

**United States Department of Justice
United States Attorney's Office
District of New Jersey**



**Office Report
2002 - 2008**

**Christopher J. Christie
U.S. Attorney**

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Message from the United States Attorney's Office

On January 17, 2002, a new era began at the United States Attorney's Office in New Jersey. Already an office with a sterling history based on the leadership of outstanding former U.S. Attorneys including Frederick Lacey, Herbert Stern and Michael Chertoff, the office now faced a challenge never before seen in the history of federal law enforcement. The terrorist attacks of September 11, 2001 forever changed the priorities of law enforcement in the United States. The new United States Attorney would be inheriting that challenge. The prevention of domestic terrorism would be the office's top priority. During his investiture speech on January 28, 2002, United States Attorney Christopher J. Christie also detailed a number of other priorities he would set for his new office.

Confronting New Jersey's corrupt political system was priority number two. The new U.S. Attorney's words, spoken nearly seven years ago, seem now to be prescient given the performance of this office in fighting political corruption:

“As I begin my time on this watch, I have a simple message for New Jersey’s public officials. If you keep your oath and serve the people, you will have no greater ally. If you break your oath, if you choose to lie, to cheat and steal from those who you were sworn to serve, you will have no greater enemy. There is no more simple test of right versus wrong and this United States Attorney will make sure that those who violate the public trust will pay for that betrayal and they will pay with their freedom.”

The other main challenges laid out in that speech for the office and all of law enforcement were to aggressively pursue violent street gangs and to work to uncover the disgrace of trafficking in human beings, particularly young women brought into this country to become sex slaves.

The main question left after detailing those priorities was how to turn aspirations into reality. The office decided to first turn inward and decide if they were doing all they could with the resources they were being given by the Department of Justice.

U.S. Attorney Christie decided to do something that had never been done before in this office—to consider a wholesale reorganization of the office's operations in an attempt to increase efficiency, effectiveness, communication and productivity. He chose to begin that task by meeting individually with each Assistant United States Attorney to ask them how they would reorganize and change the office. Over his first three months, he met privately with each of his then 125 AUSAs. He listened, he took notes and he asked questions. Out of those meetings (and through the hard work of his senior staff) a plan evolved which would lead to greater accountability and productivity for every member of the office.

In May of 2002, the office reorganization was announced. Two previously stand alone divisions were merged into the existing Criminal Division and that new Criminal Division was divided into eight units, each with a detailed focus. Unit Chiefs would oversee a specific subject area and no more than eight AUSAs. The chiefs would meet with the U.S. Attorney and his senior staff every ten days to update them on the work of their group and receive policy direction. A renewed focus on narcotics, violent crime, organized crime, public protection, commercial crimes, government fraud, securities & health care fraud and, of course, terrorism would be the hallmark of this new model. To deal with the historical imbalance of assets in Southern New Jersey, he established the new Deputy U.S. Attorney position for South Jersey. He appointed long-time Camden County Prosecutor Lee A. Solomon to the position and increased staffing by 25 percent. Also, political corruption would be handled by the Special Prosecutions Division, which would remain an independent division reporting directly to the U.S. Attorney and his senior staff. It represented a sea change in the management of the office. What were the results for law enforcement in New Jersey?

Each and every year after the reorganization, the office brought more federal criminal cases than the year before, from Fiscal Year 2002 (when the plan was implemented) to Fiscal Year 2007. (See Table 1)

Not only were there more cases, but bigger and more significant cases every year. In the area of terrorism, two important national cases in the post 9/11 era were brought in New Jersey. U.S. v. Hemant Lakhani, was the case of an Indian born, British citizen who was attempting to sell shoulder fired missiles to what he believed to be a terrorist group intent on using them to shoot passenger airliners out of the sky above Newark Airport. The FBI's Joint Terrorism Task Force infiltrated the operation and the 71 year old Mr. Lakhani was convicted and sentenced to 47 years in prison without parole. The current prosecution of the six men accused of plotting to attack U.S. soldiers at Fort Dix (the Fort Dix Six) was uncovered through sixteen months of hard work from the Philadelphia Joint Terrorism Task Force. The case will be tried in October of 2008 in Camden.

The battle against political corruption has produced truly remarkable results. By the end of Fiscal Year 2008, more than 130 public officials, elected and appointed, have been convicted without a single acquittal. The cases have run the gamut from powerful statewide figures like former Essex County Executive Jim Treffinger, former State Senate President John Lynch and former Newark Mayor Sharpe James to local elected officials like Mayor Martin Barnes of Paterson, Mayor Raymond O'Grady of Middletown and five members of the Pleasantville school board. This list also includes power brokers like real estate magnate Charles Kushner, former Hudson County Executive Bob Janiszewski and Mercer County Chief of Staff Harry Parkin. Republicans and Democrats. Local corruption and statewide corruption networks. None have been immune from scrutiny or above that promise made by the U.S. Attorney in January of 2002.

National street gangs like the Bloods, the Crips and the Latin Kings and local sets like Sex, Money, Murder and the notorious Perez organization from Camden have been subject to the use of new tools by federal law enforcement. For the first time, the RICO statute was used here in New Jersey against a street gang and its members to remove an entire gang from a city neighborhood. For the first time, a gun dealer in Ohio was indicted in New Jersey with the street gang members he armed with illegally sold handguns from his store over 600 miles away.

No District in the country has placed more resources on the problem of human trafficking or gotten better results: Decades long prison sentences without parole for women who trafficked teenage girls into New Jersey and forced them into prostitution for their own profit; sure and swift punishment for those who traffic dozens of young women into New Jersey to exploit them for profit as nude dancers. These cases send a strong message to everyone that no form of slavery will be permitted in this state and that those who profit from these actions will be punished.

Every type of white collar criminal learned that New Jersey was not a place to try to ply your trade: A sentence of a dozen years for the Chairman of the former fraud ridden Cendant Corporation. Bringing Bristol Myers Squibb to justice for defrauding shareholders. Finally slowing the flood of taxpayer dollars out of the scandal ridden University of Medicine and Dentistry of New Jersey (UMDNJ). Ending the practice of the artificial hip and knee industry paying doctors tens of millions of dollars in illegal kickbacks and costing the Medicare system untold hundreds of millions of dollars.

None of this work could have been accomplished without the fabulous partnership between the office and our federal partners at the FBI, DEA, ATF, ICE, Secret Service, Postal Inspection Service, Department of Labor-OIG, HHS-OIG, DCIS and IRS-CID. None of this work could have been done without a group of extraordinary AUSAs. The roster of subsequent career accomplishments by the AUSAs who have served during this last seven years is unprecedented. One has served as Counsel to the Governor, NJ Attorney General and, now, Chief Justice of the NJ Supreme Court. One now serves as New Jersey's first State Comptroller. Two serve as county prosecutors, the chief law enforcement officers in their counties. Two have served as First Assistant NJ Attorney General and one as the head of the NJ Division of Criminal Justice. One serves on the U.S. 3rd Circuit Court of Appeals, with one each serving as a U.S. District Court Judge and a U.S. Magistrate Judge. Five have been appointed to New Jersey Superior Court judgeships. The quality of the work done by the office is matched by the quality of the people who have served in this Administration.

That night in January of 2002 when the U.S. Attorney laid out his agenda and roadmap for the future was filled with challenges and promise. No one would have dared to predict what would happen to this office, the people who worked in it, and those who led it in the seven years since that evening. This report details the very best of all the work that has been done on behalf of the people of New Jersey. It is our hope that the quality of the work and the nobility of the mission has helped to restore, in some small way, people's faith in the fact that government can work for them. We hope you enjoy reading the history of that effort. Thank you for the opportunity to serve and to lead this extraordinary group of public servants.

Christopher J. Christie, US Attorney

*Ralph J. Marra, Jr.
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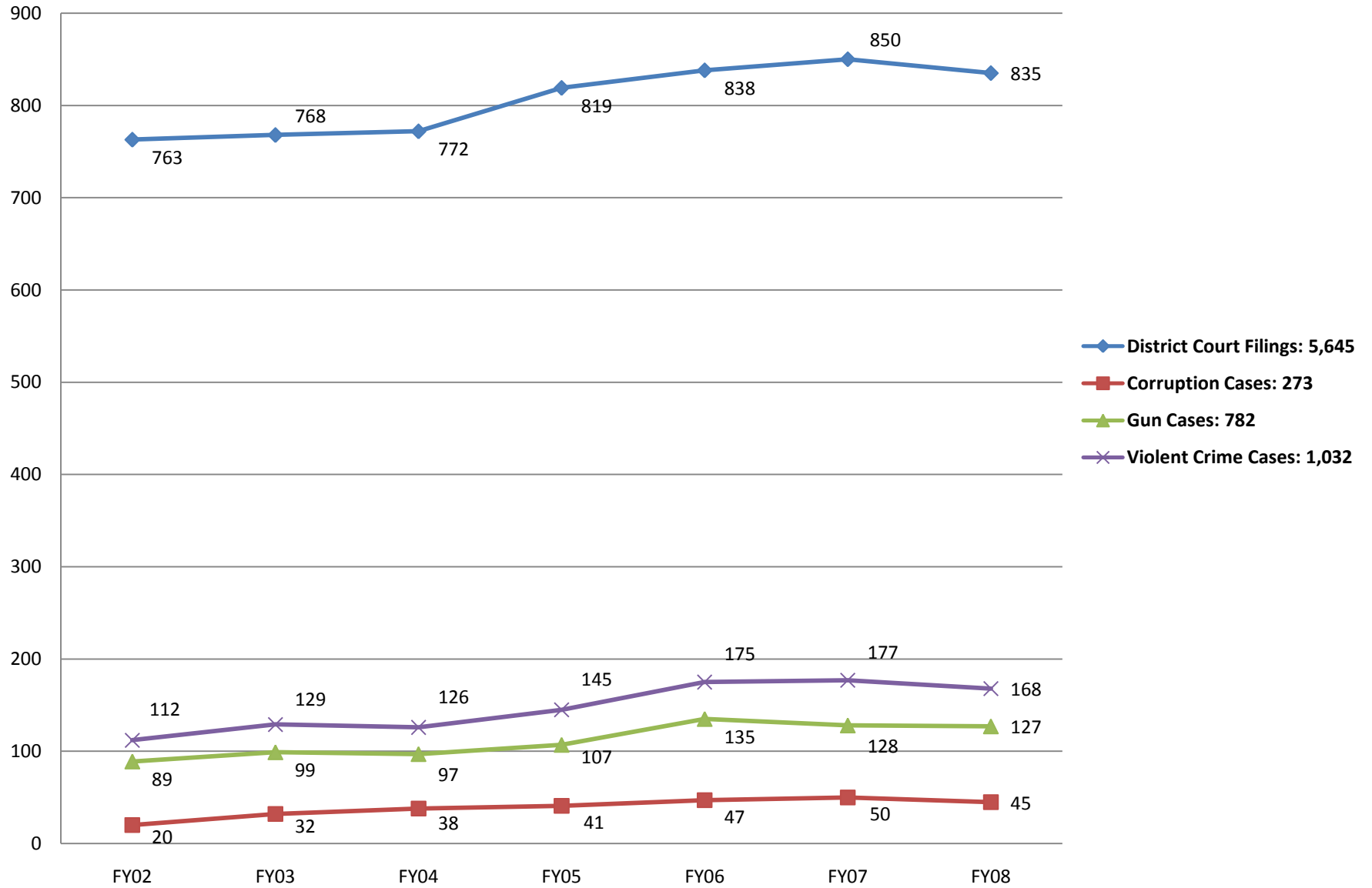
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Fiscal Years 2002 - 2008



2002

**Marty Barnes,
Mayor of Paterson – Extortion**

Setting the tone for things to come for a new U.S. Attorney, Paterson Mayor Marty Barnes was indicted on Jan. 24, 2002. Barnes's prosecution marked the beginning of a cultural shift in New Jersey politics and government as the Office ignited a very public, resurgent effort to find and prosecute public corruption in a state plagued by it. Barnes was the first in a rogues gallery of more than 150 corrupt elected and appointed officials snared over the next seven years. Barnes pleaded guilty less than six months after his indictment to one count of honest services mail fraud and one of subscribing to a false tax return. He admitted that he had taken tens of thousands of dollars in gifts, travel, even a custom swimming pool from a soon-to-become notorious New Jersey municipal contractor, United Gunite of Irvington, which would figure into several other significant public corruption prosecutions. Barnes admitted taking free travel to places that included Rio De Janeiro, where Barnes purported to be on city business yet instead was found cavorting with female companions. Barnes even took tax deductions for trip expenses paid by United Gunite. Barnes was sentenced by Judge Bassler to 37 months in prison. The case was prosecuted by now-former Assistant U.S. Attorneys Perry Carbone, then-deputy of the Special Prosecutions Division, and Michael Buchanan.

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**The Daniel Pearl Case –
Terrorism**

The full ferocity of terrorism in America was experienced by all on Sept. 11, 2001, but only a few months later it was unleashed with peculiarly personal and gruesome effect upon a single American, Wall Street Journal South Asia Bureau Chief Daniel Pearl. Pearl was kidnaped on Jan. 23, 2002, by Islamic radicals in Pakistan and beheaded on videotape. Through a creative venue approach – the kidnaping was perpetrated in part via email through the Dow Jones/Wall Street Journal's computer servers in South Brunswick – the lead perpetrator, Ahmad Omar Saeed Sheikh, was indicted in the District of New Jersey on March 14 in a case investigated and presented by then-Deputy Chief of the Criminal Division Charlie McKenna and then-Assistant U.S. Attorney Stuart Rabner (now Chief Justice of the New Jersey Supreme Court) and announced by Attorney General John Ashcroft in Washington. As a result of exceptional international law enforcement and intelligence community cooperation, Omar Sheikh was arrested shortly after the murder and sentenced to death. All these years later, his case remains under appeal, caught in the complexities of Pakistan politics and its judicial system.

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**Roger Duronio –
Computer “Logic Bomb”**

The hazards of the digital age were brought into sharp focus in this case of a disgruntled systems administrator at UBS

Paine Webber. Roger Duronio, who felt slighted by a \$32,500 bonus that was less than the \$50,000 he expected for 2002, took revenge by planting destructive code in 1,000 of UBS Paine Weber's networked computers and set the so-called "logic bomb" to detonate on his programmed instructions. Duronio was indicted in December and charged with Fraud and Related Activity in Connection with Computers. A second count charged him with securities fraud for his bet – through the purchase of put options – that the stock price of UBS Paine Weber's parent company, UBS AG, would plummet upon news of the crashing computer network. In the end, Duronio's wagers – in the stock market and by going to trial – were lost. Duronio was convicted in July 2006 on both counts and, as evidence presented during the case showed, he lost all of the nearly \$22,000 he wagered in put options when the company stock held despite his plan. The guideline range was driven by the \$3 million cost to repair the company computer systems, and Judge Greenaway sentenced Duronio on Dec. 13, 2006, to 97 months in prison. The case was indicted by former Assistant U.S. Attorney William "Widge" Devaney. The case was then taken up and prosecuted by Strike Force Chief Grady O'Malley and by now-former AUSA Mauro Wolfe.

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**Forbes and Shelton –
Cendant Corp.**

Enron, Worldcom, Tyco, Global Crossing. All were names synonymous with

colossal corporate greed and fraud. Presaging them was Cendant Corp. and the case of its chairman, Walter Forbes, and its president, E. Kirk Shelton, who were tried and convicted in a long, dogged pursuit by the District of New Jersey. The Superseding Indictment on which they were tried was returned on Dec. 11, 2002, in Hartford, Conn. (New Jersey venue was lost on a defense motion arguing, among other things, that trial in New Jersey represented a hardship due to travel distance for the defendants who resided closer to Hartford). After a remarkable 33 days of deliberations, the jury convicted Shelton on all 12 counts against him, including conspiracy to fraudulently inflate earnings at Cendant, wire, mail and securities fraud. (Shelton was sentenced to 10 years in prison and ordered to make restitution in the amount of \$3.275 billion.) But the jury had hung on all 16 counts against Forbes, setting the stage for a retrial. That trial too ended with a hung jury on a pared-down four-count Indictment, requiring a difficult decision on whether to go ahead with a third trial, which would take place this time in Bridgeport with a new judge. The case had all along been a resource-draining experience for the Office, with the defense team from the Washington powerhouse firm of Williams & Connolly LLC relentlessly peppering the government with time-consuming motions. The trial team also lived in and/or commuted from Connecticut during much of the trials. In all, between the various trial teams and appeals, the Office frequently had no less than four attorneys plus paralegals working on the case at any one time. On Oct. 31, 2006, Forbes was convicted in a third trial led by Assistant U.S. Attorneys Michael Martinez and Craig Carpenito. On Jan. 17, 2007, U.S. District

Judge Alan H. Nevas sentenced Forbes to 12 years and seven months in prison and imposed the same staggering restitution amount as he had against Shelton. Our appeals attorneys – led by Norman Gross and Mark Coyne – dealt superbly and tirelessly with the flood of defense motions through the course of the prosecutions and post conviction. Another satisfying event in the case came at the end of January 2008 when Shelton settled a suit filed by the Office to recover millions he fraudulently conveyed to his wife, children and other entities, in an attempt to shield assets from forfeiture. While his wife and children kept some very valuable real estate, Shelton relinquished to the government \$23.4 million in cash and securities, plus a \$2.2 million condominium in Vail, Colorado. In June 2008, we filed a similar suit against Forbes to recover tens of millions in assets he attempted to shield from creditors. And, in May 2008, the U.S. Supreme Court denied certification of Forbes' appeal of his conviction.

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**Calderon et al. –
Human Trafficking**

In the first of a series of human trafficking cases ushered through the Office, six individuals were charged on March 25 as the primary participants in a ring that smuggled young, undocumented Mexican girls into the U.S. to force them into prostitution at a Plainfield brothel. The case was among the first in the nation brought under the forced labor and trafficking provisions of the Victims of Trafficking and Violence Prevention Act sponsored by U.S.

Rep. Chris Smith of New Jersey. The naive, underage victims were from rural parts of Mexico and were lured to the United States with expressions of love, promises of marriage and good-paying jobs here. Instead, they were held captive at a brothel in Plainfield where they were forced to have sex with patrons up to six times a day. The investigation began with a local police prostitution raid when the teenagers were discovered during the operation. After the arrests of the two madams and related defendants, a county jail social worker conspired to deliver fake birth certificates to the Union County Jail in an attempt to show that the four underage girls in juvenile custody were 21 years or older. In less than a year, all defendants pleaded guilty. Two of the victims gave heart-rending testimonies at sentencing. Judge Hochberg sentenced the madams to the very top of the eligible range under the sentencing guidelines – 210 months. The case was prosecuted by former Assistant U.S. Attorney Robert Holmsen and trial attorneys from the Department of Justice, including Anne Milgram, now the Attorney General for New Jersey.

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**The Perez Organization –
Camden Drugs and Gangs**

The appointment of Lee Solomon as Deputy U.S. Attorney for the Southern Vicinages proved successful in building the needed collaborations among federal, state, county and local law enforcement. All of those agencies were coordinated through the federal Weed and Seed Program to make sweeping arrests in September of the leader

and 11 members of a notorious drug-trafficking gang in Camden. The Perez Organization peddled heroin and crack cocaine through street corner drug sets and protected its operations by threats and violence, including at least two murders, including that of a Rutgers University student. The Rutgers student was gunned down near the university's Camden Campus by four of the defendants armed with an AK47 and .45-caliber handguns in February 2001. The organization's leader, Enrique Perez, and two managers are members of a Camden street gang known as the "Sons of Malcolm X" (SOMX). This violent gang's initiation rite required members to kill someone to gain membership. Many SOMX members were prosecuted in the 1990s. The investigation used numerous confidential sources to infiltrate the Perez Organization to make incriminating, consensually recorded conversations with the defendants concerning drug-dealing activities and discussions about committing murder. Perez, along with a majority of his co-defendants, pleaded guilty and cooperated with the government. In June 2005, a jury convicted two leaders of the Perez Organization and a drug-set manager of committing two murders in relation to a drug trafficking crime and numerous drug distribution charges. Judge Kugler sentenced two of the defendants to life plus 85 years and the third defendant to life plus 30 years. The case was prosecuted by Assistant U.S. Attorneys Kevin Smith and Jason Richardson of the U.S. Attorney's Office Criminal Division in Camden.

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**Greater Newark Safer Cities
Initiative Roundup**

The U.S. Attorney's Office collaborated with the Essex County Prosecutor's Office in the arrests of 25 offenders of state and federal gun laws in April. The roundup was, in a different way, a first in New Jersey: federal, state and local law enforcement began a collaboration, announced the same day as the arrests, with a crime-study institute at Rutgers University, the Greater Newark Safe Cities Initiative. The program, which received funding and a national award from the Department of Justice's Project Safe Neighborhoods in 2006, began assisting in the identification of certain individuals in and around Newark who were deemed either at-risk offenders with prior criminal records, or as good candidates for successful re-entry after prison sentences, or as potential victims of crime due to their associations. The research effort began with the collection and analysis of crime and violence data from diverse sources. Using the data, the at-risk individuals were approached with the message that they had been identified and that their violence would no longer be tolerated. At the same time, social services, job training and the faith community were made available to them. An action plan was assigned and required, as well as a sponsor, to help direct them. Participants in the program are given a choice: either redirect their lives with help from the Safer Cities services, or face the consequences, including potential referral for federal prosecution, for future crimes. The U.S. Attorney nominated the Greater Newark Safe Cities Initiative for a PSN Achievement Award, which was one of only two given nationally for such programs, at the PSN Conference in Denver, Colo., in 2006.

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**Sara Bost –
Irvington Mayor**

The surveillance tape of her patting down a cooperator and asking if he was wearing a wire certainly belied her early declarations of innocence. Irvington Mayor Sara Bost was indicted on April 4 accused of accepting \$8,500 in corrupt payments in two separate schemes. Almost exactly a year after her indictment, and in the third week of her trial, Bost pleaded guilty to one count of attempted witness tampering in connection with the pat-down and instructions against cooperating she gave to the former Irvington administrator, who recorded the encounter for the government. Bost was sentenced by Judge Greenaway to 12 months in prison, the top of the range under the Sentencing Guidelines. The former township administrator also pleaded guilty in the case, which was prosecuted by Special Prosecutions Chief James Nobile, and by former Counsel to the U.S. Attorney Paula Dow, now the Essex County Prosecutor.

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**Shipping Company and Captain –
Ocean Dumping**

A string of successes in prosecuting trans-national shipping companies and ships' employees began in May, with a guilty plea from the chief engineer aboard the Motor Tanker Guadalupe. The pattern in the cases became generally the same. Ships traversing the high seas and making

port in New Jersey and other U.S. ports pumped thousands of gallons of waste oil and sludge overboard to avoid the cost and trouble of treating the waste onboard or disposing of it properly on shore. They usually bypassed oil-water separators or incineration onboard by way of what is commonly known in the shipping industry as a "magic pipe" over the side of the vessels. Under international treaty, the U.S. Coast Guard can board tanker ships to inspect required oil records and interview crew members. In the case of the M.T. Guadalupe, chief engineer Elangovan Mani, an Indian national, admitted conspiring to conceal and solicit false statements from the crew in connection with a Coast Guard boarding and inspection at the Port of Carteret. In 2004, the ship's owner, OMI Corp., of Stamford, Conn., pleaded guilty to falsifying records as part of the concealment and agreed to pay a \$4.2 million fine to the government. Half of the fine was awarded to a crew member aboard the M.T. Guadalupe who reported that he was being ordered to conceal the ocean dumping. The criminal case against the shipping company was prosecuted by former AUSA Mark Winston. The criminal case against the chief engineer was handled by former AUSA Nicholas Acker. Trial attorneys from the Environmental Crimes Section in Washington also were involved in the prosecutions.

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Rene Abreu, et al. –

Bank Fraud

A powerful business and political figure in Hudson County, Rene Abreu, used his influence and business empire to concoct a massive residential and commercial loan fraud built on the creation of phony tax returns, bank accounts, down payments and unqualified or sham borrowers. With his businesses, Abreu controlled both ends of his real estate dealings as a loan broker and realtor. His frauds were facilitated with the help of several of his employees and a senior bank vice president with whom he conspired to defraud the bank. Guilty pleas leading up to trial and trial testimony also revealed that, with the help of his "inside man" at the bank, Abreu was able to engage in a check-kiting practice that allowed him to run a negative balance of over \$1 million in his accounts on numerous occasions. Abreu and eight others were first charged in May in a 43-count indictment (pared back to 29 counts by the time the case went to trial in the summer of 2004). The Indictment charged him with multiple bank fraud schemes, including mortgage fraud, check-kiting, money laundering, cash structuring in excess of \$2 million, bribery of bank officials and more. Following a grueling four-month trial prosecuted by Assistant United States Attorneys Tom Eicher, Deb Goldklang and Matt Boxer, Abreu was convicted on 20 of 28 counts covering the check-kiting, cash structuring and other fraud schemes. Five co-conspirators, including a senior bank vice president, also were convicted for their respective roles. The trial capped an investigation that resulted in guilty pleas from more than a dozen defendants, including attorneys, accountants, bankers and developers, for

their roles in the various schemes. In January this year, the Third Circuit affirmed the convictions and sentences imposed by Judge Greenaway, who sentenced Abreu to 87 months in prison, the top of the sentencing guideline range.

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Trakhtenberg et al. – Human Trafficking

They portrayed themselves as promoters of international good will and culture by bringing Russian women to the United States as part of a traveling dance troupe. In fact, couple Lev Trakhtenberg and Viktoriya I'Lina and their enforcer, Sergey Malchikov, were human traffickers. Operating from Brooklyn, Trakhtenberg and I'Lina induced more than 25 Russian women to come to the U.S., got them into the country under false pretenses, then took their passports and kept them at work as nude dancers. If they didn't fork over as much as \$1,200 a week each from nude dancing in New Jersey and New York, the dancers were threatened with retaliation by Russian mobsters against their families back home. The three were indicted in August on charges of conspiracy, extortion, and trafficking with respect to forced labor, as well as visa and immigration fraud. Each eventually pleaded guilty, with Judge Lifland imposing harsh sentences: Lev Trakhtenberg, 60 months; Viktoriya I'Lina, 48 months, and Malchikov to 45 months. The cases were prosecuted by Assistant U.S. Attorneys Leslie F. Schwartz and Melissa Jampol.

James Treffinger –

Essex County Executive

Just months earlier, Essex County Executive James Treffinger had been the leading candidate for the Republican Party nomination for U.S. Senate. He was arrested at his home on Oct. 28, on charges including conspiracy, extortion, mail and wire fraud, witness tampering and obstruction, and fraud in his Senate campaign. The charges related mostly to his abuse of office to advance his ambitions to become U.S. Senator. When that failed due to the investigation of his office, he attempted to position himself to be the U.S. Attorney for New Jersey. Even his conduct in that regard figured into his indictment. The charges included extortion of county vendors for campaign contributions, creation of no-show jobs, witness tampering, and creation of phony paper trails to mislead investigators. Among other things, Treffinger allegedly extorted \$15,000 in campaign contributions from United Gunita Construction of Irvington, in exchange for nearly \$329,000 in no-bid contracts for sewer repair in Essex County. The Indictment also accused Treffinger of conspiring with campaign aides to make thousands of automated, negative phone calls to voters' homes directed at a political rival and made to look as though they were coming from another challenger for the Senate nomination. But, it was his obstruction attempt that truly laid bare Treffinger's unbridled political ambitions. During the investigation, Treffinger was recorded by a cooperating witness saying he wanted to become the U.S. Attorney so he could close down the investigation of him and others. He was famously recorded saying: "All this becomes moot if I get to be

made the U.S. Attorney," and that his co-conspirators would "rest easy for a long time to come [because] then this whole thing goes away." Treffinger pleaded guilty in May 2003 to conspiracy to obstruct justice and mail fraud. Judge Bissell sentenced Treffinger to 13 months in prison on Oct. 17, 2003. The case was prosecuted by Assistant U.S. Attorneys Perry Carbone and Nelson Thayer of the Special Prosecutions Division.

