

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	
	:	Criminal No. 11-
v.	:	
	:	18 U.S.C. §§ 666(a)(1)(B), 981(a)(1)(C)
LYDELL B. SHERRER	:	and 1951(a); 28 U.S.C. § 2461

INDICTMENT

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

COUNT 1

Attempt to Extort Under Color of Official Right

1. Defendant LYDELL B. SHERRER (defendant "SHERRER") was employed by the New Jersey Department of Corrections ("NJDOC"). From in or about April 2010 to on or about October 12, 2010, defendant SHERRER was the Assistant Commissioner of the Division of Programs and Community Services at the NJDOC. From in or about July 2008 to in or about April 2010, defendant SHERRER was the Deputy Commissioner of the NJDOC.

2. At all times relevant to Count 1 of this Indictment:

a. The mission of the NJDOC, which maintained offices in Trenton, New Jersey, was to ensure that all persons committed to the state correctional institutions were confined with the level of custody necessary to protect the public and that they were provided with the care, discipline, training, and treatment needed to prepare them for reintegration into the community. The NJDOC consisted of various divisions, including the Division of Administration, the Division of Operations, and the Division of Programs and Community Services.

b. The Division of Administration's responsibilities included managing the NJDOC's budget and employing personnel, including personnel to supervise inmates remanded to NJDOC custody. The Division of Operations' responsibilities included the receipt, classification, and housing of inmates remanded to the custody of the NJDOC.

c. The Division of Programs and Community Services offered an array of institutional and community-based program opportunities for offenders, including community labor assistance, academic and vocational educational programs, recreational programs, library (lending and law) services, and substance abuse treatment. Additionally, the Division of Programs and Community Services contracted with private and nonprofit providers throughout the state to provide community-based residential treatment programs for offenders under community supervision.

d. The Deputy Commissioner of the NJDOC was responsible for providing all-encompassing administrative supervision in the management of the Division of Administration, Division of Operations, as well as the Division of Programs and Community Services. The Deputy Commissioner reported directly to the Commissioner of the NJDOC.

e. The Assistant Commissioner for the Division of Programs and Community Services was a member of the executive management team, who under the direction of the Deputy Commissioner, supervised the overall administration and management of the Division of Programs and Community Services.

f. Individual 1, who was a cooperating witness, was a former NJDOC employee, who was laid off in approximately June 2010, due to budgetary problems at the NJDOC.

Individual 1 was notified by NJDOC of the impending layoff in approximately April 2010.

g. There was an organization ("Organization 1"), which operated a residential re-entry or halfway house facility in Trenton, New Jersey and contracted with the NJDOC. The facility's goal was to provide an intensive treatment program that emphasized relapse prevention and preparation for transfer into a work-release program.

h. There was a non-profit organization ("Organization 2"), which contracted with federal and state law enforcement agencies to provide cost effective alternatives to incarceration and re-entry services for individuals transitioning from the criminal justice system to the community. Organization 2 offered residential programs in Newark and Bridgeton, New Jersey and also had offices in Philadelphia, Pennsylvania.

3. It was part of the extortionate activity that, from in or about April 2010 to on or about October 12, 2010, during conversations recorded by federal law enforcement authorities and otherwise, defendant SHERRER agreed to exercise and attempt to exercise official action and assistance in securing Individual 1's continued employment with the NJDOC in exchange for payments for the benefit of defendant SHERRER as follows:

a. Following Individual 1's layoff notice in April 2010, defendant SHERRER contacted Individual 1 and stated that defendant SHERRER could secure Individual 1's continued employment with the NJDOC in exchange for \$10,000.

b. On or about May 11, 2010, defendant SHERRER spoke over the telephone to Individual 1. During the ensuing conversation, defendant SHERRER explained that Individual 1 could initially pay defendant SHERRER half of the \$10,000 but that half of

the \$10,000 "gotta be green stuff."

