12/7/10
1:15 p.m.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon. Garrett E. Brown
v.	:	Crim. No. 10-713 (GEB)
MICHAEL J. RITACCO and FRANCIS X. GARTLAND	:	18 U.S.C. §§ 371, 666, 981(a)(1)(C), 1341, 1343, 1346, 1952 and § 2; 26 U.S.C. § 7206(1); 28 U.S.C. § 2461

SUPERSEDING INDICTMENT

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

COUNTS 1 to 10

(Scheme to Defraud Public of RITACCO's Honest Services By GARTLAND and Others Giving Concealed Bribes and Kickbacks for the Direct and Indirect Benefit of RITACCO)

Defendants and other Individuals and Entities

1. At all times relevant to Counts 1 to 10 of this Superseding Indictment:

A. Defendant MICHAEL J. RITACCO ("defendant RITACCO") was the Superintendent of the Toms River Regional School District in Toms River, New Jersey (the "District"), the fourth largest school district in New Jersey. As the chief executive and administrative officer of the District, defendant RITACCO oversaw at least approximately 2,000 employees, with a budget of approximately $195 million involving approximately 18,000 students. As the Superintendent of the District, defendant

RITACCO was responsible for general supervision over all aspects of the District's business, including fiscal operations. Defendant RITACCO had the authority and power to (A) sign contracts on behalf of the District, (B) consult with District Board members regarding District matters, and (C) make recommendations to District Board members as to, among other things, (i) the appointment and retention of professionals to serve the District, including the District's insurance broker and (ii) other matters pertaining to insurance. Defendant RITACCO also owned and operated MJ Rit, Inc. ("MJ Rit"), which purported to be a completely bona fide general contracting and construction company.

B. Defendant FRANCIS X. GARTLAND ("defendant GARTLAND") was an insurance broker based in Towson, Maryland, whose business provided insurance brokerage services for public entities, including municipalities and school boards. Through his companies, Federal Hill Risk Management, L.L.C. ("Federal Hill"), Gartland and Company, Inc. ("Gartland & Co."), and Dynamic Claims Management, Inc. ("DCM"), defendant GARTLAND obtained insurance brokerage contracts with numerous New Jersey local government entities, including, but not limited to, the District. In addition to Federal Hill, Gartland & Co., and DCM, GARTLAND controlled other entities, including, Insurance Dynamics Consulting Services LLC ("IDCS"), E-Administrative Systems Inc.

("EAS"), 1000 Washington Street LLC ("1000 Washington Street"), Sunset Management Consultants, Inc. ("Sunset"), and Alliance Benefits Strategists ("Alliance"). Defendant GARTLAND, through some of the above entities, has been contracted as an insurance consultant and/or insurance co-broker for the District since at least in or about 2002 to in or about June 2010.

C. There was an individual who was the manager of the District's café located at the District's administration offices in Toms River ("the District Employee"). The District Employee also worked at the RITACCO Center in Toms River during the winter months. The District Employee was defendant RITACCO's girlfriend. From in or about 2004 to in or about 2006, the District Employee had significant renovations done to her Toms River residence.

D. There was an individual who owned and operated companies that provided employee assistance plan ("EAP") services, as well as worker's compensation administration services (the "Service Provider") to the District.

E. Frank D'Alonzo was an associate of defendants RITACCO and GARTLAND and an acquaintance of the District Employee. Frank D'Alonzo was hired as a teacher for the District in or about 1995, after a friend recommended him to defendant RITACCO. Defendant RITACCO then assisted Frank D'Alonzo in becoming a Technology Supervisor, and, later, the District's

Director of Athletics and Special Projects--Frank D'Alonzo held the latter position until he resigned in or about 2008, effective January 1, 2009. Frank D'Alonzo controlled several entities: DMD Evaluations, Inc. ("DMD"), MMD Development Inc. ("MMD"), Rhett LLC ("Rhett"), and FMD Realty, Inc. ("FMD Realty").

F. Frank Cotroneo was a business associate of defendant GARTLAND, an associate of defendant RITACCO, and an acquaintance of the District Employee. Frank Cotroneo first became involved in the District's insurance business in or about the early 1990s and was a co-insurance broker with defendant GARTLAND on aspects of the District's insurance business from at least in or about 1998 to in or about 2008.

G. There was an individual who was a long-time friend of defendant RITACCO, an associate of defendant GARTLAND, and an acquaintance of the District Employee (hereinafter, the "Intermediary"). The Intermediary controlled an entity and established a bank account for that entity (hereinafter, the "Intermediary's Entity").

2. At all times relevant to Counts 1 to 10 of this Superseding Indictment, the District paid for, and maintained, on a yearly basis, various commercial insurance policies for the District and its employees, such as general liability insurance,

property and casualty insurance, and worker's compensation, among other commercial insurance policies (together, "Commercial Insurance"), as well as various health insurance policies for District employees, including policies for health insurance, dental insurance, vision insurance, and prescription coverage (together, "Health Insurance"). As the District's insurance consultant and broker, defendant GARTLAND made recommendations with respect to Commercial Insurance and Health Insurance carriers, and assisted in negotiating premium renewal rates with such insurance carriers, among other things. For these services, GARTLAND received yearly commissions with respect to the various Commercial Insurance and Health Insurance policies.

Public's Right to, and RITACCO's Duty of, Honest Services

3. At all times relevant to Counts 1 to 10 of this Superseding Indictment, the District and its citizens had an intangible right to the honest services of their public officials. As a public official for the District, defendant RITACCO owed the District and its citizens a duty to refrain from receiving bribes and kickbacks in the form of cash, money, and other things of value in exchange for defendant RITACCO's official action and influence.

Corrupt Scheme

4. From at least as early as in or about 2002 to in or about April, 2010, in Ocean County, in the District of New Jersey, and elsewhere, defendants

MICHAEL J. RITACCO and
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with others, knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud the District and its citizens of the right to defendant RITACCO'S honest services in the affairs of the District.

5. The object of this scheme and artifice to defraud was for defendant RITACCO to accept and agree to accept a stream of concealed and undisclosed bribes and kickbacks in the form of cash, money, and other things of value from defendant GARTLAND, the Service Provider, and Frank Cotroneo for the direct and indirect benefit of defendant RITACCO and, on many occasions, the direct benefit of the District Employee, in exchange for defendant RITACCO's official action and influence in matters relating to the District's insurance business as specific opportunities arose.

