Washington asked the Consultant if there "was any good news yet," to which the Consultant responded, "Yes," and told defendant Webb-Washington that she was to meet him "and [the CW] on Monday at twelve o'clock" at a particular restaurant in Hudson County where the CW would "give her the contribution." Defendant Webb-Washington said that she would just have to "try and make some other moves in the meantime [meaning take action to acquire money]."

10. On or about March 30, 2009, at approximately 10:54 a.m., FBI agents intercepted an incoming call from JC Official 1 to the Consultant over the Consultant's cell phone. During this call, JC Official 1 asked the Consultant to confirm that they were still planning to meet at the diner at noon. The Consultant

told JC Official 1 that the Consultant had called others, including defendant Webb-Washington, who would arrive at the diner at 12:30 p.m. Regarding defendant Webb-Washington and others who were scheduled to meet them at various times that day, JC Official 1 said, "Let's spread them out fifteen minutes difference, okay?" The Consultant agreed and asked JC Official 1: "How are we operating this? [They] are coming into the restaurant to see [the CW]?" JC Official 1 responded, "Yes they are coming in to see [the CW] and then whatever conversation you want and then they'll leave." The Consultant agreed and then asked JC Official 1, "And then how are we dealing with the money?" JC Official 1 responded to the Consultant that they would "talk to [the CW] about the money." JC Official 1 [laughing] then stated that, like he had said before, "they don't get any money" [meaning that JC Official 1 did not want to discuss the passing of payments to these individuals, including defendant Webb-Washington, over the telephone].

11. On or about March 30, 2009, at approximately 11:45 a.m., FBI agents intercepted an incoming call from defendant Webb-Washington to the Consultant over the Consultant's cell phone. During the call, the Consultant told defendant Webb-Washington to "be there at 12:30" and defendant Webb-Washington agreed.

12. Thereafter, that same day, defendant Webb-Washington met the Consultant, JC Official 1 and the CW at a diner in Bayonne. Defendant Webb-Washington and the CW discussed the location of the CW's proposed development on Garfield Avenue. A short time later, the CW asked defendant Webb-Washington if she wanted to "go for a little walk," and, as the two walked toward the diner's parking lot, defendant Webb-Washington was informed by the CW that "like we spoke about before. I'm gonna give you the 5,000 now," prompting defendant Webb-Washington to reply "[o]kay, no problem." After the CW explained that the \$5,000 was in the trunk of the CW's car, the CW told Washington that "[t]hen I'll give you another five before the election. And . . . after you get in, and I know you're on my team, I'll give you another 5,000." Defendant Webb-Washington replied "[n]o problem." The CW then removed an envelope from the trunk of the CW's vehicle and handed it to defendant Webb-Washington, stating "[t]hat's, uh, 5,000. That's cash. This way there's no, you know, no conflicts or anything." Defendant Webb-Washington accepted the envelope containing the \$5,000 in cash, stating "good, you don't need none." The CW then asked defendant Webb-Washington to "just make sure you expedite my stuff, and I know you'll . . ." Defendant Webb-Washington interjected, "Oh, no, you don't need to worry about me." The CW then asked "[a]nd you'll vote for me on

that zone change," prompting defendant Webb-Washington to reiterate, "You don't have to worry." Defendant Webb-Washington and the CW then exchanged contact information before defendant Webb-Washington drove away.

13. On or about April 21, 2009, the Consultant and JC Official 1 met the CW at a diner in Jersey City. The Consultant and JC Official 1 set forth the schedule and the identities of individuals with whom they would be meeting as well as the amounts of money to be paid to certain public officials and candidates. In particular, the Consultant informed the CW that they would then meet with defendant Webb-Washington at a diner in Bayonne around mid-day on April 23rd, at which time the CW would provide defendant Webb-Washington with an additional \$5,000.

14. On or about April 23, 2009, defendant Webb-Washington met JC Official 1, the Consultant and the CW at a diner in Bayonne. During the meeting, defendant Webb-Washington continued to promise to support a proposed zone change for CW's purported Garfield Avenue project once she was elected to the Jersey City Council. Defendant Webb-Washington told the CW that the CW was on the "top" of her list. In the diner's parking lot, while inside of her vehicle, defendant Webb-Washington accepted \$5,000 in cash from the CW in an envelope. Defendant Webb-Washington further indicated that to conceal the CW as the source of the contributions, she would indicate that the money was from her and then transfer it to her election fund. She agreed that she did not want the CW name on "nothing" so that down the line when she supported the CW's initiative regarding the Garfield Avenue project, no one could say that she was officially supporting the CW because the CW provided financial support to her.

15. On or about May 7, 2009, defendant Webb-Washington met with the CW in defendant Webb-Washington's vehicle in a parking lot of a diner in North Bergen, New Jersey. Defendant Webb-Washington indicated that another person had told her that she was ahead in the polls. Defendant Webb-Washington indicated to the CW that she needed money for her campaign. She further told the CW that she had the CW's "back" and was the main one to support the CW's purported Garfield Avenue development project. She responded "definitely," when the CW asked if the CW had her vote on this project. Defendant Webb-Washington also promised to obtain the vote of another Jersey City Council member for the CW. Defendant Webb-Washington then accepted \$5,000 in cash from the CW. Agreeing with the CW, defendant Washington indicated that she would not report the CW's name in connection with this cash payment because when she went to assist the CW after the election, she did not want anyone to connect the two of them.