c. On or about May 17, 2010, defendant SHERRER met with Individual 1 at a restaurant in Lawrenceville, New Jersey. During the ensuing meeting:

i. Defendant SHERRER explained that, in terms of the total payment, "[l]et's make sure we're on the same page. It's gonna' be a total of ten."

ii. Defendant SHERRER further explained that "[y]ou're gonna' be workin' for the, uh, state and/or, I'm gonna' give you a choice like I said and/or [Organization 1] or [Organization 2] and then and none of 'em sticks until you tell me that's what you want."

iii. Defendant SHERRER accepted \$5,000 in cash from Individual 1, an installment of the agreed upon \$10,000, in exchange for defendant SHERRER'S official action and assistance in obtaining Individual 1 employment with the NJDOC or a private entity that contracted with the NJDOC.

d. On or about June 4, 2010, defendant SHERRER spoke over the telephone to Individual 1. During the ensuing conversation:

i. Defendant SHERRER explained that "the bottom line is I got a whole bunch of stuff all lined up and I could start forwarding it to you but I wanted to wait until I know for a fact where we stand (referring to the state budget). And then all, I always told you, ah, right from the beginning that if this don't work out, ah, we always could do the, ah, private stuff until the State settles a little bit better and then you always could do something back with the State."

ii. Defendant SHERRER further mentioned Organization 2 as a potential

employment opportunity for Individual 1.

e. On or about July 19, 2010, defendant SHERRER spoke over the telephone to Individual 1. During the ensuing conversation, defendant SHERRER told Individual 1 that he would “reach out [to a director at Organization 2 (the “Representative”)] now” on Individual 1's behalf.

f. On or about July 19, 2010, Individual 1 received a telephone call from the Representative, who explained that defendant SHERRER had contacted Organization 2 on Individual 1's behalf. The Representative told Individual 1 to send in a resume to Organization 2.

g. On or about September 8, 2010, defendant SHERRER spoke over the telephone to Individual 1. Individual 1 told defendant SHERRER that Individual 1 had not gotten the job yet that had been the subject of the payment. Defendant SHERRER expressed surprise because he had arranged contact between Individual 1 and the Representative. Defendant SHERRER was reminded by Individual 1 that defendant SHERRER had already accepted \$5,000 from Individual 1. Individual 1 continued “We discussed me getting a position based on quid pro quo, right?” Defendant SHERRER responded, “Yes.”

4. From in or about April 2010 to on or about October 12, 2010, in Mercer County, in the District of New Jersey, and elsewhere, defendant

LYDELL B. SHERRER

knowingly and willfully did attempt to obstruct, delay and affect interstate commerce by extortion under color of official right – that is, by attempting to obtain \$10,000 from Individual 1 with Individual 1's consent in exchange for defendant SHERRER'S official action and assistance

in obtaining employment for Individual 1 with the NJDOC and with a private entity that contracted with the NJDOC.

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

COUNT 2

Attempt to Extort Under Color of Official Right

1. Paragraphs 1 and 2(a) to (e) of Count 1 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. Individual 2, who was a cooperating witness, was an employee of the NJDOC. On or about May 24, 2010, Individual 2 was reassigned by the NJDOC to a different position, which resulted in a reduction of salary. As a result of this change in position, Individual 2 began taking steps to bring an employment discrimination claim against the NJDOC.

3. It was part of the extortionate activity that, from in or about May 2010 to on or about October 12, 2010, during conversations recorded by federal law enforcement authorities and otherwise, defendant SHERRER agreed to exercise and attempt to exercise official action and assistance in favor of Individual 2 with a lawsuit against the NJDOC in exchange for payments for the benefit of defendant SHERRER as follows:

a. On or about May 27, 2010, defendant SHERRER contacted Individual 2 and told Individual 2 that defendant SHERRER could provide Individual 2 with information which would assist Individual 2 in contemplated legal action brought against the NJDOC in exchange for \$6,500.

