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United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102

Christopher J. Christie, U.S. Attorney

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Contact:
Michael Drewniak, PIO
973-645-2888

lync0915.rel
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Former N.J. State Senator John A. Lynch Sentenced to 39 Months in Prison for Corruption

(More)

NEWARK – Former New Jersey State Senator John A. Lynch was sentenced today to 39 months in federal prison for taking concealed corrupt payments in return for his official action and influence as a senator, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Stanley R. Chesler ordered Lynch to surrender to the federal Bureau of Prisons by Jan. 15 to begin serving his sentence. Judge Chesler also fined Lynch $50,000.

There is no parole in the federal system. Federal inmates are allowed up to 15 percent off of their custodial sentences for good conduct.

"One of New Jersey's most powerful political figures learned today that no one is above the law," Christie said. "There has got to be a point when public officials in New Jersey finally understand the consequences of corruption and betraying the public trust. For those that don't learn from the example of John Lynch and others before him, they should know that we and the FBI are vigilant and relentless in our pursuit of public corruption."

Lynch, 67, of New Brunswick, pleaded guilty Sept. 15 to one count of mail fraud (defrauding the public of his honest services), and to one count of tax evasion for tax year 1999. John E. "Jack" Westlake, 76, of Red Bank, a close business associate involved in the two consulting companies with Lynch, pleaded guilty as well, to one count of tax evasion. Westlake's sentencing is scheduled for Jan. 23 at 11 a.m. before Chesler.

Under the advisory U.S. Sentencing Guidelines, Lynch faced a probable sentencing range of between 33 and 41 months in federal prison, though Judge Chesler was not bound by the guideline range.

Lynch and Westlake used two companies, both with offices in Red Bank, to perpetrate the fraud and hide the corrupt payments passing through to Lynch. One was Executive Continental, which was incorporated in New Jersey in May 1993; the other was Alma Limited, Inc., incorporated in New Jersey in September 1993.

Both companies purported to provide consulting services to various developers, other individuals and entities involved in proposed or ongoing development projects in New Jersey. Lynch and Westlake were both 50 percent partners in Executive Continental, while Westlake was the sole shareholder of Alma.

According to the criminal Information to which Lynch pleaded guilty, a South Brunswick company in the business of mining sand for use in construction products (the "Sand Company") hired Alma. In 1995, the Sand Company sought rights to mine state-owned property next to its own property in South Brunswick. The land, after being mined, was to be turned into a park and revert to the state. To do all this, the Sand Company needed

approvals from the state Department of Environmental Protection (DEP), and turned to Alma for assistance.

Lynch, a state Senator from 1982 to 2002, then wrote letters on official Senate letterhead vouching for the Sand Company. On March 2, 1998, for example, Lynch wrote to the commissioner of the DEP supporting the Sand Company and speaking favorably about the company's park plan. The company's proposal, he said in the letter, had "great appeal to the general public."

Lynch wrote a second letter on Dec. 3, 1998, this time to the deputy commissioner of the DEP. In it, he wrote that "as a legislator from Central New Jersey," he was "very pleased to support the conceptual plan for (the recreational park) advanced by" the Sand Company.

Lynch admitted at his plea hearing that between 1998 and 2002, Alma regularly demanded and received payments from the Sand Company which totaled between approximately $120,000 and $200,000. He admitted that a portion of that money passed to him through Alma – Westlake's company – to Executive Continental, owned by both men, and then on to Lynch.

For example, Lynch admitted that he received a $7,500 check dated June 23, 1998, from Executive Continental; a $4,500 check dated June 26, 1998, from Executive Continental; a $10,000 check dated Dec. 31, 1998, from Executive Continental, and a second check dated Dec. 31, 1998, payable to American Express for credit card charges he incurred.

Lynch admitted that he accepted those corrupt payments knowingly and intentionally.

As described in the Information to which Lynch pleaded guilty, demands for payment and invoices from Alma to the Sand Company – many of them sent through the U.S. mail – covered services provided by Lynch but intentionally concealed Lynch's direct involvement.

One such letter discussed a March 6, 1998 meeting attended by Lynch and the president of the Sand Company, among others where money owed to Alma by the Sand Company was discussed. The letter obscured Lynch's identity by referring to him only as "our friend."

Christie credited Special Agents of the FBI in Philadelphia, under the direction of Special Agent in Charge J.P. Weiss, as well as Special Agents of the FBI in Newark, under the direction of Special Agent in Charge Leslie G. Wiser; and Special Agents of the Internal Revenue Service Criminal Investigations Division, under the direction of Patricia J. Haynes, of the Newark Field Office.

The cases are being prosecuted by Assistant U.S. Attorney Jeffrey S. Chiesa, of the U.S. Attorney's Office Special Prosecutions Division.

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Defense Counsel: John Arseneault, Esq., in Chatham, for Lynch; John C. Whipple, Esq., in Morristown, for Westlake.