

UNITED STATES OF AMERICA : CRIMINAL COMPLAINT

V.

MAHER A. KHALIL

: Mag. No. 09-8136 (MCA)

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

SEE ATTACHMENT A

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 B

continued on the attached page and made a part hereof.

Robert J. Cooke, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
July __, 2009, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

COUNT 1

From in or about March 2008 to in or about July 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

MAHER A. KHALIL

did knowingly and willfully attempt to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid by another, with that person's consent, for defendant Khalil's benefit in exchange for his official assistance as specific opportunities arose.

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

COUNT 2

From in or about March 2008 to in or about July 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

MAHER A. KHALIL

and others did knowingly and willfully conspire to obstruct, delay, and affect interstate commerce by extortion under color of official right, by accepting and agreeing to accept corrupt payments that were paid and to be paid by another, with that person's consent, in exchange for JC Official 1's official assistance in Jersey City Government matters.

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

ATTACHMENT B

I, Robert J. Cooke, 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 B 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 times relevant to this Complaint, defendant Maher A. Khalil (hereinafter, "defendant Khalil") served as an Assistant Director with the Jersey City, New Jersey Department of Health and Human Services ("HHS"). In addition, defendant Khalil was an official with the Jersey City Zoning Board of Adjustment (the "Zoning Board") through in or about March 2008.

2. At times relevant to this Complaint:

(a) There was an individual who served as a Building Inspector in Jersey City ("JC Building Inspector");

(b) There was an individual who served as the Vice President of the Jersey City Board of Education (until on or about May 2009), and a commissioner of the Jersey City Housing Authority ("JC Official 1"); and

(c) There was a cooperating witness (the "CW") who had been charged with bank fraud in a federal criminal complaint in or about May 2006. Thereafter, for the purposes of this investigation conducted by the FBI, the CW posed as (a) a real estate developer interested in development in the greater Jersey City area and (b) the owner of a tiling company interested in developing tiling business in the Jersey City schools. The CW represented that the CW did business in numerous states, including New York and New Jersey, and that the CW paid for goods and services in interstate commerce.

COUNT 1

3. On or about March 16, 2008, JC Building Inspector met with the CW at a diner in Bayonne, New Jersey. During that meeting, JC Building Inspector agreed to introduce the CW to the "right people" who would exert official influence in assisting the CW in securing government approvals related to the CW's development projects in Jersey City. Specifically, JC Building

Inspector noted that JC Building Inspector would introduce the CW to defendant Khalil, an Assistant Director of HHS, who would do "the right thing" for the CW and would get things "done" for the CW. When the CW asked JC Building Inspector if defendant Khalil was "on the same page" with them, meaning that defendant Khalil would, for cash, assist the CW in securing government approvals related to the CW's purported Jersey City development projects, JC Building Inspector said "he's on the same page."

4. On or about March 26, 2008, defendant Khalil met with JC Building Inspector and the CW at a diner in Bayonne. During the meeting, JC Building Inspector and the CW discussed with defendant Khalil the CW's intention to develop real estate in Jersey City, including a property on Garfield Avenue (the "Garfield Development"). In particular, JC Building Inspector explained to defendant Khalil that the CW was a "very big" developer planning to put in a 750-unit building at the Garfield Development. The CW further explained that before the CW made a "\$200 million" investment in the Garfield Development, the CW wanted to ensure that "all the boys are on board." The CW then confirmed with defendant Khalil that defendant Khalil was a Zoning Board official and advised defendant Khalil that the CW wanted defendant Khalil to use his official position "to slide [the CW] through [the development process] with no problems." Defendant Khalil agreed to use his official position to assist the CW in obtaining approvals for the Garfield Development. Defendant Khalil further agreed that the CW should not "show up at Zoning Board meetings," as "people might ask questions." As they exited the restaurant, the CW told defendant Khalil that the CW would provide an envelope (meaning an envelope of cash) to JC Building Inspector for defendant Khalil, and defendant Khalil said, "Okay." In the presence of defendant Khalil, the CW then handed an envelope containing \$10,000 in cash to JC Building Inspector.

5. On or about May 14, 2008, defendant Khalil and the CW met at a restaurant in Jersey City. During the meeting, defendant Khalil informed the CW that JC Building Inspector had not, in fact, provided him with the envelope of cash that the CW had given to JC Building Inspector on behalf of defendant Khalil on or about March 26, 2008. In response, the CW agreed to "take care" of defendant Khalil the following Sunday.

6. On or about May 18, 2008, defendant Khalil met with the CW at a diner in Toms River, New Jersey. Before entering the diner, the CW gave defendant Khalil an envelope containing \$10,000 in cash. As defendant Khalil accepted this payment, the CW explained that the payment represented the \$10,000 that JC Building Inspector was supposed to have given to defendant Khalil on or about March 26, 2008. The CW also stated that the payment

was in exchange for defendant Khalil's use of his official position in connection with approvals related to the Garfield Development. After accepting the envelope of cash, defendant Khalil stated "thank you so much." The CW then instructed defendant Khalil to "spend it wisely," and defendant Khalil said, "I'll try. Thank you so much."

7. On or about May 29, 2008, defendant Khalil met with the CW and another individual at a restaurant in Jersey City. During the meeting, the CW discussed, among other things, the CW's development plans relating to the Garfield Development, including that the CW intended to put in underground parking and "750 units on top." The CW then expressed confidence that defendant Khalil had agreed to assist the CW in matters before the Zoning Board. When the other individual expressed surprise, defendant Khalil confirmed the CW's statement, saying "that's right." Later, after the other individual left the restaurant, the CW again confirmed with defendant Khalil that the CW "had [defendant Khalil's] vote."

