

NEWS

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FOR IMMEDIATE RELEASE
April 16, 2008

Ex-Newark Mayor Sharpe James Guilty
on All Counts; Mistress Convicted With Him

(More)

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NEWARK – A jury today convicted former Newark mayor Sharpe James on all corruption charges against him in connection with a scheme that enabled his girlfriend, Tamika Riley, to fraudulently obtain steeply discounted city-owned land and resell it for hundreds of thousands of dollars in profits, U.S. Attorney Christopher J. Christie announced.

Riley was convicted with James on the same five charges: three counts of mail fraud related to the sale of the city lots to Riley, one count of fraud involving a local government receiving federal funds, and one count of conspiracy to defraud the public of James' honest services.

The jury also convicted Riley, of Jersey City, on other charges in the 13-count Indictment that named her only. Those additional convictions are: three counts of mail fraud for Riley's fraudulent receipt of housing rental assistance for which she was not qualified; two counts of tax fraud for failing to report the income she received from the sale of the Newark properties; one count of corporate tax fraud, and one count of tax evasion.

Under the advisory U.S. Sentencing Guidelines, which a sentencing judge must consult, James and Riley face a prison sentence of between five and 12 years in prison. The Sentencing Guidelines, however, are advisory only, and U.S. District Judge William J. Martini will have discretion in imposing sentence within or outside of that range.

Judge Martini scheduled sentencing for James and Riley for July 29.

"Sharpe James was among the most powerful and well-known political figures in New Jersey history, but he was not above the law. Justice has finally been done," Christie said. "There were deep passions on either side of this case. But what everyone should now recognize is that 12 ordinary citizens from New Jersey heard the evidence and independently found what we've said all along – that Sharpe James is guilty of stealing from Newark and its citizens and of using Newark resources for his personal benefit."

The jury began deliberating midday on Wednesday, April 9. Jurors deliberated another four full days before announcing early this morning they had reached a verdict.

The case was tried by Assistant U.S. Attorneys Judith Germano, Phillip Kwon, and Special Assistant U.S. Attorney Perry Primavera, on assignment from the New Jersey Attorney General's Office, under the direction of Attorney General Anne Milgram.

James remains under indictment on another set of charges related to his alleged fraudulent use of city credit cards to fund lavish trips with female companions, including Riley, and other personal expenses. Judge Martini, in motions decided before the trial of James and Riley, severed that set of charges from the government's original Indictment,

necessitating two trials for James and one for Riley. Christie said he will consult within the office, with federal investigative agencies and with state Attorney General Anne Milgram before deciding how to proceed on those charges.

The prosecution was built around the sale to Riley of municipally-owned properties in Newark. The properties, according to evidence and testimony, were steered to Riley by James, who had a long-running romantic relationship with her. Riley paid only \$46,000 for a total of nine properties, and then quickly resold, or “flipped” the properties for more than \$600,000.

Evidence at trial revealed that James used his influence and power as both mayor and as a state senator to manipulate and control a city program designed to redevelop run-down properties in the city. The program was intended to enable experienced, financially sound and qualified developers to buy blighted lots and houses at substantially less than market rates on the condition that they rehabilitate the properties before re-selling them at market prices. With James’s help, Riley acquired the properties at cut-rate prices and resold them without any rehabilitation.

Riley had no real estate or construction experience and did not possess the financial wherewithal or backing required to participate in the program. She was, in fact, the owner of a failed Newark clothing store and had operated an entertainment and public relations firm that reported no income or assets on tax returns in 1999 or 2000, the years before she started flipping Newark properties.

According to trial testimony, throughout the period of their relationship and the property transactions benefitting Riley, James and Riley traveled and socialized together, shared hotel rooms and stayed in fine resorts, among other things. Testimony also revealed that James once directed his security personnel to purchase and install an air-conditioner in Riley’s Jersey City apartment. Riley also donated several times to James’ political campaigns.

Christie thanked and congratulated Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun; Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, and investigators from the New Jersey Division of Criminal Justice, under the direction of Attorney General Milgram, for their combined expertise and exhaustive investigation of the case leading to today’s convictions.

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