
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**
 :
 v. :
 :
 KEITH O. REID : Mag. No. 07-

I, James J. Breen, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

From in or about January 2007 to in or about August 2007, in Essex County, in the District of New Jersey and elsewhere, defendant

KEITH O. REID

did knowingly and willfully attempt to obstruct, delay, and affect interstate commerce by extortion under color of official right, by soliciting and accepting a corrupt payment that was paid by another, with that person's consent.

In violation of Title 18, United States Code, Sections 1951(a) and 2.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.

James J. Breen, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
September 5, 2007, at Trenton, New Jersey

HONORABLE TONIANNE BONGIOVANNI
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, James J. Breen, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein, based upon my own investigation, as well as information provided to me by other law enforcement officers. Because this Attachment A is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part, except where otherwise indicated. All contacts discussed herein were recorded, except where otherwise indicated.

1. At all times relevant to this Complaint, defendant KEITH REID (hereinafter "defendant REID") was the Chief of Staff to the president of the City of Newark Municipal Council ("Newark City Council"), the legislative body of the municipal government of the City of Newark, New Jersey. Members of the Newark City Council, among other things, were empowered to approve financial controls for the City of Newark and to vote on ordinances and resolutions, including those related to the award of certain government contracts. As the Chief of Staff to the President of the Newark City Council, defendant REID's duties included, but were not limited to, providing advice and making recommendations to the City Council President and other City of Newark employees.

2. At all times relevant to this Complaint, two cooperating witnesses ("CW-1" and "CW-2") and an undercover law enforcement agent ("UCA") purported to be representatives of a company capable of providing insurance brokerage services to governmental entities (hereinafter the "Insurance Brokerage Business"). As represented by these individuals, the Insurance Brokerage Business was based in New Jersey, did business in various states, and paid for goods and services in interstate commerce.

3. On or about January 5, 2007, defendant REID and another individual (hereinafter "Individual 1") met CW-1 and CW-2 at a restaurant in Maplewood, New Jersey. During the meeting, Individual 1 explained that Individual 1 and defendant REID had "a consulting company together because we do a lot of political things together." Reid added, "for years." According to defendant REID and Individual 1, the consulting business (hereinafter the "Consulting Business") was capable of assisting the Insurance Brokerage Business in obtaining municipal government contracts from various municipalities, including from the City of Newark. When asked about the contacts he maintained through the Consulting Business, defendant REID stated that he had "relationships in East Orange, relationships with people obviously in Irvington and obviously in Newark. And there are relationships in Elizabeth as well. There are folks there who we

can pick up the phone and call who can open doors." Thereafter, the Insurance Brokerage Business retained the Consulting Business pursuant to a proposal submitted by Individual 1 and defendant REID.

4. On or about February 20, 2007, defendant REID and Individual 1 met CW-1 and CW-2 in Newark, New Jersey. During this meeting, defendant REID agreed to arrange a meeting between the City Council President and representatives of the Insurance Brokerage Business. At the conclusion of the meeting, defendant REID told the CWs that "there is a host of business we can do with people who need friends and need financial support, and I'm really glad that we had this meeting . . . My boss, the more she realizes that you are in our corner, the more she'll be in yours . . ."

5. From in or about February 2007 to in or about July 2007, defendant REID attempted to schedule meetings between the City Council President and representatives of the Insurance Brokerage Business; certain scheduled meetings, however, were ultimately cancelled.

6. On or about July 10, 2007, defendant REID met CW-1 and CW-2 in Newark, New Jersey, in anticipation of a meeting with the City Council President. Defendant REID discussed that initially, he wanted the City Council President to "commit to opening the door of the Housing Authority," referring to securing insurance business from the Newark Housing Authority in favor of the Insurance Brokerage Business, and that thereafter, the Insurance Brokerage Business could attempt to expand its insurance brokerage business within the City of Newark. Thereafter, as a consequence of the actions of defendant REID, CW-1 and CW-2 met with defendant REID and the City Council President and presented various insurance brokerage proposals to the City Council President.

7. On or about July 25, 2007, defendant REID met CW-1, CW-2 and UCA at a restaurant in Newark, New Jersey. The parties discussed garnering the support of a certain member of the Newark City Council ("Councilman 1"). Defendant REID opined that having the support of "Councilman 1" was "tactically smart." Defendant REID thereafter told the CWs: "I've got to convince my boss to do something. I don't just walk into the office and say, 'look, vote on this.' I got to convince her to do something and you guys have been supportive and will continue to be supportive, and she understands that." Defendant REID continued:

That's [Councilman 1] on one side, that's me on the other. You picked a vote up. So we just gotta get the

other two [referring to votes of the Newark City Council]. Let's deal with that. We're not at two, I think we're at three, and we need to get to the other two. . . . It's a nine member Council. You need five votes to make anything happen. And I learned in politics, twenty years ago in this town, you come into the room, you need five votes and you got three, it ain't a large leap to two others. . . . We [are] there. . . . Where do I pick the other two up? That's the question. . . . Let me talk to [Councilman 1], man to man. . . . Just keep me in the loop on what's happening with [Councilman 1]. And when I need to, when we need to strike, we strike.