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

A. Defendant RITACCO accepted a stream of cash and money payments, and other benefits, totaling between approximately $1,000,000 and $2,000,000 directly and indirectly from defendant GARTLAND, the Service Provider, and Frank Cotroneo for defendant RITACCO's direct and indirect benefit, to include:

i. Cash payments from Frank D'Alonzo who (a) had received numerous checks and wire transfers in amounts ranging from approximately $2,176 to $500,000, totaling approximately $2,800,000, from at least in or about July 2002 to in or about June 2006, issued to entities under Frank D'Alonzo's control, such as DMD, MMD, Rhett, and FMD Realty, by defendant GARTLAND through entities under defendant GARTLAND's control, such as Gartland & Co., DCM, EAS, IDCS, Sunset, and Federal Hill, purporting to be payments in connection with consulting agreements with defendant GARTLAND and his entities; (b) had received numerous checks and wire transfers in amounts ranging from approximately $1,000 to $8,625, totaling approximately $250,000, from at least 2003 to in or about June 2006, issued to DMD, MMD, and Rhett from entities controlled by the Service Provider; and (c) had, in turn, used a significant portion of the proceeds from these checks and wire transfers to fund these cash payments to defendant RITACCO at defendant RITACCO's direction on a regular basis.

ii. Cash payments from the Intermediary who (a) had received numerous checks in amounts ranging from approximately $1,182 to $40,000, totaling approximately $560,000, from at least in or about September 2004 to in or about January 2010, issued to the Intermediary's Entity by defendant GARTLAND through Gartland & Co. and Federal Hill, purporting to be in connection with a consulting agreement between Gartland & Co. and the

Intermediary's Entity, and (b) had, in turn, used a portion of the proceeds from these checks to fund these cash payments to defendant RITACCO at defendant RITACCO's direction, including:

a. two instances (in amounts between approximately $5,000 and $20,000) while defendant RITACCO was in Connecticut to attend funerals;

b. an amount of approximately $5,000, in or about January 2010, in the Newark Airport area in New Jersey, as defendant RITACCO and the Intermediary were preparing to travel to Texas to attend a professional football game; and

c. an amount of approximately $5,000, in or about April 2010, at defendant RITACCO's residence in Seaside Park, New Jersey.

iii. Payments by checks issued to MJ Rit drawn on bank accounts in the names of entities under Frank D'Alonzo's control, including DMD, MMD and 1000 Washington Street, LLC, in amounts ranging from approximately $6,200 to $275,000, from at least in or about July 2003 to in or about December 2005, which were funded by the proceeds of payments from entities under defendant GARTLAND's control, such as Gartland & Co. and Federal Hill, purporting to be payments in connection with defendant RITACCO's construction-related work on a property at 1000 Washington Street, Toms River, New Jersey.

iv. Payments made by Frank D'Alonzo that were funded by the proceeds of checks and other money transfers that Frank D'Alonzo had received from defendant GARTLAND and that were used to pay third parties to defray defendant RITACCO's expenses, including:

a. On or about February 20, 2004, at defendant RITACCO'S direction, Frank D'Alonzo issued a DMD

check in the amount of approximately $20,000 to pay down defendant RITACCO's home equity line of credit;

b. On or about May 14, 2004, at defendant RITACCO's direction, Frank D'Alonzo issued an MMD check in the amount of approximately $12,747.46 to an appliance store in Raritan, New Jersey in connection with the purchase of appliances for defendant RITACCO's former residence in Toms River; and

c. On or about May 25, 2004, at defendant RITACCO's direction, Frank D'Alonzo issued an MMD check in the amount of approximately $5,850 to a plumber to pay approximately $5,000 in expenses that defendant RITACCO had incurred.

v. Payments of expenses by Frank D'Alonzo at defendant RITACCO's direction for the benefit of the District Employee and defendant RITACCO's relatives, funded by money earmarked for defendant RITACCO from defendant GARTLAND, including:

a. From in or about 2003 to in or about 2006, approximately four to six jewelry items for defendant RITACCO to give to the District Employee;

b. On or about July 30, 2004, at defendant RITACCO's direction, Frank D'Alonzo issued an MMD check in the amount of approximately $13,592.38 to an appliance store in Raritan, New Jersey to pay expenses in connection with appliances for defendant RITACCO's relative's residence in Toms River; and

c. In or about October 2005, between approximately $7,000 and $8,000 to purchase an automobile for a relative of the District Employee from an auto dealer in Sea Girt, New Jersey.

vi. Payments of expenses by defendant GARTLAND for the benefit of the District Employee, including:

a. On or about July 31, 2003, defendant GARTLAND issued an IDCS check in the amount of

approximately $8,440 to pay the college tuition for a relative of the District Employee;

b. On or about February 23, 2006, defendant GARTLAND issued an EAS check in the amount of approximately $20,500 payable to a jewelry store in Morristown, New Jersey to pay for a watch for the District Employee which Frank Cotroneo (i) had obtained from the jewelry store on or about December 22, 2005 and (ii) had given to defendant RITACCO to present to the District Employee;

c. In or about July 2006, defendant GARTLAND issued an EAS check in the amount of $5,500 to pay down expenses incurred in purchasing audio-video equipment on defendant RITACCO's behalf;

d. On or about July 28, 2006, defendant GARTLAND issued an EAS check in the amount of approximately $11,875 to pay the college tuition and living expenses for a relative of the District Employee;

e. Between in or about July 2006 and in or about December 2006, payment by EAS check in the amount of $6,500 to a contractor for work performed at the District Employee's residence in Toms River;

f. In or about December 2006, defendant GARTLAND issued an EAS check in the amount of $5,500 to pay down expenses incurred in placing audio-video equipment in the master bedroom of the District Employee's residence in Toms River; and

g. In or about December 2006, payment by EAS check in the amount of $9,200 to a contractor for materials provided and work performed at the District Employee's residence in Toms River.

vii. A watch valued at over $30,000 for defendant RITACCO that Frank Cotroneo purchased at a watch store in New York in or about January 2009 which subsequently was delivered by United Parcel Service ("UPS") to Frank Cotroneo in New Jersey to give to defendant RITACCO. Defendant GARTLAND issued a $37,500 EAS check dated on or about January 26, 2009 to reimburse Frank Cotroneo in connection with this purchase.

viii. Payments of expenses by defendant GARTLAND, through Frank Cotroneo, for gifts for defendant RITACCO's friends, to include clothing, watches and jewelry.

ix. Payments made by the Intermediary that were funded by the proceeds of the checks that the Intermediary had received from defendant GARTLAND to defray the travel expenses of defendant RITACCO and the District Employee.

