

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 09-370 (SDW)

v. : 2 U.S.C. §§ 441f and
437g(d)(1); 18 U.S.C. §§
666(a)(1)(A), 1001(a)(2),
JOSEPH VAS and : 1341 and 1346 and § 2
MELVIN RAMOS

SUPERSEDING INDICTMENT

The Grand Jury, in and for the District of New Jersey,
sitting at Newark, charges that:

COUNTS 1 TO 6

**(Scheme to Defraud the Public of
Honest Services, Money and Property)**

Defendants Joseph Vas and Melvin Ramos

1. At all times relevant to Counts 1 to 6 of this
Indictment:

(A) JOSEPH VAS held the position of Mayor of the City
of Perth Amboy, New Jersey, from in or about 1990 to in or about
June 2008. As Mayor, defendant VAS's duties, among others, were
to:

- a. Enforce Perth Amboy's charter and ordinances
and all general laws applicable thereto;
- b. Supervise, direct and control all departments of
the municipal government, to include the Perth
Amboy Department of Human Services;
- c. Prepare and submit to the Perth Amboy Municipal
Council (the "City Council") an annual operating

budget and a capital budget, establish the schedules and procedures to be followed by all municipal departments, offices and agencies in connection therewith, and supervise and administer all phases of the budgetary process;

- d. Supervise the care and custody of all municipal property, institutions and agencies, and make recommendations concerning the nature and location of municipal improvements and execute improvements determined by the governing body;
- e. Sign all contracts, bonds and other instruments requiring the consent of the municipality;
- f. Negotiate contracts for the municipality, subject to the approval of the City Council;
- g. Assure that all terms and conditions imposed in favor of the municipality or its inhabitants in any statute, franchise or other contract were faithfully kept and performed; and
- h. Serve as an ex officio, nonvoting member of all appointive bodies in municipal government of which defendant VAS was not an official voting member.

(B) As Mayor, defendant JOSEPH VAS received an annual salary of between approximately \$100,457 and \$109,927 between in or about 2005 and in or about 2007.

(C) Defendant JOSEPH VAS also was a State Assemblyman, representing the 19th Legislative District from in or about 2003 to the present. As Assemblyman, defendant VAS received an annual salary of approximately \$49,000 in 2008. From in or about 2008 to the present, defendant VAS was the Deputy Majority Leader of the General Assembly. Defendant VAS has been a member of the Economic Development and Education Committees, as well as the Joint Committee on Public Schools, of the General Assembly.

2. From in or about September 2005 to in or about June

2006, defendant JOSEPH VAS was a candidate in the Democratic primary election for United States Congress for New Jersey's 13th federal district held in or about June 2006. As part of his campaign for Congress, defendant JOSEPH VAS established a formal campaign, appointed a treasurer, opened bank accounts, received contributions and expended funds. As a candidate, defendant JOSEPH VAS was required by federal law to file periodic reports with the Federal Election Commission (the "FEC"). The FEC required all campaign treasurers to file detailed truthful and accurate reports disclosing financial activity of the campaign, including the amount and source of certain contributions and the amount and payee receiving payments for expenses.

3. At all times relevant to Counts 1 to 6 of this Indictment, defendant MELVIN RAMOS was employed by the City of Perth Amboy as defendant JOSEPH VAS's Mayoral Aide. In that capacity, defendant RAMOS was responsible for, among other things, acting as a liaison between the Mayor and the citizens of Perth Amboy and assisting defendant VAS in conducting his official duties. As Mayoral Aide, defendant RAMOS received a salary of between approximately \$73,785 and \$81,443 between in or about 2005 and in or about 2007.

4. From in or about September 2005 to in or about 2008, defendant MELVIN RAMOS also was the Treasurer for defendant JOSEPH VAS's federal congressional campaign. As Treasurer,

defendant RAMOS's responsibilities included, but were not limited to: (i) filing complete and accurate reports and statements on time; (ii) signing all reports and statements; (iii) depositing receipts in the committee's designated bank account within ten days of receipt; (iv) authorizing expenditures or appointing an agent (either orally or in writing) to authorize expenditures; (v) monitoring contributions to ensure compliance with the federal law's limits and prohibitions; and (vi) keeping the required records of receipts and disbursements. As Treasurer, defendant MELVIN RAMOS reported directly to defendant JOSEPH VAS.

Regional Contribution Agreements

5. At all times relevant to Counts 1 to 6 of this Indictment:

(A) The New Jersey Council on Affordable Housing ("COAH") was an agency within the State of New Jersey's Department of Community Affairs.

(B) In response to the Fair Housing Act of 1985, the New Jersey State legislature created COAH for the purpose of ensuring that each New Jersey municipality provided its fair share of low and moderate income housing. As such, COAH was responsible for establishing and monitoring municipal affordable housing obligations in the State of New Jersey.

(C) Generally, to satisfy its affordable housing

obligations, a municipality had to (i) rehabilitate existing property units within the municipality as low and moderate income housing; or (ii) ensure that new property units to be built in the municipality were designated as low and moderate income housing.

(D) A municipality seeking to meet its COAH requirement could alternatively choose to enter into a Regional Contribution Agreement ("RCA") with another municipality to satisfy up to 50% of its low and moderate income housing obligations. In doing so, a municipality would agree to send funds to another municipality which, in turn, would receive and use those RCA funds for any activity approved by COAH for addressing the low and moderate income obligation.

(E) The City of Perth Amboy was a participating jurisdiction that entered into RCAs with other municipalities and received funds through the COAH regulated program.

(F) New Jersey State Regulations governing "COAH" and "Regional Contribution Agreements," N.J.A.C. 5:94-5.2, provided that a receiving municipality could use excess RCA Funds to produce additional low and moderate income housing units for qualifying low and moderate income households. Under this law, "the specific use of excess funds by the receiving community [was] subject to [COAH] approval." As such, no municipality was permitted to expend RCA Excess Funds without having first applied

for, and obtained, COAH's express approval.

