

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Crim. No.
JAMES T. McCORMICK : 18 U.S.C. §§ 666(a)(1)(B),
1951(a), 1952(a), and
1956(a)(1)(B)(i) and § 2

INDICTMENT

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

COUNT 1

Conspiracy to Extort Under Color of Official Right

1. Beginning in or about August 2006, defendant JAMES T. McCORMICK was appointed as a member of the Pleasantville Board of Education ("PBOE") in Pleasantville, New Jersey. In his capacity as an appointed school board member, defendant JAMES T. McCORMICK's duties included, but were not limited to, participating in the allocation of school district resources, and establishing district policy and approving certain district expenditures and contracts, to include contracts for insurance brokerage services.

2. At all times relevant to Count 1:

A. There were two cooperating witnesses (hereinafter "CW-1" and "CW-2" or collectively the "CWs") who purported to be representatives of a company capable of providing insurance brokerage services to local governmental entities (the "Insurance

Brokerage Company") and who were cooperating with federal law enforcement authorities. As represented by these individuals, the Insurance Brokerage Company was based in New Jersey, did business in various states, and paid for goods and services in interstate commerce.

B. There were certain public officials who supported defendant JAMES T. McCORMICK's appointment to the PBOE and who served as members of the PBOE with defendant JAMES T. McCORMICK ("PBOE Official 1" and "PBOE Official 2").

C. There was a certain individual who was a friend of defendant JAMES T. McCORMICK ("the Individual").

3. From between in or about May 2006 to in or about November 2006, in Atlantic County, in the District of New Jersey and elsewhere, defendant

JAMES T. McCORMICK

did knowingly and willfully conspire and agree with PBOE Official 1, PBOE Official 2 and others to obstruct, delay and affect interstate commerce by extortion under color of official right—that is, by corruptly agreeing to obtain and obtaining money with consent from the CWs and the Insurance Brokerage Company.

4. It was the object of the conspiracy that defendant JAMES T. McCORMICK, PBOE Official 1, PBOE Official 2 and others accepted and agreed to accept corrupt cash payments from the CWs and the Insurance Brokerage Company in exchange for their

official assistance and influence in obtaining insurance brokerage contracts from the PBOE in favor of the Insurance Brokerage Company.

5. It was a part of the conspiracy that, on various occasions from in or about May 2006 to in or about September 2006, defendant JAMES T. McCORMICK met with PBOE Official 1, PBOE Official 2, and others to discuss, among other matters, defendant McCORMICK's anticipated appointment to an unexpired term on the PBOE. During these meetings, defendant McCORMICK, PBOE Official 1, PBOE Official 2 and others discussed what official actions defendant JAMES T. McCORMICK was expected to take upon defendant McCORMICK's formal appointment to the PBOE. Defendant McCORMICK, PBOE Official 1, PBOE Official 2 and others agreed that the Insurance Brokerage Company would become the PBOE's insurance broker of record and obtain PBOE insurance brokerage business. During this same time period, defendant McCORMICK, PBOE Official 1, PBOE Official 2 and others agreed to accept payments from the CWS in exchange for their official action in favor of the Insurance Brokerage Company.

6. It was a further part of the conspiracy that, during a PBOE Board meeting on or about September 12, 2006, defendant JAMES T. McCORMICK and others voted to pass a resolution authorizing the Insurance Brokerage Company to provide broker of record services to the PBOE and exercised other favorable

official action.

7. It was a further part of the conspiracy that, in or about September 2006, shortly after the PBOE Board meeting referenced in paragraph 6, defendant JAMES T. McCORMICK indicated to PBOE Official 1 that \$3,500 was sufficient payment for defendant McCORMICK's official support of the Insurance Brokerage Company. Defendant McCORMICK further advised PBOE Official 1 that he wanted to be paid via wire transfer. To that end, defendant McCORMICK provided a bank account number from a bank in Georgia in the name of the Individual, as well as a corresponding routing number where the \$3,500 corrupt payment could be sent.

8. It was a further part of the conspiracy that, on or about September 27, 2006, PBOE Official 1 provided the Individual's bank account number and routing number to CW-2 with instructions to wire transfer the \$3,500 to the Individual's bank account in Georgia. The \$3,500 payment was thereafter wire transferred from CW-2 from a bank in New Jersey to the Individual's bank account in Georgia, in accordance with defendant JAMES T. McCORMICK's instructions.