Defendant Webb-Washington further remarked to the CW that she had "common sense" and it did not take "nine degrees" to make her do the "right thing." Responding to the CW's request not to forget the CW in July, defendant Webb-Washington said that the CW did not have to say this anymore and that she "got" the CW. As the conversation concluded, defendant Webb-Washington further remarked that the CW had her "back," and she had the CW's back.

16. On or about May 13, 2009, at approximately 4:52 p.m., FBI agents intercepted an incoming call from defendant Webb-Washington to the Consultant's cell phone. During this conversation, defendant Webb-Washington complained to the Consultant about the procedures surrounding the Jersey City election the previous day, which culminated in defendant Webb-Washington being behind in the vote count to her main opposition for a city council seat. The discussion turned to the run-off election, which defendant Webb-Washington said that she believed she was a part of, and the Consultant said: "They're going to try to pull every trick in the book." Defendant Webb-Washington said, "This isn't helping our friend [meaning the CW]. . . . [I]t don't help [the CW]. It don't help nobody, it don't help anybody to play with her [meaning the current Council member, whom defendant Webb-Washington hoped to unseat]." Defendant Webb-Washington and the CW then discussed, among other things, using the legal process to challenge the results of the election. Defendant Webb-Washington told the Consultant to tell the CW, among other things, that she was "not playing you know, because [the CW] will really get screwed over with [the incumbent Council member]. For real now. We have her in there and [the CW] stands to lose a lot of money."

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**

v. :

ARYE WEISS : Mag. No. 09-3617

I, Robert J. Cooke, being duly sworn, state that the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

July __, 2009, at Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

COUNT 1

From in or about June 2007 to in or about February 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

ARYE WEISS

did knowingly and willfully conspire with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bank fraud, bankruptcy fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

In violation of Title 18, United States Code, Section 1956(h).

COUNT 2

From in or about June 2007 to in or about February 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

ARYE WEISS

did knowingly and willfully conspire with others to conduct, control, manage, supervise, direct and own all and part of an unlicensed money transmitting business--such operation being punishable as a misdemeanor and felony under New Jersey and New York law, namely, N.J.S.A. 17:15C-24 and McKinney's Banking Law §§ 641, 650--contrary to Title 18, United States Code, Section 1960, where a coconspirator committed an overt act to effect the object of the conspiracy.

In violation of Title 18, United States Code, Section 371.

Attachment B

I, Robert J. Cooke, a Special Agent with the Federal Bureau of Investigation ("FBI"), following an investigation and discussions with other law enforcement officers, am aware of the following facts. Because this Attachment B is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Nor have I recounted every conversation involving the defendant. All conversations referred to in this attachment were recorded and are related in substance and in part.

1. At all times relevant to this Complaint, defendant Arye Weiss ("defendant WEISS") resided in Brooklyn, New York. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that defendant WEISS does not hold a license to transmit or remit money.

2. At all times relevant to this Complaint:

(a) There was a coconspirator named Eliahu "Eli" Ben Haim (hereinafter, "Coconspirator Ben Haim"), who was a resident of Elberon, New Jersey, and the principal rabbi of Congregation Ohel Yaacob, a synagogue located in Deal, New Jersey. Coconspirator Ben Haim operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called Congregation Ohel Eliahu (hereinafter, "COE"). A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator Ben Haim does not hold a license to transmit or remit money;

(b) There was a coconspirator with the initials I.M. (hereinafter, "Coconspirator I.M.") who was an individual based in Israel. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator I.M. does not hold a license to transmit or remit money; and

(c) There was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and concealing assets and monies in connection with bankruptcy proceedings.

3. On or about June 26, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, Coconspirator Ben Haim accepted a \$50,000 check, drawn upon an account for a fictitious company set up by the FBI for the purpose of enabling the CW to launder money represented to be the proceeds of illegal activities. The check was made payable to COE, Coconspirator Ben Haim's charitable organization, and was provided to Coconspirator Ben Haim with the expectation that the proceeds would be returned to the CW at a later date, minus a ten percent fee to be retained by Coconspirator Ben Haim. The CW represented that the proceeds of this \$50,000 check came from "that guy who was holding, uh, my, uh, money for me on that Florida insurance, uh, scam that I did." In response to that statement, Coconspirator Ben Haim asked "[a]nd you need forty-five thousand?" The CW responded in the affirmative, prompting Coconspirator Ben Haim to reply "[o]kay . . . Give me a couple days." During the same conversation, Coconspirator Ben Haim described Coconspirator I.M.'s activities in the following manner: "He washes money for people [u/i]. He washes money for people here . . . He gives me a check. I deposit it . . . from a third party . . . He give me -- I deposit it. I wire it to him. He gives me, uh, like, one percent." Coconspirator Ben Haim further stated that he had known Coconspirator I.M. for four to five years. At the conclusion of the conversation, the CW mentioned that the CW would be in Brooklyn the following Thursday, and offered to pick up cash on Coconspirator Ben Haim's behalf. Coconspirator Ben Haim seemed hesitant because he anticipated that it would be a large amount of money. The CW asked if the amount would be "half a mill," prompting Coconspirator Ben Haim to respond "yeah."