Defendant Joseph Vas's Official Influence Over RCAs

6. At all times relevant to Counts 1 to 6 of this Indictment, defendant JOSEPH VAS was in a position to influence, and did influence, official action regarding the procurement, handling, and disbursement of RCA funds. As Mayor for the City of Perth Amboy, defendant VAS was responsible for: (i) negotiating and executing RCA agreements on behalf of Perth Amboy with "sending" municipalities; (ii) supervising the care, custody, and control of RCA funds that Perth Amboy received by way of such RCA agreements; (iii) setting and prioritizing the agenda for the City Council to vote whether to authorize RCA funds for particular projects and recommending the expenditure of RCA funds for particular projects for authorization by the City Council; (iv) executing RCA agreements on behalf of Perth Amboy with developers and builders; and (v) ensuring compliance with pertinent New Jersey regulations and obtaining all requisite COAH approvals regarding every facet of COAH's prescribed affordable housing process.

Individuals

7. At all times relevant to Counts 1 to 6 of this Indictment:

(A) There was an individual (the "Contractor"), who was the owner and operator of an electrical, plumbing and HVAC contracting company (the "Contracting Company").

(B) There was an individual who: (i) was a Councilman for the City of Perth Amboy; (ii) was a "business development consultant" for an architectural firm that conducted business in the States of New York, Pennsylvania, and New Jersey; and (iii) sought to assist the Contractor in purchasing properties in Perth Amboy that could be rehabilitated using public funds, to include RCA funds (hereinafter, the "Councilman").

(C) There was an individual who: (i) was an employee of the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") from in or about the 1990s until in or about January 2006 and (ii) worked for the Contracting Company as a Project Manager, beginning in or about February 2006 and ending in or about early 2009 (hereinafter, the "Project Manager").

(D) There was an individual who was the Director of the Department of Human Services (the "DHS") for the City of Perth Amboy (the "DHS Director"). In that capacity, the DHS Director was responsible for administering RCAs on behalf of the City of Perth Amboy, to include the handling and processing of RCA applications at the municipal level.

Entities

8. At all times relevant to Counts 1 to 6 of this Indictment:

(A) DeKalb Realty, LLC ("DeKalb Realty") was a limited liability company that defendant JOSEPH VAS caused to be formed in or about April 2005. Defendant VAS was the sole principal of DeKalb Realty, whose listed business address was the same address as defendant VAS's residence in Perth Amboy.

(B) 97-99 DeKalb Associates, LLC, ("97-99 DeKalb") was a limited liability company that the Contractor created and owned for the purpose of purchasing an approximately 12 unit apartment building located at 97-99 DeKalb Avenue in Perth Amboy (the "DeKalb Property") from defendant JOSEPH VAS.

The Public's Right to, and Defendant Joseph Vas's Duty of Honest Services

9. At all times relevant to Counts 1 to 6 of this Indictment, the City of Perth Amboy and their citizens had an intangible right to the honest services of their public officials. As a public official for the City of Perth Amboy, defendant JOSEPH VAS held a position of public trust and, according to federal and New Jersey law, stood in a fiduciary relationship to his public employer and the citizens of Perth Amboy. As a fiduciary and a trustee of the public weal, defendant VAS was under a duty to provide honest services by

transacting City of Perth Amboy business honestly and openly. Specifically, defendant VAS owed the City of Perth Amboy and its citizens a duty to, among other things: (A) refrain from knowingly committing acts related to his official position that were unauthorized exercises of his official functions for the purpose of obtaining and receiving money and benefits for himself and others from the City of Perth Amboy, contrary to N.J. Stat. Ann. § 2C:30-2; (B) as part of his fiduciary duty and his obligation pursuant to the circumstances set forth in Title 18, United States Code, Section 666(a)(1)(A), to refrain from embezzling, stealing, taking by fraud, unlawfully converting, misapplying and misappropriating the assets of the City of Perth Amboy; and (C) as part of his fiduciary duty under New Jersey and federal law, to disclose conflicts of interest and other material information to his public employer in official matters over which defendant VAS exercised, and attempted to exercise, official authority and discretion, and to recuse himself where he had a conflict of interest.

**Scheme and Artifice to Defraud Public of Honest Services,
Money and Property**

10. From in or about August 2005 to in or about June 2007, in Middlesex County, in the District of New Jersey, and elsewhere, defendants

JOSEPH VAS and

MELVIN RAMOS

knowingly and willfully did devise and intend to devise a scheme and artifice to defraud the City of Perth Amboy and its citizens of the right to defendant JOSEPH VAS's honest services in the affairs of the City of Perth Amboy and of money and property by means of materially false and fraudulent pretenses, representations and promises, to include material omissions and intentional nondisclosures.

11. The object of this scheme and artifice to defraud was for defendants JOSEPH VAS and MELVIN RAMOS to improperly obtain at least approximately \$290,000 in profits from the sale of the DeKalb Property for the direct financial benefit of VAS, by defendants JOSEPH VAS and MELVIN RAMOS misusing defendant VAS's office and authority over RCA funds to misappropriate and misapply RCA Funds to partially compensate and subsidize the Contractor for the purchase price that the Contractor paid for the DeKalb Property and attempting to conceal such misuse of defendant VAS's office and authority.

Defendants Joseph Vas and Melvin Ramos Arrange "Property-Flip" to the Contractor

12. It was a part of this scheme and artifice to defraud that:

(A) On or about August 4, 2005, defendant JOSEPH VAS met with the Councilman and the Contractor at Perth Amboy City

Hall. At this meeting, defendant VAS was informed that the Contractor was interested in: (i) purchasing properties in Perth Amboy that could be rehabilitated using public funds, to include RCA funds and (ii) performing contracting work in Perth Amboy. Defendant VAS indicated his support for both initiatives and directed the Councilman and the Contractor to deal with defendant MELVIN RAMOS regarding these matters.

(B) In or about August 2005, defendant MELVIN RAMOS gave the Councilman a list of approximately 3 to 5 rehabilitation properties for which defendants VAS and RAMOS represented that RCA Funds would be available, including the DeKalb Property. Defendant JOSEPH VAS himself already had contracted to purchase the DeKalb Property, having obtained an assignment of a contract for purchase of the DeKalb Property from another individual on or about June 12, 2005.

(C) Between in or about August 2005 and in or about September 2005, defendants JOSEPH VAS and MELVIN RAMOS caused the Councilman to show the Contractor potential rehabilitation properties in Perth Amboy, including the DeKalb Property.

