

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.  
: :  
: Crim. No. 10-  
v. :  
: 18 U.S.C. §§ 666(a)(1)(B),  
: 981(a)(1)(C), 1951(a) and § 2;  
: 26 U.S.C. § 7206;  
JOHN GUARINI : 28 U.S.C. § 2461

**INDICTMENT**

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

COUNT 1

Conspiracy to Obstruct Commerce by Extortion Under  
Color of Official Right

**Defendants and Others**

1. At all times relevant to Count 1 of this Indictment:
  - a. Defendant JOHN GUARINI (hereinafter, "defendant GUARINI") served as a Property Improvement Field Representative at the Jersey City Department of Housing, Economic Development and Commerce ("JCDHEC"). In this capacity, defendant GUARINI was responsible for, among other things, providing general maintenance and repair to buildings in a manner that complied with pertinent federal, state, and local standards, codes, regulations and procedures, including zoning standards. In or about July 2008, defendant GUARINI became a Taxi Inspector with the JCDHEC.

b. There was a cooperating witness (hereinafter, "the CW") who, at the direction of the Federal Bureau of Investigation, held himself out as a real estate developer interested in development in the greater Jersey City area. 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.

c. Co-conspirator Moshe Altman, a/k/a "Michael Altman" (hereinafter, "Altman") was a real estate developer based in Hudson County.

d. Co-conspirator Maher Khalil (hereinafter, "Khalil") was an employee of the Jersey City Department of Health and Human Services, and a former member of the Jersey City Zoning Board of Adjustment (hereinafter, "the Zoning Board").

### **The Conspiracy**

2. From in or about July 2007 to in or about May 2008, in Hudson County, in the District of New Jersey and elsewhere, defendant

JOHN GUARINI

did knowingly and willfully conspire and agree with others to obstruct, delay and affect interstate commerce by extortion under color of official right - that is, by obtaining corrupt cash payments that were paid by another, with that person's consent, in exchange for defendant GUARINI's, Khalil's and others'

official assistance in Jersey City government matters, as specific opportunities arose.

3. It was the object of the conspiracy that defendant GUARINI and Khalil, facilitated by Altman, accepted and agreed to accept corrupt cash payments from the CW in exchange for defendant GUARINI's, Khalil's and others' official assistance in obtaining certain development approvals on the CW's behalf in relation to a property located on Garfield Avenue in Jersey City, New Jersey (hereinafter, the "Garfield Property") and elsewhere, as specific opportunities arose.

4. It was a part of the conspiracy that:

**July 10, 2007 Meeting**

a. On or about July 10, 2007, Altman met the CW at Altman's place of business in Union City, New Jersey. During this meeting, Altman advised the CW that Altman had arranged for the CW to make a corrupt cash payment to defendant GUARINI in exchange for defendant GUARINI's official assistance in obtaining development approvals for Altman and the CW in Jersey City, New Jersey.

**July 11, 2007 Meeting & \$20,000 Payment**

b. On or about July 11, 2007, as instructed by Altman, the CW returned to Altman's place of business in Union City. During the ensuing meeting, Altman advised the CW that Altman would introduce the CW to defendant GUARINI in the boiler

room of a building owned by Altman. Altman emphasized defendant GUARINI's influence to the CW by explaining, "in terms of getting zoning and getting approvals [on properties], John's the man."

c. Later that same day, defendant GUARINI met Altman and the CW at a building owned by Altman in Jersey City. Defendant GUARINI was informed by Altman that the CW was interested in developing, among other areas, the Garfield Property in Jersey City, but the CW wanted to "feel a comfort level in zoning" before undertaking the project. Defendant GUARINI replied, "you're not gonna have any problem with anything with me . . . . Whatever we have to do, I can get it done." Defendant GUARINI added that he could assist the CW in obtaining approvals for additional units at the Garfield Property, and that he would "get the blessing from everybody up above for that to go through."

d. As the meeting continued, defendant GUARINI and Altman led the CW to the boiler room of the building. Defendant GUARINI then accepted two envelopes, each containing \$10,000 in cash, from the CW in exchange for defendant GUARINI's official assistance in obtaining official approvals related to development for the CW. In this regard, the following conversation ensued between defendant GUARINI ["JG"] and the CW:

CW: No, ahh you know, we got there ahh twenty.

JG: Okay.

CW: And one deposit ahh, you know. But ahh I'll make you a rich man. You take care of me, I'll take care of you.

JG: Absolutely. You got my undivided attention.

CW: I got a handshake? I got a handshake.

