

NEWS

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Former Construction Project Manager Indicted
For Bribery and Bank Fraud Scheme

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NEWARK – A former construction project manager at two federally insured banks was indicted today on charges of bank fraud, conspiracy, soliciting a bribe from a bank contractor, and money laundering, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

The nine-count federal Indictment charges Oliver Chukwuma, 53, of Franklin Township in Somerset County, with defrauding his former employer, Fleet Bank (“Fleet”), by approving fraudulent invoices submitted by a Fleet contractor, and later, as an employee of Wayne-based Valley National Bank (“Valley”), with demanding, receiving, and laundering a \$20,000 payment from a Valley contractor.

According to the Indictment, Chukwuma was a construction project manager at Fleet Bank (which was subsequently acquired by Bank of America) from at least March 2001 until September 2003. In that role, Chukwuma was responsible for hiring contractors to perform work at Fleet facilities and for approving payment to contractors upon their completion of projects.

Beginning in April 2001, Chukwuma and Jack Lubin, 65, of Cranford, who was a Fleet contractor, allegedly defrauded Fleet by causing Lubin’s contracting company, Cranford-based Basic Services, Inc., to submit invoices to Fleet for work that was never performed. Chukwuma, knowing that Lubin had not performed the work, approved the invoices and shared in the proceeds of the fraud, which amounted to approximately \$1 million, according to the Indictment.

Later, Chukwuma allegedly obtained a job as a construction project manager at Valley. In June 2006, Chukwuma allegedly demanded a \$20,000 payment from a Valley contractor as a condition of that contractor being eligible to bid on future Valley construction projects. Upon receiving the \$20,000 payment, Chukwuma allegedly laundered the proceeds through a corporate bank account.

Chukwuma was arrested on a criminal Complaint on June 14, 2006, and has been free on a \$250,000 secured bond since that time.

Lubin pleaded guilty on Aug. 16, 2006, to his role in defrauding Fleet Bank and awaits sentencing before U.S. District Judge Mary L. Cooper in Trenton.

Chukwuma is charged in Count One of the Indictment with conspiracy to commit bank fraud, and in Counts Two through Five with bank fraud, each of which carries a maximum statutory penalty of 30 years in prison and a fine of the greater of \$1 million or twice the aggregate loss to any victim or gain to any defendant. Count Six charges corruptly soliciting a payment in connection with the business of a federally insured bank, which carries a maximum penalty of 30 years in prison and a fine of the greater of \$1 million or three times the amount of the solicited payment. Chukwuma is charged in Counts Seven through Nine with money laundering, each of which carries a maximum

penalty of 20 years in prison and a fine of the greater of \$500,000 or the money laundered.

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, consult the Advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodian terms must serve nearly all that time.

Despite indictment, the defendant is presumed innocent unless proven guilty beyond a reasonable doubt.

Marra credited Special Agents of the FBI's Franklin Township Resident Agency, under the direction of Special Agent in Charge Weysan Dun in Newark, with the continuing investigation.

The government is represented by Assistant U.S. Attorney Seth B. Kosto of the Criminal Division in Newark.

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Defense Attorneys:

Chukwuma - Steven Gabor, Esq., Freehold
Lubin - Robert Blackman, Esq., Edison