B. Defendants RITACCO and GARTLAND took steps to conceal the corrupt arrangement, including:

i. Defendants RITACCO and GARTLAND used Frank D'Alonzo, Frank Cotroneo, the Intermediary and other third parties to pass the cash, money and other benefits on to defendant RITACCO and others;

ii. Defendants RITACCO and GARTLAND caused bank accounts in the names of sham companies to be set up to filter cash and other monetary payments from defendant GARTLAND ultimately to defendant RITACCO;

iii. Defendant RITACCO caused Frank D'Alonzo and the Intermediary to pay him in cash to avoid an audit trail;

iv. Defendant GARTLAND entered into sham consulting agreements with Frank D'Alonzo and the Intermediary to cover up the corrupt purpose of these payments from defendant GARTLAND to these middlemen and, ultimately, to defendant RITACCO;

v. Defendant RITACCO instructed Frank D'Alonzo and the Intermediary to withdraw cash from banks and financial institutions in a certain manner to avoid these banks and financial institutions filing reports regarding these currency transactions;

vi. Defendant RITACCO instructed the Intermediary not to directly discuss their transactions over cellular telephones and to use coded and veiled language when referring to these transactions;

vii. Defendants RITACCO and GARTLAND caused payments and other benefits to be given to third parties for the direct and indirect benefit of defendant RITACCO;

viii. Defendant RITACCO caused cash proceeds to be kept secretly in a safe deposit box at a bank in Naples, Florida;

ix. Defendants RITACCO and GARTLAND concealed from, and did not disclose to, the District's Board, material information, including the existence, nature and terms of the corrupt arrangement; and

x. Defendant RITACCO intentionally concealed and did not disclose material information, including these payments and other benefits that he accepted directly and indirectly from defendant GARTLAND, on financial disclosure statements for calendar years 2002 through 2009, publicly filed with the State of New Jersey Department of Education, Ocean County Office of Education in Toms River, New Jersey.

C. By these payments and other things of value, defendant GARTLAND attempted to influence and control defendant RITACCO'S official decisionmaking and discretion, and defendant RITACCO exercised and attempted to exercise official action and influence favorable to defendant GARTLAND with respect to District insurance business, including:

i. Having defendant RITACCO recommend that the District's board members appoint Frank Cotroneo's

company as the District's broker of record for health insurance in or about August 2000.

ii. Having defendant RITACCO recommend that the District's board members appoint defendant GARTLAND and certain of his companies as an insurance consultant and broker for the District on a yearly basis from at least as early as 2002 to in or about April 2010. In this regard, in or about June 2002, defendant RITACCO signed a contract on behalf of the District hiring defendant GARTLAND's company, Federal Hill, as an insurance consultant for the District from July 1, 2002 to June 30, 2005.

iii. In or about April/May 2002, defendant GARTLAND, Frank Cotroneo, and Frank D'Alonzo met with defendant RITACCO to discuss and agree that defendant RITACCO would recommend that the District hire defendant GARTLAND to administer the District's worker's compensation program for a yearly fee. The yearly fee to be paid by the District to defendant GARTLAND was to be inflated by several hundred thousand dollars, which was then distributed among defendant GARTLAND, defendant RITACCO and others;

iv. Having defendant RITACCO recommend that the District's board members approve the Service Provider as the District's EAP administrator from at least July 2002 to in or about July 2007;

v. Having defendant RITACCO recommend that the District's board members approve the Service Provider to provide worker's compensation administration services for the District from at least in or about February 2004 to in or about October 2009;

vi. In or about June 2003, having defendant RITACCO sign a letter, which authorized the District's health insurance carrier to increase the commission paid to Frank Cotroneo's company in an

amount equal to an additional 1% of the District's yearly health insurance premium; and

vii. Having defendant RITACCO recommend that the District's board members appoint defendant GARTLAND's company, DCM, as an insurance consultant for the District from on or about July 1, 2002 to on or about June 30, 2005. In this regard, in or about July 2002, defendant RITACCO signed a contract on behalf of the District hiring DCM to manage the District's worker's compensation services from July 1, 2002 to June 30, 2005, for a yearly fee of $1,200,000, plus an additional yearly administration fee of $130,000, payable to DCM.

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

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and others, knowingly and intentionally placed and caused to be placed in a post office and authorized depository for mail, and caused to be delivered thereon, certain mail matter as set forth below, to be sent and delivered by the United States Postal Service, and deposited and caused to be deposited matters and things as set forth below to be sent by private and commercial interstate carrier, and took and received therefrom, such matters and things, and caused to be delivered by mail and such carrier

according to the direction thereon and at the place to which it was directed to be delivered by the person to whom it was addressed, such matters and things, and transmitted and caused to be transmitted in interstate commerce by means of wire communications certain signs, signals, and sounds, as set forth below:

COUNT	DATE	MAILING, INTERSTATE CARRIER DELIVERY OR WIRE TRANSMISSION
1	November 2005 to May 2006	Mailing of DCM checks from defendant GARTLAND to Frank D'Alonzo in New Jersey that were used to fund payments to defendant RITACCO from defendant GARTLAND through Frank D'Alonzo
2	January 2006	Mailing of broker agreement from defendant GARTLAND to Horizon Blue Cross Blue Shield in New Jersey
3	June 2006 to July 2009	Mailing of District checks payable to Gartland & Co. and Federal Hill relating to Commercial Insurance from New Jersey to defendant GARTLAND in Maryland
4	August 28, 2006 to August 30, 2006	Telephone calls between the Intermediary in Connecticut and defendant RITACCO in New Jersey relating to an anticipated cash payment to defendant RITACCO from defendant GARTLAND through the Intermediary
5	September 29, 2006 to October 1, 2006	Telephone calls between the Intermediary in Connecticut and defendant RITACCO in New Jersey relating to an anticipated cash payment to defendant RITACCO from defendant GARTLAND through the Intermediary

COUNT	DATE	MAILING, INTERSTATE CARRIER DELIVERY OR WIRE TRANSMISSION
6	May 15, 2007 to May 18, 2007	Telephone calls between the Intermediary in Connecticut and defendant RITACCO in New Jersey relating to an anticipated cash payment to defendant RITACCO from defendant GARTLAND through the Intermediary
7	July 4, 2007 to July 9, 2007	Telephone calls between the Intermediary in Connecticut and defendant RITACCO in New Jersey relating to an anticipated cash payment to defendant RITACCO from defendant GARTLAND through the Intermediary
8	September 19, 2007 to September 23, 2007	Telephone calls between the Intermediary in Connecticut and defendant RITACCO in New Jersey relating to an anticipated cash payment to defendant RITACCO from defendant GARTLAND through the Intermediary
9	January 27, 2009	UPS delivery of watch for the benefit of defendant RITACCO from store in New York, N.Y. to Frank Cotroneo in New Jersey
10	April 3, 2010 to April 5, 2010	Telephone calls between the Intermediary in Connecticut and defendant RITACCO in New Jersey relating to an anticipated cash payment to defendant RITACCO from defendant GARTLAND through the Intermediary

In violation of Title 18, United States Code, Sections 1341, 1343, and 1346, and Section 2.

COUNTS 11 TO 16

(RITACCO and GARTLAND Travel and Cause Travel, and Use and Cause the Use of Facilities in Interstate Commerce and the Mails, With Intent to Distribute Bribery Proceeds and Promote and Facilitate Bribery in Violation of New Jersey Law)

1. Paragraphs 1 to 2 and 6 of Counts 1 to 10 of this Superseding Indictment are hereby incorporated and realleged as if fully set forth herein.

