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Union City Real Estate Investor Pleads Guilty to Conspiring to Launder Money to Make Contributions to Public Officials in Exchange for Favors

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NEWARK, N.J. – A real estate investor and property manager residing in Union City, New Jersey pleaded guilty today to conspiring to launder money in order to make contributions to public officials in Union City in exchange for favors, U.S. Attorney Paul J. Fishman announced.

Itzhak Friedlander, 42, pleaded guilty before U.S. District Judge Jose L. Linares to a one-count criminal Information charging him with conspiracy to launder money to conceal and disguise unlawful activity.

At his plea hearing, Friedlander admitted that from June 2007 to August 2008, he conspired with a cooperating witness and co-conspirators Michael Altman and Shimon Haber to launder money from the cooperating witness through Friedlander's account at a purported charitable entity called Gmach Shefa Chaim. The funds were represented by the cooperating witness to be proceeds of unlawful activities – namely, bank fraud, trafficking in counterfeit goods, and concealment of property from a federal bankruptcy court and trustee. According to the Information to which Friedlander pleaded guilty, the conspirators planned to funnel the money through Gmach Shefa Chaim to public officials in Union City in exchange for approvals for developing a Union City property. Friedlander admitted that the value of funds that he conspired to launder was approximately \$175,000.

Friedlander's guilty plea stems from a two-track undercover Federal Bureau of Investigation ("FBI") investigation into public corruption and international money laundering – which resulted in the charging of 44 individuals in criminal Complaints on July 23, 2009. At that time, Altman, 40, of Monsey, New York, was charged in a criminal Complaint with conspiracy to launder money and conspiracy to obstruct commerce by extortion under color of official right; Haber, 34, of Brooklyn, New York, was charged via criminal complaint with conspiracy to launder money. On January 14, 2010, Haber pleaded guilty before U.S. District Judge Jose L. Linares to a one-count criminal Information charging him with conspiracy to launder money to conceal and promote unlawful activity. Haber is scheduled to be sentenced before Judge Linares on May 25, 2010. On January 28, 2010, a grand jury returned a 41-count Indictment against Altman, alleging money laundering, bribery, and attempted obstruction of commerce under color of official right. The case against Altman is pending.

The charge to which Friedlander pleaded guilty carries a maximum statutory penalty of 20 years in prison and a \$250,000 fine, or twice the gross gain or loss from the offense. Judge Linares continued Friedlander's release on a \$250,000 bond pending sentencing, which is scheduled for July 14, 2010.

In determining an actual sentence, Judge Linares will consult the advisory U.S. Sentencing Guidelines, which recommend sentencing ranges that take into account the severity and characteristics of the offenses, the defendant's criminal history, if any, and other factors, including acceptance of responsibility. The judge, however, has discretion and is 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 of that time.

Fishman credited Special Agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, and Special Agents of the Internal Revenue Service Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, for the investigation leading to today's guilty plea. The case against Friedlander is being handled by Assistant U.S. Attorney Dustin Chao of the U.S. Attorney's Office Special Prosecutions Division in Newark.

The charges and allegations contained in the Indictment against Altman are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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Defense Attorneys: Stacy Ann Biancamano, Esq; Timothy M. Donohue, Esq., West Orange, NJ