(D) In or about September 2005, pursuant to the instruction of defendant JOSEPH VAS to the Councilman to deal with defendant MELVIN RAMOS, defendant RAMOS was informed by the Councilman that the Contractor was interested in the DeKalb Property and wished to inspect it. Defendant RAMOS then arranged

the inspection.

(E) Between in or about late September 2005 and in or about October 2005, defendant MELVIN RAMOS showed the Contractor the DeKalb Property and assisted the Contractor in gaining access to apartments and elsewhere to allow for the Contractor's inspection. At the conclusion of the inspection, defendant RAMOS supplied the Contractor with RAMOS's official Perth Amboy business card, bearing RAMOS's title, for further communication regarding the DeKalb Property.

(F) Between in or about October 2005 and in or about November 2005, defendant MELVIN RAMOS informed the Contractor that the asking price for the DeKalb Property was approximately \$950,000.

(G) In or about November 2005, while defendant JOSEPH VAS still was under contract to, but had not yet closed on his own purchase of the DeKalb Property, defendant VAS met with the Contractor at Perth Amboy City Hall to discuss the sale of the DeKalb Property to the Contractor. At this meeting, defendant VAS was informed that the Contractor was reluctant to purchase the DeKalb Property because of its deplorable condition and the high asking price. Defendant VAS further was informed that the Contractor could not financially afford to purchase and rehabilitate the DeKalb Property without the benefit of public funds.

(H) In an effort to induce the Contractor to purchase the DeKalb Property, defendant JOSEPH VAS: (i) advised the Contractor that public funding was available to offset the costs of renovating the DeKalb Property and (ii) offered to introduce the Contractor to other contractors regarding work in the City of Perth Amboy. Based on defendant VAS's representations, the Contractor agreed to further consider purchasing the DeKalb Property.

(I) On or about December 7, 2005, defendant JOSEPH VAS purchased the DeKalb Property for approximately \$660,000. Defendant VAS purchased the DeKalb Property in the name of DeKalb Realty. To finance this purchase, defendant VAS borrowed \$600,000, by way of a balloon mortgage from a bank where VAS's relative was employed as a branch manager.

(J) Between in or about October 2005 and in or about January 2006, defendant MELVIN RAMOS supplied the Contractor with an appraisal for the DeKalb Property. The appraisal, dated April 8, 2005, was issued for defendant JOSEPH VAS by an appraisal firm that conducted appraisals for the City of Perth Amboy. The appraisal estimated the DeKalb Property's market value to be approximately \$955,000, approximately \$295,000 more than defendant VAS paid to purchase the DeKalb Property.

(K) Between in or about November 2005 and in or about January 2006, defendant MELVIN RAMOS assisted the Contractor in

inspecting additional apartments at the DeKalb Property.

(L) Approximately one month after defendant JOSEPH VAS purchased the DeKalb Property in the name of DeKalb Realty for approximately \$660,000, in or about early January 2006, defendant VAS instructed his attorney to prepare a contract for the sale of the DeKalb Property to the Contractor for approximately \$950,000.

(M) On or about January 13, 2006, defendant MELVIN RAMOS met the Contractor at RAMOS's office at Perth Amboy City Hall. At this meeting, defendant RAMOS assured the Contractor that: (i) approximately \$360,000 in RCA Funding was available for the Contractor to rehabilitate the DeKalb Property and (ii) the Contractor's DeKalb rehabilitation project would be processed by the City of Perth Amboy right away. Relying on defendant JOSEPH VAS's and MELVIN RAMOS's representations regarding the RCA funding for the DeKalb Property, the Contractor agreed to purchase the DeKalb Property from defendant VAS and provided defendant RAMOS with a \$9,500 down-payment check made payable to DeKalb Realty at that meeting.

(N) On or about February 20, 2006, defendant MELVIN RAMOS met with the Councilman and the Project Manager to discuss the planned renovation of the DeKalb Property. At this meeting, defendant RAMOS represented to the Councilman and the Project Manager that the contemplated renovations were appropriate and that the RCA funding for the Contractor was available and would

be forthcoming upon the Contractor's purchase of the DeKalb Property.

(O) Between on or about January 13, 2006 and on or about May 18, 2006, defendants JOSEPH VAS and MELVIN RAMOS gave assurances to the Councilman, the Project Manager and the Contractor that RCA funding was available and that the Contractor would obtain the RCA funding soon after purchasing the DeKalb Property.

Defendant Joseph Vas Sells the DeKalb Property to the Contractor

13. It was a further part of this scheme and artifice to defraud that:

(A) On or about May 18, 2006, at a real estate closing held at a law office in West Orange, New Jersey, defendant JOSEPH VAS, as the President of DeKalb Realty, sold the DeKalb Property to the Contractor for approximately \$950,000, and realized a profit of at least approximately \$290,000 from this transaction. Defendant JOSEPH VAS did not rehabilitate or make any improvements to the DeKalb Property during the approximate five-month time period that the DeKalb Property was owned by DeKalb Realty.

(B) On or about May 18, 2006, after the closing, defendant MELVIN RAMOS met with the Project Manager. Based on the recurring representations that defendants VAS and RAMOS made

regarding the RCA Funding, the Project Manager met with defendant RAMOS for the purpose of obtaining the promised RCA Funds to start the rehabilitation of the DeKalb Property. Defendant RAMOS instructed the Project Manager to see the DHS Director.

(C) On or about May 22, 2006, defendant JOSEPH VAS caused two checks totaling approximately \$319,441 to be deposited into his DeKalb Realty account at a bank ("Bank 1") in New Jersey that were the proceeds from this sale. One check that defendant VAS deposited was in the amount of approximately \$6,446 and stated "[M]ay rent reimbursement" in the memo section. The other check was in the amount of approximately \$312,995 and stated ". . . (seller proceeds)" in the memo section.

