

NEWS

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FOR IMMEDIATE RELEASE

April 8, 2009

Former Newark Official Sentenced to 51 Months in
Federal Prison for Taking \$15,500 in Bribes

(More)

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NEWARK – The former Chief of Staff to the Newark City Council President was sentenced today to 51 months in federal prison for accepting \$15,500 in bribes in exchange for using his official influence with public officials in Newark, Irvington and elsewhere to steer insurance brokerage business to an undercover FBI company, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

U.S. District Judge William H. Walls also ordered Keith O. Reid, 50, of Carteret, to pay a \$5,000 fine and to serve two years of supervised release upon the completion of his prison sentence. Judge Walls continued the defendant's release on a \$200,000 bond pending his surrender to officials with the U.S. Bureau of Prisons on or before June 10.

“That is an appropriately long prison sentence that indeed sends a strong message and warning to public officials like Reid who want to leverage their positions for unlawful personal gain,” said Marra.

On Nov. 24, 2008, in the midst of his trial, Reid pleaded guilty to one count each of attempted extortion under color of official right and accepting a bribe payment at the direction of another. As part of his plea, Reid agreed to forfeit a total of \$15,500, representing the entire amount of cash bribes he took as described in the Indictment.

The Indictment accused Reid of accepting bribes from an FBI cooperating witness in exchange for assurances that he would use his influence with the Newark City Council President and other public officials in Newark and Irvington to help secure insurance brokerage business for an FBI undercover company. 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 the FBI undercover company.

During his plea, Reid admitted that he used his influence to arrange a meeting between representatives of the FBI undercover company and the president of the Newark City Council on July 25, 2007. During that meeting, Reid advocated for the FBI undercover company to obtain insurance brokerage business with the City of Newark. After the meeting, Reid admitted that he met an FBI cooperating witness in a parked car and accepted \$5,000 in cash in exchange for using his official influence to obtain insurance brokerage business for the FBI undercover company.

Reid further admitted that, on Aug. 20, 2007, he met with members of the FBI undercover company and Irvington Official 1 in Irvington City Hall. Shortly afterward, Reid said he met an FBI cooperating witness in a parked car in Elizabeth and accepted \$5,000 in cash on behalf of Irvington Official 1, intending to influence and reward Irvington Official 1 in connection with insurance brokerage business sought by the FBI undercover company with the Township of Irvington. At his plea hearing, Reid identified Irvington Official 1 as the Mayor of Irvington, though not by name.

Testimony in the trial of Reid began on Nov. 19, 2008. Two days later, Reid's attorney began negotiating terms of a plea agreement with the government. That followed testimony on Nov. 19 and Nov. 20 from the government's cooperating witness and the playing of numerous video and audio recordings featuring Reid accepting the cash bribes.

Reid was one of 12 individuals who were charged on Sept. 6, 2007, as part of a wide-ranging public corruption investigation by the FBI and the U.S. Attorney's Office that progressed from southern to northern New Jersey.

In determining the sentence, Judge Walls consulted 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, was not bound by those guidelines in determining a sentence.

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

Marra 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. Marra also thanked 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: Michael Pedicini, Esq. Morristown