b. On or about August 23, 2010, defendant SHERRER met with Individual 2 at a restaurant in East Windsor, New Jersey. During the ensuing meeting:

i. Defendant SHERRER provided Individual 2 with documents to assist Individual 2 with Individual 2's lawsuit against the NJDOC.

ii. Defendant SHERRER told Individual 2 that he would continue to search for additional documents that would assist Individual 2 with Individual 2's

lawsuit.

iii. Defendant SHERRER accepted \$700 in cash from Individual 2, an installment of the agreed upon \$6,500, in exchange for defendant SHERRER'S official action and assistance in favor of Individual 2 in connection with Individual 2's employment discrimination claim against the NJDOC.

c. On or about August 31, 2010, defendant SHERRER met with Individual 2 at a restaurant in East Windsor, New Jersey. During the ensuing meeting:

i. Defendant SHERRER provided Individual 2 with more documents to assist Individual 2 with his lawsuit against the NJDOC.

ii. Defendant SHERRER explained that he would be present when (a) Individual 2's lawsuit was discussed internally within NJDOC or (b) negotiated with Individual 2 regarding possible settlement. Defendant SHERRER told Individual 2: "Oh, I am going to be right there. I am going to be right there when they try to lowball you."

iii. Defendant SHERRER further told Individual 2 that defendant SHERRER would advise NJDOC to begin settlement negotiations with Individual 2 at \$750,000 stating, "This guy (Individual 2) asking for millions of dollars and we are going to offer half a million, I am going to tell you right now we should start at more like 750."

iv. Defendant SHERRER and Individual 2 again discussed the amount of money that defendant SHERRER was to receive in exchange for assisting Individual 2 with Individual 2's lawsuit:

Defendant SHERRER: I got homework to do. I'll admit to that and I'll work on that.
Individual 2: I just want to make sure that we're clear.
Defendant SHERRER: No we are.
Individual 2: And that, you know, its going to be sixty five hundred total?
Defendant SHERRER: Yep. We are.

v. Defendant SHERRER accepted \$1,300 in cash from Individual 2, an installment of the agreed upon \$6,500, in exchange for defendant SHERRER'S official action and assistance for Individual 2 in connection with his employment discrimination claim against the NJDOC.

d. On or about October 1, 2010, defendant SHERRER met with Individual 2 in the parking lot at a restaurant in East Windsor, New Jersey. During the ensuing meeting, defendant SHERRER provided Individual 2 with a document that appeared to be an internal NJDOC memorandum directed to the New Jersey Governor's office which purported to alert the Governor's office about various issues related to the NJDOC, including the demotion of Individual 2 and NJDOC's allegations against Individual 2. Defendant SHERRER further explained how the documents that he provided Individual 2 would assist Individual 2's case and how settlement negotiations would proceed. Defendant SHERRER reminded Individual 2 that "I am going to be at the table when it comes to making a settlement."

e. On or about October 12, 2010, defendant SHERRER met with Individual 2 at a hotel restaurant in Princeton, New Jersey. During the meeting, defendant SHERRER accepted a \$2,000 cash payment from Individual 2, an installment of the agreed upon \$6,500, in exchange for defendant SHERRER'S official action and assistance in connection with Individual 2's employment discrimination claim against the NJDOC.

Defendant SHERRER and Individual 2 again discussed the terms of their arrangement:

Defendant SHERRER: So what are we talking about today?
Individual 2: So two thousand.
Defendant SHERRER: Okay.
Individual 2: Okay, so that makes 4.
Defendant SHERRER: Yeah.
Individual 2: We said sixty five hundred.
Defendant SHERRER: Yep.
Individual 2: So I got another twenty five hundred.
Defendant SHERRER: Mmm hmm.
Individual 2: But you gotta help me settle it.
Defendant SHERRER:I'll be at the table. I'll do it subtle but aggressively.
Individual 2: Okay.

f. Defendant SHERRER further explained to Individual 2, in terms of the settlement negotiations, "just tell me what's the less you going to take, you know what I mean, and then that, ah, be assured I'll make that happen."