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Robert Janiszewski, et al. – Hudson County Executive

Another county executive fell in 2002 and brought quite a few other corrupt officials and contractors with him, as well as his best friend. Hudson County Executive Robert Janiszewski, who admitted during a guilty plea in October that he accepted more than \$100,000 in bribes while in office, assisted in the prosecutions of two Hudson County freeholders, Nidia Colon and William Braker, former Hoboken Mayor Anthony Russo, powerful North Jersey developer Joseph Barry, and his friend and confidant Paul Byrne, among others. During his guilty plea, Janiszewski specifically identified \$20,000 in cash payments he received from Dr. Oscar Sandoval, a provider of mental health services to the county jail. In return, Sandoval received contracts worth as much as \$1.5 million. Sandoval himself became a major cooperator in the Hudson County corruption investigation and received a non-prosecution agreement from the Office. Janiszewski said he accepted bribes from others over many years in office, and that the amount of the bribes was more than \$100,000 (Barry alone admitted that he gave

Janiszewski more than \$114,000). Janiszewski said that Freeholder Colon sometimes acted as an intermediary for Dr. Sandoval, her boyfriend, and delivered cash bribes to Janiszewski. While still a sitting freeholder, Colon went to trial in May 2003 and was convicted of honest services mail fraud and aiding and abetting Janiszewski's extortion. Judge Greenaway sentenced Colon to 37 months in prison, the top of her eligible guidelines range. Braker, a former Jersey City cop, was indicted in December 2002 for extorting cash payments from Sandoval. Just as jury selection was to begin, Braker pleaded guilty to attempted extortion under color of official right. He then worsened his situation by attempting to back out of the plea, leading Judge Lifland to strip Braker of credit for acceptance of responsibility. Judge Lifland sentenced Braker to 41 months in prison. Another major figure brought down in the Janiszewski probe was Barry, a powerful and influential developer of mixed-use retail and residential developments along the Hudson County waterfront – the “Gold Coast” – and president of the Applied Companies. Barry and his companies received more than \$8.8 million in federal and state loans and grants with assistance from Janiszewski. In return, Barry admitted that he made payments to Janiszewski totaling \$114,900. Barry was sentenced by Judge Pisano to 25 months. Adding an almost poignant note to the far-reaching case was that Janiszewski also identified and recorded his best friend and political advisor, Paul Byrne, as the intermediary for payments from a Hoboken accountant to Janiszewski in return for county contracts. Byrne, bitter and outspoken about the experience, died before he could be

sentenced for his guilty plea. Despite Janiszewski's generous, perhaps unprecedented cooperation, and the wholehearted 5k letter we provided because of it, Judge Pisano surprised us by rejecting the 5k, criticized our use of Janiszewski to “cooperate down” to snare lower figures, and sentenced Janiszewski to 41 months in prison, the very top of his eligible range under the Sentencing Guidelines. Regardless, the extended Hudson County case was an important historical success for the Office. Janiszewski and Byrne were prosecuted by Assistant U.S. Attorneys Jeffrey Clark and Deborah Goldklang, both of whom have since left the Office. Phillip Kwon and Clark handled Braker and Colon.

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“TOEFL” – Terrorism Prevention

National security concerns led to the arrests in May of dozens of foreign nationals enrolled in colleges, universities and other schools in the United States in connection with a scheme in which they paid others to take their English-language proficiency tests to satisfy visa requirements and enrollment standards at their respective schools (including flight schools), and thus stay legally in this country. Each of the students charged were accused of paying someone to take the Test of English as a Foreign Language, commonly known as the TOEFL exam, at testing centers in the United States run by Educational Testing Service of Princeton. The arrests received wide and sometimes critical national media attention, in which the value of the arrests was

questioned. But arguments in favor of pursuing the case were obvious to the Office and Department of Homeland Security. The students, here on temporary visas and all foreign nationals, made breaking the law among their first efforts in this country, which might not bode well for them being law abiding long-term visitors or eventual legal immigrants in the U.S. The motives for cheating could be merely what they appeared to be – the need to pass the test and qualify for continued stay in the U.S. and access to a top-notch education – or something far more nefarious, including terrorist or other criminal activities. The roughly 60 students were charged with conspiracy to commit wire fraud. In the end, none of the students prosecuted in districts across the country were sentenced to prison, but they were deported. The case was supervised by Stuart Rabner, then chief of the Terrorism Unit; numerous AUSAs took the individual cases for prosecution.

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**Robert Burrick –
Law Firm Partner, Embezzler**

As a litigation partner at one of New Jersey's leading white-shoe law firms, Robert Burrick undoubtedly had the trust of his firm, clients, and the community in which he lived, Short Hills. He lost that trust and a lot more in November when he was arrested by the FBI and charged with embezzling from the law firm of Pitney, Hardin, Kipp and Szuch, LLP., some clients and the Millburn youth soccer club, for which he had been treasurer. The total embezzlement – about \$120,000 – was not a large amount in the annals of white-collar

fraud, but the fact that it was stolen by a high-earning attorney, and from a youth soccer club, made Burrick's case different from others. Burrick was arrested by the FBI in November and pleaded guilty 14 months later to mail fraud and was sentenced by Judge Cavanaugh to 18 months in prison. Burrick admitted at his plea hearing that he issued dozens of checks drawn from client trust accounts, his law firm's business account and the Millburn Soccer Club. In one example, he wrote a \$7,000 check from the Soccer Club to pay his family's American Express bill. In another, he wrote a check for \$10,000 to a company he created. In fact, the company, which had no operations, was named after a car wash in the Bronx owned by the wife of a co-conspirator, and he used that \$10,000 to repay a debt to the co-conspirator. The case was prosecuted by Assistant U.S. Attorney Robert Kirsch.

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**Terrence D. Weldon, et al –
Ocean Township Mayor,
Bid Rig "Phase One"**

Monmouth County became fertile ground for some of the Office's most visible public corruption prosecutions, spawning the FBI's highly successful "Bid Rig" investigation that would make headlines for years to come. Ocean Township Mayor Terry Weldon and a closely intertwined group of other public officials and developers opened the door for Phase One of the Bid Rig investigation of corruption at the municipal and county level in Monmouth. As became publicly known over time, the FBI had been wiretapping a powerful figure in Monmouth

County real estate development and politics, Philip Konvitz, when Weldon was intercepted discussing an anticipated \$50,000 bribe payment, facilitated by Konvitz, from another developer, Moshe Gohar. In return, Weldon was to assist with the needed approvals for a Gohar residential development in Ocean Township. In January 2002, agents searched Weldon's home and found the \$50,000 hidden in a closet inside the pocket of a blazer. Come October, Weldon would plead guilty to three counts of extortion, admitting that he took bribes from three developers, including Gohar. Just three weeks later, the Office indicted Konvitz, the Long Branch developer, and Asbury Park Councilman James Condos for several corrupt schemes, including Konvitz's continuing corrupt support of Condos, which included providing Condos with a liquor license valued at \$25,000, and at least another \$10,000 in cash in exchange for Condos' votes on the city council to benefit Konvitz on waterfront development and other interests. Weldon became a prolific cooperator, reconstructing his corrupt involvement with other public officials and developers in Asbury Park, Ocean Township and beyond, and making recordings with others who would eventually plead guilty. Those individuals were surprisingly candid with Weldon, even while he was known to be awaiting sentencing. Guilty pleas followed from Gohar, who was sentenced to 24 months in prison; from Stephen Kessler, a fellow commissioner with Weldon on the Ocean Township Sewerage Authority, who is awaiting sentencing for accepting \$15,000 in bribes with Weldon from Howard Schoor, a co-founder of the major civil engineering firm Schoor DePalma; and Louis Gartz, a

public accountant who paid Weldon and Kessler in exchange for maintaining contracts in Ocean Township and was sentenced to 26 months in prison. The former mayor of Asbury Park, Kenneth Saunders, was convicted at trial, along with his "bagman," Rayfield James, of conspiring to bribe a fellow councilwoman to vote with Saunders on development of the city's waterfront. Saunders was sentenced to 30 months in prison, and James received a sentence of 32 months. Konvitz, whose influence-buying spawned the Bid Rig investigation, was declared incompetent to stand trial at age 92 and died in 2005. In addition, former Asbury Park Housing Authority chief Kenneth Nixon pled guilty to conspiring to obtain a job for Councilman James Condos with the Housing Authority in exchange for Condos' votes for Housing Authority commissioners favorable to Nixon. Nixon passed away before sentencing. Plenty more activity would follow, including the indictment of Schoor, whose trial is pending, and the arrests in February 2005 of the so-called "Monmouth 11" in the second phase of Bid Rig. The primary AUSA in the initial phase of Bid Rig was Mark McCarren. As those early cases moved forward, several others took roles in the prosecutions, including Matthew Boxer, Nelson Thayer, Brian Howe and Charlie McKenna. As the second phase of Bid Rig opened, virtually every prosecutor in the Special Prosecutions Division had a role. And of course throughout, all the cases were supervised by Special Prosecutions Chief James Nobile.

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Dominick Russo –

Deputy U.S. Marshal, Embezzlement

Corruption hit close to home with the June indictment of a Deputy U.S. Marshal, Dominick Russo, who was head of Marshal's Service Asset Forfeiture Unit. Russo turned the Unit's assets and accounts into a personal piggy bank benefitting him, his friends and family, including his half-brother Anthony, who also was charged and convicted with Dominick Russo, and others. A 21-count Indictment was returned in June 2002 alleging that Dominick Russo enriched himself and others by arranging cut-rate sales of real property and luxury automobiles seized by agents of the FBI, DEA, and other federal law enforcement agencies, and by arranging fictitious commissions on those sales. In one part of the conspiracy, Dominick Russo falsely represented in a memo to a supervisor at the Marshal's Service in 1998 that a property in Waretown "was placed on the market with a broker" for a six-percent commission. Testimony revealed that Anthony Russo was the purchaser of the house and that the "broker" was Dominick Russo's brother-in-law, a cabinet-maker, who received a \$6,500 real estate commission from the transaction and, in turn, kicked back \$3,500 cash to Dominick. Anthony Russo used his ex-girlfriend as a straw purchaser and created an alias and bogus documents to conceal his identity in the transaction, and he bought the property at a deep discount. To fly under the radar, Dominick Russo sold the house to his half-brother for \$108,000 – just above the price at which Dominick Russo would have needed special permission from the Marshal's Service headquarters in Washington, D.C. to sell. In another part of the conspiracy, Dominick Russo sold high-

end vehicles to family and friends, who quickly resold them for profit. Following a 12-week trial prosecuted by Assistant U.S. Attorneys Michael Buchanan and Luis Valentin (who left the Office to become the Monmouth County Prosecutor), Dominick Russo, 42, of Union, was convicted of one count of conspiracy, one count of mail fraud, nine counts of embezzlement of public funds, and seven counts of making false statements. Anthony Russo was convicted of one count of conspiracy, one count of mail fraud, four counts of embezzlement of public funds, and five counts of making false statements. Dominick Russo's former girlfriend, Patricia Eichelsdoerfer, a Parsippany real estate agent who was charged in five counts of the Indictment, was acquitted on each of those counts. As Dominick Russo, then 42, awaited sentencing, he died of natural causes. His half-brother was sentenced to 70 months imprisonment and was ordered to return the Waretown property to the Marshal's Service. That property was then re-sold for over \$350,000.

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Hackensack University Medical Center, Medicare Overbilling

Doing its part in an expanding Department of Justice-wide enforcement effort, the Civil Division reached an agreement with Hackensack University Medical Center in July to recover \$4.23 million in overbillings to the government healthcare fund. A month earlier, the Civil Division settled with St. Clare's Health Services, which operates four hospitals in Morris and Sussex counties, for just over \$1

million for Medicare overbilling. Numerous other hospitals in New Jersey would fall under review in the coming years, resulting in many more million-dollar-plus recoveries. In the case of Hackensack, the hospital agreed that it had substantially overbilled Medicare from 1993 to 1999 on inpatient pneumonia cases it had treated. Short of settling with the government, hospitals and their parent companies face triple damages and potential debarment for purposeful overbilling. The matter was handled by Michael Chagares, then the Chief of the Civil Division, and now a judge on the Third Circuit Court of Appeals.

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2003

**Hemant Lakhani –
Terrorism Prevention,**

International Arms Smuggling

In the first months after Sept. 11, 2001, an obscure businessman and British citizen came onto the radar screen of the FBI. Hemant Lakhani, through his recorded statements, made it clear he was willing to broker the sale of shoulder-fired missiles to shoot down American passenger jets. Among his remarks – captured surreptitiously as he tried to arrange the sale of missiles to an undercover FBI cooperator whom Lakhani believed represented Somali terrorists – were those in which he praised Osama Bin Laden and the attacks on America. “(He did) a very good thing,” Lakhani said. Lakhani also recommended using missiles in multiple, simultaneous attacks on planes across the United States: “It will shake them,” he said. “They will run. They will think the war has started.” Lakhani was arrested at a Newark airport hotel on Aug. 12. The defense before and during trial was to make Lakhani out to be no more than a bumbling braggart incapable of carrying out his stated intentions, and merely a former salesman of women’s clothes entrapped in an arms deal arranged and controlled by the government using a cajoling cooperator. But it was Lakhani’s initial, independent efforts to find an arms buyer; his persistence over time in pursuing and completing the deal, including travels to Russia, Ukraine and Cyprus, and his many recorded statements that sealed the image of someone predisposed and motivated to follow through with the importation and sale of the missile. Lakhani also hoped the sale would be the first of larger shipments to follow. When the missile arrived at the airport hotel, Lakhani was seen on videotape joyously handling the missile (which had

been disarmed) and instructing the cooperator on how to use it. Coming so close to Sept. 11, the case received unprecedented national media attention. In time, it also brought out naysayers who seemed unable or unwilling to grasp an inescapable conclusion about the case and about Lakhani: that through his words and actions, Lakhani was determined to make a deal with terrorists and didn’t care how many Americans were killed as a result. The jury obviously recognized this and convicted Lakhani on April 27, 2005, on all counts: attempted material support to terrorists, money laundering (two counts), and attempting to import merchandise into the U.S. by means of false statements. Judge Hayden sentenced the 70-year-old Lakhani on Sept. 12, 2005, to 47 years in prison. The only break Lakhani got was Judge Hayden running one of the money laundering convictions concurrent to the other. An enormous deal of credit goes to the two Assistant U.S. Attorneys who tried the case: Stuart Rabner, then chief of the Criminal Division and now Chief Justice of the New Jersey Supreme Court, and Brian Howe, now Deputy Chief of the Special Prosecutions Division. The international investigation started in Russia and the Ukraine with law enforcement there and ultimately was the product of New Jersey’s Joint Terrorism Task Force, particularly agents from the FBI, and Immigration and Customs Enforcement, and the Defense Intelligence Agency.

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Double ii Bloods – Racketeering, Gun Trafficking

This original Indictment, in

December, was bold and novel enough: Along with a group of some of the most notorious, murderous Bloods gang members from Essex County, we charged a licensed Ohio gun dealer in a gun-trafficking conspiracy that also involved college students from a small university in Ohio as straw buyers for guns, dozens of which found their way back to New Jersey and to gang members. The case presented quite a potential courtroom visual: sitting a federally licensed gun dealer at the defense table with killer gang members from East Orange. Then-Attorney General John Ashcroft announced the case in Washington with our U.S. Attorney. Ten months later, we took the case an unprecedented step further by superseding with a sweeping Racketeering Indictment, marking the first time that the RICO statute was used in this way against a street gang responsible for at least five murders and 14 attempted murders, a gun trafficking conspiracy (with the Ohio gun dealer), plus drug dealing, assault, robbery, arson, etc. Ultimately, the gun dealer died before we were able to bring him to justice. The four leading defendants in the case, three of them making up the top ranks of the Double ii Bloods plus one associate, were in the midst of jury selection in their racketeering trial in September 2006, when they pleaded guilty to racketeering acts that included admissions from each defendant of at least one murder. At sentencing before Judge Hayden, Tewhan Butler, a.k.a. "Massacre," the Double ii leader, or "101" in gang parlance, received 30 years in prison; Quadree Smith, a.k.a. "Trouble," the Double ii second in command, also got 30 years; and Amir Winn, another ranking member, received a 34-year sentence. Each gave detailed

allocutions on murders designed to intimidate rivals, consolidate their drug territory or to simply flex gang muscle. Among the most horrifying was Winn's admission of killing the father of an 8-year-old right in front of the boy. The reason? He felt "disrespected" upon learning that the father had spoken out to Double ii members in an attempt to shelter his son from gang activity in the neighborhood. In all, this case and its progeny netted approximately 45 guilty pleas. The kudos here went to former Assistant U.S. Attorney Marc Agnifilo, for his development of the case over the course of years and his RICO approach. After Marc departed the office for private practice, the case was continued with success by AUSAs Serina Vash, Marion Percell and Christopher Kelly. Several other AUSAs handled numerous of the defendants who pleaded guilty along the way.

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**Superior Court Judge
Stephen W. Thompson –
Sex Travel, Child Pornography**

In the disturbing world of child pornography prosecutions, the facts of this case could hardly have been more disturbing: a long-serving New Jersey Superior Court Judge, who in his career had sentenced his share of sex offenders, was accused of traveling to Russia for the purpose of having sex with a teenage boy. Stephen W. Thompson was first charged in April by the Camden County Prosecutor's Office with possession of child pornography. The case was adopted for

federal prosecution, and Thompson was indicted in December on two counts: engaging in sexual conduct with a minor for the purpose of producing a visual depiction, which then carried a mandatory minimum sentence of 10 years; and possession of child pornography – encompassing thousands of still images and video depictions seized from Thompson's computers, including the one in his judicial chambers. The case was all the more distressing given Thompson's physical limitations and injuries: he was a decorated Vietnam soldier who had lost a leg and his testicles in hand-to-hand combat. Thompson claimed his acts were the manifestation of post traumatic stress disorder and that he was innocent by reason of insanity. The defense worked in part, but to no great advantage in the end. Following a three-week trial featuring a presentation of most of the lurid video of Thompson's sexual encounter with the Russian teen, and about 50 images of child pornography (less than one percent of his 6,000-image collection), the jury returned a split verdict: guilty of sexual conduct for the purpose of making a video depiction, and innocent by reason of insanity for possession of the thousands of child porn images. On April 6, 2006, Judge Irenas imposed the 10-year mandatory minimum sentence on Thompson and fined him \$25,000. The case was tried by Assistant U.S. Attorneys Jacqui Carle and Steven D'Aguanno.

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Hoffecker and Myers – Securities Fraud

We first indicted these international

con men in February. It would take two trials over three years, but justice finally caught up to Charles Hoffecker and co-defendant Charles Myers. The two ran boiler rooms to induce investors to fork over millions to a Bahamian corporation purportedly engaged in the business of buying and storing commodities, such as gold, silver, copper, and heating oil, and selling shares on a leveraged basis to investors. The problem, of course, was that there were no commodities, and investors were bilked of approximately \$14 million. The two seemed particularly determined to run their commodities scams no matter what. In fact, before we indicted them, they had both already been enjoined for life from participating in the commodities trading industry, only to move their action offshore in their failed attempt to avoid detection and prosecution. A first trial in 2004 ended with a hung jury. AUSAs Robert Kirsch and Bohdan Vitvitsky won the second time around with convictions in March 2006 for conspiracy to commit mail and wire fraud and three counts each of mail fraud. Judge Hayden sentenced Hoffecker in June 2006 to a whopping 210 months in prison and ordered him to pay \$2.67 million in restitution; Myers received a 108-month sentence and the same restitution.

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Morales – Camden Drug Trafficking, HIDTA

A cooperative effort by the U.S. Attorney's Office, DEA and the Philadelphia/Camden High Intensity Drug Trafficking Area (HIDTA) task force into violent drug distribution networks in Camden resulted in the arrest of Raymond Morales in March. Morales was the leader of one of the most violent drug organizations ever to operate in the city. As with many other such drug/gang cases in Camden, the dominos started falling after Morales began cooperating. Also charged were members of his organization and their cocaine suppliers, who transported hundreds of kilos of cocaine from Arizona and New York to the Philadelphia metropolitan region. Morales was charged as the leader and principal administrator of a large-scale drug trafficking Continuing Criminal Enterprise that operated in Camden for over 10 years. Through the investigation, a Philadelphia stash house was identified and the timing of a large shipment of cocaine from Arizona was confirmed. Authorities used the opportunity to arrest Morales, along with five members of the Arizona connection, and seized approximately 30 kilos of cocaine on March 8, 2003. Morales began cooperating by October. Amazingly, although Morales pleaded guilty on July 27, 2005, to a nine-count Superseding Information, the fact that he was cooperating remained secret until the Superseding Information was unsealed in May 2007. Morales pleaded guilty to being a leader of a CCE, and to ordering seven murders in furtherance of the CCE, and related distribution charges. The Office has charged individuals in three of the Morales-

ordered murders, as well as one attempted murder and convicted two individuals thus far. As a result of the four-year investigation, 23 defendants directly connected to Morales' CCE were charged; by this writing, many have pleaded guilty or been convicted at trial. Additionally, 35 suspects were arrested on state charges over the course of overlapping investigations. This herculean effort against the Morales Organization was led by Assistant U.S. Attorneys Diana V. Carrig and Howard Wiener.

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Civil Medical Malpractice Trial

Assistant U.S. Attorneys Pamela Perron and Yanet Perez Noble were honored with the Justice Department's Director's Award in recognition of their outstanding performance in defending doctors and nurse-midwives at a federally funded health care center in a civil medical malpractice trial involving several difficult standard-of-care medical issues. The plaintiff claimed that the defendants failed to order a fourth ultrasound during the 40th week of gestation to estimate fetal weight, and consequently failed to present the alternative Cesarean section course of delivery. The plaintiff vaginally delivered a 12 pound, 4 ½ ounce baby, with both the mother and baby suffering neuro-physiologic complications. The plaintiff alleged that the practitioners were negligent with respect to pre-natal examinations, estimation of the probable size of a fetus, the circumstances in which vaginal or Cesarean delivery should be recommended, conduct of the delivery, and post-partum care. With so many issues, this

would have been an easy case to justify settling. However, Perron and Perez firmly believed that the midwives and doctors were blameless, and that they deserved an aggressive defense on the merits. The favorable outcome in this case was significant on a number of fronts. The U.S. Attorney's Office is being called upon to defend actions arising from an increasing array of community-based healthcare facilities, and many of these cases dealing with obstetric complications. To be successful in such a complex, sympathetic case, may well avert other similar cases in the future.

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**Alan Clark –
Major League Baseball
Memorabilia Fraud**

What does one say – besides that it's a sad day in sports or, maybe, that there's a sucker born every minute – when we snag a former MLB umpire for authenticating bogus sports memorabilia? Serious baseball fans knew this umpire as someone who had officiated at some of Baseball's biggest games. That was part of how Alan Clark pulled it off. He had the reputation and gravitas to be able to "authenticate" hundreds of baseballs from famous games that he officiated: the New York Yankee's 1978 pennant clinch over the Boston Red Sox, Nolan Ryan's 300th career pitching win with the Texas Rangers, and Dwight Gooden's 1996 no-hitter at Yankee Stadium, among numerous other notable games. Clark conspired with a friend, who was a sports memorabilia dealer, to sell the dirt-rubbed baseballs that had, in fact, never seen

the inside of an MLB stadium. Some of the baseballs sold for thousands of dollars. Clark pleaded guilty in February 2003 to mail fraud conspiracy and was sentenced in June 2004 to four months in prison and four months of house arrest. Now-retired Judge Bissell also ordered him to pay restitution of \$40,000. His partner in the fraud received the same split sentence. He didn't have restitution, but he did have to pay more than \$100,000 in back federal taxes. The case was prosecuted by former AUSAs John Vazquez and William "Widge" Devaney.

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**Kenneth Jenkins –
Camden Drug Dealer,
Real Estate "Flipper"**

Kenneth D. Jenkins was among the more entrepreneurial Camden drug dealers we've come across. He used some of the proceeds of his sales of cocaine and crack to purchase rundown properties in Camden and "flip" them at inflated prices by securing fraudulent mortgages for unsophisticated and unqualified borrowers. Jenkins and four co-conspirators were arrested on a 37-count federal Indictment in October. Evidence from the investigation and trial in late 2004 revealed that over approximately seven years, Jenkins brought more than 2,000 kilos of cocaine into Camden, where he converted 60 percent of it into crack and resold it. Jenkins rolled a lot of his cash into real estate with the purchase of at least 25 rundown properties. Jenkins and his live-in girlfriend, a licensed real estate agent, targeted naive, sometimes illiterate or even mentally disabled individuals to purchase

the homes. The total sale price of the homes sold to unwitting buyers was more than \$1 million. Most of the buyers defaulted on their mortgage loans, which were backed by an FHA home-ownership assistance program. A jury convicted Jenkins in January 2005 on charges of conspiracy, mail fraud, wire fraud and money laundering. All of Jenkins' co-defendants and two related defendants pleaded guilty prior to the trial. Judge Wolfson sentenced Jenkins to 30 years in federal prison. Jenkins also forked over more than \$1.98 million by way of restitution and forfeiture. Jenkins and his co-defendants were prosecuted by Assistant U.S. Attorneys Marc Ferzan and Ronald Chillemi.

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Al Moroccan Empire or Moors – An Odd Case With Some Very Difficult Defendants

Members of an organization known as the Al Moroccan Empire or Moors, who claimed that they were not subject to the laws of the United States, would eventually learn how wrong they were. But not until after they used financial and legal tactics to harass investigators, our prosecutors, and the federal judge who eventually sentenced them. In May, seven Moors were arrested on a 25-count Indictment alleging that the group produced more than \$17 million in fictitious money orders purporting to have been issued by the federal government. The Moors submitted the money orders as payment for mortgages, auto loans and other personal items – including flights aboard the Concorde supersonic jet. By July, five

members of the group were convicted at trial; the remaining defendants had already pleaded guilty. The group's ringleader, William Oscar Harris, a former Atlantic City housing official, was sentenced to 188 months. Before the indictment, when the defendants realized they were under investigation, some of them resorted to placing pesky property liens against our prosecutors, agents and even Judge Simandle, who held them in contempt and ordered their sentences on the criminal convictions run consecutive to their continued imprisonment for contempt. Judge Simandle gave them an out: they could end their civil contempt if they signed affidavits renouncing past, current and future financial threats. As of February 2008, Harris – the only apparent true believer of the bunch – remained in civil contempt and was not getting credit against his prison sentence. The case was tried by former Assistant U.S. Attorneys R. Stephen Stigall and Lee D. Rudy.

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Medi-Hut – Corporate Fraud

This was no Enron, but the result was very much the same. A company inflates its earnings and warps its balance sheet, leading its stock price ever higher until revelations of the fraud bring the house of cards crashing down. Three executives of Medi-Hut, including the CEO, CFO and a sales and marketing vice president, all pleaded guilty in August to conspiracy to commit securities and wire fraud and making false statement to the SEC. The

COO pleaded guilty to obstruction. Once uncovered, the fraud caused a \$100 million market loss in the company and its eventual demise. The company, based in Lakewood, was a national distributor of medical devices and vendor of brand name and generic over-the-counter and prescription drugs that went public in 1998. The executives inflated revenues through fictitious period-end invoices and other accounting tricks. They also hid from investors the fact that one of them secretly owned and controlled one of Medi-Hut's largest customers, which accounted for two-thirds of sales. The stock price of the company, once at \$12.70 per share, spiraled into oblivion after the investigation began and newspapers started reporting on the problems at the company. The three executives primarily responsible for the fraud received sentences from Judge Linares, ranging from 42 to 46 months. The case was prosecuted by Assistant U.S. Attorney Robert Kirsch.

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Roy Campbell – Gangs, Gun Trafficking

Roy Campbell of East Orange moved to Colorado in 1999. He didn't stay long, – just long enough to establish residency and become eligible to buy handguns in Colorado legally. Campbell then bought no less than 86 handguns, all of the cheap variety that turn up so frequently on urban streets and in the hands of gang members in New Jersey. In fact, four of the handguns purchased by Campbell were recovered by police officers in Newark and East Orange during arrests, and another on the floor of a bar in Newark. Two

individuals arrested identified themselves as members of the Bloods. We indicted Campbell first in September for dealing in firearms without a federal license and superseded six months later after the full picture emerged: He was charged this time with conspiring to buy and distribute the guns with a leading member of the notorious "Sex, Money, Murder" set of the Bloods, who recruited Campbell to purchase the handguns in Colorado. Campbell, who had confessed in full, went to trial nonetheless and was convicted in October 2004 of conspiracy to deal in firearms without a license. Campbell had a creative story to explain all those guns, which he told the jury himself: He was buying them for his new hobby – metal engraving – and wanted to engrave tribal designs on them. He said (really) that after purchasing the \$12,000 worth of guns he decided to simply return them to the Colorado store where he bought them – at a \$6,000 loss – suggesting he had nothing to do with the guns' arrival on the streets of Newark and East Orange. Judge Walls sentenced Campbell to 60 months in prison. The case was prosecuted by Assistant U.S. Attorney Richard E. Constable III.

