

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 09-
: :
v. : 26 U.S.C. § 7201
: :
LEONARD KAISER and : I N F O R M A T I O N
BARBARA KAISER : :
: :

The defendants having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Background

1. At all times relevant to this Information, defendant LEONARD KAISER and his wife, defendant BARBARA KAISER, were residents of the Borough of North Arlington, a municipality in Bergen County, New Jersey.

2. Defendant LEONARD KAISER served as the Mayor of North Arlington from in or about 1983 to in or about 2002, when he unsuccessfully ran for re-election for a sixth term. Defendant LEONARD KAISER also held the following additional positions in state and local government, among others, in or about the time periods indicated: (1) Assistant to the Bergen County Executive (1988 to 2002); (2) Commissioner of the New Jersey Meadowlands Commission (2002 to 2008); and (3) Executive Director of the Bergen County Utilities Authority (2003 to 2009).

3. Defendant BARBARA KAISER was employed by the County of Bergen as an Administrative Assistant from in or about 1986 to in or about 2008.

4. At all times relevant to this Information, defendants LEONARD KAISER and BARBARA KAISER operated and caused to be operated a campaign committee known as the "Election Fund of Leonard Kaiser." The purpose of the committee was to raise funds in order to defray the expenses associated with defendant LEONARD KAISER's election campaigns. The New Jersey Campaign Contributions and Expenditures Reporting Act, N.J. Stat. Ann. §§ 19:44A-1, et seq. (the "Campaign Act") explicitly prohibited the personal use of any campaign funding. The funds were regularly deposited into an account at Amalgamated Bank (the "campaign account"), a financial institution with a branch in Lyndhurst, New Jersey. Defendant BARBARA KAISER was designated as the Treasurer for the campaign committee and, along with defendant LEONARD KAISER, controlled the campaign account.

Personal Payments From Election Fund

5. Beginning in or about December 2002 and continuing through in or about August 2004, defendants LEONARD KAISER and BARBARA KAISER issued, and caused to be issued, numerous checks from the campaign account for thousands of dollars that were used, in part, to pay for personal expenses. All but one of those checks was payable to defendant BARBARA

KAISER, which the defendant BARBARA KAISER thereafter deposited into the defendants' personal joint bank accounts or cashed. Defendant BARBARA KAISER signed each check and, on the memo line of many of those checks, indicated that the payments were for "salary," even though the campaign was largely inactive and she performed little to no work on the campaign following defendant LEONARD KAISER's unsuccessful re-election bid that ended in November 2002. One check was payable to a third party.

6. Although the Campaign Act specifically required a candidate committee to report accurately all expenditures on forms required by and submitted to the New Jersey Election Law Enforcement Commission ("ELEC") in Trenton, New Jersey, defendants LEONARD KAISER and BARBARA KAISER omitted any mention of the personal payments on the relevant ELEC forms.

7. The approximate amount of money that defendants LEONARD KAISER and BARBARA KAISER obtained for personal use from the campaign account from in or about 2002 to in or about 2004, all of which comprised taxable income, was:

Year	Approximate Amount
2002	\$1,500
2003	\$28,200
2004	\$200

**Evasion of Taxes on the Personal Payments from the
Election Fund**

8. In or about April 2004, defendants LEONARD KAISER and BARBARA KAISER sought the assistance of an accountant in preparing their joint United States Individual Income Tax Return, Form 1040, for the calendar year 2003. Defendants LEONARD KAISER and BARBARA KAISER provided the accountant with information showing income of approximately \$242,503 in total income, upon which the tax return indicated that approximately \$36,991 was paid in federal income taxes and approximately \$3,508 in tax was due and owing.

9. In order to reduce their reported income and, therefore, the amount of tax that they would have to pay to the United States, defendants LEONARD KAISER and BARBARA KAISER did not disclose to the accountant the approximately \$28,200 in additional income that the defendants obtained from the campaign account in 2003, upon which approximately \$5,364 in additional tax was due and owing.

10. On or about April 14, 2004, defendants LEONARD KAISER and BARBARA KAISER signed and caused to be filed a joint United States Individual Income Tax Return, Form 1040, for the calendar year 2003, which substantially understated their actual income and therefore their tax due and owing to the United States for tax year 2003.

11. On or about April 14, 2004, in the District of New Jersey and elsewhere, defendants

LEONARD KAISER and
BARBARA KAISER

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing by them to the United States for the calendar year 2003 in that they signed, prepared, and filed, and caused to be prepared and filed, a false and fraudulent United States Individual Income Tax Return, Form 1040, as described in paragraph 11, knowing it to be false and fraudulent as described in paragraphs 9 and 10.

In violation of Title 26, United States Code, Section 7201.

PAUL J. FISHMAN
UNITED STATES ATTORNEY