JG: Yes. Yes.

Thereafter, to create the pretext of a proper inspection in order to conceal the corrupt purpose of the meeting, defendant GUARINI stated, "Everything looks good here" as he began to leave the building.

**March 10, 2008 Meeting**

e. On or about March 10, 2008, defendant GUARINI met the CW in a car in Jersey City. During this meeting, defendant GUARINI reassured the CW that the CW's approvals "won't be a problem," and encouraged the CW to sign a contract with the seller to purchase the Garfield Property. Defendant GUARINI also agreed to arrange a meeting between the CW and other officials who would assist the CW in obtaining development approvals at the Garfield Property, and to accept a "grease" payment equal to that which these other officials would accept from the CW for their official assistance and influence.

**March 16, 2008 Meeting**

f. On or about March 16, 2008, defendant GUARINI met the CW at a diner in Bayonne, New Jersey. During this meeting, defendant GUARINI touted his influence by explaining to the CW that the approval process for development typically took six to

eight months but, because of defendant GUARINI's official assistance, the process would be expedited and take approximately 90 days. Defendant GUARINI added, "[w]ith me, it's a guaranteed yes," with respect to ensuring the CW obtained the discussed approvals. With respect to payment for his official assistance, defendant GUARINI stated, "all you gotta do is take care of me," and further explained that he would bring the CW to "all the principals that'll be in charge - They'll guide us through everything [.]" When the CW asked defendant GUARINI if the CW should bring envelopes of cash for payment to these officials, defendant GUARINI explained that he would serve as the intermediary by stating, "I'll take care of it. I told you I take care of everything."

**March 26, 2008 Meeting & Two \$10,000 Payments**

g. On or about March 26, 2008, defendant GUARINI met the CW at a diner in Bayonne. During this meeting, defendant GUARINI accepted an envelope containing \$10,000 in cash from the CW in exchange for defendant GUARINI's official assistance in obtaining development approvals for the Garfield Property. Defendant GUARINI also explained to the CW that Khalil would be joining the meeting because Khalil was a member of the Zoning Board and could assist with the CW's development interests in Jersey City. Before Khalil's arrival, defendant GUARINI was advised by the CW that the CW had an envelope containing \$10,000

cash for Khalil that the CW could give Khalil after the meeting. In response, defendant GUARINI stated that he "would take care of everything," and reassured the CW that Khalil was "on board" with the CW's development approvals.

h. After Khalil arrived at the meeting, defendant GUARINI, Khalil and the CW discussed the CW's interest in real estate development in Jersey City. During their conversation, defendant GUARINI and Khalil were advised by the CW that the CW would give defendant GUARINI the envelope, and then defendant GUARINI would "do what he's gotta do with [Khalil]." Shortly thereafter, the parties exited the diner and continued their meeting in the parking lot. At the end of the meeting, in Khalil's presence, defendant GUARINI accepted a second envelope from the CW that contained \$10,000 in cash to pass on to Khalil.

**April 10, 2008 Meeting & \$10,000 Payment**

i. On or about April 10, 2008, defendant GUARINI met the CW at a tavern in Jersey City. During this meeting, defendant GUARINI accepted an envelope containing \$10,000 cash in exchange for defendant GUARINI's continued official assistance "on account of [the] Garfield [Property]." As he accepted the envelope, defendant GUARINI reiterated to the CW his importance to the corrupt scheme by stating, "You're gonna need me for everything." Later in the conversation, defendant GUARINI represented that he had given Khalil the \$10,000 payment,

accepted by defendant GUARINI on Khalil's behalf, on or about March 26, 2008.

**May 8, 2008 Meeting**

j. On or about May 8, 2008, defendant GUARINI and Khalil met with the CW at a restaurant in Jersey City. At one point during the meeting, Khalil spoke privately with the CW and indicated that defendant GUARINI had not given him the envelope containing \$10,000 in cash, referenced in Paragraphs 4(h) and (i) above. Later that same day, defendant GUARINI spoke privately with the CW, and claimed that he had provided the envelope discussed in Paragraphs 4(h) and (i) above to Khalil.

In violation of Title 18, United States Code, Section 1951(a).