4. On or about June 28, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, Coconspirator Ben Haim accepted from the CW a bank check in the amount of \$50,000 made payable to COE, Coconspirator Ben Haim's charitable organization. Coconspirator Ben Haim was informed by the CW that this check represented the proceeds of what the CW termed "that insurance, uh, scam deal from Florida." The CW also purported to Coconspirator Ben Haim that the CW had a great deal of money available to the CW because the CW was able to shield from the CW's ongoing bankruptcy court proceedings the money that the CW was earning on property deals involving "silent partnerships." The CW explained that "this way, you know, they give me a check or a bank check to you. They get a write off. It's good for them. I get the money back. So this way there's no trace, you know, through you, and it works out for everybody. That's why I have a lot of money coming through." Coconspirator Ben Haim was further informed by the CW

that the CW's reason for laundering the money through Coconspirator Ben Haim was "so the court doesn't know, the [bankruptcy] trustee doesn't know, no one knows nothin'." In exchange, Coconspirator Ben Haim gave the CW cash totaling approximately \$53,140, which represented the completion of two money laundering transactions: \$45,000 in cash for a \$50,000 check that the CW had provided to Coconspirator Ben Haim on June 26, 2007, and \$8,100 from a separate \$9,000 check which Coconspirator Ben Haim had received from the CW the previous day.¹ As he collated the cash to give to the CW, Coconspirator Ben Haim ran the bills through a cash-counting machine. Coconspirator Ben Haim also mentioned that he owed another individual \$495,000. This individual, according to Coconspirator Ben Haim, had wired money from Hong Kong to Israel, and stated that "he has money in Hong Kong from his -- the kickbacks from the factories." Coconspirator Ben Haim also further described the activities of Coconspirator I.M. in the following terms: "The head contact's in Israel . . . He has different people, he has, . . . he has a hundred cus-, no customer in New York [u/i] money in Israel [u/i] real estate investments, they, they want to hide their money. They don't want it to show. So they give the cash here to him and he gives me the cash . . . You see the merry-go-round? This guy's been doing it for 20, 30 years." Coconspirator Ben Haim also indicated that he would pick up cash, as coordinated by Coconspirator I.M., at locations in Brooklyn. The CW offered to pick up the cash that Coconspirator Ben Haim anticipated would be available to him the following week.

5. On or about July 2, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, Coconspirator Ben Haim gave the CW approximately \$65,600 in cash to complete earlier transactions involving the proceeds of money laundering. Of the monies provided to the CW, approximately \$45,000 represented the proceeds from the \$50,000 check provided by the CW on June 28, 2007, minus the ten percent fee kept by Coconspirator Ben Haim. Coconspirator Ben Haim noted that "I owe you 45 [thousand]," in reference to the \$50,000 check provided on June 28, 2007. In addition, \$20,250 of the cash given by Coconspirator Ben Haim was in anticipation of a \$22,500 check which the CW was to provide drawn upon the account of a charitable organization administered by another money launderer, Rabbi Saul Kassin. The CW promised to bring Coconspirator Ben Haim this check for "twenty-two-five," and also stated that the CW would have another 100 thousand

¹ An additional \$40.00 was included in the sum of cash provided to CW on this date.

dollar bank check. Coconspirator Ben Haim agreed to provide the CW with \$90,000 in cash in exchange for this \$100,000 check. During the meeting, Coconspirator Ben Haim also mentioned that another customer had sent him "200 [thousand]" that morning, and that he was expecting another check in the near future in the amount of \$450,000.

6. On or about July 10, 2007, after Coconspirator Ben Haim contacted the CW by telephone to inform the CW that \$100,000 was available to be picked up from defendant WEISS, the CW met with defendant WEISS at defendant WEISS's residence in Brooklyn. During that meeting, defendant WEISS handed the CW a plastic bag containing approximately \$98,500 in cash. Defendant WEISS confirmed to the CW that the bag should contain \$98,500, and that there were two envelopes inside, representing cash from two different sources. However, defendant WEISS indicated that he had not counted the cash.

7. On or about July 10, 2007, after returning to New Jersey from the meeting with defendant WEISS in Brooklyn, the CW met with Coconspirator Ben Haim at Coconspirator Ben Haim's residence in Elberon. During the meeting, the CW provided to Coconspirator Ben Haim the plastic bag containing approximately \$98,500 that the CW had received from defendant WEISS. In addition, Coconspirator Ben Haim accepted from the CW a check in the amount of \$100,000 made payable to COE. In exchange, Coconspirator Ben Haim gave the CW approximately \$89,850 in cash, explaining that he was withholding money from the \$90,000 that he normally would have paid because he had inadvertently overpaid the CW during the July 2, 2007 transaction.

8. On or about August 1, 2007, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle, as it was parked in front of a residence in Deal. During the meeting, Coconspirator Ben Haim accepted from the CW a bank check made payable to COE. The CW described the bank check, which was in the amount of \$75,000, as follows: "this is 75 from that bank schnookie deal. And I have one more 75 from him and that's the -- we got a half million from a bank . . ." Coconspirator Ben Haim wondered what he should tell authorities "[i]f they ask me where did you get this check from?" After the CW again referred to the check as stemming from a fraudulent loan, Coconspirator Ben Haim answered his own question by stating that he would tell authorities that "[the CW] mailed me an anonymous donation. . . ." During the same conversation, Coconspirator Ben Haim provided further details about Coconspirator I.M.'s laundering operation and referred to a specific individual as Coconspirator I.M.'s partner, and further stated that "there's six people involved in

this thing." Coconspirator Ben Haim also referred to the pickups of cash in New York City, and the CW offered to pick up the cash for Coconspirator Ben Haim. When the CW asked whether it would be the same guy from whom the CW had previously received money several weeks earlier, Coconspirator Ben Haim stated that the pickup "[c]ould be [in] Queens, could be a hotel in Manhattan, it could be anywhere. Lately, it's been Boro Park."