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Anthony Russo – Hoboken Mayor, Extortion

Anthony Russo was a powerful force in Hoboken politics and unarguably played a large role in the city's successful redevelopment and gentrification. But it was in that exercise of power that Russo extorted hundreds of thousands of dollars,

primarily from a city accounting firm, bar owners under threat of liquor license violations, a towing contractor and others. We indicted Russo on honest services mail fraud and extortion charges in September. A common denominator in the Russo case and that of other Hudson County political figures (notably County Executive Robert Janiszewski) was the Hoboken accounting firm of Gerard Lisa, which paid large sums of bribe money in exchange for municipal and county government contracts. Russo alone finally admitted demanding and accepting at least \$317,000 from the accounting firm between 1999 and 2001. As eventually became known, Lisa was a critical cooperator in the Hudson County corruption investigations. Russo pleaded guilty in September 2004 to three counts of mail fraud, and although we required only a limited factual basis concerning a few specific bribes, Russo had to come clean – but didn't – on the full extent of his bribetaking for his Presentencing Report. At sentencing, Russo tried Judge Pisano's patience with his continued equivocating. Only under threat of a full evidentiary hearing did Russo fess up in full and agree to restitution of more than \$330,000. After that, Judge Pisano gave him 30 months in prison, the top of his eligible guidelines sentencing range. The case was prosecuted by First Assistant U.S. Attorney Ralph Marra and Assistant U.S. Attorney Luis A. Valentin, now the Monmouth County Prosecutor.

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Cooper Health and Cathedral Healthcare –

Medicare Fraud

The Civil Division began a steady stream this year of recoveries from New Jersey hospitals for overbilling Medicare with settlements from Cooper Health System, of Camden, and Cathedral Healthcare System, of Essex County. Cathedral agreed to pay \$1.5 million, and Cooper \$476,500. Like many more such settlements to come in following years, Cooper and Cathedral settled their claims under threat of civil charges under the False Claims Act, an enforcement tool providing for up to triple damages that was strengthened by Congress in the 1990s. In the Cathedral case, the hospital network settled claims that, from 1992 through 1998, it wrongfully billed Medicare for inpatient hospital stays for patients who actually received outpatient services, resulting in a far higher reimbursement rate. Cooper settled claims that, from July 1995 to June 1996, it submitted inadequately documented claims for services to Medicare patients that it represented were personally provided by teaching faculty physicians employed by Cooper. In fact, Cooper entered into another settlement for \$400,000 just a year earlier for charging Medicare patients inpatient rates for outpatient services. In these and other False Claim Act recoveries, the healthcare companies were required to follow corporate compliance programs to guard against repeat conduct. Most of the cases were managed by Assistant U.S. Attorney Stuart Minkowitz, who was head of the Affirmative Civil Enforcement Unit, before he left the Office to become a New Jersey Superior Court Judge. The cases were also investigated and prosecuted by the Office of Inspector General of the

Department of Health and Human Services.

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**Joseph Nardone, Sr., and Son –
Labor Union Corruption**

Father and son turned their union's Jersey City office building into a cash machine for them and their co-conspirators by creating construction projects at the building that were unnecessary and grossly inflated. Junior Nardone was indicted first in May; a subsequent Superseding Indictment added his father, then 85 years old. Local 148 of the Novelty and Production Workers Union was founded by the elder Nardone in 1956, and remained a "captive" union for decades under his control. His stewardship appeared to be for the primary purpose of amassing salaries and exorbitant pensions for him and his son, and otherwise treating the union like a family business. Nardone, Sr., was barred under federal court order in 1996 from any role in the local due to corruption. Nonetheless, he remained the defacto leader of the union, and installed his son as president in his place. The union embezzlement primarily involved a scheme to generate cash from the union's Welfare Fund by creating construction projects at the building located at an address that says it all: One Nardone Way. Nardone, Sr. proposed to build an addition to the existing union building. Without benefit of any competitive bidding, the union Health Fund's Executive Board, consisting only of Nardone, Jr. and a Nardone crony, set aside \$634,000 to add a small wing to the building. The price had been grossly inflated to cover the anticipated

skimming of approximately \$264,000. A city ordinance requiring the purchase of an additional parking area allowed the defendants to skim another \$100,000 in the lot's purchase and renovation. The entire project cost the union almost \$1 million – \$364,000 of which was embezzled by the defendants. Another fraud increased losses to the union's Welfare Fund by another \$75,000. Following a seven-week trial in 2004, the Nardones were convicted. The father, then 88 years old, tried and failed to convince Judge Linares to impose a non-custodial sentence; he got one year in prison instead. The son got 40 months. Both were ordered to make restitution of \$431,000. Several other co-conspirators also pleaded guilty, including Nardone Sr.'s friend, general contractor Stanley Rothman, who was integral in the central embezzlement scheme and testified against the Nardones. The case was tried by Grady O'Malley, Senior Litigation Counsel and Chief of the Strike Force Unit, and Assistant U.S. Attorney Anthony Moscato.

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**Atlantic States Cast Iron Pipe –
Environmental Crimes,
Workplace Safety**

It earned the distinction of being the longest ever environmental crimes trial in the history of the Justice Department – seven months from opening arguments to guilty verdicts in April 2006, in a case we and the DOJ Environmental Crimes Section indicted in December 2003. With the second anniversary of the convictions passing in April 2008 without sentencings, the case continued its record of great

satisfaction mixed with frustration. We charged Atlantic States Cast Iron Pipe of Philipsburg and five of its managers for its long history of workplace safety violations, wanton pollution and regulatory obstruction. Atlantic States was part of the McWane, Inc. empire – a wealthy, secretive, family-run conglomerate based in Birmingham, Ala., with an extensive record for worker safety and environmental violations. The Atlantic States plant became the fifth McWane company convicted of federal crimes. McWane also was the subject of a Pulitzer Prize winning series by the New York Times and a PBS “Frontline” segment. The Philipsburg foundry had a grim history of employees being maimed and burned, and in some cases killed, in an inherently dangerous workplace made all the worse by the company’s damn-the-employee, production-at-all-costs management approach – what became known as “The McWane Way.” A key element at trial concerned the death of an employee run over and killed by a forklift at the plant. Managers immediately tried to cover it up by repairing the forklift’s faulty breaks before OSHA inspectors arrived and lying to investigators. There were more coverups of crushing injuries, broken bones, amputations and horrific burns from furnaces and molten steel. The plant was a notorious polluter of the air and nearby Delaware River, into which it purposefully dumped oil-contaminated water and other pollutants. The company rigged smokestack emissions to pass environmental testing, literally held back environmental investigators at the factory gate, ordered employees to lie and falsified and concealed pollution data. As we asserted at trial, all of the conduct was with the goal of lowering costs and

maximizing output and profits. The jury ultimately convicted the company, the plant manager, maintenance supervisor, finishing supervisor and former human resources manager of conspiring to pollute the air and Delaware River in violation of the federal Clean Water and Clean Air Acts. The Office also convicted the defendants of exposing employees to dangerous conditions and impeding federal regulatory and criminal investigations. One employee was acquitted. The individual defendants also shared numerous convictions on counts of obstructing OSHA investigations and violating the Clean Air and Clean Water acts. The delay in sentencing is unfortunate. Judge Cooper continues to consider post-trial and pre-sentencing issues, and we await rulings. The government was proudly represented by First Assistant U.S. Attorney Ralph Marra, and AUSA Norv McAndrew. DOJ gave us Andrew Goldsmith, a Senior Trial Attorney and Assistant Chief of the Environmental Crimes Unit, and Senior Trial Attorney Deborah Harris.

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Stone Harbor Borough – U.S. Sues to Protect Piping Plover Habitat

The piping plover – that darling wisp of a bird that darts around and nests on New Jersey beaches – is also an endangered and federally protected species. It got some help from the U.S. Attorney’s Office when we filed suit against the quaint and affluent Borough of Stone Harbor in Cape May County. The case was followed by a series of other environmental enforcement cases

up and down the Jersey Shore that brought the U.S. Attorney and the office considerable public acclaim. At issue was the local government's intransigence in dealing with tons of black dredge spoils from its back bays that it had dumped into a holding area along the Borough's beaches and hard against the plover's habitat. The Army Corps of Engineers alleged that, while Stone Harbor acted swiftly with self-interest to complete the dredging in January 2002 for the benefit of the borough and its recreational boaters, it failed in its obligations to test and dispose of the dredge materials; the borough then attempted to back peddle on its obligations under the Army Corps of Engineer permits. Stone Harbor officials also said they had contamination test results, but they suspiciously refused to share them with the government. The suit was drafted by former head of the Civil Division, Michael Chagares (now a judge on the 3rd Circuit Court of Appeals) and filed in January 2003. The borough relented, however, and within a month's time entered into a consent agreement that was good for the birds and good for the town. The plan ridded the beach of the gloppy, ugly mess and its potential toxins and expanded and improved the plover habitat.

2004

**“Regpay” –
International Child Pornography**

Enterprise, Money Laundering

This prosecution was the very first of its kind in U.S. history to combat the evils of the global child pornography trade. A Belarus-based enterprise ran an Internet child pornography business that took credit card payment from tens of thousands of memberships to dozens of websites featuring children. The principals operated with impunity and obscurity via the Internet from their safe-haven in Minsk, where the government was, at a minimum, notoriously indifferent to what these and other child pornography enterprises were up to. With no treaty or co-operation from the Belarus government, our agents had to find a way to get them out of their base. The main players were arrested in July 2003 in Paris on a ruse that they were meeting individuals for business purposes. Another was arrested vacationing in Spain. Extradition took many months, and we unsealed our first Indictment in the case in January 2004. The case had many tentacles: the Regpay principals, whose millions of dollars in income came from the processing of credit card payments for access to 50 child porn websites operated by Regpay and by other entities; a Florida-based credit card billing company that laundered funds for Regpay; and the patrons worldwide who subscribed to the websites and fuel the demand for child pornography. Key to this ambitious investigation was cooperation from the major credit card companies. With billing information, we identified 40,000 domestic subscribers; leads on many thousands more outside the U.S. were shared via Interpol with authorities worldwide. There were more than 1,500 arrests worldwide, including about 350 in the U.S. Publicity was intense here and

abroad as leads led to arrests of doctors, teachers, government officials and others who subscribed to the child porn sites. Among those arrested in New Jersey were at least three convicted sex offenders, a campus minister, church youth coordinator and an 85-year-old retired engineer. Throughout 2005, we took nine guilty pleas from all of the main Regpay defendants, including the two lead defendants on the eve of jury selection. In August 2006, Judge Cavanaugh sentenced the 27-year-old company president and his 30-year-old technical administrator, both of Minsk, to 25 years in prison. Others also got very stern treatment from Cavanaugh. Importantly, this case and others like it since have almost certainly had a deterrent effect given the knowledge of potential subscribers that the credit card companies will not fight to protect their privacy or identities in these kinds of purchases. In its early and breaking stages, the case was run by former Assistant U.S. Attorney Carlos Ortiz. In early 2004, Kevin O'Dowd joined Ortiz and completed the prosecutions. Many AUSAs handled the subscriber defendants.

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Operation Firewall – Identity Theft and Credit Card Fraud

Identity theft effects the lives of average Americans every day. This was a large-scale prosecution aimed at deterring criminals from further acts of identify theft. They called themselves the “Shadowcrew,” a sophisticated group of cyber thieves who ran what was essentially an international online crime bazaar through which they

traded at least 1.5 million pieces of financial and identity information, resulting in losses estimated at more than \$4 million for consumers and business. It was a fitting and witty end to the enterprise when, upon unsealing of an indictment in October naming 19 defendants, Special Agents of the U.S. Secret Service tapped into the Shadowcrew website, froze out user accounts and substituted a new main page with a Secret Service logo imposed over a prison cell with a list of the charges and statutory penalties against the Shadowcrew. The replacement page bore the caption: "For Those Who Like to Play in the Shadows," "You Are No Longer Anonymous!!" The Shadowcrew website was an international hub of identity theft activity, facilitating online trafficking in stolen identity information and documents, as well as stolen credit and debit card numbers. The website's administrators, moderators, vendors and others conspired to sell the stolen consumer and identity information through the Shadowcrew marketplace. A year later, all on the same day in November 2005, the six leading defendants who administered the website all pleaded guilty to conspiracy; in total, we took 16 pleas in our district and negotiated an additional seven pleas in other districts. The defendants came from all over the country. Information shared through Interpol resulted in arrests and prosecutions in other countries as well. Venue for our case was established because the Shadowcrew server that hosted its website was in New Jersey. During the guilty pleas, a Shadowcrew co-founder admitted using techniques such as phishing and spamming to illegally obtain credit and bank card information, which he then used to make purchases of merchandise online. The illegally obtained goods were then sent to a "drop" or

mailing address specifically set up to receive the stolen goods. Some of the merchandise was then sold through E-Bay and other websites. Sentences in the case ranged from probation to 90 months in prison. The case was prosecuted by Assistant U.S. Attorney Kevin O'Dowd.

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Quest Diagnostics – Medicare Recovery

This rather large civil recovery – \$11.35 million – came from one of the nation's largest clinical diagnostic labs by way of a qui tam – or "whistleblower" – lawsuit. Numerous others of these followed in subsequent years, particularly involving hospitals and healthcare companies. The lawsuit was originally filed under seal under the False Claims Act by a former sales representative for Unilab Corp., a Quest predecessor company. The whistle blower provisions of qui tams permit private citizens to bring suit on behalf of the United States and share in any recovery obtained by the government – a keen incentive to employees to come forward with knowledge of fraud and disincentive for companies to engage in fraud in the first place. In this case, the "relator" received a 21 percent share of the settlement, or nearly \$2.4 million. The basic allegation in this was that a Quest subsidiary and two of its predecessor companies defrauded the United States by failing to properly bill Medicare and performing medically unnecessary tests at several of its laboratories across the country. The case was handled by then-Chief of the Civil Division, Michael

Chagares (now a judge on the 3d Circuit Court of Appeals) and former Assistant U.S. Attorney Minkowitz, now a New Jersey Superior Court Judge, and Richard Linzer, Senior Counsel, Office of Counsel to the Inspector General, Department of Health and Human Services.

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**SHAC –
Animal Enterprise Protection Act**

This was a case against a domestic terrorist group and its followers whose maniacal intent was to put a publicly traded company that uses animals for laboratory research and government-mandated testing out of business. Stop Huntingdon Animal Cruelty (SHAC) targeted Huntingdon Life Sciences (HLS) of East Millstone in a very effective way. Using its own websites and those of allied groups, SHAC and its members anonymously incited a network of followers across the country to intimidate and harass, threaten or commit actual violence against HLS employees, their families (even children) and to do the same to any company doing business with HLS. Several companies on the receiving end of the campaigns withdrew their business with HLS. SHAC officially exhorted its troops to take “direct action” and to “operate outside the confines of the legal system,” and even recommended its “top 20 terror tactics” to incite violence, intimidation and property destruction. There were tricky legal issues in indicting and prosecuting SHAC and six of its leading members. They invoked First Amendment protection of their “speech” on the websites and what they viewed as lawful protest. They combined that with what might be called the “Wasn’t me” defense, claiming

that the government could not connect them to the anonymous exhortations of their websites and any resulting violence, or said that they were merely reporting events from the field on their websites. They even included absurd legal disclaimers that purported to discourage violence and intimidation. Thus they tried to have anyone who would listen believe that the government was overreaching and was treating these young, well-meaning true believers of a valid cause as terrorists. But the sympathies they hoped to engender did not resonate with the jury. Following a nearly one-month trial, and three days of deliberations, the jury returned guilty verdicts on all counts against SHAC and the six individuals on trial: conspiracy to violate the Animal Enterprise Protection Act, conspiracy to commit interstate stalking, and counts of stalking of particular victims, and conspiracy to use a telecommunications device to abuse, threaten and harass. Judge Thompson imposed stiff guidelines sentences ranging from four to six years against these 20-something defendants. The case was widely watched by companies and victims in the biomedical research field who had dealt with this particular group, by activists and sympathizers of SHAC (for whom the result had to have had a very real deterrent), and by interested lawmakers who had held hearings on SHAC. The case was carefully yet forcefully prosecuted by then-Executive Assistant U.S. Attorney Charles McKenna (now chief of the Criminal Division) and former AUSA Ricardo Solano.

**Charles Kushner, et al.
Tax Fraud, Witness Retaliation,**

False Statements to FEC

This was an exceedingly complex, multi-defendant tax and accounting fraud case involving false partnership tax returns for the real estate properties controlled by the Kushner Companies of Florham Park, in which more than \$6 million in charitable and political contributions, capital expenditures and gift-and-entertainment charges were mischaracterized in tax returns as business expense deductions. It also became a case with a shocking turn of events. The case in chief involved a dissection of the immense paper trail of a billion-dollar business empire and focused on Kushner and a then-cohesive group of four co-conspirators, including former CFOs and outside accountants. Kushner was a very influential political and business figure in New Jersey. He ran a company that built and/or managed thousands of condominiums and apartments plus office buildings in New Jersey and other states. He was a major fundraiser who had donated millions to state and national politicians, including then-Gov. James McGreevey. Kushner also was a prominent benefactor in the Jewish community, building schools, helping synagogues, and contributing to a broad variety of causes here and in Israel. Amid an already 16-month investigation of Kushner and his co-conspirators came a jaw-dropping allegation: Kushner had ordered the videotaping of his sister's husband engaging in sex in a motel with a prostitute hired by Kushner. A divide in the Kushner family had erupted into accusations and a lawsuit from his brother/partner that Kushner was stealing through the company partnerships and owed him money. As eventually became known publicly, certain members of the Kushner family were cooperating in the Kushner

Companies investigation, so Kushner concocted the retaliation plan with the scheme to co-opt his brother-in-law. Quickly, the FBI was able to trace the anonymously mailed videotape to private detectives Kushner had paid and used in his scheme to hire a prostitute, lure Kushner's brother-in-law and tape him in the act. Kushner tried to ensnare another employee in the same way, but that person did not respond to the call girl's advances. We charged Kushner via complaint in mid-July 2004 with obstruction and interstate promotion of prostitution. Merely one month later, Kushner pleaded guilty to witness retaliation and to assisting in the filing of false income tax returns and making false statements to the Federal Election Commission. Judge Linares sentenced Kushner in March 2005 to 24 months in prison. Three years later, all the subjects in the Kushner Companies investigation were brought to justice, three of them in successive pleas to significant criminal tax violations, as their scheduled trial was about to start, and finally Kushner's second in command, his brother-in-law Richard Stadtmauer, following a trial in the spring of 2008. On many levels, this was a remarkable investigation and prosecution, and it was successful due to the perseverance of AUSAs in the Special Prosecutions Division, and agents with the FBI and IRS. The case was initially in the hands of AUSAs Thomas Eicher and Scott Resnik (the latter has since moved on to private practice), and First Assistant Ralph Marra, and later by AUSAs Rachael Honig and Hallie Mitchell.

The Curry Organization – Newark Drug Traffickers

For years, the Curry organization was estimated to supply a stunning 85 percent of the heroin in Newark and was known to have had the highest quality heroin in the city. The organization also supplied no less than 30 to 50 kilos of cocaine a week through its network of street-level managers and distributors, and at its height brought in millions of dollars a year in drug profits. Curry also built his success on a fearsome reputation for killing rivals or potential witnesses. He was first charged via criminal Complaint in March 2004, when we took down a wiretap investigation, not long after one of those murders. In May 2006, we went to trial on a third Superseding Indictment against Curry and one of his street-level managers, Rakim Baskerville. As spelled out during trial, Curry lived the conspicuous high-life of a drug kingpin. He drove a \$120,000 Mercedes Benz and an \$80,000 Land Rover, lived in a luxury apartment, bought hundreds of thousands of dollars of custom-made jewelry (\$30,000 watches were not unusual) and took lavish trips to various sporting events around the country, including prime seating at NBA all-star games for him and his entourage. On July 24, 2006, Curry was convicted on all 11 counts against him: drug distribution conspiracy (including a finding that the conspiracy involved at least five kilos or more of cocaine and, separately, at least one kilogram of heroin, thereby exposing him to a sentence of life in prison); distribution, and nine money laundering counts. Baskerville was convicted on the conspiracy and distribution counts and faced the same sentencing possibility as Curry. Seven months later, Judge Hochberg sentenced both men to life in prison. Others involved in the Curry Organization pleaded guilty and received

sentences ranging from three years to nearly 20 years in prison. The drug traffickers and gang members in Newark and environs don't learn easily, but this conviction and the sentences – along with the prosecution of other notorious drug traffickers in Essex County – could not have gone unnoticed. (See also the 2006 entry for Rakim Baskerville's brother, William, in a death penalty-eligible case.) The Curry Organization cases were prosecuted by AUSAs John Gay and Robert Frazer.

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Harry G. Parkin – Mercer County Public Corruption

An extensive and wide-ranging investigation of public corruption in Mercer County culminated with the March 2004 indictment of Harry G. Parkin, the former long-time Chief of Staff to the Mercer County Executive, former member of the Delaware River Joint Toll Bridge Commission, and a former Mercer County Assistant Prosecutor. Parkin was charged with secretly using his official influence to obtain a significant but hidden ownership interest in a recycling company that had a \$14.5 million contract with Mercer County Improvement Authority (the MCIA). Parkin attempted to carry out his scheme by enlisting the assistance of Alex Abdalla, the former owner of Central Jersey Waste and Recycling (CJWR), and James Lambert, who served as the executive director (the ED) of the MCIA at the time the MCIA awarded the \$14.5 million recycling contract to CJWR. Parkin constructed his scheme around his influence as Chief of Staff to the

Mercer County Executive, Lambert's influence as the ED of the MCIA, and Abdalla's financial woes. Parkin obtained a hidden ownership interest in CJWR, and then set about protecting that concealed interest by using his official influence to steer contracts to other companies owned and operated by Abdalla, including a demolition company, in order to keep Abdalla, and, by extension, CJWR, financially viable. The contracts Parkin steered and attempted to steer to Abdalla's companies included demolition contracts related to the Sovereign Bank Arena in Trenton and the Trenton-Mercer Airport. In March 2005, following a contentious six-week trial during which Parkin, an attorney, fired his counsel and represented himself, and in which both Lambert and Abdalla testified against Parkin, a jury in Trenton returned guilty verdicts on all 13 counts of the Indictment which charged Parkin with mail fraud and attempted extortion. In August 2005, Judge Brown sentenced Parkin to 90 months in federal prison, one of the longest sentences handed out in a public corruption case in New Jersey during the past seven years. In addition to the conviction of Parkin, this investigation also led to the convictions of, among others, Abdalla, Lambert, and former Ewing Township Mayor Alfred W. Bridges. Abdalla and Lambert also received prison sentences for their roles in the scheme, though the pair received reduced sentences as a result of their cooperation against Parkin. Bridges pleaded guilty to possession of crack cocaine and received a probationary sentence. The cases were prosecuted and tried by Assistant United States Attorneys David A. Bocian and Jeffrey S. Chiesa.

Cooper and Nesti –

\$80 Million Fraud (\$10 Million to Buy a Stake in the N.J. Devils)

In the chutzpah column goes this case: Marc Cooper, the owner of an Iselin freight bill-processing company, siphoned \$80 million from clients and used \$10 million of it to buy a minority ownership stake in the New Jersey Devils professional hockey team. His fraud also funded a lavish lifestyle that included chartering a private jet for family vacations, travel for relatives on the super-sonic Concorde aircraft and a whole lot more. The fraud was basically a false invoice scheme which Cooper, with the help of his office manager, was able to perpetrate against the company's customers, which were large national and international corporations with significant freight bills. During its operation between January 1993 and July 2002, for example, Cooper's company, Strategic Technologies, Inc., processed more than \$2 billion in freight bills for its customers and received this amount for the designated purpose of paying the freight bills of the customer companies. Cooper pleaded guilty in May 2004 to mail fraud and admitted diverting close to \$80 million in customer funds from a freight-funding account for his personal use and to conceal a portion of STI's operating costs and losses. He also admitted that in July 2000, he took \$10 million from STI's freight-funding account and used the money to purchase his minority interest in the New Jersey Devils. Judge Thompson sentenced Cooper to 74 months. His bookkeeper, who pleaded guilty to being an accessory after the fact, was sentenced to 14 months in prison. Judge Thompson also ordered joint restitution of \$78 million. The case was

prosecuted by AUSA Lorraine Gerson.

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**Charles D. Conway –
Attorney Who Fleeced Dead Client's
Charitable Foundation**

Following the terms of his client's last will and testament, Beach Haven attorney Charles Conway set up a charitable foundation – only to then loot it for more than \$1.4 million. He used \$105,000 of the funds toward the purchase of his Beach Haven home and another \$194,500 for the purchase of an office building – which he then sold for a \$300,000 profit, using those funds to help pay off his \$400,000 home mortgage. In March, one month after he was indicted, Conway pleaded guilty to wire and mail fraud, money laundering, obstruction of justice, witness tampering, perjury and tax evasion. He admitted that in February 1989, as the executor of Elaine Kislak's estate, he followed her wishes and created a not-for-profit charitable organization that was solely for scientific, educational and charitable purposes. Conway then went about transferring foundation funds to personal bank and investment accounts, offshore accounts, including the Bahamian Corporation he set up to move the funds beyond the control of other trustees of the foundation. In addition to real estate investments, Conway used the pilfered funds to trade in foreign currencies. All was fine for Conway until the other two trustees of the foundation – who were to be alerted in advance of any foundation disbursements – took legal action against him. Conway was disbarred. Judge Chesler sentenced him to 78 months in prison, the maximum guidelines sentence. The

government seized Conway's bank accounts, forfeited his home and, in the end, was able to liquidate enough assets to make the foundation whole. The case was prosecuted by former AUSA Michael Guadagno, now a New Jersey Superior Court judge.

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**CMC Electronics –
Qui Tam, Army Procurement Fraud**

This was a significant recovery – \$9.6 million – to settle a lawsuit brought against a Canadian company that contracted with the U.S. Army to supply radio and communication equipment in support of the Patriot Missile System program in Saudi Arabia after the 1991 Gulf War. The original plaintiff was a former project manager for CMC Electronics (CMCE) of Montreal, who succeeded in getting the government to join in his qui tam or “whistleblower” complaint. The settlement resolved allegations that CMCE charged the military for newly manufactured communications equipment when, in fact, it was selling used or surplus equipment. CMCE also allegedly inflated costs by charging for items such as “engineering support” that were not needed or not provided, and made fraudulent invoices for the inflated prices. The plaintiff, or “relator,” received a 16-percent share (\$1.5 million) of the settlement. The case was handled by Assistant U.S. Attorney James B. Clark III of the Civil Division as well as an attorney from the Justice Department's Commercial Litigation Branch.

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**Suprema Specialties, Inc. –
Accounting Fraud**

This small-cap company, based in Paterson, had become a Wall Street darling based on its impressive year-over-year sales results. A maker of specialty cheeses, its stock went from spare change to \$14 in a few years. But the company's growth was an illusion because Suprema inflated its sales through the creation of fake paperwork designed to make it appear as if Suprema had sold and shipped cheese to customers when in fact it had not. These fake sales were made to some of Suprema's customers who had agreed to participate in the fraudulent scheme, and they accounted for more than one-half of Suprema's purported sales over an approximately eight-year period. For example, between July 2000 and January 2002, Suprema reported \$400 million in sales to these customers, which accounted for over half of its total reported sales for that period. Over 99 percent of that \$400 million in reported sales were entirely fictitious, with no product actually having been sold or shipped. Suprema's apparently astronomic growth also enabled the company to engage in a series of secondary stock offerings, netting Suprema millions in capital from investors. The fake sales also were used to obtain hundreds of million of dollars from a consortium of banks under a revolving line of credit that was supposed to be secured by Suprema's accounts receivable. We took guilty pleas from Suprema's former controller and its former operations manager, as well as from four principals of Suprema's largest customers who agreed to participate in the scheme. Following

an eight-week trial in 2007, a jury convicted the former CEO and CFO on all 38 counts against them: conspiracy, bank fraud, mail and wire fraud and false statements to the SEC. Judge Chesler imposed some very serious prison terms: 180 months for the CEO and 96 months for the CFO. The pleas and trial were prosecuted by John M. Fietkiewicz, Senior Litigation Council in the Special Prosecutions Division, and former AUSA Eric H. Jaso of the Appeals Division.

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**David D'Amiano –
Political Fundraising, Extortion:
“Machiavellian”**

David D'Amiano had a proposition and a threat: for \$40,000 in cash and campaign contributions to a state political committee, a Middlesex County farmowner could get a higher offer from the county to preserve his farmland; if not, he was told that his farm could be condemned and taken for far less. The farmowner turned to the FBI and began recording conversations with D'Amiano and county and state officials, including “State Official 1.” Although that person's identity was not revealed by the Office, Gov. James McGreevey later confirmed publicly that he was State Official 1, as that person was identified in the D'Amiano indictment, which was returned in July. Following the intervention of D'Amiano, State Official 1, other state officials and several Middlesex County officials, the offer of public funds to the farmowner for the development rights to his land leapt from \$3 million to potentially \$7.4 million. Just as D'Amiano had

received most of the \$40,000 he sought, he began negotiating for more payoffs and political contributions in connection with another property the farmowner wanted to develop in Piscataway. In September, D'Amiano pleaded guilty to two counts of mail fraud. Four months later, Judge Walls sentenced him to two years in prison. During the allocution, D'Amiano acknowledged the intriguing use of a code – "Machiavelli" – that was to be spoken by State Official 1 and others to signal to the farmowner in face-to-face (recorded) conversations that they were onboard and genuine in their dealings with him. State Official 1 did just that, though he insisted in media interviews that it was merely an innocent, coincidental utterance. (D'Amiano stated under oath in court, however, that he had prompted State Official 1 to use the code word.) The D'Amiano matter was prosecuted and investigated by James Nobile, Chief of Special Prosecution, and Senior Litigation Council John Fietkiewicz.

