

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

| | | |
|---------------------------------|----------|---|
| UNITED STATES OF AMERICA | : | CRIMINAL NO. 14- |
| v. | : | DATE FILED: |
| JOSEPH C. WATERS, JR. | : | VIOLATIONS: |
| | : | 18 U.S.C. § 1341 (mail fraud - 1 count) |
| | : | 18 U.S.C. §§ 1343, 1346 (honest services wire fraud – 1 count) |
| | | 18 U.S.C. § 2 (aiding and abetting) |

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times relevant to this information:

Relevant Persons and Entities

1. The Philadelphia Municipal Court (Municipal Court) is one of the two courts that comprise the First Judicial District of Pennsylvania, the judicial body that administers the court system in Philadelphia, Pennsylvania. The Municipal Court has two divisions, the Criminal Division and the Civil Division. Under Pennsylvania law, the jurisdiction of the Municipal Court is limited. The Criminal Division conducts preliminary hearings for most adult felony offenses charged in Philadelphia and conducts trials of criminal offenses carrying maximum sentences of incarceration of five years or less. The Civil Division adjudicates civil disputes where the amount in controversy is \$12,000 or less for small claims cases, all landlord and tenant cases, and \$15,000 in real estate and school tax cases. There are judges who handle both criminal and civil cases before the Municipal Court.

2. Pennsylvania's Code of Judicial Conduct set forth standards of conduct for judges in Pennsylvania. Philadelphia Municipal Court judges were required to follow the Code of Judicial Conduct, including Rule 2.9, which provided: "A judge shall not initiate, permit, or consider ex parte communications, or consider other communications made to the judge outside the presence of the parties or their lawyers, concerning a pending or impending matter[.]"

3. Defendant JOSEPH C. WATERS, JR. was a Municipal Court judge who was appointed in July 2009 to fill a vacancy on the court. To retain his position on the Municipal Court, defendant WATERS ran successfully in the November 2009 election for a seat on the court. In 2011, WATERS announced his candidacy for a position as a judge on the Philadelphia Court of Common Pleas and began to raise campaign funds. WATERS subsequently abandoned this effort and continued to serve as a Municipal Court judge.

4. Person #1, known to the United States Attorney, was a politically active businessman who owned various businesses in Philadelphia, including Company A, a real estate management company. Person #1 supported defendant JOSEPH C. WATERS, JR. in several efforts to obtain judicial positions within the First Judicial District. Person #1 used his political and business connections to support defendant WATERS' efforts to secure a July 2009 appointment to the Municipal Court. Person #1 later supported defendant WATERS' election to the Municipal Court by contributing money and actively recruiting other persons to give money or in-kind campaign contributions to defendant WATERS' campaign. When defendant WATERS announced a possible run for a 2011 position on the Court of Common Pleas, Person #1 again supported defendant WATERS' election effort by raising campaign contributions,

hosting a campaign fund raising event, and encouraging others to host campaign events for defendant WATERS.

5. Judge # 1, known to the United States Attorney, was a Municipal Court judge.

6. Judge # 2, known to the United States Attorney, was a Municipal Court judge.

7. Company B was a Pennsylvania corporation that provided security services, including burglar and fire alarm system set up and monitoring, throughout the Delaware Valley. Company B provided burglar and fire alarm system monitoring to Company A pursuant to a signed contract between the companies.

Company B v. Company A Small Claims Litigation

8. On or about August 9, 2011, Company B filed a small claims lawsuit against Company A in Municipal Court. Company B alleged in the lawsuit that Company A failed to pay for security services it had received from Company B under the terms of their contract. Company B sought \$2,738.44 in damages, costs, and fees from Company A.

9. The Municipal Court scheduled a hearing in the small claims case for September 30, 2011. Judge #1 was the Municipal Court judge scheduled to hear the trial.

10. On or about September 30, 2011, Person #1 contacted defendant JOSEPH C. WATERS, JR. and, in an ex parte conversation about the small claims case filed by Company B against his company, Company A, Person #1 requested defendant WATERS' assistance in obtaining a favorable ruling.

11. On or about September 30, 2011, defendant JOSEPH C. WATERS, JR. contacted Judge #1 by telephone and requested favorable treatment for Person #1 and Company A, as follows:

WATERS: I got something in front of you at 1 o'clock today.
Judge #1: Okay, tell me, what is it?
WATERS: The, the name's [Company A], okay.
Judge #1: Okay.
WATERS: Ah, it's ...has something to do with an alarm company. [Person #1] ... will be there.
Judge #1: Okay, and, uh, okay.
WATERS: You know [Person #1]
Judge #1: And who do you need?
WATERS: Uh, we, we, we got the, the, the defendant ... we got the defendant, [Company A], the name is.
Judge #1: Oh, okay. Okay.
WATERS: Alright.

