

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
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***Christopher J. Christie, U.S. Attorney***

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FOR IMMEDIATE RELEASE

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## Amid Trial, Former Newark Official Pleads Guilty and Admits Taking \$10,000 in Bribes

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(More)

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NEWARK – The former Chief of Staff to the Newark City Council President pleaded guilty today in the middle of his trial and admitted that he accepted cash bribes totaling \$10,000 in exchange for his influence with public officials in Newark, Irvington and elsewhere to steer insurance brokerage business to an undercover FBI company, U.S. Attorney Christopher J. Christie announced.

Keith O. Reid, 49, of Carteret, also agreed during his guilty plea to forfeit a total of \$15,500, representing the entire amount of bribes he took as described in the Indictment on which he was being tried in federal court.

During his plea today, Reid specifically admitted that, in addition to accepting \$5,000 in one instance for himself, he accepted another \$5,000 bribe on behalf of the Mayor of Irvington.

Christie said the investigation is continuing.

Testimony in the trial of Reid began last Wednesday. On Friday, Reid's attorney began negotiating terms of a plea agreement with the government. That followed testimony on Wednesday and Thursday from the government's key undercover cooperating witness and the playing of numerous video and audio recordings featuring Reid accepting the cash bribes.

Reid pleaded guilty to one count of attempted extortion under color of official right, which carries a maximum statutory prison sentence of 20 years, and one count of accepting corrupt payments, which carries a maximum statutory penalty of 10 years in prison. Both counts carry a maximum fine of \$250,000. U.S. District Judge William H. Walls scheduled sentencing for March 25.

Under the advisory U.S. Sentencing Guidelines, Reid faces a sentencing range of between 41 and 51 months in federal prison. Judge Walls, however, has the discretion to sentence within that range or above or below it.

Reid was indicted on Nov. 28, 2007, for accepting bribes from representatives of Coastal Solutions, LLC., an undercover FBI company that purported to be an insurance brokerage business offering services to municipalities throughout New Jersey and beyond. Reid was among 11 public officials and one private individual arrested in September 2007 as part of a wide-ranging public corruption investigation by the FBI and U.S. Attorney's Office.

The Indictment accused Reid of accepting bribes from a cooperating witness in exchange for assurances that he would influence the Newark City Council president and other public officials in Newark and Irvington to help secure insurance brokerage contracts for

Coastal Solutions in Newark and Irvington.

Reid specifically admitted at his plea hearing that he met on July 25, 2007, with representatives of the FBI undercover company and the Newark City Council President. Afterward, he admitted that he met in a car with a member of the FBI undercover company and accepted \$5,000 in cash.

The Indictment also accused Reid of conspiring with an Irvington Township official – identified only as Irvington Official 1 in the Indictment – to obtain corrupt payments from Coastal Solutions. Today Reid identified Irvington Official 1 as the Mayor of Irvington, though not by name.

Reid admitted that he met on Aug. 20, 2007, with members of the undercover FBI company and Irvington Official 1 in Irvington. Shortly afterward, Reid said he met with a member of the FBI undercover company in a parked car in Elizabeth and accepted \$5,000 in cash on behalf of the Irvington Mayor.

During the government's case, audio and video recordings revealed Reid boasting about his access to officials in Newark, Irvington and elsewhere and warning them about giving payments directly to public officials. On Aug. 20, 2007, Reid arranged a meeting between Coastal representatives and the Irvington Mayor, where the parties discussed obtaining certain insurance brokerage business with Irvington for the FBI undercover company. Immediately after this meeting, which was recorded, the cooperating witness privately offered the Mayor of Irvington \$5,000 cash as a "pre-commission" to an insurance brokerage contract in Irvington, to which the Irvington Mayor instructed the cooperating witness to "give it to Keith."

Within hours of this meeting, Reid met privately with the cooperating witness in a car where Reid took the \$5,000 on behalf of the Irvington Mayor. Specifically, Reid instructed the cooperating witness not to offer cash to elected officials but instead to use Reid as an intermediary, stating, "Let that come through someone who doesn't have an office to lose." Reid later warned the cooperating witness not to "create an atmosphere where [elected officials] feel like you're trying to get 'em locked up . . . on the pretext of doing business with their towns."

In discussing the \$5,000 offered to the Irvington Mayor, Reid advised the cooperating witness that the Irvington Mayor "wants to be county executive down the line." Reid said it made no sense for the cooperating witness to "be in a position that makes people nervous." At a follow-up meeting on Sept. 4, 2007, Reid informed the cooperating witness that he had passed on a portion of the \$5,000 to the Irvington Mayor.

Christie credited Special Agents of the FBI, under the direction of Special Agent in

Charge Weysan Dun, with the investigation of Reid and the other defendants in the wider investigation. Christie also thanked the U.S. Postal Inspection Service, Office of Inspector General in Norristown, Pa. and investigators and prosecutors of the Atlantic County Prosecutor's Office, under the direction of Prosecutor Theodore F.L. Housel, for their assistance in the investigation.

Reid was prosecuted by Assistant U.S. Attorneys Christopher J. Gramiccioni and Jenny Kramer.

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Defense Counsel for Reid: Michael Pedicini, Esq.