8. The parties additionally discussed insurance brokerage business that the Insurance Brokerage Business was seeking from another municipality through the assistance of a public official who represented that municipality ("Official 1"). Defendant REID stated that he would contact Official 1 to discuss business opportunities for the Insurance Brokerage Business.

9. After the meeting concluded, defendant REID met CW-2 privately in a car in Newark, New Jersey. Defendant REID informed CW-2 that, that while defendant REID had continued to assist the Insurance Brokerage Business in obtaining insurance work in Newark, he had not been paid in several months:

I want you to be clear on something. This is not a hustle. I don't get paid from whatever you're doing with [Individual 1]. I did not, I got an initial payment in February, but since February, I have not gotten one red cent . . . I can make things happen within my sphere to a certain point because I'm council president's chief of staff. Full plate. And I have a kind of boss who's very reliant on me and staff, right?

10. Defendant REID described what official actions he had taken to assist the Insurance Brokerage Business, stating "I've gone to the meetings. I've made phone calls. I've wanted to make sure that things, where I could control it, stayed in the loop, even with my boss not being able to meet twice and then we finally had our meeting. Those kinds of things I'm quietly working on an entre into the [Newark] Housing Authority." Toward the conclusion of their meeting, defendant REID accepted a \$5,000 cash payment from CW-2 in exchange for defendant REID providing his official assistance in obtaining insurance brokerage business from the City of Newark for the Insurance Brokerage Business.

11. On or about August 20, 2007, defendant REID and CW-2 met privately in a car in Elizabeth, New Jersey. Defendant REID and CW-2 discussed that prior to their meeting in the car, CW-2 had offered a corrupt cash payment to Official 1, who, in turn, instructed CW-2 to use defendant REID as an intermediary. Shortly thereafter, defendant REID accepted a \$5,000 cash payment from CW-2. Defendant REID then repeatedly explained the importance of using an intermediary to make corrupt payments to elected officials. In discussing a relationship that the Insurance Brokerage Business had developed with another public official, defendant REID warned CW-2 to "not let a lot of people in the kitchen. . . . You need a buffer or something." Defendant REID then explained to CW-2: "Under federal and state law, it is not only illegal to accept cash payments, it is illegal to offer them." CW-2 responded, "which would put us both in trouble." Defendant REID further explained: "They [referring to law enforcement] can go after the offeror and the recipient. . . . That's the law's attempt to keep everything above board." With respect to Official 1, defendant REID stated that he would take "marching orders from" Official 1 and advised CW-2: "let that [referring to a corrupt payment] come through someone who doesn't have an office to lose."

12. Later in the conversation, defendant REID discussed how he envisioned playing a concealed role in helping the Insurance Brokerage Business secure insurance brokerage business from the City of Newark:

[Individual 1] can be the quarterback I need to be at least the offensive coordinator . . . [Individual 1] can quarterback it. Guess why. Because there's a role I probably, I can and shouldn't play inside City Hall in Newark. Other City Halls, there's no issue. Newark. But as offensive coordinator, I'm responsible for all the offensive line activity, quarterbacks too. So, therefore, I get to say to [Individual 1], 'that's not the play we're running. This is the play we're running. And we're going to run it this way because we have to run it this way because of these players on the defensive side, who we have to convince to become our guys.' And that includes all the other activity [at which point, defendant REID repeatedly patted the area of his jacket pocket where he had previously placed the \$5,000 payment from CW-2] - - You follow me? -- that may have to transpire for others.

13. CW-2 responded, "That takes a lot of pressure off of me. I mean if you're comfortable, you know, taking care of whoever we have to take care of, that makes my job a lot, lot

easier." To this, defendant REID replied: "You know why? I know them [referring to elected officials], I know their pressure points, I know their buffers, everything. So, the only head on the line is this one [at which point, defendant REID pointed to himself]." Then, referring to questions that could be raised about receiving cash payments, defendant REID rhetorically asked, "how do you know I didn't go to Vegas?"

14. Later in the conversation, defendant REID, in further explaining to CW-2 the importance of using an intermediary in making corrupt payments to elected officials, asked, "why create an atmosphere where they [referring to elected officials] feel like you're trying to get them locked up?"