COUNTS 2 TO 5

Attempted Obstruction of Interstate Commerce by Extortion  
Under Color of Official Right

1. Paragraphs 1 and 4 of Count 1 are hereby incorporated and realleged as if fully set forth herein.

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

JOHN GUARINI

and others did knowingly and willfully attempt to obstruct, delay and affect interstate commerce, by extortion under color of official right - that is, by obtaining corrupt cash payments, as set forth below, that were paid by another, with that person's consent, in exchange for defendant GUARINI's, Khalil's and others' official assistance in Jersey City government matters:

COUNT	DATE	APPROXIMATE AMOUNT OF EXTORTIONATE PAYMENT
2	July 11, 2007	\$20,000
3	March 26, 2008	\$10,000
4	March 26, 2008	\$10,000 (to defendant GUARINI for Khalil)
5	April 10, 2008	\$10,000

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

COUNTS 6 TO 9

Defendant Guarini's Acceptance and Agreement to Accept Payments to Influence and Reward

1. Paragraphs 1 and 4 of Count 1 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to Counts 6 to 9 of this Indictment, the City of Jersey City received in excess of \$10,000 in federal assistance in a one-year period.

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

JOHN GUARINI

did knowingly, willfully and corruptly solicit, demand, accept and agree to accept money for himself and Khalil, as set forth below, intending to be influenced and rewarded in connection with a business, transaction and series of transactions of the City of Jersey City involving a thing of value of \$5,000 and more:

COUNT	DATE	APPROXIMATE AMOUNT OF PAYMENT
6	July 11, 2007	\$20,000
7	March 26, 2008	\$10,000
8	March 26, 2008	\$10,000 (to defendant GUARINI for Khalil)
9	April 10, 2008	\$10,000

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

COUNT 10

Aiding & Assisting the Preparation and Presentation of a  
False and Fraudulent Tax Return

1. Paragraphs 1 and 4(a) to (d) of Count 1 are hereby incorporated and realleged as if fully set forth herein.

2. On or about April 11, 2008, defendant GUARINI caused to be filed, through his tax preparer, with the Internal Revenue Service (the "IRS") a joint 2007 U.S. Individual Income Tax Return, Form 1040 on behalf of himself and his wife. That return declared that his adjusted gross income for the calendar year 2007 was \$70,818.

3. The return was false and fraudulent as to a material matter in that the return did not include approximately \$20,000 of additional income received by defendant GUARINI from the CW in 2007, as more fully set forth in Paragraph 4(a) to (d) above, which fact defendant GUARINI intentionally caused to be concealed from his tax preparer and the IRS.

4. On or about April 11, 2008, in the District of New Jersey, defendant

JOHN GUARINI

did knowingly and willfully aid and assist in, and procure, counsel and advise the preparation and presentation to the IRS of a joint 2007 U.S. Individual Income Tax Return, Form 1040, on behalf of himself and his wife, knowing the return was false and fraudulent as to a material matter, as described in paragraph 3

of this Count.

In violation of Title 26, United States Code, Section  
7206(2).

COUNT 11

Willfully Subscribing to a False and Fraudulent Tax Return

1. Paragraphs 1 and 4(e) to (j) of Count 1 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. On or about April 9, 2009, defendant GUARINI signed and caused to be filed with the IRS a joint 2008 U.S. Individual Income Tax Return, Form 1040 on behalf of himself and his wife. That return declared that his adjusted gross income for the calendar year 2008 was \$72,195.

3. The return did not include approximately \$30,000 of additional income received by defendant GUARINI from the CW in 2008, as more fully set forth in Paragraphs 4(e) to (j) above, which fact defendant GUARINI intentionally caused to be concealed from the IRS.

4. On or about April 9, 2009, in the District of New Jersey, defendant

JOHN GUARINI

did knowingly and willfully make and subscribe a joint 2008 U.S. Individual Income Tax Return, Form 1040, on behalf of himself and his wife, which was verified by written declaration that it was made under the penalties of perjury and which he did not believe to be true and correct as to every material matter, as described in Paragraph 3 of this Count.

In violation of Title 26, United States Code, Section  
7206(1).

### Forfeiture Allegation

As the result of committing the aforementioned offenses in violation of Title 18, United States Code, Sections 666 and 1951(a), as alleged in this Indictment, defendant GUARINI shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constituted or was derived from proceeds traceable to the commission of these offenses, including but not limited to, approximately \$50,000 in United States currency, in that such sum constituted or was derived from proceeds traceable to the commission of the Section 666 and Section 1951(a) offenses.

If any of the above-described forfeitable property, as a result of any act or omission of defendant GUARINI:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third party;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of defendant GUARINI up to the value of the above forfeitable property.

In violation of Title 18, United States Code, Section  
981(a)(1)(C) and Title 28, United States Code, Section 2461.

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FOREPERSON

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PAUL J. FISHMAN  
UNITED STATES ATTORNEY