12. On or about September 30, 2011, in the scheduled hearing in the Municipal Court before Judge #1, the attorney representing Company A requested a continuance of the trial, claiming that he was not prepared for the hearing. Company B opposed the request for a continuance and argued that the trial should proceed as scheduled. Judge #1 granted Company A's request for a continuance of the hearing. The Municipal Court rescheduled the trial for November 16, 2011.

13. On or about November 16, 2011, Person #1 reminded defendant JOSEPH C. WATERS, JR. that the small claims trial against his company, Company A, was scheduled for that afternoon.

14. On or about November 16, 2011, defendant JOSEPH C. WATERS, JR., contacted Judge #2 by telephone and requested favorable treatment for Person #1 and Company A, advising Judge #2:

WATERS: Uh, you got a case this afternoon, [Company B] v. [Company A].
All right uh--
Judge #2: Yeah? You got me.
WATERS: Huh?
Judge #2: You got me? Do I?
WATERS: Yeah, [Company A] is [Person #1]. He's a friend of mine, so if you
can take a hard look at it.
Judge #2: Who's your guy? The defendant?
WATERS: Yeah, the defendant.
Judge #2: Okay.
WATERS: All right?
Judge #2: No problem.

15. On or about November 16, 2011, the trial of Company B v. Company A commenced in the Municipal Court before Judge #2. Person #1, the owner of Company A, appeared and testified in Company A's defense. At the conclusion of the evidence, as requested by defendant JOSEPH WATERS, Judge #2 ruled in favor of Company A and dismissed Company B's claim for \$2,738.44 in damages. Based on this ruling, Company B could not collect from Company A its fees for services rendered to Company A.

16. A short time later, an attorney for Company B notified Person #1 and Company A that Company B intended to appeal to the Court of Common Pleas Judge #2's decision in favor of Company A.

17. In early December 2011, defendant JOSEPH C. WATERS, JR. suggested that Person #1 reach a settlement agreement with Company B rather than risk an appeal to a higher court where Company B would get a new trial and could prevail.

18. To avoid an appeal by Company B, Person #1 agreed to settle the lawsuit by paying Company B \$600 instead of the \$2,738.44 that Company B originally sought in its lawsuit.

THE SCHEME

19. From on or about September 30, 2011 through on or about January 16, 2012, in the Eastern District of Pennsylvania, defendant

JOSEPH C. WATERS, JR.

and Person #1 devised and intended to devise a scheme and artifice to defraud Company B and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

It was part of the scheme to defraud that:

20. Defendant JOSEPH C. WATERS, JR. and Person #1 deprived and attempted to deprive Company B of money and property by giving Person #1 and Company A a secret advantage in the litigation through a series of secret ex parte communications between defendant WATERS and the other Municipal Court judges scheduled to hear the small claims case against Company A. In providing this secret advantage to Person #1 and Company A, defendant WATERS deprived and attempted to deprive Company B of funds to which it was entitled for services provided to Company A.

21. At the request of Person #1 to influence the outcome of the case in favor of Company A, defendant JOSEPH C. WATERS, JR. agreed to contact Judge #1 and Judge #2.

22. In contacting Judge #1 and Judge #2, defendant JOSEPH C. WATERS, JR. used and intended to use his position as a Municipal Court Judge to cause Judge #1 and Judge #2 to issue rulings that were favorable to Person #1 and Company A.

23. Defendant JOSEPH C. WATERS told Judge #1 and Judge #2 that Person #1 was his friend and that he wanted favorable treatment for Company A.

24. As a result of defendant JOSEPH C. WATERS, JR.'s secret ex parte communications with Judge #1 and Judge #2, Person #1 and Company A received a financial benefit in the litigation, that is, a ruling that Person #1 and Company A were not liable to pay Company B for security services provided to Company A.

25. Defendant JOSEPH C. WATERS, JR. and Person #1 further deprived and attempted to deprive Company B of money and property by failing to disclose the ex parte conversations with Judge #1 and Judge #2 to Company B, as Company B proceeded with the litigation, unaware that WATERS had used his official position to the advantage of Company A.

26. To further the scheme and conceal it from other judicial authorities, defendant JOSEPH C. WATERS, JR. helped broker a settlement agreement between Company A and Company B, thereby causing Company B to cease its appeal of Judge #2's decision in favor of Company A.

27. In brokering this settlement to prevent an appeal of Judge #2's decision, defendant JOSEPH C. WATERS, JR. and Person #1 caused a check of \$400 (representing the \$600 settlement minus attorneys' fees) to be mailed to Company B, an amount far less than the amount of money to which Company B was entitled.