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Asbury Park Drug Task Force - Drugs and Gangs

In the Spring of 2004 the Drug Enforcement Administration Mobile Enforcement Team (MET) was detailed to form a cooperative law enforcement partnership with the Monmouth County Prosecutor's Office and the Asbury Park Police Department, in conjunction with Assistant U.S. Attorney John Hoffman of the Criminal Division in Trenton, to focus efforts on narcotics trafficking in and around Asbury Park. Over the course of the following 2½-year investigation, the task force was

successful in dismantling one heroin distribution network and 11 powder and crack cocaine distribution networks spanning New Jersey, New York and Virginia. The efforts resulted in the convictions of 41 defendants and the seizure of more than four kilograms of powder cocaine, two kilograms of crack cocaine, half a kilogram of heroin, 11 vehicles valued at more than \$500,000 and numerous weapons. The investigation first became public in July when officials held a news conference in Asbury Park to announce that 18 defendants, who were arrested in early morning raids, were indicted for a drug conspiracy in what would turn out to be the first of four phases of the investigation. The first phase utilized confidential informants, undercover purchases and a two-month court authorized wiretap that yielded more than 3,300 drug-related conversations. In January 2005 five additional Indictments were returned against another 12 defendants, all for participating in substantial powder and cocaine conspiracies. In July 2005, the third phase of the investigation resulted in the arrest of Kurtis Barnes, a.k.a. "Gotti," and four members of the Barnes Organization, which controlled the distribution of heroin in Asbury Park and surrounding areas of Monmouth County for more than five years. In August 2006, the fourth and final phase of the 2½-year investigation culminated in the arrest of 13 defendants in a 24-hour period, the fourteenth defendant, who remained a fugitive for several months, subsequently was arrested. The defendants, who were members of major cocaine distribution networks that were responsible for the distribution of large quantities of both crack

and powder cocaine in the Asbury Park area, were charged in federal Indictments and state criminal Complaints. In total, 41 defendants were federally charged through the joint task force investigation and each of those defendants pleaded guilty and were sentenced to prison terms averaging ten years, including the leaders of various heroin and cocaine organizations, who were sentenced to prison terms ranging from 140 to 190 months. In addition to the federally charged defendants, the investigation led to the arrest of an additional 61 defendants on state charges filed by Monmouth County Prosecutor's Office. The majority of the state defendants have also pleaded guilty and many received state prison sentences.

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**Herbert Axelrod –
Philanthropist-Turned-Fugitive Tax
Evader**

Millionaire philanthropist, stringed-instrument collector and pet-products mogul Herbert Axelrod of Deal, N.J., made a tax case more interesting than usual by fleeing to Cuba after his indictment in April. The eccentric former owner of a pet products and publishing company, Axelrod, then 76, was charged with conspiracy to defraud the IRS and aiding and abetting the filing of a false tax return by the company's former senior vice president. Axelrod assisted that individual in establishing Swiss bank accounts to receive and conceal \$1.5 million in severance payments. Axelrod would eventually plead guilty to the aiding and abetting count, but not until after a fugitive globe trot that took him first to Cuba, then Switzerland. Seven months after he had

skipped his scheduled arraignment on the indictment, he was arrested in November 2004 upon arrival at a German airport. Pursuant to international treaty, German authorities extradited him, but only on Count Two of the indictment, the aiding and abetting count, to which Axelrod finally pleaded guilty. Judge Brown sentenced Axelrod to 18 months in prison and fined him \$40,000. The matter was prosecuted by former AUSAs Michael Guadagno and Joan Thomas.

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**James M. Dwyer –
\$36 Million Bank Fraud**

A prominent real estate developer, who owned, redeveloped and operated condominium projects, hotels, office buildings and retail properties, including such landmark properties as Flanders Hotel/Condominium in Ocean City and the Packard Building and the Jewish Federation Building in Philadelphia, was indicted in March for his scheme to defraud financial institutions of more than \$36 million. In November, after nine hours of deliberations following a two-month trial, a jury convicted James M. Dwyer, of Upper Township, of all 10 counts charging him with bank, wire and bankruptcy frauds and making false statements in a bank application to influence bank draws for a construction loan. During the trial, AUSA Joseph Gribko and former AUSA Thomas DiLeonardo and meticulously laid out how Dwyer used numerous misrepresentations to financial institutions to fraudulently obtain more than \$36 million in loans – all of

which went into default – for business projects and personal property. In June 2005, Judge Simandle sentenced Dwyer to nine years and ordered him to pay \$17.47 million in restitution.

that is given out every year at the annual Players Ball to the pimp who convinces his fellow pimps that he has made the most money and the biggest name for himself during the previous year.

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Atlantic City Prostitution Ring – Conspiracy

In March, the operator of an Atlantic City prostitution outcall ring and a Philadelphia brothel lost his bet that his activities and those of his co-conspirators would go undiscovered by law enforcement. They were indicted on charges of conspiracy to arrange prostitution services for casino customers. Coung Chi Dinh, of Brigantine, operated the ring that used young Asian women recruited by a Malaysian citizen to travel to the United States to work for his prostitution business. Dinh established business relationships with six casino hosts and marketing personnel to arranged prostitution services for their casino customers. In August 2004, Dinh pleaded guilty before Judge Simandle to one count of conspiring to transport individuals in interstate and foreign commerce for the purposes of prostitution and was later sentenced to 27 months in prison. Each of the six casino employees pleaded guilty to charges for arranging prostitution services for their casino customers. AUSA Jason Richardson built upon the knowledge gained through the Dinh's prosecution regarding the illegal sex trade operating in Atlantic City to bring to justice pimps who market minor females, such as the December 2005 indictment of an organization lead by Matthew D. Thompkins, a.k.a. "Knowledge," who had won the "Pimp of the Year" trophy

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N.J. Division of Motor Vehicles – Conspiracy to Produce Fraudulent Drivers Licenses

No less than 16 guilty pleas were obtained over the course of about three years from customer service representatives and test examiners from the Division of Motor Vehicles and the owners of two driving schools, all of whom admitted conspiring to sell bogus drivers licenses. Most often, the licenses – many hundreds of them – went to illegal aliens who could not otherwise have gotten valid New Jersey licenses. That so many DMV employees were involved – and that they worked in agency offices from North to South Jersey – illustrated the extent of the fraud and corruption. The first plea came in January from a Plainfield woman who worked as a test examiner at the DMV office in Elizabeth. She admitted permitting certain individuals to take multiple written exams for others who did not take the tests to receive licenses. She admitted helping generate at least 100 drivers licenses this way and receiving \$150 for each of the fraudulent documents. Several other defendants admitted receiving roughly the same payments for equally large numbers of bogus licenses. By far the most prolific was Linda Love, another test examiner at the DMV in Mount Holly, who admitted helping in the fraudulent production of 750

licenses, for which she received \$300 each. Judge Wolfson sentenced Love to 30 months in prison. The owner of a driving school in Harrison admitted fraudulently transferring up to 99 licenses to illegal aliens, charging up to \$2,000 for each of them, and then paying DMV employees who helped in the fraud between \$100 and \$300 each. Finally, we took a conspiracy plea from Jose Flores, a/k/a "Mr. Pepe," owner of the popular Mr. Pepe's Driving School (now defunct) in Plainfield for similar conduct. Judge Walls, after rejecting a 5k motion on his behalf, sentenced Flores to 41 months in prison. Other sentences ranged from probation with home confinement to 33 months in prison. The cases were all prosecuted by Assistant U.S. Attorney Brian R. Howe.

2005

**Operation "Bid Rig" –
11 Current and Former Monmouth
County Public Officials**

This was an unprecedented event for this U.S. Attorney's Office: the roundup in one day of 11 sitting and former public officials – including the current mayors of Keyport, Hazlet and West Long Branch – on charges of taking bribes to influence the award of public contracts in Monmouth County. The arrests were part of a two-phase, years-long undercover investigation, during which Monmouth County public officials accepted and sought to perpetuate corrupt payments from an undercover contractor. Dubbed "Operation Bid Rig" by the FBI, it was the progeny of a wiretap investigation in 2000 and 2001, which focused initially on powerful Monmouth County developer Philip Konvitz, who was intercepted discussing with another developer bribe payments to Ocean Township Mayor Terrence Weldon (See the "Weldon, "Bid Rig Phase One" entry for 2002.) The public officials arrested that February morning had either taken bribes ranging from \$1,000 to \$8,000 for their influence in getting contracts for the undercover contractor or had agreed to launder money for the contractor. One of them accepted a driveway paving job valued at about \$5,000. Our confidential informant and two FBI agents posing as his employees purported to be in the demolition and construction business. That the contractor and his associates said they were also involved in extortion and money laundering – and sought municipal demolition and construction contracts as a means to legitimize their loansharking money – did not dissuade some of these public officials from getting involved. Some of those defendants

cried entrapment, others claimed political motivations for their prosecutions. In the end, all but two of them pleaded guilty. Middletown Committeeman and former mayor Raymond O'Grady went to trial, notwithstanding some very convincing video and audio recordings of him discussing and taking bribes totaling \$8,000. In one recording, in which he sought to allay concerns of detection expressed by the undercovers, O'Grady said that he could "smell a cop a mile away." In October 2006, O'Grady was sentenced by Judge Martini to 43 months in prison for his convictions on all counts of his Indictment: two counts of attempted extortion under color of official right, two counts of accepting a bribe to influence and reward, and one count of conspiracy to extort. That case was tried by Special Prosecutions Chief James Nobile and former AUSA Ricardo Solano. Mark McCarren managed the meat of the case from its inception, and numerous other AUSAs handled the rest of the Bid Rig II cases, which also included charges against the Monmouth County Freeholder Director, the Deputy Mayor of Neptune Township, Councilmen from Keyport, Asbury Park, Far Hills, Long Branch and West Long Branch, and numerous county employees. AUSAs on the cases were Matthew Boxer, Marc Larkins, Michael Hammer, Joyce Malliet, Thomas Eicher, Judith Germano, John Fietkiewicz, Hope Olds, Rachael Honig, Richard E. Constable III and Thomas Calcagni.

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**Charles Cart –
Union Embezzlement**

Charles Cart's association with Local 16 of the United Service Workers of America went full circle. He was its founder in Newton, Sussex County, and in two years he swelled the union membership to 9,000 dues-paying members. He then looted and bankrupted the union. Upon his departure, Cart left the union in the care of his handpicked successor, Susan Donato, who then immediately hired Cart as the Administrator to the Local 16 Health Fund, under the corporate name Health Choice, Inc. In a matter of 18 months he had charged the Fund hundreds of thousands of dollars in suspect administrative fees. We charged Cart, who was also the former Democratic Party Chairman in Sussex County, in February 2005, with conspiracy to embezzle and wire fraud counts. Two others, including Cart's father-in-law, were indicted too. Donato immediately pleaded guilty and agreed to cooperate in the investigation. The allegations were that Cart used Health Choice to generate cash from the Local 16 Health Fund by, among other schemes, fraudulently charging exorbitant "per member" administrative processing fees. Moreover, in one 16-month period, Cart also funneled approximately \$144,000 in checks from his company, Health Choice, to another "consulting" company in Florida run by his father-in-law. Local 16 was charged for these consulting fees. Of course, the father-in-law, who later pleaded guilty to conspiracy, performed no services on behalf of Local 16. Another no-work consulting arrangement looted the union of \$84,000; proceeds of that scheme resulted in \$56,000 being redirected to Cart

directly or through his horse farm, Horsearound Stables. The remaining \$28,000 went to a Cart associate, who also pled guilty. Cart pleaded guilty to two counts of conspiracy. Due to a certain medical condition, Judge Cavanaugh sentenced Cart to a split sentence of six months in prison with six months of house arrest, ordered restitution of \$144,077 to the union's bankruptcy trustee, and imposed the maximum fine of \$40,000. The case was prosecuted by Senior Litigation Counsel Grady O'Malley, now Chief of the Strike Force Unit, and AUSA Judith Germano.

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**Marlboro Township Mayor –
Bribery, Tax Evasion**

This case illustrated the direct impact public corruption can have on a community. Here a developer paid longtime mayor Matthew Scannapieco a quarter-million dollars for his votes and influence, and literally changed the landscape of this once-rural community with his many developments of large homes on small lots. Following a three-year investigation by the FBI in Red Bank and the IRS, the mayor pleaded guilty in April to accepting corrupt payments and tax evasion. The bribes helped buy the mayor's assistance (he also had a voting seat on the Planning Board) in getting critical rezonings and other assistance favorable to the developer. In June 2008, Judge Simandle sentenced Scannapieco to 21 months in prison and fined him \$100,000. The developer, Anthony Spalliero, pleaded guilty in December 2007 to two counts of bribery and one of tax fraud conspiracy. The latter

charge was related to Spalliero's counseling of Scannapieco on how to hide the bribe money from the IRS. Spalliero even admitted instructing Scannapieco on how to bury cash underground without it rotting. The investigation also pulled in several other defendants, including a long-time member of the Marlboro Planning Board, who pleaded guilty and admitted, among other things, that he accepted approximately \$7,700 in bribes from Spalliero and another developer. The investigation also led us to Richard Vuola, a longtime commissioner and chairman of the Marlboro Township Municipal Utilities Authority. Vuola pleaded guilty to attempted bribery, extortion and more. Chief among his admissions was that he offered \$150,000 in campaign contributions on behalf of a builder (later publicly identified as Spalliero) to a member of the Marlboro Township Council, to secure her support in a major rezoning that would have benefitted the builder. Judge Thompson sentenced Vuola, then 74 years old, to 50 months in prison, just under the top of the Guidelines range. These cases were prosecuted by AUSA Michael Hammer and former AUSA Matthew Boxer.

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**Dr. Joan Jaszczult –
Illegal Distribution of Prescriptions for
Controlled Substances**

In September, Special Agents of the FBI and DEA arrested approximately 30 people in this investigation, which centered around the activities of a licensed medical doctor in Bloomfield, Dr. Joan Jaszczult.

Her office had become a "scripts mill," where Jaszczult sold written prescriptions for powerful painkillers, mostly OxyContin and Percocet, for cash. The buyers gave their names, the names of relatives and others for Jaszczult to write on the prescriptions, even though none of them had been examined by Jaszczult or were in legitimate need of the pills. In turn, the buyers of the prescription "scripts" would take them to various pharmacies, get the pills, sell them for a large profit to a middleman, who would then redistribute them for another round of profits. The investigation showed instances when Jaszczult would sell many prescriptions to one person at a time, in one instance selling 40 prescriptions to one person for \$5,000. In a little more than three months, for example, a confidential source went to Jaszczult's office six times and came away with approximately 50 prescriptions for pain killers in exchange for cash. The case resulted in more than two dozen guilty pleas to conspiracy to distribute oxycodone from individuals who either purchased prescriptions from Jaszczult or who filled prescriptions written in their names at pharmacies and then distributed the pills. Jaszczult went to trial against what appeared to be very long odds, given the evidence of "scripts" sales to cooperators and an undercover agent. After a four-week trial, prosecuted by AUSAs Jonathan Romankow and R. Joseph Gribko, Jaszczult was convicted on Sept. 17, 2007, on one count of conspiracy to distribute oxycodone and one count of distribution of oxycodone. Judge Chesler sentenced Jaszczult to 132 months in prison.

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**N.J. State Police Trooper –
Securities Fraud**

A New Jersey State Trooper, an auto salesman and a massage therapist teamed up in a securities fraud scheme, in which they flew around the country muscling and threatening penny stock promoters and corporate insiders with injury or death to convince them to transfer hundreds of thousands of dollars in stock shares and cash to a Colorado and Vancouver, B.C., securities firm. Peter K. Bethune, who was immediately suspended from the State Police upon his and his two co-defendants' arrests in September, used the FBI's National Crime Information Center and Interstate Identification Index to assist them in locating targets. Bethune pleaded guilty in April 2006 to conspiring with stock promoter Christian L. Harper, the mastermind, who fled to China to avoid arrest and later died in that country. Bethune (6'11" tall and weighing 300 pounds), Brian H. Lavoe (6'7" and 250 pounds) and Francis N. Alexander III, traveled to locations in Florida, Nevada, California and New England to threaten stock promoters with death or serious injury if they did not transfer stock or money to Harper and another member of the conspiracy. Bethune and Alexander were sentenced to 37 months in federal prison. Lavoe cooperated and received five years of probation. The case was prosecuted by Deputy U.S. Attorney William E. Fitzpatrick.

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David W. Banach –

**Hand-held Laser Shined Into Aircraft
Cockpit**

When David W. Banach was arrested at his Parsippany home and accused of purposefully shining a laser into the cockpit of a jet approaching Teterboro Airport, he claimed it was his 7-year-old daughter who had done it. That was his story that early January night when police surrounded his home – just minutes after a laser illuminated the cockpit of a Port Authority helicopter hovering overhead looking for the source of the laser that had targeted the commercial jet a few nights earlier. We first charged Banach with willfully interfering with the pilot of a mass transportation vehicle and with making false statements to law enforcement (he ultimately admitted that it was he, not his daughter, who shined the laser at the aircraft). The charges came amid a series of such incidents across the country involving hand-held lasers being shined into aircraft cockpits. It had been well documented that even these small devices could splash the cockpits and cockpit windows with bright, blinding light. The case became a bit of a media sensation because of its novelty and the fact that the government was using a Patriot Act offense (since repealed and moved into a non-Patriot Act statute) against an otherwise law-abiding middle-class father from New Jersey, to whom we did not attribute terrorist intent. Our position and that of the FBI was obvious: there can be no horseplay with commercial aircraft on landing approach, and the growing number of such instances across the country had to be stopped. Banach finally took responsibility for his conduct and pleaded guilty to interfering with the pilots of a passenger

aircraft. Banach faced a Guidelines sentencing range of between 18 and 24 months. However, given the circumstances, we did not oppose the defense request for a non-custodial, probationary sentence, which Judge Lifland imposed. This case was prosecuted by Assistant U.S. Attorney Christopher J. Gramiccioni and former AUSA Ricardo Solano.

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Camden Violent Crime Initiative

On the heels of Camden's designation in a national survey as "America's Most Dangerous City," based on violent crime statistics for years 2003 and 2004, the U.S. Attorney announced in January a new cooperative effort between the U.S. Attorney's Office, ATF, DEA, FBI and the U.S. Marshal's Service to assist local law enforcement in their mission to combat crime in Camden. The law enforcement teamwork helped to reduce Camden violent crime statistics complied for 2005 to levels that earned it the designation, in the same survey, of "#1 Most Improved City." The multi-agency effort included several new initiatives, plus continued and increasing support for task forces already in place. One such effort was the partnering of the U.S. Attorney's Office and the Camden County Prosecutor's Office to identify violent cases involving a firearm for federal prosecution, to take advantage of the presumed incarceration upon arrest and longer federal prison terms. Other efforts included targeting the city's top 50 most dangerous fugitives by the U.S. Marshal's Fugitive Task Force. The task force quickly

arrested all of the top 50 fugitives and moved on to arrest more than 300 fugitives charged with first- and second-degree violent crimes. The ATF's Philadelphia Field Division teamed up Camden Police and the Camden Shoot Team to expedite firearms identification, sources and transportation networks which made illegal firearms easily available on the street. Although not publicly announced at the time for strategic reasons, the DEA assigned its Mobile Enforcement Team to investigate violent drug distribution networks operating in and around the city, which resulted the arrest and prosecution of the leaders of several major open-air drug sets. In March, the Attorney General and U.S. Attorney also announced that Camden was among five new cities chosen to receive a Bureau of Alcohol, Tobacco, Firearms and Explosives Violent Crime Impact Team, to assist in fighting gun trafficking and violence.

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Arabo – Computer Crime Targeting Commercial Competitors

A Michigan man recruited a 16-year-old New Jersey teen with a special talent: the technical ability to infect via the Internet thousands of computers with programs called "bots," that enabled him to remotely control the computers for a malicious purpose. The Michigan man, Jason Salah Arabo, 19, owned two online sites where he sold sports apparel including the popular sports uniform reproductions popularly known as "retro" or "throwback" jerseys. This was, at the time, a very competitive,

trendy and lucrative clothing line, and Arabo sought to cut off his competition by overloading and shutting down their websites. He used his tech-savvy recruit from New Jersey to do it and paid him with merchandise. At a plea hearing in August, Arabo admitted that he used the juvenile to initiate, through those thousands of bot-infected computers, what is known as "distributed denial of service," or "DDOS" attacks, on computer servers supporting the competitor websites. The effect, however, was far more than intended, since the targeted servers provided web hosting and other services to many more unrelated businesses, organizations and individuals. The effects were reported to have been felt in places like colleges and businesses overseas. Judge Irenas sentenced Arabo to 30 months in prison and ordered him to make restitution in the amount of \$504,495 to the original commercial targets of his attack. The state of New Jersey prosecuted the teenager, and didn't go light on him: he pleaded guilty as an adult to two counts of computer theft in Superior Court, was sentenced to five years and ordered to pay \$35,000 in restitution. The case was prosecuted for former AUSA Eric Jaso.

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**Giblin –
Dating Service Scam Artist**

This dating service Casanova was first charged via criminal Complaint in March with the extortion of an Ohio

woman. Within a few months, this Atlantic City gambler's list of identified victims had grown to 70 women across the country, whom he targeted through Internet and phone dating services to be wooed and cajoled out of their money. At his plea hearing about a year later, Giblin admitted that over a five-year period he victimized more than 80 women by creating numerous accounts on various dating services that often corresponded to geographic areas of the nation. Giblin typically targeted single women and cultivated a telephone rapport with each one over the course of days or weeks. He preyed on vulnerabilities, promising to end the loneliness of a woman who had recently ended a long-term relationship or soothing someone who recently suffered the death of a loved one. Giblin would convince these women that he was willing to relocate to their locales but needed money wired to do so. Judge Kugler sentenced Giblin to 115 months in prison and ordered him to pay \$182,444 in restitution to his victims. The case was prosecuted by Assistant U.S. Attorneys Ronald Chillemi and Matthew Skahill.

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**Altagracia "Grace" Rosario –
Fraudulent Document Ring**

In an effort to determine how and where scores of undocumented aliens in New Jersey had obtained bona fide Pennsylvania drivers licenses, we commenced a year-long investigation, which resulted in the September arrest of eight individuals who were operating a fraudulent document ring in New Jersey and

Pennsylvania. The group was headed by Altagracia "Grace" Rosario of Robbinsville, and also involved two of her daughters and a former Philadelphia police officer who at the time was employed by the Pennsylvania Department of Transportation. Rosario's organization provided fraudulent supporting documents which were used to obtain Pennsylvania auto and commercial drivers licenses. Ronald Henry, the PennDot employee and former Philly cop, was paid to falsify records to indicate that Rosario's customers had taken and successfully passed both a written exam and a road test. In May 2007, during the trial of Rosario, Henry and two remaining co-defendants, Henry opted to plead guilty to conspiracy to produce fraudulent documents and acknowledged that he had abused his employment with PennDOT as a driver license examiner to commit the offense. During the trial, Assistant U.S. Attorneys Kathleen P. O'Leary and Anthony Moscato, Jr. presented evidence that some illegal immigrants paid between \$2,500 and \$4,000 for the credentials. Less than two-weeks after Henry's plea, Rosario and the two other defendants were convicted by the jury. Judge Irenas sentenced Henry to 33 months in prison in November 2007 and Rosario to 75 months in April 2008.

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**Pollution Settlement –
\$2 Million in Community Service
Payments to New Jersey Causes**

In a refreshing and rewarding departure from the usual menu of crime and

punishment dealt with by the Office, the U.S. Attorney ventured out in early May to a well-attended press conference literally on the beach at Sandy Hook, part of Gateway National Recreation Area. The purpose was to present checks totaling \$2 million to the National Park Foundation and National Fish and Wildlife Foundation to be used for environmental preservation and the expansion of two national preserves in New Jersey. Just about everyone involved or observing – environmentalists, public officials and the press – was happily surprised by the amount of the money, that we were as involved and discerning in choosing where the money would go, and that it stayed in New Jersey at all rather than being absorbed by the U.S. Treasury. The money was part of a total criminal fine of \$25 million paid by Evergreen International, S.A., one of the world's largest cargo shipping lines as part of a settlement of criminal charges the company pleaded guilty to in Los Angeles in April. Of the \$25 million, \$10 million was to be designated for environmental projects in each of five judicial districts with major maritime ports frequented by vessels operated by Evergreen, which had admitted routinely dumping oil and sludge overboard at sea. Of our \$2 million, half was to be used at Sandy Hook for the preservation of native plants, to conduct habitat restoration and for public education programs. Half of the other \$1 million was to be used in the acquisition of 300 acres of wetlands and forested habitat at the Cape May National Wildlife Refuge, an area important to numerous species of migratory shorebirds. The remaining \$500,000 was to go toward the purchase of 120 acres of upland dune and shrub habitat to be added to the Edwin B. Forsythe

National Wildlife Refuge in Ocean County. We would reprise this performance several times over with other large grants from pollution cases to national environmental foundations for exclusive use in New Jersey. The criminal aspect of the case against Evergreen was handled in this district first by former AUSA Nicolas Acker and finished by AUSA Thomas Calcagni.

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**UMDNJ –
Medicaid Overbilling, Deferred
Prosecution, Monitorship**

We began our involvement with the University of Medicine and Dentistry of New Jersey with an investigation of the purposeful double-billing of \$4.9 in Medicaid reimbursements. But, like peeling back layers of an onion, the monitorship revealed far more in systemic waste, fraud and abuse that had gone for years at UMDNJ and its divisions throughout the state. The result, according to a final report from the monitor, former U.S. Attorney and federal judge Herbert J. Stern, was some \$400 million in misspent, misappropriated and mismanaged funding to the university. The university and its divisions (with direct involvement with certain of its board of trustees) were rife with cronyism and political influence; no-bid contracting had run unchecked for years; mismanagement infected the university administration. Among the examples of mismanagement revealed by the monitor, investigators and forensic accountants: a UMDNJ president, who resigned early on during the monitorship, established a system that

ranked job applicants according to political connections; the more important the connection, the higher the ranking, meaning qualified individuals were routinely passed over. Cost reports at UMDNJ were estimated to be off by more than \$35 million in just a five-year period, and far more before that, resulting in tens of millions of dollars in state appropriations that could not be adequately applied and accounted for. Excessive travel and entertainment expenses were the norm by board members and deans and others in administrative roles. No-bid contracts resulted in \$22.6 million in unauthorized or inappropriate spending between 2002 and 2006. To remedy and reform these systemic issues, the University agreed to enter into a two- or three-year Deferred Prosecution Agreement (DPA) and monitorship under Judge Stern. The DPA, which gave the monitor wide investigatory and reform powers, had a profound effect on this massive institution. Numerous firings occurred, from the general counsel to deans and others involved in the fraud and abuse, either purposefully or due to incompetence. Two members of the board of trustees most involved in perpetuating political patronage were removed, and the board was expanded to 18 to include an appropriate mix of educational, medical, legal, business and other professionals. Compliance, audit, human resources and finance functions were restored and expanded greatly. Perhaps the most widely watched piece of the case was the indictment of state Sen. Wayne Bryant of Camden County, who was accused, among other things, of obtaining a paid, no-work job at UMDNJ's School of Osteopathic Medicine in exchange for lobbying and bringing millions of dollars in extra funding to the school. His trial, with

the former dean of the school as his co-defendant, was scheduled for the fall of 2008. As a result of the reforms, and at the request of the UMDNJ board, the U.S. Attorney agreed to end the monitorship after two years, in December 2007, rather than extend it for another year. Time will tell if UMDNJ can maintain what was achieved due to the Office's intervention. The double-billing case that resulted in the Deferred Prosecution was brought by the former chief of the Securities and Healthcare Fraud Unit, Robert Hanna, and AUSA Stacey Levine. The U.S. Attorney and his counsel, Michele Brown, were directly involved throughout the process leading up to and during the monitorship. The Bryant/Gallagher case is being prosecuted by First Assistant U.S. Attorney Ralph Marra and AUSAs Joshua Drew and Adam Lurie.

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**TeleServices Internet Group, Inc., –
Securities Fraud**

We first indicted the major shareholder who served as Chairman and CEO of TeleServices Internet Group, Inc., (“TSIG”) along with four others in October for operating an intricate stock fraud and money laundering scheme that cost public investors approximately \$15 million in losses. Eighteen months later, during which time four additional defendants were charged and all eight co-defendants, who included a Colorado securities attorney, his associate, stock promoters and licensed securities brokers, had pleaded guilty to charges, justice was served when a jury

convicted Robert P. Gordon, of St. Petersburg, Fla., in April 2007. During the trial, former AUSA R. Stephen Stigall and AUSA Deborah Prisinzano Mikkelsen skillfully laid out how Gordon was able to secretly gain control of nearly 100 million free-trading shares of TSIG stock and sold those shares in the public marketplace through the use of offshore entities located in the Cayman Islands, to unsuspecting investors, leaving the investors with worthless or near worthless stock. Gordon, who also was the founder and chairman of Phoenix Information Systems, Inc., and similarly used that company's stock within his scheme, was sentenced in September 2007 to a whopping 240 months in prison and, at a later restitution hearing, was ordered to pay approximately \$11.5 million to more than 100 victims, many of whom resided in coastal and southern New Jersey communities.