Defendant Joseph Vas Finances His Congressional Campaign with a Quarter of the Property-Flip Proceeds

14. It was a further part of this scheme and artifice to defraud that defendant JOSEPH VAS used a total of approximately \$75,000 in these "property-flip" proceeds to fund his federal congressional campaign within approximately three weeks after completing the above-mentioned real-estate transaction by way of the following:

(A) On or about May 30, 2006, approximately twelve days after defendant JOSEPH VAS closed on the sale of the DeKalb Property to the Contractor, defendant VAS personally contributed \$50,000 of these proceeds to his "Vas for Congress" campaign

account. To effectuate this contribution, on or about May 30, 2006, defendant VAS first wrote a check, which was drawn on VAS's DeKalb Realty account at Bank 1 and made payable to "Joseph Vas," in the amount of \$50,000. The memo section of this check stated "FOR: CAMPAIGN LOAN." On or about May 30, 2006, defendant VAS then deposited this check into his personal bank account at another bank ("Bank 2") and issued a check, which was drawn on that account and made payable to "Vas for Congress," in the amount of \$50,000. On or about the same date, defendant JOSEPH VAS caused the check in the amount of \$50,000 to be deposited into defendant VAS's congressional campaign bank account.

(B) On or about June 5, 2006, defendant JOSEPH VAS personally contributed an additional \$30,000, \$25,000 of which was derived from the property-flip proceeds, to his "Vas for Congress" campaign account. Defendant VAS wrote a check, which was drawn on his personal account at Bank 2 and made payable to "Vas for Congress," in the amount of \$30,000. On or about the same date, defendant JOSEPH VAS caused the check in the amount of \$30,000 to be deposited into defendant VAS's congressional campaign account.

(C) On or about June 7, 2006, VAS wrote a check, which was drawn on VAS's DeKalb Realty account at Bank 1 and made payable to "Joseph Vas," in the amount of \$25,000. The memo section of this check stated "FOR: CAMPAIGN." On or about that

same date, June 7, 2006, defendant VAS deposited this check into his personal bank account at Bank 2.

Defendant Joseph Vas Exercised His Official Influence in an Attempt to Award the Contractor \$360,000 in RCA Funds

15. It was a further part of this scheme and artifice to defraud that defendant JOSEPH VAS used his official position and influence as Mayor in favor of the Contractor by attempting to award approximately \$360,000 in RCA Funds for the DeKalb Property, including:

(A) In or about early June 2006, shortly after having sold the DeKalb Property to the Contractor, defendant JOSEPH VAS directed the DHS Director to award the Contractor RCA Funds for the rehabilitation of the DeKalb Property.

(B) In or about early June 2006, defendant JOSEPH VAS directed the DHS Director to quickly prepare and put on the City Council agenda a proposed Resolution authorizing \$360,000 in RCA Funds for the DeKalb Property.

(C) On or about June 12, 2006, pursuant to defendant JOSEPH VAS's instructions, the DHS Director sent a memorandum to defendant VAS attaching a draft resolution authorizing the provision of \$360,000 in RCA Funds for the rehabilitation of the DeKalb Property that defendant VAS had just sold to the Contractor. At that time, the Contractor had not submitted any of the requisite paperwork to the DHS to receive approval for

these RCA Funds.

(D) On or about June 12, 2006, using his official influence as Mayor, defendant JOSEPH VAS directed that this Resolution authorizing the \$360,000 in RCA Funds be placed on the City Council agenda for approval at the next available council meeting, June 14, 2006.

16. It was a further part of this scheme and artifice to defraud that:

(A) On or about June 14, 2006, the Perth Amboy City Council passed Resolution 264, authorizing \$360,000 of RCA Grant Funds for the rehabilitation of the DeKalb Property that defendant VAS sold approximately one month earlier to the Contractor. In approving this measure, the City Council relied on the DHS's representation that the Contractor possessed the proper qualifications, financial resources and necessary capacity to rehabilitate the proposed property and that the proposed RCA Rehabilitation project was an appropriate one with the requisite paperwork having been filed, even though no paperwork had in fact been filed.

(B) While defendant JOSEPH VAS was present at the Council Meeting, defendant VAS did not disclose any aspect of the arrangement, to include defendant VAS's recent ownership and sale of the DeKalb Property or the lucrative \$290,000 profit that defendant VAS realized by way of flipping the DeKalb Property to

the Contractor, who was to receive approximately \$360,000 in RCA Funds. Additionally, defendant MELVIN RAMOS made no disclosures to the Perth Amboy City Council regarding the lucrative "property-flip" for defendant VAS's benefit while defendant VAS was using his official position and influence in an attempt to award the Contractor approximately \$360,000 in RCA Funds for the DeKalb Property.

17. It was a further part of this scheme and artifice to defraud that:

(A) On or about June 26, 2006, approximately two weeks after the City Council authorized the RCA Funds, the Contractor filed with the DHS an application for RCA Funds to be used for the rehabilitation of the DeKalb Property. Relying on representations that defendants JOSEPH VAS and MELVIN RAMOS had made that the RCA funds were available for the Contractor and forthcoming, the Contractor commenced rehabilitation work on the DeKalb Property in or about the early summer of 2006.

(B) Between in or about July 2006 and in or about December 2006, defendant JOSEPH VAS assured the Councilman and the Project Manager on a number of occasions that defendant VAS was working to obtain for the Contractor the RCA Funding that the Contractor was told that he would receive.

Defendant Joseph Vas Exercised His Official Influence to Obtain a Fraudulent \$90,000 Advance Payment for the Contractor

18. It was a further part of this scheme and artifice to defraud that defendant JOSEPH VAS used his official position and influence as Mayor to improperly cause a \$90,000 advance payment to be made to the Contractor using RCA Excess Funds, including:

(A) In or about December 2006, defendant JOSEPH VAS directed the DHS Director to prepare a purchase requisition using RCA Excess Funds in order to effectuate a payment to the Contractor. With full knowledge that COAH had not yet approved the DeKalb Project, thereby rendering impermissible any disbursement of RCA moneys, defendant JOSEPH VAS directed the DHS Director and other city employees to make a \$90,000 payment to the Contractor on an expedited basis.

(B) On or about December 27, 2006, pursuant to defendant JOSEPH VAS's instructions, the DHS Director submitted an "Expedited Payment Request Form" and \$90,000 "Purchase Requisition" drawn on a Perth Amboy bank account containing "RCA Excess Funds." These documents, as well as bills for the rehabilitation work that was being performed at the DeKalb Property, were sent to defendant JOSEPH VAS.

(C) On or about January 8, 2007, pursuant to defendant VAS's instructions, the DHS Director submitted another "Expedited Payment Request Form" requesting that the \$90,000 check containing RCA Excess Funds be ready by January 11, 2007.