9. On or about August 6, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the conversation, Coconspirator Ben Haim accepted a bank check in the amount of \$50,000 from the CW. As with previous checks, this bank check was made payable to COE. The CW described the check as follows: "This is a check for, uh, fifty thousand from that, uh, bank, uh, schnookie deal." On this occasion, Coconspirator Ben Haim gave the CW approximately \$67,500 in cash to complete the money laundering transaction from August 1, 2007, during which the CW had provided Coconspirator Ben Haim with the aforementioned \$75,000 check. Coconspirator Ben Haim also indicated that he had picked up cash from numerous individuals over the years, stating that "[i]n the five years [I'm] with [Coconspirator I.M.], maybe I saw over a hundred different people."

10. On or about August 8, 2007, the CW met with defendant WEISS at defendant WEISS's residence in Brooklyn. During the meeting, defendant WEISS provided the CW with a box of Apple Jacks cereal in which were secreted bundles containing approximately \$97,000 in cash. When the CW took possession of this box, the CW removed a few bundles and asked "[s]o this is the, uh, the ninety-seven, right?" Defendant replied "[y]eah. I didn't count it." Defendant WEISS did confirm that he had removed \$3,000, apparently for himself, noting that he had taken \$500 and then "I took for me, uh, 2,500." The CW stated that "I'll count it and, uh, should be okay." As the CW departed, the CW told defendant WEISS that "[m]aybe we'll have some more [to pick up] next week. We'll see."

11. On or about August 8, 2007, after returning to New Jersey from the meeting with defendant WEISS in Brooklyn, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, the CW provided to Coconspirator Ben Haim the box of Apple Jacks cereal containing the approximately \$97,000 in cash that the CW had earlier obtained from defendant WEISS. In addition, Coconspirator Ben Haim accepted two checks from the CW, both of which were in the amount of \$5,000 and made payable to COE. In exchange for the checks, Coconspirator Ben Haim provided the CW

with approximately \$53,100 in cash. This amount included \$45,000 from the \$50,000 check which Coconspirator Ben Haim accepted on August 6, 2007, and \$8,100 pertaining to the two checks which the CW gave to Coconspirator Ben Haim during the meeting. During their conversation, Coconspirator Ben Haim spoke of his ongoing business with Coconspirator I.M., and referred to the fact that while his volume of money laundering had subsided during the current year, he had done between six and eight million dollars of laundering business per annum during the previous two years.

12. On or about October 31, 2007, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim accepted two checks from the CW -- both of which were made payable to COE as part of money laundering transactions. One of these checks was a bank check in the amount of \$50,000, while the other check was in the amount of \$22,500 and drawn upon the account of a charitable organization administered by another money launderer, Rabbi Saul Kassin. During the meeting, Coconspirator Ben Haim remarked that he was currently low on cash, and that it was difficult to get a sufficient supply of cash on a timely basis from Coconspirator I.M. to keep pace with the demand of his customers. Coconspirator Ben Haim stated that "four, five years I'm doing this with this guy. I know at the end of the year it's tight." Coconspirator Ben Haim related that prior to his dealings with Coconspirator I.M., he had moved cash through another individual, but stated that "they caught him laundering . . . he got a slap on the wrist." Coconspirator Ben Haim indicated that this individual was finishing a ten-month sentence that he was serving at F.C.I. Otisville. Subsequently, Coconspirator Ben Haim complained that he was "lucky" if he could move one to two million dollars a year at present. He remarked that "the most I ever did was seven to eight" million dollars in a year, and indicated that he earned "a million dollars a year" during that period.

13. On or about January 14, 2008, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During this meeting, Coconspirator Ben Haim accepted a cashier's check from the CW in the amount of \$100,000 made payable to COE. When the CW handed Coconspirator Ben Haim the check, the CW stated "[u/i] bank check there for a hundred thousand. Now that, you have to understand, that's from one of the [Bank] schnookie deals." During their discussion, Coconspirator Ben Haim also mentioned that he had picked up cash in Brooklyn from defendant WEISS in or about late December 2007.

14. On or about January 20, 2008, Coconspirator Ben Haim met the CW at Coconspirator Ben Haim's residence in Elberon. During that meeting, Coconspirator Ben Haim gave the CW approximately \$95,200 in cash to complete their previous money laundering transactions, including the one from January 14, 2008.

15. On or about March 9, 2008, defendant WEISS met with the CW at defendant WEISS's residence in Brooklyn. During the meeting, the CW observed defendant WEISS go into a bedroom and close the door. Shortly thereafter, defendant WEISS emerged with a black plastic bag containing approximately \$50,000 in cash and gave the bag to the CW. This cash was provided to the CW at the direction of Coconspirator Ben Haim to complete two previous money laundering transactions that occurred in or about February 2008. In addition, the CW observed a list of names with corresponding amounts. This list included the name of Coconspirator Ben Haim followed by a notation for \$50,000. The CW observed at least 7 more names on this list. Defendant WEISS indicated that his cash-counting machine was broken and that a replacement had not yet been provided by a coconspirator who, he stated, worked for him.

16. On or about March 10, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim and the CW discussed the amount of money Coconspirator Ben Haim owed to the CW to complete their prior money laundering transactions. Coconspirator Ben Haim stated that he believed that he would soon have cash, as defendant WEISS was holding \$30,000 for him and another individual would soon have available another \$200,000 for him.

