

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Ralph J. Marra, Jr., Acting U.S. Attorney

More Information? Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

News on the Internet. News Releases and related documents are posted at our website.
Go to: <http://www.usdoj.gov/usao/nj/press/index.html>

Contact:
Michael Drewniak, Public Affairs Officer
973-645-2888

khal0909.rel
FOR IMMEDIATE RELEASE
Sept. 9, 2009

Ex-Jersey City Official Admits Taking \$72,000 in Bribes and
Making Numerous Introductions for Others Who Took Bribes
– Failed City Council Candidate Also Pleads Guilty –

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

<http://www.usdoj.gov/usao/nj/press/index.html>

NEWARK – Former Jersey City Health and Human Services Assistant Director Maher Z. Khalil pleaded guilty today to conspiring to commit extortion, admitting that he accepted more than \$72,000 in bribes from a government cooperating witness in return for attempting to obtain real estate development approvals for the cooperating witness, and for facilitating bribe payments to other municipal officials, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

Also pleading guilty today was Guy Catrillo, 54, a former Jersey City planning aide and City Council candidate. Catrillo admitted that he accepted \$15,000 in bribes from the same government cooperating witness in return for attempting to obtain real estate development approvals for the cooperating witness (“CW”).

Both defendants pleaded guilty to one-count Criminal Informations before U.S. District Judge Jose L. Linares – Khalil to conspiracy to commit extortion under color of official right, and Catrillo to attempted extortion under color of official right. Both charges carry a maximum statutory penalty of 20 years in prison and a \$250,000 fine. Judge Linares scheduled sentencings for Khalil and Catrillo for Dec. 15; both men remain free on bond.

The guilty pleas stem from an undercover FBI political corruption and international money laundering investigation that broke on July 23. Forty-four individuals were charged that day via criminal Complaints in connection with this two-track federal investigation.

At his plea hearing, Khalil, 39, admitted that, between March 2008 and July 2009, he accepted a total of \$72,500 in corrupt payments from the CW. In exchange Khalil, who also formerly served as a member of the Jersey City Board of Adjustment, agreed to exercise his official influence as a Jersey City official in favor of the CW, and facilitated introductions and corrupt payments to other municipal officials for their official assistance in obtaining development approvals in Jersey City for the CW’s benefit.

Khalil specifically admitted that, on numerous occasions, he accepted cash bribe payments in exchange for his assistance in obtaining development-related approvals for the CW on a property located on Garfield Avenue in Jersey City.

Khalil further admitted that he accepted bribe payments from the CW after arranging meetings between the CW and various Jersey City municipal officials who, in exchange for corrupt payments, would attempt to exercise their official influence in favor of the CW regarding various development approvals. Khalil specifically identified two such officials: former Jersey City Housing Commissioner and School Board Vice President Edward Cheatam, and former Jersey City Municipal Council President Mariano Vega.

Khalil also said that, at Vega’s direction, he accepted corrupt cash payments given to

Vega by the CW and converted them into illegal campaign contributions from “straw” donors to fund Vega’s electoral campaign.

Khalil said he introduced the CW to other public officials who were willing to accept corrupt payments in exchange for their influence. Khalil said those introductions included a commissioner with the Jersey City Municipal Utilities Authority and other Jersey City officials, and a treasurer for the Guttenberg Board of Education.

At his plea hearing, Catrillo admitted that, between February 2009 and May 2009, he accepted a total of \$15,000 in corrupt payments from the CW. Catrillo admitted that the payments were in exchange for his official assistance as a senior planning aide at the Jersey City Division of City Planning (“JCDCP”), and for his future official assistance as an anticipated member of the City Council, in attempting to obtain certain development approvals for the Garfield Avenue property. (In May 2009, Catrillo unsuccessfully ran as a candidate for the Jersey City Municipal Council, Ward E).

Catrillo also admitted that he used his influence as a JCDCP member to arrange a meeting between the JCDCP Planning Director and an individual affiliated with the CW where the possible purchase of other development properties in Jersey City was to be discussed.

“We are pleased with the progress we witnessed today and with the investigation as a whole,” said Marra. “There’s still plenty to do and we will press on accordingly.”

“We are committed to continuing the investigation and taking it wherever it may lead,” said Weysan Dun, Special Agent In Charge of the Newark office of the FBI. “People with information about corruption are encouraged to report it to the FBI with the assurance that it will be acted upon.”

The plea agreements require that Khalil and Catrillo forfeit the amount of corrupt payments they each received (Khalil \$72,500; Catrillo, \$15,000). In the event they cannot pay those amounts, they must forfeit equivalent substitute assets.

In determining actual sentences, 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 defendants’ criminal histories, 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.

Marra credited Special Agents of the FBI, under the direction of Special Agent in Charge

Weysan Dun, and the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, for the investigation involving Khalil and the other defendants. Marra also thanked the Monmouth County Prosecutor's Office, under the direction of Prosecutor Luis A. Valentin, for their assistance in the investigation.

The cases against Khalil and Catrillo are being prosecuted by Assistant U.S. Attorney Christopher J. Gramiccioni of the U.S. Attorney's Office Special Prosecutions Division in Newark.

-end-

Defense counsel:

For Khalil, Michael F. Pedicini, Esq. Morristown

For Catrillo, Michael P. Koribanics, Esq. Clifton