28. On or about January 16, 2012, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

JOSEPH C. WATERS, JR.,

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by U.S. mail to the address of Company B, according to the directions thereon, a check for \$400, (representing the amount of the settlement minus attorneys' fees) between Company A and Company B.

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

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. The allegations set forth in paragraphs 1 through 5 of Count One of this information are realleged here.

2. At all times relevant to this information, the City of Philadelphia, its citizens, the Philadelphia Municipal Court, the First Judicial District of Pennsylvania, and the litigants of the Municipal Court had an intangible right to the honest services of defendant JOSEPH C. WATERS, JR.

3. On or about December 30, 2009, Person #1, sent a text message to CW #1, a witness cooperating with the government, and others, urging the recipients of the text message to contribute money to defendant JOSEPH C. WATERS, JR. The message said: "Judge [W]aters has asked us to help bur[r]y his campaign debt. We have only two days to help he will sit on the bench for the next five years. If u wish to help pl." Person #1 arranged a meeting between defendant WATERS and CW #1.

4. On or about January 5, 2010, in response to the request for funds to help pay defendant JOSEPH C. WATERS, JR.'s campaign debt, CW #1 met defendant WATERS and gave him \$1,000 in cash to help pay his campaign debt. After accepting the \$1,000 in cash, defendant WATERS told CW #1 "'Municipal Court handles all the, uh, code enforcement complaints . . . you run into a problem with any of your people, you get a hold of me. . . . anything you need, anything I can do to help you or anybody that you, you're interested in, all you do is pick up the phone and call me . . . any time."

5. Defendant JOSEPH C. WATERS, JR. did not disclose on his campaign finance reporting form (a form each candidate for an elected judicial position in the Commonwealth of Pennsylvania is required by state law to complete), the receipt of the \$1,000 in cash from CW #1.

6. Between January 2010 and September 2012, CW #1 provided additional things of value, including gifts and cash contributions, to defendant JOSEPH C. WATERS, JR. Defendant WATERS did not disclose the additional cash contributions from CW #1 on his campaign finance reporting form. During this time, CW #1 introduced UC #1, an undercover agent, to defendant WATERS as a business associate of CW #1.

7. On or about May 7, 2012, CW #1 and UC #1 alerted defendant JOSEPH C. WATERS that UC #1's "cousin" had been arrested for felony possession of a firearm in Philadelphia. Defendant WATERS agreed to assist CW #1 and UC #1 as the criminal case made its way through the Municipal Court.

8. On or about July 23, 2012, defendant JOSEPH C. WATERS, JR., referring to the firearms case against UC #1's "cousin," notified Judge #1 by telephone that a "friend" of his was appearing before Judge #1 for a preliminary hearing on a felony firearms possession case. Defendant WATERS asked Judge #1 to "help him." Defendant Waters told Judge #1 the name of the "friend."

9. On or about July 24, 2012, at the conclusion of the preliminary hearing for UC #1's "cousin," Judge #1, without a proper legal basis, reduced the felony firearms charge to a misdemeanor and remanded the "cousin's" case for a trial on the remaining misdemeanor firearms charges.

THE SCHEME

10. From on or about January 5, 2010 through in or about September 2012, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOSEPH C. WATERS, JR.

and others known and unknown to the United States Attorney, devised and intended to devise a scheme and artifice to defraud and deprive through bribery the citizens of Philadelphia, the Philadelphia Municipal Court, the First Judicial District of Pennsylvania, and Municipal Court litigants of their intangible right to the honest services of defendant WATERS.

MANNER AND MEANS

It was part of the scheme to defraud that:

11. Defendant JOSEPH C. WATERS, JR. accepted gifts and other things of value, including cash, purportedly for campaign contributions, from CW #1.

12. Defendant JOSEPH C. WATERS, JR. used his official position as a Municipal Court judge to benefit CW #1, and CW #1's associates, when the need arose, to include asking Judge #1 for "help" on a firearms case against a "friend" who was scheduled to appear before Judge #1 at a preliminary hearing.

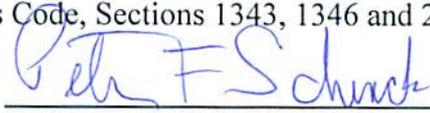
13. On or about July 23, 2012, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

JOSEPH C. WATERS, JR.,

for the purpose of executing the scheme and artifice to defraud, and attempting to do so, and aiding and abetting its execution, transmitted and caused to be transmitted by means of wire communication in interstate commerce, the following writings, signals and sounds: a phone call

from New York to Pennsylvania in which defendant WATERS asked Judge #1 for “help”, that is, favorable treatment for the defendant in a firearms case scheduled before Judge #1.

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



ZANE DAVID MEMEGER
United States Attorney