4. From in or about May 2010 to on or about October 12, 2010, in Mercer County, in the District of New Jersey, and elsewhere, defendant

LYDELL B. SHERRER

knowingly and willfully did attempt to obstruct, delay and affect interstate commerce by extortion under color of official right – that is, by attempting to obtain \$6,500 from Individual 2 with Individual 2's consent in exchange for defendant SHERRER'S official action and assistance favorable to Individual 2 in connection with an employment discrimination claim to be brought by Individual 2 against the NJDOC.

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

COUNT 3

Attempt to Extort Under Color of Official Right

1. Paragraphs 1 and 2(a) to (e) of Count 1 of this Indictment are hereby incorporated and realleged as if fully set forth herein.
2. Individual 3 was a former NJDOC employee, who retired in approximately March 2010. In February 2010, prior to retirement, defendant SHERRER and other NJDOC officials were informed through an email by Individual 3 that Individual 3 was retiring. Defendant SHERRER further was informed by Individual 3 that Individual 3 wanted to be considered for another position with the NJDOC after Individual 3's retirement.
3. It was part of the extortionate activity that, on or about February 18, 2010, defendant SHERRER sent Individual 3 an email, wherein defendant SHERRER instructed Individual 3 to call defendant SHERRER on defendant SHERRER'S official NJDOC cellular telephone.
4. It was further part of the extortionate activity that, on or about February 22, 2010, during a telephone conversation, defendant SHERRER told Individual 3 that defendant SHERRER expected jobs to become available within the NJDOC and that SHERRER would give Individual 3 preferential treatment for a NJDOC job if Individual 3 agreed to make a \$10,000 "donation" to a particular university in New Jersey (the "University").
5. It was further part of the extortionate activity that, on or about February 22, 2010, defendant SHERRER met with Individual 3, at defendant SHERRER'S offices in Trenton, New Jersey. During this meeting, Individual 3, in exchange for defendant SHERRER'S official action and assistance, provided defendant SHERRER with Individual 3's credit card account number. Defendant SHERRER used Individual 3's credit card information to authorize an approximately \$7,000.70 payment to the University to pay the tuition of defendant SHERRER'S relative.

Defendant SHERRER also accepted a \$3,000 check payable to defendant SHERRER from Individual 3 in exchange for defendant SHERRER'S official action and assistance.

6. In or about February 2010, in Mercer County, in the District of New Jersey, and elsewhere, defendant

LYDELL B. SHERRER

knowingly and willfully did attempt to obstruct, delay and affect interstate commerce by extortion under color of official right – that is, by agreeing to obtain and obtaining approximately \$10,000 from Individual 3 with Individual 3's consent in exchange for defendant SHERRER'S official action and assistance to provide preferential treatment to Individual 3 in connection with obtaining future employment with the NJDOC.

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

COUNT 4

Attempt to Extort Under Color of Official Right

1. Paragraphs 1 and 2(a) to (e) of Count 1 of Indictment are hereby incorporated and realleged as if fully set forth herein.
2. Individual 4 was an employee of the NJDOC in the Division of Programs and Community Services.
3. It was part of the extortionate activity that, in or about May 2010, defendant SHERRER met with Individual 4 in defendant SHERRER'S office in Trenton and asked Individual 4 if Individual 4 was interested in a promotion. Defendant SHERRER then wrote "10,000" on a post-it note and told Individual 4 that this was how things are done, meaning that defendant SHERRER would accept \$10,000 from Individual 4 in exchange for defendant SHERRER'S official action and assistance in securing the promotion.
4. In or about May 2010, in Mercer County, in the District of New Jersey, and elsewhere, defendant

LYDELL B. SHERRER

knowingly and willfully did attempt to obstruct, delay and affect interstate commerce by extortion under color of official right – that is, by attempting to obtain \$10,000 from Individual 4 with Individual 4's consent in exchange for defendant SHERRER'S official action and assistance in securing a promotion at the NJDOC for Individual 4.

