

UNITED STATES OF AMERICA	:	<b>CRIMINAL COMPLAINT</b>
	:	
v.	:	
	:	
ALFRED E. STEELE	:	Mag. No. 07-

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, (a) defendant ALFRED E. STEELE (hereinafter, "defendant STEELE") represented the 35<sup>th</sup> District as an Assemblyman in the New Jersey General Assembly and (b) served as an Undersheriff for the Passaic County Sheriff's Department. The 35<sup>th</sup> District encompassed parts of Passaic and Bergen Counties and includes Paterson, Passaic, Prospect Park, Glen Rock and Hawthorne. As an Assemblyman, defendant STEELE's official duties included, but were not limited to: (a) proposing, drafting and voting on legislation; (b) conducting and participating in committee hearings; (c) exercising legislative oversight with regard to state agencies and departments; (d) making recommendations to, and negotiating with, State agencies and departments; and (e) providing constituent services for New Jersey citizens and organizations, which services included defendant STEELE bringing the merits of a constituent's position to the attention of State and local government agencies and departments. According to the New Jersey Legislative Manual, defendant STEELE served on the Assembly's Law and Public Safety, Homeland Security, Budget and Regulatory Oversight Committees.

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 March 14, 2007, a public official ("Official 1") arranged a lunch meeting between defendant STEELE, Official 1 and CW-1, at a restaurant in Newark, New Jersey. During the meeting, CW-1 discussed the various insurance products and plans that the Insurance Brokerage Business offered to local governments. Defendant STEELE offered to use his official influence to assist the Insurance Brokerage Business by "hav[ing]

[his] chief of staff arrange" appointments, making introductions to other officials at local government agencies in Paterson, and using his self-described "personal touch." Through discussion with CW-1 at that time, defendant STEELE understood that he would receive money in exchange for his official intercession on behalf of the Insurance Brokerage Business.

4. During that meeting, defendant STEELE was further informed that (a) he would receive \$5,000 from the Insurance Brokerage Business for arranging a meeting with Paterson officials and 15 percent of the gross revenue if the Insurance Brokerage Business was successful in obtaining insurance brokerage business and (b) with respect to the City of Paterson insurance brokerage business, both defendant STEELE and Official 1 would receive 15 percent of the gross revenue from any success in obtaining Paterson government insurance business. Defendant STEELE indicated to CW-1, that he would participate in making "it happen," meaning assisting the Insurance Brokerage Business in obtaining Paterson government insurance brokerage business.

5. Defendant STEELE further indicated that he would use his official influence locally, stating that he would "work with the [Paterson] Board of Ed[ucation], get that piece in [and] see if we can do that." Prior to concluding the meeting, defendant STEELE further indicated to CW-1 that their business was "to be continued" and thanked CW-1 for "bringing [him] on board." Thereafter, defendant STEELE endeavored to peddle his influence both (a) with local government officials inside the district that he represented and (b) with influential lawmakers and officials outside of his district, in favor of the Insurance Brokerage Business.

6. On or about April 2, 2007, defendant STEELE met Official 1, CW-1 and CW-2 for a lunch meeting in Newark, New Jersey. Defendant STEELE invited a key employee of the Paterson School District (hereinafter the "PSD Key Employee") so the CWS could present the Insurance Brokerage Business's insurance benefits package to the school district. During the meeting, while the CWS presented the benefits of the Insurance Brokerage Business's insurance products and plans to the PSD Key Employee, defendant STEELE actively supported the presentation by, among other things, describing the insurance products as a "nice piece," and stressing that children particularly benefitted under the Insurance Brokerage Business's plan because of the existence of the Insurance Brokerage Business's give-back programs.

7. After the PSD Key Employee left the meeting, defendant STEELE met privately with CW-2 in CW-2's car. During this meeting, defendant STEELE accepted a \$5,000 cash payment from CW-

2 in exchange for his official assistance in attempting to secure an insurance brokerage contract with the Paterson School District. Defendant STEELE assured CW-2 that "[the PSD Key Employee] is good. I have a great relationship with him," and reiterated that they could "do some business." Defendant STEELE also stated that he told CW-1 they could "work right into the county" and that defendant STEELE thought their relationship would be "healthy." Defendant STEELE asked CW-2 whether CW-2 talked to a public official in Orange, New Jersey (hereinafter "Official 2") about similarly advocating on behalf of the Insurance Brokerage Business. CW-2 replied that CW-2 had not, and defendant STEELE stated that he was "great friends" with Official 2 and that he could "easily set this up with [Official 2]."

8. On or about May 16, 2007, defendant STEELE, met Official 1, CW-1 and UCA at defendant STEELE's legislative office in Paterson, New Jersey. Defendant STEELE arranged for the Insurance Brokerage Business to present an insurance package to a Key Employee of the Paterson Housing Authority (the "PHA Key Employee"). During his presentation, in support of the Insurance Brokerage Business's insurance product, defendant STEELE indicated that the Insurance Brokerage Business received very limited commissions for its sale of its insurance products, and that this was an important part of the Insurance Brokerage Business's package since other insurance companies sometimes disguise commissions received in higher premiums. After the presentation ended, defendant STEELE met with the UCA alone in the office. Defendant STEELE advised the UCA that the PHA Employee would "definitely . . . be calling." Defendant STEELE also stated that the Paterson Board of Education was "going to move" on the insurance brokerage proposal presented by the Insurance Brokerage Business. At the conclusion of the meeting, the UCA asked defendant STEELE: "Did [CW-2] tell you that [CW-2] had me bring something today?" Defendant STEELE replied "Yeah . . . [CW-2] did absolutely." Defendant STEELE then accepted a \$1,500 cash payment from the UCA in exchange for using his official influence to arrange the meeting with the PHA Key Employee.