(D) On or about January 11, 2007, while at Perth Amboy City Hall, defendant JOSEPH VAS compelled a Perth Amboy Assistant Personnel Officer (the "Personnel Officer") to approve a \$90,000 Purchase Order and Voucher making payment from the City of Perth Amboy to the Contractor. To effectuate this payment, defendant JOSEPH VAS: (i) directed the Personnel Officer to sign the \$90,000 purchase order and voucher; (ii) when the Personnel Officer indicated that the Personnel Officer could not sign the documents for lack of authority (such authorization was within the purview of the Business Administrator, who was absent from duty that day), VAS drafted a three-line letter stating, "I am appointing you Acting Business Administrator . . . effective for today;" and (iii) notwithstanding the lack of any legitimate urgency to the matter, defendant JOSEPH VAS coerced the Personnel Officer to approve this payment to the Contractor in the absent Business Administrator's stead.

(E) Consequently, on or about January 11, 2007, defendant JOSEPH VAS caused the City of Perth Amboy to issue a \$90,000 check drawn on an RCA Excess Funds Account to the Contractor. On or about that same date, defendant VAS personally handed this \$90,000 check to the Project Manager for the Contractor.

(F) On or about January 12, 2007, defendant JOSEPH VAS signed the City of Perth Amboy's "Check Register" authorizing the

disbursement of the \$90,000 check from the City's "Regional Contribution Act" Account. Defendant VAS's signature appeared below the attestation that stated: "I certify that the attached check(s) and/or bill list have been audited and are hereby warranted and approved for payment."

(G) On or about January 24, 2007, approximately two weeks after defendant JOSEPH VAS demanded that the \$90,000 in RCA moneys be furnished to the Contractor, the DHS Director mailed a letter to an NJHMFA Representative. The letter responded to a January 17, 2007 e-mail requesting additional information before the DeKalb Avenue rehabilitation project could be recommended for RCA funding. Defendant JOSEPH VAS was listed as having been sent a copy of that letter.

19. It was a further part of this scheme and artifice to defraud that:

(A) On or about January 31, 2007, an RCA Agreement between the City of Perth Amboy and the Contractor's Company was executed authorizing approximately \$360,000 in RCA Funds for the rehabilitation of the DeKalb Property, subject to and expressly contingent upon COAH's approval. Article 4 of the Agreement, which was entitled "Contingencies," stated that, "[t]his agreement is contingent upon completion of the following . . . COAH's approval of this agreement and RCA between the 97-99 DeKalb Associates and the City of Perth Amboy . . . and COAH's

granting of third round substantive certification, to the 97-99 DeKalb Associates." Relatedly, Article 5 of the Agreement, which addressed the "Effective date," stated that "[t]his agreement is considered a contractual agreement and will become effective upon COAH's approval of this RCA and the granting of third-round substantive certification by COAH to the housing element and fair share plan of the City of Perth Amboy."

(B) While defendant JOSEPH VAS typically executed such contracts in his official capacity on behalf of the City of Perth Amboy, defendant VAS's typed name was scratched out on the signature page of this agreement and the existing Law Director signed in his stead as a fraudulent attempt on defendant VAS's part to represent that he had completely recused himself from this matter.

(C) In or about February 2007, after the RCA Agreement was executed, defendant JOSEPH VAS directed the DHS Director to pressure a NJHMFA Representative to recommend the RCA Funds for the DeKalb Project so that COAH could start its own review. Defendant VAS also wanted continuing updates on RCA Funds, to include those for the DeKalb Property. At no time did defendant JOSEPH VAS disclose to the DHS Director or any other DHS employee that defendant VAS was recused from involvement in the awarding of RCA Funds to the DeKalb Property.

(D) On or about February 13, 2007, defendant JOSEPH

VAS caused the DHS Director to mail a letter to the NJHMFA Representative. In that letter, the DHS Director stated, "I realize that the approvals of RCA Project Plans are being held up. However, it is essential that the above two projects [including the DeKalb Property project] be approved." Defendant JOSEPH VAS was listed as having been sent a copy of that letter.

(E) On or about June 15, 2007, defendant JOSEPH VAS met with the Project Manager and represented that he was working to obtain the promised moneys for the rehabilitation of the DeKalb Property through the City of Perth Amboy's Municipal Budget, since there was a suspension in effect regarding various applications pending before COAH as a result of an appellate court decision issued on or about January 25, 2007.

Defendants Joseph Vas's and Melvin Ramos's Concealment of the Arrangement

20. It was a further part of this scheme and artifice to defraud that defendants JOSEPH VAS and MELVIN RAMOS deliberately sought to conceal material aspects of this arrangement, by among other things, intentionally not disclosing to voting Perth Amboy Council Members and other Perth Amboy employees, New Jersey State officials and employees, and members of the public, defendant VAS's ownership, sale, profit and the true nature of defendant VAS's and defendant RAMOS's representations to, and arrangement with, the Contractor regarding the DeKalb Property.

The Mailings and Courier Transmission

21. On or about the dates listed below, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendants

JOSEPH VAS and
MELVIN RAMOS

knowingly and willfully placed and caused to be placed in a post office and authorized depository for mail, and deposited and caused to be deposited with a private and commercial interstate carrier to be sent and delivered by such carrier, and took and received therefrom, and caused to be delivered according to the direction thereon, certain mail and other matter, to be sent and delivered by the United States Postal Service and private and commercial interstate carrier, as described below:

COUNT	APPROX. DATE	DESCRIPTION
1	March 23, 2006	U.S. mail from defendant JOSEPH VAS's attorney in Perth Amboy, NJ to attorney in Parlin, NJ making "Time of the Essence" demand regarding VAS's sale of the DeKalb Property
2	March 29, 2006	U.P.S. Next Day Air mail from attorney in Parlin, NJ to defendant JOSEPH VAS's attorney in Perth Amboy, NJ confirming receipt of "Time of the Essence" demand and identifying issues to be addressed in advance of closing

3	April 19, 2006	U.S. mail from attorney in Parlin, NJ to defendant JOSEPH VAS's attorney in Perth Amboy, NJ regarding closing on the DeKalb Property
4	May 12, 2006	U.S. mail from attorney in Parlin, NJ to defendant JOSEPH VAS's attorney in Perth Amboy, NJ regarding closing on the DeKalb Property
5	January 16, 2007	U.S. mail from Perth Amboy Law Director in Westfield, NJ to Director of Human Services in Perth Amboy, NJ regarding \$360,000 RCA contract for the DeKalb Property
6	February 13, 2007	U.S. mail from DHS Director in Perth Amboy, NJ to NJHMFA in Trenton, NJ stating that it was "essential" that the RCA Project Plan for the DeKalb Property be approved

In violation of Title 18, United States Code, Sections 1341 and 1346 and Section 2.