2. On/in or about the dates listed below, in the District of New Jersey, and elsewhere, defendants

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knowingly and intentionally did travel and cause travel in interstate commerce and use and cause the use of the U.S. mail and facilities in interstate commerce as set forth below with the intent to distribute the proceeds of an unlawful activity and to promote, manage, establish, carry on and facilitate the promotion, management, establishment, and carrying on of that unlawful activity--namely, bribery contrary to N.J. Stat. Ann. § 2C:27-2--and, thereafter, performed and attempted to perform acts to distribute the proceeds of the unlawful activity and to promote, manage, establish, carry on, and facilitate the unlawful activity, as set forth below:

COUNT	TRAVEL OR USE OF MAIL OR INTERSTATE FACILITY	SUBSEQUENT ACTS
11	In or about February 2006, defendant GARTLAND issued an approximately $20,500 EAS check payable to a jewelry store in Morristown that was given to Frank Cotroneo in New Jersey by means of travel, and use of the mail and an interstate facility.	On or about February 27, 2006, Frank Cotroneo gave an approximately $20,500 EAS check to a jewelry store in Morristown to pay for the watch purchased by Frank Cotroneo on behalf of defendant GARTLAND to give to the District Employee on behalf of defendant RITACCO.
12	On or about May 18, 2007, defendant RITACCO traveled from New Jersey to Connecticut to, among other things, accept a cash payment from the Intermediary in connection with the corrupt arrangement among defendants RITACCO, GARTLAND and others.	On or about May 19, 2007, in Meriden, Connecticut, defendant RITACCO accepted a cash payment of between approximately $5,000 and $20,000 from the Intermediary in connection with the corrupt arrangement among defendants RITACCO, GARTLAND and others.
13	On or about September 23, 2007, defendant RITACCO traveled from New Jersey to Connecticut to, among other things, accept a cash payment from the Intermediary in connection with the corrupt arrangement among defendants RITACCO, GARTLAND and others.	On or about September 24, 2007, in Meriden, Connecticut, defendant RITACCO accepted a cash payment of between approximately $5,000 and $20,000 from the Intermediary in connection with the corrupt arrangement among defendants RITACCO, GARTLAND and others.

COUNT	TRAVEL OR USE OF MAIL OR INTERSTATE FACILITY	SUBSEQUENT ACTS
14	In or about January 2009, Frank Cotroneo traveled from New Jersey to New York, N.Y. to purchase, on behalf of defendant GARTLAND, a watch worth over $30,000 for defendant RITACCO.	1. In or about January 2009, Frank Cotroneo caused UPS to deliver the watch to himself in New Jersey. 2. Thereafter, in or about January 2009, defendant RITACCO accepted the watch. 3. On or about January 26, 2009, defendant GARTLAND reimbursed Frank Cotroneo by a $37,500 EAS check for the watch that defendant RITACCO accepted.
15	On or about January 7, 2010, the Intermediary traveled from Connecticut to the Newark Airport area in New Jersey to, among other things, provide an approximately $5,000 cash payment to defendant RITACCO in connection with the corrupt arrangement among defendants RITACCO, GARTLAND and others.	On or about January 7, 2010, in the Newark Airport area, defendant RITACCO accepted an approximately $5,000 cash payment from the Intermediary in connection with the corrupt arrangement among defendants RITACCO, GARTLAND and others.

COUNT	TRAVEL OR USE OF MAIL OR INTERSTATE FACILITY	SUBSEQUENT ACTS
16	On or about April 6, 2010, the Intermediary traveled from Connecticut to New Jersey to, among other things, provide an approximately $5,000 cash payment to defendant RITACCO in connection with the corrupt arrangement among defendants RITACCO, GARTLAND and others.	On or about April 6, 2010, in Seaside Park, defendant RITACCO accepted an approximately $5,000 cash payment from the Intermediary in connection with the corrupt arrangement among defendants RITACCO, GARTLAND and others.

In violation of Title 18, United States Code, Sections 1952(a)(1) and (a)(3), and Section 2.

COUNT 17

(RITACCO Accepts and Agrees To Accept Corrupt Payments Directly and Indirectly from GARTLAND to Influence and Reward RITACCO in Connection with a Business, Transaction and Series of Transactions of the District)

1. Paragraphs 1 to 2 and 6 of Counts 1 to 10 of this Superseding Indictment are hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to Count 17 of this Superseding Indictment, the District received benefits in excess of $10,000 per year under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of Federal assistance.

3. From in or about November 2005 to in or about April 2010, in Ocean County, in the District of New Jersey, and elsewhere, defendant

MICHAEL J. RITACCO

did knowingly and corruptly solicit and demand for the benefit of himself and others, and accept and agree to accept, things of value totaling between approximately $250,000 and $500,000 from others for the direct and indirect benefit of defendant RITACCO, intending to be influenced and rewarded in connection with a

business, transaction and series of transactions of the District involving things of value of $5,000 and more.

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

COUNT 18

(GARTLAND Offers and Gives Corrupt Payments To RITACCO to Influence and Reward RITACCO in Connection with a Business, Transaction and Series of Transactions of the District)

1. Paragraphs 1 to 2 and 6 of Counts 1 to 10 and paragraph 2 of Count 17 of this Superseding Indictment are hereby incorporated and realleged as if fully set forth herein.

2. From in or about November 2005 to in or about April 2010, in Ocean County, in the District of New Jersey, and elsewhere, defendant

FRANCIS X. GARTLAND

did knowingly and corruptly give, offer and agree to give things of value totaling between approximately $250,000 and $500,000 for the direct and indirect benefit of MICHAEL J. RITACCO intending to influence and reward RITACCO in connection with a business, transaction, and series of transactions of the District involving things of value of $5,000 and more.

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

COUNT 19

(Conspiracy to Impede and Impair the Functions of the IRS - Ritacco's Federal Income Taxes)

1. Paragraphs 1 to 2 and 6 of Counts 1 to 10 of this Superseding Indictment are hereby incorporated and realleged as if fully set forth herein.

The Conspiracy

2. From at least in or about 2002 to at least in or about April 2010, in Ocean County, in the District of New Jersey, and elsewhere, defendants

MICHAEL J. RITACCO and
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did knowingly and willfully combine, conspire, confederate, and agree among themselves and with others to defraud the United States and the Internal Revenue Service ("IRS") of the United States Department of Treasury by impeding, impairing, obstructing, and defeating the lawful governmental functions of the IRS to ascertain, compute, assess, and collect income taxes.

Object of Conspiracy

3. It was an object of the conspiracy that defendant RITACCO, defendant GARTLAND, and others would subvert the function of the IRS to ascertain, compute, assess, and collect income taxes due and owing from defendant RITACCO by fraudulently

concealing from the IRS the existence of corrupt cash and other payments that defendant GARTLAND funneled to defendant RITACCO and others at defendant RITACCO's direction.

