

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 10-  
: :  
: :  
v. : 18 U.S.C. § 1341 and § 2  
: :  
: I N F O R M A T I O N  
MICHAEL PALERMO :

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

Mail Fraud

1. At all times relevant to this Information:

A. Defendant MICHAEL PALERMO (hereinafter, "defendant PALERMO") was a detective employed by the Port Authority of New York and New Jersey Police Department. Defendant PALERMO was detailed to work with the Federal Bureau of Investigation ("FBI") as a Task Force Officer ("TFO") conducting violent crime investigations. Defendant PALERMO lived at a residence in Jackson Township, located in Ocean County, New Jersey (hereinafter, "the Residence").

B. In his capacity as a FBI TFO, and from at least in or about 2003 to in or about June 2008, defendant PALERMO worked with a cooperating witness (the "CW").

2. Between on or about February 7, 2007 and March 2008, defendant PALERMO caused a civil lawsuit to be instituted by filing a series of initial and amended complaints

(hereinafter, the "Civil Lawsuit") in the Superior Court of New Jersey, Law Division, Ocean County (hereinafter, the "Superior Court"), alleging that a contracting company, its principal and others had breached a contract and conducted acts of misrepresentation, fraud and other types of civil wrongdoing relating to the building and purchase of the Residence in or about 2006. Defendant PALERMO specifically alleged, among other things, that the drainage and grading of the property was wrong, leading to the flooding of the basement of the Residence and causing defendant PALERMO to spend \$10,000 to have this water damage cleaned up. Based on these claims, defendant PALERMO sought compensatory and punitive damages (including treble damages), interest, costs of his lawsuit, a declaratory judgment and other forms of relief. On or about January 14, 2009, defendant PALERMO settled the Civil Lawsuit with all of the adverse parties for approximately \$50,000.

3. From in or about February 2007 to in or about January 2009, in Ocean and Essex Counties, in the District of New Jersey and elsewhere, defendant

MICHAEL PALERMO

knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud, and to obtain money and property from the adverse parties in the Civil Lawsuit by means of materially false and fraudulent pretenses, representations, and promises.

4. It was a part of the scheme and artifice to defraud that defendant PALERMO had asked the CW to create a false bill regarding the work done in the basement of the Residence after the flood. The CW created such a false bill from the CW's company, New Day Renovations, reflecting that the repairs had cost approximately \$10,000. The false bill was issued to defendant PALERMO at the Residence's address and was dated July 9, 2007. The bill falsely reflected a total cost of \$10,020 for work performed from April 16 to April 19, 2007. The bill further was stamped "PAID," with a handwritten note underneath this stamp, stating "7-13-" "cash," despite the fact that defendant PALERMO never actually paid the CW, or anyone else, for that work.

5. It was a further part of the scheme and artifice to defraud that, on or about September 18, 2007, defendant PALERMO certified that certain answers to interrogatories propounded in the Civil Lawsuit were true and that he was aware that he would be subject to punishment if any of the answers and statements made by him in his answers to the interrogatories were willfully false. Therein, defendant PALERMO falsely stated, among other things, that the clean-up costs associated with the basement flooding were \$10,000. On or about September 19, 2007, defendant PALERMO's counsel in the Civil Lawsuit sent these interrogatory responses from Newark, New Jersey to counsel for two of the adverse parties in the Civil Lawsuit, located in Toms

River and Cherry Hill, New Jersey, respectively, by mail.

6. It was a further part of the scheme and artifice to defraud that, on or about December 11, 2008, in conjunction with the Civil Lawsuit, defendant PALERMO testified under oath at a deposition held in Wall, New Jersey. During that deposition, defendant PALERMO, among other things, falsely testified, in sum and substance, that he had paid \$10,000 cash to a company owned by the CW called New Day Construction for the clean up resulting from the flooding of the basement of the Residence. Later in the deposition, defendant PALERMO was asked whether he had a copy of the bill for \$10,000, to which defendant PALERMO indicated that it was turned over in discovery. This false bill subsequently was admitted as an exhibit at the deposition.

7. On or about September 19, 2007, in Essex County, in the District of New Jersey and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendant

MICHAEL PALERMO

knowingly and willfully placed and caused to be placed in a post office and authorized depository for mail, and caused to be delivered thereon, and took and received therefrom, the following mail matter, defendant PALERMO's answers to interrogatories propounded on him in the Civil Lawsuit, that was sent and delivered by the United States Postal Service.

In violation of Title 18, United States Code, Section  
1341 & Section 2.

  
PAUL J. FISHMAN  
United States Attorney

CASE NUMBER: 10-

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**UNITED STATES OF AMERICA**

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**MICHAEL PALERMO**

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**INFORMATION**

**18 U.S.C. § 1341 and § 2**

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**PAUL J. FISHMAN**  
*U.S. ATTORNEY NEWARK, NEW JERSEY*

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