17. On or about June 13, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Elberon. During that meeting, Coconspirator Ben Haim accepted from the CW a bank check in the amount of \$50,000. The CW informed Coconspirator Ben Haim that the funds from this check were generated from the sale of counterfeit high-end merchandise manufactured "from my factory in Brooklyn where I have the--where I make the bags. I take the labels . . ." The CW further clarified that "I'm switching the labels. . . Business is very good. Prada, Gucci, boom, boom, boom. This is from my profits. This is not--I put up 400 thousand principal. These are only my profits. Profits from this, profits from the PNC." This last remark referred to the bank fraud scheme involving PNC Bank which led to criminal charges being filed against the CW in about 2006. After Coconspirator Ben Haim demanded a higher percentage fee than he normally collected from the CW to conduct the transaction, the CW complained that "I'm a repeat customer," and

asked "[a]m I your best customer?" After Coconspirator Ben Haim responded in a hushed tone, "[n]o," the CW replied "[n]o. Why, 'cause you've got guys who do a million dollars a month . . .?" Coconspirator Ben Haim responded "[n]o, that was once upon a time." Coconspirator Ben Haim then retrieved a bag from the trunk of Coconspirator Ben Haim's car which contained a box with Power Rangers logos. The box contained tens of thousands of dollars in bundles of cash, and Coconspirator Ben Haim provided the CW with approximately \$45,000. The CW reiterated that the money from the check was "all offshore," and noted that "[w]e have the factory. We make the stuff in Brooklyn, but we offshore it," and added that "[t]here's no trace, no nothing." By way of explanation, the CW stated that "[i]t's offshore. So all the profits are hidden." After the two discussed whether Coconspirator Ben Haim would be doing additional deals with other individuals in the near future, Coconspirator Ben Haim noted, in an apparent reference to Coconspirator I.M., that "[h]e called me up 14 times. He says 'I got another 300 [thousand]. You want it?'" Coconspirator Ben Haim indicated that he had declined the offer but then noted that "I have orders for Sunday . . . I don't have enough," thus indicating that the money remaining from the Power Rangers box would be insufficient for the customers he would see on Sunday. At the conclusion of the meeting, Coconspirator Ben Haim asked the CW if the CW wished to launder "a hundred [thousand] next week?" The CW responded "[l]et me see how much, what our profits are next week," and agreed to contact Coconspirator Ben Haim if another laundering transaction was to be conducted.

18. On or about December 16, 2008, Coconspirator Ben Haim met the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim accepted a bank check made out to COE in the amount of \$160,000. The CW explained that the money represented the profits from the CW's counterfeit handbag business, but explained that the CW's partner had provided the CW less than the CW had hoped because "[e]ven the knock-off business is tough today." Coconspirator Ben Haim informed the CW that in exchange for the \$160,000 check he would provide the CW with \$130,000 in cash. Coconspirator Ben Haim explained that "I'm putting the order in the pipeline" and related that he had spoken with his contact - believed to be a reference to Coconspirator I.M. - the previous Sunday. Coconspirator Ben Haim stated that he expected the pickup of the cash would occur in the near future in either Williamsburg or Boro Park in Brooklyn.

19. On or about December 30, 2008, Coconspirator Ben Haim met the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim provided the CW with

approximately \$64,850 in cash as partial payment for the \$160,000 check provided by the CW on or about December 16, 2008. During the conversation, Coconspirator Ben Haim was informed by the CW that "things are picking back up in my, uh, knock-off pocketbook business, my counterfeit business." Coconspirator Ben Haim also was told that the money involved in their laundering transaction "is only profits - principal I keep in there." Coconspirator Ben Haim informed the CW that he had a lot of "orders" for laundering transactions because it was near the end of the year, but that some clients wished to wait until the turn of the year to consummate the transactions. It is believed that Coconspirator Ben Haim was referring to the efforts of some of his customers to select the year during which they would claim deductions for charitable contributions on their income tax returns based on the checks provided to Coconspirator Ben Haim. As the conversation continued, Coconspirator Ben Haim indicated that the nearly \$65,000 that he was providing to the CW had been retrieved by Coconspirator Ben Haim the previous day from defendant WEISS at defendant WEISS's residence in Brooklyn.

20. On or about January 18, 2009, Coconspirator Ben Haim met with the CW at a location on Ocean Parkway in Brooklyn. During the meeting, Coconspirator Ben Haim and the CW discussed a potential pickup of approximately \$150,000 in Brooklyn during the following week, the proceeds of which would be used to complete the money laundering transaction commenced on or about December 16, 2008. Coconspirator Ben Haim told the CW about "customers from two, three years ago that are calling me," and indicated that "[t]hat's a signal that the market is tight." Coconspirator Ben Haim also discussed his source for cash, Coconspirator I.M., and stated that he spoke to Coconspirator I.M. "[e]very day - every other day." Referring to Coconspirator I.M., Coconspirator Ben Haim then asked the CW "[d]id you know that he had me in the last four years send out wires every time to a different place in the world to a different name? It's unbelievable. I never saw anything like it." When the CW asked whether Coconspirator Ben Haim was referring to different locations in only Israel, Coconspirator Ben Haim replied "[n]o, all over the world. . . All over the world. From Australia to New Zealand to Uganda. I mean [u/i] every country imaginable. Turkey, you can't believe it. . . All different names. It's never the same name. . . . Switzerland, everywhere, France, everywhere, Spain China, Japan." Coconspirator Ben Haim also explained that the market for cash was tight "only in the beginning of the year and the end of the year."

21. On or about January 4, 2009, January 25, 2009, and February 13, 2009, the CW received from Coconspirator Ben Haim a total of approximately \$50,000 in further partial payment for the money laundering transaction commenced on or about December 16, 2008.