COUNT 7

(Fraud and Intentional Misapplication of Funds
Involving Local Government Receiving Federal Funds)

1. Paragraphs 1 to 2, 5 to 9 and 18 of Counts 1 to 6 of this Indictment are realleged as if set forth in full herein.

2. At all times relevant to this Count, the City of Perth Amboy was a local government that received federal benefits in excess of \$10,000 per year involving grants and other forms of federal funds assistance.

3. Between in or about December 2006 and in or about January 2007, in Middlesex County, in the District of New Jersey, and elsewhere, defendant

JOSEPH VAS

knowingly and willfully did embezzle, steal, obtain by fraud and without authority convert to defendant VAS's own use and the use of others approximately \$90,000 in RCA Excess Funds, and intentionally misapplied those moneys, which were owned by and under the care, custody and control of the City of Perth Amboy.

In violation of Title 18, United States Code, Section 666(a)(1)(A) and Section 2.

COUNT 8

(False Statements to Federal Agents)

1. Paragraphs 1 to 9 and 12 to 20 of Counts 1 to 6 of this Indictment are realleged as if set forth in full herein.

2. At all times relevant to this Count, a department of the United States--namely, the United States Department of Justice through the Federal Bureau of Investigation ("FBI")--was investigating, among other things, whether defendants JOSEPH VAS and MELVIN RAMOS misused their official positions as Mayor of Perth Amboy and Mayoral Aide, respectively, to assist in improperly obtaining at least approximately \$290,000 in profit from a real-estate transaction for the direct benefit of defendant VAS in violation of federal criminal law.

3. On or about December 4, 2008, defendant JOSEPH VAS was interviewed by FBI agents about matters relating to whether defendants VAS and RAMOS knowingly, fraudulently, and corruptly misused defendant VAS's office and authority over RCA funds as part of defendant VAS's sale of the DeKalb Property.

4. During the interview, defendant JOSEPH VAS made numerous materially false and misleading statements to FBI agents:

(A) Defendant JOSEPH VAS falsely told agents that he did not consider selling the DeKalb Property before he purchased it and that it was at least a few months after he bought it that

he considered selling it. In fact, defendant VAS began orchestrating the "property-flip" to the Contractor even before defendant JOSEPH VAS purchased the DeKalb Property.

(B) Defendant JOSEPH VAS falsely told agents that he never spoke with the Contractor at any point in time about the availability of any city funds for the renovation of the DeKalb Property when, in fact, he had.

(C) Defendant JOSEPH VAS falsely told agents that he never had any conversations at any point in time about the availability of RCA funds, or other city funds, with the Councilman, the Project Manager, or anyone else when, in fact, he had.

(D) Defendant JOSEPH VAS falsely told agents that: (i) the Resolution for RCA funds for the DeKalb Property got to the City Council in the standard way; (ii) defendant VAS did not receive any prior notice of the proposed Resolution; (iii) defendant VAS learned about the proposed Resolution for the first time when he saw it on the City Council's agenda; and (iv) defendant VAS was not concerned about the fact that the DeKalb Property was on the agenda. In fact, defendant JOSEPH VAS exercised his official influence to ensure that the Resolution was quickly prepared and placed on the City Council's agenda for approval at its June 14, 2006 meeting.

(E) Defendant JOSEPH VAS falsely told agents that he

had no involvement whatsoever in obtaining a \$90,000 check for RCA funds for the DeKalb Property. In fact, defendant VAS was involved in many aspects of that matter, ranging from defendant VAS's initial directives to prepare the check to VAS's personally handing the \$90,000 check to the Project Manager on or about January 11, 2007.

(F) Defendant JOSEPH VAS falsely told agents that he was not contacted by the Councilman or the Project Manager in any way regarding the \$90,000 disbursement for RCA funds for the DeKalb Property when, in fact, he was.

(G) Defendant JOSEPH VAS falsely told agents that he never directed the Personnel Officer to sign off on any particular check or requisition purchase order, including the check for \$90,000 that was to be used for the DeKalb Property when, in fact, he did.

(H) Defendant JOSEPH VAS falsely told agents that he never had any conversations whatsoever about the availability of RCA funds for the DeKalb Property with the DHS Director when, in fact, defendant VAS: (i) directed the DHS Director to award the Contractor RCA funds even before any application had been filed by the Contractor and shortly after defendant VAS himself sold the DeKalb Property to the Contractor; (ii) instructed the DHS Director to quickly prepare and place before the City Council a Resolution authorizing \$360,000 in RCA Funds for the DeKalb

Property; (iii) directed the DHS Director that \$90,000 in RCA Excess Funds be provided to the Contractor, notwithstanding the lack of required notice to, and approval by, COAH; and (iv) instructed the DHS Director to pressure the NJHMFA to recommend RCA Funds for the DeKalb Property, causing a letter to be sent to the NJHMFA urging the approval of the DeKalb Property Project plan.

(I) Defendant JOSEPH VAS told agents that he recused himself from the DeKalb Property in all ways after he sold the property to the Contractor when, in fact, defendant VAS exercised his official influence in numerous ways in favor of the Contractor with respect to the DeKalb Property.

4. On or about December 4, 2008, in the District of New Jersey and elsewhere, in a matter within the jurisdiction of the Executive Branch of the Government of the United States, defendant

JOSEPH VAS

knowingly and willfully made materially false, fictitious, and fraudulent statements and representations.

In violation of Title 18, United States Code, Section 1001(a)(2).