Manner and Means of Conspiracy

4. Among the manners and means employed by defendants RITACCO, GARTLAND, and others to carry out the conspiracy and to effect its unlawful object were the following:

A. As described in paragraph 6(B)(i) of Counts 1 to 10 of this Superseding Indictment, defendants RITACCO and GARTLAND used Frank D'Alonzo, Frank Cotroneo, the Intermediary, and other third parties to secretly pass cash, money, and other benefits on to defendant RITACCO and others;

B. As described in paragraph 6(B)(ii) of Counts 1 to 10 of this Superseding Indictment, defendants RITACCO and GARTLAND caused bank accounts in the names of sham companies to be set up to filter the cash and other monetary payments from defendant GARTLAND ultimately to defendant RITACCO;

C. As described in paragraph 6(B)(iv) of Counts 1 to 10 of this Superseding Indictment, defendant GARTLAND entered into sham consulting agreements with Frank D'Alonzo and the Intermediary to cover up the corrupt purpose of these

payments from defendant GARTLAND to these middlemen and, ultimately, to defendant RITACCO;

D. As described in paragraphs 6(B)(iii), (v), and (vi) of Counts 1 to 10 of this Superseding Indictment, defendant RITACCO caused Frank D'Alonzo and the Intermediary to pay him in cash, make the cash withdrawals in a manner to avoid having banks and financial institutions from filing reports regarding these currency transactions, and instructed the Intermediary not to directly discuss their transactions over cellular telephones and to use coded and veiled language when referring to these transactions;

E. As described in paragraphs 6(B)(vii) and (ix) of Counts 1 to 10 of this Superseding Indictment, defendants RITACCO and GARTLAND caused payments and other benefits to be given to third parties for the direct and indirect benefit of defendant RITACCO, and concealed from, and did not disclose to, the District's Board, material information, including the existence, nature and terms of the corrupt arrangement;

F. As described in part in paragraphs 6(B)(viii) and (x) of Counts 1 to 10 of this Superseding Indictment, defendant RITACCO, along with his wife, caused cash proceeds to be kept secretly in a safe deposit box at a bank in Naples,

Florida; and intentionally concealed and did not disclose material information, including the payments and other benefits that he accepted directly and indirectly from defendant GARTLAND, on financial disclosure statements for calendar years 2002 through 2009, publicly filed with the State of New Jersey Department of Education, Ocean County Office of Education in Toms River, New Jersey;

G. Defendant RITACCO and his wife used significant amounts of cash to pay personal expenses to avoid an audit trail;

H. Defendant RITACCO did not disclose significant amounts of income that he had received from defendant GARTLAND to the accounting firm that prepared IRS United States Individual Tax Returns for himself and his wife, despite the fact that he and his wife kept material, written records of cash on hand and personal expenditures relating to such cash; and

I. Defendant RITACCO signed, filed, and caused to be filed with the IRS United States Individual Income Tax Returns, IRS Forms 1040, for himself and his wife for tax years 2004 through 2009 that were false and fraudulent, in that those tax returns disclosed none of the cash, monetary payments, and other benefits that defendant RITACCO had received directly and

indirectly from defendant GARTLAND, the Service Provider, and others.

Overt Acts

5. In furtherance of the conspiracy and to effect its unlawful objects, the following overt acts were committed in the District of New Jersey and elsewhere:

A. In or about 2005, defendant RITACCO accepted regular corrupt cash payments from Frank D'Alonzo using monies that defendant GARTLAND distributed to Frank D'Alonzo pursuant to defendant RITACCO's and defendant GARTLAND's corrupt arrangement.

B. On or about April 13, 2005, defendant RITACCO signed, filed, and caused to be filed with the IRS a 2004 United States Individual Income Tax Return on behalf of himself and his wife. That return disclosed none of the cash, monetary payments, and other benefits that defendant RITACCO had received directly and indirectly from defendant GARTLAND and others.

C. On or about April 29, 2005, defendant RITACCO and his wife opened a safe deposit box at a bank in Naples, Florida to secretly keep cash proceeds.

D. From in or about January 2006 to in or about June 2006, defendant RITACCO accepted regular corrupt cash payments from Frank D'Alonzo using monies that defendant GARTLAND

distributed to Frank D'Alonzo pursuant to defendant RITACCO's and defendant GARTLAND's corrupt arrangement.

E. On or about April 6, 2006, defendant RITACCO signed, filed, and caused to be filed with the IRS a 2005 United States Individual Income Tax Return on behalf of himself and his wife. That return disclosed none of the cash, monetary payments, and other benefits that defendant RITACCO had received directly and indirectly from defendant GARTLAND.

F. From in or about August 2006 to in or about December 2006, defendant RITACCO accepted regular corrupt cash payments from the Intermediary using monies that defendant GARTLAND distributed to the Intermediary pursuant to defendant RITACCO's and defendant GARTLAND's corrupt arrangement.

G. On or about October 27, 2006, at approximately 11:45 a.m., defendant RITACCO's wife accessed a safe deposit box at a bank in Naples, Florida to conduct a $4,000 cash transfer.

H. On or about January 12, 2007, at approximately 11:35 a.m., defendant RITACCO's wife accessed a safe deposit box at a bank in Naples, Florida to conduct a $3,000 cash transfer.

I. On or about January 18, 2007, at approximately 10:35 a.m., defendant RITACCO's wife accessed a safe deposit box at a bank in Naples, Florida to conduct a $4,000 cash transfer.

J. On or about March 28, 2007, defendant RITACCO signed, filed, and caused to be filed with the IRS a 2006 United States Individual Income Tax Return on behalf of himself and his wife. That return disclosed none of the cash, monetary payments, and other benefits that defendant RITACCO had received directly and indirectly from defendant GARTLAND and others.

K. In or about 2007, defendant RITACCO accepted regular corrupt cash payments from the Intermediary using monies that defendant GARTLAND distributed to the Intermediary pursuant to defendant RITACCO's and defendant GARTLAND's corrupt arrangement.

L. In or about July 2007, at defendant RITACCO's direction, the Intermediary used corrupt proceeds from defendant GARTLAND to pay for expenses for defendant RITACCO and the District Employee to travel from New Jersey to Florida, including purchasing airline tickets and paying for a hotel room in Florida.

M. On or about March 22, 2008, defendant RITACCO signed, filed, and caused to be filed with the IRS a 2007 United States Individual Income Tax Return on behalf of himself and his wife. That return disclosed none of the cash, monetary payments, and other benefits that defendant RITACCO had received directly and indirectly from defendant GARTLAND and others.