22. Between approximately June 2007 and February 2009, defendant WEISS transferred a total of more than \$300,000 to Coconspirator Ben Haim and the CW, as part of money laundering transactions.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 JEFFREY WILLIAMSON : Mag. No. 09-8143 (MCA)

I, Robert Cooke, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about April 2007 to in or about July 2009, in Ocean County, in the District of New Jersey and elsewhere, defendant

JEFFREY WILLIAMSON

did knowingly and willfully attempt to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt cash payments that were paid by another, with that person's consent, for defendant WILLIAMSON'S benefit in exchange for defendant WILLIAMSON'S official assistance.

In violation of Title 18, United States Code, Section 1951(a) and Section 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

Robert Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July ___, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

Attachment A

I, Robert Cooke, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant JEFFREY WILLIAMSON (hereinafter, "defendant WILLIAMSON") served as a Housing Inspector for Lakewood Township in Ocean County, New Jersey. As a Housing Inspector, defendant WILLIAMSON was responsible for, among other things, performing inspections and certifying housing units for compliance with pertinent federal, state, and local standards, codes, regulations and procedures. Defendant WILLIAMSON also was a 2007 candidate for the New Jersey General Assembly's 30th legislative district, which covers parts of Burlington, Monmouth, Mercer, and Ocean counties.
2. At all times relevant to this Complaint:
 - a. there was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in or about May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as a real estate developer interested in development in the Ocean County area. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce;
 - b. there was an individual who resided in Lakewood, New Jersey and previously worked for the CW, managing properties that the CW owned in and around Lakewood Township (hereinafter, "C.A."); and
 - c. there was an individual who was a real estate developer based in Ocean County (hereinafter, "OC Developer") who maintained an office in Lakewood Township. OC Developer owned properties and interests in and around Lakewood Township.

3. On or about April 19, 2007, C.A. met with the CW at a restaurant in Lakewood, New Jersey. During this meeting, C.A. and the CW discussed a scheme wherein the CW would make corrupt payments to a public official in Lakewood Township in exchange for permitting the CW to illegally utilize a residence in Lakewood as a commercial office. When the CW first raised the subject of using a residentially-zoned dwelling as an office, C.A. immediately responded, "like [OC Developer] did?," a reference to OC Developer's illegal use of a residence in Lakewood Township as a commercial office. As the conversation continued, C.A. indicated that defendant WILLIAMSON was a housing inspector, who would use his official position to assist others in exchange for corrupt payments, and detailed C.A.'s history of corrupt dealings with defendant WILLIAMSON.
4. C.A. advised the CW, "I used to take care of him [meaning pay defendant WILLIAMSON] and sometimes he'd go crazy." C.A. explained, "I tried every inspection he failed me . . . so I gave him 50 bucks, 100 bucks, but if I knew I had something that would have failed, I gave him 100," meaning \$100. Regarding the prospect of defendant WILLIAMSON accepting a corrupt payment directly from the CW, C.A. stated that "[defendant WILLIAMSON'S] gonna be extra, extra precautious with you."
5. C.A. further recounted for the CW how defendant WILLIAMSON accepted corrupt payments from C.A. for inspections, with C.A. falsely indicating to defendant WILLIAMSON that the payment was for a "holiday," when the nearest holiday was at least three months away. C.A. also described for the CW defendant WILLIAMSON'S method of obtaining corrupt cash payments from C.A. in connection with various inspections. Verifying that defendant WILLIAMSON implicitly, rather than explicitly, demanded corrupt payments, the CW asked, "Who, Jeff, he didn't want to ask you point-blank . . . he was 'shaking you down'?" C.A. replied, "Right."
6. To illustrate this point, C.A. detailed one specific incident of defendant WILLIAMSON using his official position to obtain a corrupt cash payment from C.A. C.A. explained that defendant WILLIAMSON failed C.A. once on an inspection, after C.A. had already paid defendant WILLIAMSON, and that defendant WILLIAMSON wanted more money. C.A. stated, "he kept saying 'so this issue . . . that issue,' he was like stalling." C.A. further explained C.A.'s thinking on the occasion, "I paid him a hundred [dollars] for this, I'm not doing it again . . . I'm gonna become a sickness" (meaning

C.A. was resistant because he thought defendant WILLIAMSON would demand multiple cash payments from him for a single inspection in the future). C.A. then explained, "I didn't say anything . . . I pulled out a 20 [dollars] and [defendant WILLIAMSON] took it like an insult." C.A. said that defendant WILLIAMSON then told C.A., "Should I tell [the chief housing inspector] that you're bribing me?" Reciting C.A.'s response to defendant WILLIAMSON, C.A. stated, "Should I tell [the chief housing inspector] that you took bribes before?" After that exchange of words, C.A. advised the CW that defendant WILLIAMSON "passed me" and did not take the \$20 payment from him.