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**Bristol Myers Squibb –
Deferred Prosecution Agreement,
Indictment of Senior Officers**

A criminal prosecution of a major public company can have grave and unintended consequences. Witness the demise of the once venerable accounting firm Arthur Anderson following its obstruction indictment related to its role as auditor for Enron Corp. With that and other considerations in mind, in June we charged Bristol Myers Squibb in a criminal Complaint with conspiring to commit securities fraud but simultaneously entered into a two-year Deferred Prosecution

Agreement (DPA) with the company. Throughout 2000 and 2001 BMS concealed from the investing public its persistent use of an earnings management technique commonly known as "channel stuffing." The practice involved BMS enticing its wholesalers through financial incentives to buy and hold greater quantities of prescription drugs than was warranted by demand for the products. By the end of 2001, BMS's channel stuffing resulted in nearly \$2 billion in "excess inventory" at the wholesalers. Without the channel stuffing, BMS would have been unable to meet Wall Street consensus estimates for its sales and earnings. The same day we announced the DPA with the company, we unsealed a conspiracy and securities fraud Indictment against BMS's former Chief Financial Officer, and a former President of its Worldwide Medicines Group. The Indictment accused them of planning and concealing the channel-stuffing scheme to meet aggressive internal sales and earnings targets and Wall Street expectations. Under terms of the DPA, Bristol Myers agreed to pay \$300 million in restitution to shareholders – on top of approximately \$540 million BMS already had agreed to pay to settle shareholder lawsuits, for a total of \$840 million returned to defrauded shareholders. Additionally, BMS agreed to a federal monitor, former U.S. Attorney and District Judge Frederick B. Lacey, to enforce and assess BMS's implementation of and compliance with the corporate reforms established under the DPA. Two years later, on June 15, 2005, the DPA formally expired with the approval of this Office, with the final assessment from Judge Lacey that BMS had complied with all terms of the

DPA. Consequently, the criminal Complaint charging the company with conspiring to commit securities fraud was dismissed. There was much naysaying, particularly in the national financial press, about the Bristol Myers DPA, suggesting the government had overreached – right into the corporate Board Room – with the DPA and its conditions. Naturally, we viewed it far differently. We had balanced the need for punishment with the reality that the company was too valuable to be potentially ruined by a criminal prosecution. At the same time, we compensated the victim shareholders and are prosecuting individuals responsible for the fraud at BMS. This approach met the needs of justice, sent a deterrent message and did not cause undue harm to an otherwise outstanding company, its shareholders and thousands of employees, many of them in New Jersey. The U.S. Attorney himself was instrumental, along with then-Counsel to the U.S. Attorney Michele Brown, in negotiating terms of the DPA, the monitorship and other aspects of the case. Former AUSA Robert Hanna, then chief of the Securities and Healthcare Fraud Unit and AUSA Josh Drew were also chiefly involved from the outset. The criminal prosecution is still pending, with some significant issues before the 3rd Circuit. That part of the case is being handled by Drew, George Leone, Chief of the Appeals Division, and AUSAs Mike Martinez and Paul Matey.

Aragoncillo and Aquino – Espionage

Leandro Aragoncillo was a former Marine who worked at times under two administrations in the Office of the Vice

President (OVP) of the United States. From that position, and later as a civilian intelligence analyst for the FBI at Fort Monmouth, Aragoncillo took classified documents and transferred them to senior Philippine officials and operatives in an attempt to assist in the overthrow of the Philippine government. Aragoncillo's undoing came because of his close involvement with a former Philippines official living in Brooklyn, Michael Ray Aquino, who became a co-defendant with Aragoncillo in the espionage case which broke in September with the arrests of both men. While in the OVP, Aragoncillo searched databases, downloaded and printed documents marked Secret and Top Secret, including in one case a U.S. assessment of terrorist threats to United States interests in the Philippines, and then transferred them via email and other methods to senior government officials in the Philippines. He also traveled to the Philippines in 2001 and met with top government officials at the Philippine presidential palace. Aragoncillo, a naturalized U.S. citizen born in the Philippines, would later admit during his guilty plea in May 2006 that he began his espionage activities while in the OVP in 2001, into the next administration, and continuing during his time as a civilian FBI analyst at Fort Monmouth until his arrest. His co-defendant, Aquino – who was wanted in the Philippines for suspicion of involvement in a political murder conspiracy – was arrested in 2005 in Brooklyn on an expired visa. Aragoncillo, who had already had regular contact with Aquino (a middleman in the relaying of information to the Philippines), drew attention to himself by showing up at ICE offices in New York following Aquino's immigration arrest, and

identifying himself as an FBI employee and friend of Aquino. Aragoncillo subsequently called an ICE agent to inquire on the status of the investigation, prompting a suspicious ICE agent to notify the FBI about Aragoncillo's inquiries. The FBI then commenced an audit of Aragoncillo's use of the FBI database, revealing that he had conducted extensive unauthorized searches concerning the Philippines. Judge Walls sentenced Aragoncillo in July 2007 to 10 years in prison for his guilty pleas to Conspiracy to Transmit National Defense Information, Transmission of National Defense Information, Unlawful Retention of National Defense Information and Unlawful Use of a Government Computer. Aquino was sentenced to 76 months in prison for his plea to unlawful possession and retention of documents and information related to the national defense. The case was prosecuted by former AUSAs Karl Buch and Michael Buchanan and Washington Senior Trial Attorney Clifford Rones.

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Paterson Schools – Public Corruption

As director of facilities for the Paterson Schools, James Cummings held the purse strings and made all decisions on contracts to fix and maintain the public schools in that teeming city. With that authority, he lined up contracts for companies whose principals paid Cummings bribes in return. By the time Cummings was indicted in September, we already had taken four guilty pleas, including those of contractors who admitted paying bribes or doing free improvements to Cummings' home, with the benefits ranging in value

from \$6,000 to \$25,000. Also pleading guilty was the director of maintenance and custodial services in the Paterson Schools, Louis Malone, whose job it was to ensure the integrity of the contracting process in the district. For putting the fix in to favor a certain contractor, Malone took cash and cruise tickets valued at approximately \$10,000. The contractors paying bribes to Cummings and the maintenance director held millions of dollars in contracts with the district. Cummings pleaded guilty to two counts of soliciting and accepting corrupt payments. In November 2005, Judge Linares sentenced Cummings to 43 months in prison, and ordered him to make \$750,000 in restitution to the school district. Malone was sentenced to two years in prison. The prosecution was first handled by former AUSA Scott Resnik. Jeffrey Chiesa, now Counsel to the U.S. Attorney, and former AUSA Ricardo Solano, indicted Cummings and took his guilty plea and that of others.

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**Operation "Royal Charm" –
Asian Organized Crime, Smuggling,
Counterfeiting**

In the summer of 2005, 58 individuals were indicted in six indictments arising from a joint FBI, ICE, ATF and Secret Service investigation into an Asian Criminal Enterprise that brought hundreds of millions of counterfeit and contraband cigarettes, millions of dollars in high-quality counterfeit U.S. currency called "super-notes," and large quantities of drugs, including crystal methamphetamine and Ecstasy, into the United States through Port

Newark and other domestic ports. The criminal group was also engaged in money laundering and weapons trafficking. The investigation, dubbed "Royal Charm," commenced in about November 1999 and continued through Aug. 21, 2005, when the indictments were unsealed and 14 defendants were lured to attend a "wedding," which was actually a ruse to draw defendants from various other states and countries to Atlantic City for arrest. The targets had responded to a wedding invitation that purported to announce the marriage of a co-conspirator who was actually an undercover federal agent. The remaining targets were arrested in New Jersey, Los Angeles, Chicago, Baltimore, New York, Philadelphia, Los Vegas and Cincinnati. Over the following two years, 43 leaders and associates of this criminal enterprise were convicted before Judge Simandle, either via plea or trial. The convictions were for racketeering conspiracy, conspiracy, smuggling, trafficking in counterfeit goods and trafficking in contraband cigarettes and narcotics trafficking. Sentences ranged from 12 years to probationary terms. In addition, final orders of forfeiture owed by the convicted defendants to the government total more than \$3.6 million. The case was

prosecuted by former AUSA Hallie Mitchell, AUSA Stephen D'Aguanno, and former AUSA Stephen Taylor.

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**Larry "Little Guy" Dentico, et al. –
Organized Crime and Racketeering**

At 81, Lawrence "Little Guy"

Dentico was still going strong as a captain of the Genovese Crime Family. On August 17, we charged the octogenarian and 15 other made members and associates in a racketeering Indictment with running a sports gambling, loansharking and extortion enterprise that took in millions of dollars for the New York-based crime family. Dentico, of Seaside Park, shared ultimate authority in the management and supervision of the Genovese Family's criminal activities, including the gambling and loansharking operations in New Jersey. He was among a small group of individuals comprising the Genovese "Administration," which ran the crime-family enterprise in the absence of boss Vincent "The Chin" Gigante, following his racketeering conviction in New York in 1997. In December 2005, Dentico pleaded guilty to Count One of the New Jersey RICO Indictment. Judge Martini sentenced Dentico in August 2006 to 51 months, but running concurrent to a sentence in the Eastern District of New York for his guilty plea to RICO conspiracy. Dentico's projected prison release is next May. The mobster's criminal record spanned his entire adult life: He was twice convicted in the late 1940's and 1950's for possession of narcotics with the intent to sell, as well as forgery. In 1956, Dentico was convicted of contempt of court and sentenced to six month's imprisonment. In 1982, he was convicted of RICO and RICO conspiracy and sentenced to 10 years in prison and paroled in 1990. AUSA Leslie Schwartz, of the Organized Crime Strike Force Unit, brought the indictment and handled the prosecution of Dentico and the co-defendants.

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**Thomas Weatherly –
Firearm Possession by a Career
Criminal**

This case was adopted for federal prosecution through Project Safe Neighborhoods, and represented just one example of our efforts to work with local police and county prosecutors to decrease the number of illegal guns on the streets and send a deterrent message. In August, Trenton police officers were on foot patrol when they observed a man sitting on the ground drinking "Mad Dog 20/20," an alcoholic beverage. After officers determined Thomas Weatherly's identity, a warrant check revealed an active Trenton municipal warrant for Weatherly's arrest. As the officers assisted Weatherly off the ground, a black handgun was spotted and removed from his waistband. On Sept. 8, 2006, after one hour of deliberation, a jury convicted Weatherly of being an armed career criminal. At sentencing in December 2006, Assistant U.S. Attorney Peter Katz, of the U.S. Attorney's Criminal Division in Trenton, told the court that Weatherly had 15 prior felony convictions, including a murder conviction for which he had once been sentenced to 30 years in prison and several home invasion burglaries for which he served an addition 15 years in state prison. Judge Thompson sentenced Weatherly to 200 months in prison for illegally possessing a firearm.

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**Luisa Medrano, et al. –
Human Trafficking, Harboring Illegal
Aliens**

Young women from poor, rural villages in Honduras were being lured to the United States with the promise of waitressing jobs and a better life. What they got instead was a life of forced labor inside three bars in Hudson County. An Indictment naming 10 people returned in July described young victims being raped while smuggled to the United States; victims sometimes far younger than 21 forced to continually drink alcohol and dance with male customers at the bars to raise money to pay human smuggling fees of between \$10,000 and \$20,000; victims being beaten if they were not compliant; victims forced to work in the bars up to seven days a week from 6 p.m. to 2 a.m.; threats of deportation or harm to them and their families in Honduras if they did not comply with the ring's demands. Young women who became pregnant were forced to terminate pregnancies to maintain them as income-producers for the ring. In one case, a 21-year-old victim was allegedly forced to take pills intended to induce a spontaneous abortion. The next day, the victim gave birth to a live baby girl, who died shortly afterward. This case was among a group of human trafficking and forced labor cases done by the office. All were prosecuted under the Trafficking Victims Protection Act, sponsored by Rep. Chris Smith of New Jersey, and passed by Congress to combat human traffickers and the forms of coercion, such as physical and psychological intimidation, they use to hold their victims in conditions of servitude and forced labor. Among those were the so-called "enforcers," the ones who imposed the rules and work on the victims, collected smuggling fees and were responsible for

much of the abuse of the victims. Incredibly, two of the enforcers had themselves been trafficked into the United States. We secured nine guilty pleas in the case. Three of the enforcers pleaded guilty to conspiracy to commit forced labor, forced labor and harboring illegal aliens. Judge Pisano imposed sentences ranging from a low of probation for the harboring conviction of a cooperator, to as much as 78 months for guilty pleas to conspiracy to commit forced labor, forced labor and harboring. The case was prosecuted by AUSAs Deborah Gannett, Camelia Valdes and Ronald Wigler.

2006

**St. Barnabas Health Care System –
\$265 Million Medicare
Fraud Settlement**

The St. Barnabas Corporation, the state's largest health care system and second largest employer in New Jersey, agreed in June to pay \$265 million to settle allegations that it defrauded the Medicare system – among the largest monetary settlements of its kind in U.S. history. The United States alleged that between October 1995 and August 2003, Saint Barnabas Corporation and nine of its hospitals purposefully inflated charges for inpatient and outpatient care to make the cases appear more costly than they actually were. These so-called “outlier” payments were intended by Congress to be an incentive beyond standard Medicare reimbursement to encourage health care providers to deliver services in cases where the cost of care is unusually high. The civil settlement agreement resolved all allegations brought under the federal False Claims Act in two separate “whistle blower,” or qui tam, lawsuits brought in 2002. Among the stipulations set forth in the settlement was that Saint Barnabas enter into a Corporate Integrity Agreement with the U.S. Department of Health and Human Services, Office of Inspector General to ensure compliance. The settlement was the culmination of a two-year investigation coordinated between the New Jersey USAO and the DOJ Civil Division. This litigative team, comprised of attorneys, auditors and an analyst, did an outstanding job working efficiently together, in spite of their being located in different offices. The team was confronted with more than 1.4 million documents for review; including voluminous

financial documents to digest in order to comprehend the functioning of a complex health care system comprised of nine acute care hospitals, ten nursing homes, and a host of profit and not for profit related entities. Our own now-former AUSAs Rudolph Filko and Stuart Minkowitz, both now New Jersey Superior Court Judges, led the effort here in the District of New Jersey.

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**Operation “Emissary” –
Internet Child Pornography**

For even veteran prosecutors, the shock never wears off in these cases. Acting on leads in an investigation dubbed “Operation Emissary,” Immigration and Customs Enforcement agents across the country arrested more than 125 individuals in October who had purchased online among the most vile images imaginable of child pornography – children as young as infants engaged in sexual acts with adults. The operation focused on tracking and apprehending those who purchased subscriptions to a hard-core child pornography website based overseas. To date, Operation Emissary has netted approximately 275 felony convictions across the United States, marking it as the most successful national child pornography case ever undertaken. As we had seen before in other such operations, the defendants all had made credit card purchases of subscriptions with child pornography websites operated in Eastern Europe. With the cooperation of the major credit card companies, the government was able to get billing information on the subscribers and obtain search warrants for

their home computers. On Oct 18, agents made many of the arrests, while others – particularly those who we learned had close supervisory roles with children – had been arrested immediately upon discovery of the evidence on their computer hard drives. Among those arrested in October 2006: a former counselor and medical assistant at a Bible camp in Washington State, who admitted sexually abusing at least four children; a longtime scout leader and middle school coach from southern Texas found in possession of some 4,000 images and videos of child pornography, who had also been charged in the sexual assault of two minors; a San Diego man who, during execution of the search warrant, admitted molesting at least eight children over 30 years and said he was very proficient in targeting vulnerable children; a Kentucky man who previously had been convicted of sexually assaulting a young girl. Operation Emissary has led to the arrests of more than three dozen child molesters as well as approximately two dozen previously convicted sex offenders. In New Jersey, ICE agents have arrested 24 defendants, including a police officer, a Customs and Border Protection officer, a physician, a psychiatrist and a cub scout leader. Nearly all of the defendants pleaded guilty and generally received Guidelines sentences with occasional variation. The investigation continued with more arrests after the initial charges were announced and then proceeded to a second phase in which more subscriber information led to a new round of charges here and across the country. In all phases of Operation Emissary, more than 350 have been charged in approximately 45 states. The case was originated and coordinated on a national basis by AUSAs

Mark McCarren and Paul Matey. The individual prosecutions were handled by many AUSAs, both here in New Jersey and the other districts where arrests occurred. A predecessor case of great success (it also included the prosecution of several Belarusian child porn website operators) was the case known operationally as Regpay. For more on that, go to its entry in 2004.

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Andy Lin – Computer “Logic Bomb”

This would become the Office's third prosecution of a rogue information technology employee for planting malicious code in company computers. The excuse or justification for Yung-Hsun Lin a/k/a Andy Lin, were the rounds of layoffs at Medco Health Solutions, a Merck spinoff, and fear that he, a systems administrator, might be next. Lin, of Montville, planted a so-called “logic bomb,” or destructive code, in Medco servers that, upon his engineered instruction would detonate and wipe out critical data files. Lin's logic bomb was scheduled to detonate on April 23, 2004 – his birthday – but the code failed. He reprogrammed the logic bomb for April 24, 2005, but it was discovered several months earlier by the company and disabled. Among the databases operated on the targeted computer servers was a patient-specific drug interaction conflict database known as the Drug Utilization Review (DUR). Prior to dispensing medication, pharmacists routinely examined the information contained in the DUR to determine whether conflicts existed between or among an individual's prescribed

drugs. In addition to the DUR, the servers contained applications relating to clients' clinical analyses, rebate applications, billing, and managed care processing. Further, the servers handled new prescription call-ins from doctors and coverage determination applications, as well as numerous internal Medco applications, including the corporate financials, pharmacy maintenance tracking, web and pharmacy statistics reporting, and the employee payroll input. Lin was initially charged in December and pleaded guilty in September 2007 to one count of transmitting computer code with the intent of causing damage in excess of \$5,000. Judge Linares sentenced Lin to 30 months in prison and ordered that he pay \$81,200 in restitution to Medco. The case was prosecuted by AUSA Erez Lieberman of the Computer Hacking and Intellectual Property Section and Marc Ferzan, then the Chief of the Commercial Crimes Unit. (For an earlier, similar prosecution, see the entry on Duronio in 2002. Another such prosecution occurred in 2000.)

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**Senator John A. Lynch, Jr. –
Honest Services Mail Fraud,
Tax Evasion**

A powerful icon of New Jersey politics, Lynch brought a long-running investigation of his business dealings to an abrupt end with his guilty plea to mail fraud and tax evasion on Sept. 15. In the year before his guilty plea, Lynch, a senator for 20 years and the mayor of New Brunswick for more than a decade, launched an aggressive public attack on the Office and the U.S.

Attorney for the investigation of him, alleging political bias by the Office. At the height of his power, Lynch served as political mentor to a then little-known state senator named James McGreevey, for whom Lynch was instrumental in helping become governor. At his plea hearing, Lynch admitted that he took concealed corrupt payments that were passed through two consulting companies, and that the payments originated from a South Brunswick sand-mining company in return for his official action and influence as a state senator. Lynch and his friend and business partner, Jack Westlake, had formed the two companies, which purported to provide consulting services to developers or other individuals seeking approvals for their projects in the state. The sand company, for example, was seeking approvals to expand its mining operations and needed approvals from the state Department of Environmental Protection, and turned to one of the Lynch/Westlake companies for assistance. Using his position as a powerful party leader and senator, Lynch wrote letters on Senate letterhead to the DEP commissioner endorsing the project, suggesting that a positive outcome for the sand company would be good for the public. At the same time, however, Lynch was demanding and accepting concealed payments totaling between \$120,000 and \$200,000 from the sand-mining company. Lynch also admitted at his plea hearing that he committed tax evasion by failing to report approximately \$150,000 in income. Westlake pleaded guilty to tax evasion at the same hearing, admitting that he failed to report approximately \$350,000 in income. On Dec. 19, Judge Chesler sentenced Lynch to 39

months in prison and fined him \$50,000. Westlake was subsequently sentenced to three months in prison and seven months of home confinement. The case was prosecuted by now-Counsel to the U.S. Attorney Jeffrey S. Chiesa and former AUSA Ricardo Solano.

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**Parmatic Filter Corporation –
Defense Contractor Fraud
Against the United States**

Placing greed over national security and the lives of service members, Parmatic Filter Corporation shipped hundreds of defective nuclear, biological, and chemical filters to the Department of Defense. Following a four-year investigation, we indicted Parmatic, its president and three other leading company employees in May. The DoD paid Parmatic in excess of \$7 million under two contracts to make and ship the filters to the military. The military uses these filters in its Abrams tanks, the military's main battle tank. This office and the Defense Criminal Investigative Service uncovered evidence that the company engaged in a variety of schemes to circumvent the contracts' quality and manufacturing requirements and standards for the purpose of being paid under the contracts. In many instances, Parmatic shipped filters to the government, knowing that the filters had failed the company's own internal tests. Parmatic, three of its senior managers and a foreman pleaded guilty before Judge Walls. The case against Parmatic's President is pending disposition. In addition, a government Quality Assurance Representative assigned to the plant pleaded

guilty to making a false statement concerning the calibration status of Parmatic's testing equipment. In sentencing Parmatic, Judge Walls ordered Parmatic to pay in excess of \$7 million in restitution to the United States, and he imposed the maximum fine of \$250,000. The case was prosecuted by AUSA Anthony Moscato.

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**Gantt, Johnson & Taylor –
Serial Bank Robbers**

These three violent and armed serial bank robbers, while wearing gloves, masks, and head coverings, would rush a bank taking control over bank customers and employees by making threats as they pointed handguns at the victims, simultaneously, one of the robbers would vault the counter to take the money from tellers drawers. The bank robbers would then flee in automobiles that they had stolen to use in their crimes. Two of the three men who went on the string of nine gunpoint bank robberies in Camden County, beginning in December 2005 and continued until August 2006, were arrested on Aug. 23, two weeks after their last bank robbery. Steven Gantt and Walter Johnson were arrested on state charges as a result of an eight-month investigation by the FBI, Camden County Prosecutor's Office, and the police departments of Bellmawr, Camden, Cherry Hill and Gloucester Township. The third bank robber, Kevin Taylor, was arrested in November in Philadelphia by Special Agents with the FBI. In February 2008, a jury was unable to reach a verdict following the four-week trial of Gantt and Taylor. AUSAs Jacqueline Carle and James

P. Lynch won handily the second time around with convictions in March 2008. After only six hours of deliberations, a jury convicted Gantt and Taylor of all charges contained in the 17-count Second Superseding Indictment, which included charges of conspiracy to commit robbery, bank robbery and carrying and brandishing a firearm during and in relation to the commission of a crime of violence. In June 2008, Gantt, who always was the one to vault the bank counters, was sentenced by Judge Kugler, who presided over both trials, to a whopping 149 years in federal prison. Also, in June 2008, Judge Kugler sentenced Taylor to 115 years in prison. Johnson, who pleaded guilty in November 2006 and cooperated with law enforcement, was sentenced in March 2008 to 108 months in prison.

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**Angelo Prisco –
Organized Crime Figure**

While still on parole for a state conviction for arson, and on federal supervised release for an extortion conviction in New York, Angelo Prisco, a Capo in the Genovese Crime Family, ran out of luck once again in March when he was arrested for an extortion conspiracy. Prisco had enlisted the services of a mob associate, Michael Visconti, in a mission to assault an electrical contractor, who was in competition with John Cappelli, the owner of another electrical contracting business and an associate of Prisco. The goal was to dissuade the victim contractor, through actual and threatened force, from following through with a contract

to provide electrical service to an outdoor festival in New York's Little Italy – a contract that Prisco's pal Cappelli wanted for his own business. Visconti sought the assistance of another thug for the job, who conveniently happened to be a government cooperating witness, and who provided the FBI Organized Crime Strike Force with the information necessary to arrest the conspirators. Investigative measures were taken to convince Visconti to abort the assault mission, but at his plea hearing, Prisco admitted that he still received \$2,500 from Cappelli as payment for authorizing the attempted assault. Prisco pleaded guilty May 17, 2007, to conspiracy to engage in interstate travel in aid of racketeering. Judge Greenaway sentenced Prisco to 60 months in federal prison, the statutory maximum. The federal case and arrest of Prisco came after the highly publicized circumstances of Prisco's unusual release by the New Jersey State Parole Board in May 2002, after serving less than four years of a 12-year New Jersey state charge for arson conspiracy. The Parole Board had reversed a decision it had made just months earlier to deny parole. Our case against Prisco was prosecuted by AUSA Steven D'Aguzzo, in Camden.

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**Pollution Settlements –
More Community Service Payments to
New Jersey Causes**

Once again, we took polluters of New Jersey's Atlantic coast to task by prosecuting them criminally and by extracting large criminal fines and Community Service Payments from them. These and other pollution penalties we've taken in over the last several years have been among the most satisfying of our efforts, since we were able to both penalize polluters, make them pay for the damage they've caused and then use the fines right here in our state. In August, the U.S. Attorney was invited by the National Fish and Wildlife Foundation (NFWF) to a news conference in the marshes of the Meadowlands to announce our designation of the NFWF to receive \$1.65 million. Of that amount, \$1.5 million came from Singapore-based Wallenius Ship Management Ltd., with another \$150,000 from Japan-based MK Ship Management. Both companies manage fleets of ocean-going vessels caught and prosecuted for pumping waste oil and sludge overboard in U.S. territorial waters. Particularly satisfying was that all of the \$1.65 million was dedicated to locally based conservation projects in the Hudson-Raritan Estuary Watershed – for example, the New Jersey portion of New York/New Jersey Harbor, the Newark Bay Complex and the Meadowlands, and the New Jersey portion of the Delaware Bay and Estuary. The Foundation was to invest the funds over the next three years in projects to restore the health and living resources of these areas. The Wallenius shipping company pleaded guilty in March to seven felony counts, including obstruction of

justice, false statements and violating the federal Act to Prevent Pollution from Ships through the use of a so-called “magic pipe” to discharge sludge and oil-contaminated waste overboard from one of its ships, the M/V Atlantic Breeze. As part of its plea agreement, Wallenius paid a \$5 million criminal fine, plus an additional \$1.5 million community service payment, which we then directed to the NFWF. MK Ship Management, Co., Ltd. paid over its \$150,000 community service payment, as well as a \$200,000 criminal fine, in January. Its chief engineer was sentenced to a year in federal prison for falsifying records concerning the repeated discharge of oil from the ship Magellan Phoenix in Gloucester in 2005. All of these cases were investigated by the U.S. Coast Guard, not an agency we do a lot of work with, but one that proved itself in each of the cases. AUSA Thomas Calcagni made this type of case his forte and handled nearly all of them for the office.

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**Jose Luis Notario, et al. – Prostitution
Ring Involving Smuggled Mexican
Females**

In October 2007, Jose Luis Notario, a Union City bodega owner, was sentenced to 50 months in prison for illegally transporting more than \$1 million to Mexico over a four-year period, money which in significant part represented the earnings of Mexican women who had been smuggled into the United States and put to work as prostitutes. The charges against Notario and more than a dozen others came in 2006, and resulted from an investigation into a large-scale smuggling

and sex trafficking ring operating in Union City, New Jersey. The investigation confirmed that there were families in San Miguel Tenancingo, Mexico who routinely smuggled impoverished and vulnerable Mexican females into the United States to work as prostitutes. Typically the females worked as prostitutes at a single location for one week, generally from Monday to Sunday, at brothels in Maryland, Virginia, and other east coast locations. The females were then transported to "safe" houses in Union City on Sunday evenings where they would turnover their earnings to the traffickers who sent the money back to the trafficker's families in Mexico. The smuggled woman ranged in age from 17 to their mid-20s. Notably, Herminio Flores Santiago received a sentence of 59 months in prison following his plea to conspiring to recruit a 17-year-old Mexican female to come to the United States to engage in a commercial sex act. In addition to Notario and Flores Santiago, 12 other defendants plead guilty and were sentenced for their respective roles in this conspiracy which included smuggling illegal aliens into the United States, harboring illegal aliens for the purpose of prostitution, transporting illegal aliens across state lines, and operating an illegal money transmitting business. The case was prosecuted by Assistant U.S. Attorneys Shana W. Chen, of the Criminal Division's Public Protection Unit, and Leslie Faye Schwartz, of the Criminal Division's Strike Force Unit, as part of this Office's continuing commitment to pursue those who would attempt to profit from the victimization of individuals in the international sex trade.