N. In or about 2008, defendant RITACCO accepted regular corrupt cash payments from the Intermediary using monies that defendant GARTLAND distributed to the Intermediary pursuant to defendant RITACCO's and defendant GARTLAND's corrupt arrangement.

O. Between in or about July 2008 to in or about August 2008, at defendant RITACCO's direction, the Intermediary used corrupt proceeds from defendant GARTLAND to pay for expenses for defendant RITACCO and the District Employee to travel from New Jersey to California, including purchasing airline tickets and paying for hotel expenses in California.

P. On or about February 27, 2009, defendant RITACCO signed, filed, and caused to be filed with the IRS a 2008 United States Individual Income Tax Return on behalf of himself and his wife. That return disclosed none of the cash, monetary

payments, and other benefits that defendant RITACCO had received directly and indirectly from defendant GARTLAND and others.

Q. In or about 2009, defendant RITACCO accepted regular corrupt cash payments from the Intermediary using monies that defendant GARTLAND distributed to the Intermediary pursuant to defendant RITACCO's and defendant GARTLAND's corrupt arrangement.

R. On or about April 9, 2009, defendant RITACCO's wife accessed a safe deposit box at a bank in Naples, Florida to conduct a cash transfer.

S. In or about September 2009, at defendant RITACCO's direction, the Intermediary used corrupt proceeds from defendant GARTLAND to pay for expenses for defendant RITACCO to travel from New Jersey to Florida, including purchasing airline tickets and paying for hotel expenses in Florida.

T. On or about January 28, 2010, defendant RITACCO met with Frank D'Alonzo to discuss the ongoing investigation, and to concoct (i) an explanation for Frank D'Alonzo to justify the monies that D'Alonzo received from defendant GARTLAND, and (ii) an explanation for why Frank D'Alonzo paid for bills on defendant RITACCO's behalf.

U. On or about February 15, 2010, defendant RITACCO met with Frank D'Alonzo to discuss the ongoing investigation, and to devise and agree upon an explanation for cash that defendant RITACCO accepted from Frank D'Alonzo during the corruption scheme. During this conversation, defendant RITACCO instructed Frank D'Alonzo that in the event that law enforcement investigators inquired as to any cash that defendant RITACCO received from D'Alonzo, D'Alonzo was to state that such cash was related to construction related work performed by defendant RITACCO and/or MJ Rit.

V. On or about March 1, 2010, defendant RITACCO signed, filed, and caused to be filed with the IRS a 2009 United States Individual Income Tax Return on behalf of himself and his wife. That return disclosed none of the cash, monetary payments, and other benefits that defendant RITACCO had received directly and indirectly from defendant GARTLAND and others.

In violation of Title 18, United States Code, Section 371.

COUNT 20

(Conspiracy to Impede and Impair the Functions of the IRS - Cotroneo's Federal Income Taxes)

1. Paragraphs 1 and 2 of Counts 1 to 10 of this Superseding Indictment are hereby incorporated and realleged as if fully set forth herein.

2. As a co-insurance broker with defendant GARTLAND, Frank Cotroneo assisted defendant GARTLAND in obtaining and maintaining the yearly health insurance brokerage contract with the District, as well as other municipal entities in New Jersey. In return for Frank Cotroneo's assistance related to the District, among other things, defendant GARTLAND paid hundreds of thousands of dollars, directly and indirectly, to Frank Cotroneo.

The Conspiracy

3. From at least in or about 2005 to at least in or about October 2008, in Somerset, Hunterdon, and Monmouth Counties, in the District of New Jersey, and elsewhere, defendant

FRANCIS X. GARTLAND

did knowingly and willfully combine, conspire, confederate, and agree with Frank Cotroneo and with others to defraud the United States and the IRS by impeding, impairing, obstructing, and

defeating the lawful governmental functions of the IRS to ascertain, compute, assess, and collect income taxes.

Object of Conspiracy

4. It was an object of the conspiracy that defendant GARTLAND, Frank Cotroneo, and others would subvert the function of the IRS to ascertain, compute, assess, and collect income taxes due and owing from Frank Cotroneo by fraudulently concealing from the IRS the existence of payments that defendant GARTLAND funneled to Frank Cotroneo and others at Frank Cotroneo's direction.

Manner and Means of Conspiracy

5. Among the manners and means employed by defendant GARTLAND, Frank Cotroneo, and others to carry out the conspiracy and to effect its unlawful object were the following:

A. Defendant GARTLAND funneled money (which included District funds paid to defendant GARTLAND that had been obtained in connection with the corrupt arrangement with Michael J. Ritacco, Frank Cotroneo and others) from his companies, Gartland & Co., Federal Hill, and Alliance, into EAS, a sham company, which was controlled by defendant GARTLAND.

B. In order to conceal defendant GARTLAND's payments to Frank Cotroneo from the IRS - instead of paying Frank

Cotroneo directly - defendant GARTLAND issued checks from EAS to third-party vendors to pay Frank Cotroneo's credit card bills, country club dues, landscaping design fees, and other personal expenses, as directed by Frank Cotroneo.

C. To further conceal the nature of defendant GARTLAND's payments to Frank Cotroneo, defendant GARTLAND directed that the books and records of EAS be prepared to falsely represent that the EAS payments for Frank Cotroneo's personal expenses were unrelated to Frank Cotroneo, but rather business expenses regarding healthcare-related wellness centers, when, in fact, such EAS payments were to compensate Frank Cotroneo, in part, for Cotroneo's role in the corrupt scheme, and were unrelated to wellness centers

D. To further conceal the nature of defendant GARTLAND's payments to Frank Cotroneo, defendant GARTLAND failed to report any of the monies EAS paid directly and indirectly to Cotroneo on IRS Forms 1099-Misc, which require parties to report to the IRS, non-employee compensation in excess of $600 to individuals and certain entities.

E. Frank Cotroneo signed, filed, and caused to be filed with the IRS United States Individual Income Tax Returns for tax years 2005 through 2007 that were false, in that those

tax returns disclosed none of the EAS payments for Frank Cotroneo's personal expenses that Frank Cotroneo received directly and indirectly from defendant GARTLAND.