9. On or about May 24, 2007, defendant STEELE met Official 1, Official 2, the CWs, and the UCA at a restaurant in Orange, New Jersey. Defendant STEELE had arranged for the Insurance Brokerage Business to present their insurance products to Official 2 in an effort to secure insurance business with the City of Orange. After Official 2 departed, defendant STEELE stated that "[Official 2 was] gonna be fine" with having the City of Orange obtain insurance brokerage services from Insurance Brokerage Business. Additionally, defendant STEELE advised the

CWs that he expected to have "Paterson . . . locked up," referring to the insurance brokerage business with the Paterson Board of Education and Paterson Housing Authority. At the conclusion of the lunch meeting, the UCA thanked defendant STEELE for setting up the meeting. Defendant STEELE asked the UCA whether the payment was "cash," and then accepted a \$1,500 cash payment in exchange for using his official influence to arrange the meeting with Official 2.

10. On or about July 9, 2007, defendant STEELE met the CWs and a public official (hereinafter "Official 3") at a hotel in Newark, New Jersey. Defendant STEELE had arranged for the Insurance Brokerage Business to present their insurance products to Official 3 in an effort to secure Newark government insurance brokerage business. During this meeting, defendant STEELE also provided the CWs updates on his efforts to assist the Insurance Brokerage Business in securing insurance brokerage business with Paterson government agencies, and elsewhere. Defendant STEELE stated that he would meet with the state-appointed Paterson School District monitor to "shore up the deal for Paterson," and that he expected that the Insurance Brokerage Business could "secure that piece" once defendant STEELE returned from vacation. Additionally, defendant STEELE stated that he would contact Official 2 and ensure that Official 2 continued to work with the Insurance Brokerage Business. Defendant STEELE reassured CW-2 that defendant STEELE would secure the brokerage contract in Orange, New Jersey by stating "[Official 2] is cool . . . he's gonna do it." At the conclusion of the meeting, CW-1 told defendant STEELE that "[CW-2] has it all [referring to cash]."

11. After departing the hotel, defendant STEELE continued to speak to CW-2 in a car in the hotel garage in Newark, New Jersey. During the meeting, defendant STEELE accepted a \$1,500 cash payment from CW-2 in exchange for securing meetings with influential public officials in Orange and Newark, and attempting to secure more government insurance brokerage business for the Insurance Brokerage Business. As he took the money, defendant STEELE stated that the "piece" with Official 3 would be successful since Official 3 was "totally committed [and] he [knew] the players." CW-2 responded that if Official 3 can "help us put Newark together and the Newark school, we're talking about a major payday for everybody." Defendant STEELE replied that "he [Official 3] can do it . . . [t]hose pieces can work."

12. During this portion of the meeting in the car, defendant STEELE also reiterated that the Paterson "piece" would be awarded to the Insurance Brokerage Business. Defendant STEELE said that he would meet with the state-appointed monitor for the Paterson School District to "move this piece along for the good

of the district," and added "I have all different votes on the city." Defendant STEELE also indicated that he "had five votes on the [Paterson] City Council" and offered to use his position to influence a specific Paterson public official ("Official 4") in favor of the Insurance Brokerage Business.

13. On or about July 24, 2007, defendant STEELE met with the CWs, the UCA and Official 1 at a sports café in Paterson, New Jersey. During the meeting, among other things, defendant STEELE recounted his efforts to deliver the insurance brokerage contracts with the Paterson School District. Defendant STEELE said that he would meet with the PSD Key Employee and reassured the CWs that "we're gonna move that deal."

14. During this meeting, defendant STEELE also was informed that the Insurance Brokerage Business was not seeking to obtain all available insurance brokerage business in the City of Paterson, but just a "piece of the business." CW-1 stated that, to date, they were not getting Official 4's attention because they were "not playing the same game as everyone else . . . and [they are] capable of doing that." Defendant STEELE agreed to meet with Official 4 to support the Insurance Brokerage Business, but asked whether he should discuss potentially corrupt financial arrangements with Official 4. Official 1 thereafter responded that "you can mention the numbers to [Official 4] because that was something we wasn't [sic] able to do when we met with him . . . we weren't really able to let him know how serious [the Insurance Brokerage Business was] with the numbers."

15. On or about August 2, 2007, defendant STEELE met CW-2 in a car in Passaic, New Jersey. During the meeting, defendant STEELE advised CW-2 that he met both the Paterson School District monitor and the State Education Commissioner to discuss the Insurance Brokerage Business's insurance products. Defendant STEELE reassured CW-2 that the Insurance Brokerage Business would soon obtain the insurance brokerage contract from the Paterson School District. Defendant STEELE explained that he only needed to meet with the PSD Key Employee and that "there's not a question and we have the votes."

16. During this conversation, defendant STEELE accepted a cash payment of \$1,500 in exchange for his past and continued official assistance in securing insurance brokerage business with the Paterson School District. CW-2 stated that obtaining the Paterson School District business would be financially lucrative for everyone involved, and defendant STEELE replied "we gonna do that. That piece is gonna be done."

17. On or about August 13, 2007, defendant STEELE met CW-2 in a car in Clifton, New Jersey. During the meeting, Steele accepted a \$3,000 cash payment in exchange for his official assistance in securing insurance business for the Insurance Brokerage Business from: (a) the Newark Board of Education and (b) the City of Passaic.

18. On or about August 20, 2007, defendant STEELE met UCA in a car in Elizabeth, New Jersey. Defendant STEELE accepted \$1,500 from UCA in exchange for defendant STEELE's official assistance in securing insurance business for the Insurance Brokerage Business from Official 2.