Terrance D. Stradford –

\$2.76 Million Mortgage Fraud

A Staten Island dentist satisfied his greed for luxury living less through the drilling and filling of cavities than through fraudulent mortgages on a southern New Jersey business property. In April, Stradford, who maintained an office at the property in Berlin Township, and his former employee/girlfriend were indicted for a scheme to fraudulently obtain \$1.36 million in mortgages and spending the proceeds on luxury items including the purchase of a 46-foot yacht, a North Carolina residence and a GMC Yukon Denali. On Sept. 26, 2007, after less than two hours of deliberations, a jury convicted Stradford of all 24 counts, including one count each of conspiracy to commit wire fraud, conspiracy to commit money laundering, and tax evasion; three counts of wire fraud; and 18 counts of money laundering. In addition to the \$1.36 million in loans at issue, Judge Wolfson held the defendant responsible at sentencing for an additional \$1.4 million in fraudulently obtained loans. These included a \$595,000 loan that Stradford fraudulently obtained from GE Capital, which Stradford had represented would be used to purchase medical equipment for his dental practice, as well as two mortgages obtained from Countywide Home Loans, in which Stradford fraudulently represented that he had sold certain properties to his father. Judge Wolfson sentenced Stradford to 120 months in federal prison; ordered him to pay \$592,000 in restitution; and entered a \$720,000 criminal forfeiture against Stradford.. Christina Hachadoorian pleaded guilty to her role in the scheme prior to trial and was sentenced in January 2008 to six

months followed by six months of home confinement. The government was represented by AUSAs Eric M. Schweiker and Josh Drew, of the U.S. Attorney's Office's Criminal Divisions in Trenton and Camden, respectively.

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**Mayor Joseph Foy, Sr. –
Tax Evasion**

With manicured green fairways as the backdrop for his scheme, Burlington Township Mayor Joseph Foy Sr., enriched himself by misleading supporters and area vendors that proceeds from his annual mayor's golf tournaments benefitted political and/or charitable causes, when in fact, Mayor Foy deposited the proceeds into his own personal bank account and used the money for personal expenses. Mayor Foy's greed was his undoing as he attempted to hide the income from the IRS by failing to claim the additional income on his joint individual tax return and not paying the additional income taxes owed. In February the former mayor pleaded guilty to a four-count Information charging tax evasion for his failure to claim income derived from the for-profit golf tournaments during tax years 1999 through 2002. At his plea hearing, Foy admitted that he failed to report additional income totaling \$52,944, which resulted in additional taxes owed totaling \$19,696. In July, Judge Wolfson sentenced Foy to two years of probation that included three months of home confinement with electronic monitoring and ordered him to pay a \$10,000 fine on top of all back taxes, penalties and interest due. The Foy matter was prosecuted by Assistant

U.S. Attorney David Bocian.

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**Dr. Charlene C. DeMarco –
Fraud Against Lou Gehrig's Disease
Patients**

When patients suffering with amyotrophic lateral sclerosis (ALS or "Lou Gehrig's Disease) and their families had no where else to turn, an Egg Harbor City doctor and her associate appeared to be a beacon of hope with a promise of a cure through experimental stem cell therapy. In reality, the promises of Dr. Charlene C. DeMarco and Elizabeth Lerner were nothing more than a cruel scheme to defraud the patients and their families of tens of thousands of dollars.

On March 30, DeMarco and Lerner were arrested at the house they shared on an 11-count Indictment. On Dec. 8, after seven hours of deliberations, a jury convicted both defendants of one count of conspiracy to commit mail and wire fraud, three counts of mail fraud, six counts of wire fraud, and one count of money laundering. During the 10-day trial, 24 government witnesses, including patients' family members, testified regarding the defendants' claim that DeMarco, a doctor of osteopathy specializing in the treatment of Lyme disease, could treat ALS patients with stem cell therapy in order to induce the patient's families to pay for such treatments even though DeMarco would not and could not have provided the promised treatments. Families of the victimized patients paid up to \$35,000 to the defendants in anticipation of treatments that were never performed. On Sept. 5, 2007, U.S. District Judge Joseph H. Rodriguez sentenced DeMarco to 57 months

in prison and ordered her to make restitution to victims. On Dec 12, 2007, Judge Rodriguez sentenced Lerner to 33 months in prison and ordered restitution. The case was tried Assistant U.S. Attorney Eugenia A.P. Cowles, formerly of the Criminal Division in Trenton, and former AUSA R. Stephen Stigall, of the Criminal Division in Camden.

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**Frank Abate –
More Monmouth County Corruption**

Our years-long involvement in Monmouth County yielded yet another corrupt official and others connected to him: former Executive Director of the Western Monmouth Utilities Authority Frank Abate. He was arrested in November and charged with taking thousands of dollars worth of free architectural drawings for an addition to his home from developers in exchange for exercising his authority in extending sewage service to the developers' multi-million-dollar homes project. Abate used other contractors to do thousands of dollars in free work for the addition – contractors for whom he had decision-making authority in approving Utilities Authority contracts. Two months later, we indicted the developers, brothers Steven and Bernard Meiterman, and a partner of theirs, for bribing Abate and others. Abate went to trial and was convicted in May 2007 on five counts of honest services mail fraud and one count of obstruction (for Abate's attempt to conceal that the Meitermans had paid for the architectural drawings once he learned he was under investigation). Judge Wigenton

sentenced Abate to 51 months in prison. The developers and their partner all pleaded guilty. Judge Wigenton sentenced Bernard Meiterman, an attorney, to two years in prison. His brother, Steven, was awaiting sentencing this fall; their real estate partner was sentenced to one year in prison. The trial team of Richard E. Constable III and Rachael Honig brought in the conviction of Abate. AUSA Judith Germano prosecuted the Meitermans and their partner.

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**The M.O.B. Boys –
Camden Drugs and Gangs**

In May, a two-year investigation into violent drug-trafficking enterprises operating in South Camden resulted in the dismantling of a major drug-trafficking gang known as the "M.O.B. Boys," which distributed more than 100 kilograms of crack cocaine per year and protected its operations through violence, including murder. The investigation was undertaken by the FBI's Violent Crimes Task Force and the Philadelphia/Camden High Intensity Drug Trafficking Area task force. Through the investigation, which utilized court-authorized wiretaps, body wires, physical and electronic surveillance and undercover drug buys, it was learned that in 1989 a criminal street gang formed in Camden and became known as the "Hilltop Gang." The gang separated into factions in 1998 and its members branched out to separate sections of the city. Certain members of the Hilltop Gang moved to the area of Morton Street and took control of a drug operation there and became known as the "M.O.B. Boys," an acronym for "Middle

Of the Block,” for its operations in the middle of the 1200 block of Morton Street. Early morning raids on May 17 resulted in the arrest of 10 of 20 defendants; four were arrested prior to the raids and six became fugitives. In total, the four leaders, two wholesale suppliers and 14 subordinates of the notorious crack and powder cocaine distribution organization were arrested on federal criminal Complaints. In June 2008, Judge Wolfson sentenced one of the gang leaders to 30 years in prison for his August 2007 guilty plea for his leadership role in the drug distribution conspiracy. Three other M.O.B. Boys leaders have pleaded guilty to drug conspiracy charges and are awaiting sentencing. In addition, all other co-defendants have entered guilty pleas and many have been sentenced to prison terms ranging from probation to 200 months in prison. The case was prosecuted by Assistant U.S. Attorneys Kevin Smith and Jason Richardson of the U.S. Attorney's Criminal Division in Camden.

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**Lakewood Cheder School –
Civil Recovery of Federal School
Lunch Program Funds**

This was not the sort of case we'd seen often, if ever, but this private school settled with the government for \$1.295 million in payments from the National School Lunch Program. The non-profit school had for at least four years submitted false certifications for lunches served at private residences that were ineligible and unapproved for the benefits. Lakewood Cheder School submitted the false

information and statements to the U.S. Department of Agriculture through the State of New Jersey, Department of Agriculture, Bureau of Child Nutrition. More than 1,100 pre-school age children were claimed by Lakewood Cheder to have received the lunches at the ineligible and unapproved sites. In this way, the school obtained an increased payment of \$953,421 to which it was not entitled. The settlement amount is \$1,295,549. The case was handled by former AUSA Rudolph A. Filko, then Deputy Chief of the Civil Division and now a New Jersey Superior Court Judge.

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**Jake Brahm –
Internet Terrorism Hoax Directed at
NFL Stadiums**

From the day he was arrested to sentencing, this young Wisconsin store clerk publicly appeared amused by all of the attention he was receiving for his announcement over the Internet that thousands would be killed in U.S. football stadiums with the detonation of radioactive “dirty bombs.” Brahm had posted a message approximately 40 times throughout September and October 2006, stating that on Oct. 22 that year, seven “dirty” explosive devices would be detonated during football games at stadiums in Miami, Atlanta, Seattle, Houston, Oakland, Cleveland and New York City (though he really meant Giants Stadium in East Rutherford, where the Jets were scheduled to play). The message Brahm posted went on to say that the bombs would be delivered by trucks and that “the death toll will approach 100,000 from the initial blasts

and countless other fatalities will later occur as result from radioactive fallout.” The hoax prompted huge security measures to be undertaken at the stadiums. Brahm pleaded guilty to willfully conveying a false terrorism hoax. Judge Linares got it right at sentencing in June 2008, when he called Brahm’s actions a “sick hoax.” He gave Brahm a split sentence of six months in jail and six months of home confinement and ordered him to pay \$26,750 in restitution for some of the costs of security that resulted from his hoax. The case was prosecuted by AUSAs L. Judson Welle and Camelia M. Valdes.

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**St. Preux –
Immigration Fraud**

Jonathan St. Preux, an attorney in Irvington, claimed a specialty in immigration law. In fact, his storefront office was a mill for getting illegal aliens lawful status to live in the United States. St. Preux, his wife, who was his office manager, and two other individuals who recruited illegal aliens, were charged in October. Together, the group brought in hundreds of clients, from whom St. Preux made hundreds of thousands of dollars. On fraudulent applications, St. Preux represented to the government that the aliens had lived unlawfully in the United States before 1982 and were qualified for legal residency under an amnesty immigrant program sponsored by the federal government. St. Preux pleaded guilty to immigration fraud. At sentencing, he faced a Guidelines range of between 37 and 46 months. Judge Hayden, however, took away St. Preux’s credit for acceptance of

responsibility, finding that he had not ultimately acknowledged and accepted his wrongdoing. Consequently, Judge Hayden sentenced Jonathan Saint Preux to 57 months. St. Preux’s wife received five years of probation. One of the recruiters was sentenced to 37 months; the other received probation due to his cooperation. The case was prosecuted by AUSA Adam Lurie and former AUSA Michael Buchanan.

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**Michael Giubilo –
Former FBI Informant turned
Serial Bank Robbery**

The good will that serial bank robber Michael Giubilo previously enjoyed as a government informant had long run out when we brought him to trial in February. Giubilo was arrested by FBI agents as he was about to enter the Bank of New York in Millburn on March 8, 2004, after law enforcement officials received an anonymous tip that Giubilo had committed three previous bank robberies and had outstanding medical bills. Giubilo was indeed an FBI informant for more than 20 years. However, in 1997 a federal judge, while accepting that Giubilo had helped build important cases, instructed that Giubilo not be used as an informant any longer, due to his continued criminal activities, including weapons possession, drug use and possession, drunk driving, eluding police and other crimes. At trial, Giubilo’s defense was that he was set up by the FBI and had merely gone to Millburn to meet his doctor. He also claimed that he was being set up because, over his years as an informant, he had audio taped meetings with

his FBI handlers. The purported tapes, however, were never produced at trial. We described the defense as a complete fabrication. The jury clearly agreed and convicted him on all counts: three counts of armed bank robbery and one attempted, four counts of carrying a firearm in connection with a violent crime, and one count of unlawful possession of a weapon by a convicted felon. His long criminal history also earned him career-offender status. With all taken into account, Judge Linares sentenced Giubilo, 61, to 90 years in prison. The case was prosecuted by AUSAs Meg Mahoney and Andrew Kogan.

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Crips Gang Members – Drugs and Weapons Roundup

Here we focused on several loosely knit sets of the Crips street gang responsible for the distribution of crack cocaine, heroin, ecstasy and illegal firearms in East Orange, Irvington and Newark neighborhoods. A team effort of local, state and federal law enforcement, under the umbrella of the Essex County Safe Streets Gang Task Force, resulted in the roundup on Sept. 13 of 22 suspected gang members, and later arrests of an additional 5 gang members. Among those charged were two Crips leaders, or “Original Gangsters.” During the course of the investigations and in seizures during the arrests, law enforcement recovered more than 20 weapons, including semi-automatic assault rifles, a bulletproof vest, cocaine, crack, ecstasy and cash. Since the original round up, 25 of the 27 have pleaded guilty. Many of them have not yet been sentenced,

and the sentences that have been given have varied widely, as each pleaded guilty to their own drug amounts. Notably, Nyron Bridges one of the members with “status,” received a sentence of 188 months. The original cases, handled primarily by AUSA Joseph Gribko, also spawned numerous other prosecutions of Crips gang members.

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Solomon Dwek – \$50 Million Bank Fraud

Solomon Dwek was a well-known, powerful real estate developer and owner in Monmouth and Ocean Counties and beyond. How else to explain that a bank would honor a \$25 million check from one of his accounts – a closed account with a zero balance – on the mere promise that funds were on the way to cover the check? The funds never materialized, and PNC bank was out \$25 million. Dwek was arrested on May 11 and charged with defrauding the bank, nearly three weeks after he first presented the \$25 million check. To convince the bank to complete the transaction, Dwek made several misrepresentations and enlisted a co-conspirator. Dwek, who also was vice president of the Deal Yeshiva School in West Long Branch, falsely claimed to the bank that he had spoken to “Corporate” and that they were going to re-open the closed account. He further promised that a wire transfer was on its way to cover the check. Relying on Dwek’s representations, the PNC branch deposited the \$25 million check. The next day, Dwek wire transferred most of the \$25 million deposit to another bank to pay off a loan there. And again Dwek tried to deposit

yet another \$25 million check – also from the aforementioned closed account – where still no funds had arrived to cover the first check. This time, the bank voided the check. About 10 months later, in March 2007, we took a guilty plea to bank fraud from a Monmouth County mortgage broker who had assisted Dwek. The mortgage broker admitted that he, on Dwek's direction, called the bank and, representing himself to be an attorney, said he was wiring \$25 million to the bank to cover the so-far worthless check that Dwek had passed at PNC. The investigation is continuing. Brian Howe, Deputy Chief of the Special Prosecutions Division, is handling these cases.

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William Baskerville – Death Penalty Case for Conspiracy to Murder a Witness

This marked the first time a death penalty-eligible case was tried to conclusion in the District of New Jersey. The case and its circumstances – as well as the lawless atmosphere that existed in Essex County, where murder of witnesses had become a routine tactic among drug dealers and gangs – cried out for the Office to seek the ultimate penalty and general deterrent in the case of this defendant, William Baskerville. Over the course of about a year, the FBI had used two confidential witnesses to make purchases of crack cocaine from the defendant. The primary CW, Kemo Deshawn McCray, made six separate controlled purchases of various quantities of crack cocaine from the defendant. McCray was first charged via complaint with distribution of five grams or

more of cocaine base, arrested and ordered detained pending trial. Despite being referred to only as “the confidential witness” in the complaint, the defendant immediately determined the informant's identity and ordered his drug trafficking associates, including his brother Rakim Baskerville and Anthony Young, to “take care” of the informant and “put a hole in his melon.” On March 2, 2004, Rakim and Young, armed with a handgun, watched McCray and his stepfather go into a convenience store on South Orange Avenue in Newark. Rakim stayed in the getaway car as Young hid in a storefront doorway. When McCray left the store, Young grabbed McCray by his collar and fired three times at McCray's head as McCray's step-father stood less than ten feet away. McCray died instantly. The prosecutors were able to piece together a series of cooperating witnesses – no easy task given the allegations – several of whom were incarcerated with the defendant, as well as eyewitnesses, phone records and other circumstantial evidence which detailed the four-month long plot to kill the informant. The Department of Justice authorized the Office to seek the death penalty. In July 2006, Baskerville was arraigned on the Fourth Superseding Indictment, charging him with one count of conspiracy to murder a witness, one count of conspiracy to retaliate against an informant, one count of conspiracy to distribute 50 grams or more of cocaine base and six counts of distribution of five grams or more of cocaine base. Following a four-week trial (preceded by seven weeks of jury selection), the jury convicted Baskerville on all counts on May 1, 2007, leaving the jury to decide Baskerville's fate in a penalty phase hearing. After approximately a week

of additional testimony, a majority of the jury voted in favor of the death penalty but could not reach a unanimous verdict. Thus, Judge Pisano sentenced Baskerville to life in prison without parole. The importance of our efforts against such a ruthless killer – and the need to send a deterrent message to drug traffickers, gangs and others in Essex County – was well accomplished in this prosecution. (Read also about Baskerville's brother, Rakim, and his prosecution and life sentence under the "Curry Organization" in the 2004 entries.) The case was handled by AUSAs Joseph Minish and Robert Frazer, with much support from AUSA John Gay, their supervisor.

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Callaway & Sloan El - South Jersey Corruption

The arrest of a building contractor, Terry Jacobs, for selling more than five kilos of cocaine became an opportunity to introduce undercover agents posing as a developer and a financier who were willing to pay bribes in exchange for municipal contracts. In August, the nearly three-year corruption investigation resulted in guilty pleas to extortion from Atlantic City Council President Craig Callaway and Camden City Councilman Ali Sloan El, both of whom admitted that they accepted bribes from Jacobs and the undercover agents, in exchange for their official influence in connection with municipal contracts. On the same day in August, Jacobs pleaded guilty to an unrelated drug conspiracy charge. Before Callaway entered his guilty plea, the investigation was strengthened by Callaway's

agreement to cooperate (which required Callaway to announce that he was dropping out of the Atlantic City Mayor's race due to health problems). The investigation continued and by November 2007 led to guilty pleas from three additional Atlantic City councilmen and three politically connected businessmen, for either accepting or paying bribes in exchange for preferential treatment on business opportunities in connection with development projects controlled by Atlantic City. The case took an odd turn when Callaway, while awaiting sentencing and eligible for a sentence reduction because of his cooperation, was found to have involved himself in a political blackmail scheme by arranging for a prostitute to be videotaped in the act with a political rival. Callaway and others attempted to use the videotape's content to coerce the councilman to resign his position on the city council or risk public dissemination of the videotape. Judge Rodriguez sentenced Callaway to 40 months in federal prison (we withdrew our support for a below-guidelines sentence due to the extortion conspiracy) and ordered Callaway to pay \$36,000 in restitution. The State of New Jersey handled the investigation and prosecution of the sex-tape scheme. In April 2007, Judge Rodriguez sentenced Sloan El to 20 months in federal prison. The cases were prosecuted Assistant U.S. Attorneys Thomas J. Eicher and Judith Germano.

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Vincent Filipelli – Organized Crime

This southern New Jersey member of

the Philadelphia mob was overheard saying he didn't care if his victim reported his threats to law enforcement. It turned out that the man Vincent Filipelli was threatening to put in a hospital for a year was, in fact, an undercover law enforcement officer. Vincent Filipelli, of Cherry Hill, was arrested on federal and state charges in October and was indicted on one-count federal Indictment in November on the charge of interstate travel in aid of racketeering for traveling to Philadelphia to threaten a man who he believed owed an illegal sports gambling debt. Filipelli was the focus of an illegal sports gambling investigation that began in August 2005 by the FBI and the N.J. State Police. Filipelli pleaded guilty to the charge contained in the Indictment before Judge Hillman in April 2007. In March 2008, Judge Hillman sentenced Filipelli to 66 months in federal prison and ordered him to pay a \$10,000 fine. The Filipelli matter was prosecuted by Assistant U.S. Attorneys Steven D'Aguanno and Jacqueline Carle.

2007

**Sharpe James, Tamika Riley –
Honest Services Mail Fraud**

Mayor of Newark for 20 years and a state Senator for the last seven of those years, Sharpe James used both of those powerful positions to execute two frauds which were the subject of our Indictment in July: one enabled his mistress, Tamika Riley, to fraudulently obtain city-owned land without rehabilitating the properties and then flip them for hundreds of thousands of dollars in profit; the second in which he used city credit cards to take personal trips to exotic locations – often with female companions – and to spend on everything from movies to luxury hotel rooms, fine dining, car rentals and sporting events. The conduct charged in the Indictment presented a polar-opposite image of the one James guarded and promoted – that of a benevolent, selfless public servant, who steered the struggling city from riots to renaissance. We went to trial with James and Riley in February 2008, but not before Judge Martini had severed the Indictment, requiring separate trials on the land deals and the credit card abuses. Nonetheless, following a hard-fought, seven-week trial, Assistant U.S. Attorneys Judith Germano and Phil Kwon, joined by Special AUSA Perry Primavera on loan from the state Attorney General's Office, brought in convictions on all counts against James for the land fraud: three counts of mail fraud and one of fraud involving a local government receiving federal funds, and one count of conspiracy to defraud the public of James's honest services. Riley was convicted on those counts, as well as additional mail fraud counts related to her fraudulent receipt of rental assistance, three counts of tax fraud and one of tax evasion.

The sentencing hearing unfolded over two days. Judge Martini first rejected defense motions seeking to overturn the verdicts but telegraphed clearly that he did not like the government position that James faced a Guidelines range of between 15.5 years to 19.5 years in prison, taking into consideration his leadership role in a public corruption scheme. The judge also rejected the Probation Department's findings that James was eligible for a Guidelines range of between 12.5 years and 15.5 years in prison. Instead, he came back with a disappointing and, in our view, inappropriate sentence for James of 27 months and 15 months for Riley. We immediately announced publicly that we would seek Justice Department consent to appeal the sentencings. Notwithstanding the sentencing results, the convictions were a tremendous, even historic, accomplishment by the trial team and the Office as a whole.

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**James "The Hat Bandit" Madison –
Serial Bank Robber**

His modus operandi made him a media star of sorts – he wore different and distinctive caps each time he robbed a bank – and earned him the nicknames "Mad Hatter" and "Hat Bandit." After he finally was caught, James Madison tried to make himself to be a kind of modern day Robin Hood. But there was no sugarcoating the facts: Madison robbed no less than 18 New Jersey bank branches and attempted to rob another. He threatened to use a gun in two of them and an explosive in another. In all, Madison got away with \$81,123 during robberies occurring between September 2006 and July

2007. Madison first came up for a guilty plea in August 2007 and backed down in court before a throng of amused reporters. Two weeks later, he pleaded guilty and gave a full allocution, admitting that he robbed all the banks and attempted another robbery; he even described with specificity many of the signature caps he wore during the heists. Madison, who had previously been convicted of manslaughter and had other criminal convictions, faced a Guidelines range of 97 to 121 months. Judge Linares came through at the top of the range with 120 months. The case was prosecuted by AUSA Shana Chen.

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**Bank Robbery Gang –
Death of FBI Special Agent
Barry Lee Bush**

It was indeed a tragedy waiting to happen. A gang of four young men had conspired in a series of violent armed bank robberies in Central New Jersey. In each of them, heavily armed suspects entered the banks and discharged a weapon. In one robbery, a bullet ricocheted off the ceiling and grazed a customer's leg; in another a bullet deflected off a teller window, shattered the glass and injured a bank employee. The robbers got away with as much as \$33,000 in one robbery, and as little as \$9,609 in another. In the group's fifth and final robbery of a PNC branch in Readington, FBI Special Agent Barry Lee Bush, 52, was with the task force that had been shadowing the gang. On April 5, as Bush and other agents surrounded and attempted to take down one of the robbers in a switch vehicle parked some distance from the bank, an agent fired

his weapon, accidentally striking Bush and killing him. One member of the gang was arrested at the bank. Another got away on foot but was found the next day in woods a few miles away from the bank. A fourth suspect who was not involved at the scene was arrested in New Brunswick the afternoon of the robbery. Bush, an agent of nearly 20 years, well-known, well-liked and respected in this Office, was married with two children. Sadly, he became the 51st Special Agent of the FBI to die in the line of duty. On June 1, we indicted three of the bank robbers: Wilfredo Berrios, aka "Rob Cop," Francisco Herrera-Genao, aka "Fongi," and Efrain Lynn, aka "Pepino." Berrios and Herrera-Genao were charged with the attempted bank robbery in Readington and four other armed robberies, plus conspiracy. The third defendant, Lynn, was charged with conspiracy and three armed bank robberies. All three were also charged with using firearms in connection with crimes of violence. The fourth defendant, Michael Cruz, pleaded guilty to conspiracy, robbery and armed robbery and aiding and abetting the use of a firearm during a crime of violence. With all of the aggravating factors, including the death of Agent Bush, the three defendants who are proceeding to trial – all in their 20s – could spend the rest of their lives in prison. Trial for the three was scheduled for November. Charles McKenna, now the Chief of the Criminal Division, is handling the case.

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**Able Labs –
Securities Fraud, Misbranded
and Adulterated Drugs**

This once successful, New Jersey-based maker of generic drugs imploded from within from the fallout of a conspiracy to skirt Food and Drug Administration testing parameters on its products. Able's growth and success persisted only as long as it kept its dirty little secrets from the trading public. From the end of 1999 through mid-2002, Able's shares traded at no more than 55 cents per share, but reached an all-time high of \$26.50 per share by May 2005. Then, on May 19, 2005, without warning, the company announced it was suspending shipments of its entire product line and recalling certain products because of indications of improper laboratory practices. At the close of trading that same day, Able's stock had plummeted 75 percent to \$6.36 per share, resulting in a market loss of approximately \$340 million. The company subsequently filed for Chapter 11 bankruptcy and two months later had its stock delisted by the NASDAQ exchange. Some five hundred people lost their jobs. The investigation over the next two years brought guilty pleas from six chemist supervisors and quality control officers in 2007, all of whom admitted their roles and knowledge of the scheme to flout, alter and manipulate FDA rules designed to protect the identity, strength quality and purity of drugs. The conduct ranged from improperly changing test parameters to obtain satisfactory test results, to a secret project which included forging data in chemist Laboratory Notebooks and Binders in order to obtain the FDA's approval to manufacture a new generic drug product. Each of the

defendants pleaded guilty to conspiracy to distribute misbranded and adulterated drugs. One executive, Able's vice president in charge of quality assurance and control, also pleaded guilty to conspiracy to commit securities fraud for cashing in on stock options throughout the period of the scheme. The investigation is continuing. The case was prosecuted by AUSA Robert Kirsch.

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**Fort Dix Plot -
Terrorism**

On a May morning the U.S. Attorney and Philadelphia FBI Special Agent in Charge J.P. Weis stood in front the federal courthouse in Camden before a mass of cameras and reporters to announce the arrests of five local Islamic men for their alleged plot to kill U.S. soldiers at various installations, including the Fort Dix Army base in New Jersey. A sixth man was arrested and charged with providing them with guns to train. As the case quickly caught international attention, it remained very much a local event that hit close to home for many New Jerseyans. The arrests of the six defendants, three of whom are illegal aliens, occurred the night before in Cherry Hill as two of the defendants were meeting a confidential government witness to purchase three AK-47 automatic machine guns and four semiautomatic M-16s to be used in an attack they had been planning for more than a year. During the planning stage, members of the group allegedly conducted surveillance at Fort Dix and also at Fort Monmouth in New Jersey, Dover Air Force Base in Delaware and the U.S. Coast Guard in Philadelphia.

Finally the group settled on Ft. Dix as their target and obtained a map of the base. The defendants also did small-arms training at a shooting range in the Pocono Mountains and distributed training videos amongst themselves that included depictions of American soldiers being killed and known foreign Islamic radicals urging jihad against the United States. The defendants were each originally charged via criminal Complaints and in June, five of the defendants were indicted on charges of conspiracy and other charges related to their plans to kill as many soldiers at the Army base as possible. The sixth man was indicted for aiding and abetting the illegal possession of firearms by three members of the group who were illegal immigrants. In October 2007, the sixth defendant, Agron Abdullahu pleaded guilty before Judge Kugler to the weapons offense and was sentenced in March to 20 months in prison. The trial for brothers Eljvir Duka, Dritan Duka and Shain Duka, along with Serdar Tatar and Mohamad Ibrahim Shnewer was scheduled to begin at the end of September. The case is being prosecuted by Deputy U.S. Attorney William E. Fitzpatrick and Assistant U.S. Attorney Michael A. Hammer, Jr., along with Appeals attorney Norman Gross.