Overt Acts

6. In furtherance of the conspiracy and to effect its unlawful objects, the following overt acts were committed in the District of New Jersey and elsewhere:

A. At Frank Cotroneo's direction, defendant GARTLAND issued checks from EAS to pay landscape design, construction and remodeling fees for work performed by a landscape architecture and construction firm (the "landscape firm") located in Hunterdon County, at Frank Cotroneo's personal residence in New Jersey. From in or about July 2005 to in or about November 2007, at Frank Cotroneo's direction, defendant GARTLAND issued checks from EAS, with a total amount of approximately $571,000, payable to the landscape firm to pay for work and services performed for Frank Cotroneo's personal benefit, on or about the following dates, as follows,

Overt Act	Date	Amount
A-1	7/25/05	$48,000
A-2	11/30/05	$20,000
A-3	12/16/05	$50,000

Overt Act	Date	Amount
A-4	3/23/06	$20,000
A-5	4/25/06	$22,000
A-6	5/17/06	$168,000
A-7	6/16/06	$5,000
A-8	8/4/06	$40,000
A-9	11/14/06	$20,000
A-10	12/18/06	$19,000
A-11	1/31/07	$14,000
A-12	2/22/07	$15,000
A-13	3/20/07	$50,000
A-14	5/8/07	$18,000
A-15	6/5/07	$20,000
A-16	6/27/07	$20,000
A-17	9/28/07	$7,000
A-18	11/23/07	$15,000

B. On or about July 21, 2006, Frank Cotroneo signed, filed, and caused to be filed with the IRS a 2005 United States Individual Income Tax Return. That return disclosed none of the EAS payments for Frank Cotroneo's personal expenses that Frank Cotroneo received directly and indirectly from defendant GARTLAND.

C. At Frank Cotroneo's direction, defendant GARTLAND issued checks from EAS to pay Frank Cotroneo's

membership fees and expenses at a golf club in Colts Neck, New Jersey (the "golf club"). At Frank Cotroneo's direction, defendant GARTLAND issued checks from EAS dated February 6, 2006 and February 20, 2007 in the amounts of $20,000 (Overt Act C-1) and $21,400 (Overt Act C-2), respectively, to pay Frank Cotroneo's yearly membership dues at the golf club.

D. On or about October 22, 2007, Frank Cotroneo signed, filed, and caused to be filed with the IRS a 2006 United States Individual Income Tax Return. That return disclosed none of the EAS payments for Frank Cotroneo's personal expenses that Frank Cotroneo received directly and indirectly from defendant GARTLAND.

E. From at least in or about 2005 through in or about 2007, at Frank Cotroneo's direction, defendant GARTLAND issued checks from EAS to pay over two hundred thousand dollars towards defendant FRANK COTRONEO's personal American Express bills on or about the following dates:

Overt Act	Date	Amount
E-1	11/16/05	$6,730.97
E-2	11/16/05	$4,020.95
E-3	12/9/05	$792.23
E-4	1/27/06	$7,312.13

Overt Act	Date	Amount
E-5	1/27/06	$8,123.41
E-6	2/8/06	$6,487.02
E-7	2/27/06	$9,368.47
E-8	4/19/06	$3,693.00
E-9	4/24/06	$9,098.71
E-10	6/14/06	$22,663.65
E-11	7/12/06	$6,115.90
E-12	8/31/06	$7,000.32
E-13	8/31/06	$7,337.00
E-14	10/10/06	$12,806.59
E-15	10/10/06	$15,068.92
E-16	11/6/06	$11,944.73
E-17	12/15/06	$9,950.78
E-18	1/12/07	$5,986.13
E-19	1/12/07	$14,211.25
E-20	2/12/07	$14,496.69
E-21	2/12/07	$6,549.05
E-22	4/19/07	$14,892.00
E-23	5/29/07	$28,703.68
E-24	7/16/07	$28,479.36
E-25	8/20/07	$16,956.86
E-26	10/10/07	$13,565.61

F. On or about October 15, 2008, Frank Cotroneo signed, filed, and caused to be filed with the IRS a 2007 United

States Individual Income Tax Return. That return disclosed none of the EAS payments for Frank Cotroneo's personal expenses that Frank Cotroneo received directly and indirectly from defendant GARTLAND.

In violation of Title 18, United States Code, Section 371.

COUNTS 21 to 23

(RITACCO's False Tax Returns - 2004, 2005, and 2006)

1. Paragraphs 1 to 2 and 6 of Counts 1 to 10 of this Superseding Indictment are hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to Counts 21 to 23 of this Superseding Indictment, defendant MICHAEL J. RITACCO:

A. Intentionally failed to report the stream of cash and money payments, and other benefits, which defendant RITACCO directly and indirectly received from defendant GARTLAND, the Service Provider, Frank D'Alonzo, the Intermediary and others on defendant RITACCO's U.S. Individual Income Tax Returns, IRS Forms 1040 for tax years 2004, 2005, and 2006;

B. Improperly deducted as business expenses on MJ Rit's U.S. Income Tax Returns for an S Corporation, IRS Forms 1120S, for tax years 2004, 2005, and 2006, expenses incurred by MJ Rit in connection with goods purchased for and work done at: (i) defendant RITACCO's personal residence in Seaside Park (approximately $147,928 (2004); $93,640 (2005); and $10,000 (2006)); (ii) defendant RITACCO's relative's residence in Toms River (approximately $152,280 (2004)); (iii) another defendant RITACCO's relative's residence in Toms River (approximately $8,342 (2004) and $205 (2005)); and (iv) the District Employee's residence in Toms River (approximately $728 (2005) and $18,225 (2006)). By improperly deducting business expenses for MJ Rit, defendant RITACCO intentionally under-reported MJ Rit income that should have been reported on his U.S. Individual Income Tax Returns, Forms 1040;

C. Intentionally failed to report approximately $31,000 in cash and other payments on his U.S. Individual Income Tax Return, Form 1040 for tax year

2004, which defendant RITACCO received in connection with MJ Rit's construction of two residences at Amy Court in Toms River;

D. Intentionally failed to report as income on his U.S. Individual Income Tax Return, Form 1040 for tax year 2005, any proceeds from defendant RITACCO's sale of his personal residence at 1668 Amy Court, Toms River in or about July, 2005 for approximately $820,000 - of which (i) approximately $726,000 was used to pay off a loan used to purchase a condominium owned by defendant RITACCO's wife in Naples, Florida, and (ii) approximately $82,326 was deposited in defendant RITACCO's personal bank account; and

E. Improperly deducted as a business expense on MJ Rit's U.S. Income Tax Return for an S Corporation, Form 1120S for tax year 2005, an MJ Rit check in the amount of approximately $157,661, which defendant RITACCO issued to pay a personal loan that funded the purchase of a condominium owned by defendant RITACCO's wife in Naples, Florida - by improperly deducting this expense, defendant RITACCO intentionally under-reported MJ Rit income that should have been reported on his U.S. Individual Income Tax Return, Form 1040.

3. Defendant RITACCO signed and caused to be filed with the IRS, U.S. Individual Income Tax Returns, Forms 1040 for the tax years 2004, 2005, and 2006, that were intentionally false as stated in above paragraph 2. These Form 1040 tax returns contained written declarations that the returns were signed under penalties of perjury.