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

COUNT 2

Attempt to Extort Under Color of Official Right

1. Paragraphs 1 to 2 and 5 to 8 of Count 1 are hereby incorporated and realleged as if fully set forth herein.

2. In or about September 2006, in Atlantic County, in the District of New Jersey, and elsewhere, defendant

JAMES T. McCORMICK

knowingly and willfully did attempt to obstruct, delay and affect interstate commerce by extortion under color of official right -- that is, by corruptly agreeing to obtain and obtaining money from another, with that person's consent, in exchange for defendant JAMES T. McCORMICK's official action and influence in an attempt to obtain PBOE insurance brokerage business for the Insurance Brokerage Company.

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

COUNT 3

Defendant McCormick's Acceptance and Agreement to Accept \$3,500
to Influence and Reward

1. Paragraphs 1 to 2 and 5 to 8 of Count 1 are hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to this Count, the PBOE received in excess of \$10,000 in federal assistance in a one-year period.

3. In or about September 2006, in Atlantic County, in the District of New Jersey, and elsewhere, defendant

JAMES T. McCORMICK

did knowingly, willfully and corruptly solicit and demand for the benefit of himself, and accept and agree to accept approximately \$3,500 from another, intending to be influenced and rewarded in connection with a business, transaction and series of transactions of the PBOE involving a thing of value of \$5,000 or more.

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

COUNT 4

Use of Interstate Facilities to Distribute Proceeds of Bribery
and Promote and Facilitate Bribery

1. Paragraphs 1 to 2 and 5 to 8 of Count 1 are hereby incorporated and realleged as if fully set forth herein.

2. From in or about May 2006 to in or about February 2007, in Atlantic County, in the District of New Jersey and elsewhere, defendant

JAMES T. McCORMICK

knowingly and willfully did use and cause the use of the mail and facilities in interstate commerce with the intent to (a) distribute the proceeds of an unlawful activity; and (b) promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of an unlawful activity - namely, bribery, contrary to N.J. Stat. Ann. § 2C:27-2, and thereafter performed and attempted to perform an overt act.

3. In or about September 2006, defendant JAMES T. McCORMICK spoke to the Individual in Georgia over the telephone. Defendant McCORMICK advised the Individual that he needed to wire transfer the \$3,500 (the corrupt payment that he had agreed to obtain) to the Individual, and asked for the Individual's bank account number and routing number. Thereafter, on or about September 27, 2006, defendant McCORMICK caused this \$3,500 payment to be wire transferred from a bank account in New Jersey to the Individual's bank account in Georgia.

4. In or about October 2006, defendant JAMES T. McCORMICK spoke to the Individual in Georgia over the telephone. During this conversation, defendant McCORMICK confirmed that the Individual had received the \$3,500 wire transfer, and characterized the payment as a donation. The Individual inquired why defendant McCORMICK had to send it to the Individual's bank account, rather than defendant McCORMICK accepting the \$3,500 directly. Defendant McCORMICK advised, in substance and in part, that he did not want anyone to know that he had received this money, and further explained that the money was for a "project" that was occurring where defendant McCORMICK's vote was needed.

5. In or about February 2007, defendant JAMES T. McCORMICK spoke to the Individual in Georgia over the telephone, and told the Individual to send the \$3,500 (the proceeds of the corrupt payment) back to him in the form of a money order. On or about February 27, 2007, in accordance with defendant McCORMICK's instructions, the Individual sent from Georgia to defendant McCORMICK in New Jersey a bank money order in the amount of \$3,500 via U.S. mail. Defendant JAMES T. McCORMICK thereafter received the \$3,500 money order - the proceeds of the corrupt payment.

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

COUNTS 5 AND 6

Laundering of Monetary Instruments

1. Paragraphs 1 to 2 and 5 to 8 of Count 1, and paragraphs 3 to 5 of Count 4, are hereby incorporated and realleged as if fully set forth herein.

2. On or about the dates listed below, in Atlantic County, in the District of New Jersey, and elsewhere, defendant

JAMES T. McCORMICK

knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, did conduct, cause to be conducted, and attempt to conduct the following financial transactions involving financial institutions and affecting interstate commerce which, in fact, involved the proceeds of specified unlawful activity, namely the proceeds of an extortion and bribery scheme, contrary to Title 18, United States Code, Section 1951(a) and N.J. Stat. Ann. Section 2C:27-2:

COUNT 5 On or about September 28, 2006, causing an interstate wire transfer of approximately \$3,500 to be sent from a bank account in New Jersey to the Individual's bank account in Georgia;

COUNT 6 On or about February 27, 2007, causing a bank money order in the amount of approximately \$3,500 to be transferred and delivered to defendant JAMES T. McCORMICK in New Jersey via U.S. mail from the Individual in Georgia.

In violation of Title 18, United States Code, Section
1956(a)(1)(B)(i) and Section 2.

FOREPERSON

CHRISTOPHER J. CHRISTIE
UNITED STATES ATTORNEY