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Khawar Gardazi – Murder Abroad of a U.S. Citizen

Khawar Gardazi purported to be going to Pakistan for vacation with his companion, Nicolas Queune, but in fact was setting in motion his plans for taking control of Queune's estate. Gardazi and Queune flew to Pakistan in January, but only Gardazi

returned two weeks later, whereupon he informed Queune's family that Queune had died of a heart attack in Pakistan and had his remains cremated. Beyond those circumstances, there was plenty more reason for suspicion, as reflected in our criminal Complaint in June, when we arrested and charged Gardazi, initially, with mail and wire fraud for attempting to loot Queune's valuable estate. Gardazi, 31, met Queune, 52, in early 2005 and shortly thereafter moved into Queune's Plainfield home. Only a few months later, Gardazi convinced Queune to add Gardazi's name to the deed to Queune's home, valued at approximately \$500,000. And in December 2006, the two men met with an attorney to draft a will for Queune and a trust in Gardazi's name. Upon Queune's death, the trust was to receive his real property, death benefits (valued then at \$152,000) and federal employee retirement funds. Shortly after Gardazi returned from Pakistan, he presented a crude, clearly forged version of a purported Pakistani death certificate to the attorney in an attempt to probate Queune's will. Meanwhile, Queune's brother in France, upon hearing of the suspicious story of his brother's death, alerted police in Plainfield, and the fraud quickly fell apart. Gardazi pleaded guilty in December 2007 to a two-count Information charging him with Foreign Killing of a U.S. National and wire fraud. At his plea, Gardazi admitted that, once Queune's brother began investigating and had called the police, he called the brother in France and admitted that the victim had died during a violent argument with Gardazi. Gardazi then proposed that he would end pursuit of Queune's estate if the brother would call off the police investigation. Too late. Gardazi faces

potentially decades in prison. He awaits sentencing. The case was prosecuted by AUSA Deborah Gannett.

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M/T Clipper Trojan – Environmental Crimes, \$4.75 Million in Penalties

This time around it was the Danish ocean shipping company Clipper Marine Services A/S, owner-operator of the chemical tanker *M/T Clipper Trojan*, that we targeted for criminal prosecution, including hefty criminal fines and Community Service Payments for polluting the ocean. In February, the ship's chief engineer admitted that he presented a false oil record book to the Coast Guard during an inspection while the ship was in Port Newark in an effort cover up overboard discharges of oil sludge and oil-contaminated bilge waste. Judge Brown sentenced the ship's chief engineer to five months. In March 2007, the *M/T Clipper Trojan*'s owner was indicted on charges of conspiracy, violation of the international pollution protocols, making and using materially false writings and documents and obstruction. In a precedent-setting plea agreement in June 2008, which included a total penalty of \$4.75 million, \$1.5 million of which was directed to the National Fish and Wildlife Foundation to support their environmentally positive projects in New Jersey, Clipper Marine Services A/S agreed to retrofit four of its oldest vessels with state-of-the-art oily water separators, and to implement a remote monitoring system aboard five of its vessels to allow the Coast Guard to monitor waste levels and the use of oil waste processing equipment in real-time,

using data transmitted via satellite. The case was prosecuted by Assistant U.S. Attorney Bradley A. Harsch, along with, David P. Kehoe, Senior Trial Attorney of the Justice Department's Environmental Crimes Section, and Lieutenant Christopher L. Jones, Special Assistant U.S. Attorney, of the First Coast Guard District Legal Office.

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Paterson Public Housing – Public Employees On The Take

This investigation revealed a pervasive willingness among mostly lower-level city housing employees to take bribes in exchange for favors or the promise of favors to a local property manager and landlord who was cooperating in an undercover capacity. In late March, we charged 14 current and former public employees. Each had accepted bribes to steer Section 8 housing tenants to the cooperating witness's properties, expedite required building inspections, and to obtain dismissals of tenant complaints filed against the CW in municipal court. One defendant, the former Deputy Director of the Paterson Housing Authority's Section 8 program, admitted accepting approximately \$85,000 to \$100,000 in similar bribes from a number of sources over a period of several years. During many tape-recorded and videotaped conversations, the public employees accepted cash bribes ranging from \$50 to \$3,000. One, a City of Paterson building inspector, agreed to certify that required repairs to one building had been made if the C.W. merely "put a slap of paint on it." A Paterson Housing Authority caseworker, who agreed to steer Section 8 clients to the C.W.'s

apartments, was recorded saying that “when we rent it, then you pay us.” The bribes in these cases were not always large. But clearly public health and safety is implicated when city inspectors are paid to turn a blind eye or when tenant complaints can be dismissed for a price. All defendants pleaded guilty (including one in mid-trial) to soliciting and accepting bribes or extortion under color of official right. Sentences ranged from probation to 33 months in prison, the latter in the case of a municipal court administrator who was dismissing housing complaints in exchange for bribes. Assistant U.S. Attorney Hope S. Olds gets the credit for handling the many prosecutions effectively and efficiently.

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Wayne Bryant, Michael Gallagher – Pension Padding Public Corruption

A New Jersey legislator for 25 years and state Senator for the last 13 of those years, Wayne Bryant held several powerful leadership positions, including that of Assistant Democratic Leader, co-Chairman of the Senate Budget and Appropriations Committee, and at the end of his tenure Deputy Majority Leader and sole Chairman of the Senate Budget and Appropriations Committee. When he was indicted in March, we accused Bryant of using those powerful positions to execute two frauds: one to obtain a paid job, in which he performed little to no work, at UMDNJ's School of Osteopathic Medicine in exchange for lobbying and bringing millions of dollars in extra funding to the school; the second to use that job and others to fraudulently nearly triple his state

pension. The 20-count Indictment also names R. Michael Gallagher, the former dean at the School of Osteopathic Medicine (SOM) in Stratford, who is alleged to have capitalized on Bryant's influence to become dean and, in turn, rigged the hiring process to create a job for Bryant at SOM that appeared to be a legitimate, bona fide position. The Indictment charges that Bryant used his power and influence as Senator and Chairman of the Senate Budget and Appropriations Committee to directly lobby state agencies, high-level officials (including the state Treasurer), legislators and their staffs and personally directed changes in the state budget to bring millions of dollars in extra funding to SOM. All the while, Bryant failed to reveal that he was simultaneously on the payroll at SOM, receiving a high salary of \$40,841 in 2004 for what amounted to a no-work job where Bryant showed up for a few hours once a week to read a newspaper. As alleged in the Indictment, the job at SOM amounted to a bribe from Gallagher, which was solicited by Bryant. The Indictment further accuses Gallagher of engaging in another scheme in which he created phony “profits” on financial statements for SOM's University Headache Center, where Gallagher also served as chairman. Those “profits” resulted in additional annual bonuses to Gallagher – determined by Gallagher himself as chairman of the Headache Center – of between \$15,000 and \$20,000 in each of 2002, 2003 and 2004. However, after a March 2008 motion hearing, Judge Wolfson severed the Indictment, requiring separate trials for the fraudulent job scheme and Gallagher's Headache Center bonus frauds. Judge Wolfson also dismissed one count of the

Indictment which charged Bryant in connection with his pension padding scheme for a no-work job at Rutgers University. The trial, which is being prosecuted by First Assistant U.S. Attorney Ralph J. Marra, Jr., and Assistant U.S. Attorneys Adam S. Lurie, Joshua Drew and Norman Gross, began in early September 2008.

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Perez-Vallejo Organization – Suburban Camden Drug Traffickers

Here we got a glimpse of how creative and technically advanced even local drug gangs have become. A one-and-a-half-year investigation into drug trafficking in suburban Camden County found that members of the Perez-Vallejo Organization retrofitted six vehicles with mechanical and hydraulic traps, or hidden compartments, to transport powder cocaine and crack from Tucson, Ariz., to the South Jersey suburbs. As bad luck would have it for the traffickers, they were going to an undercover law enforcement officer for their trap designs and installations. As part of the investigation, the undercover officer did installations in six vehicles. The officer also outfitted each vehicle with a concealed GPS device to monitor the location of the vehicles at all times and to track the opening and closing of the compartments. The potential reach of this organization's drug activity was evident when suspects requested traps capable of holding as much as 100 kilos of cocaine in a single vehicle. In late January, Nasser Perez and Jerald Green

were arrested on criminal Complaints in Tucson after driving a trap-fitted vehicle to acquire approximately five kilos of cocaine from Mexican suppliers. The next morning, Carlos Vallejo, Pedro Vazquez, and Ronald Clements were arrested on federal criminal Complaints at locations in southern New Jersey. At the time of Vallejo's arrest, he had over \$100,000 hidden in a secret compartment in his home. Authorities also seized several kilograms of powder cocaine and crack cocaine from residences and storage facilities in New Jersey, which were identified by GPS monitoring. In December, after only eight hours of deliberations, Vallejo and Pedro Vasquez were convicted for their roles in the conspiracy to distribute over more than five kilograms of cocaine. Perez, Clements, and Green pleaded guilty prior to the trial. All five defendants are awaiting sentencing. Perez and Vallejo face life sentences, while Vazquez faces a mandatory minimum term of 20 years. The case was prosecuted by Assistant U.S. Attorneys Matthew J. Skahill and Allen Harberg, Jr.

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Bloods "Sex Money Murder" Gang – Drug Distribution

We continued our battle against Bloods gang sets, this time in Mercer County, with a guilty plea in August from the leader of the "Sex Money Murder" set of the Bloods in Trenton. Omar Aikens, who was arrested on a criminal Complaint two years earlier, admitted to

running an operation that distributed kilogram quantities of cocaine with a total wholesale value in excess of \$1 million. The gang obtained multi-kilogram quantities of cocaine from a supplier in Houston, and transported the cocaine to Trenton via express mail shipments and drug couriers aboard Amtrak trains. In February, a task force round up of "Sex, Money, Murder" gang members brought in 21 defendants, most of whom have pleaded guilty to various drug charges. In January 2008, Aikens was sentenced by Judge Cooper to 204 months in prison. The government established at sentencing that the actual amount of cocaine obtained by Aikens during the conspiracy was closer to 50 kilos and that the wholesale value of cocaine was between \$ 20,000 to \$ 30,000 per kilogram in the Mercer County area. The government also produced evidence from recorded telephone conversations from June 2005 between Aikens and others, during which Aikens inquired about purchasing "some" 9mm semi-automatic handguns equipped with laser sights. Additionally, Aikens' Texas supplier pleaded guilty and was sentenced in June 2008 to seven years by Judge Cooper. The case was prosecuted by Assistant U.S. Attorney Patrick C. Askin.

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**Operation "Broken Boards" –
Public Corruption**

In a public corruption investigation that progressed from southern to northern New Jersey, five members of the same local Atlantic County school board, two state Assemblymen from Passaic and Essex counties, the mayor of Passaic and one current and one former Passaic city council member, and the chief of staff to the Newark City Council president were arrested in September on criminal Complaints for taking cash bribes to influence the awarding of public contracts. Each of the 11 public officials and one associate accepted the payments from cooperating witnesses who purported to offer insurance brokerage and roofing services to municipal governments and school boards. The investigation began in mid-2006 amid evidence of corruption by members of the Pleasantville Board of Education. In response, the FBI established an undercover insurance brokerage company purporting to employ the government's two cooperating witnesses and undercover agents. Pleasantville School Board members took thousands of dollars in bribes from the cooperating witnesses. The circle of corruption widened when certain Pleasantville school board members referred the cooperating witnesses to public officials in northern New Jersey who also took bribes and, in turn, put the cooperating witnesses in touch with still other corrupt public officials. Among those netted up north: Assemblyman Alfred Steele of Paterson, for taking \$15,500 in corrupt payments, and Assemblyman Mims Hackett, also the mayor of Orange, for taking \$5,000 in

corrupt payments. Both pleaded guilty, resigned their posts and await sentencing. The investigation included hundreds of tape-recorded and/or videotaped encounters, during which the officials openly expressed their desire to enrich themselves using their public positions and influence. The defendants accepted corrupt payments ranging from \$1,500 to \$17,500 at any one time. By May 2008, most of the defendants had pleaded guilty. Two defendants were convicted in separate trials in early 2008: former Pleasantville school board member James McCormick on all six counts against him, including conspiracy, attempted extortion and money laundering (trial team of Chris Gramiccioni and Jenny Kramer); and Servon Mister, the "bagman" for corrupt payments to former Pleasantville school board member Maurice "Pete" Calloway, on one count of aiding and abetting attempted extortion and one count of accepting a bribe (trial team of Kramer and Hallie Mitchell). Among sentences imposed to date: 21 months for Passaic Mayor Samuel "Sammy" Rivera, and 37 months for former Pleasantville School Board member Rafael Velez. The cases against the former Chief of Staff to the Newark City Council President and a former Passaic City Councilman are pending separate trials in late 2008. The cases were prosecuted by Assistant U.S. Attorneys David Bocian, Christopher J. Gramiccioni, Jenny R. Kramer, Hallie A. Mitchell and Hope S. Olds.

**Mayfield & Coward –
Prostitution of Minors**

In June and July, two Pleasantville men were arrested in an investigation of advertisements that appeared to offer prostitution of teenage girls on the popular Internet-based classified ad website "Craiglist." During the investigation, a posting for someone going by the name "Vanilla Treat" purported to be a 21-year-old woman. The posting stated that Vanilla Treat was in the Atlantic City area and included a nude photograph and a contact telephone number. Additionally, another posting on the website appeared to be from someone called "Lushes" who purported to be a 18-year-old woman and stated that she was in the Atlantic City area as well. The postings included nude photographs and stated "[I]n calls 100 ½ 150hr Out calls 200hr exepcting tips." Through the investigation it was learned that in early June, Kevin R. Mayfield and Casson L. Coward picked up the two females, who were actually a 14-year-old girl and her 16-year-old sister, in Allentown, Pa., and stayed the night in a hotel. The next day, the defendants drove the sisters to the Atlantic City vicinity, where they paid for them to stay in motel rooms for the purpose of having them engage in sex with Johns. In November, Coward pleaded guilty before Judge Bumb to conspiracy to transport minors in interstate commerce to engage in prostitution. In August, Coward was sentenced to 125 months in federal prison and ordered to serve supervised release for life. Mayfield's trial is scheduled for September 2008. The case is being

prosecuted Assistant U.S. Attorney Jason Richardson.

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Hips and Knees Surgical Implant Industry – Deferred Prosecution Agreements

The American Academy of Orthopaedic Surgeons observed in April 2007: “When an orthopaedic surgeon receives anything of significant value from industry, a potential conflict exists which should be disclosed to the patient.... It is unethical for an orthopaedic surgeon to receive compensation of any kind from industry for using a particular device or medication.” Five months after the AAOS promulgated those principals – in response to and amid our 2 ½ year investigation of the industry practice of doling out huge aggregate sums to physicians using their products – we announced an unprecedented effort to reform the medical-implant device industry. The five leading companies that account for 95 percent of nearly \$5 billion annually in U.S. market share and \$9 billion in worldwide sales avoided criminal prosecution by agreeing to new corporate compliance procedures and federal monitoring. Four of the companies – Zimmer, Inc., Depuy Orthopaedics, Inc., Biomet, Inc., and Smith & Nephew, Inc., – executed 18-month Deferred Prosecution Agreements (DPAs) at the same time we filed criminal Complaints charging them with conspiring to violate the federal anti-

kickback statute. If at the end of 18 months the companies comply fully with the reform requirements of the DPAs, the criminal Complaints will be dismissed. Those companies also reached civil settlements with our Civil Division and Main Justice and agreed to pay a combined total of \$311 million to settle claims under the Anti-kickback statute and federal False Claims Act. The four companies also entered into five-year Corporate Integrity Agreements with the Department of Health and Human Services. A fifth company, Stryker Orthopedics, Inc., received a non-prosecution agreement for its cooperation with the investigation. Stryker, however, chose not to settle any potential civil or administrative liability it may have with DOJ and DHHS. (Consequently, Stryker came under investigation in 2008 by the Civil Division at Main Justice in Washington for violations of the Anti-kickback statute.) Each of the five companies also agreed to accept a federal monitor to ensure compliance with the corporate reforms required of them. The criminal Complaints accused the four companies of using consulting agreements with orthopedic surgeons as well-camouflaged inducements to use a particular company's artificial hip and knee replacement products. The investigation revealed that this was a common practice by the companies with hundreds of surgeons from at least 2002 through 2006. Surgeons who had agreements with the companies were typically paid tens to hundreds of thousands of dollars, even more than a million dollars per year, for consulting

contracts and were often lavished with trips and other expensive perquisites. The investigation revealed instances in which physicians did little or no work for the inducements but did agree to exclusively use the paying company's products. The physician consultants also failed to disclose the existence of these relationships with the companies to the hospitals where the surgeries were performed and, more importantly, to the patients they treated. By no means did we intend to impute unethical or criminal conduct to all orthopedic surgeons with such compensation contracts. The investigation revealed that the majority of surgeons receiving compensation contribute expertise in research and design of the implants and surgical techniques. But in this hyper-competitive industry, which supplies implants for more than 700,000 total hip and knee replacements annually (two-thirds of which are subject to Medicare reimbursement), the investigation revealed that a surgeon's choice of implant product was too often dictated by personal financial interest rather than unbiased medical judgment. The criminal case was investigated and prosecuted by then-Counsel to the U.S. Attorney Michele Brown and Assistant U.S. Attorney Kevin O'Dowd. They were ably assisted by Assistant U.S. Attorneys Marc Ferzan and Grace Park. The civil settlements were handled by former Assistant U.S. Attorneys (both now state Superior Court Judges) Rudy Filko and Stuart Minkowitz.

**New Brunswick Housing
Rehabilitation Program – Bribery**

and Extortion

The Department of Community Planning and Economic Development in New Brunswick proved rife with corrupt employees, several of whom, including its director, pleaded guilty to taking bribes in return for awarding contracts to companies doing business with the City. The case broke in March with guilty pleas from the owners of a New Brunswick-based construction and maintenance business, which received more than \$1.3 million in housing rehabilitation contracts from the city agency. The two contractors admitted making payments of \$3,000 a month to the Director in exchange for his awarding them housing rehabilitation contracts. They also admitted performing work at the Director's home and a rental property for free or at a discounted rate. They also implicated a Department inspector who they said they paid approximately \$500 every month for expedited and lenient inspections, and a supervisory clerk in the Department who they paid smaller amounts. Just two weeks later, another contractor admitted that he paid \$2,000 a month to the Director, \$500 every four to six weeks to the same Department inspector, and the same smaller payments to the supervisory clerk. In July, we indicted and arrested the Director, William Walker, charging him with 53 counts of extortion under color of official right and bribery, and one count of conspiracy. Faced with the Indictment and guilty pleas from contractors and others in the Department, Walker pleaded guilty in April 2008 to one count of extortion, admitting that he took

bribes totaling \$112,500 from two contractors – a restitution amount he now owes to the Department of Housing and Urban Development, which subsidized the rehabilitation of substandard homes in New Brunswick. He awaits sentencing by Judge Ackerman. Four contractors who paid bribes were sentenced by Judge Irenas in August 2008, one of them to 24 months, the other three to 21 months in prison. That seemed to be the end of the case but for one strange twist: In April 2008 we charged Richard Kaplan – the Department inspector serving a 30-month prison sentence for taking \$30,000 in bribes – with attempting to hire a hit man to kill his wife. He hatched his plan just a few months into his prison sentence when he sought the help of an inmate in finding a hit man. Kaplan agreed to pay \$25,000 for the deed and was recorded expressing his full intent during a meeting with an undercover agent at the Fairton Correctional Institution. Kaplan pleaded guilty to murder for hire in August and can now expect to considerably lengthen his sentence. This highly productive corruption prosecution was handled by Brian Howe, Deputy Chief of the Special Prosecutions Division, and by AUSA Hope Olds.

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**David and Anna Delle Donna –
Mayor of Guttenberg
and Wife, Public Corruption**

The Delle Donnas had a too-cozy relationship with a local bar owner who lavished them with cash and gifts. Among them: \$2,000 for plastic facial surgery for Ann Della Donna, tens of thousands of dollars in cash for gambling in Atlantic City and, even, a golden terrier with doggie accessories and pet insurance, with a total value of \$2,600. The Delle Donnas sought to characterize the gifts as nothing more than presents among people who were once the best of friends. The Delle Donnas were first indicted in September on conspiracy and extortion charges. The charges alleged that the bar owner gave the things of value in return for favors that included official action or inaction on liquor license violations and other issues related to the bar's operation, and permits and approvals on matters before the planning board, of which Mrs. Della Donna had been a member. A Superseding Indictment added tax counts for the Delle Donnas' failure to report the gifts they received and rental income from apartments they owned. Trial evidence also revealed that the bar owner paid for her employees to work on David Della Donna's primary and general election campaigns, and that he accepted a \$500 Macy's gift card from the bar owner, as well as the installation of a closet in his home, with a value of about \$1,000, among other gifts. With the bar owner testifying against them, the Della Donnas were convicted in April 2008 of conspiracy to commit extortion under color of official right and income tax fraud. They await sentencing by Judge

Ackerman. The case was prosecuted by AUSAs Thomas Calcagni and Richard Constable.

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**FAA Supervisor –
Procurement Fraud**

While employed at the William J. Hughes Technical Center, this former Federal Aviation Administration supervisor, whose duties included the development, testing, evaluation and deployment of computer systems by the FAA, received approximately \$159,000 in corrupt payments through a procurement fraud scheme in which he steered government contracts to a company headed by a former FAA employee. In June, Darrell Woods pleaded guilty in U.S. District Court in Trenton before Chief Judge Brown to a two-count Information that charged him with one count each of wire fraud and money laundering. Woods, who was employed at the FAA's Technical Center located at the Atlantic City Airport, admitted that between July 2001 and December 2004 he received a total of 19 corrupt payments totaling \$159,700, with individual payment ranging from \$4,000 to \$50,000. Woods admitted the payments were for steering numerous FAA contracts worth millions of dollars to Digital Management Systems, Inc. (DMS), a computer engineering company headed by Maria Lianidis. Lianidis, who in September 2007 was charged in a 26-count Indictment in connection with for making \$159,000 in corrupt payments to

secure government contracts exceeding \$6.8 million in total value, admitted to paying cash bribes to Darrell Woods in February 2008. Judge Brown has scheduled sentencing for both defendants in late 2008. The case was prosecuted by Assistant U.S. Attorney David A. Bocian.

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**Reginald Greene –
Financial Fraud from
Behind Prison Bars**

From behind the gates of a federal correctional facility in Atlanta, Ga., this Philadelphia man led a scheme to attempt to misdirect over \$2 million in wire transfers that Cendant Mortgage Corporation was directing to a Florida title agency. In August, Reginald Greene and a Maryland man were charged in nine-count Indictment for conspiring with an unidentified Cendant Mortgage Corporation insider(s) in an attempt to cause 15 wire transfers that Cendant directed to Sunbelt Title Agency to be redirected to the bank accounts of the Maryland man and another individual in Washington, D.C. Seven of the 15 wire transfers, totaling approximately \$845,000, had been successfully misdirected to the bank account of Michael Umali and Dan Hutchinson instead of Sunbelt Title Agency. Thereafter, the funds were transferred to the control and benefit of Greene, the unidentified corporate insider(s) and their associates and relatives, including Greene's son, Reginald Greene, Jr. The co-conspirators then laundered the proceeds by moving the funds through

various bank accounts, structuring checks made out to "cash," and purchasing expensive items. During the laundering phase of the crime, Greene escaped from federal prison in Atlanta, where he was serving a 13-year prison sentence for a bank fraud. Greene was captured and returned to prison to continue serving his unrelated prison sentence. Greene, Umali, Hutchinson Green, Jr., and Lisa Mitchell, Greene's girlfriend have all pleaded guilty before Judge Hillman and await sentencing. The case is being prosecuted by Assistant U.S. Attorney Ronald Chillemi.

gang's operations, pleaded guilty in December 2007 to the same charge. The guilty pleas of Davis, Cross and Carey, along with federal arrests and convictions of seven additional GKB members and associates, resulted from an investigation by the DEA and the Trenton Police Department, with the assistance of other federal, state and county law enforcement agencies, into the GKB gang that was operating in Trenton. Judge Thompson sentenced Davis to 180 months in September 2008. The case is being prosecuted by Assistant U.S. Attorney Jimmy Kitchen.

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“Gangster Killer Bloods” – Gang & Drug Distribution

On the heels of other successes against violent Bloods gangs, a 14-month undercover investigation of the “Gangster Killer Bloods” or “GKB” set of the Bloods in Trenton led to the arrests of the gang's leader or “5-star general” and both of the gang's second-in-commands, or “4-star generals,” in November. Ricky Davis, the gangs leader pleaded guilty before Judge Thompson in March 2008 to a one-count Information that charged him with distribution and possession with intent to distribute 50 grams or more of crack cocaine. Davis' Number Two man Jabari Cross, who oversaw the operations side of the GKB organization, also pleaded guilty in March 2008 to the same charge. Davis' other second-in-command, Lamar Carey, who was in charge of the drug trafficking side of the

2008

**Local 825 –
Union Embezzlement, Labor
Payments**

In June, we brought a Superseding Indictment against a father and son for stealing from union members whose interests they professed to represent to support their high-flying lifestyle. Kenneth Campbell, the Business Manager of Local 825 of the International Union of Operating Engineers, is accused, among other things, of using a union credit card to purchase thousands of dollars of high-end electronics, including two 50-inch Samsung televisions, a 43-inch Samsung television, a Sharp Aquos 26-inch television, a home theater system, Blu-ray DVD players, camcorders, and more; plus three bottles of wine costing the union \$502 per bottle, and a cell phone service that included the “Naked News.” Campbell’s 80-year-old father, Patrick, also a former Business Manager, got himself a spiffy, loaded Lincoln Town car on the union for \$37,478 in 2004, even though he retired from the union in or around 1998. Kenneth Campbell also abused his authority by giving an employee, with whom he had a personal relationship, a union gas card, which she used for gas in her personal car. The Superseding Indictment charges Kenneth Campbell with numerous counts of union embezzlement. We first arrested Kenneth Campbell in March and charged him and a former Local 825 President, Peter Strannemar, for taking cash bribes from construction contractors to ensure labor peace and to allow the contractors to use non-union labor. In short order, we

began taking guilty pleas from union officials, including Strannemar, who admitted conspiring with others to demand and receive labor bribes totaling approximately \$112,000 from construction contractors and tax evasion. Judge Chesler, rejecting calls for leniency and recognition of Strannemar’s good deeds, sentenced him to 27 months. To date, another 10 union officials and contractors have pleaded guilty, including the president, two business agents, three lead engineers, and four contractors. This investigation is continuing. Assistant U.S. Attorney Anthony Moscato is handling the prosecutions.

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**Dennis Oury and Joseph Ferriero –
Corrupt Influence in Grants
Consulting Company**

This alleged conspiracy brought together Dennis Oury, counsel to the Bergen County Democratic Organization, and the BCDO chairman, Joseph Ferriero. During the relevant time period, Oury was also the municipal attorney for the Borough of Bergenfield. Together, Oury, Ferriero and others formed Government Grants Consulting, a business that would be paid by Bergen County municipalities to assist in obtaining state and local grant money, according to an Indictment returned on Sept. 9. The Bergenfield Council formally selected Government Grants as its grants consultant at the municipal reorganization meeting on Jan. 1, 2002. Yet, at no time during that selection or subsequently did Oury reveal

that he had a role and financial interest in Government Grants, which received a \$6,000 retainer from Bergenfield and would stand to collect additional fees as a percentage of any grants or loans received, according to the charges. Ferriero, despite being the moving force behind the creation of the consulting firm, did not publicly reveal his role either. Despite these obvious conflicts, Oury, in his official capacity as borough attorney, and Ferriero, in his undisclosed role with the grants consulting firm, succeeded in bringing in \$1.4 million in county and state grants for the acquisition and preservation of a private estate. Consequently, Bergenfield paid Government Grants \$128,625, of which Oury received a check for \$25,016 and Ferriero a check for \$27,538, with the balance disbursed to others connected to Government Grants, according to the Indictment. To help in obtaining the state grant, Ferriero allegedly wrote on his law firm letterhead to the commissioner of the state Department of Environmental Protection, which administers the Green Acres grant program. In that letter, without disclosing his partnership role in Government Grants, Ferriero wrote that it was "extremely important to (him) personally that this application receive favorable review by the Department." The Indictment charges Oury and Ferriero with one count of mail fraud conspiracy and seven substantive mail fraud counts. A trial is scheduled for September 2009. The case is being handled by AUSAs Thomas Calcagni and Rachael Honig.