4. On or about the filing dates set forth below, in Ocean County, in the District of New Jersey, and elsewhere, defendant

knowingly and willfully did make and subscribe the following U.S. Individual Income Tax Returns, Forms 1040, which he did not believe to be true and correct as to every material matter as set forth in paragraph 2:

Count	Filing Date	Tax Year	Additional Unreported Taxable Income
21	April 15, 2005	2004	approximately $351,852
22	April 17, 2006	2005	approximately $1,110,988
23	April 16, 2007	2006	approximately $126,631

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

COUNTS 24 to 27

(GARTLAND's False Tax Returns - 2004, 2005, 2006, and 2007)

1. Paragraphs 1 to 2 and 6 of Counts 1 to 10 of this Superseding Indictment are hereby incorporated and realleged as if fully set forth herein.

2. From in or about 2004 to in or about 2007, defendant GARTLAND, through Gartland & Co., received in excess of $4.6 million from the District (this figure does not include District money paid to defendant GARTLAND's other entities, Federal Hill, Alliance, and DCM during such period) pursuant to Commercial Insurance brokerage services that defendant GARTLAND purportedly provided to the District and obtained through his corrupt arrangement with Michael J. Ritacco and others.

3. At all times relevant to Counts 24 to 27 this Superseding Indictment, defendant GARTLAND:

> A. Diverted money from Gartland & Co. to IDCS that (i) was a sham company with no legitimate business purpose, and (ii) was controlled by defendant GARTLAND. Although IDCS had no legitimate business purpose, defendant GARTLAND directed that payments from Gartland & Co. to IDCS be deducted as business expenses for federal income tax purposes. After defendant GARTLAND diverted these monies to IDCS, defendant GARTLAND then paid himself via check from an IDCS bank account (approximately $226,200 in 2004; $192,000 in 2005; and $103,000 in 2006), and intentionally failed to disclose these monies to the IRS on defendant GARTLAND's U.S.

Individual Income Tax Returns, Forms 1040, for tax years 2004, 2005, and 2006;

B. Diverted money from Gartland & Co. to EAS, another sham company with no legitimate business purpose, and that was controlled by defendant GARTLAND. Although EAS had no legitimate business purpose, defendant GARTLAND directed that payments from Gartland & Co. to EAS be deducted as business expenses for federal income tax purposes. After defendant GARTLAND diverted these monies to EAS, defendant GARTLAND then paid himself via check or cash withdrawal from an EAS bank account (approximately $21,000 in 2005; $70,000 in 2006; and $299,000 in 2007), and intentionally failed to disclose these monies on defendant GARTLAND's U.S. Individual Income Tax Returns, Forms 1040 for tax years 2005, 2006, and 2007;

C From in or about 2004 to in or about 2007, defendant GARTLAND, improperly reported as business expenses for Gartland & Co., which was an S Corporation, hundreds of thousands of dollars of corrupt payments made from Gartland & Co. to Frank D'Alonzo, the Intermediary, and others, for the purpose of bribing defendant RITACCO. By improperly deducting business expenses for Gartland & Co., defendant GARTLAND intentionally under-reported Gartland & Co. income that should have been reported on the U.S. Individual Income Tax Returns, Forms 1040, filed for himself and his wife;

D. Issued Gartland & Co. and EAS checks to pay for defendant GARTLAND's personal expenses, including, among other things, defendant GARTLAND's personal electric bills, defendant GARTLAND's personal credit card bills, condominium fees for defendant GARTLAND's vacation home in Ocean City, Maryland (the "Ocean City Condo"), and interior home furnishing expenses incurred by defendant GARTLAND. Defendant GARTLAND intentionally failed to disclose these payments on defendant GARTLAND's U.S. Individual Income Tax Returns, Forms 1040 for tax years 2005, 2006, and 2007;

E. In or about September 2005, issued a Gartland & Co. check for $100,000 toward the purchase of the Ocean City Condo, and directed that such payment be treated as a business expense. Defendant GARTLAND intentionally failed to disclose this payment on defendant GARTLAND's U.S. Individual Income Tax Return, Form 1040 for tax year 2005; and

F. In or about October 2007, directed that approximately $258,000 in proceeds from defendant GARTLAND's sale of property located in Baltimore, Maryland, be paid to Federal Hill and EAS for costs associated with improvement to the property, when in fact, Federal Hill and EAS did not provide such improvements to property. Defendant GARTLAND intentionally failed to disclose these proceeds on defendant GARTLAND's U.S. Individual Income Tax Return, Form 1040 for tax year 2007.

4. Defendant GARTLAND signed and caused to be filed with the IRS, U.S. Individual Income Tax Returns, Forms 1040 for himself and his wife for the tax years 2004, 2005, 2006, and 2007 that were intentionally false as stated above in paragraph 3. These Form 1040 tax returns were signed under penalties of perjury.

5. On or about the dates set forth below, in Baltimore County, in the District of Maryland, in the District of New Jersey, and elsewhere, defendant

FRANCIS X. GARTLAND

knowingly and willfully did make and subscribe the following U.S. Individual Income Tax Returns, Forms 1040, which he did not

believe to be true and correct as to every material matter as set forth in paragraph 3:

Count	Filing Date	Tax Year	Additional Unreported Taxable Income
24	October 18, 2005	2004	approximately $823,795
25	October 17, 2006	2005	approximately $1,159,804
26	September 24, 2007	2006	approximately $527,410
27	October 14, 2008	2007	approximately $608,073

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

Forfeiture Allegation

As a result of committing the aforementioned offenses in violation of Title 18, United States Code, Sections 666, 1341, 1343 and 1952 as alleged in Counts 1 to 18 of this Superseding Indictment, defendants MICHAEL J. RITACCO and FRANCIS X. GARTLAND 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 the offenses, including but not limited to:

1. MONEY JUDGMENT

A sum of money no less than approximately $1,000,000 representing the amount of proceeds traceable to the commission of the offenses of bribery of a local government official, mail and wire fraud, and travel and the use of the mails and interstate facilities to further a bribery scheme in violation of state law;

2. AUTOMOBILE

One 2010 Mercedes Benz E550, VIN: WDDHF7CB1AA026180; and

3. CURRENCY

$8,950 in United States currency seized from 16 11th Ave., Seaside Park, N.J., on or about April 22, 2010.

If any of the above-described forfeitable property, as a result of any act or omission of defendants RITACCO and GARTLAND:

(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 defendants RITACCO and GARTLAND 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.

A TRUE BILL

_____

PAUL J. FISHMAN
UNITED STATES ATTORNEY

CASE NUMBER: _____

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

MICHAEL J. RITACCO and
FRANCIS X. GARTLAND

SUPERSEDING INDICTMENT FOR
18 U.S.C. §§ 371, 666, 981(a)(1)(C), 1341, 1343, 1346, 1952 and § 2; 26 U.S.C. § 7206(1)
28 U.S.C. § 2461

A True Bill.

PAUL J. FISHMAN
UNITED STATES ATTORNEY
NEWARK, NEW JERSEY

DUSTIN CHAO
ASSISTANT U.S. ATTORNEY
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(Ed. 1/97)