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

COUNTS 5 AND 6

Attempt to Extort Under Color of Official Right

1. Paragraphs 1 and 2(a) to (e) of Count 1 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. Individual 5 was an employee of the NJDOC. Between in or about February and in or about March 2010, Individual 5 was assigned as a Captain at a NJDOC facility.

3. It was part of the extortionate activity that, between in or about February 2010 and in or about March 2010, defendant SHERRER contacted Individual 5 by telephone and explained to Individual 5 that, due to upcoming layoffs at the NJDOC, certain administrative positions were going to be available at the NJDOC facility where Individual 5 worked. Defendant SHERRER offered Individual 5 defendant SHERRER'S official action and assistance in securing an administrative position with the NJDOC in exchange for \$10,000.

4. It was further part of the extortionate activity that, between in or about February 2010 and March 2010, defendant SHERRER met with Individual 5 in defendant SHERRER'S office in Trenton and offered Individual 5 defendant SHERRER'S official action and assistance in transferring Individual 5 out of the NJDOC facility where Individual 5 worked to another NJDOC facility in exchange for \$5,000.

5. In or about the dates set forth below, in the District of New Jersey, and elsewhere, defendant

LYDELL B. SHERRER

knowingly and willfully did attempt to obstruct, delay and affect interstate commerce by extortion under color of official right – that is, by corruptly attempting to obtain money from

Individual 5 with Individual 5's consent in the following amounts and for the following purposes:

Count	Dates	Approximate Amount	Defendant SHERRER'S Official Action and Assistance
5	Between in or about February 2010 and in or about March 2010	\$10,000	to obtain an administrative position for Individual 5 at the NJDOC
6	Between in or about February 2010 and in or about March 2010	\$5,000	to secure a transfer for Individual 5 to another NJDOC facility

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

COUNTS 7 TO 12

Bribery

1. Paragraphs 1 and 2(a) to (e) of Count 1 of this Indictment are hereby incorporated and realleged as if fully set forth herein,

2. The NJDOC received benefits in excess of \$10,000 under a Federal Program involving a grant, contract, subsidy, loan, guarantee, insurance or other form of federal assistance during the relevant one-year time periods.

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

LYDELL B. SHERRER

did knowingly and corruptly solicit and demand for the benefit of himself and others, and accept and agree to accept, things of value from others as set forth below, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions of the NJDOC involving a thing of value of \$5,000 and more.

COUNT	DATE	PAYOR/PARTY SOLICITED	APPROXIMATE AMOUNT
7	From in or about April 2010 to on or about October 12, 2010	Individual 1	\$10,000
8	From in or about May 2010 to on or about October 12, 2010	Individual 2	\$6,500
9	In or about February 2010	Individual 3	\$10,000
10	In or about May 2010	Individual 4	\$10,000
11	Between in or about February 2010 and March 2010	Individual 5	\$10,000
12	Between in or about February 2010 and March 2010	Individual 5	\$5,000

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

FORFEITURE ALLEGATION

As a result of committing the aforementioned offenses in violation of Title 18, United States Code, Sections 1951(a) and 666(a)(1)(B), as alleged in Counts 1 to 3 and 7 to 9 of this Indictment, defendant SHERRER 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 above offenses, including but not limited to, approximately \$19,000.70 in United States currency, in that such sum constituted or was derived, directly or indirectly, from proceeds traceable to the commission of violations of Title 18, United States Code, Sections 1951(a) and 666(a)(1)(B).

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

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

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


PAUL J. FISHMAN
United States Attorney

FOREPERSON

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

LYDELL B. SHERRER

INDICTMENT FOR

18 U.S.C. §§ 666(a)(1)(B), 981(a)(1)(C) and
1951(a); 28 U.S.C. § 2461

A True Bill,

Foreperson

PAUL J. FISHMAN

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