COUNT 9

(Contributions to a Federal Candidate in the Names of Others)

1. Paragraphs 1 to 4 of Counts 1 to 6 of this Indictment are realleged as if set forth in full herein.

2. At all times relevant to this Count, the "Vas for Congress" committee ("The Committee") was a political committee, formed and authorized by defendant JOSEPH VAS, to serve as his principal campaign committee for defendant VAS's 2006 congressional primary campaign. The Committee was authorized to solicit and receive contributions on defendant VAS's behalf.

The Federal Election Campaign Act

3. The FEC was an independent regulatory agency that was established in 1975 to administer and enforce the Federal Election Campaign Act ("FECA"). FECA limited the sources and amounts of the contributions used to finance federal elections and required public disclosure of campaign finance information. FECA governed the making and reporting of contributions to federal candidates, including candidates for election to Congress, and specifically: (a) limited the amount of contributions from individuals; (b) prohibited contributions by one person in the name of another person ("conduit contributions"); and (c) required a political committee authorized by a federal candidate to file periodic reports with

the FEC identifying each person who made a contribution during the reporting period that exceeded \$200. During the 2006 election cycle, the campaign contribution limit for donors was \$2,100. FECA required every political committee to have a treasurer who had to authorize all expenditures and make a written record of all funds received as contributions to the political committee.

The Straw Donors

4. Straw Donor 1 was employed as the Business Administrator with the City of Perth Amboy.

5. Straw Donor 2 was employed as a public information officer with the City of Perth Amboy.

6. Straw Donor 3 was employed as clerk with the City of Perth Amboy.

7. Straw Donor 4 is Straw Donor 3's spouse.

Defendant Melvin Ramos's Solicitation and Acceptance of Conduit Contributions

8. Between in or about September 2005 and in or about June 2006, defendant MELVIN RAMOS knowingly and willfully solicited and received conduit contributions and directly paid and reimbursed the Straw Donors for their contributions with cash as set forth below.

9. On or about April 30, 2006, in Perth Amboy, New Jersey, defendant MELVIN RAMOS recruited Straw Donor 1 to contribute \$2,100 in the form of a check made payable to the "Vas for Congress" campaign in exchange for \$2,100 cash which defendant RAMOS provided in an envelope to Straw Donor 1. Defendant RAMOS received this check from Straw Donor 1 and, on or about May 1, 2006, caused this check to be deposited into The Committee's bank account.

10. On or about May 23, 2006, in Perth Amboy, New Jersey, defendant MELVIN RAMOS recruited Straw Donor 2 to contribute \$2,000 in the form of a check made payable to the "Vas for Congress" campaign in exchange for \$2,000 in cash which RAMOS provided in an envelope to Straw Donor 2. Defendant RAMOS received this check from Straw Donor 2, and, on or about May 23, 2006, caused this check to be deposited into The Committee's bank account.

11. On or about June 1, 2006, at defendant MELVIN RAMOS's office in Perth Amboy, New Jersey, defendant RAMOS, during a closed door meeting, informed Straw Donor 3 that the campaign needed additional funds. Defendant RAMOS directed Straw Donor 3 to prepare one check made payable to "Vas for Congress" in the amount of \$2,100 and another check also made payable to the "Vas for Congress" campaign in the same amount on behalf of Straw Donor 4, in exchange for \$4,200 cash. Straw Donor 4 drove to

Perth Amboy City Hall with the checkbook so that the checks could be immediately drafted in exchange for the cash, which defendant RAMOS provided in a white envelope. Defendant RAMOS received these checks from the Straw Donors and, on or about June 1, 2006, caused these checks to be deposited into The Committee's bank account.

12. From in or about May 2006 to in or about June 2006, in Middlesex County, in the District of New Jersey, and elsewhere, defendant

MELVIN RAMOS

knowingly and willfully (a) made contributions within the meaning of Title 2, United States Code, Section 431(8) to a federal candidate in the names of others; (b) caused others to permit their names to be used to effect such contributions; and (c) accepted and received contributions made by one person in the name of another, which violations aggregated to \$2,000 and more during the 2006 calendar year, as follows:

CONDUIT	APPROXIMATE CONTRIBUTION DATE	DATE DEPOSITED INTO CAMPAIGN ACCOUNT	AMOUNT
Straw Donor 1	04-30-06	05-01-06	\$2,100
Straw Donor 2	05-23-06	05-23-06	\$2,000
Straw Donor 3	06-01-06	06-01-06	\$2,100
Straw Donor 4	06-01-06	06-01-06	\$2,100

In violation of Title 2, United States Code, Sections 441f and 437g(d)(1)(A)(ii) and Title 18, United States Code, Section 2.

COUNTS 10 TO 11

(False Statements to the Federal Election Commission)

1. Paragraphs 1 to 4 of Counts 1 to 6 and paragraphs 2 to 11 of Count 9 are realleged as if set forth in full herein.

2. Defendant MELVIN RAMOS, as treasurer for The Committee, regularly filed reports with the FEC, disclosing, among other items, contributions made by donors. Each report carried a notice that false, erroneous or incomplete information could subject the person signing the report to penalties under federal law. On each of these reports, defendant MELVIN RAMOS certified that he had examined the reports and to the best of his knowledge and belief, the reports were true, correct and complete.

3. On or about the dates set forth below, in the District of New Jersey, and elsewhere, defendant

MELVIN RAMOS

in a matter within the jurisdiction of an agency of the Executive Branch of the Government of the United States, that is, the FEC, did knowingly and willfully make and cause to be made materially false, fictitious and fraudulent statements and representations, as follows:

COUNT	REPORT TYPE	FILING DATE	FALSE STATEMENT(S)
10	FEC FORM 3 Report, covering 04-01-06 to 05-17-06 period	05-25-06	Defendant RAMOS falsely reported Straw Donor 1 as contributing \$2,100 on or about May 1, 2006, when, in fact, defendant RAMOS had given Straw Donor 1 cash to finance or reimburse this contribution.
11	FEC Amended FORM 3 Report, covering 05-18-06 to 06-30-06 period	10-15-06	<p>A. Defendant RAMOS falsely reported Straw Donor 2 as contributing \$2,000 on or about May 23, 2006, when, in fact, defendant RAMOS had given Straw Donor 2 cash to finance or reimburse this contribution.</p> <p>B. Defendant RAMOS falsely reported Straw Donor 3 as contributing \$2,100 on or about June 1, 2006, when, in fact, defendant RAMOS had given Straw Donor 3 cash to finance or reimburse this contribution.</p> <p>C. Defendant RAMOS falsely reported Straw Donor 4 as contributing \$2,100 on or about June 1, 2006, when, in fact, defendant RAMOS had given cash to Straw Donor 4 through Straw Donor 3 to finance or reimburse this contribution.</p>

In violation of Title 18, United States Code, Section 1001(a)(2) and Section 2.