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State Senator Joseph Coniglio – Honest Services Mail Fraud

A state senator since 2002, Joseph Coniglio gained membership to the powerful Senate Budget and Appropriations Committee in 2004. It was at that point, that Coniglio allegedly parlayed his new power and influence into a consulting arrangement with the Hackensack University Medical Center (HUMC) that was little more than a conduit for corrupt payments in exchange for bringing state grants and funding to the hospital. A grand jury indicted Coniglio in February on eight counts of honest services mail fraud and one count of extortion under color of official right. At the heart of the allegations was Coniglio's consulting company, VJC Consulting, LLC, which misleadingly represented itself to be "engaged in the business of hospital relations." VJC had no clients other than HUMC, and neither of its two principals – Coniglio, a plumber, and his wife, the clerk to the Bergen County Freeholder Board – had any experience in "hospital relations." Nonetheless, he received \$5,000 per month (subsequently increased by \$500) in consulting fees from the hospital, resulting in \$103,900 in total payments to Coniglio. The benefits were quickly realized by the hospital: In 2004 and 2005, Coniglio brought home more than \$1 million in grants, so-called "Christmas Tree" items, to HUMC. In mid-2005, Coniglio and the hospital CEO directly lobbied the state Department of Health

and Human Services for funding of the hospital's new cancer center. Three months later, the state awarded \$9 million to HUMC. Coniglio, who opted not to seek re-election in 2007, also concealed and failed to disclose the true nature of the consulting arrangement. Among other things, his chief of staff flatly denied to newspapers that Coniglio, as a senator, had any official contact with hospital officials. Coniglio also falsely represented to a Legislative ethics committee that he never had a role in advocating for grants for HUMC and said in a written submission that he "had no discussions with any member of the Executive Branch" regarding grants. The ethics committee eventually ended its investigation for insufficient evidence of a violation. The trial for Coniglio is now scheduled for March 2009. The case is being prosecuted by Jeff Chiesa, Counsel to the U.S. Attorney, and Assistant U.S. Attorney Thomas Calcagni.

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Linden Neighborhood Redevelopment Program – Bribery

As we saw from a very similar investigation in New Brunswick (see 2007 entry), these federally funded housing rehabilitation programs can be magnets for corruption. Here, the former field director for the Linden program, Frank Rose, started the ball rolling when he pleaded guilty in February to accepting corrupt payments totaling \$180,000 from five contractors who in turn received dozens of contracts ranging

from \$20,000 to \$60,000 per job. On the same day, Rose's brother Anthony, the former Director of the Linden Transportation and Parking Department – and a silent partner in two construction companies – pleaded guilty to mail fraud and admitted scheming with the companies to pay Frank Rose in exchange for getting approximately 37 contracts valued at approximately \$1.3 million with the housing program. As part of his plea agreement, Frank Rose agreed to pay \$189,000 in restitution to the U.S. Department of Housing and Urban Development; Anthony Rose agreed to forfeit more than \$62,000. Over the next couple of months, we took bribery pleas from two other contractors, including one who admitted receiving contracts from Rose valued at approximately \$1.57 million. That contractor also forfeited \$157,104, representing the profits he made on the corrupt contracting jobs. Another contractor, Ray Vella, of Elizabeth, was indicted. He is accused of making payments to Rose of between \$500 and \$3,000 at a time for contracts valued at about \$652,448. A trial could begin this fall. The case is being prosecuted by Assistant U.S. Attorneys Adam Lurie and Richard Constable.

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UMDNJ – Cardiac Physician Kickbacks

In the wake of other scandals at the University of Medicine and Dentistry that brought the Office's intervention (see

2005), came this one: Cardiac physicians referring their own private-practice patients to UMDNJ in return for salaried positions at UMDNJ for which they did little or no work. In a series of criminal cases, lawsuits and civil settlements beginning in February, we alleged that the referrals were part of a fraudulent referral scheme that violated the Stark Act (prohibiting a physician from referring patients to an entity with which he has a financial relationship), and the Anti-Kickback Statute (paying physicians to induce them to refer patients). In two criminal cases, cardiologists pleaded guilty to embezzlement and admitted taking a combined \$840,000 in salary to which they were not entitled. (One of those physicians simultaneously settled civilly for \$560,000; inexplicably, the other settled for \$1.4 million – two-and-a-half times the amount of salary he accepted from the University.) UMDNJ itself created the Clinical Assistant Professors (CAP) program to recruit community cardiologists to prop up its flagging cardiac program, which was failing to perform a minimum number of cardiac procedures needed to maintain state certification as a Level 1 Trauma Center. UMDNJ had to know that it could not pay these physicians for referrals to the cardiac program. Our investigation is continuing. The Office has settled civilly with four other doctors for a total of \$387,000 (in addition to the settlement amounts cited above), and expects more settlements to come. Suit has been filed against two other cardiologists. The civil side of the case is being handled by Assistant U.S. Attorney

Alex Kriegsman. The criminal prosecutions were handled by AUSAs Maureen Nakly and Robert Kirsch.

New Jersey Affordable Homes Corp. – Investment and Mortgage Fraud

Demonstrating the Office's continued commitment to prosecuting financial frauds, Wayne Puff, the mastermind behind one of the largest Ponzi schemes in New Jersey history, was arrested in June 2008. From 1998 through September 2005, New Jersey Affordable Homes Corp. ("NJAH") and Puff operated a financial shell game involving thousands of investors and nationally known mortgage lenders. By 2005, Puff and NJAH, which Puff founded in the 1990's as a real estate investment company, had raised approximately \$125 million from investors in New Jersey and throughout the United States by promising investors sky-high guaranteed returns. Early in the scheme, NJAH's business could not generate revenues necessary to pay those returns, and Puff and NJAH began to use the large inflow of investor funds to cover its obligations to investors. When this influx of new investor money was insufficient, Puff and NJAH submitted false mortgage applications and supporting documents to obtain mortgages in the names of its investors to further the Ponzi scheme. All told, Puff and NJAH caused in excess of \$80 million in losses, including losses to investors in excess of \$55 million and \$25 million to financial institutions. In

addition to Puff's arrest, eight other individuals have pleaded guilty for their respective roles in the conspiracy at NJAH. The case is being prosecuted by Assistant U.S. Attorneys Robert Kirsch and Justin Arnold. Robert Giallambardo, formerly a Special Assistant U.S. Attorney, initially prosecuted the case on assignment from the U.S. Securities and Exchange Commission.

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Senior Vice President of Wachovia Securities – Bank Larceny

In February, a senior vice president of Wachovia Securities Investment Services Group admitted that he stole money and other financial instruments from client accounts that were in the care and custody of federally insured Wachovia Bank. In pleading guilty to a one-count Information that charged him with bank larceny for taking \$193,600 from client accounts, Joseph Duff told Judge Kugler that from October 2004 through August 2007 he made numerous unauthorized withdrawals of funds from the Wachovia accounts of clients, including the accounts of former N.J. State Sen. Joseph Maressa Sr. Duff prepared fraudulent debit memoranda and withdrawal slips for these accounts to affect the withdrawals, which sometimes necessitated the sale of securities held in correlated Wachovia Securities accounts to fund the fraudulent withdrawals. When sentencing Duff to 20 months in federal prison and ordering full restitution

in May, Judge Kugler noted that Duff's crime was motivated in large part by his desire to "keep up with the Joneses." The case was prosecuted Assistant U.S. Attorney Ronald Chillemi.

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Derrick M. Jones – Murder in Furtherance of Drug Trafficking

Fearful of Camden drug trafficking and the associated violence, a city woman sent her teenage son to live with his aunt in nearby Lindenwold, only to have him fall victim to drug traffickers there. In March 2008, a grand jury returned a three-count Indictment charging Derrick M. Jones, of Clementon, with one count each of murder in furtherance of a drug trafficking offense, conspiracy to distribute and possess with intent to distribute crack cocaine, and possession of a firearm by a previously convicted felon, in connection with the shooting death of 14-year-old Barry Robertson. The Indictment alleges that Robertson was the unintended target of Jones' retribution in a drug turf battle with Robertson's aunt. The Indictment alleges that during the first half of 2005, Jones sought to control all illegal drug sales in the area of the Arborwood Condominiums. In response to competition and threats, Jones and others traveled to Virginia in August 2005 and arranged the straw-purchase of a firearm to be used in retaliation. On Aug. 29, 2005, Robertson was shot and killed while he slept on a couch in his aunt's residence. The Indictment alleges that

the killing resulted from Jones firing shots into the condominium in an attempt to kill Robertson's aunt. Jones is scheduled to be tried in early 2009, and afterwards will be sent to the Western District of Virginia in connection with the purchase and possession of the firearm used in the Robertson's murder. The case is being prosecuted Assistant U.S. Attorneys Jason Richardson and James P. Lynch.

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American Macro Growth – \$20 Million Bank Fraud

Jacob Kim, the ringleader of this massive fraud involving home equity and business lines of credit, had been on the run since 2005, when he first learned he was a target of the FBI and FDIC investigation. Kim was wearing a wig and had several false IDs and credit cards when he was arrested in May while taking swings at a Queens, N.Y. golf center. He had also aided his flight by moving around the country and using aliases. In January, we had unsealed a 35-count bank fraud Indictment naming Kim and 12 others. Four of the defendants, Kim included, were loan brokers with American Macro Growth (AMG) of Palisades Park, of which Kim was president. The remaining defendants were AMG clients who allegedly used its services to fraudulently obtain lines of credit. AMG helped its clients use the same properties as collateral for multiple home equity lines of credit, even though the loan amounts far exceeded the value

of the properties that were to serve as security. In one instance, for example, an AMG client used less than \$300,000 of equity in a Palisades Park property to obtain approximately \$2,137,000 in credit from nine different banks. The scheme effectively stripped the banks of security for the loans. Meanwhile, the brokers received large commissions for originating the redundant loans. The victims included at least 16 different lenders – pretty much every major name in lending. On the same day we unsealed the indictment against 13 defendants, we took guilty pleas from six of the borrowers, each of whom used AMG's services to procure loans of between \$750,000 and \$1.9 million. Less than three months after his arrest, Kim pleaded guilty to conspiracy in orchestrating the \$20 million fraud. Kim faces a Guidelines sentencing range of between 121 and 151 – a range driven by the amount of loss, obstruction of justice, his leadership role in the fraud scheme, and by the number of victims. The case is being prosecuted by AUSA Bradley Harsch.

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John J. Montefusco and Son – Official Corruption

Former Parsippany-Troy Hills Planning Board attorney John J. Montefusco betrayed his town when he used his position to provide official assistance to a developer, in return for personal and family benefits that included discounted purchase prices on houses that

allowed family members to quickly resell the properties at substantial profit. In pleading guilty to one count of honest services mail fraud in February to a one-count Information that charged mail fraud, Montefusco admitted before Judge Thompson that he performed official actions that allowed a real estate developer to save substantial amounts of money in property taxes, litigation expenses, and other property development-related expenses. In return for these favors, the developer provided favorable real estate deals to Montefusco and his family. The deals allowed them to accumulate substantial profit through the purchase and resale, or "flipping," of properties built by the developer, with little to no risk involved. Montefusco's son, John Montefusco, Jr., pleaded guilty in June to filing false tax returns for his failure to report the taxable capital gains he received through the fraudulent scheme. In September, we indicted the theretofore unnamed developer, Edward J. Mosberg, a well-known figure who was the leading developer of fast-growing Parsippany. Mosberg is charged with one count of conspiracy to commit mail fraud, six counts of mail fraud and four counts of bribery. Montefusco and his son face sentencing in late 2008. The case was prosecuted by AUSA Christopher J. Gramiccioni.

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**South Jersey Federal Credit Union
Official – Bank Fraud**

This long-time employee of the South Jersey Federal Credit Union used a career's worth of knowledge to devise and execute a scheme to defraud the credit union of as much as \$400,000. Nora Phelps pleaded guilty before Judge Hillman to one count of bank fraud in June. As an assistant vice president, and an employee of the credit union for three decades, Phelps was responsible for, among other things, collecting delinquent loans and minimizing South Jersey Federal Credit Union's ("SJFCU") loss risk due to fraudulent activity, a position that gave her a unique opportunity to commit fraud herself. Since at least 2005, Phelps implemented fraudulent methods to transfer SJFCU funds into bank accounts that she controlled. One of the methods consisted of diverting money collected by check or cash, primarily from credit union members making payments on charged-off loans, by depositing the funds into the accounts of her family members. Phelps also removed funds from the credit union's general ledger account and caused the funds to be deposited into the accounts of her family members and then arranged for the funds to be transferred to her own account. As part of the plea agreement, the government reserved its right to argue at sentencing that the total loss is between \$200,000 and \$400,000. The case was prosecuted by Assistant U.S. Attorney Allen Harberg.

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**Glyn Richards, All Freight
Logistics, Inc. –**

Investment Fraud Ponzi Scheme

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The pitch was very alluring to many victims: a company with contracts to transport military equipment for the Department of Defense needed an infusion of cash to cover up-front costs and promised a 44-percent return on investment in just four months. But like so many other too-good-to-be-true investment offers we've seen before, it was in reality a multi-million dollar Ponzi scheme. Glyn Richards, president and CEO of New Jersey-based All Freight Logistics, Inc. made a first appearance in June to plead guilty before Judge Bumb to a two-count Information, charging mail fraud and money laundering. In May 2005, Richards began soliciting investments and provided a contract explaining the company's business with the U.S. Department of Defense and how the investment capital would "up-front costs and expenses to overseas agents and steamship lines." Typically, a contract provided for a 120-day investment of \$25,000 in exchange for a 44-percent return, which was paid out over the next four months. Richards admitted that the investment contracts were a fraud, and that All Freight Logistics never transported military equipment for the Department of Defense. The defendant stipulated in his plea agreement to a loss of not less than \$2.5 million and not more than \$7 million from approximately 100 victims. A restitution amount was to be sorted out at sentencing. The case was prosecuted by AUSA Deborah Prinszano Mikkelsen.

Dr. Pravin Vasoya – Illegal Distribution of Controlled Substance

An ongoing effort to investigate and prosecute doctors who use their prescription pads to illegally distribute controlled substances resulted in the arrest of Dr. Pravin Vasoya, who maintains a practice as a specialist in neurology and neuropathic pain management in Washington Township, Gloucester County. Dr. Vasoya was charged in June in a one-count criminal Complaint with distribution, possession with intent to distribute and dispensing oxycodone without a legitimate medical purpose and outside the usual course of professional practice. The complaint alleged that Vasoya illegally sold prescriptions for oxycodone, namely Oxycontin and Roxicodone, to individuals. The investigation of Vasoya's activities began in April 2008 when a confidential informant claimed to have illegally purchased prescriptions from Vasoya. The informant indicated that he had met Vasoya in parking lots on at least four occasions and had purchased prescriptions for oxycodone from him. The informant introduced an undercover law enforcement officer to Vasoya, which resulted in four separate meetings between Vasoya and the undercover officer, during which the undercover officer allegedly purchased nine

prescriptions from Vasoya for a total of \$8,000. The prescriptions were written for the undercover officer even though Vasoya had never performed an examination of the undercover officer to determine a medical basis for the prescriptions. The case is being prosecuted by Assistant U.S. Attorneys Matthew Skahill and Matthew Smith.

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Newark Airport Employees – Drug Trafficking and Treasury Check Theft/Counterfeiting

Separate cases underscored the vulnerability of the airport to employees who use their access for criminal purposes. In March and April, a wiretap and surveillance investigation led to charges against two employees of Continental Airlines who were importing kilos of heroin aboard Newark-bound flights from Colombia and El Salvador. One was an airline mechanic, another a ramp-side employee. Packages containing heroin were hidden in compartments holding life jackets. Agents seized the heroin in February, and listened to and observed the activities of the defendants as they planned to get into the plane in Newark to retrieve the drugs. They were arrested in late March at Terminal C of the airport. In the same investigation, another ramp-side employee was arrested a week later. This employee was overheard in telephone conversations arranging the mail delivery from El Salvador of heroin that had been soaked in liquid form into articles or

clothing. When ICE agents searched his home, they found pants infused with more than 1,000 grams of heroin. Those cases, which are being prosecuted by AUSA Dennis Carletta, are pending. Separately, we unsealed an Indictment in March charging a Kearny man with conspiracy for paying baggage handlers at Newark Liberty International to steal Treasury checks from mail shipments aboard commercial airliners. Counterfeits of the stolen checks were created using five specific characteristics of authentic Treasury checks. Other members of the conspiracy were then given the checks to negotiate at banks. The lead defendant pleaded guilty, as well as two others, to conspiracy and await sentencing. Several others have been charged as well. Two have fled the jurisdiction. That case was prosecuted by AUSA Erez Lieberman.

USAO ATTORNEYS - DISTRICT OF NEW JERSEY

<u>Name</u>	<u>Division</u>
Aftab, Jafer	Civil - joined office on 11/14/05
Anger, Jordan M.	Civil - joined office on 4/14/08
Arnold, Justin W.	Criminal - Securities & Health Care Fraud - joined office on 7/23/07
Ashe, Sharon	Criminal - Strike Force - joined office on 1/23/06
Askin, Patrick	Criminal, Trenton - joined office on 7/10/05
Bartle IV, Harvey	Criminal, Trenton - joined office on 7/23/07
Beck, Matthew E.	Criminal - OCDETF - joined office on 9/4/07
Blaine, Paul A.	Civil, Camden - joined office on 8/20/83
Bocian, David A.	Special Prosecutions, Trenton - joined office on 3/12/00
Brown, Michele A.	Executive - joined office on 10/20/91
Buchanan, Colette	Civil - joined office on 11/19/89
Bynon, Leah A.	Civil - joined office on 11/14/05
Calcagni, Thomas R.	Special Prosecutions - joined office on 6/17/01
Campion, Michael	Civil - joined office on 11/26/07
Carey, Brooke	Criminal - OCDETF - joined office on 9/15/08
Carey, Andrew	Criminal - OCDETF - joined office on 1/9/05
Carle, Jacqueline M.	Criminal, Camden - joined office on 6/2/02
Carletta, Dennis C.	Criminal - Terrorism - joined office on 8/15/05
Carrig, Diana Vondra	Criminal, Camden - joined office on 8/30/98
Chao, Dustin M.	Special Prosecutions - joined office on 4/16/07
Chen, Shana W.	Criminal - Public Protection - joined office on 2/21/06
Chiesa, Jeffrey	Executive - joined office on 7/28/02
Chillemi, Ronald	Criminal - Terrorism - joined office on 7/14/02
Chin, Jennifer H.	Appeals - joined office on 10/6/08
Christie, Christopher J.	Executive - joined office on 1/17/02
Clark, James	Civil - joined office on 7/5/89
Colone, Lisa	Criminal - Violent Crimes - joined office on 8/7/07
Comizzoli, Sabrina	Criminal - Government Fraud - joined office on 6/16/02
Constable, III, Richard E.	Special Prosecutions - joined office on 6/16/02
Cook, Randall H.	Criminal - Public Protection - joined office on 8/4/08
Coyne, Mark E.	Criminal - Commercial Crimes - joined office on 6/14/04
D'Aguanno, Steven	Criminal, Camden - joined office on 1/12/03
Dauenheimer, David	Civil - joined office on 3/17/08
Davenport, Jennifer	Criminal, Trenton - joined office 9/29/08

Degnan, Philip James	Criminal - Terrorism - joined office on 4/19/04
Dowdy, Irene	Civil, Camden - joined office on 3/4/84
Drew, Joshua	Criminal, Camden - joined office on 10/6/03
Eicher, Thomas J.	Criminal, Trenton - joined office on 9/8/03
Elberg, Jacob T.	Criminal - Securities & Health Care Fraud - joined office on 5/14/07
Espinosa, Andre M.	Criminal - Government Fraud - joined office on 5/12/08
Ferzan, Marc-Philip	Criminal - joined office on 8/3/01
Fietkiewicz, John M.	Special Prosecutions - joined office on 10/15/85
Fitzpatrick, William E.	Southern Vicinages - joined office on 9/30/99
Frazer, Robert	Criminal - OCDETF - joined office on 10/4/05
Gaeta, Peter	Civil - joined office on 4/17/89
Gallagher, Neil R.	Civil - joined office on 6/4/89
Gallucio, Donna D.	Criminal - Commercial Crimes - joined office on 1/19/88
Gannett, Deborah	Criminal - Public Protection - joined office on 5/20/90
Gay, John	Criminal - OCDETF - joined office on 8/11/03
Germano, Judith H.	Criminal - Commercial Crimes - joined office on 6/30/02
Gerson, Lorraine	Criminal - Commercial Crimes - joined office on 1/28/79
Gibbons, Daniel J.	Civil - joined office on 7/5/83
Gramiccioni, Christopher J.	Special Prosecutions - joined office on 9/8/02
Gribko, Joseph	Criminal - Violent Crimes - joined office on 9/22/03
Gross, Norman	Appeals, Camden - joined office on 7/19/98
Hammer, Michael A.	Criminal - Terrorism - joined office on 11/8/98
Handler-Menahem, Susan	Civil - joined office on 10/19/87
Harberg, Allen	Criminal, Camden - joined office on 2/6/06
Harsch, Bradley A.	Special Prosecutions - joined office on 1/9/06
Herman, Lakshmi	Criminal - Public Protection - joined office on 6/23/08
Herring, Douglas F.	Criminal - Violent Crimes - joined office on 4/14/08
Hoffman, John J.	Criminal, Trenton - joined office on 4/4/04
Honig, Rachael	Special Prosecutions - joined office on 1/26/03
Hoppock, Nancy	Criminal - joined office on 5/20/01
Howe, Brian	Special Prosecutions - joined office on 9/26/99
Jampol, Melissa L.	Criminal - Violent Crimes - joined office on 2/20/04
Katz, Peter	Criminal, Trenton - joined office on 1/23/06
Kelly, Christopher	Criminal - Securities & Health Care Fraud - joined office on 2/6/06
Kirsch, Robert	Criminal - Securities & Health Care Fraud - joined office on 6/22/97
Kitchen, James T.	Criminal, Trenton - joined office on 6/4/07
Kogan, Andrew	Criminal - Terrorism - joined office on 9/26/99
Kosto, Seth	Criminal - Commercial Crimes - joined office on 11/14/05
Kramer-Hall, Jenny	Special Prosecutions - joined office on 12/12/05
Kriegsman, Alex	Civil - joined office on 6/11/07
Kwon, Phillip	Criminal - joined office on 9/26/99

LaBruna, Jr., Anthony J.	Civil - joined office on 4/23/89
Larkins, Marc	Criminal - Terrorism - joined office on 3/24/03
Leone, George S.	Appeals - joined office on 2/5/95
Levine, Stacey A.	Criminal - Securities & Health Care Fraud - joined office on 6/30/02
Liebermann, Erez	Criminal - Commercial Crimes - joined office on 12/26/04
Lurie, Adam S.	Special Prosecutions - joined office on 9/6/05
Lynch, James	Criminal, Camden - joined office on 12/4/06
Mack, Joseph G.	Criminal - Securities & Health Care Fraud - joined office on 5/14/07
Magdo, Christine I.	Criminal - Government Fraud - joined office on 1/22/07
Mahajan, Anthony J.	Criminal - OCDETF - joined office on 4/14/08
Mahoney, Margaret	Criminal - Violent Crimes - joined office on 10/2/02
Malagold, David E.	Criminal - Strike Force - joined office on 5/30/06
Malliet, Joyce	Criminal - Terrorism - joined office on 9/8/02
Marasco, Robert G.	Criminal - Violent Crimes - joined office on 7/7/08
Marra, Jr., Ralph J.	Executive - joined office on 2/3/85
Matey, Paul B.	Criminal - Securities & Health Care Fraud - joined office on 11/14/05
McBride, Scott	Criminal - Government Fraud - joined office on 10/4/05
McCarren, Mark J.	Special Prosecutions - joined office on 10/1/95
McKenna, Charles	Criminal - joined office on 12/15/91
Mikkelsen, Deborah Prisinzano	Criminal, Camden - joined office on 3/20/06
Minish, Joseph	Criminal - Public Protection - joined office on 3/8/04
Moramarco, Glenn	Appeals, Camden - joined office on 4/15/02
Moran, Eric W.	Criminal - OCDETF - joined office on 5/12/08
Moscato, Anthony	Criminal - Strike Force - joined office on 12/1/02
Moser, Sandra L.	Criminal - Securities & Health Care Fraud - joined office on 11/13/06
Nakly, Maureen	Criminal - Securities & Health Care Fraud - joined office on 3/20/06
Nobile, James	Special Prosecutions - joined office on 9/17/90
O'Dowd, Kevin	Criminal - Securities & Health Care Fraud - joined office on 1/26/03
Olds, Hope S.	Special Prosecutions - joined office on 11/1/04
O'Leary, Kathleen P.	Criminal - Commercial Crimes - joined office on 12/12/04
O'Malley, Peter G.	Civil - joined office on 3/18/91
O'Malley, V. Grady	Criminal - Strike Force - joined office on 1/10/77
Orlowski, Mark	Civil, Trenton - joined office on 9/29/08
Park, Grace	Criminal - Commercial Crimes - joined office on 11/17/03
Pascal, Elizabeth A.	Civil, Camden - joined office on 9/29/08
Percell, Marion	Criminal - OCDETF - joined office on 12/16/85
Perron, Pamela R.	Civil - joined office on 8/31/97

Quraishi, Zahid N.	Criminal - OCDETF - joined office on 6/23/08
Richardson, Jason M.	Criminal, Camden - joined office on 4/21/02
Robertson, Michael	Criminal - Violent Crimes - joined office on 3/17/08
Romankow, Jonathan W.	Criminal - Strike Force - joined office on 1/9/05
Romano, John F.	Appeals - joined office on 9/16/07
Rose, Lisa	Criminal - Government Fraud - joined office on 6/30/02
Rugg, Charlton A.	Criminal - Government Fraud - joined office on 2/19/08
Ruyman, J. Andrew	Civil, Trenton - joined office on 12/7/97
Sadlowski, Caroline	Appeals - joined office on 9/8/02
Sanders, Steven G.	Appeals - joined office on 1/22/07
Schwartz, Leslie Faye	Criminal - Strike Force - joined office on 9/17/90
Schweiker, Eric M.	Criminal, Trenton - joined office on 6/28/04
Shelton, Karen H.	Civil, Trenton - joined office on 9/16/07
Skahill, Matt	Criminal, Camden - joined office on 10/4/04
Smith, Kevin T.	Criminal, Camden - joined office on 2/19/91
Smith, Matthew T.	Criminal, Camden - joined office on 4/14/08
Srinivasan Herman, Lakshmi	Criminal - Public Protection - joined office on 6/23/08
Steele, Susan J.	Civil - joined office on 3/18/91
Urbano, Brian L.	Criminal - OCDETF - joined office on 11/26/07
Urgent, Allan	Civil - joined office on 10/24/06
Valdes, Camelia M.	Criminal - Government Fraud - joined office on 8/25/02
Vartan, Lee D.	Criminal - Public Protection - joined office on 7/23/07
Vash, Serina M.	Criminal - Government Fraud - joined office on 6/30/02
Villazor, Rodney C.	Criminal - Violent Crimes - joined office on 10/14/08
Welle, L. Judson	Criminal - Terrorism - joined office on 4/4/05
Wiener, Howard	Criminal, Camden - joined office on 6/10/84
Wigler, Ronald	Criminal - Strike Force - joined office on 9/17/92
Wilson, Ronnell L.	Criminal - Public Protection - joined office on 6/11/07

USAO STAFF - DISTRICT OF NEW JERSEY

Adamczyk, Janice
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Boulton, Linda S.
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Broadway, Carol L.
Brown, Robin
Bruk, George
Bryant, Gisele W.
Capaccio, Camille R.
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Castro, Vincent
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Garacci, Rachel A.
Gladney, Mary I.
Goins, Karen A.
Gomez, Amanda
Graham, Berdenia
Greco, Joe P.
Green, Lori
Greene, Kathy A.
Hawkins, Richard
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Holland, Mary
Holloway, Sonja D.
Horton, Gail C.
Hunter, Mary L.
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Mahoney, Thomas J.
Malave, Patricia
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Massi, Jr., Raymond
McCarthy, Lynn M.
McFadden, Regina T.
McKay, Cheryl J.
Mike, Yolanda
Monaco, Donna M.
Monahan, Joyce A.
Montanez, Irma
Morris, Marsha A.
Muhammad-Johnson,
Kaamil
Nagorny, Nicholas A.
Noga, Magdalena
Nolino, Tomi-Anne
O'Brien, Jamie
Okolovitch, Edward
M.
Ortiz, Sacha M.
Palacios, Aurora M.
Parker-Battle, Kelly C.
Perez, Susana
Perez, Crystal L.
Perez-Ray, Jennie
Probst, Martin
Pryor, K. Michael
Quimpo, Bibiana
Radey, Barbara A.
Reed, George F.
Reinert, John Gregory
Reynolds, Patrick
Rivera, Aitza
Rivera, Jasmine E.
Roberson, Jacqueline
L.
Roberson, Jennellyn
Salloum, Rosa
Saylam, Sema
Scholl, Joann
Screen, Kyle A.
Sharma, Pankaj
Skonieczny, Jeffrey
Soto, Sol
Spivey, Katoria
Sprott, Dante
Stokes, Beverly
Svec, Lauren A.
Syjongtian, Edna D.
Tagarelli, Tiffany D.
Teague, Virginia
Teel, Anthony
Trella, Joel G.
Valentin, Yvonne L.
VanDemark, Bryan
Vargas, Alma
Washington, Lavinia
Waters, Ruah N.
Watt, Lawrence A.
Womack, Detria L.
Yerby, Mark

Zekunde, Maryann