7. At the conclusion of the meeting, C.A. advised the CW that C.A. personally never paid WILLIAMSON more than \$100 in cash for a house and that WILLIAMSON routinely accepted corrupt cash payments for inspections from members of the Lakewood community. C.A. estimated that defendant WILLIAMSON performed approximately 15 to 20 inspections a day and that he accepted corrupt cash payments for "half of them."
8. On or about April 20, 2007, C.A. met with the CW in the CW's car. During the meeting, C.A. recounted for the CW a meeting that C.A. recently had with defendant WILLIAMSON. C.A. indicated that C.A. inadvertently ran into defendant WILLIAMSON at a local pharmacy, where defendant WILLIAMSON was soliciting campaign contributions for his candidacy for the New Jersey General Assembly. After defendant WILLIAMSON asked C.A. for a "donation," C.A. asked defendant WILLIAMSON how much he wanted, and defendant WILLIAMSON responded that many people were contributing approximately \$250. Jokingly referring to C.A.'s previous corrupt dealings with defendant WILLIAMSON, C.A. informed the CW that C.A. said to defendant WILLIAMSON, ". . . do you accept cash?" and that defendant WILLIAMSON responded by "[giving] me the eyes, like the bribe days." Continuing, C.A. told the CW that he said to defendant WILLIAMSON, "Jeff, we go way back, of course I'll give you cash."
9. C.A. went on to tell the CW about a subsequent meeting with defendant WILLIAMSON at C.A.'s office later that day, April 20, 2007. C.A. advised the CW that C.A. discussed with defendant WILLIAMSON the CW's desire to utilize a residentially-zoned property as a commercial office. C.A. stated that defendant WILLIAMSON expressed his willingness to assist the CW and that WILLIAMSON would discuss it with C.A. and the CW over lunch. Drawing on C.A.'s previous corrupt dealings with defendant WILLIAMSON, C.A. explained

that defendant WILLIAMSON's asking "why don't we do lunch" was "[defendant WILLIAMSON's] famous bribe line." C.A. also advised the CW that defendant WILLIAMSON would be "expecting two-fifty to five-hundred," meaning a \$250 to \$500 corrupt cash payment. Of defendant WILLIAMSON, C.A. stated, "He's ready. He knows what it's about" and stated that defendant WILLIAMSON asked that they bring a list of proposed properties to the meeting and that defendant WILLIAMSON said he would bring his own.

10. On or about April 24, 2007, defendant WILLIAMSON and C.A. met with the CW at a restaurant in Lakewood. During the meeting, defendant WILLIAMSON, C.A., and the CW discussed the subject of the CW utilizing a residential property as a commercial office. Referencing OC Developer's illegal use, defendant WILLIAMSON stated, "problem it is . . . you need to do it in an area where you're not . . . like, for example, where [OC Developer] is, nobody knows about, nobody bothers him." Further counseling the CW on where illegally to establish an office, defendant WILLIAMSON advised the CW that "if it's a corner lot [in a residential area], you might be able to get away with it." After showing the CW a Lakewood Township file containing the CW's properties, defendant WILLIAMSON instructed the CW on how best to perpetrate this scheme, stating "so my recommendation is this . . . if you decide on one [meaning house to use as commercial office], we [meaning defendant WILLIAMSON and the CW] go in there with a regular C.O. [meaning certificate of occupancy], except . . . say you're going to rent it out." To further avoid detection, defendant WILLIAMSON recommended that, in illegally converting the home to a commercial office, the CW not make changes that would be "too dramatic."
11. Toward the end of the conversation, defendant WILLIAMSON met with the CW in the unoccupied women's bathroom at the restaurant and accepted a \$500 cash payment from the CW. The CW stated, "this is for the holiday coming, you know, whatever . . . did you know, that's just to start. It's \$500, but you can count on me for whatever it is, don't worry." Defendant WILLIAMSON stated that the payment was not necessary, but defendant WILLIAMSON kept the payment and said, "I do what I gotta do . . ." Referencing defendant WILLIAMSON's corrupt dealings with C.A. and others, the CW replied, "your reputation supersedes [sic] you. You don't gotta say anything. Don't worry about it." When the CW asked defendant WILLIAMSON about meeting at night to maintain secrecy, defendant WILLIAMSON replied, "I would

probably prefer that."

12. On or about April 26, 2007, defendant WILLIAMSON met with the CW at a restaurant in Lakewood. During the meeting, defendant WILLIAMSON and the CW discussed, among other things, the relaxed "inspections" that defendant WILLIAMSON would perform on the CW's properties in Lakewood Township for the purpose of generating a C.O. for each property. Advising the CW on what he would and would not enforce, defendant WILLIAMSON explained, "I'm gonna overlook painting . . . I'm overlooking cosmetics . . . but the life safety, I can't overlook." Emphasizing the benefit that defendant WILLIAMSON was imparting to the CW in terms of his favorable exercise of official action and influence, defendant WILLIAMSON stated, "And that's why you want me doing it . . . not somebody [else] . . . they'll crucify you." Further counseling the CW on how to manipulate the inspection process such that all CW properties would be assigned to defendant WILLIAMSON, defendant WILLIAMSON instructed the CW, "the game is, we don't want the other guy . . . the other inspector . . . How do you get around that? You apply and put the C.O. (meaning certificate of occupancy) on hold, I'll call you when I'm ready and then you can maneuver." The CW asked defendant WILLIAMSON, "I have your word . . . no issues?" to which defendant WILLIAMSON responded, "It's real simple. As long as they have smoke detectors . . . carbon monoxide alarms, and a fire extinguisher, I'll pass them." When the CW asked, "You'll close your eyes to everything else?," defendant WILLIAMSON replied, "Well, I'm giving, I'm giving time . . . not making a big deal."
13. During the meeting, when the CW offered to pay defendant WILLIAMSON for his agreeing to exercise his official influence in favor of the CW as it related to the inspections, defendant WILLIAMSON claimed that it was not necessary and that he was not looking for payment. Concerned about his ongoing candidacy and other activities, defendant WILLIAMSON stated to the CW, "I'm involved in too much crap right now, between running for the Assembly," and work on a building committee for a synagogue. At the conclusion of the meeting, defendant WILLIAMSON and the CW agreed to speak and meet again soon.
14. On or about May 1, 2007, defendant WILLIAMSON met with the CW at a restaurant in Long Branch, New Jersey ("May 1st meeting"). During the meeting, defendant WILLIAMSON indicated that he recently had performed lenient inspections on approximately 27 of the CW's properties that would result

in certificates of occupancy. In that regard, defendant WILLIAMSON and the CW had the following exchange:

JW: There are 27 that were done.