COUNT 12

(Acceptance of Prohibited Contributions to a Federal Candidate in the Names of Others)

1. Paragraphs 1 to 2 and 7(B) of Counts 1 to 6 and paragraphs 2 to 3 of Count 9 of this Indictment are realleged as if set forth in full herein.

2. At all times relevant to Count 12 of this Indictment, there was an individual who was a personal acquaintance of defendant JOSEPH VAS (the "Co-Schemer"). From in or about 2005 to in or about June 2006, Co-Schemer served as the Municipal Chairman of the Perth Amboy Democratic Party. The Co-Schemer also served as a key political advisor to defendant VAS during his candidacy in the Democratic primary election for United States Congress for New Jersey's 13th Federal District during the 2005-2006 election cycle. The Co-Schemer also served as a long-time political advisor to defendant VAS regarding VAS's positions as Mayor of the City of Perth Amboy, as well as New Jersey State Assemblyman.

3. At all times relevant to Count 12 of this Indictment, there was an individual who was a prominent developer in the City of Perth Amboy (the "Developer").

The Straw Donors

4. At all times relevant to Count 12 of this Indictment:

(A) Straw Donor 5 was a board member on the Perth

Amboy Redevelopment Authority.

(B) Straw Donor 6 was an acquaintance of the Co-Schemer and a retired car engineer.

(C) Straw Donor 7 was Straw Donor 6's spouse.

(D) Straw Donor 8 was a former member of the Perth Amboy Planning Board.

(E) Straw Donor 9 was employed with the Personnel Office with the City of Perth Amboy.

(F) Straw Donor 10 was Straw Donor 9's spouse.

(G) Straw Donor 11 was the Executive Assistant for the Perth Amboy Urban Enterprise Zone.

(H) Straw Donor 12 was a Housing Inspector with the City of Perth Amboy Office of Code Enforcement.

(I) Straw Donor 13 was an employee with the Middlesex County Improvement Authority.

(J) Straw Donor 14 was Straw Donor 13's spouse.

(K) Straw Donor 15 was the President of the City of Perth Amboy Board of Education.

Defendant Joseph Vas's Knowing and Willful Acceptance of Prohibited Conduit Contributions

5. Between in or about 2005 and in or about June 2006, defendant JOSEPH VAS knowingly and willfully participated in a scheme with the Co-Schemer and others, to circumvent the contribution limitation and reporting requirements of FECA. Specifically, defendant VAS knowingly and willfully accepted

campaign contributions which he knew to be obtained in violation of FECA, through the Co-Schemer's solicitation and receipt of conduit contributions which the Co-Schemer caused to fund and reimburse the Straw Donors with cash provided by the Developer. Defendant VAS, the Co-Schemer and others employed the following methods and means in furtherance of this scheme.

(A) In or about February 2006, the Developer provided the Co-Schemer with approximately \$5,000 in cash. The Co-Schemer then solicited the Straw Donors to write checks from their personal bank accounts payable to The Committee, and funded and reimbursed the Straw Donors with this cash to cover the cost of those contributions.

(B) In or about May 2006, the Co-Schemer accepted approximately \$25,000 in cash. The Co-Schemer then solicited a number of Straw Donors, some of whom had previously been solicited in or about February 2006, to write checks from their personal bank accounts payable to The Committee, and funded and reimbursed the Straw Donors with this cash to cover the costs of the contributions.

(C) Between in or about February 2006 and in or about June 2006, defendant JOSEPH VAS approved the employment of this scheme to obtain contributions to The Committee and (a) directed the Co-Schemer as to how to dispose of the cash; and (b) tracked whether the Co-Schemer was providing this cash to Straw Donors.

6. From in or about February 2006 to in or about June 2006, in Middlesex County, in the District of New Jersey, and elsewhere, defendant

JOSEPH VAS

the Co-Schemer and others knowingly and willfully (a) made contributions within the meaning of Title 2, United States Code, Section 431(8) to a federal candidate in the names of others; (b) caused others to permit their names to be used to effect such contributions; and (c) accepted and received contributions made by one person in the name of another, which violations aggregated to more than \$10,000 during the 2006 calendar year, as follows:

CONDUIT	APPROXIMATE CONTRIBUTION DATE	DATE DEPOSITED INTO CAMPAIGN ACCOUNT	AMOUNT
Straw Donor 5	02-01-06	02-06-06	\$1,000
Straw Donor 6	02-01-06	02-06-06	\$1,000
Straw Donor 8	02-01-06	02-06-06	\$500
Straw Donor 9	02-02-06	02-06-06	\$1,000
Co-Schemer	02-03-06	02-06-06	\$1,500
Straw Donor 12	05-15-06	05-16-06	\$500
Co-Schemer	05-16-06	05-16-06	\$1,500
Straw Donor 7	05-17-06	05-17-06	\$2,000
Straw Donor 10	05-17-06	05-18-06	\$1,500
Straw Donor 13	05-17-06	05-18-06	\$1,500

Straw Donor 5	05-18-06	05-19-06	\$1,000
Straw Donor 12	05-18-06	05-19-06	\$1,500
Straw Donor 8	05-18-06	05-18-06	\$1,000
Straw Donor 15	05-22-06	05-22-06	\$2,000
Straw Donor 11	05-22-06	05-22-06	\$1,000
Straw Donor 9	06-01-06	06-01-06	\$1,100
Straw Donor 13	06-01-06	06-01-06	\$600
Straw Donor 14	06-01-06	06-01-06	\$2,100
The Councilman	07-01-06 (date on check) 06-01-06 (date check drafted)	06-01-06	\$2,100

In violation of Title 2, United States Code, Sections 441f and 437g(d)(1)(D)(i) and Title 18, United States Code, Section 2.

A TRUE BILL

FOREPERSON

RALPH J. MARRA, JR.
Acting United States Attorney