8. On or about July 1, 2008, defendant Khalil and the CW met in the parking lot of a restaurant in Jersey City. During the meeting, defendant Khalil accepted from the CW an envelope containing \$10,000 in cash. The CW explained that the cash payment was for, among other things, defendant Khalil's official assistance relating to the purported Garfield Avenue development. When defendant Khalil accepted the envelope, defendant Khalil stated that the CW "absolutely" would have his assistance related to the Garfield Development.

9. On or about November 24, 2008, defendant Khalil and the CW met at a restaurant in Jersey City. During this meeting, defendant Khalil accepted from the CW an envelope containing \$5,000 in cash. At that time, defendant Khalil again confirmed that the CW had defendant Khalil's "vote" for zoning approvals in Jersey City. Defendant Khalil also agreed to "get rid of" the envelope because it contained the CW's handwriting on it.

COUNT 2

10. On or about May 8, 2008, defendant Khalil met with the CW and JC Building Inspector at a restaurant in Jersey City. During the meeting, defendant Khalil agreed to "introduce" the CW to "the right people" to assist the CW in garnering approvals for the Garfield Development and for the CW's other real estate property interests in New Jersey. The CW stated "just tell me how much. I'll get those . . . envelopes" to them and "whatever it costs" would be "no problem." The CW further explained that the CW could not go into a town "naked," as the CW needed to know who "needs to be taken care of." Defendant Khalil then cautioned

the CW to be careful with whom the CW spoke about these matters, since the CW could get in "trouble" with federal criminal authorities. At the end of the conversation, the CW told defendant Khalil that the CW would pay defendant Khalil in cash, if defendant Khalil were to introduce the CW to officials who would assist the CW in obtaining approvals related to the CW's real estate development projects. In return, the CW stated, the CW would pay cash to the other officials and would also pay the same amount of cash to defendant Khalil.

11. On or about May 14, 2008, defendant Khalil and the CW met at a restaurant in Jersey City. During the meeting, the CW and defendant Khalil discussed, among other things, the assistance defendant Khalil could provide to the CW in introducing the CW to other officials who could approve the CW's development plans related to the Garfield Development, as well as the CW's other properties in New Jersey. Defendant Khalil was informed by the CW that the CW only made payments to officials in "cash" and would put the cash in an envelope to "conceal it," so that "no one will know" that an official who acted in favor of the CW's development plans was "conflict[ed]." Defendant Khalil agreed that he would not introduce the CW to any "straight and arrow" people, but would set the CW up with "players" who would "do the right thing" for the CW by approving the CW's development plans without any "problems." Defendant Khalil then noted the names of several other government officials that defendant Khalil believed could assist the CW in this regard.

12. On or about May 29, 2008, defendant Khalil met with the CW at a restaurant in Jersey City. During the meeting, among other things, defendant Khalil agreed to introduce the CW to "council people" who would vote in favor of the CW's development plans. In return, the CW stated that those officials would be rewarded with cash and agreed again to "take care of" defendant Khalil for his efforts in introducing those officials to the CW. Defendant Khalil also mentioned the names of various other officials whom defendant Khalil believed could assist the CW in getting "approvals," and agreed to set up meetings with those officials in line with what they had discussed.

13. On or about December 4, 2008, in a telephone conversation, defendant Khalil informed the CW that he would arrange a meeting with the CW and JC Official 1, whom defendant Khalil believed would assist the CW in obtaining approvals related to the CW's real estate development and other business interests in Jersey City.

14. On or about December 16, 2008, after arranging the meeting, defendant Khalil met the CW and JC Official 1 at a restaurant in Jersey City. During that meeting, defendant Khalil

and the CW described to JC Official 1 the CW's plans for real estate development in or around Jersey City. In particular, the CW advised JC Official 1 that the CW was hoping to perform tile work in the Jersey City schools and was also interested in developing mixed use real estate projects in Jersey City. JC Official 1 was informed by the CW that the CW was "generous," wanted "nothing for free" and, if officials "help[ed]" the CW, the CW would "help them." JC Official 1 agreed to assist the CW with the CW's real estate ventures and to introduce the CW to various other government officials in Jersey City who could further assist the CW with those ventures. JC Official 1 also agreed to accept \$10,000 "to start" from the CW in return for JC Official 1's official assistance with the CW's various business interests in Jersey City.

15. On or about December 18, 2008, defendant Khalil met with the CW and JC Official 1 at a restaurant in Jersey City. Before defendant Khalil arrived at the meeting, JC Official 1 accepted an envelope containing \$10,000 from the CW. As JC Official 1 accepted this payment, JC Official 1 once again agreed to use his official position to assist the CW develop a project in a building that housed a school in Jersey City. Among other things, JC Official 1 agreed to "get" the CW a school construction loan and to "make sure" that the CW's development project at the school was approved.

16. After defendant Khalil arrived at the meeting, defendant Khalil was advised by the CW that JC Official 1 had agreed to use his official position to assist the CW with the CW's real estate development interests in Jersey City. Later, outside the restaurant, after JC Official 1 had left the meeting, the CW handed defendant Khalil an envelope. The CW noted that the envelope contained \$5,000, and was defendant Khalil's payment for introducing the CW to JC Official 1, who defendant Khalil was informed by the CW was "a good guy I can own, a guy that can help me with my approvals and stuff."