CW: And they all passed?

JW: They're done.

CW: Done means no issues.

JW: Well, it means I'm done with it.

CW: Okay . . . I don't want to know, and I don't want to ask any more.

JW: Alright.

CW: Agreed.

15. During the May 1st meeting, defendant WILLIAMSON and the CW further discussed the status of the home that the CW stated that the CW would be illegally converting to a commercial office with defendant WILLIAMSON'S official assistance. The CW advised defendant WILLIAMSON that the tenants were moving out and asked defendant WILLIAMSON, "I'm not gonna have a problem?" Defendant WILLIAMSON replied: "What happens is that you're gonna do what you're gonna do . . . whoever brings the stuff in, [I'm] gonna let them [meaning co-workers at the Lakewood inspector's office] know it's all part of the [CW's] deal. In other words . . . anyone brings in any application comes directly to me." Describing the sham-inspection that he subsequently would perform, defendant WILLIAMSON stated, "Real simple . . . all I'll know, is what I see."
16. During this conversation, defendant WILLIAMSON also verified C.A.'s earlier statement to the CW that defendant WILLIAMSON performed lenient inspections for members of the community in exchange for payment. In explaining the number of inspections that he performed a day, defendant WILLIAMSON stated, "I'm officially getting 5 or 6, but I wind up getting about 12 to 15." Defendant WILLIAMSON further told the CW, "[w]hat what do you think, you are the only game in town?"
17. Toward the end of the May 1st meeting, defendant WILLIAMSON accepted approximately \$1,000 in cash from the CW in

exchange for the lenient inspections that defendant WILLIAMSON performed. Defendant WILLIAMSON stated that he was just doing his job, and the CW thanked defendant WILLIAMSON for not causing the CW "trouble" with the Lakewood properties.

18. On or about May 21, 2007, defendant WILLIAMSON met with the CW and C.A. at a restaurant in Lakewood. At a point during this meeting, defendant WILLIAMSON stepped away from the dining table and met with the CW in the bathroom, where defendant WILLIAMSON accepted approximately \$500 in cash from the CW. As part of the ongoing scheme, defendant WILLIAMSON accepted this payment in exchange for exercising, and agreeing to exercise, his official influence in favor of the CW with respect to the illegal commercial office and as other specific opportunities arose regarding the CW's many Lakewood properties. Handing defendant WILLIAMSON the cash, the CW stated: "This is the \$500 for [the illegal commercial office] and . . . just take care of me. Don't bust . . . I know you won't bust my chops, but make sure they (meaning other authorities) don't. That's all I ask." As captured on a video recording of this meeting, defendant WILLIAMSON placed the cash in his wallet, returned to the dining table, and ordered his meal.
19. On or about June 18, 2007, defendant WILLIAMSON met with the CW at a property in Lakewood. During the meeting, defendant WILLIAMSON accepted approximately \$500 in cash from the CW in exchange for exercising, and agreeing to exercise, his official influence in generating two, Lakewood Township violation letters. Claiming that the payment was not necessary and that he was just doing his job, defendant WILLIAMSON pocketed the money and indicated he would supply C.A. with the violation letters the following day. Subsequently, defendant WILLIAMSON provided the CW with these two letters on or about June 19, and July 11, 2007.
20. At the July 11, 2007 meeting, at a restaurant in Lakewood, defendant WILLIAMSON and the CW reached an agreement, wherein defendant WILLIAMSON arranged to exercise his official action and influence in favor of the CW as specific opportunities arose in exchange for a \$1,000 monthly cash payment. The CW stated, "I get on the 15th of the month . . . get my money, my cash delivery comes . . . my overseas stuff . . . we can meet around the 15th" and "you do the right thing by me, I do right by you." Indicating that he was comfortable with the arrangement, defendant WILLIAMSON replied, "I'm doing my job." Regarding the sum of the

corrupt payment, the CW stated, "I'll give you a thousand a month and if there are any other issues, we'll talk . . . are you around Monday?" Williamson stated that he was available and arranged to meet with the CW at defendant WILLIAMSON'S residence in Lakewood for the purpose of accepting the next corrupt cash payment.

21. Thereafter, from on or about July 11, 2007 to on or about July 10, 2009, defendant WILLIAMSON accepted cash payments, as set forth below, from the CW in exchange for defendant WILLIAMSON'S continued official action and assistance in favor of the CW in connection with Lakewood building and housing matters:

Date (on or about)	Location	Approximate Amount of Corrupt Cash Payment
July 16, 2007	Lakewood	\$1,000
August 16, 2007	Lakewood	\$1,000
September 18, 2007	Lakewood	\$1,000
November 27, 2007	Lakewood	\$1,000
December 18, 2007	Lakewood	\$1,000
January 16, 2008	Lakewood	\$1,000
February 17, 2008	Lakewood	\$1,000
March 17, 2008	Lakewood	\$1,000
April 14, 2008	Lakewood	\$1,000
May 15, 2008	Lakewood	\$1,000
June 16, 2008	Lakewood	\$1,000
September 11, 2008	Lakewood	\$1,000
November 23, 2008	Lakewood	\$1,000
January 11, 2009	Lakewood	\$1,000
July 10, 2009	Lakewood	\$1,000